

Daily Economic News Summary: 13 February 2018

1. Business Confidence Index Rose 9.1% in Oct-Dec: NCAER

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

Business Confidence Index rose 9.1 per cent in December quarter 2017 over the previous three months as overall sentiment remained buoyant, a survey by economic think tank NCAER said today. The National Council of Applied Economic Research (NCAER) Business Confidence Index (N-BCI) had declined 12.9 per cent in the September quarter as the economy was still adjusting to the implementation of GST, affecting business sentiment, it said. "Overall, sentiment regarding production, domestic sales, exports, imports of raw materials, and pre-tax profits remained buoyant in October-December 2017 over July-September 2017," said the survey. These improved sentiment, it added, were broad-based with all the sectors showing increasing trends for all these components between the two periods.

2. Factory Output Rebound, Slowing Retail Inflation Signal Worst is Over for Indian Economy

Source: Livemint ([Link](#))

India's industrial production registered robust growth for the second straight month, growing at 7.1% in December, while retail inflation slowed to 5.07% in January, signalling that the Indian economy may be stabilizing. The pickup in factory output was driven by a 8.4% growth in the manufacturing sector. Electricity and mining, the two other categories, expanded 4.4% and 1.2%, respectively, data released by the Central Statistics Office on Feb 12 showed. It is likely that the recovery in factory output will augur well for the fiscal third-quarter gross domestic product (GDP) data due to be released on 28 February. In another signal that economic sentiment may be improving, the quarterly Business Confidence Index, released separately on Monday by the Delhi-based economic think tank National Council of Applied Economic Research (NCAER), registered a growth of 9.1% in January, after declining for two consecutive quarters.

3. 20 Percent Cross-Subsidy Cap: Industrial Power Cost To Reduce By 14-20 Percent

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

The power ministry's plan to cap cross-subsidy additional tariffs paid by industrial and commercial consumers to subsidise households and farmers at 20%, effective January 2019, could reduce the cost of electricity for businesses by up to 14-20%. At a time when raw material costs are high and pricing power is subdued, this could help companies increase earnings. Among the states, Tamil Nadu keeps the cross-subsidy at the highest level of 60%, while in Uttar Pradesh it is around 40%, one of the lowest. However, the move will dampen the receipts of cash-strapped electricity distribution companies, which, helped by the revival scheme UDAY, are struggling to cut losses.

4. 'India Must Create More Jobs to Become A Global Force'

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

India needs to create more jobs for youth by encouraging entrepreneurship to become a global economic force, a plenary panel session at the sixth World Government Summit in Dubai has concluded. The session debated whether this year's guest nation India could ever lead the global economy in the future, and discussed the issues that could hold up any progress. According to the World Economic Forum, India is the seventh largest economy in the world and is expected to be the second largest by 2050. The panel discussed India's current economic position, and what needs to be done in the future to improve the lives of a population of over one billion.

5. India among Top 10 Nations in Terms of Forest Area

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

India has increased its forest and tree cover 1% since 2015 to 802,088 square kilometres despite population and livestock pressures. India State Forest Report 2017, the 15th in the series of biennial reports that officially record the country's forest and tree cover, shows the country has added 8,021 sq km of forest and tree cover in the past two years. The report, released on Feb 12, reveals that India now stands 10th in the world in terms of forest area and eighth in terms of annual forest gain. "The total forest cover of the country is 708,273 sq km, which is 21.54% of India's geographical area. The tree cover of country and is estimated to be 93,815 sq km, which is 2.85%," the report said

6. Indian Economy to Grow Over 7.5% Next Fiscal: Piyush Goyal

Source: The Times of India ([Link](#))

Union minister Piyush Goyal on Feb 12 said the country's economic growth is likely to cross 7.5 per cent in the next fiscal. "I believe we will close this year upwards of 6.7 per cent. Next year should to my mind cross 7.5 per cent. All the signs are there for us to see," Goyal, who is holding key portfolios of railways and coal, said here. "From the GDP growth of 5.3 or 6.3 per cent in the last two years of the UPA government, I think that the GDP that BJP-led NDA government has given to this nation is certainly a matter of great satisfaction for us," Goyal asserted.

7. Ongoing Haryana Projects to be Brought under RERA Soon

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

The 'ongoing' projects which were not included under the ambit of Haryana Real Estate (Regulation and Development) Act so far will now soon have to register with the Act, the newly appointed chairperson of the Gurgaon bench of Haryana Real Estate Regulatory Authority (H-RERA), KK Khandelwal, has said. "Rules cannot supersede the main Act. It is illegal and even the Bombay High Court has categorically said it. Even the 'ongoing projects' will now have to register," Khandelwal said. The Haryana government has been facing severe criticism from homebuyers for "diluting the Central law by changing the definition of ongoing projects", leaving almost 90% of the city's residential projects outside the purview of the Act.

8. Max Life Emerges As Front Runner to Buy IDBI Federal Life

Source: Livemint ([Link](#))

Max Life Insurance Co. Ltd has emerged as the leading candidate to buy out or pick up a majority stake in IDBI Federal Life Insurance Co. Ltd, said two people directly aware of ongoing talks. IDBI Federal Life is valued at around Rs6,000 crore, said one of the two people, adding that Max is more likely to buy a 51% stake in the firm. The person declined to be identified. In 2017, Analjit Singh-promoted Max Life's proposed merger with HDFC Standard Life Insurance Co. Ltd collapsed after failing to win regulatory approval for a union that would have created an insurance giant with Rs1.1 trillion in assets. IDBI Bank Ltd holds a 48% stake in IDBI Federal Life while Federal Bank Ltd and Belgian life insurer Ageas SA/NV hold 26% each.

9. Final Bidding Round: Arcelormittal, Numetal Vie for Debt-Laden Essar Steel

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

The race to take over Essar Steel entered the final phase with the submission of two bids on Feb 12, one by Numetal, a company in which VTB Bank has a majority and the Ruia is a minority partner, and the other by ArcelorMittal. Potential bidders such as Tata Steel and Vedanta did not participate in the process. However, even as the bid details are yet to be made public, bankers are not sure if the two bids will pass eligibility muster. They say the resolution professional (RP) and the National Company Law Tribunal (NCLT) will have to take a call on the eligibility of ArcelorMittal and Numetal because it involves interpreting the Insolvency and Bankruptcy Code (IBC) and relevant rules. A senior executive of a public sector bank said the IBC was amended recently through an Ordinance to keep out defaulting companies and their promoters from participating in the auction for stressed assets.

10. Mou Signed to Produce Low-Cost Nano Sensors

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

Vinayaka Mission's Research Foundation has signed a MoU with US-based Global Institute of Nanotechnology to produce low-cost nano sensors for diagnosis and preventive care. Vijay K Varadan, Co-Founder and Chief Technology Officer, Nanowear Inc, and Director, Global Institute of Nanotechnology in Engineering and Medicine, has come up with indigenous technologies that will measure health parameters such as ECG, heart rate and blood pressure and wireless brain-machine interface that can be used for diagnosing autism and sleep disorder.