

Daily Economic News Summary: 5 February 2020

1. Indo-US trade deal likely to be sealed during Trump's India visit

Source: Livemint ([Link](#))

India and the US are set to seal a trade deal during President Donald Trump's planned visit to India in the last week of this month, multiple sources said. Trade officials of India and the US are giving final touches to the deal expected to cover specific sectors, they said. Trump is set to visit India on a two-day trip between February 23 and 26 and both sides are in the process of fine-tuning his schedule, sources said. The main segment of the visit will take place in the national capital, though an option of having a short visit by Trump to another city is being explored. The cities being considered include Agra and Ahmedabad. A high-level logistics team from Washington handling Trump's foreign trips visited India last week as part of preparations for his maiden tour of India as the US president.

2. Foreign Direct Investment at \$34.90 bn till November of FY20: Govt

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

The Foreign Direct Investment (FDI) in India has been increasing on an annual basis and was at \$34.90 billion till November of this fiscal, Parliament was informed on February 4. The FDI stood at \$62 billion in the full 2018-19 fiscal, while at \$60.90 billion in 2017-18 and \$60.22 billion during 2016-17, Minister of State for Finance Anurag Thakur said while placing the data in Rajya Sabha. Speaking during the Question Hour, he said in spite of a global contraction in FDI inflows, FDI into India have significantly improved over the past decade to \$62 billion, which accounts for 2.37 per cent of GDP in 2018-19 fiscal.

3. India may issue \$5 billion of bonds next year with no foreign investment cap, sources say

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

India is likely to issue at least \$5 billion worth of bonds with no limits on foreign investment next year, in a bid to list the bonds on global indices and attract more foreign funds, according to two finance ministry sources. India's government is likely to issue the bonds in several tranches of at least \$400 million each, one source said. "We have spoken to major index operators and we will start pushing these bonds in tranches very early in the first half of the next fiscal year itself,"

the first official said. The bonds would be rupee-denominated, said the officials, who asked not to be named as the discussions were still private.

4. Indians travelling to Bhutan will have to pay more now

Source: Livemint ([Link](#))

Bhutan's lower house on 43 February passed a legislation that makes it mandatory for visitors from India, Bangladesh and the Maldives to pay a fee of ₹1200 per day for its "sustainable development" from July this year. The Himalayan kingdom, which is concerned about its ecology and environment, decided to impose the fee following an increase in Indian tourists. There was a ten per cent hike in the number of tourists from the three countries who visited Bhutan in 2018. Government sources in New Delhi said, the 'Tourism Levy and Exemption Bill of Bhutan 2020' which the National Assembly of Bhutan is still discussing, imposes a "nominal" fee to develop tourism facilities and infrastructure. The bill includes additional provisions for visit of tourists from the region to Bhutan.

5. More signs of economic rebound: After manufacturing pick up, services sector growth at 7-year high

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

Raising hopes of an economic recovery, the services industry accelerated to a 7-year high in January, owing to surge in business orders amid positive market scenario, a survey released on 5 February said. While services PMI showed the strongest upturn in output for 7 years at 55.5 as against 53.3 (MoM), composite PMI stood at 56.3 as against 53.7 (MoM), the IMS Markit survey said. The Manufacturing Purchasing Managers' Index (PMI) rose from 52.7 in December to 55.3 in January, the highest in nearly eight years. A PMI above 50 indicates expansion. The rise in PMI shows a surge in underlying demand in the economy.

6. 70 models to be unveiled as tech takes centre stage at Auto Expo 2020

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

Automakers are set to take the wraps off 70 models at the Auto Expo 2020, a biennial congregation of some of the largest brands in the world, which opens for the public on Friday. The six-day event, one of the most prominent on the global motor show calendar, is taking place against the backdrop of the decade's worst and most prolonged slowdown. Owing to the poor market condition and tepid sentiments, the size of the show has shrunk compared to the last

edition, which took place in 2018. A majority of the two-wheeler makers, and several car and commercial vehicle makers have opted out of this year's show, which opens for the media on 5 February. The show will see participation of 112 brands, as opposed to 119 in the last edition, while 70 models will be unveiled this year. The 2018 edition, hosted by the Society of Indian Automobile Manufacturers, the Automotive Component Manufacturers Association and the Confederation of Indian Industry, saw 80 unveilings.

7. NRIs may be allowed to bid for 100% stake in debt-laden Air India

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

The government is likely to allow Non-resident Indians (NRIs) to bid for 100 per cent stake in Air India. A subsequent clarification will be issued as expression of interest (EoI) for the airline didn't have that explicitly written. The government is not looking to change the rules regarding foreign direct investment (FDI) in the aviation sector, a senior official, said. The current rules allow 100 per cent stake sale of Air India, provided substantial ownership and effective control remains with the Indian partner, he said. But a clarification would be issued by the government soon to end the confusion, the official added. However, 100 per cent FDI for NRIs may be allowed, other sources said. Current rules allow a foreign investor or an airline to have up to a 49 per cent stake in an Indian carrier through the automatic route. The limit can be 100 per cent under approval route but would not be applicable for overseas airlines.

8. Paytm unveils all-in-one Android POS device to take on Google, Amazon

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

Paytm on 4 February announced the launch of its All-in-One Android POS (point of sale) device for merchant partners. The company said the device helps merchants accept payments on Paytm wallet, all UPI (unified payments interface) apps, debit and credit cards, as well as cash. Besides accepting payments, merchants will also be able to generate goods and services tax (GST)-compliant bills, and manage all transactions and settlements through their 'Paytm for Business' app in one go. The android-based device comes with a full-size display and is pre-bundled with Cloud-based software for billing, payments, and customer management. It can also be used to accept payments, print bills, and scan items for faster checkout. The device works on Wi-Fi and comes with a pre-installed sim card, ensuring round-the-clock connectivity with all of Paytm's bouquet of services.

9. Commerce ministry preparing district export plan to boost shipments

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

The commerce ministry has initiated a process to prepare a district export plan specific to every state and Union territory, with a view to boost the country's outbound shipments, an official statement said on 4 February. The plan will include the support required by the local industry in boosting their manufacturing and exports with impetus on supporting the industry from the production stage to the exporting stage, the ministry said. "Informative material on various incentives provided by the government and states will be disseminated to the industry and other potential exporters," it said.