

Daily Economic News Summary: 18 December 2019

1. Europe's largest intercity bus network plans to enter Indian market

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

FlixBus, largest intercity bus network in Europe, and backed by investors General Atlantic and Silver Lake, is planning to venture into India. The company operates on the same model as cab service aggregators such as Uber or Ola. It does not own any bus or hire drivers but facilitates operational support, like scheduling, and ticketing, among other things. The company partners regional bus operators, and offers rides across Europe and in the US. It works on the principle of dynamic pricing, through an online platform and a FlixBus app. “We recently started our recruitment for the Indian market and the project is still in an early business development stage,” said a spokesperson of FlixBus Global over e-mail. One of the most successful German start-ups, it was launched by Daniel Krauss, André Schwämmlein and Jochen Engert in 2013, after deregulation of the bus market in that country. FlixBus is a subsidiary of FlixBus Mobility, which has also launched train services. The firm works with around 300 independent bus and train entities.

2. Will not sign FTA in a hurry to avoid RCEP-like impasse: Piyush Goyal

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

India will not sign any free trade agreement in a hurry or to the disadvantage of industry and exporters, Union minister Piyush Goyal said on 17 December, more than a month after the country walked out of the China-backed mega trade deal RCEP. On November 4, Prime Minister Narendra Modi announced in Bangkok that India will not join RCEP as negotiations failed to address New Delhi's "outstanding issues and concerns". Speaking at an event organised by CII, Goyal said the government took the bold decision in the national interest because clearly, the pact had become nothing but an India-China FTA which "nobody wants". This, according to Goyal, was a bold decision "as for the first time it reflected the resolve of the government that diplomacy will not prevail over trade. Trade will stand on its feet, on its leg."

3. Data is available in India, needs to be value unlocked: Microsoft

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

While, India's manufacturing industry provides a huge opportunity for digitization, the industry needs to look beyond predictive maintenance and plant safety, top officials from Microsoft India said. "At present we are seeing companies use digitisation around predictive maintenance, for plant safety and supply chain optimization," said Rohini Srivathsa, national technology officer (NTO) for Microsoft India. "What we expect the industry to do is to go further down the value chain in using IOT and look at leveraging that," Srivathsa added. Srivathsa added, of the \$5 trillion economy that India aims to be, \$1 trillion will come from digitization. "The question we have to ask is which sectors will help drive that \$1 trillion of the GDP growth and if you break that down and see how your sectors are divided today in terms of today's GDP and manufacturing in it, it has to grow at least that much," she added.

4. GST Council to meet today as revenue shortfall looms large; FM seeks suggestions for raising rates, cess

Source: Firstpost ([Link](#))

The GST Council will meet on 17 December to review the taxation structure for shoring up the revenue as lower-than-expected collections has led to a delay in compensation payment to states. Some of the states such as West Bengal have opposed any hike in cess rates or rate calibration amid a slowdown in the economy, stating that consumers as well as the industry are passing through a distressing time. With the revenue shortfall looming large, there have been suggestions for raising GST rate and cess to meet the gap. The GST Council headed by Finance Minister Nirmala Sitharaman had sought suggestions from states on review of GST and compensation cess rates on various items, rate calibrations for addressing the inverted duty structure, compliance measures other than those currently under implementation to augment revenue.

5. DLF charts plan to grow rental assets, improve return on equity in FY21

Source: Livemint ([Link](#))

DLF Ltd, India's largest real estate developer, plans to strengthen its portfolio of rental assets with its partner, Singapore's sovereign wealth fund GIC Pte Ltd, monetize residential inventory, start the next construction cycle, and improve return on equity (RoE) in fiscal year 2020-21, said a top company executive. While the residential business will continue to focus on Delhi and its suburbs, its core market, the company has also outlined a pan-India strategy to expand its rental office portfolio across Chennai, Hyderabad and Pune. DLF currently has a rental portfolio of

nearly 33 million sq.ft, of which office space comprises around 29 million sq. ft, and retail shopping centres make up for the rest. The vertical is set to grow by 17-18 million sq. ft, with the launch of new projects, including ‘Downtown’ in Haryana, the mixed-use development with GIC, and an IT park in Chennai’s Taramani.

6. Government promises broadband access in all villages by 2022; launches National Broadband Mission

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

The government on 17 December promised broadband access in all villages by 2022, as it launched the ambitious National Broadband Mission entailing stakeholder investment of Rs 7 lakh crore in the coming years. The mission will facilitate universal and equitable access to broadband services across the country, especially in rural and remote areas. It also involves laying of incremental 30 lakh route km of Optical Fiber Cable and increase in tower density from 0.42 to 1 tower per thousand of population by 2024. The mission unveiled by Communications Minister Ravi Shankar Prasad will also aim at significantly improving quality of services for mobile and internet.

7. Centre seeks suggestions for new National Textile Policy

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

The textiles ministry has sought suggestions for formulating the much-awaited new National Textile Policy for the next 10 years, which will envisage positioning India as a fully integrated, globally-competitive manufacturing and exporting hub. The policy will entail the strategy and action plan for the country's textile and apparel sector. Last month, Textiles Minister Smriti Irani said in the Rajya Sabha that the Centre is considering formulation of the National Textiles Policy after consultations with states. The formulation of the new policy has been under consideration for some time now. In 2016, then textiles minister Santosh Gangwar had said the new policy will envisage creation of additional 35 million jobs. The existing National Textile Policy 2000 was framed about 13 years ago. Since then, the industry has undergone various changes on the domestic and international front. The domestic textile industry has seen large-scale modernisation and technological up-gradation in the last decade and faces new challenges.

8. IMF likely to significantly cut India's growth estimates: Gita Gopinath

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

The International Monetary Fund (IMF) will revise estimates for India's economic growth in January, which will be a significant downward cut over the previous estimate, its chief economist Gita Gopinath said on 17 December. "India is one of the emerging markets where growth has surprised on the downside," she said at Times Networks' India Economic Conclave. IMF currently projects India to grow at 6.1% in 2019 and 7% in 2020. India's economic growth slipped further to hit an over six-year low of 4.5 per cent in the July-September quarter. The previous low was recorded at 4.3 per cent in the January-March period of 2012-13.