

Daily Economic News Summary: 7 September 2017

1. India, Myanmar sign 11 wide-ranging agreements

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

India and Myanmar today signed 11 agreements in a range of sectors, including one on maritime security cooperation, to further strengthen their multifaceted partnership. The MoUs were signed after Prime Minister Narendra Modi held wide-ranging talks with Myanmar's State Counsellor Aung San Suu Kyi. India and Myanmar signed an MoU to strengthen maritime security cooperation. The two sides also signed an agreement for sharing white shipping information to improve data sharing on non-classified merchant navy ships or cargo ships...The two countries also signed agreements on cooperation between Myanmar Press Council and Press Council of India, extension of agreement on the establishment of India-Myanmar Centre for Enhancement of IT skill. They also signed agreements to cooperate in 'Medical Products Regulation' and in the field of health and medicine. They also signed an MoU on enhancing the cooperation on upgradation of the women's police training centre at Yamethin in Myanmar...This is Modi's first bilateral visit to Myanmar.

2. India to achieve \$30 bn trade target with Russia Far East by 2025: Sushma

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

External Affairs Minister Sushma Swaraj on Tuesday said there is a need for enhancing trade, commerce and investment with the Russian Far East to achieve the target of \$30 billion, set for bilateral trade, by the year 2025. "The Russian Far East is one of the richest regions in the world and India is among the fastest growing large economies of the world. There is lot that can be done together. When other markets are closing, we need to find new ones and create virtuous cycles of investment. Investment is in the ultimate analysis an act of faith," Sushma said, while delivering a speech at the Eastern Economic Forum. "Greater trade, commerce and investment with the Far East will help us in achieving the target of \$30 billion that we have set for our bilateral trade by the year 2025," she added, attaching importance to the opportunities in the Russian Far East...Sushma also announced that India would provide an annual grant of 10,000 US Dollars to fund the study of Indology at the Centre of Regional and International Studies in this University. Sushma said that under the flagship programmes of Make in India and Start-up India, the Indian Government has made concerted efforts to attract technology, investments and best practices from across the world.

3. India loses out to China to become world's 2nd fastest growing aviation market

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

Losing the top position to neighbouring China, India became the world's second fastest growing domestic aviation market in July, according to global airlines' body IATA. "China tops the domestic chart for just the 2nd time in 28 months, but the upward trend in India has picked up," the IATA said on Wednesday, while adding that passenger demand remains on course to grow solidly this year as a whole. In July, India registered a growth of 12.5 per cent whereas Chinese market grew 15 per cent during the same period. It is measured in RPK (Revenue Passenger Kilometres) -- an indicator of demand.

4. Export-to-GDP ratio needs to rise substantially: Suresh Prabhu

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

Terming the current scenario for exports as challenging, incoming Commerce and Industry Minister Suresh Prabhu has said that the export-to-Gross Domestic Product (GDP) ratio should rise significantly...Prabhu said manufacturing growth can be leveraged through promoting exports. For the first quarter of the current financial year, the rate of exports in the GDP calculated on current prices stands at 18.2 per cent, down from the 19.3 per cent rate in the corresponding quarter of financial year 2016-17...the latest GDP data showed a three-year plunge in economic growth at 5.7 per cent in the first quarter of the current financial year, the lowest reading over the last three years of the Modi government. Prabhu said under-utilisation of exiting capacities in the manufacturing sector is partly responsible for this slow growth was partly caused due to underutilisation of existing capacity. He added these dormant capacities can be used to fire up the exports engine.

5. Delhi-Mumbai Industrial Corridor hub at Nangal Choudhary development work likely to start by end 2018

Source: Financial Express ([Link](#))

The development of a logistics hub at Nangal Choudhary in Haryana along the Delhi-Mumbai Industrial Corridor (DMIC) will likely start towards the end of 2018 but major players like DP World, Merc Logistics and Future Group are already vying for a slice of the project... three companies are exploring opportunities to be partners in the logistics hub project and have held meetings with the authorities concerned. The hub will be set up over an area of 1,100 acres to provide "end-to-end logistics facilities". The project would cost the governments (both the central and the Haryana

governments) Rs 3,500 crore, which includes costs of land and basic infrastructure, said the sources. The engineering, procurement and construction (EPC) contracts will be awarded in October-November for building basic trunk infrastructure. Once the trunk infrastructure is in place (over a year from now), these logistics companies, if selected, can start developing the projects on a public-private partnership (PPP) mode. But interest shown by them at such an early stage, even when trunk infrastructure isn't in place, reinforces DMIC's growing importance, said a source.

