

Daily Economic News Summary: 30 November 2017

1. Government may directly fund Rs 1.35-lakh crore bank recapitalisation

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

North Block is likely to directly issue Rs 1.35 lakh crore of bank recapitalisation bonds, taking the entire liability of repayment and interest in the central budget, as it seeks to extricate state-run lenders from a mounting pile of bad debt and make funds available to more productive sectors of the economy. The government is expected to seek approval on the funding mechanism from Parliament in the upcoming winter session, a senior finance ministry official said. Earlier, the government had indicated that some other agency may also issue the bonds and the idea of capital support being routed through a bank holding company had been discussed as well.

2 ADB investment programme of \$500 million to improve rural roads in five Indian states

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

Asian Development Bank (ADB) has approved a multi-tranche financing facility (MFF) for the second Rural Connectivity Investment Programme totaling \$500 million to improve rural roads in five Indian states. The investment programme will construct and upgrade over 12,000 kilometers (km) of rural roads in the states of Assam, Chhattisgarh, Madhya Pradesh, Odisha, and West Bengal. It will also support the state governments to improve rural road maintenance and safety. “All-weather roads are crucial for economic growth, especially in India’s rural areas,” said Andri Heriawan, an ADB Transport Specialist. “Building on the success of our previous assistance in the rural roads sector, ADB will work closely with the Government of India to provide the connectivity to improve rural communities’ access to markets, health centers, education facilities, and other opportunities.”

3. New Holland Agri offers tech solutions to reduce crop burning

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

Farm machinery maker New Holland Agriculture today said its recently launched combine harvester can be used with other implements to address the problem of crop burning. Attaching straw chopper and Happy Seeder machines to a tractor mounted combine harvester will help use straw for mulching and undertake sowing of new crop easily, it said. Although these machines are expensive, they are being promoted in some states like Punjab through custom hiring under a central scheme supported with subsidy. "Our combine harvesters with 130 horse power engine is efficient in managing the crop residue. You can cut the paddy straw from the base of the plant unlike other machines," New Holland Agriculture Group firm CNH Industrial Country Head and Managing Director Gabriele Lucano told reporters here.

4. Kerala farmers' collective launches organic ethnic dry fruits

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

A farmers' collective from Kerala in the organic and fair trade sector has launched ethnic dry fruits for the domestic market. Christened Only Organic , the venture has introduced organic dry varieties of ethnic fruits jackfruit, mango, green mango, papaya and gooseberry to start with. The collective Manarcadu Social Service Society (Mass) promoted by Plantrich Agritech collects fruits from over 5000 farmer members scattered across hill tracts of Kerala, which are then processed at its factories in Kottayam and Idukki. "Our dry fruits, which are certified organic and fair trade by reputed bodies, will be available in the metros and tier 2 cities. In addition to supporting local farmers, we also target reduction of carbon footprint by unnecessary import of fruits and dry fruits. When we import the logistics imposes irrevocable damage on the environment," said Bijumon Kurian, president of Mass and MD of Plantrich Agritech Pvt Ltd.

5. We are eyeing global footprint to bring investors to India: Deepak Bagla, MD, Invest India

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

With a line-up of over \$85 billion worth of foreign investments, Invest India - government's investment promotion agency has been hand holding global conglomerates into the Indian market as their one stop shop for all regulatory and research needs. Deepak Bagla , Managing Director Invest India says that 'confidence of investors in the credibility of the system can now be taken for granted.' In conversation with Ruchika Chitravanshi and Dipanjan Roy Chaudhary, Bagla noted that he is eyeing a global footprint for Invest India to bring the biggest investors to the country.

6. Ideal growth rate for India is 8-10 per cent: Arvind Subramanian

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

The growth in gross domestic product (GDP) dipped to 5.7% in the first quarter of financial year 2017, coming to a three-year-low. However, the ideal growth rate of the economy should be between 8% and 10% according to chief economic advisor, Arvind Subramanian. He was present as the chief guest at the convocation ceremony of Ahmedabad University on Wednesday. According to him, as the economy overcomes certain challenges, exports improve and the implementation of Goods and Services Tax (GST) stabilizes, the growth rate will improve. He prudently didn't comment on the time-frame within which the growth rate will recover. However, sharing more details on the roadmap to recovery, Subramanian said, "The economy is facing certain challenges. Once we overcome them, the growth will surely improve. At a time when the growth was around 8%, the growth in exports of both goods and services stood at 25% which was significant."

7. Real estate to get real: How Modi is setting India's Housing in order

The Economic Times ([Link](#))

It is clear that Prime Minister Narendra Modi wants homes to be more affordable for the masses. The real estate sector has been under his hard gaze as is evident from the Real Estate Regulation Act (RERA) which came into force a few months ago. Modi is tightening his grip on the real estate sector. A magnet for black money, real estate sector is, however, not exactly consumer-friendly, especially for the middle-class buyers. Homebuyers have been at the mercy of builders that often delay deliveries and overcharge. One more regulation the government is planning to bring will discipline the profit-seekers who have kept the prices high in this essential sector. Unrealistically high home prices might come down if a revenue department proposal gets implemented. It plans to ask builders to pay taxes on their unsold stock of ready houses.

8. India seen posting stronger growth as businesses adjust to new tax

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

India's economic growth pace likely picked up in the three months ending in September, halting a five-quarter slide as businesses started to overcome teething troubles after the bumpy launch of a national sales tax. The economy also has moved past the disruptions encountered after India's shock ban on high-value banknotes in November 2016, economists say. For July-September, the median in a Reuters poll of economists was for annual growth of 6.4 percent. Forecasts ranged from 5.9 percent to 6.8 percent. If there was 6.4 percent growth, that would mark a sound acceleration from 5.7 percent in April-June, but still lag China's 6.8 percent and Philippines' 6.9 percent for the three months through September.

9. India moves up one spot to 68 on Global Entrepreneurship Index

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

India has moved up one place to the 68th spot on the Global Entrepreneurship Index of 2018, which is topped by the US. India was at the 69th position last year. The US topped the index, which ranked 137 countries, this year also, Jonathan Ortman, president of the Global Entrepreneurship Network (GEN), said today. "India is in 68th position in the Global Entrepreneurship Index. The USA is in first position in 2018. The list was prepared for 137 countries in the world.

10. India's growth set to end 5-quarter slide, say economists

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

Indian economic growth likely rebounded in the July-September quarter from the slowest growth in three years, with demand picking up modestly as the effects from a shock ban on high-value currency notes eased, a Reuters poll showed. If that's correct, the data will be the latest evidence of a broad-based global economic upturn across Asia and most of the world that has many major central banks poised to move away from ultra-easy monetary policy. India was the world's fastest-growing major economy in 2016. But already-slowing growth was made weaker by the surprise cash clampdown late in 2016 by Prime Minister Narendra Modi's government, which has hurt consumer spending ever since.