

## Daily Economic News Summary: 12 April 2017

### **1. Malcolm Turnbull's India visit boosts Adani's Australia coal mine project**

Source: Live Mint ([Link](#))

The Adani group's plan to build one of the world's largest coal mines in Queensland moved closer to realization after Australian Prime Minister Malcolm Turnbull met founder-chairman Gautam Adani during his three-day visit to India. Turnbull assured the Indian billionaire that his government would resolve an issue with native title laws, helping take the \$16.5 billion project closer to fruition, Australian media reported on Tuesday. The native title issue surrounding the Carmichael Mine project refers to an Australian Federal Court ruling that invalidated deals with traditional land owners in that country. Legislation to fix this issue is before the Senate and Turnbull is understood to have assured the company it will be resolved, *Sky News* reported on Tuesday. Turnbull is said to have told Adani that he expected the changes overruling the court's decision to be passed by the country's Parliament when it reconvenes in May. He also told Adani that the ruling had caused problems with many land deals across Australia, the report added.

### **2. Dry run for Russia-Iran-India transport project likely tomorrow**

Source: Live Mint ([Link](#))

India is pulling out all stops to operationalize the International North-South Transport Corridor (INSTC), with a dry run planned for Thursday. The second such dry run is aimed at ironing out the creases in the ambitious multi-modal transportation project involving Iran, Russia and India and comes in the backdrop of China's 'One Belt One Road' initiative. While the Chinese strategy is aimed at connecting some 60 countries across Asia, Africa and Europe to boost trade and economic ties along its traditional maritime route, INSTC will connect the India Ocean and Persian Gulf with the Caspian Sea through Iran and then onwards to St. Petersburg in Russia and northern Europe. The plan is to move goods from Jawaharlal Nehru and Kandla ports on India's west coast to Bandar Abbas (Iran) by sea. From Bandar Abbas the goods will be transported to Bandar-e-Anzali (Iranian port on Caspian Sea) by road and from there to Astrakhan (a Caspian port in Russia) by sea. The goods would then be transported into Russian Federation and Europe by Russian railways.

### **3. UK-India FTA may pump up trade by 26% a year: report**

**Source: The Hindu: Business Line ([Link](#))**

A UK India Free Trade Agreement could increase bilateral trade by 26 per cent a year, according to recent analysis published by the Commonwealth Secretariat. Driven by a growth of UK exports to India, which could rise by an estimated 33 per cent per annum, a free trade agreement (FTA) could give a fundamental boost to bilateral relations, Rashmi Banga, advisor and head of the trade competitiveness section of the Secretariat, argues in a report presented to the government last year, but published last month. “India has always had much less trade and investment with the UK than with the European Union...Nevertheless, trade and investments between India and the UK has been rising steadily since 2005,” says the report, which notes that India’s trade with the UK has risen from \$5.3 billion in 2000 to \$14.2 billion in 2015.

### **4. India to initiate free trade talks with Georgia**

**Source: Business Standard ([Link](#))**

India and Georgia on Tuesday decided to initiate talks on a free-trade agreement (FTA). Commerce and industry minister Nirmala Sitharaman signed a joint statement to start a feasibility study on a potential FTA. Upon the completion of a joint feasibility study, the two nations may proceed to negotiate on the FTA. This comes a day after visiting Australian Prime Minister Malcolm Turnbull pitched for early round of talks on the proposed comprehensive economic cooperation agreement (CECA). At the crossroads of Western Asia and Eastern Europe, Georgia is part of the southern Caucasus region. With the nation bordering Azerbaijan and Russia, the countries through which the ambitious International North South Transport Corridor (INSTC) runs, movement of shipments may become smoother, a Delhi-based trade expert said. Already operational, the corridor includes railways, road, and ship linkages connecting Iran’s southern port Bandar Abbas to the Russian port city of Astrakhan over a 3,200-km distance. While India has a positive trade balance with Georgia, trade remains low. During the April-February period of 2016-17, exports to Georgia stood at \$83 million while imports from the nation were \$28 million.

