

Daily Economic News Summary: 19 January 2018

1. Thailand-Based Siam Makro to Open Cash-And-Carry Stores in India

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

Thailand-based Siam Makro PCL on Thursday said it will launch its wholesale cash-and-carry business in India under the brand “Lots Wholesale Solutions”. The company plans to invest Rs. 1,000 crore in the next five years in setting up its wholesale distribution centres and supply chain in North India. Tanit Chearavanont, Managing Director, Lots Wholesale Solutions, said, "India and the US are the two priority markets for future growth. We hope to leverage on our experience in operating cash and carry business in Thailand and other markets to establish our presence in India." He said the company will open 15 wholesale distribution centres in the country in the next three years in the northern region and expects to create 5,000 direct and indirect jobs. The first two stores are expected to open in Delhi-NCR region in the next six months. Siam Makro PCL is part of Charoen Pokphand Group (CP Group). Headquartered in Bangkok, CP Group has presence in food, retail and distribution, telecom, auto and pharmaceuticals sectors.

2. India's GDP to Grow at 7.1% in 2018-19: India Ratings

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

The Indian [economy](#) is expected to achieve 7.1 percent growth rate in the next fiscal, according to credit-rating body [India](#) Ratings. The agency claimed improvement in GDP growth from the current 6.5 percent to 7.1 percent will be steered by robust consumer demand and low commodity prices. The agency, in its outlook for 2018-19, said there will be a gradual pickup in growth momentum, owing to structural reforms like the Goods and Services Tax (GST) and the Insolvency and Bankruptcy Code, 2016. In a report titled 'Global Economic Prospects' for 2018, the [World Bank](#) noted that the GDP figures of 6.7 percent for FY 2017-18 can be attributed to short-term disruptions arising from the introduction of the GST.

3. Defence Minister Nirmala Sitharaman Taps Start-Ups, Small Industries for Equipment Making

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

A day after releasing the simplified Make II procedure, which prescribes guidelines to be followed to develop and manufacture defence equipment through private players, the defence ministry on Jan 18 kicked off its first-ever defence industry development meet in Chennai for forging new partnerships with the industry for defence production. The Army, Navy and Air Force are projecting their requirements, especially related to MSMEs, for indigenisation. Talking at a press conference on the sidelines of the two-day event being participated by 1,000 vendors, defence minister Nirmala Sitharaman said with the industry's increased participation in defence production, the country can become an exporter of products in the future from the current status of being the third-largest country that imports such equipment. To attract small industries and start-ups to get into tie-ups for defence production, similar industry development meets are on the cards across the major cities of the country.

4. GST Rate Cut For More Items, Returns Filing to be Made Simpler

Source: Livemint ([Link](#))

The Goods and Services Tax Council (GST Council) on Thursday cut tax rates on 29 products and 54 services at its 25th meeting and agreed to make the process of filing tax returns simpler. At the meeting chaired by finance minister Arun Jaitley, the federal indirect tax body cut GST rates on products including pre-owned vehicles, household cooking gas cylinders from private suppliers and precious stones. Services that saw a GST rate cut include legal assistance provided to the government and its agencies, admission to theme parks and small housekeeping services provided by e-commerce firms such as UrbanClap. The revenue impact of these rate cuts will be to the tune of Rs1,100-1,200 crore. Though a final decision is yet to be taken on the revamp of the return filing process, the GST Council is thinking of doing away with forms such as GSTR 2, dealing with purchases, and GSTR 3, a comprehensive return. Instead, the existing simpler summary return form GSTR 3B will continue, which will be supplemented with details from invoices to be uploaded by suppliers on the GST Network (GSTN). This will enable invoice matching and check tax evasion.

5. India Successfully Test-Fires Nuclear-Capable Agni-5 Ballistic Missile

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

India on Jan 18 successfully tested its long range surface-to-surface ballistic missile, Agni-5, for its full range from Dr Abdul Kalam Island in Odisha. The nuclear-capable intercontinental ballistic missile (ICBM) has a strike range of 5,000 km, which can cover most of China. The missile will eventually be inducted into the tri-service, Strategic Forces Command, which manages India's nuclear arsenal. With the Agni-5, India will become part of a small group of countries having ICBMs (range of 5,000-5,500 km) — only the US, China, Russia and France are known to have ICBMs. The Agni-5 is the most advanced missile in the Agni series, because of its navigation and guidance, warhead and engine. The missile has been made in a manner that after reaching the peak of its trajectory it will head down to the earth's surface, towards the target, with increased speed due to the gravitational pull.

