

Daily Economic News Summary: 3 April 2018

1. Highway Construction Hits Record 10,000 Km In FY18

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

Construction of national highways in India hit a record 10,000 km in the year ended March 31 after the government stepped up the pace of implementation and awarding contracts. On average, 27.5 km of highways were constructed every day in FY18, while contracts were awarded for an average 46 km per day, a top road transport and highways ministry official said. The construction of 10,000 km of national highways last year compares with 8,231 km in FY17 and 4,260 km (11 km per day) in FY14, the last year of the UPA government. Contracts were awarded for 17,000 km in FY18 compared with 15,848 km a year earlier and 3,169 km (8 km per day) in FY14. The government on April 2 will officially announce the numbers achieved in FY18 and the targets for FY19. The total investment in constructing national highways by both the government and private investors was about Rs 1.5 lakh crore, of which almost Rs 1 lakh crore came from budgetary allocation, ploughing back of toll collections and borrowings by the National Highways Authority of India.

2. Intra-State Rollout Of E-Way Bills Soon

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

The government may soon announce the rollout schedule for electronic way bills in intra-state sales under the goods and services tax regime, buoyed by the smooth implementation of the system for inter-state movement on April 1. The government is also confident of meeting the revised fiscal deficit target for FY18 following improved direct and indirect tax collections. February GST collections rose to over Rs 89,264 crore, up from Rs 88,047 crore in January. It ruled out any cut in excise duty to ease the recent spike in fuel prices. “E-way rollout has been successful —there is no glitch so far,” finance secretary Hasmukh Adhia said on April 2. A total of 28.9 million e-way bills were generated on April 2 against 25.9 million on April 1, the first day of the nationwide rollout of the framework that’s expected to help check tax evasion.

3. JICA To Provide ₹500-Cr Loan For Mobility Project In Chennai

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

Japan International Cooperation Agency (JICA) will provide a concessional loan of ₹500 crore for smarter mobility project in Chennai to develop Intelligent Transport Systems for an efficient traffic management system to ease the city's congestion and promote economic growth. The Official Development Assistance (ODA) agreement for the project was signed between Sujan R Chinoy, Ambassador of India to Japan, and Junichi Yamada, Senior Vice-President, JICA, in Tokyo, says a press release from JICA. Chennai Smart City Ltd is the executing agency of the project, which will see installations under three heads -Traffic Management System, Bus Systems and Traffic Information System. The ITS-based traffic control system will benefit road users — from private vehicle users to users of public transport, cyclists and pedestrians. This project will be implemented within right-of-way on existing road network in Chennai, and will not affect the city's natural or social environment. The project will optimise the way traffic lights work and reduce long vehicle queues at city's main intersections. It will also provide traffic information visual message signs or LED display boards, especially for bus users.

4. More Than 5 Lakh GST E-Way Bills Issued On Day 2 Of Rollout

Source: Livemint ([Link](#))

GST e-way bill was off to a successful start with more than five lakh e-way bills generated till 7 pm on the first working day of its implementation. The roll-out of e-way bill without any glitches came as a relief to businesses who were fearing disruption to trade. With the successful rollout of e-way bill—an electronic documentation of movement of goods—a key anti-evasion measure under goods and services tax is now in place. The government is hoping that this will help in improving tax revenues under GST. Initially, GST e-way bill was made mandatory for all inter-state movement of goods valued above Rs50,000 from 1 February. However, the information technology network was unable to cope with the load leading to long delays in the generation of e-way bills forcing the government to defer its rollout to 1 April. The government has been fearing massive tax evasion under GST after it postponed anti-evasion measures like e-way bill, matching of invoices of the buyers and sellers and a reverse charge mechanism wherein the large registered buyers have to pay tax on behalf of small unregistered sellers.

5. Grass-Fed Cars Move From Science Fiction To Reality In \$15 Billion Market

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

An oil refinery in a region in India that's more famous for its tea plantations is hoping to put its abundant greenery to new use. A \$200 million joint venture between Numaligarh Refinery Ltd. and Finnish technology firm Chempolis Oy will crush bamboo, the longest of the grass family, to produce 60 million liters of ethanol every year in the tea producing state of Assam. That's enough to meet mandatory requirements for blending with gasoline in the entire northeastern region. The eight states that lie at the foot of the Himalayas together make up about two-thirds of India's total bamboo production. Indian oil companies are investing in biofuel refineries to boost ethanol production from non-molasses sources such as agricultural residues and even petrochemicals. But usage of the contemporary fuel has been slow to catch on. Just 2.1 per cent of gasoline is being blended with ethanol, while very little biodiesel is mixed with diesel. The goal this year is 5 per cent blending for both.

