

Daily Economic News Summary: 8 March 2018

1. Ahead of Macron's Visit, Nod for Pacts on MRA, Environment

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

Two days before the visit of French President Emmanuel Macron to India, the Cabinet on March 7 approved agreements on Mutual Recognition on educational qualifications and in the field of environment. A Mutual Recognition Agreement, or MRA, is aimed at facilitating trade in services thereby recognising the academic qualification and standards of each other's countries and brings them in conformity with each other. The agreement is expected to be signed during the forthcoming three-day visit of the French President from March 9-March 12. "The signing of the agreement will help in deepening the educational ties between India and France and will go a long way in boosting the educational relationship between the two countries," said an official statement. The Cabinet also approved signing of a memorandum of cooperation in environment between India and France. The Cabinet also okayed an agreement between India and France on the Prevention of the Illicit Consumption and Reduction of Illicit Traffic in Narcotic Drugs, Psychotropic Substances and Chemical Precursors, and related offences.

2. UDAN Wings For Regional Links

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

Regional air connectivity in hitherto unconnected Tier-II, III and IV cities is in for a major boost with at least 56 airports and 31 heliports getting ready over the next 18 months, according to a senior government official. "These airports and heliports are being developed as part of the government's efforts to provide connectivity to unserved cities and towns with the potential to offer aviation services. The Centre has set apart ₹4,500 crore to develop these," said Usha Padhee, Joint Secretary, Ministry of Civil Aviation. Speaking at the BiZAvIndia 2018 conference, in Hyderabad, she said: "All airports in India are getting choked, and it has become difficult to offer slots to airline operators. This has forced major airlines to change their business models, and take to smaller aircraft to offer services." Highlighting the potential of connecting to new locations, Rohit Kapur, President, Business Aircraft Operators Association, expressed the need to further

simplify regulatory environment when it comes to operating smaller aircraft and helicopters. “Earlier our concerns get addressed, the faster the sector would grow,” he said.

3. Govt Approves Relief Package for Debt-Ridden Telecom Sector

Source: Livemint ([Link](#))

The government on March 7 approved a relief package for the stressed telecom sector, easing spectrum-holding caps and extending the payment period for spectrum acquired in auctions to 16 years from 10 years. While the change in spectrum caps is expected to aid telecom sector consolidation, allowing operators to settle their dues to the government over a longer time period will boost cash flows of operators. The earnings of telecom operators, grappling with a heavy debt load, have come under further pressure following the entry of Reliance Jio Infocomm Ltd in September 2016. The Mukesh Ambani-controlled company disrupted the telecom sector first through free services and later through ultra-cheap data tariffs, triggering a wave of telecom sector consolidation. With this change, Vodafone India Ltd and Idea Cellular Ltd, which are set to merge their operations, will not have to surrender spectrum in seven circles where they would have otherwise breached the caps as a combined entity.

4. India-China Bilateral Trade Hits Historic High of USD 84.44 Bln in 2017

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

The India-China bilateral trade has reached USD 84.44 billion last year, an historic high notwithstanding bilateral tensions over a host of issues including the Doklam standoff. A rare novelty of the bilateral trade otherwise dominated by the Chinese exports was about 40 per cent increase of Indian exports to China in 2017 totalling to USD 16.34 billion, data of the Chinese General Administration of Customs accessed by PTI in Beijing showed. The bilateral trade in 2017 rose by 18.63 per cent year-on-year to reach USD 84.44 billion. It is regarded as a landmark as the volume of bilateral trade for the first time touched USD 80 billion, well above the USD 71.18 billion registered last year. The bilateral trade stagnated around USD 70 billion for several years despite the leaders of both the countries setting USD 100 billion as target for 2015. While the bilateral trade reached a new landmark, the trade deficit too continues to remain high at USD 51.75 billion- registering a growth of 8.55 per cent year-on-year in 2017.

