

Daily Economic News Summary: 17 January 2019

1. India attracted record \$9.3 bn tech investments in 2019: Report

Source: Money Control ([Link](#))

India attracted tech investments worth \$9.36 billion last year, a 95 percent increase compared with the previous year, according to the data compiled by a global database company. The data collated by Dealroom.co and revealed this week shows that the Indian investment figures coincided with record investment numbers registered by the UK in 2019, at \$13.2 billion, behind the US (\$116 billion) and China (\$33.5 billion). Both India and the UK witnessed a record year in terms of investments into their respective technology sectors in 2019. India attracted tech investments worth \$9.36 billion last year, which marks a 95 percent hike on the previous year, it said.

2. RCEP offers \$125 billion market for domestic companies

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

Even though the government has decided to stay out of the world's largest trade block RCEP, the 15-nation grouping offers a market potential of USD 125 billion if domestic firms improve competitiveness in 24 identified product categories, as per a World Trade Centre study. Citing domestic concerns, the government walked out of the 16-country Regional Comprehensive Economic Partnership (RCEP) in November last year. The 15 RCEP countries together accounted for 57 per cent or USD 105 bill of India's overall trade deficit in FY19, with China itself contributing to USD 54 billion of this. It can be noted that India is among the top 15 exporters of these 24 product categories globally and have strong demand in China, Korea, Australia, Japan, Indonesia, the Philippines, Malaysia, Thailand, Cambodia and Vietnam.

3. UN lowers India growth forecast; expects momentum to pick up in 2020

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

GDP growth in India and few other large emerging countries may gain some momentum this year after the global economy recorded its lowest growth of 2.3 per cent in 2019 due to prolonged trade disputes, a UN study said on 16 January while lowering its current and next

fiscal forecasts for the Indian economy. According to the United Nations World Economic Situation and Prospects (WESP) 2020, a growth rate of 2.5 per cent is possible in 2020, but a flare up of trade tensions, financial turmoil or an escalation of geopolitical tensions could derail a recovery.

4. Cheaper loans for exporters in the works

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

The government is working on a scheme to offer rupee and dollar loans at lower rates to exporters to address their liquidity concerns and give a boost to slumping exports. The commerce department has proposed giving rupee credit to exporters at around 7.5% rate of interest and dollar-denominated loans at around 3.5% under the proposed scheme. It will soon take a proposal to the cabinet. “A cabinet note is in the works. We are in talks with the finance ministry,” said an official. The scheme could be a reimbursement to the banks like interest subvention. Exporters said rupee loans at present are extended at 9.5-10% rate of interest while dollar credit is given at 5.5-6%.

5. More oil from the US? India’s energy security to be top priority when Trump-Modi meet

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

Discussions around India’s energy security will top the agenda during US President Donald Trump’s proposed visit to India this year. Though no specific dates have been announced for Trump’s visit, officials from various sectors of both countries have met frequently in recent months. Energy is an important component in the Indo-US trade mix, and currently, India imports around \$4 billion worth of oil and gas from the United States of America. The ongoing US-Iran imbroglio has affected India’s energy supplies. This will have a cascading effect on India’s strategic oil reserves and is expected to affect the country’s refining capacity as it is a critical source of export earnings and has strategic implications.

6. India, US in advance-stage talks to resolve trade issues, says Piyush Goyal

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

Commerce and Industry Minister Piyush Goyal on 16 January said India and the US are in an “advance stage” of dialogue to resolve some of the pressing trade issues. He said that both the countries can expand their trade relations which in future may result in a preferential or a free trade agreement. “With the US, we are in an advance stage of dialogue to sort out some of the pressing issues,” he said. The remarks assume significance as both the countries are negotiating a

trade package to boost two-way commerce. The minister said that both the nations are big trading partners and can further expand trade. "...I would believe that going forward both countries will like to further expand that engagement which could lead to PTA (preferential trade agreement) and FTA (free trade agreement) in the years ahead," he added.

7. Wockhardt becomes first Indian company to get nod for novel antibiotics

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

Mumbai-based Wockhardt has become the first Indian pharmaceutical company to get the drug regulator's nod for two novel antibiotics, which it plans to launch in the next few months in the domestic market. The Drug Controller General of India (DCGI) has approved Emrok (injectable) and Emrok O (oral), used for acute bacterial skin and skin structure infections, including diabetic foot infections. The approval is based on a phase 3 clinical study involving 500 patients in 40 centres across India. While multinational companies have launched new antibiotics in India, there have been no new launches in the past 15 years in this category (gram-positive bacterial infections). Wockhardt plans to take these drugs to emerging markets and China soon. The company expects to build them into Rs 100-crore brands over the next 18-24 months. The new drug will target superbugs, which have become resistant to other molecules.

8. Dutch player KLM to buy Jet Airways' assets in the Netherlands

Source: Money Control ([Link](#))

Jet Airways on January 16 said that it has agreed to sell its assets in the Netherlands to Dutch airline KLM. What assets it holds in the European country and which would be part of the deal were not specified. "If the deal is finalised, it will only involve a sale of part of the company's business and not impact the shareholding pattern," a statement from Jet read. Once India's biggest private carrier, Jet stopped flying in April after running out of cash, leaving thousands without jobs and pushing up airfares across the country. It was admitted to bankruptcy court in June after its lenders, led by State Bank of India (SBI), failed to agree on a revival plan.