

Daily Economic News Summary: 27 December 2017

1. India's first pod taxi on the way, to follow U.S. safety norms

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

The much-awaited India's first pod taxi project has moved a step closer to reality after a high-level panel recommended inviting fresh bids for the same conforming to the strictest safety standards on the lines of those prescribed by an American body. The projected Rs. 4,000-crore pod taxi scheme — also known as Personal Rapid Transit (PRT) — is a dream project of Road Transport and Highways Minister Nitin Gadkari, and the NHAI has been mandated to execute it on Delhi-Gurgaon pilot corridor (12.3 km) from Delhi-Haryana border to Rajiv Chowk in Gurgaon on a PPP (public-private partnership) basis. “The committee recommends issuance of a fresh EOI (expression of interest) incorporating (automated people movers) APM standards and specifications, along with other general safety parameters with Niti Aayog recommendations,” the five-member committee set up for technical and safety standards of PRT, headed by transport expert S K Dhramadhikari, said.

2. India's GDP to grow at 7.5 per cent in 2018: Nomura

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

Indian economy is expected to witness sharp recovery in the January-March quarter and its GDP growth likely to be around 7.5 per cent for 2018, says a Nomura report. According to Japanese financial services major Nomura's Composite Leading Index (CLI), some growth consolidation is likely in the Q4 (October-December), followed by a sharp recovery in Q1 (January-March) 2018 due to ongoing remonetisation and improving global demand. "We remain bullish on the growth outlook. We expect GDP growth to rise to 6.7 per cent year-on-year in Q4 (October- December)

from 6.3 per cent in Q3 (July-September), followed by a stronger rebound to 7.5 per cent in 2018," Nomura said in a research note. The report further noted that a tightening of monetary policy is likely owing to inflationary pressures and higher oil prices.

3. 2018 is when India will trump Britain and France to become world's fifth largest economy

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

India looks set to leapfrog Britain and France next year to become the world's fifth-largest economy in dollar terms, a report showed on 26.12.2017. The Centre for Economics and Business Research (Cebr) consultancy's 2018 World Economic League Table painted an upbeat view of the global economy, boosted by cheap energy and technology prices. India's ascent is part of a trend that will see Asian economies increasingly dominate the top 10 largest economies over the next 15 years. "Despite temporary setbacks ... India's economy has still caught up with that of France and the UK and in 2018 will have overtaken them both to become the world's fifth largest economy in dollar terms," said Douglas McWilliams, Cebr deputy chairman. McWilliams said India's growth had been slowed by restrictions on high-value banknotes and a new sales tax, a view shared by economists polled by Reuters.

4. India to link highway corridors to international trade points for Rs 25,000 crore

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

To facilitate trade with bordering countries like Nepal and Bangladesh, India will link its major highway corridors to international trade points at a cost of Rs 25,000 crore, Union Minister Nitin Gadkari said. About 2,000 kms of highways will be constructed under the plan. "About 2,000 kms of highways will be constructed to link major highways corridors to international trade points," the road transport and highways minister told PTI. He said this will be to facilitate trade with

Nepal, Bhutan, Bangladesh and Myanmar. The project is part of the Bharatmala Pariyojana, he added. The Cabinet on October 25 had approved a mega plan to build 83,677 kms of highways by March 2022 at a cost of about Rs 7 lakh crore, which includes the ambitious Bharatmala project at a cost of about Rs 5.35 lakh crore.

5. Pace of highway building increased by 23% this year

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

The pace of national highway construction during April-November this year increased by 23% over the same period last year. Officials said they were confident of crossing 9,000 km this fiscal to register the highest ever construction of highways, though it will be way less than the ambitious target set by the highways minister at 40 km per day. Last year, 8,231 km of highways were constructed, which is the highest in a single fiscal so far. According to data compiled by the road transport and highways ministry, construction and widening of 4,942 km was completed by November 30, which is about 20.5 km a day. During the same period in the last financial year, construction stood at 4,017 km and the average daily construction was 16.7 km. "December to March are the most favourable months for road construction across the country. Usually, construction achieved during these months is equivalent to the total building of roads in the first eight months of any financial year.

6. Centre releases Rs 167 crore to 9 states for border development

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

The Home Ministry has released Rs 167 crore to nine states with international border for the development of infrastructure in forward areas, an official said on 26.12.2017. The states which will benefit include Rajasthan and Punjab, both having international border with Pakistan, and

West Bengal and Assam, which share boundary with Bangladesh. Assam, Himachal Pradesh and West Bengal under the Border Area Development Programme (BADP), the official said. The fully centrally funded BADP programme covers all villages which are located within 0-10 km of the International Border in 17 states. However, priority is given to those villages which are identified by border guarding forces for speedy development of infrastructure.

7. SBI manufacturing index inches up to 53.1 in December

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

Manufacturing activity showed moderate growth with annual SBI Composite Index rising to 53.1 in December compared to 53 in the previous month. The SBI Composite Index has mainly two indices - SBI Monthly Composite Index and SBI Yearly Composite Index. The month-on-month index declined to 50.6, showing low growth in the month compared to 51.2 in November. This indicates a possible slowdown in IIP growth in the next couple of months. "We, however, believe even though the momentum may have slowed down the outlook for some of the sectors appears largely positive," SBI Research said on 26.12.2017. One such sector is the fertilizer sector. The financials of the 26 fertilizer companies reported an improvement in operations in terms of operational and post-tax growth in the first half of the fiscal.

