

## Daily Economic News Summary: 19 June 2018

### **1. RuPay Card: Flag Bearer Of The Digital India Initiative; Everything You Need To Know About It.**

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

Prime Minister Narendra Modi has said that his pet Digital India Initiative aims at eliminating middlemen and checking the circulation of black money. PM Modi has beseeched the countrymen to use the domestic RuPay debit/credit card to ensure that transaction and processing fee is not earned by foreign companies. Since, the extra payment goes from the exchequer in foreign reserves; using RuPay cards can be the least we can do to serve the nation because, the money saved can be used for undertaking development and infrastructure work. RuPay, is bringing the revolutionary change in digital payments. The card is not just being used in India but abroad as well, he said, emphasizing that he used RuPay to buy some goods during his recent visit to Singapore. To facilitate financial inclusion in the country, the National Payment Corporation of India (NPCI) launched RuPay, a new card payment scheme. NPCI is a pioneer organization in the field of retail payments in India. Similar to any other debit cards that we hold now, RuPay debit cards can be used at 1.45 lakhs ATMS, 26.14 lakhs POS terminals across the country and various e-commerce websites across India. RuPay is a domestic card hence, the RuPay debit card can be used with in the country only. However, RuPay Platinum debit/credit cards are international cards.

### **2. Government Asks Exporters To Comply With Global Standards To Tap International Market**

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

The government on June 18 said exporters, particularly from the food and agriculture sectors, should strictly comply with global norms for quality and standards, or else they might lose their export market share to other countries. Emphasising on the importance of adopting best standards for goods and services, Commerce Secretary Rita Teatia said it is critical to promote manufacturing, exports and enhancing participation of domestic industry into global value chains. She said in the food and agriculture sectors, Indian exporters are repetitively facing trade barriers on account of compliance issues. “Such situations are prevalent in discerning markets like the US,

European Union and Japan and if Indian producers are unable to meet mandatory obligations for standards including the sanitary and phytosanitary (related with plants and animals) measures, we may lose our share of export market to other countries,” she said. Global value chains, she said, are fast emerging as a key driver of standards, and participation in these requires uniform standards worldwide. “There is a need to assess the global standards, and working towards harmonisation and adopting global value standards are critical,” she said.

### **3. 3 Foreign Investors Trim Shareholdings In ICICI Bank Amid Governance Concerns**

**Source: Livemint ([Link](#))**

The troubles for the ICICI Bank Ltd board go beyond appointing a successor to the incumbent chief executive Chanda Kochhar, with India’s second largest private bank struggling to retain the faith of foreign portfolio investors. At least three foreign investors, including Baillie Gifford and Co., Abu Dhabi Investment Council, Noosa, and Commonwealth Bank of Australia, have cut their shareholdings in ICICI Bank, according to filings with the stock exchange, and two executives familiar with the development. Email queries to Baillie Gifford and Abu Dhabi Investment Council, Noosa, seeking comments did not elicit any response. A spokesperson for Commonwealth Bank of Australia declined to comment. Although all three investors held less than 1% stake in ICICI Bank, the fact that FIIs are selling shares explains the underperformance of the company’s shares since the controversy around Kochhar first surfaced in the last week of March. Between 28 March and 18 June, ICICI Bank’s shares rose 5.06%, underperforming the Sensex and BSE Bankex, which gained 7.82% and 8.81%, respectively.

### **4. Pradhan To Take Up Oil Price Issue At OPEC Meet**

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

The government will take up the crude price issue with the Organisation of Petroleum Exporting Countries (OPEC). Petroleum Minister Dharmendra Pradhan has been invited to address the conference, scheduled to be held from June 20-21 at Vienna. Meanwhile, Interim Finance Minister Piyush Goyal said that the GST Council, in its next meeting, may discuss a proposal to bring various petroleum products under GST. However, no date has been finalised for the meeting. Pradhan said that he will put across to OPEC and non-OPEC producers at Vienna that crude oil

price should be regulated and pricing should be 'reasonable and responsible.' "We don't want crude prices to be \$25 a barrel, but now it is beyond reach. Why is it going beyond \$55-60?" he asked while talking to reporters on the sideline of a conference organised by the CII. India has for long sought to end the Asian Premium on oil being charged by OPEC producers. This issue was raised again in a meeting last week with the ambassadors from OPEC countries to India. India has a strong engagement with OPEC countries, who are the top eight suppliers of crude to India.

### **5. India's Largest National Data Centre To Come Up In Bhopal**

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

The government will be setting up the country's largest national data centre in Bhopal, with capacity for 500,000 virtual servers. The country has four such centres for hosting government websites, services and apps. These are at Pune, Hyderabad, Delhi and Bhubaneswar. With growing digitalisation of government services, this capacity needs to be increased. Electronics and information technology minister Ravi Shankar Prasad said data protection and privacy were important and its misuse would not be allowed. He was addressing journalists on four years of the present government. He said the rural Business Process Outsourcing scheme would be extended to 100,000 seats from the current 48,000, as it was a good job creator. He issued a strong defence of Aadhaar, the citizen identification and monitoring system. He said the programme, the world's largest biometric identification ones, "has already established its benefits for the public". Nearly Rs 4 trillion has been disbursed till date on direct benefits transfer, with a saving of Rs 900 billion from removing fictitious beneficiaries over these four years.