6. India's Economy to Reach USD 5 Trillion By 2025, Says Paytm Chief Vijay Shekhar Sharma

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

Indian economy is set to double to USD 5 trillion in the next 7-8 years as booming consumption of digital services would support the addition of about USD 2.5 trillion to the country's wealth, Paytm founder Vijay Shekhar Sharma said today. "It took 70 years for India to become USD 2.5 trillion economy, and now the same amount of growth will take just next 7 years," Sharma said while addressing Internet and Mobile Association of India's (IAMAI) 12th (rpt) 12th India Digital Summit. Sharma added that the time was ripe for entrepreneurs to create products in India for the local market. "This is the time for Indian entrepreneurs to build something for India, from India, something that is a world-class model," he said. Sharma, whose company is backed by global investment giants like Alibaba and SoftBank, said spending capacity of consumers in tier II cities and beyond is often "underestimated".

7. Corporate Developers Look to Make the Most of RERA Regime

Source: Livemint ([Link](#))

Corporate real estate developers, some of them new entrants, are chalking out expansion plans to take advantage of a changing regulatory environment amid rising distressed assets in the realty

market. Stringent rules under the new Real Estate (Regulation & Development) Act, or RERA, are forcing unbranded and debt-ridden realtors to forge alliances with large, deep-pocketed corporate developers. This has opened up a potentially lucrative business opportunity for corporate entities as well as new and emerging companies for growth and expansion, real estate consultants say. Large corporate entities like Max India Pvt. Ltd and Aditya Birla Group firm Birla Estates are making plans to expand their real estate portfolios, leveraging the popularity of their brands. Partnership deals and joint development proposals are pouring in for developers like L&T Realty Ltd, Godrej Properties Ltd and Tata Housing Development Company Ltd. “Large corporate houses clearly see an opportunity in the stressed realty market...” said Gautam Saraf, managing director (Mumbai), Cushman & Wakefield, a property consultant.

8. HDFC Bank Becomes First Indian Bank to Cross Rs5 Trillion Market Cap

Source: Livemint ([Link](#))

India’s most-valued lender HDFC Bank Ltd on Thursday crossed Rs5 trillion market capitalisation for the first time, making it only the third Indian company to achieve this milestone. Tata Consultancy Services Ltd (TCS) and Reliance Industries Ltd (RIL) are the other two companies which crossed market capitalisation of Rs5 trillion. RIL remained the most-valued company with a market cap of Rs5.82 trillion, followed by TCS with a market cap of Rs5.57 trillion. Brokerage firm Jefferies India expects that this is sentiment positive, but the magnitude of impact should be marginal as the gap between current foreign institutional investor (FII) shareholding and upper limit is wide for most banks barring HDFC Bank.

9. India to Set Up \$350-M Fund for Solar Energy Projects

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

The government is going to set up a \$350 million fund for financing solar projects. This announcement was made by Minister of State (Independent Charge) for Power and Renewable Energy, Raj Kumar Singh, during the Future World Energy Summit (WFES) 2018 in Abu Dhabi (UAE) on Jan 17. Speaking at the International Solar Alliance (ISA) forum, Singh said that the ISA will help mobilise sufficient funds for solar energy projects. Interim Director-General of ISA, Upendra Tripathy, said that over 100 projects will be signed by April 2018 under the ISA umbrella.

10. Tata Steel Launches Branded LD Slag Products

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

Tata Steel today announced launch of two new products, branded LD slag products for applications in road, fly ash brick and clinker making. The introduction of the two new branded products Tata Aggreto and Tata Nirman is by industrial by-products management division of the steel major. LD slag is a byproduct of the Linz-Donawitz process which is produced as pig iron and is processed into crude steel. Tata Steel produces a wide range of industrial by-products which serve as key raw materials for various industries, the company said in a statement. The company said it has pioneered value creation out of by-products as part of its quest to contribute to a sustainable ecosystem. The addition of these two branded products in Tata Steel's portfolio will be significant for the company and the industry as it marks India's first step in the branded products category for processed steel slag.