

## Daily Economic News Summary: 18 June 2019

### **1. Donald Trump And Narendra Modi's Lavish Farm Payouts Prompt Questions At WTO** **Source: The Economic Times ([Link](#))**

Massive farm-support plans in the United States and India are being scrutinised by other World Trade Organization members, questions submitted to the WTO's quarterly agriculture committee meeting showed on 17 June. The WTO has strict rules about the size and nature of payments, and member governments keep a close watch for any competitors who might be cheating. Their questions -- 62 pages for the June 25-26 meeting -- can range from requests for clarification to outright allegations of illegal handouts.. U.S. President Donald Trump and Indian Prime Minister Narendra Modi have both made boosting farm incomes a priority. Trump is trying to offset domestic damage from a tariff war with China; Modi faces a slowdown in India's agriculture-dominated economy. The European Union asked India to explain how Modi proposed to spend 25 trillion rupees (\$357.5 billion) on agriculture and rural development, doubling farmers' incomes by 2022 as part of a 100 trillion-rupee, five-year infrastructure splurge.

### **2. Indians Buying More Real Estate Abroad: Outbound Capital Doubles On Overseas Commercial Property Purchase** **Source: Financial Express ([Link](#))**

Indians are investing more in real estate in foreign countries India's outbound capital in buying commercial property overseas nearly doubling in the last financial year said a report. Now standing at \$0.7 billion, the increase has been witnessed in 12 months to Q1 2019 while the past number stood at over \$0.37 billion in the 12 months to Q1 2018, the report released by Knight Frank said. The top destinations that have attracted Indian wealth are United Kingdom, Netherlands, Germany, United States of America and Australia. Also, India is the 30th biggest capital-exporting countries, globally. However, inbound cross border investment volumes into Indian commercial real estate stood at \$2.6 billion in the 12 months to Q1 2019, falling sharply from \$3.9 billion in the previous year. The inbound foreign capital into Indian commercial real estate is still about four times as big as the outbound capital.

### **3. Piyush Goyal Says No Plan To Allow FDI In Multi-Brand Retail**

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

In his first key meeting with senior executives of leading e-commerce and IT companies, including Amazon, Flipkart, Google, Facebook, Microsoft and American Express, commerce and industry minister Piyush Goyal on 17 June made it clear that the government didn't have any plan to allow foreign direct investment (FDI) in multi-brand retail at the moment, nor did it wish to permit FDI in the inventory model of e-commerce, sources told FE. Currently, the government allows up to 100% FDI in the marketplace model of e-commerce and bars e-tailers from owning inventory of goods. Only in the retailing (both online and offline) of locally-produced food products, up to 100% FDI is permitted in the inventory model, that, too, with prior government approval.

### **4. Fitch Cuts India Growth Forecast To 6.6% For FY20**

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

Fitch June 17 lowered India's growth forecast to 6.6 per cent for the current fiscal from 6.8 per cent projected earlier, as manufacturing and agriculture sectors showed signs of slowing down over the past year. In its latest Global Economic Outlook, the global rating agency retained its GDP growth forecast for the next fiscal (2020-21) at 7.1 per cent and 7.0 per cent for 2021-22. In the last fiscal, Indian economy grew at a 5-year low pace of 6.8 per cent. India's GDP growth declined for the fourth consecutive quarter in January-March, with the economy expanding by 5.8 per cent, down from a cyclical high of 8.1 per cent in the March quarter of 2018.

### **5. SBI-led Consortium Picks Resolution Professional For Jet Airways**

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

The Jet Airways lenders consortium, which has opted for a resolution of the grounded airline under the Insolvency and Bankruptcy Code (IBC) is moving fast and has selected Ashish Chhawchharia of advisory firm Grant Thornton for the crucial role of interim resolution professional in the high profile case, multiple sources with knowledge of the matter told Moneycontrol. Chhawchharia leads the restructuring practice for Grant Thornton in India. Law firm Cyril Amarchand Mangaldas are the legal advisors to the SBI-led consortium for the IBC proceedings, sources added. The interim resolution professional is a key component of the corporate insolvency process who has to manage the affairs of the stressed company, facilitate the bidding process and balance the interests of all stakeholders.

## **6. Govt Considers Selling Stake In Weak Banks, Raise Funds For Rural Housing**

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

The government is considering selling controlling stakes in some of the smaller state-run banks in a bid to raise funds to boost spending on programs for the poor, people with knowledge of the matter said. The proposal being considered involves offering a majority stake in some of the weaker banks and use the proceeds to fund Prime Minister Narendra Modi's rural housing program, the people said, asking not to be identified as the proposal is at an early stage. The details are still being worked out and, if approved, it could be included in the budget to be unveiled on July 5, the people said. Modi's administration is under pressure to raise spending on welfare programs and revive growth after a resounding mandate in the recently concluded elections. If the plan is finalised, the government will need to amend a law to enable it to sell majority control in state-run banks, the people said.

## **7. By 2027, India Population To Cross China's: UN**

**Source: The Indian Express ([Link](#))**

In just eight years, India is projected to surpass China as the world's most populous country. According to estimates in a new United Nations report released on 17 June, India is also expected to add 273 million people by 2050 and will remain the most populated until the end of the century. The report stated that in 2019, India has an estimated population of 1.37 billion and China 1.43 billion and by 2027, India's population is projected to surpass China's. The global population is projected to increase by another 2 billion people by 2050, from 7.7 billion in 2019 to 9.7 billion thirty years down the line, according to 'The World Population Prospects 2019' published by the Population Division of the UN Department of Economic and Social Affairs.