

## Daily Economic News Summary: 17 January 2019

### **1. Indra Nooyi Being Considered To Lead World Bank: Report**

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

Indra Nooyi is among the candidates being considered by the White House to head the World Bank after the India-born former PepsiCo CEO's name was floated by Ivanka Trump, the president's influential daughter, a top American daily reported. Nooyi, 63, stepped down as PepsiCo's chief last August after leading the company for 12 years. She "has been courted as an administration ally by Ivanka Trump, the president's eldest daughter who is playing a role in the selection of a nominee," the The New York Times said.

### **2. Cait Favours FDI Policy For Ecomm Covering Domestic Companies Too**

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

The foreign direct investment (FDI) rules for e-commerce companies should be applicable to domestic online players also, to restrict them from adopting any unethical business practices, said the Confederation of All India Traders (CAIT). "The restrictions imposed in FDI policy in e-commerce should also be made applicable to domestic ecommerce players to ensure a level playing field and fair competition," CAIT secretary general Praveen Khandelwal said on 16 January. Last month, the government updated FDI rules to bar any entity related to an e-commerce platform from selling on that site, limit how much one vendor can sell there and prohibit e-tailers from giving any preferential treatment to any supplier.

### **3. Vibrant Gujarat: PM Narendra Modi To Inaugurate India's Biggest Trade Show In Home State Gujarat**

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

India's biggest trade fest Vibrant Gujarat Global Trade Show with 2 lakh square meter of Exhibition Area and Stalls for Vibrant Gujarat 2019 is all set to begin. In what has become the highlight of the Vibrant Gujarat Global Summits held biennially, Vibrant Gujarat Global Trade Show 2019 (VGGTS) will begin from 17 January and will last till 22 January 2019 in Gandhinagar. The exhibition will be inaugurated by the Prime Minister on the first day of the show's commencement. It must be noted that till the 20th of January, the exhibition is reserved

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mostly for delegates taking part in Buyer-Seller Meets and Reverse Buyer-Seller Meets along with media and academia. Those interested can visit the exhibition from the second half the 20th of January.

### **4. Flipkart Invests \$201 Million In Indian Wholesale Unit**

**Source: Livemint ([Link](#))**

Flipkart's Singapore-incorporated parent has infused ₹1,431 crore (\$201 million) into its wholesale entity in India amid an intensifying and costly battle for market share with Amazon.com Inc. The latest fund infusion from parent Flipkart Pvt. Ltd was approved in December. In the same month, the Singapore-listed entity infused roughly ₹2,190 crore (\$304 million) into the local unit, show regulatory filings sourced from business intelligence platform Paper.vc. The fresh outlay by Flipkart comes as the Walmart-owned company seeks to fight off the challenge from Amazon to keep its leadership of India's growing \$18 billion online retail market, and a regulatory tussle with the government, which has issued new foreign direct investment rules for e-commerce firms that threaten to upend the online retail industry.

### **5. Facebook Brings India On Par With Menlo Park**

**Source: Livemint ([Link](#))**

Facebook, in a major overhaul of business structure, has carved out India as a separate region with a six-member board that will be treated on a par with the one at its Menlo Park headquarters in the US. The India board will also be the first such for Facebook in any of its markets outside of the US. The local office will also report directly to Menlo Park and will no longer be part of Facebook's Asia Pacific operations. Although the elevation of the status of the India office is a reflection of the country's growing importance, it is also a reaction to tightening regulations on foreign internet companies in India following a spurt in the spread of deadly rumours on social media. One of the requirements for such companies was to incorporate a local entity.

### **6. India's Soymeal Sales To Iran Surge To Offset Rupees-For-Oil Imbalance**

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

India's soymeal sales to Iran are set to spike as the oil producer uses the rupees it receives for its crude exports to cover its animal feed demand amid U.S. sanctions that have crimped the country's ability to import necessities. Iran has agreed to sell crude oil to India, the world's third-

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largest oil consumer, in exchange for rupees after sanctions imposed by the United States blocked its access to the global financial system. The oil-rich country must spend those rupees on Indian goods and Iran does not produce enough of the protein-rich soymeal domestically. Higher meal exports will support Indian soybean prices and limit the complaints from farmers that had demanded relief from low prices from the government, which faces elections by May.

### **7. India To Buy \$5 Billion Oil, Gas From Us & Spend \$18 Billion In Defence**

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

India has committed to purchase USD 5 billion worth of oil and gas from the US per annum and USD 18 billion worth of defence equipment that are under implementation, a top Indian diplomat here said, highlighting the growing bilateral trade cooperation. The US export to India has gone up by at least 30 per cent, India's Ambassador to the US Harsh Vardhan Shringla told the American business community, his first major public engagement 15 January.

### **8. Reserve Bank Eases Overseas Borrowings Policy, Lifts Sectoral Curbs To Further Improve Ease Of Doing Business**

**Source: Firstpost ([Link](#))**

The Reserve Bank on 16 January came out with a new policy for overseas borrowings, allowing all eligible entities to raise foreign funding under the automatic route and removing sectoral curbs. All eligible borrowers can now raise External Commercial Borrowings (ECB) up to \$750 million or equivalent per financial year under the automatic route replacing the existing sector wise limits. The "liberalisation/rationalisation" in the new framework ECB and rupee-denominated bonds has been done to further improve the ease of doing business, the central bank said. "Tracks I and II under the existing framework are merged as 'Foreign Currency denominated ECB' and Track III and Rupee Denominated Bonds framework are combined as 'Rupee Denominated ECB' to replace the current four-tiered structure. The framework is instrument-neutral," the RBI said.

### **9. Working Group Of Commerce And Industry Ministry Suggests Measures To Increase Size Of Economy To \$5 Trillion By 2025**

**Source: Firstpost ([Link](#))**

A working group of the Commerce and Industry Ministry Wednesday came out with a blueprint suggesting a host of long and short-term measures to increase the size of India's economy to \$5

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trillion by 2025. According to its report, agriculture and manufacturing sectors can contribute \$1 trillion each, while the contribution from the services sector has been pegged at USD 3 trillion. The group was constituted by the Department of Industrial Policy and Promotion (DIPP) in the ministry with participation from the government and industry. It was tasked to develop a roadmap towards achieving a \$5 trillion economy by 2025. "India's potential to achieve a \$5 trillion GDP by 2024-25 is within the realm of possibility," the report said. The report identified specific policy recommendations for the three sectors.