

Daily Economic News Summary: 4 October 2018

1. India To Be The Third Country In The World To Have The S-400 Triumph Missile

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

Induction of the S-400 Triumph advanced air defence missile system from Russia will be a game changer in the region. Talking to FE ONLINE, Air Marshal (retired) Anil Chopra said, “The system consists of four separate missiles that cover the entire range and altitude envelope from close quarters to nearly 570 km for heavy bombers and shorter ranges for incoming missiles.” “Each unit will have up to 32 missiles on launchers at any time. It is expected that two units will defend the National Capital Region and another two cover the Mumbai Baroda Industrial corridor,” Chopra added.

2. Big Win For Digital India! India Moves Up To 28th Rank From 36th In Govt E-Payment Adoption, Says This Survey

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

India’s overall ranking on the government’s adoption of e-payments has moved up to 28th in 2018, from 36th in 2011, but it needs to do more on digital infrastructure access and socio-economic factors, a survey said on 3 October. The country is taking “rapid strides” in advancing government e-payments capabilities and is one of the top-performing countries in terms of citizen-to-government (C2G), business-to-government (B2G) and government-to-business (G2B) transactions, the survey by The Economist Intelligence Unit commissioned by payments company Visa said.

3. India To Get Free Solar Power; Biggest Investor In Indian Start-Ups Makes This Commitment

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

Softbank, the biggest investor in many Indian start-ups, has vowed to provide free solar power to International Solar Alliance (ISA), of which India is also a member. Softbank Chief Executive Officer Masayoshi Son has committed to providing free power to all members of the ISA after completion of 25 years of power purchase agreement (PPA) with them. “Cost of Solar power generation is much cheaper in India compared to rest of the world. I will give free power from

solar power projects after 25 years of PPA (power purchase agreement) to all ISA member countries,” Masayoshi Son, CEO, Softbank Group was quoted as saying by news agency PTI.

4. Cabinet Clears The Decks For Rs 1-Trn Railway Station Modernisation Plan

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

The Union Cabinet on 3 October cleared a new railway station redevelopment policy for modernising railway stations. The Indian Railway Stations Development Corporation (IRSDC) has been made the nodal agency for redevelopment projects and the lease period for them has been increased to 99 years. “IRSDC will be the nodal agency for station redevelopment now. It will take up a project based on its suitability,” said Union Minister for Electronics and IT Ravi Shankar Prasad, addressing a press conference on 3 October. The government has already lined up 600 railway stations for an investment of about Rs 1 trillion. Instead of zone-wise and station-wise allotment of projects, railways would now take a cluster approach as part of the new policy.

5. A Day After Farmers March To Delhi, MSP For Major Rabi Crops Raised By 5-6%

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

A day after thousands of farmers from northern states marched towards the capital to press various demands, the Union Cabinet decided to raise the Minimum Support Price (MSP) of rabi crops for the 2018-19 season. The MSP for wheat was increased by Rs 105 a quintal, up 6.1 per cent from 2017-18, to Rs 1,840. Wheat, along with chana (chickpea) and mustard, is majorly cultivated by farmers in North India, particularly in Uttar Pradesh, Madhya Pradesh, Punjab, Haryana and Rajasthan -- all of which have seen big farmer protests in recent months. Low remuneration from agriculture due to a relative fall in prices has been one of the main grouses of growers.

6. Prabhu To Chair Inter-Ministerial Meet On Rupee, Trade Deficit Today

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

Commerce and Industry Minister Suresh Prabhu will chair an inter-ministerial meeting on 4 October to discuss the depreciating rupee and widening trade deficit, an official said. The meeting will deliberate upon ways to address India's trade deficit in goods and pressure on the rupee, the official added. Representatives from the department of economic affairs, coal ministry, steel ministry, oil ministry and department of pharmaceuticals are expected to attend the meeting. The

meeting assumes significance as the rupee has hit an all-time high of 73.74 against the US dollar, which would raise India's import bill and widen the trade deficit (difference between imports and exports).

7. Infra Developers To Get Railway Land, Airspace On 99-Year Lease

Source: Livemint ([Link](#))

The Union cabinet chaired by Prime Minister Narendra Modi on 3 October approved granting long leases of up to 99 years for land and airspace in and around railway stations to infrastructure developers in lieu of station redevelopment. Several big real estate firms such as Tata Realty, Shapoorji Pallonji, Reliance Infrastructure, Larsen and Toubro, and Essel Infraprojects have been insisting on long leases for undertaking station redevelopment. Station redevelopment is one of the most ambitious projects of the Modi government, under which 400 A- and A1-class stations are planned to be revamped by monetizing 2,700 acres of prime railway land. However, the project has been facing problems because of policy flip-flops, and strict terms and conditions.

8. Tech Mahindra Ties Up With Israel's IAI To Provide Cybersecurity Solutions

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

IT major Tech Mahindra has partnered Israel Aerospace Industries (IAI) to provide cybersecurity solutions to Indian as well as global companies. IAI is fully owned by the Israeli government. The partnership follows the visit of Israeli Prime Minister Benjamin Netanyahu to India in January this year, when the two nations had signed pacts for cooperation in the field of cybersecurity. Prime Minister Narendra Modi too had visited Israel in July, where the issue was discussed. The IAI is globally recognized as a leader in developing military and commercial aerospace technology.

9. Several Indian Companies, Few Individuals Debarred By World Bank For Fraud, Corrupt Practices

Source: Firstpost ([Link](#))

Several Indian companies and a few individuals from India have been barred by the World Bank from its various projects across the globe, the multilateral lending agency said in its new report. In its latest annual report on 3 October, the World Bank said Olive Health Care and Jay Modi from India have been debarred from for their fraudulent and corrupt practices. They were working on a

World Bank project in Bangladesh. While Olive Health has been debarred for 10 years and six months, Modi has been debarred for seven years and six months, the report said.

10. Tata Communications Acquires Netherlands-Based Iot Company Teleena

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

Digital infrastructure company Tata Communications announced on 3 October the acquisition of Netherlands-based Internet of Things (IoT) firm Teleena which specialises in connectivity and mobile virtual network enablement (MVNE). This takeover follows Tata Communications' investment in Teleena in January 2017, when it became the single largest shareholder in Teleena with a 35 per cent stake. The company informed regulatory authorities that it has made a further investment of 65 per cent in Teleena 4 October. The Teleena's acquisition is an investment in technology and talent to complement Tata Communications' growth strategy in the global mobility and IoT market.

11. CII Suggests 12 Ways To Control Current Account Deficit, Rupee Fall

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

The Confederation of Indian Industry (CII) has submitted a dozen suggestions to the Prime Minister's Office, the finance minister and Reserve Bank of India on curbing rupee volatility and controlling the current account deficit (CAD). The business chamber has warned that while some rupee depreciation was initially required, any further volatility can have a negative impact on the economy, create inflationary pressure and lead to a loss of confidence among foreign investors. CII has suggested incentives for foreign currency non-repatriable (FCNR) accounts, non-resident Indian (NRI) bonds and a special dollar window for oil companies, among the 12 measures to manage volatility in the rupee.