**5. Govt to launch Rs 6000-cr ‘SAMPADA’ scheme for food processing**

**Source: The Hindu: Business Line ([Link](#))**

The government will soon launch an umbrella programme ‘SAMPADA’ for food processing sector with Rs. 6,000 crore outlay to integrate current and new schemes aimed at reducing food wastage and doubling farmers’ income. Announcing this, Food Processing Minister Harsimrat Kaur Badal said her ministry would soon approach the Cabinet for the approval of ‘Scheme for Agro-Marine Produce Processing and Development of Agro-Processing Clusters (SAMPADA).’ “We will shortly launch an umbrella scheme SAMPADA for overall development of the food processing sector. It will include ongoing schemes like mega food parks and cold chain projects as well as three new schemes that we will launch,” Badal told reporters here. To create infrastructure for improving the entire food supply chain, three schemes— ‘Creation/ Expansion of Food Processing and Preservation Capacities’, ‘New Agro-Processing Clusters’ and ‘Backward and Forward Linkages’ are on anvil. Badal said the government is taking steps to boost food processing sector as part of its objective to bring down post-harvest losses preferably to zero level, provide quality food to consumers at cheaper price and for doubling of farmers’ income. The Centre has so far sanctioned 42 mega food parks and 234 cold chain projects with 139 lakh tonnes of preserving and processing capacity of agro-produce worth Rs. 35,000 crore.

**6. Government reaches to nodal department to improve ranking in World Bank’s ease of doing business**

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

In a bid to ensure its reforms are counted by the World Bank in its ease of doing business survey, the government is reaching out to respondents and nodal departments to ensure they are aware of the reforms undertaken. The World Bank has started the process of gathering the user feedback across 189 countries for the next edition of ease of doing business report. Up by just one position, India was ranked 130 out of 189 countries on the global doing business report last year, causing disappointment in the government that had expected a better ranking. India aims to jump 80 spots to be in the top 50 spots in this year’s list. The World Bank interacts with the users before acknowledging the reforms. Lack of positive feedback on the ground was one of reasons cited for India’s poor show in the global ranking even though the government took many measures to improve the business environment.

**7. Jharkhand ready to take in development horizon: World Bank**

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

Country Director of World Bank, Junaid Kamal Ahmad today said Jharkhand is ready to take off in developmental horizon. Ahmad said Jharkhand is ready to take off in developmental horizon and the World Bank is ready to be long term partner and extend technical help to the state. Ahmad along with his nine-member delegation met senior officers of Jharkhand and discussed economic and developmental work with Chief Secretary Rajbala Verma, according to an official release. Laying stress on service delivery based on public partnership, he said that it is the demand of the hour to consider the World Bank in developing basic infrastructure, capital expenditure and building technical capacity. Ahmad said the World Bank is the largest source of developmental assistance and is ready to become a long term partner.

**8. GST should be rolled out in October not in July: P Chidambaram**

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

Former finance minister P Chidambaram has said that a more realistic deadline for rolling out the goods and services tax was October 1, instead of the scheduled date of July 1. While maintaining GST would be good for the country in the long-term, the senior Congress leader cautioned the government saying that implementation of the mega tax reform could be inflationary in the short-term. "July 1 may not be a practical deadline for GST rollout. Instead, October 1 may be a more realistic deadline," Chidambaram said at a news conference when asked about his view on the deadline set by the Centre. He cited the preparation time needed for small and medium-scale enterprises to get on to the new tax reform structure and the time needed for activating the GSTN platform as the main reasons why he thought October was a more realistic deadline. GST would improve tax collection and plug tax evasion loopholes but may lead to higher inflation in the immediate future, he said. He said that Parliament could have passed better GST bills had the government accepted some Opposition amendments.

