

Daily Economic News Summary: 7 February 2018

1. Israel to Give 750,000 Euros to Air India for Launching Delhi-Tel Aviv Flight

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

Air India will get a one-time grant of 750,000 euros from Israel for launching direct flights between New Delhi and Tel Aviv, which is likely to be launched next month, a senior Israeli official said on Feb 6. “The Ministry of Tourism will approve a grant to Air India in response to their request and according to the conditions of the directive, which includes a grant of 250,000 Euro per weekly flight, up to a total of three weekly flights,” Lydia Weitzman, a spokesperson for the Ministry of Tourism, told PTI here. “It is a one-time grant for an airline opening a new direct route into Tel Aviv (TLV) from a destination that has potential for incoming tourism,” she said.

2. Uber, Bell Helicopter Alliance to Bring First Air Taxis by 2025

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

Bell Helicopter, which has tied up with Uber Technologies Inc. to revolutionize mass transportation, expects to bring the first air-taxis under the partnership by the middle of next decade, according to an executive at the Textron Inc. unit. Uber Plans to Test Flying Cars in Dallas and Dubai by 2020 Uber disclosed the initial steps of its air-travel vision last year, announcing five partner companies with various specialties aimed at making the sci-fi staple affordable and common. The initial testing is expected in 2020 in Dallas and Dubai, two car-clogged cities where aviation interests wield great influence. In countries like Indonesia and in New York, the technology already exists, with some customers using an app to book helicopters, Patrick Moulay, executive vice president for commercial helicopter sales, said.

3. Digital Transactions Rise To 1.11 Billion in January

Source: Livemint ([Link](#))

Digital transactions reached a new peak in January in terms of volume after crossing the 1 billion mark last month. They rose 4.73% to 1.11 billion in January from 1.06 billion in December, according to provisional data released late on Feb 6 by the Reserve Bank of India (RBI). The impact of the government’s decision to bear merchant discount rate (MDR) for a period of two

years, applicable on transactions made through debit cards, BHIM UPI and Aadhaar-enabled payments system (AEPS), which was implemented from 1 January is clear, with a significant increase in the volume of transactions made through these modes during the month.

4. RBI Monetary Policy Today: What to Watch Out for

Source: Livemint ([Link](#))

After two days of deliberations, the Reserve Bank of India's six-member monetary policy committee is scheduled to announce its policy decision at 2:30pm on Feb 7. While the committee is likely to keep the policy rates unchanged, it is expected to highlight the risks to its policy trajectory from rising inflation and higher fiscal slippage. Here are the four things to watch out for in the monetary policy: Rate action, inflation, growth and Comments on domestic fiscal situation.

5. There Is No Reason for Fear, Nitin Gadkari Tells Auto Industry

Source: Livemint ([Link](#))

The Indian auto industry need not fear the momentum in favour of electric vehicles (EVs), said Nitin Gadkari, Union minister for road transport and highways. Gadkari's assurance comes in the wake of views by several experts who feel that a sudden shift to EVs may change the shape and size of the industry, and may lead to job losses. In an interview, he set the context for future of policy, technologies and changing mobility in the country. He said, the size of the auto industry is Rs4.5 lakh crore, while the auto parts industry is around Rs1.45 lakh crore. Now, 125 trucks manufactured by Ashok Leyland have been exported from Chennai port to Bangladesh, while 258,000 cars have been exported from Mumbai port. Tuticorin port has exported 450,000 cars. With the coming of cars running on alternative fuels such as electricity, ethanol, biodiesel, bio-CNG (compressed natural gas) and the progress in technology, there will be a definite rise in exports.

6. Singtel's Investments in Bharti Signal Long-Term Bet on India Telecom Market

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

Singapore Telecommunications' (Singtel) continued investments in Bharti Telecom - the holding company of Bharti Airtel - reflects its bets on the long-term growth potential of India's telecom market and also signals the possible easing of financial pressures on incumbent carriers later this year, analysts said. Global rating agency Fitch expects gradual price discipline in the financially stressed sector to return and "drive mid-single digit revenue recovery in the calendar year 2018 itself, following calendar year 2017's falls". Brokerage Nomura said Singtel management's

strategy to tap into growth opportunities like India is evident, especially since “Bharti Airtel is set to emerge as a beneficiary of the accelerated industry consolidation and normalising competitive intensity in the wireless space with revenue and subscriber market share accretion and ARPU recovery likely by FY20”.

