

Daily Economic News Summary: 17 January 2017

1. Note ban to cost India fastest growing crown

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

IMF cuts India's FY17 growth projection to 6.6%; China growth forecast at 6.7%. The Centre's decision to demonetise high-value currency notes could have stolen India's crown as the world's fastest growing large economy, according to the International Monetary Fund, though the slowing is likely to be temporary. IMF has cut India's economic growth rate forecast by one percentage point to 6.6 per cent for 2016-17 — from its earlier estimate of 7.6 per cent — because of the effect of demonetisation on consumption and payments. If the projection holds true, the fastest growing large economy in the world would be China, forecast to grow 6.7 per cent in 2016. Last week, the World Bank lowered its India growth projection by 0.6 percentage points to seven per cent for the year. But, this was only a shade lower than the Advanced Estimates of 7.1 per cent. IMF estimates are more in line with those of other agencies. IMF also lowered India's gross domestic product (GDP) forecast for 2017-18 by 0.4 percentage points to 7.2 per cent from its earlier estimate. The World Bank has projected the growth rate to be 7.6 per cent — a percentage point lower than its previous assessment.

2. India inks financing pact with World Bank for \$48 million

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

Multilateral lending agency World Bank and India on Monday signed a financing agreement for IDA credit of \$48 million (equivalent) for the 'Nagaland Health Project'. "The objectives of the project are to improve health services and increase their utilisation by communities in targeted locations in Nagaland," the Finance Ministry said in a statement. Communities in targeted locations will benefit from project activities at the community and health facility levels while the population of the state as a whole will benefit from improvements in higher-level facilities as well as system-wide investments, it added. According to the statement, the project will directly benefit about 600,000 people.

3. WTO chief to meet policy makers on key issues

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

World Trade Organisation Director-General Roberto Azevedo will meet top industrialists in India in an event organised by International Chamber of Commerce (ICC) headed by telecom giant Sunil Mittal next month and is likely to push for disciplines in e-commerce in addition to less controversial issues such as fisheries subsidies. “The WTO DG had made a strong case for beginning discussions on e-commerce at the ICC meeting in San Francisco in August 2016. “While India could agree to go along with a pact on fisheries subsidies as long as its sensitivities are protected, the issue of e-commerce is tricky and the country is not prepared to venture into the area yet,” a Commerce Ministry official told *BusinessLine*. *Consensus push:* Azevedo, who has been trying to gain consensus for starting discussions on e-commerce at the forthcoming trade ministers’ meet in Buenos Aires in December, will also meet Commerce & Industry Minister Nirmala Sitharaman. “The WTO DG is likely to reach out to players in the telecom industry, e-commerce companies and various internet service providers including e-wallets to push the idea of greater cooperation between countries in the digital space,” the official added. The WTO DG’s office confirmed that Azevedo would attend an event organised by the ICC on February 8 and meet Sitharaman on February 9.

4. Danone to double India business by 2020, lines up 10 new products

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

French nutrition and dairy major Danone plans to double its business in India by 2020 for which it will bring in more global brands here and has lined up ten new launches for this year. The company, which today launched its global flagship infant nutrition brand 'Aptamil' In India, is also looking to leverage on its Indian manufacturing operations to export to neighbouring countries such as Nepal, Bangladesh and Sri Lanka. The company is currently present in nutrition and dairy segments in India. It started the nutrition business in 2012 with the acquisition of nutrition portfolio from Wockhardt Group. "At present, our nutrition business is about 80 per cent of our overall business in India and the rest from the dairy segment. Going forward this proportion will continue. We plan to double our nutrition business between now and 2020 and so should our dairy business," Danone India Managing Director Rodrigo Lima told PTI.

5. Lingerie brands Blush, Elegant Moments make India foray

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

Canada-based lingerie brand Blush and American brand Elegant Moments have made an entry into the Indian market through The Lingerie Store (TLS), a lingerie aggregator. The online lingerie boutique offers exquisitely designed and wide range of lingerie. The announcement of the brands making their India debut via the online portal was made on Monday. "Our portal will empower women to effortlessly buy lingerie from various leading brands, anytime and anywhere," said Rosmin Kunnathottahil, Co-Founder at TLS, in a statement.

6. After Madame Tussauds, Merlin set to bring Legoland, Sea Life to India

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

Merlin Entertainments Plc, which is opening its popular wax museum Madame Tussauds in India later this year, is in talks with realty and mall developers to bring some of its other brands like Legoland Discovery Centre and Sea Life, said two people aware of the development. The firm has met with leading developers like Unitech Group—developers of Entertainment City, Noida— and also mall owners like Runwal Group in Mumbai which operates R City and R Mall, according to one of the two people. "Merlin Entertainments is always looking forward to expanding its business across the globe and India being the potential hub gives us unmatched opportunities and promising returns for future ventures," Anshul Jain, general manager and director, Merlin Entertainments India Pvt. Ltd, said without sharing specific plans as the company wants to decide its future steps on the basis of the response and feedback it receives for Madame Taussads in India.

By Rajnee Narula

