

## Daily Economic News Summary: 26 February 2018

### 1. PM Narendra Modi, Justin Trudeau Talk Trade, Terrorism

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

Prime Minister Narendra Modi and his Canadian counterpart Justin Trudeau on Feb 23 discussed various bilateral as well as global issues such as trade, defence, civil nuclear cooperation, space, tackling climate change energy and education. Cooperation on counter-terror measures was a key area of focus in view of India's concerns over the Sikh radicalism in Canada. At the end of a two-hour meeting between Modi and Trudeau, six agreements in areas of higher education, atomic energy, ICT, IPR, energy and sports were inked. Addressing media persons jointly, Modi said, "India and Canada will deepen social and economic ties going ahead. Canada Pension Fund is a large investor in India. We look forward to allowing Canada to double investments in India. India values expanding strategic partnership with Canada. Our relations are based on democracy, multiculturalism, primacy of law and sustained dialogue."

### 2. GST: E-Way To Be Rolled Out From April 1

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

A group of state finance ministers (GoM) couldn't reach a consensus on the final shape of tax return forms for taxpayers in Goods and Services Tax (GST), as issues related to reconciliation of input tax credit (ITC) remained unresolved. However, the GoM will recommend to the GST Council that inter-state e-way bill be implemented from April 1, Sushil Kumar Modi, Bihar deputy chief minister and head of GoM, said on Feb 24. Comprehensive tax return forms and e-way bill, which is an online mechanism for tracking movement of goods, are crucial anti-evasion measures, but their implementation has been waylaid due to technical glitches faced by the GST Network, the IT backbone of GST. Sushil Modi said the GoM considered two main proposals for return forms — one presented by Infosys chairman Nandan Nilekani and the other prepared by a committee of tax officials. Modi said there was consensus on having a single return form every month and that credit claims by buyers and sellers should be matched.

### **3. Commerce Ministry to Launch Campaign to Promote GI Products**

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

The Union Ministry of Commerce and Industry is launching a mega campaign for promoting products closely associated with their geographical origin. The campaign aims at promoting local artisans and manufacturers, said Commerce and Industry Minister Suresh Prabhu. Speaking on the sidelines of BioAsia-2018, he said many countries are looking at India for investment opportunities after simplification of Foreign Direct Investment (FDI) norms. A Geographical Indication (GI) is primarily an agricultural, natural or a manufactured product (handicrafts and industrial goods) originating from a definite geographical territory. Typically, such a name conveys an assurance of quality and distinctiveness, which is essentially attributable to the place of its origin. The minister also spoke about promoting "ease of doing business" at the district level.

### **4. Navy Agrees to Buy Four Russian Frigates for \$3 Bn**

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

New Delhi and Moscow have finalised contractual terms for four new stealth frigates that Russia will supply the Indian Navy for slightly over Rs 200 billion (\$3 billion), or about Rs 50 billion (\$775 million) per vessel. Designated the "Upgraded Krivak III class", the first two frigates will be built in Yantar Shipyard, in Kaliningrad, Russia. The following two will be built in Goa Shipyard Ltd (GSL) with technology and designs transferred by Yantar. Delivery will begin within four years of signing the contract. The Krivak III costs marginally less than the Rs 57.50 billion (\$888 million) that the navy will pay for each of seven indigenous frigates that Mazagon Dock Ltd, Mumbai (MDL) and Garden Reach Shipbuilders and Engineers, Kolkata (GRSE) have been contracted to build under Project 17A.

### **5. Govt Leans on IIFT, ICAI to Improve World Bank's 'Doing Business' Ranking**

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

Commerce and industry ministry has appointed four institutes, including IIFT and ICAI, to interact with stakeholders and suggest measures to push India's ranking in ease of doing business index, an official said. The National Institute of Construction Management and Research (NICMAR), the Indian Institute of Foreign Trade (IIFT), the Institute of Company Secretaries of India (ICSI) and the Institute of Chartered Accountants of India (ICAI) are the four institutes that have been roped

in for the exercise. As per the latest World Bank's Doing Business ranking, India's position improved by 30 places to 100th. The government wants India to figure within top 50 in the coming years. The parameters include-starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency.