5. Tata Steel to acquire Bhushan Steel

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

Tata Steel has committed ₹45,400 crore for Bhushan Steel, far outbidding JSW Living's offer of ₹28,000 crore for the stressed asset. This is the first instance of the resolution of a stressed asset under the Insolvency and Bankruptcy Code (IBC), 2016. Tata Steel has offered to pay Bhushan Steel's financial creditor ₹35,200 crore, while operational creditors would get ₹1,200 crore. Tata Steel will invest ₹9,000 crore towards working capital requirements, sources close to the company said. In a statement issued on March 7, Tata Steel said it had received a formal communication from the Resolution Professional of Bhushan Steel Limited that it had been identified the "highest evaluated compliant resolution applicant to acquire controlling stake of Bhushan Steel". JSW Living is a joint venture between JSW and Piramal Enterprises. Bhushan Steel, which makes auto-grade steel, has an annual production capacity of 5.6 million tonnes. The company reported a net loss of ₹1,607 crore in the December quarter against net loss of ₹743 crore in the year-ago period.

6. Centre Plans to Lease out 10 More National Highways to Raise Rs 6,600 Crore

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

The government plans to invite bids to lease out another 10 public-funded national highways to private operators soon to raise money to build more roads. The road transport and highways ministry expects to rake in almost Rs 6,600 crore through this second round of leasing out government-owned operational national highways under the tolloperate-transfer (TOT) model, Rohit Kumar Singh, member finance, National Highways Authority of India (NHAI) told ET. The government recently concluded the auction process for leasing out nine national highways in Gujarat and Andhra Pradesh. Sydney-headquartered Macquarie Group won the TOT bid of nine national highways with a total length of just under 700 km. The company placed the bid of Rs 9,681 crore, as against the government's expectations of Rs 6,258 crore

7. 'Cultural Bias, Lack of Access to Finance Are Key Hurdles for Indian Business Women'

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

India ranked 52nd among 57 countries in the Mastercard Index of Women Entrepreneurs (MIWE), according to the findings of its second edition released on Wednesday. The only comfort is that the latest ranking for India remains unchanged from the previous year. The MIWE focuses on

female entrepreneurs' ability to capitalise on opportunities granted through various supporting conditions within their local environments. India's low ranking in the index suggest that the underlying conditions for women business ownership/entrepreneurship in the country are less favourable compared to the countries with high index score. India came significantly behind the US (4th) and China (29th) in the latest MIWE. According to the report, the Indian women business owners, leaders or professionals exhibit less inclination towards business ownership due to cultural bias. Commenting on India's position on the Mastercard Index of Women Entrepreneurs, Manasi Narasimhan, Vice-President, Marketing and Communications, Mastercard, said, "Learning from top-ranked countries in the Index such as the US and China, India needs to cultivate an environment where women have higher participation in the workforce and access to tertiary (post-secondary) education and financial services."

8. Mukesh Ambani Richest Indian, Jeff Bezos Tops Forbes World's Rich List

Source: Livemint ([Link](#))

Mukesh Ambani's net worth has soared to \$40.1 billion, making him the richest Indian for the 11th year in a row, while Amazon founder Jeff Bezos toppled Bill Gates as the world's wealthiest person, says Forbes. According to Forbes' 2018 'World's Billionaires' list, Reliance Industries chairman Mukesh Ambani's wealth surged a whopping 72.84% to \$40.1 billion— highest among the 119 Indian billionaires on the list. Ambani was ranked 19th globally, up from 33rd position in 2017. "Mukesh Ambani chairs and runs \$51 billion (revenues) oil and gas giant Reliance Industries, among India's most valuable companies," Forbes said. Bezos, referred to as the "Centi-billionaire", topped the list with a net worth of \$112 billion, becoming the only person to appear in the Forbes list with a 12-figure fortune. "Shares of his e-commerce giant Amazon rose 59% in 12 months, helping boost his fortune by \$39.2 billion. It was the biggest one year gain since Forbes started tracking billionaires in 1987," it said. The Amazon founder moved ahead of Bill Gates, who is now the second richest person globally with a fortune of \$90 billion.

