

## Daily Economic News Summary: 28 January 2019

### **1. Apple Key Assemblers Shift To India, Vietnam As Us-China Trade Tension Rise**

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

Apple Inc.'s main assemblers are shifting more output to India and Southeast Asia as trade tensions threaten to escalate costs in their longstanding production base of China. Hon Hai Precision Industry Co., known also as Foxconn, said over the weekend it's investing more than \$200 million in India and Vietnam. Smaller rival Pegatron Corp. said Sunday it's moved to Indonesia some manufacturing of networking gear hit by rising US tariffs on Chinese imports, and is now exploring bases in Vietnam and India as well.

### **2. Airtel Plans \$2.4 Billion Push For 4g In Africa**

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

With its Indian wireless business under pressure, Bharti Airtel Ltd has decided to double down on its Africa unit and is readying a war chest of as much as \$2.4 billion to expand its high-speed 4G data network across the continent. The telecom operator is also preparing for an initial public offering for its Africa unit in June-July after having raised \$1.25 billion in a pre-IPO fund raising from large investors. "Africa has good prospects. Data is just about starting in Africa. We will take a lead in 4G in Africa. Bharti will spend about \$700-800 million a year over 2-3 years to expand 4G services and this money will come from the Africa operations itself," a person with direct knowledge of the matter said, requesting anonymity. By expanding its 4G footprint in the continent, Bharti Airtel is looking to steal a march on its main continental rival South Africa's MTN. Bharti established its presence in Africa by buying Kuwait-based Zain's Africa operations for \$10.7 billion in 2010.

### **3. India Is Second Largest Steel Producer Now**

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

India has replaced Japan as the world's second-largest steel producer. The country's crude steel output rose 4.9 per cent to 106.5 million tonnes in 2018, while Japan's production fell 0.3 per cent to 104.3 million tonnes, according to data from the World Steel Association (WSA). The

development will boost the steel ministry's initiative to achieve 300 million tonnes of production capacity by 2030. The government is also making efforts to increase India's per capita steel consumption through various policy initiatives and stepping up spending on housing and infrastructure.

#### **4. Cabinet Likely To Approve Agri-Package For Farmers On Monday**

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

The cabinet on 28 January is likely to approve a package for farmers to boost their income and address distress in the farm sector, sources said, adding that the move will come ahead of the general elections. The agriculture ministry has recommended several options to provide both short and long term solutions to address agrarian distress. However, a final call will be taken in the cabinet meeting as a huge cost is involved, the sources said. There is also a proposal to completely waive premium for taking insurance policy for food crops. The centre is also evaluating the scheme followed by the Telangana and Odisha governments wherein a fixed amount is transferred directly into the bank account of farmers, the sources added.

#### **5. Modi Govt Planning Full Budget 2019, Not Vote On Account**

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

Implicitly signalling a second tenure for itself, the Narendra Modi government proposes to chart its economic thinking in its budget for the year starting 1 April, with focus on an ambitious expenditure programme. The finance ministry plans to present a full budget on 1 February, a senior government official said. Budget 2019, which will be the last by the present government ahead of the 2019 Lok Sabha elections in May, going by established practice should be a vote-on-account, with government seeking Parliament approval for expenditure from the Consolidated Fund of India for the interim period.

#### **6. Ex-Finance Panel Chief Vijay Kelkar For Setting Up 'Niti Aayog 2.0'**

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

Former Finance Commission chairman Vijay Kelkar has pitched for setting up of a 'new Niti Aayog' and giving it responsibility for allocating capital and revenue grants to the states. Kelkar, in a paper titled 'Towards India's New Fiscal Federalism', said it is desirable that a functionally distinct entity such as the new Niti Aayog be put to use to do the job at hand related to the structural issues including removal of regional imbalances in the economy. The eminent economist, however, added that he is not suggesting for a moment that the new Niti Aayog

should take the form of the old Planning Commission. Socialist-era Planning Commission was replaced by think-tank Niti Aayog on January 1, 2015, by the Modi government. Kelkar argued that replacing the Planning Commission, which was promoting regionally balanced growth in India, by the Niti Aayog, a think tank, has reduced the government's policy reach.

#### **7. RBI Governor Shaktikanta Das To Meet Top Global Funds In Singapore, Hong Kong Source: The Economic Times ([Link](#))**

Reserve Bank governor Shaktikanta Das will meet top global funds in Singapore and Hong Kong next month to sell India's growth story and shore up foreign fund inflows, people with direct knowledge of the matter told ET. The closed-door meeting, perhaps the first of its kind, is likely to take place in the second or third week of February with an expected 40-50 participants, including executives from GIC, Temasek, Aberdeen Asset Management, Prudential Plc (UK), Eastspring Investments, Nomura, Goldman Sachs and Morgan Stanley. The huddles come amid growing expectations that RBI will ease investment rules for foreign portfolio investors.

#### **8. Finance Minister Piyush Goyal To Meet CEOs Of Public Sector Banks Today, Discuss Ways To Improve Financial Health Source: Firstpost ([Link](#))**

Finance Minister Piyush Goyal will meet the CEOs of public sector banks 28 January to take a stock of the banking sector, and discuss ways to improve their financial health, sources said. The meeting assumes significance as it comes just three days ahead of the Budget 2019-20, the last from this government before the general elections expected to be held in April-May. The full-day meeting is likely to be attended by Reserve Bank of India Governor Shaktikanta Das, who is going to announce his first monetary policy review on 7 February. Goyal, who was given additional charge of the finance ministry last Wednesday as Arun Jaitley is away to the US for a treatment, is his expected to discuss a host of issues including credit offtake and bad loan position of lenders.