

Daily Economic News Summary: 28 October 2019

1. PM Modi to embark on two-day visit to Saudi Arabia today

Source: Livemint ([Link](#))

Prime Minister Narendra Modi will embark on a two-day visit to Saudi Arabia on 28 October with an aim to boost bilateral ties between the two countries in key sectors including energy and finance. Modi is paying a visit to the Kingdom at the invitation of Saudi King Salman Bin Abdulaziz Al Saud. The Prime Minister will hold talks with Saudi Crown Prince Mohammed Bin Salman and launch the RuPay card in the country during the two-day visit. He will also attend the third session of the Future Investment Initiative (FII) Forum in Riyadh, where he will deliver the keynote address. The Prime Minister will arrive in Riyadh on Monday night. A few Saudi ministers are slated to meet the visiting dignitary, the following day. Modi is also scheduled to address the FII plenary session on Tuesday. He will leave for New Delhi on the same night.

2. Chennai is the first south Indian city to get direct Tokyo flights

Source: Livemint ([Link](#))

All Nippon Airways, one of the largest airlines in Japan, has launched direct service between Chennai and Tokyo. With the new service, Chennai has become the first city in South India to have the flight connectivity to the Narita International Airport, Tokyo. "All Nippon Airways is here!!! Chennai will be the third in India and the first city in the South to welcome direct flight from Japan," Airport Authority of India said. "The Chennai-Narita connect will operate thrice a week. Congrats @FlyANA_official," AAI said in a tweet. All Nippon Airways, in its website, said, "Bringing a new attraction flight closer. The only direct flight from Chennai to Tokyo". ANA general manager (India) Yasuo Taki had said, "It is hard to ignore the growth potential of Chennai and when the nearby cities of Bengaluru and Hyderabad are factored in, the case for expansion becomes overwhelming."

3. Bengaluru gets direct flight to Addis Ababa

Source: Livemint ([Link](#))

Ethiopian Airlines will start weekly non-stop flights between capital Addis Ababa and Bengaluru, making the tech hub its third destination in India after Mumbai and New Delhi to

have direct connectivity, an official said on 27 October. "The direct passenger flights to Bengaluru from Addis Ababa is part of our strategic plan to expand in India. We are one of the first entrants to serve the Indian market, having 48 years of operation out of Mumbai," said Tadesse Tilahun, regional director, Ethiopian Airlines (Indian sub-continent) in a statement here. The airlines will initially operate 4 non-stop flights a week from Addis Ababa on Sunday, Tuesday, Thursday and Friday to Bengaluru and from Bengaluru on Sunday, Tuesday, Thursday and Saturday to Addis Ababa. As the largest aviation group in Africa and Skytrax certified four-star global airline, Ethiopian is the first airline to give direct connection from South India to Africa.

4. Office rentals stagnate in Delhi, Mumbai, but shoot up in Bengaluru, Hyderabad

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

According to the Q3 2019 numbers by real estate consultancy JLL India, office rentals surged by 9% in Hyderabad, while rent was up by 6% and 5% in Bengaluru and Pune, respectively. Office rentals had a mixed experience during the third quarter of the 2019 calendar year (CY), with rates in the top 2 metros Delhi and Mumbai almost stagnating on account of high vacancies in peripheral and suburban business districts. On the other hand, office rent in cities like Hyderabad, Bengaluru and Pune, which are dominated by IT/ITeS companies, climbed as much as 9% y-o-y during July-September 2019. According to the Q3 2019 numbers by real estate consultancy JLL India, office rentals surged by 9% in Hyderabad, while rent was up by 6% and 5% in Bengaluru and Pune, respectively

5. GVK to raise Rs 7,614 crore to retire debt of its holding companies

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

GVK Group companies have entered into definitive agreements with subsidiaries of the Abu Dhabi Investment Authority, Canada's Public Sector Pension Investment Board and National Investment and Infrastructure Fund to raise Rs 7,614 crore investments into GVK Airport Holdings Limited. GVK AHL is the holding company of Mumbai International Airport Limited (MIAL) and engaged in the business of developing, operating and managing the Chhatrapati Shivaji Maharaj International Airport, Mumbai and development of Navi Mumbai International Airport. A GVK press release said proceeds from the transaction would be used to primarily retire debt obligations of its holding companies significantly and fund the purchase of

additional shares in MIAL by GVK AHL, from Bidvest and ACSA in accordance with the Right of First Offer already exercised by GVK AHL.

6. CX Partners, IFC, ADB may buy 80% in Indian School Finance

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

A consortium of investors - private equity firm CX Partners, the Asian Development Bank (ADB) and the World Bank arm International Finance Corp (IFC) is in the process of acquiring about 80% of Indian School Finance Co Pvt Ltd (ISFC), one of the leading non-banking financial companies in the education sector, for \$50 million (Rs 355 crore), said two people aware of the development. Of the \$50 million round, approximately \$37 million will be primary capital with an issue of new shares. The rest will provide a partial exit to US-based investor Gray Matters Capital and a complete exit to Hyderabad-based investor Caspian Advisors, according to the first person mentioned above. Both the investors together hold about 86% of ISFC while the management and employees hold the rest.

7. World Bank to continue with USD 6 billion annual lending support to India

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

World Bank President David Malpass on 26 October said the multi-lateral funding agency will continue with USD 6 billion lending target for India. As many as 97 projects are being currently executed with loan assistance from the World Bank. "World Bank right now has 97 projects with USD 24 billion committed. So, we expect the programme to continue and to reflect the projects and reforms that were going on in India. Maybe 5-6 billion dollars (USD) per year," he told media in an interaction. The visiting head of the World Bank earlier in the day met Prime Minister Narendra Modi and Finance Minister Nirmala Sitharaman.