

Daily Economic News Summary: 28 January 2020

1. Google Pay leads UPIs in digital payments, Amazon Pay most favoured wallet

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

Among UPI (unified payments interface) apps, Google Pay contributed 59 per cent and Walmart-owned PhonePe facilitated 26 per cent, followed by Paytm (7 per cent) and BHIM (6 per cent) in digital transactions in 2019, according to fintech firm Razorpay's report 'The Era of Rising Fintech.' The report provides an in-depth study of a rapidly evolving fintech ecosystem in India and analyses the patterns of digital transactions and the impact of industry innovations, such as UPI, which are harnessing a digitally inclusive economy. In 2018, Google Pay contributed 48 per cent and BHIM facilitated 27 per cent in digital transaction, followed by PhonePe (15 per cent) and Paytm (4 per cent). Also, Amazon Pay was the most preferred wallet among consumers (33 per cent), followed by Ola Money (17 per cent) in 2019. While the usage of cards (46 per cent) and Net banking (11 per cent) saw a decline in 2019, down from 56 per cent and 23 per cent respectively in 2018, UPI (38 per cent) went up from 17 per cent in 2018.

2. Govt offers Air India with loan against aircraft of Rs 23,286 crore

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

The government today has invited bids to sell 100% stake in Air India for the second time after a failed attempt in 2018. The last date for submission of bids for the national carrier will be March 17, 2020. The government, however, has sweetened the deal this time by offering 100% in the airline as well as reducing the debt of the company to about Rs 23,286 crore from Rs 62,000 crore. The debt left with the company are mainly on account of aircraft purchase, which are against government guarantees but those guarantees will go once the airline is purchased by a new owner. In 2018, the government had invited bids for sale of 76% in the company but did not get even a single bidder. The government was to hold about 24% in the company with a board membership and there was no proposal to reduce the debt substantially.

3. Brazilian President Bolsonaro calls for investments by Indian companies

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

Brazilian President Jair Bolsonaro on 27 January called for greater investment by Indian conglomerates in the Latin American country's infrastructure, railways, mining and energy sectors. Addressing senior captains of industry, Bolsonaro, along with senior minister's from the Brazilian government pitched for more investments from India. Brazil's economy is broadly expected to slowly regain health in 2020, with gross domestic product growth estimated at 2.3 per cent by the country's central bank. Winning on a populist plank to eradicate poverty and clean up corruption, Bolsanaro has pushed for large scale foreign investment to tap the country's vast natural resources, especially in the Amazon rainforest in the scarcely populated hinterland. Indian companies have invested about \$ 6 billion in the country, and has significant footprint in multiple sectors sectors.

4. Piyush Goyal asks traders to promote swadeshi by selling, consuming local goods

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

Commerce and Industry Minister Piyush Goyal on January 27 asked the traders to promote swadeshi by selling and consuming local products, saying it will help in boosting economic growth to double digits. He exhorted domestic traders to pay heed to the call given by Prime Minister Narendra Modi to promote swadeshi products. "If traders start using swadeshi (indigenous) goods, sell swadeshi products and promote those items, the economic growth will boom...no one can stop us from growing at 7, 8, and 9 per cent and double digits," Goyal said here while addressing members of the Confederation of All India Traders (CAIT). Modi in one of his 'Mann Ki Baat' programmes has called upon people to promote indigenous products.

5. India's first underwater metro nears completion, to start soon in Kolkata

Source: Livemint ([Link](#))

Kolkata Metro Rail Corp. expects to complete its East-West project, which runs partly under the city's iconic Hooghly river, by March 2022 after a delay of several years doubled costs. The authority is awaiting a final installment of 200 million rupees (\$2.8 million) over the next two years from the Indian Railway Board, said Manas Sarkar, managing director at KMRC. A soft loan of 41.6 billion rupees from Japan International Cooperation Agency helps fund 48.5% of the project. India's oldest metro, which started in 1984 with a North-South service, was due to expand by 2014 but faced problems including squatters on the planned route. These issues have

contributed to the total project cost rising to about 86 billion rupees for some 17 kilometers from 49 billion rupees for 14 km

6. India & Brazil agree to resolve Sugar subsidies issue bilaterally

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

India and Brazil have both agreed to address the critical issue of sugarcane subsidies and pricing policies through bilateral consultations. Brazil, last February filed a World Trade Organisation (WTO) dispute related to the alleged domestic support provided by India in favour of agricultural producers of sugarcane and sugar. It also raised the issue regarding the export subsidies measures. Following which in July 2019, besides Brazil, Australia and Guatemala also initiated dispute proceedings, citing India's policies to support sugarcane farmers not in compliance with WTO rules and are distorting global trade. This led to WTO setting up a dispute settlement panel with the aim to review Indian subsidies.

7. Centre to release report card of 'smart cities' in June

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

The central government will release a report card of 100 selected smart cities in three categories -- ease of living, municipal performance index and climate -- in June as the Smart Cities Mission completes its five years. According to the Union Housing and Urban Affairs Ministry, it will help cities in better planning and moving towards data-driven governance that will eventually improve their live-ability. Smart Cities Mission Director Kunal Kumar said that in June the ministry, will come out with ranking of smart cities in Ease of living index, performance of municipalities and climate.