

## **Daily Economic News Summary: 04 December 2017**

### **1. Government to prepare detailed research report to promote exports**

**Source: The Economic Times ([Link](#))**

The commerce ministry would prepare a detailed report based on market research to promote exports to ten geographies including East Africa and Latin America, a senior official said. The issue was discussed during a meeting between Commerce and Industry Minister Suresh Prabhu and senior Exim Bank officials. "What we are doing is prepare a complete detail market research. Exim Bank itself will not do," the ministry official said. The Export-Import Bank of India (Exim Bank) would do the macro analysis and specifics will be done by some expert consultants. Recently, Prabhu made a case for treating support measures to promote exports as investment and not subsidies, arguing that outbound shipments contribute in a big way to boosting growth.

### **2 India opposes e-commerce talks at WTO; submits document**

**Source: The Economic Times ([Link](#))**

India has for the first time submitted a formal document opposing any negotiations on e-commerce at the World Trade Organisation (WTO). The country has said that it would "continue the work under the Work Programme on electronic commerce... based on the existing mandate and guidelines", referring to the programme on e-commerce adopted by the WTO countries in 1998. "We didn't have an official stand in writing. Now, India has clearly stated its consistent stand that it is not in favour of doing anything beyond the work programme," said an official privy to the development.

### **3. First post-GST budget likely on February 1**

**Source: The Economic Times ([Link](#))**

Finance Minister Arun Jaitley is likely to present India's first post-GST and the current government's last full Budget on February 1 next year. The Budget session of Parliament may begin on January 30 with President Ram Nath Kovind addressing the Joint Session of both the Houses of Parliament, a senior government official said. The Economic Survey, detailing the state of the economy, is likely to be tabled on January 31 and the Union Budget may be presented the following day, he said. Scrapping the colonial-era tradition of presenting the Budget at the end of February, Jaitley had for the first time presented the annual accounts on February 1 this year. The Budget presentation was advanced by a month to ensure that proposals take effect from April 1, the beginning of the new financial year.

### **4. Economy may grow by over 6.5% in FY'18, says Panagariya**

**Source: The Economic Times ([Link](#))**

Noted economist and former vice chairman of Niti Aayog Arvind Panagariya expects the economy to grow by over 6.5 per cent in the current financial year. He said the macro-economic indicators have remained stable for the past 3 years with current account deficit hovering around 1 per cent and inflation moderating. "Expectations of implementation of the GST beginning July 1, 2017 led to some disruptions in supply during the April- June quarter with the quarterly growth rate declining to 5.7 per cent. "But we should see recovery coming our way with the growth rate during 2017-18 reaching 6.5 per cent or higher," he told in an interview.

## **5. Nov manufacturing shrugs off note ban & GST worries, sees fastest pace of growth in 13 months**

**Source: The Economic Times ([Link](#))**

Manufacturing activity expanded at its fastest pace in 13 months in November, a private survey showed, indicating that the economy is strengthening in the third quarter after GDP data released on Thursday showed a rebound in the second quarter. The Nikkei India Manufacturing Purchasing Managers' Index (PMI) rose to 52.6 in November from 50.3 in October, backed by strong growth in new orders and higher production. Adding to the buoyant sentiment was India's top automakers reporting a doubledigit sales growth in November, supporting the argument that the previous month's dip was a one-off instance and that the industry was on course to posting strong numbers this fiscal year. Greater production led to the fastest rate of employment creation since September 2012, the PMI survey showed, but there was acceleration in inflationary pressure that could make a rate cut difficult in the next monetary policy review on December 6.

## **6. IMF to update India growth rate forecast in January**

**Source: The Economic Times ([Link](#))**

The International Monetary Fund (IMF) on 01.12.2017 said it will update its growth rate forecast for India in January next year. Recently, the US-based Moody's upgraded India's sovereign rating after a gap of 13 years to Baa2, with 'stable' outlook, from Baa3 earlier, citing improved growth prospects driven by economic and institutional reforms. This was followed by S&P Global Rating, which kept India's sovereign rating unchanged at BBB- with stable outlook saying vulnerabilities stemming from low per capita income and high government debt balances strong GDP growth. "We will be updating the forecast for India, including the growth rate, and that will be coming

January with the update of our World Economic Outlook," IMF spokesman Gerry Rice told reporters at a news conference held at its headquarters here.

### **7. Growth in Q2 could be higher as GST revenues still pouring in: TCA Anant**

**The Economic Times ([Link](#))**

Chief statistician TCA Anant on Thursday said India's economic growth in the July-September quarter could be higher than 6.3% as indirect taxes are still being collected on account of the goods and services tax (GST) which was rolled out on July 1. "It is likely that when revised estimates are prepared, indirect tax collections for this period may actually be higher than what we have reported," Anant said at a press conference while admitting that the GST introduced a "certain level of statistical challenge" in compiling the growth numbers. India's growth as measured by the gross domestic product (GDP) was 6.3% in the second quarter, up from 5.7% in the previous quarter which according to Anant "shows a significant trend reversal in growth rates, indicating it is returning to more normal levels".

### **8. Iran's Chabahar port opens, allows India to bypass Pakistan on trade route to Afghanistan**

**Source: The Indian Express ([Link](#))**

In a major step forward, the first phase of Iran's Chabahar port, which holds significant strategic and economic importance for India, was launched on Sunday. The port allows India to bypass Pakistan and reach land-locked Afghanistan and Central Asian countries. New Delhi views the Chabahar port project as a strategic response to China's development of the Gwadar port in Pakistan, and its aggressive pursuit of the Belt and Road Initiative. It is also key to accessing the Central Asian markets for Indian goods. Iran's President Hassan Rouhani inaugurated the Shahid

Beheshti Port's first phase in a ceremony that was attended by ministers, envoys and officials from 17 countries, including Minister of State for Shipping Pon Radhakrishnan. President Rouhani said during the ceremony that the inauguration marked a "historic" day for Iran, particularly for the people of Chabahar.

### **9. Yogi Adityanath govt aims to attract Rs 5 lakh crore investment**

**Source: The Indian Express ([Link](#))**

With an aim to attract over Rs 5 lakh crore investment and create 20 lakh jobs in Uttar Pradesh by 2022, Yogi Adityanath government will promote "brand UP" in a big way by holding roadshows in other states and investors summit in the state capital. "There is a possibility of investment of over Rs 5 lakh crore and creation of 20 lakh jobs in the state by 2022. We are going to hold roadshows in many states and holding two-days investors summit in the state on February 21-22," Infrastructure and Industrial Development Commissioner Anoop Chandra Pandey said. The roadshows will start from New Delhi on December 8. It will also be held in Bangalore, Hyderabad, Ahmedabad, Mumbai and Kolkata to showcase UP's potential and to attract investors.