

**Daily Economic News Summary: 27 September 2019**

**1. RBI imposes restrictions on PMC Bank; withdrawal restricted to Rs 1,000 per account**

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

The Reserve Bank of India has ordered Punjab and Maharashtra Co-operative (PMC) Bank not to do any business for six months and capped depositor withdrawals at Rs 1,000, throwing the lives of thousands of traders, self-employed and daily wage earners into disarray. The regulator has also appointed an administrator for the bank. Defaults appear to have surged in the past six months amid tight economic conditions and some lumpy loans to real estate companies located in the financial capital that turned sour, making it difficult for the bank to meet its commitments, two people familiar with the matter said.

**2. India, US working to resolve trade issues**

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

India and the US are trying to take the bilateral talks forward and thrash out a trade package before commerce and industry minister Piyush Goyal returns from the US later this week. While the two sides seem to have reached a mutually satisfactory resolution of pricing of medical devices, India may have to accommodate the US' demands on market access for its almonds, nuts and berries to arrive at a trade package before they work on a larger bilateral trade deal. Goyal will participate in a roundtable discussion organised by the US-India Strategic and Partnership Forum in New York on 26 September before he travels to Washington for trade negotiations with American trade officials.

**3. SpiceJet to launch 46 new domestic flights**

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

Budget airline SpiceJet will launch 46 new non-stop flights on its domestic network next month. According to the airline, the new flights will begin in phases starting October 27. Besides, the airline said with the addition of new flights, passengers from cities such as Rajkot, Aurangabad, Jodhpur, Varanasi, Shirdi, Vijayawada, and Vishakhapatnam among others will be able to "easily travel to a host of other cities both on SpiceJet's domestic as well as international network". Further, the airline has announced the on-boarding of Rajkot as its 54th destination on

the domestic network with the introduction of a daily non-stop flight on the Mumbai-Rajkot route. Moreover, the airline will also launch services on the Chennai-Durgapur UDAN route.

#### **4. Uttar Pradesh govt identifies 5 sectors for \$1-trillion economy push**

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

The Yogi Adityanath government has identified five major sectors —infrastructure development, industry, agriculture, urban development and service sectors — to power Uttar Pradesh’s march towards becoming a \$1 trillion economy by 2024. Talking to mediapersons, the chief minister said, “We have decided to activate each of the 75 districts to achieve the \$1 trillion goal. The district authorities have been asked to release their own growth rate and go for a fresh mapping of their area.” Claiming that the government is going all out to promote MSMEs through the One District One Product (ODOP) scheme and setting up clusters for export, the chief minister said. UP already has clusters in 57 districts to promote local products.

#### **5. Amazon, Flipkart sale: The fight for \$4.8 billion festive business in India**

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

There is no slowdown when it comes to consumer spending and online retailers like Amazon and Flipkart in India are expected to generate about \$4.8 billion in sales from September 25 to October 29, mitigating the impact of the general economic gloom. About 80% of these sales will occur between September 29 and October 4 - the period in which Flipkart and Amazon will hold their 'Big Billion Days' and 'Great Indian Festival' sales, global market research firm Forrester said on Thursday. As a result, the growth (year-over-year) in online retail spending during these five days will take a hit, from 93 per cent in 2018 to 32 per cent in 2019. "It's not only customers in tier 1 and tier 2 cities that will spend more online during this festive season; buyers in tier 3 cities and beyond will too," said Satish Meena, Senior Forecast Analyst with Forrester.

#### **6. DIPAM, Niti Aayog looking at potential divestment candidates**

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

The Department of Investment and Public Asset Management (DIPAM), along with the Niti Aayog, is looking at various public sector units (PSUs) that are potential candidates for privatisation. The government also plans to come out with Bharat 22 ETF in the first week of October this year with a base size of Rs 2,000 crore. According to sources in the government, the proposal to divest stake in Air India is in the works and can possibly conclude this year. Officials also added the government is planning to bring down its equity holding in select entities below

51%. But government approval is yet to come in this regard. An official said the Cabinet had in the past decided to own at least 51% in PSUs and the Cabinet itself will now have to take a call on going down below the level. DIPAM is also looking at Specified Undertaking of Unit Trust of India (SUUTI) stake sales in private companies. “Government’s disinvestment plans could also involve the huge land parcels or non-core asset that PSUs have been holding on their books,” said the official, on condition of anonymity.

### **7. RBI releases report on review of liquidity management framework**

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

The Reserve Bank of India (RBI) has released a report on liquidity management framework submitted by an internal working group that was set up to help the central bank manage system liquidity more effectively. The framework, if revised, will have an impact on the flow of credit to various sectors in the economy. This includes the transmission of policy rate changes to the money market rates. The working group has recommended largely maintaining the present corridor system with call money rate as the target rate. However, it has suggested making it more flexible to adapt to the needs of the system, when it is in deficit or surplus mode.

### **8. OYO Life ties up with IIT Delhi, Plaksha University for student housing**

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

OYO Life, fully managed housing rental solutions company and part of the OYO group, on 26 September announced its tie up with the Indian Institute of Technology (IIT), Delhi and Plaksha University in Gurugram for managing 500 plus beds for the student community. The company is poised to tap the opportunity by providing fully managed, long-term rental solutions to students, given the growing student intake in metropolitan cities and the consequent shortage of on-campus hostel facilities. OYO Life has signed an agreement to provide 500+ beds for students of both IIT Delhi and Plaksha Tech Leaders Fellowship in Delhi and Gurugram to provide affordable accommodations starting from Rs6,500 and going up to Rs12,999 per bed, per month, depending on the location and size of the room. All OYO Life buildings will be equipped with essential amenities like Wi-Fi connectivity, television, refrigerator, AC, regular housekeeping, power backup, CCTV surveillance, and 24/7 caretaking.

### **9. Upcoming Jewar Airport to be India's largest with 6 runways**

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

The proposed Jewar Airport in Greater Noida will be India's largest after completion. The airport will have six runways, similar to the world's largest airports, according to Arun Vir Singh, CEO, Yamuna Expressway Industrial Development Authority (YEIDA) on 25 September. This new airport is expected to provide the National Capital Region with a second facility after Delhi's Indira Gandhi International Airport, which is currently the biggest in the country with three runways. Jewar airport, after completion, will be among one of the three largest airports in the world, including O'Hare International Airport in Chicago, Daxing International Airport in Beijing, China, and Dallas/Fort Worth International Airport in Texas, US. The O'Hare Airport is spread in more than 7,200 acres and has eight runways, while the Dallas/Fort Worth Airport and Daxing Airport has seven runways each.

**10. India-Chile set to expand preferential trade, explore possibility of a free trade pact**  
**Source: The Hindu, BusinessLine ([Link](#))**

India hopes to export more generic drugs and textiles to Chile while the South American country wants to increase its exports of fish, oats, fruits, industrial products and chemicals, as the two have formally exchanged the terms of reference for expanding the bilateral preferential trade agreement (PTA). New Delhi has also sought cooperation in sourcing of Lithium from Chile to support its drive to popularise the use of e-vehicles in the country, in a recent meeting between Commerce Secretary Anup Wadhawan and Special Envoy of Chile for Asia Pacific Eduardo Frez Ruiz-Tagle, a government official told BusinessLine. Under the expanded PTA, Chile has offered concessions to India on 1,798 tariff lines (products) with margin of preference (MoP) ranging from 30-100 per cent. This means that once the expanded PTA is implemented, Chile will impose lower duties on 1,798 products imported from India compared to what it imposes on its other trading partners under normal trade. The duties will be lower by 30-100 per cent (margin of preference) depending on the item.