

Daily Economic News Summary: 10 April 2019

1. Ford Likely To Form JV With Mahindra, End Independent Ops In India: Report

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

Ford Motor Co is nearing a deal with Mahindra & Mahindra to form a new joint-venture company in India, a move that will likely see the US automaker cease independent operations in the country, two sources with direct knowledge of the talks told Reuters. The deal would make Ford the latest automaker to pare back its interests in India. At the end of 2017, General Motors Co downsized its Indian operations and stopped selling cars locally, dealing a blow to Prime Minister Narendra Modi's strategy to encourage domestic manufacturing.

2. IMF Cuts India's Growth Forecast For 3 Years

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

International Monetary Fund (IMF) has pared India's growth forecast for the just-concluded fiscal and the next two years, citing softer recent growth and weaker global outlook, but expects the country to retain its place as the fastest growing major economy. According to IMF estimates, India's economy grew 7.1% in FY19 and is expected to accelerate to 7.3% growth this fiscal and to 7.5% in FY21. All the estimates are 0.2 percentage points less than its previous assessment in January. The IMF numbers are higher than those of the Reserve Bank of India, which had last week cut its growth forecast to 7.2% for this fiscal and 7.4% for FY21.

3. India To Build Developing Country Coalition With Brazil, China At Informal Trade Ministers' Meet

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

India plans to build a coalition of developing countries at the upcoming informal meeting of trade ministers on May 13-14 to develop a common understanding to reform the multilateral trading system and institutional issues at the World Trade Organization (WTO). New Delhi has invited 20 countries for the mini ministerial including China, South Africa, Brazil, Indonesia, Kenya and Malaysia with the objective of retaining development at the core of the multilateral trade body. India's proposal to reform the multilateral trade watchdog could also be discussed at

the two-day meet. New Delhi has sought amendment of laws on unilateral action by members on trade issues and resolution of the WTO's dispute settlement system.

4. Government Meets FY19 Fiscal Deficit Goal Of 3.4%

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

The government has met the fiscal deficit target of 3.4 per cent of the gross domestic product (GDP) in FY19, by reducing spending and higher borrowings from small savings funds, according to a government source. Fiscal deficit of 3.4 per cent has been met on savings on expenditure and small savings corpus, the source said on 9 April. The government missed the tax collections target by over 1 lakh crore, including about Rs 50,000 crore shortfall in direct tax and Rs 65,000 crore in indirect tax receipts, said the source. The food subsidy bill was pegged higher in 2018-19 on account of rising procurement costs and the government decision to keep selling prices unchanged under the National Food Security Act. Under the Act, highly subsidised grain is provided.

5. GlowRoad Gets \$10 Mn Funding From China Cdh Investment, Others

Source: Livemint ([Link](#))

Social commerce platform GlowRoad has raised \$10 million in a Series B funding round led by China's CDH Investment, said a top company executive on 9 April. Accel, an existing investor in the startup, also participated in the round. CDH Investment's other investments in India include Mayfair, a Gurugram-based e-commerce platform focused on lifestyle products, and Cashify, an online platform for selling used electronic products. GlowRoad was founded in 2017 by Sonal Verma, Kunal Sinha, Nitesh Pant, Shekhar Sahu, and Nilesh Padariya.

6. Dream11, And The Scope Of Fantasy Gaming In India

Source: Livemint ([Link](#))

As an early-stage investor, we come across business ideas ranging from copies of western ideas to innovative solutions for real problems. As a serial entrepreneur-turned-investor, media tech has been of keen interest to me. Coupled with technology, the media segment can become a hotbed for original and innovative business ideas. A particular vertical in media tech segment, which has seen high investor confidence, is fantasy gaming. The success of Dream11 should inspire more entrepreneurs to look at fantasy gaming as a business model, which has multiple ways to monetise. Fantasy gaming is expected to grow at a compounded annual growth rate

(CAGR) of 28% to touch \$1.2 billion by 2022. Real money gaming accounts for 55% of the market with a growing user base.

7. US Criticises India's Data Localisation Norms, Draft E-Commerce Policy

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

The US has criticised India's data localisation norms and draft e-commerce policy terming certain proposals as "most discriminatory and trade-distortive". "India has recently promulgated a number of data localisation requirements that would serve as significant barriers to digital trade between the US and India," the US Trade Representative's 2019 National Trade Estimate Report on Foreign Trade Barriers said. It said these requirements raise costs for suppliers of data-intensive services by forcing the construction of unnecessary, redundant data centres and prevent local firms from taking advantage of the best global services available.

8. SBI Reduces Lending Rate By 5 Basis Points Across Tenors

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

Nearly a week after the Reserve Bank of India cut its policy repo rate by 25 basis points, State Bank of India on 9 April pared its benchmark lending rate by 5 basis points across all tenors, making loans in segments such as home and vehicles cheaper. Further, to make housing loans more affordable, the bank has reduced the interest rate by 10 basis points on loans up to ₹30 lakh. The 5 bps cut in the marginal cost of funds based lending rate (MCLR) across all tenors, with the benchmark one-year MCLR coming down from 8.55 per cent to 8.50 per cent, by SBI may encourage other banks to follow suit. SBI's lending rate cut will take effect from April 10. All rupee loans sanctioned and credit limits renewed with effect from April 1, 2016, are priced by banks with reference to the MCLR, which is the internal benchmark for such purposes.