

Daily Economic News Summary: 18 December 2017

1. PM Modi approves new central scheme to plug infras gaps for the Northeast

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

Prime minister, Narendra Modi on Saturday said Centre has approved a new Central Sector Scheme, North East Special Infrastructure Development Scheme which will fill the gaps in creation of infrastructure in two sectors. Modi who was in Mizoram said, "One sector is physical infrastructure relating to water supply, power, connectivity and especially projects promoting tourism. The other is social sector projects of education and health. The new scheme has been designed after due consultations with State Governments. However, to ensure continuity, all ongoing projects under NLCPR (Non Lapsable Central Pool of Resources) will be provided funds for completion by March 2022. The prime minister added that the new Scheme will be 100 percent centrally funded as against the NLCPR, where 10 percent contribution had to come from the State Governments. The Central Government will be providing Rs 5300 crore to North Eastern States under the Scheme over the next three years.

2. 350 infrastructure projects see cost overrun of Rs 1.95 lakh crore

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

As many as 350 infrastructure projects, each worth Rs 150 crore or above, may see a cost overrun of Rs 1.95 lakh crore because of various reasons including delays, according to a government report. Ministry of Statistics and Programme Implementation monitors infrastructure projects worth Rs 150 crore and above. "Total original cost of implementation of the 1,263 projects was Rs 15,53,683.89 crore and their anticipated completion cost is likely to be Rs 17,49,427.56 crore, which reflects overall cost overruns of Rs 1,95,743.67 crore (12.60 per cent of original cost)," the

ministry's flash report for September this year has stated. According to the report, the expenditure incurred on these projects till September 2017 is Rs 6,79,801.38 crore, which is 38.86 per cent of the anticipated cost of the projects. The 1,263 projects in question include 350 that reported cost overrun and 297 that showed time escalation.

3. Big data and bullet train drive India-Japan strategic ties ahead

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

Many of the cargo containers passing through India's busiest port in Mumbai have a small piece of Japan Inc. attached: Devices from NEC Corp. that can be tracked as the containers rumble through the interior of Asia's third-largest economy. The partnership between NEC and the port illustrates the strengthening relationship between Tokyo and New Delhi. Japan is seeking growth markets, while India craves advanced technology and foreign investment. The leaders of both countries, Shinzo Abe and Narendra Modi, are also working to counter the growing regional influence of China -- an important economic partner to both but also historically a rival. "We have the two largest democratic economies in this region, we respect international rules, openness and transparency -- these are basic principles that we share," said Kenko Sone, a former head of global communications for Abe who now serves as minister of economic affairs at Japan's embassy in Delhi.

4. Microsoft AI helping Indian farmers increase crop yields

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

New technologies such as Artificial Intelligence (AI), Cloud Machine Learning, Satellite Imagery and advanced analytics are empowering small-holder farmers in India to increase their income through higher crop yield and greater price control, Microsoft India said. In a few dozen villages in Telengana, Maharashtra and Madhya Pradesh, farmers are receiving automated voice calls that

tell them whether their cotton crops are at risk of a pest attack, based on weather conditions and crop stage. In Karnataka, the government can get price forecasts for essential commodities such as tur (split red gram) three months in advance for planning the Minimum Support Price (MSP). "Sowing date as such is very critical to ensure that farmers harvest a good crop. And if it fails, it results in loss as a lot of costs are incurred for seeds, as well as the fertilizer applications," Suhas P. Wani, Director, Asia Region, of the International Crop Research Institute for the Semi-Arid Tropics (ICRISAT), said in a Microsoft blog post.

5. For first time, India not being blamed for collapse of WTO talks: Suresh Prabhu

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

Commerce and Industry Minister Suresh Prabhu said this was probably the first time in recent history that India was not being blamed for the collapse of talks at the ministerial meeting of the World Trade Organization (WTO). "We came here with an open mind" but things did not move because of the adamant attitude of some members, Prabhu told reporters here. The talks at the 11th ministerial conference of the WTO collapsed with the US going back on the commitment made by it along with other member countries to find a permanent solution to the public food stockpile issue. Following the breakdown of talks, there was no ministerial declaration at the end of the conference, though chair and Argentinean Minister Susana Malcorra made a statement highlighting the developments. "This is (for the) first time that India is not being blamed...we are definitely not going back as villains," Prabhu said, adding the country has not lost anything but gained a lot, especially in terms of the goodwill of the developing nations.

6. India to host meeting of some WTO members in February

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

Commerce and India Minister Suresh Prabhu has said India will call a meeting of some WTO members in February to muster support for food security and other issues. "We are planning a

meeting of WTO members in February," the minister said, adding it would be like a mini-ministerial meeting. Although the contours of the meeting would be worked out later, he said the aim was to bring like-minded nations together and explain to them the country's position as well as concerns over issues of common interest. This comes against the backdrop of developed nations forming groupings to prepare the ground for pushing investment facilitation, preparing rules for e-commerce, promoting gender equality and reducing subsidy on fisheries with a view to curbing illegal, unreported and unregulated fishing.

7. WTO: After gains at Buenos Aires, India plans mini ministerial

The Economic Times ([Link](#))

India plans to host representatives of around 40 countries early next year to set the ball rolling for the next ministerial meeting of the World Trade Organization (WTO) in 2019 after the country emerged victorious from the recently-concluded 11th ministerial conference in Buenos Aires, commerce minister Suresh Prabhu said. The mini ministerial meeting, whose contours are yet to be decided, is likely to be held in February or March, will have key countries from each continent. "It will be like mini ministerial but more representative to ensure that WTO process goes forward and we refocus it," Prabhu said. Sources said India will begin rethinking its plans for the next ministerial and officials have been made aware of their likely responsibilities.

8. Indian exports to China goes up by over 53 per cent in October

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

India's exports to China registered a sharp increase of over 53 per cent year-on-year to reach USD 1.24 billion in October, but the trade deficit continued to mount, according to data released by the customs. The trade deficit for October stood at USD 3.86 billion. Despite the strains in the bilateral ties, India-China trade increased by 13.56 per cent year-on-year to reach USD 6.33 billion in October. Significantly, India's exports to China increased by 53.04 percent year-on-year to reach

USD 1.24 billion though the trade deficit continued to grow. The Indian exports to China around the same time last year was USD 0.81 billion, data showed. China's exports to India also continued to grow registering an year-on-year growth of 6.87 per cent to reach USD 5.09 billion. The Indian exports were boosted by natural pearls, precious stones and precious metals, organic chemicals, copper and articles, cotton, including yarn and woven fabric, ores, slag and ash.

9. Dairy sector to grow at 15% CAGR till 2020 to Rs 9.4 trillion: Report

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

India's dairy industry is expected to maintain 15 per cent compounded annual growth (CAGR) over 2016-20, and attain value of Rs 9.4 trillion on rising consumerism, a report said. "India's dairy industry is worth Rs 5.4 trillion by value, having grown at 15 per cent CAGR during 2010-16. Going ahead, the dairy industry is expected to maintain 15 per cent CAGR over 2016-20, and attain value of Rs 9.4 trillion on rising consumerism," Edelweiss Securities said in a report. India has progressed from being deficient in milk production at 20 million MT in 1970 to becoming the world's largest milk producer at 160 million MT, accounting for 18.5 per cent of global milk production. Further, India is expected to emerge as the largest dairy producer by 2020, the report said. The Union government implemented the Central Scheme National Dairy Plan - Phase 1 during 2012-17 to improve productivity of dairy cooperatives through several input activities. Investments by private players in the domestic dairy sector is also expected to further augment milk productivity, it explained.