6. EEPC urges government to refund 90% GST refunds to exporters

Source: Financial Express ([Link](#))

Engineering exporters' apex body EEPC India has urged the government to intervene and push for release of at least 90 per cent of GST refunds to exporters immediately after the shipping bills are filed with the authorities. "We strongly recommend a 'war room' for exports as well as suggested by the Commerce and Industry Minister Suresh Prabhu for foreign investors," EEPC India Chairman T S Bhasin said... Expressing confidence in the newly appointed minister, he said Prabhu should intervene with the finance ministry and the GST Council and get a relief in terms of release of at least 90 per cent goods and services tax (GST) refund on submission of the shipping bills, if a complete GST exemption is not feasible. EEPC said that while the government has extended the dates for filing of July returns for GST to September 10, 25 and 30 and for August to October 5, 10 and 15, ironically, it would mean blocking of the refunds for exporters, who are in any case hard pressed for cash and have been significantly disadvantaged by continuous rise in value of rupee against the US dollar.

7. Narendra Modi steps in the boost smart cities, urges states for early rollout

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

With two years to go for 2019 parliamentary elections, Prime Minister Narendra Modi has stepped in to ensure results can be seen on the ground. The Centre has asked states to focus on impactful and public-private-partnership based smart city projects, which would show results over the next one year and have a review mechanism in place. Ministry of housing and urban affairs, the nodal ministry for Smart Cities Mission has identified 261 impactful ventures worth Rs 31,000 crore and PPP projects worth Rs 32,000 crore for the states to work on. The move follows directives from the Prime Minister. During a review of Smart Cities mission last week, PM Modi had emphasised on early implementation of projects and suggested that the chief secretaries of all states should review the

progress of the implementation...Some of the major PPP smart city projects are Bhubaneswar (Affordable housing- Rs 840 crore), Raipur (Urban Plaza at Ganj Mandi- Rs 983 crore), Bilaspur (Markets development – Rs 1,241 crore), Amritsar (Urban space development – Rs 1,028 crore), Coimbatore (Water supply – Rs 557 crore).

8. India GDP growth to re-accelerate as GST impact fades: Morgan Stanley

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

Economic activity in the country lost some pace amid GST related disruptions but underlying growth momentum remains strong and the country may clock 6.7 per cent growth this fiscal, says a Morgan Stanley report. India's economic growth slipped to a three-year low of 5.7 per cent in April-June, underscoring the disruptions caused by uncertainty related to the GST rollout amid slowdown in manufacturing activities. Commenting on the GDP numbers, Morgan Stanley said, "We are inclined not to read this as a sign of general slowdown in aggregate demand"...On a calendar year basis, Morgan Stanley now project growth of 6.4 per cent and 7.4 per cent in 2017 and 2018, respectively, as against 7.6 per cent and 8.0 per cent previously. The revised new financial 2018 and fiscal 2019 growth estimates are at 6.7 per cent and 7.5 per cent, respectively. According to Morgan Stanley, currency replacement programme and GST had led to a deceleration in growth momentum.

9. In a crackdown against black money, Narendra Modi government will jail directors for 10 years for wrongdoing

Source: Financial Express ([Link](#))

The government said a director or an authorised signatory of a “struck-off” company may face six months to 10 years in jail if found guilty of siphoning off money, as it steps up an offensive against shell companies that are used to funnel black money. However, if the fraud involves public interest, the punishment won't be less than three years, along with a fine that will be three times of the amount involved, the corporate affairs ministry said in a statement. The crackdown comes after the mining of the data following the demonetisation exercise. The directors of such shell companies, which have not filed returns for three or more years, will be disqualified from being appointed in any other company as directors or from being reappointed as directors, thereby compelling them to vacate office. At least 2-3 lakh such directors will get debarred due to such an exercise,

10. First hyperloop transport system to come up in Andhra, connect Amravati and Viayawada
Source: Financial Express ([Link](#))

Hyperloop travel is set to come to India. Hyperloop Transportation Technologies (HTT) has signed an agreement with the Andhra Pradesh government to connect the city centres of Amravati and Vijayawada. The MoU marks the first agreement in India for the new transportation system. This route would turn a trip of over an hour into a five-minute ride. HTT signed an MoU with the Andhra Pradesh Economic Development Board (APEDB) on Wednesday. The APEDB, along with the government of Andhra Pradesh, will assist Hyperloop Transportation Technologies with all regulatory requirements to develop and implement the hyperloop in Amravati. It will facilitate the development of HTT's Hyperloop Transportation System in Andhra Pradesh. The proposed hyperloop project between Vijayawada and Amravati will use a public private partnership model, with funding primarily from private investors.