

Daily Economic News Summary: 5 March 2018

1. India's Economic Growth Could Support More US Exports In Future: USTR

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

India's economic growth and development could support significantly more American exports in the future, the Trump administration has said. "Although existing Indian trade and regulatory policies have inhibited an even more robust trade and investment relationship, India's economic growth and development could support significantly more US exports in the future," the US Trade Representative said in its trade policy agenda and annual report to Congress on Feb 28. Two-way US-India trade in goods and services in 1980 was only USD 4.8 billion and it grew to an estimated USD 114 billion in 2016, the USTR said, adding that an annual growth rate over this period was more than nine per cent. It said India's reform of its goods and services tax may help create a common internal market that significantly lowers transaction costs. Additionally, implementation of India's National Intellectual Property Rights policy could protect US innovations, it said. "While these reforms are encouraging, there has also been a general trend of tariff increases in India, which reflects an active pursuit of import substitution policies," USTR rued.

2. Railways Plans Rs 10 Lakh-Crore High-Speed Train Corridors

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

Indian Railways would soon announce a Rs 10 lakh-crore high-speed train corridors construction plan to connect all major cities in the country, covering almost 10,000 kilometres, along the lines of the government's Bharatmala highways development programme. "The plan would be announced in April," a top rail ministry official said. "We'll unveil the routes that would be connected along with the funding mechanism," the person told ET. Railways would come out with large tenders, inviting all global majors, to keep the cost of construction minimal. The government plans to build double lines on single pillars to halve the cost of construction from Rs 200 crore per km to Rs 100 crore per km. Also, light-weight aluminium coaches would be specifically designed for trains to be run on electric traction.

3. Spain for Early Resumption of India-EU Free Trade Pact Talks

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

Expressing hope for early resumption of negotiations for the long pending free trade agreement between India and the European Union (EU), Spain said its implementation would help promote two-way commerce and investments. The negotiations for the pact have been held up since May 2013 as both the sides are yet to bridge substantial gaps on crucial issues. Jose Luis Kaiser Moreiras, Director General for International Trade and Investment, Ministry of Economic Affairs Industry and Competitiveness, Spain, said that the country is pushing for resumption of negotiations. Chief negotiators of India and EU are meeting next month in the national capital and “we are going to work with European Commission in order to come here with open mind to restart the negotiations,” he said. Launched in June 2007, the negotiations for the proposed BTIA (bilateral trade and investment agreement) have witnessed many hurdles with both sides having major differences on key issues like intellectual property rights, duty cut in automobile and spirits, and liberal visa regime.

4. Skill India Mission to Impart Training for Jobs Overseas

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

Workers will now have a chance to explore employment opportunities in a number of countries, including in West Asia and Japan, as part of the government’s skill development programme. The National Skill Development Corporation (NSDC) is working on establishing India International Skill Centres (IISC) to help those looking for jobs overseas get skills training. “We are experimenting with the concept and it is at an early stage,” said Jayant Krishna, Executive Director and Chief Operating Officer, NSDC. “We have started the IISCs, which will train the youth so that when they go abroad, they already have a skill.” At present, most migrant workers who go abroad lead a difficult life initially, he pointed out. “For example, if an unskilled person goes to the Middle East and wants to become a driver, for the first few months or a couple of years, he works as a cleaner and learns in his free time,” he noted.

5. India Has Given Commonwealth a boost: UK Business Chief

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

India's growing engagement with the Commonwealth forum has given it a much-needed boost, according to the chairman of a UK-based council responsible for promoting greater trade and investment between Commonwealth countries. Lord Jonathan Marland, chairman of the UK-based Commonwealth Enterprise and Investment Council (CWEIC), said the proposed UK visit of Prime Minister Narendra Modi to attend the Commonwealth Heads of Government Meeting (CHOGM) in April marks a significant recognition by India that the Commonwealth has got value. The CWEIC is in charge of organising the Commonwealth Business Forum (CBF), which will be held alongside CHOGM between April 16 and 20 and bring together businesses from across the 53 member-countries with government leaders for sessions on technology, innovation, financial services and sustainability.

