

Daily Economic News Summary: 7 January 2019

1. Foreign investors greet India with higher FDI inflows in H1; confidence up even amid slowdown

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

Foreign investment has come to rescue India's sagging economy by catalysing the growth by boosting investment. In the first half of the current fiscal year, Foreign Direct Investment (FDI) in India rose by 15 per cent (in \$ terms), according to the Department for Promotion of Industry and Industrial Trade (DPIIT). The investment has come at a time when the global economy and investment environment have shown subdued growth. This also reflects the confidence of international investors in India's market. FDI inflows play an important role as India faces huge infrastructure funding requirements to boost growth. Services sector, including financial, banking, insurance, non-financial business, outsourcing, R&D, courier, technology testing and analysis, continued to receive the highest FDI equity inflows aggregating USD 4.5 billion in H1 FY20.

2. Amazon joins hands with Future Group to take on RIL's Jiomart

Source: Livemint ([Link](#))

E-commerce major Amazon has partnered with India's leading retailer, Future Retail Ltd (FRL), as they seek to expand their reach by leveraging each other's networks. While the partnership will allow the Kishore Biyani-led Future Group firm to access Amazon's online platform, it would also help deepen the US-based e-commerce firm's presence in the Indian market. "This arrangement will now build on the robust offline and online capabilities of both organizations, creating significant value for customers," the companies said in a joint statement. The announcement also comes at a time when India's richest man, Mukesh Ambani, is gearing up to take on both e-commerce giants Amazon and Walmart with the soft launch of his "new commerce" venture 'Jiomart'.

3. PM Modi speaks to Donald Trump; expresses desire to enhance cooperation in areas of mutual interest

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

Prime Minister Narendra Modi spoke with US President Donald Trump and expressed his desire to continue to work with him to enhance cooperation in areas of mutual interest, a PMO statement said on 7 January. Modi conveyed his New Year greetings to the US president, the Prime Minister's Office (PMO) said. During the conversation, the prime minister noted that India-US relations, which are built on trust, mutual respect and understanding, "have grown from strength to strength", it said. Modi highlighted the significant progress made in deepening the strategic partnership between the two countries in the previous year and expressed his desire to continue to work with President Trump for enhancing cooperation in all areas of mutual interest, the statement said.

4. Corrective Powers: RBI revises supervisory action framework for Urban Co-operative Banks

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

In a bid to keep a check on urban co-operative banks (UCBs), Reserve Bank of India (RBI) has revised supervisory action framework (SAF) for urban co-operative banks. A UCB may be placed under supervisory action framework when its net non-performing assets (NPAs) exceed 6% of its net advances. As soon as this threshold is breached, the regulator may initiate multiple actions, depending on severity of stress. The central bank can ask UCB to submit a board-approved action plan for reducing its net NPAs below 6%. RBI can also order curtailment of sanction or renewal of credit facilities to sectors having high proportion of defaults after threshold is breached.

5. PM Modi meets India Inc heads to discuss the economy

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

Ahead of the Union Budget presentation, Prime Minister Narendra Modi on January 6 met top executives from corporate India to discuss issues facing the economy and measures needed to boost growth and create jobs. Richest Indian Mukesh Ambani, Tata group's Ratan Tata, telecom czar Sunil Bharti Mittal, billionaire Gautam Adani, Mahindra Group chairman Anand Mahindra, and mining baron Anil Agarwal were among those who attended the meeting. Tata Sons chairman N Chandrasekaran, TVS chairman Venu Srinivasan, L&T head AM Naik were also

present, according to a photograph of the meeting released here. Finance Minister Nirmala Sitharaman will present her second Union Budget on February 1 with an eye to reviving growth.

6. Group of Ministers to meet today to discuss Air India disinvestment

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

A Group of Ministers (GoM) will meet on 7 January in New Delhi to discuss the disinvestment of Air India. The ministers are likely to decide the contours of the Expression of Interest (EoI) which is expected to be issued in mid-January. According to an Air India official, Home Minister Amit Shah, Finance Minister Nirmala Sitharaman, Railway Minister Piyush Goyal and Civil Aviation Minister Hardeep Singh Puri are likely to attend the meeting, however, BusinessLine wasn't able to ascertain the time of the meeting. The person said, "This is the second round of meeting to discuss the disinvestment of Air India. During the course of the meeting, a roadmap and the dates of floating the advertisement for the Expression of Interest (EoI) will be discussed."

7. Prestige Group plans 6 malls, eyes largest mall operator tag

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

Apart from mall constructions, the company has also planned various projects in the hospitality, commercial and residential space. "With six state-of-the-art malls in the pipeline, we are looking at becoming the largest mall operator in the country soon," said Irfan Razack Chairman & Managing Director, Prestige Group while talking about company's outlook for 2020. Currently, the company has nine operational malls across Bengaluru, Chennai, Hyderabad, Mangaluru, Mysuru and Udaipur, with over 5 million square feet of gross leasable area and close to 2,000 stores. Razack said that five more Forum malls are under construction across Bengaluru, Chennai, and Kochi covering approximately 8.1 million square feet of retail space. "By 2023, we aim to have more than 25 malls, covering over 14 million square feet and around 5,000 stores," he added.