8. India inks \$318 million World Bank loan for Tamil Nadu irrigation scheme

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

The governments of India and Tamil Nadu on Tuesday signed an agreement with the World Bank for the multilateral lender to provide a \$318 million loan for modernisation of irrigation projects in Tamil Nadu, improve market opportunities for small and marginal farmers and their adoption of climate resilient techniques. According to an official statement here, around 5 lakh farmers, of

which a majority are small and marginal, are expected to benefit from improved and modernized tank irrigation systems. "About 500,000 farmers, of which a majority are small and marginal, are expected to benefit from improved and modernised tank irrigation systems," a Finance Ministry statement said. Under the Tamil Nadu Irrigated Agriculture Modernisation project, about 4,800 irrigation tanks and 477 check dams across 66 sub-basins will be rehabilitated and modernised to deliver bulk water to irrigation systems in the state, it said.

9. SLCM ties up with HDFC, IndusInd bank for post harvest credit

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

Agri service solutions provider Sohan Lal Commodity Management (SLCM) having operations across India and Myanmar has tied up with HDFC Bank and IndusInd Bank to provide collateral management services. SLCM will leverage its proprietary (patent pending) technology 'Agri Reach' and support both these banks towards offering more efficient post-harvest credit and storage service to farmers, millers and other stakeholders in the agriculture sector. This tie-up will not only help improve the farmers' access to post-harvest credits at affordable interest rates, it will also provide easy access to scientific storage facilities leading to a fair price discovery of their produce in the market. SLCM's Agri Reach with its scientific technology and standard operating procedures has been able to demonstrate its capability to reduce post-harvest losses from the current 10 percent to a mere 0.5 percent irrespective of infrastructure, crop or geographical location. This has been duly validated in a study by the industry body FICCI as well.

10. Uttar Pradesh moves to get all milk plants running by 2018-end

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

The Uttar Pradesh government is pushing ahead with a plan to put all the milk plants of the state in the running mode by 2018-end. "While existing plants would be renovated, 11 new plants are also on the cards," said Laxmi Narain Chaudhary, Uttar Pradesh Minister for Dairying, Wakf,

Minorities welfare and Culture. By the end of 2018, Chaudhary added, all the dairy plants will become functional. An ultra modern dairy unit with a capacity of 3 lakh litres daily is coming up in Mathura. With an investment of Rs 200 crore, it would be better than Amul dairy in Gujarat, he claimed while interacting with reporters in Mathura on 25.12.2017. The facility will produce butter, milk, butter milk, ghee, cream, sweets, powdered milk and the like.

11. Odisha recognised as 'Champion State' for exports

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

The Centre has recognised Odisha as a 'Champion State' for recording the highest growth in exports during 2016-17, official sources said. This was announced during a review meeting of the Ministry of Commerce and Industry on the export performance of states and formulation of strategy attended by L N Gupta, MSME Additional Chief Secretary, Odisha. The exports from the state have increased from Rs 19,082 crore in 2015-16 to Rs 40,872 crore in 2016-17 with merchandise exports from Odisha registering the highest growth rate of 114 per cent among all the states, Gupta said. Between 2012-13 and 2016-17, in terms of USD, shipments from the state witnessed a positive growth of 17.60 per cent against the negative growth of 2.07 per cent in overall exports of India, he said.

12. India, South Korea may hold joint IPRs through trade pact

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

With South Korean companies establishing themselves as big players in India, the two countries plan to jointly hold intellectual property rights (IPRs) in areas of manufacturing, energy and healthcare. The proposal will be within the negotiations for the bilateral trade agreement that the two countries recently reviewed. In the fourth round of negotiations of the India-Korea comprehensive economic partnership agreement or CEPA held on December 21, the two countries finalised a Futures Group comprising experts from academia and industry to work on joint research

and development and networking. The two countries have zeroed in on internet of things, electrical and automotive manufacturing, renewable energy, water management and medical equipment as some areas to work together. "We will decide how to rope in experts from Indian Institutes of Technology and other premier institutions to be able to create an environment for joint IPRs and build capacity," said an official in the know.

13. 2018 will be the year of entrepreneurship, innovative ideas and technologies: Uzbekistan

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

Central Asia's key power Uzbekistan that is seeking investments from India has declared 2018 as the year of Year of supporting active entrepreneurship, innovative ideas and technologies. The proposal that was put forward by the country's President was fully supported by the parliament. Uzbekistan is seeking investments from India across various sectors including pharma and desires to be India's gateway in the region. The announcement was made by the President at a recent event, held in the Palace of Symposiums in Tashkent, was attended by members of the Senate and deputies of the Legislative Chamber of the Oliy Majlis, heads of the Cabinet of Ministers, ministries and departments, representatives of diplomatic corps and representative offices of international organizations accredited in our country, activists of non-governmental non-profit organizations. Deputies of district, city and regional Kengashes of people's deputies, heads of executive bodies and economic management at all levels, representatives of non-governmental organizations.