6. 359 Infrastructure Projects Show Cost Overrun of Rs 2.05 Lakh Crore

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

As many as 359 infrastructure projects, each worth Rs 150 crore and above, have shown cost overrun to the tune of Rs 2.05 lakh crore owing to delays and other reasons, a government report has said. The Ministry of Statistics and Programme Implementation monitors infrastructure projects worth Rs 150 crore and above. "Total original cost of implementation of the 1,289 projects was Rs 16,05,157.01 crore and their anticipated completion cost is likely to be Rs 18,10,733.70 crore, which reflects overall cost overruns of Rs 2,05,576.69 crore (12.8 per cent of original cost)," the ministry's latest flash report for November 2017 has stated. According to the report, expenditure incurred on these projects till November 2017 is Rs 6,45,872.52 crore, which is 35.67 per cent of the anticipated cost of the projects.

7. Global Investment in Fintech Sees All-Time High in 2017, Says Report

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

Global investment in financial technology (fintech) ventures reached another all-time high in 2017, buoyed by a surge in funding for start-ups in the United States, United Kingdom and India, according to Accenture analysis of data from CB Insights, a global venture-finance data and analytics firm. Fintech financing rose 18 per cent in 2017, to \$27.4 billion, with the value of deals

in the US. jumping 31 per cent, to \$11.3 billion. Deal values almost quadrupled in the UK, to \$3.4 billion, and soared nearly fivefold in India, to \$2.4 billion. The number of fintech deals also rose sharply, from just over 1,800 in 2016 to nearly 2,700 in 2017, underscoring continued appetite from investors scouring the globe for innovation in insurance, banking and capital markets start-up— a Crisil report on financial inclusion (Crisil Inclusix) and a PFRDA-Crisil joint report on pension coverage. The Finance Minister said the National Pension System (NPS) “experience” has been positive, and its returns, attractive. “As the society has evolved and the meaning of social security has changed, pension here plays a vital role for making the life of people more secure socially,” he said. India’s digital payments start-up Paytm received \$1.4 billion in venture capital, helping drive fintech fundraising activity to nearly five times the 2016 levels. The number of fintech deals in India increased 65 per cent over 2016. This was largely spurred by the central bank’s demonetisation initiative geared to combat corruption by banning high-value bank notes, which prompted millions to shift to mobile payments and other cashless service providers such as Paytm.

8. Manufacturing to Lead Next Phase of Growth; Here’s How

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

India has moved from being an agrarian economy to being a services-dominated one. But the lack of manufacturing development has been a constraint for higher investment, employment creation and productivity improvement in India. A report by Citibank says the share of manufacturing in GDP in India has stayed in a narrow range of 14-16% over the last 40 years. It broke out of this range only recently, to 18%. Prime Minister Narendra Modi has reasserted India’s ambition to raise the contribution of manufacturing-to-GDP to 25% by 2025, by making India a global manufacturing hub. Opening up the economy to more FDI inflows, easing the regulatory barriers, and infrastructure development have all been key components of the Make-in-India strategy, with a particular focus on export-led growth.

9. Cabinet Clears Setting Up of NFRA to Oversee Auditors

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

The Cabinet on March 1 approved setting up of the National Financial Reporting Authority (NFRA), which will be an independent regulator for the auditing profession. The decision comes against the backdrop of various auditing lapses in the banking sector, including the Rs 12,700 crore fraud at Punjab National Bank. “The NFRA will act as an independent regulator for the auditing profession which was one of the key changes brought in by the Companies Act, 2013,” Corporate Affairs Minister Arun Jaitley said. The jurisdiction of the NFRA -- which would be an oversight body for auditors would extend to all listed companies as well as large unlisted public companies. The regulator would have a chairperson and three full-time members. Besides, there would be a secretary. Jaitley said NFRA would help in improving foreign and domestic investments as well as support globalisation of business by meeting international practices.

