

India Builds International Financial Center for Foreign Investments

Posted May 15, 2018

Category : Business

Unlocking Word Meanings

Read the following words/expressions found in today’s article.

- 1. **entice** / ɛnˈtaɪs / (v) – to attract or persuade someone
Example: The company hopes to **entice** more customers with its new advertisement.
- 2. **incentive** / ɪnˈsen tɪv / (n) – anything that is given to motivate someone to do something
Example: Employees get motivated when they receive **incentives** from their companies.
- 3. **inaugurate** / ɪnˈɔ ɡyəˌreɪt / (v) – to formally announce that something is ready to be used
Example: The CEO will **inaugurate** the new office building next week.
- 4. **subsidiary** / səbˈsɪd i ɛr i / (n) – a company that is controlled by another company
Example: Some employees from our **subsidiary** in Canada will visit the headquarters this week.
- 5. **hub** / hʌb / (n) – the most active part of an area
Example: The city became a **hub** for businesses and tourists.

Article

Read the text below.

India hopes to encourage foreigners to invest in the country by developing an international financial center.

Called Gujarat /gʊdʒ əˈrɑt / International Finance-Tec City (GIFT City), the 886-acre financial center is located in Gujarat in Western India. With this city, the government intends to make it easier for foreigners to invest in the country, which has seen a 7.2% economic growth in the last quarter of 2017. To **entice** more investors, the government offers tax breaks and low property prices in the city. These **incentives** can reduce business operation costs by 80%.

The government has also established two stock exchanges in GIFT City. One of the stock exchanges is the India International Exchange (India INX), which was **inaugurated** on January 9, 2017, by the Indian prime minister. It started its trading activities on January 16 of the same year. The other stock exchange in the city is NSE IFSC, which is a **subsidiary** of the National Stock Exchange of India.

Aside from the stock exchanges, GIFT City also currently has three office buildings, a data center, and a school. Residential areas are also already on sale. In addition, a World Trade Center complex is underway and is expected to be finished in two years.

Another project that hoped to attract foreign investments in India is the *Make in India* initiative, which was launched in September 2014. This initiative aimed to make India a global manufacturing **hub** in order to address the economic crisis at that time. In February 2018, the secretary of India’s Department of Industrial Policy and Promotion reported the initiative’s success after it received billions of dollars of investment commitments.

Viewpoint Discussion

Enjoy a discussion with your tutor.

Discussion A

- Given the chance, would you consider starting a business or investing in GIFT City? Explain your answer.

- How does your country attract foreign investors?

Discussion B

- Should authorities allocate a huge budget on developing international business centers? Why?

- Where in your country is it ideal to establish a new business center? Why?