6. JSW Steel Ties Up With Numetal In Bid To Buy Essar Steel

Source: Livemint ([Link](#))

The battle for Essar Steel Ltd on April 2 saw the surprise entry of Sajjan Jindal-led JSW Steel Ltd, which has formed a tie-up with Numetal Mauritius, which is already in fray. April 2 auction of Essar Steel Ltd also saw bids from ArcelorMittal Netherlands NV-Nippon Steel and Sumitomo Metal Corporation (NSSMC) duo, and Vedanta Plc submitting their bids for the debt-ridden steel firm. Vedanta, which had submitted expression of interest earlier, is a new entrant as well. On 21 March, the committee of creditors (CoC) for Essar Steel had announced a second round of bidding for Essar Steel after rejecting the only bids received from ArcelorMittal and Numetal, citing the related party clause under the insolvency and bankruptcy code (IBC). While the resolution professional for the distressed steel company received expressions of interest (EoIs) from six entities in the first round, only two firms—ArcelorMittal and Numetal participated in the bidding process.

7. High Petrol, Diesel Prices: Union Minister Pradhan Says Government Keeping Close Eye On Oil Prices

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

With petrol and diesel prices touching multi-year highs, Oil Minister Dharmendra Pradhan April 2 said the government is keeping a close eye on international prices but said there is no going back on free market pricing. He said consumers will benefit if petrol and diesel are brought under Goods and Services Tax (GST) regime at the earliest. Petrol price on April 2 hit a four-year high of Rs 73.83 a litre, while diesel rates touched an all-time high of Rs 64.69 in the national capital on rising international oil rates. "India needs market pricing to provide oil to all," Pradhan said at an event organised to mark the launch of Euro-VI grade petrol and diesel in the national capital. Fuel pricing is based on a transparent mechanism, he said, attributing the spurt in rates to happening in international market. "When crude oil prices rise, naturally consumer feels a pinch," he said. "We are concerned (about the impact on consumers). We are keeping a close eye on the developing international oil scenario," he said. He, however, did not offer any hint of a government intervention like cutting excise duty to give relief to consumers.

8. India Requests US For Exemption From Steel, Aluminium Tariffs

Source: Moneycontrol ([Link](#))

India has requested the US to exempt it from the hefty tariffs on steel and aluminium imports and is vetting all options to deal with the issue, the government said on April 2. In a written reply to Lok Sabha, Union Minister C R Chaudhary said the government has conducted a study on the impact of the duty hike by the US. "India has also requested the US to exempt India from the steel and aluminium tariffs. India is examining all options to deal with the issue, in case not resolved bilaterally," he said. Last month, US President Donald Trump signed two proclamations that levied 25 per cent tariff on steel and 10 per cent tariff on aluminium imported from all countries except neighbouring Canada and Mexico. India exports around USD 1.5 billion worth of these products to America. In a separate reply, the minister of state for commerce said as per WTO, India's gross national income per capita has crossed USD 1,000 for three consecutive years from 2013-2015. Based on this, the country would have to phase out some of its export-related incentives which are not in compliance with the global trade rules. "However, it is anticipated that there will be no immediate adverse impact on our foreign trade," he added

9. India's 2017/18 Fiscal Deficit To Be Lower Than Revised Estimates - Finance Ministry Official

Source: Reuters ([Link](#))

India's economic affairs secretary on April 2 said that the country's fiscal and revenue deficits would be lower than the revised estimates for the 2017/18 fiscal year. After taking into consideration almost all revenues and expenditure, "I can confirm that both fiscal deficit and revenue deficit are lower than the revised estimates for 2017/18," Subhash Chandra Garg said on Twitter. India revised its fiscal deficit target to 3.5 percent of GDP from an earlier 3.2 percent of GDP for the 2017/18 fiscal year that ended on March 31. Earlier, Finance Secretary Hasmukh Adhia told reporters India has raised 9.95 trillion rupees (\$152.82 billion) in direct taxes in 2017/18 compared with a collection target of 9.8 trillion rupees.