10. Revealed! 10 Best Technology Companies to Work for in India

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

India is home to many global companies on March 5, thanks to the government’s push towards attracting global investments. Global tech companies, too, have gained a firm foothold in the country, contributing to the rise in the global rankings of India as a technology hub. While there are a number of factors behind the rise in rankings, the uptick in hiring of technical professionals and graduates over the years has brought about a better tech industry in India. Meanwhile, the thriving IT sector in India has simultaneously offered a competitive scenario for the aspirants, making it difficult for them to choose which one to work for. Indeed, a US-based job portal that also operates in India, has outed a list of 10 best technology companies in India to work for. The list has been created keeping in mind not only the ‘industry-leaders’, but also the companies that value their employees, while parallelly offering them good career opportunities. Read further to find the best tech firms to work for in India...

11. Packaged Food & Beverage Firms See Uptick in Sales in Oct-Dec 2017

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

Some of the country’s top food and beverage companies appear to be putting the rough sales patch behind them as consumer spending kicks in. For the October-December 2017 period, companies,

such as Nestlé India, Britannia, Varun Beverages, GlaxoSmithKline Consumer Healthcare, Heritage Foods, Parag Milk Foods, and Manpasand Beverages, reported good top line numbers. Net sales growth for these firms hovered between 13% and 39% for the period under review, the highest in four quarters. Analysts said top line growth in this period was high because of a lower base in the year-ago quarter. The note ban crippled growth during the three months ended December 2016, said Sachin Bobade, senior analyst at Mumbai-based brokerage Dolat Capital.

12. Media and Entertainment Sector Seen Growing At 11.6% to Rs2 Trillion by 2020

Source: Livemint ([Link](#))

The Indian media and entertainment (M&E) industry is expected to grow at an annual average rate of 11.6% to reach Rs2 trillion by the year 2020. The M&E sector reached about Rs1.5 trillion in 2017, a growth of around 13% over 2016, said a report released by the lobby group Federation of Indian Chambers of Commerce and Industry (Ficci) along with consulting firm EY. The report was launched at the annual media and entertainment industry event Ficci Frames in Mumbai on March 4. Without doubt, this is a growth driven by digital media that has notched up the highest and most phenomenal numbers of the year, growing by 29.4% in 2017. This includes a 28.8% growth in advertising and a 50% growth in subscription. The latter, which was just 3.3% of total digital revenues in 2016, is expected to grow to 9% by 2020. Subscription-based over-the-top (OTT) streaming services have flooded the Indian market over the past two years with around 30 players vying for audiences' attention. These include both American services like Amazon Prime Video and Netflix as well as a host of local platforms like Balaji Telefilms' ALTBalaji and those owned by broadcast networks like Star India's Hotstar and Sony Entertainment Television's SonyLIV.

13. Cabinet Clears Fugitive Economic Offenders Bill

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

In a bid to tighten noose around fugitives like diamond merchant Nirav Modi and Vijay Mallya, the Cabinet on March 1 approved the Fugitive Economic Offenders Bill that provides for confiscating all assets of absconding fraudsters and loan defaulters to recover dues. The Union chaired by Prime Minister Narendra Modi also approved setting up of a National Financial

Reporting Authority (NFRA) as an independent regulator for the auditors. The proposed fugitive law aims to impound and sell assets of Nirav Modi-type escapees with a view to quickly recover dues. It also will apply to defaulters who have an outstanding of Rs 100 crore or more and have escaped from the country. The new law is different from the Prevention of Money Laundering Act, which also provides for confiscation of assets of economic offenders, he said. The Bill has been proposed to address the lacunae in the present laws and lay down measures to deter economic offenders from evading the process of Indian law by remaining outside the jurisdiction of Indian courts. The Bill makes provisions for a Court ('Special Court' under the Prevention of Money-laundering Act, 2002) to declare a person as a Fugitive Economic Offender.