#### **6. Boost for Andhra Pradesh: Mukesh Ambani's Reliance Industries Limited Commits to Invest Rs 55,000 Crore in 4 Years**

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

In a big fillip to Andhra Pradesh, Reliance Industries (RIL) and its associate companies have made a committed investment of Rs 55,000 crore in the state to facilitate the business of marketing gas and LNG. India gas Solutions Private, a 50:50 joint venture company of RIL, BP International (BP) and Andhra Pradesh Economic Development Board (APEDB) signed a memorandum of understanding (MoU) during the three-day CII Partnership Summit with a committed investment of Rs 40,000 crore. In addition, another Rs 15,000 crore investment has been proposed by Reliance Infocomm for expanding its digital infrastructure operations in the state

#### **7. Justin Trudeau's Visit Reflects Uneasy State of Indo-Canada Trade Ties**

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

Canadian Prime Minister Justin Trudeau's India visit last week, that turned out to be rather embarrassing, merely reflected the trade relationship between the two countries, which have been uneasy for the last couple of years. On trade and investment, progress has been elusive on two deals under negotiation—a bilateral investment treaty called the Bilateral Investment Promotion and Protection Agreement (BIPPA), and a free trade agreement known as Comprehensive Economic Partnership Agreement (CEPA). India has been the largest market for Canadian pulses, peas and lentils. Traditionally a net importer of pulses, India has since last year received a bumper crop in pulses and is unwilling to import the staple food, to protect domestic farmers. While Canada is keen to conclude the CEPA with India at a time US President Donald Trump has forced it to renegotiate the North American Free Trade Agreement (Nafta), even threatening to terminate the trade deal, there has been little progress even after 10 rounds of negotiations starting from 2010.

### **8. Food Delivery Sector on Cusp of Revival as Investments Pour in**

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

The food delivery sector, written off not too long ago, has seen a revival over the past six months. While market leaders Zomato and Swiggy have raised large funding rounds, cab-hailing firms Uber and Ola, attracted by the runaway expansion of Swiggy, are investing hundreds of crores of rupees to gain a slice of the market. The food-technology sector is expected to touch at least \$2.5 billion by 2021 from its current size of about \$700 million, according to a report by consultancy firm RedSeer Management. The online food delivery market is growing at a steady 15% quarter-on-quarter in terms of daily food orders. Bengaluru-based Swiggy leads the stack with a 35-38% market share, followed by Zomato at 25-30%, according to RedSeer. UberEats, the food delivery business of cab major Uber Inc., which was already operational in several countries, entered the segment in India last year.

### **9. India to Launch Online Platform for Trading Cow Dung, Agricultural Waste: Modi**

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

Prime Minister Narendra Modi on Feb 25 said the government plans to create an online platform for trading cow dung and agricultural waste under its recently announced waste to wealth scheme. Urging people to make use of GOBAR-DHAN (Galvanising Organic Bio Agro Resources) scheme announced in the current Union Budget, he said it has the potential to create new jobs linked to waste collection, transportation, and biogas sales. The Prime Minister said this during his 41st Mann ki Baath broadcast aired nationwide on Feb 25 where he touched upon a range of subjects, including science and technology, women empowerment, public safety, apart from converting waste into wealth. The Gobar-Dhan scheme, Modi said, would not only keep the villages clean and sanitised, but also help generate additional income for people.

### **10. State Bank of India in UK Set For Major Restructuring**

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

In a strategic shift, the State Bank of India (SBI) will undertake a major restructuring of its business in the UK from April and ensure greater protection for depositors, India's largest state-owned bank has said. SBI's UK operations will transform into a subsidiary named State Bank of India UK Limited from April 1, in compliance with wider ring-fencing of

capital requirements by the Bank of England. The move will mean that all retail branches of SBI in the UK will fall under a new UK-incorporated banking entity instead of their previous status as overseas branches of the Indian entity. SBI operates seven branches in London and five each in Manchester, Birmingham, Wolverhampton, Leicester and Coventry - all cities with a large concentration of Indian diaspora population.

### **11. JSW Steel to buy Italy-based Aferpi for ₹600 crore**

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

Having lost the race to acquire the stressed assets of two Bhushan group companies, JSW Steel is all set to buy out Italy's second largest steel producer, Aferpi, formerly known as Lucchini SpA, in a deal worth ₹600 crore. JSW Steel has been in talks with Algeria-headquartered Cevital Group on the acquisition for the last six months and is expected to make an announcement after closing the deal early next month, said sources tracking the development. An email sent by *BusinessLine* to the company for comments on the deal remained unanswered till the time of going to press. Earlier, Tata Steel had pipped JSW Steel, promoted by Sajjan Jindal, by placing an aggressive bid to buy out the stressed assets of Bhushan Steel and Bhushan Power and Steel.

### **12. India, Germany Sign Pact for Smart City Cooperation**

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

The MoU signed between Union Ministry for Housing and Urban Affairs and the German development agency GIZ here would develop and apply concepts for sustainable urban development providing urban basic services and housing in select cities as well as smart cities in India. GIZ would contribute up to €8 million for the project which would run for a period of three years.