9. Ministers from Key Nations May Skip Delhi ‘WTO Meet’

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

The informal Ministerial meeting of select World Trade Organisation (WTO) member countries to be hosted by New Delhi later this month may not turn out to be as eventful as was being hoped for. Trade Ministers from influential members such as the US, the EU, Japan, Brazil, Canada and South Africa could be giving the event a miss, going by the confirmations received so far. On the bright side, though, more than 22 invitees have so far confirmed that their representatives would be sent to the meet which include senior officials, permanent representatives to the WTO and in some cases deputy ministers. “It is a bit disappointing that many Trade Ministers are not finding it convenient to attend the meeting. But we are glad that several important countries are sending their representatives to the meet,” a government official told *BusinessLine*. The Commerce and Industry Ministry invited more than 40 countries to participate in an informal meet of Trade Ministers from WTO countries on March 20 to identify ways in which the global trade talks could be re-vitalised.

10. Regulator Plans Single-Window System for New Drug Approvals

Source: Livemint ([Link](#))

In a move aimed at boosting the Make in India initiative, the Drug Controller General of India (DCGI) proposes to set up a single-window facility for innovators and start-ups seeking consents, approvals and information. DCGI plans a separate public relations (PR) office which can be approached by innovators and start-ups seeking information regarding regulatory requirements for commercialization of products as well as clarifications on the Drugs and Cosmetics Act 1940 and other rules. “The office shall guide assist and handhold investors in various phases of business life cycle as per the existing focus on Invest India/Make in India,” said an office memorandum. *Mint* has reviewed the copy of the memorandum. The official said the new initiative would help turn the “Make in India” dream into a reality for the drugs and devices industry. Among other things, those visiting office would not require prior appointment, said S. Eswara Reddy, DCGI,

11. Council to Take First Step on Bringing Alcohol into Goods and Services Tax

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

The Goods and Services Tax (GST) Council will likely take the first step towards inclusion of alcohol in the GST during its meeting on March 10. Despite resistance from states, extra-neutral alcohol (ENA), a key ingredient in making alcoholic beverages, or ‘alcohol for human consumption’, may be included in the GST if a consensus is arrived at. This is Centre’s second attempt at imposing the GST on ENA, which is taxed by states at present. Alcohol for human consumption, or potable alcohol, is out of the GST, whereas its input, ENA, is a grey area. Industrial alcohol is within the GST. The Centre has taken the views of the additional solicitor-general, who has pointed out that ENA is liable to the GST as it is not potable alcohol. The proposal is to tax it at the 18 per cent GST rate.

12. Now, A Toll-Free Number for Highway Users

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

A call centre in Noida to answer queries of national highway users and seek feedback from them was launched by Road Transport Highways and Shipping Minister Nitin Gadkari here on Wednesday. The call centre will have a common number 1033 against the present practice of having different numbers for each toll plaza, said National Highways Authority of India (NHAI) Chairman Deepak Kumar here. NHAI also launched an app to alert national highway users one km in advance about the location of a toll plaza and also the exact toll charges. This will curb over-charging of customers. Launching the scheme, Gadkari said that these steps will help reduce accidents, and create a pool of skilled drivers. These institutes will be set up in rural and tribal areas to enable job creation. These institutes can also avail themselves of grant of up to ₹1 crore subject to conditions. The scheme will be open till March 31, 2020.

13. Flipkart to Set Up India's Biggest Logistics Park Near Bengaluru

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

Homegrown e-commerce giant Flipkart is planning to set up an integrated logistics park on the outskirts of Bengaluru. This will be the largest and one-of-its-kind facility in the country. The facility, for which the company is in the process of acquiring 100 acres of land, will house multiple massive warehouses that will rival in size those set up by Amazon and Alibaba in the US and

China, respectively. The unit, which will help Flipkart consolidate all its warehouses in and around Bengaluru, will also act as the nerve centre or the logistics hub across the four southern states of Karnataka, Tamil Nadu, Kerala and Andhra Pradesh. The company says the unit will house 4.5 million square feet of warehousing space in the next few years. “This is going to be the largest investment from Flipkart’s side for the next five to 10 years. One is land acquisition and the other big investment is going to be the kind of facilities that we build here,” said Amitesh Jha, vice-president and head of Flipkart’s logistics arm, eKart. “The capex will be in hundreds of millions of dollars, but I will not be able to give you the exact investment figure.”