### **6. At Niti Aayog's Meet, PM Narendra Modi Asks States To Help Push Growth**

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

Prime Minister Narendra Modi wants to lift India's economic growth rate to double digits after it recovered to a sevenquarter high of 7.7% in the March quarter, with the onus on states to do their bit to contribute to the effort while cautioning the country that the task will be challenging. The Centre will continue to focus on farm income and mining, Modi told the fourth meeting of the Niti Aayog's governing council on June 17 and reiterated the work done by his government across social sectors in the past four years. The Centre is looking to the states to take a lead on improving

exports and set ambitious growth targets at their level. The prime minister has sought suggestions from the states for incentivising fund allocation under the finance commission. Besides, he urged states to consider the Centre's proposal for holding simultaneous elections in the country while adopting a uniform voter list for the nation to begin with. He also said they should take initiatives aimed at improving the 'ease of living' for people. Modi said the Indian economy grew at a healthy 7.7% in the fourth quarter of FY18. "The challenge now is to take this growth rate to double digits, for which many more important steps have to be taken," he said. Boosting growth is critical to the government's aim of generating jobs, raising incomes and eradicating poverty.

### **7. India Has Trade Deficit With 10 Regional Comprehensive Economic Partnership (RCEP) Members**

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

India had trade deficit with as many as 10 member countries, including China, South Korea and Australia, of the RCEP grouping of 16 nations which have been negotiating a mega trade pact since November 2012. The Regional Comprehensive Economic Partnership (RCEP) bloc comprises 10 Asean group members (Brunei, Cambodia, Indonesia, Malaysia, Myanmar, Singapore, Thailand, the Philippines, Laos and Vietnam) and their six FTA partners - India, China, Japan, South Korea, Australia and New Zealand. According to the commerce ministry data, India's trade deficit -- the difference between imports and exports -- with seven countries (Indonesia, Thailand, China, Japan, South Korea, Australia and New Zealand) of RCEP has in fact increased in 2017-18 as compared to the previous fiscal. The trade gap with China, Korea, Indonesia and Australia has increased to USD 63.12 billion; USD 11.96 billion; USD 12.47 billion and USD 10.16 billion in 2017-18. It was USD 51.11 billion, USD 8.34 billion, USD 9.94 billion and USD 8.19 billion respectively in the previous financial year, 2016-17. An industry expert stated that as this is a comprehensive trade deal, India would get greater market access in other countries not only in terms of goods, but in services and investments also.

## **8. India Working Towards Becoming \$5 Trillion Economy By 2025, Says President Ram Nath Kovind**

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

India is striving to become a USD 5 trillion economy and the world's third largest consumer market by 2025, President Ram Nath Kovind has said as he highlighted investment opportunities in the country. Kovind, the first Indian president to travel to Greece in 11 years, arrived here on June 16 on the first leg of his three-nation tour. Addressing the diaspora here, he said his visit will strengthen ties between India and Greece. Kovind praised overseas Indians for playing an important role in improving bilateral relations. "Greece and India presented the ideals of civilisation and culture in the ancient world. The relations between the two countries are very old and deep. Greek historian Megasthenes introduced India to the world through his book 'Indica,'" the president said. "We are working towards making India a USD 5 trillion economy and the world's third largest consumer market by 2025. According to the World Bank and IMF, our growth rate is going to be high," he said.

## **9. Logistics Player Blue Dart Opens Aviation Hub In Chennai**

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

Blue Dart, a leading logistics services provider and a subsidiary of Deutsche Post DHL Group, has launched an aviation hub in Chennai. The new facility will also house the headquarters of Blue Dart Aviation, India's only commercial cargo airline, which has a dedicated fleet of six B757-200 freighters and a capacity of 500 tonnes every night, operating across 73 flight sectors daily. The hub boasts of Bureau of Civil Aviation Security-approved security screening with its own X-Ray machines, equipment and dedicated manpower, said a company press release. The hub is located at the Blue Dart Aviation Terminal at Chennai's old international airport with both air and land side access. It is equipped to carry out inhouse engineering line maintenance for its fleet of aircraft, and has regulatory approval for security screening. It also has dedicated manpower and parking space for its own freighters. Tulsi Mirchandaney, Managing Director, Blue Dart Aviation, said the airport expansion programme has facilitated the need to have modernised, efficient and productive infrastructure to support demand and growth.