7. Why This Year’s Auto Expo Recalls 1998 Edition

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

All roads will lead to Greater Noida from Wednesday as the Auto Expo gets ready to roll. The week-long event will miss big-ticket names such as the Volkswagen group, Ford, Nissan, Fiat Chrysler, Jaguar Land Rover and Bajaj Auto. This void will, however, be made up with the likes of Maruti Suzuki, Tata Motors, Hyundai, Kia, Mahindra & Mahindra, Toyota, Honda (both cars and two-wheelers), Hero, TVS, BMW, Mercedes-Benz and many others. Yet, the mood could be slightly sombre given that it is barely a week since the Budget’s announcement on higher import duties on components and knocked down kits. While one could argue that the Centre now has a more pronounced tilt towards protectionism, the counter view is that this has been done to increase local production.

8. TV is Now Flipkart’s Second Highest Revenue-Generating Category

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

Flipkart wants to sell television sets like it does smartphones, encouraged by the idiot-box's rapid ascension to become the online marketplace's second highest revenue-generating category. This new zeal for televisions follows the category climbing its way up to second position for Flipkart in 2017 from fourth in 2016, displacing laptops and fashion accessories. The company sold nearly one million television units worth Rs 1,950-2,050 crore last year, about double from Rs 1,000 crore in the year before. The Bengaluru-headquartered company is working with several brands including LG and Samsung to customise television models based on user insights mined from its ecommerce platform

9. IIT-M Plans to Forge A Pact with US Biotech Hub

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

In a first of its kind collaborative effort, researchers from IIT Madras may soon be working shoulder to shoulder with experts from leading biotechnology conglomerates and Google-funded start-ups in South San Francisco city. The city is known as a global biotech hub that houses companies like Genentech, Merck and Johnson & Johnson. The city council of South San

Francisco city represented by IIT Madras alumnus Dr Pradeep Gupta has proposed a collaboration between the Healthcare Technology Innovation Centre (HTIC), a multi-disciplinary research and development centre at IIT Madras, and life sciences companies in South San Francisco involved in cutting edge research in disciplines ranging from oncology to neurodegenerative diseases.

10. Modicare: NHPS Could Prove to be a Bonanza for Mid-Size Hospitals

Source: Livemint ([Link](#))

The recently announced National Health Protection Scheme (NHPS) could prove to be a big bonanza for mid-size hospitals when implemented. The NHPS scheme is being touted as the world's largest government funded healthcare insurance, covering half a billion people. Under the ambitious scheme, dubbed Modicare, the government has a provision to include hospitals with a staff strength of over 20 fitting into the NHPS's selection criteria. With this, mid-sized hospitals will get patients and likely financial investments. There are approximately one lakh mid-size hospitals in India, according to Indian Medical Association (IMA).

11. DIPP Rules to Rank States on the Basis of their Startup Projects

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

The Department of Industrial Policy and Promotion (DIPP) has launched a framework to rank states on the basis of their performance in implementation of the central government's Startup India programme. Officials said the assessment parameters for states include startup policy implementation, incubation and seed funding support, simplification of regulations, promoting angel and venture capital funding, ease of public procurement and awareness and outreach programmes for startups. The final ranking of states on the basis of the data submitted by them and assessments by DIPP will be announced in April. The DIPP will be constituting a specialised committee to assess and rank states independently. The rankings will apply to all 18 states which have announced their startup policies as well as those that do not have a formal policy yet.

12. India-EU talks on Free Trade Agreement Expected Soon

Source: Livemint ([Link](#))

The European Union (EU) is committed to negotiating a broad-based trade and investment treaty with India with the next round of talks between the chief negotiators expected soon, the EU's ambassador to India Tomasz Kozlowski said on Feb 6. The negotiators met informally for one round of talks in November and expert-level contacts were on, Kozlowski said, adding that the next meeting between chief negotiators would happen in the near future. Talks are mainly seen

stuck over high Indian tariffs on European cars and alcohol and the EU not recognizing India as a “data secure” country that will enable free flow of data between India and EU. Despite the deadlock in matters of trade and investment, India-EU relations had expanded rapidly and now encompass many new areas, Kozlowski said, listing space and civil nuclear cooperation, counter-terrorism, foreign policy, and security matters as some of the new areas.

13. New Industrial Policy to Promote ‘Ease Of Doing Business’ at District Level

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

The New Industrial Policy will focus on reducing regulations and promoting ease of doing business at the district level, Commerce and Industry Minister Suresh Prabhu has said. Interacting with members of industry body CII on Feb 6, the Minister said India will become a \$5-trillion economy within the next 7-8 years and the manufacturing sector is expected to contribute \$1 trillion to it. Prabhu said new products and markets need to be identified to achieve the goal of \$1 trillion and detailed sectoral planning and identification of growth areas are required. A single digital ID for companies, self-regulation, third party certification, and easier regulations will be key to industrial growth, Prabhu added.