## **10. India Set To Join European Bank For Reconstruction And Development**

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

The European Bank for Reconstruction and Development (EBRD) on June 18 unveiled plans for a first-of-its-kind conference in India to welcome the country as its newest member. The inaugural EBRD-FICCI Business Forum in Mumbai on Friday is themed around 'Mobilising private sector finance in the EBRD region and how Indian companies can benefit'. The Federation of Indian Chambers of Commerce and Industry (FICCI) partnered event is backed by the Export-Import Bank of India (EXIM) with the aim of bringing together government officials, EBRD experts, and investors and prominent business people to highlight the multilateral bank's efforts to mobilise private sector finance in the economies where it invests, and what the opportunities are for the Indian private sector. "We are very proud to have India on board as a shareholder. The membership was unanimously approved by our existing shareholders," said EBRD president Suma Chakrabarti, before he left for India to address the forum. In the past, EBRD has worked closely with India and in countries like Russia, Turkey, Romania, and Ukraine. Chakrabarti feels that India's membership, which is now its final stages of completion, will open up further investment prospects in markets in Central Asia, Egypt and Jordan.

## **11. Cashew Cultivation To Be Expanded In 13 States**

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

The Union Agriculture Ministry has approved the expansion of cashew cultivation in around 60,000 hectares across 13 States. Speaking at the Foundation Day celebrations of the Directorate of Cashew Research (DCR) at Puttur in Dakshina Kannada district of Karnataka on June 18, Venkatesh N Hubballi, Director of the Kochi-based Directorate of Cashewnut and Cocoa Development (DCCD), said the Prime Minister, Narendra Modi, has asked the officials to expand the area under cashew cultivation by 1.20 lakh hectares in the next three years. Of this, the Union Agriculture Ministry has targetted the expansion of cashew crop on 60,000 hain the in the current year. Apart from the North-Eas States such as Tripura and Meghalaya, cashew cultivation will be expanded in Jharkhand, Chattisgarh, Gujarat, Karnataka, Tamil Nadu, Andhra Pradesh and Odisha, he said. The DCCD is spending around ₹50-60 crore every year on developing cashew cultivation, he said. In Karnataka it has developed cashew in Bidar, Shivamogga, Gadag and Mandya districts.

He said the domestic consumption of cashew is going up by 15-20 per cent every year and the sector provides jobs to around 15 lakh people. Stressing the need for taking up the cultivation of high-yielding varieties of cashew, he said the country imports cashew nuts worth ₹7,800 crore.

## **12. Tata Steel Europe-Thyssenkrupp Merger To Cut Costs, Consolidate European Steel**

**Sector: Moody's**

**Source: Firstpost ([Link](#))**

The proposed merger between Tata Steel Europe and Thyssenkrupp of Germany, forming an equal joint venture, is likely to consolidate the European steel sector and may lead to lower costs over time, a report said. Last September, Thyssenkrupp AG and Tata Steel UK had said they would combine their steel making capacities in Europe into an equal joint venture. This would make their combined operations the second largest in the continent, after ArcelorMittal. While Tata-Thyssenkrupp deal is potentially capable of delivering the largest synergies to the tune of 400-600 million euros initially, ArcelorMittal is aiming to make over 300 million euros from the Ilva deal, it said. However the report said the merger will not reduce current overcapacity in Europe as the curbs placed by trade unions and local authorities limit capacity reductions. The ongoing excess capacity may become a source of vulnerability in the next cyclical downturn or if significant imports designated for the US get redirected to Europe as a result of the US tariffs on steel. The agency believes that ArcelorMittal's acquisition of Ilva will also increase price discipline between the Northern and Southern European markets, which has been disrupted by Ilva's very aggressive pricing in the past.

## **13. Common Standards To Ease Biscuits, Sugar & Milk Trade In South Asia**

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

India and its neighbours have for the first time agreed on common standards for biscuits, refined sugar and milk products that will reduce the need for inspections at border points and give a major boost to movement of these goods in South Asia. This could serve as a template for bigger partnerships within the South Asian Association for Regional Cooperation (Saarc) nations such as the South Asian Economic Union, experts said. Besides India, the members of the grouping are Afghanistan, Bangladesh, Bhutan, Nepal, Pakistan, Sri Lanka and the Maldives. Saarc has finalised requirements related to packaging, marking, labelling and sampling of biscuits and

refined sugar to reduce intra-regional trade costs and non-tariff barriers to trade in the region. Apart from physical and microbiological requirements for biscuits and refined sugar, the South Asian Regional Standards Organization (SARSO) has set standards for production, processing and handling of milk and milk products. “SARSO has arrived at regulatory standards for three products. These regional standards will help these goods across borders in Saarc countries,” said an official aware of the details. In 2017-18 India exported goods worth \$22.9 billion to Saarc partners and imported goods. The organisation has identified food and agricultural products; jute, textile and leather; building materials; chemicals and chemical products and electrical and electronic products as sectors for harmonisation of standards.