

Daily Economic News Summary 18 February 2020

1. India overtakes UK & France to become 5th largest world economy, says report

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

India has emerged as the fifth-largest world economy in 2019, overtaking the UK and France, as per a report by US-based think tank World Population Review. "India's economy is the fifth-largest in the world with a gross domestic product (GDP) of \$2.94 trillion, overtaking the UK and France in 2019 to take the fifth spot," it said. The size of the UK economy is \$2.83 trillion and that of France is \$2.71 trillion. In purchasing power parity (PPP), India's GDP is \$10.51 trillion, exceeding that of Japan and Germany. Due to India's high population, India's GDP per capita is \$2,170 (for comparison, the US is \$62,794), it said.

2. Finance Commission constitutes expert group on agriculture exports

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

The 15th Finance Commission on 17 February decided to set up an eight-member high level expert group headed by ITC chairman Sanjiv Puri to recommend strategies and measures to increase farm productivity and boost exports. The panel will recommend measurable performance incentives for States to encourage agri exports as well as to promote crops to enable high import substitution, the Finance Commission said in a statement. The committee will submit its recommendations within three months for further consideration of the Commission, it said.

3. Customs dept starts capturing district level data of goods exports

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

The revenue department has started capturing district-wise data of goods exports, a move aimed at helping policy makers take data-driven decisions to boost outwards shipments. This is being done to achieve the objective of turning districts into export hubs, the Central Board of Indirect Taxes and Customs (CBIC) said in a statement on 17 February. "This additional information from the export declarations will provide a key statistical input to policy makers on the importance of each district for exports and will help in aligning the policies to enhance local

capacity," it said. The information would now also capture declarations by exporters intending to avail benefits India's under free and preferential trade agreements with partner countries.

4. Namaste Trump: India and US to ink \$ 2.5 billion deal during Donald Trump's visit

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

India's leading gas importer Petronet and the US LNG Tellurian will be converting the \$ 2.5 billion MoU into an agreement on the sidelines of the bilateral talks between Prime Minister Narendra Modi and the US President Donald Trump on. Highly placed sources have confirmed that the talks between the two leaders will also be on India's Energy Trade including the signing of the agreement between Petronet and the US-based Tellurian. The CEO of the company is travelling with the US President and on the sidelines of the bilateral talks the two sides will convert the MoU which was inked last year in September into an agreement.

5. Foreign investors return India with bag full of investment; FPI in Feb shine as forex hits record high

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

Foreign portfolio investments (FPI) in India in the first seventeen days of February surpassed the monthly FPI in any month of the current fiscal. Foreign investors have invested over Rs 24,000 crore in the month until 18 February, according to the National Securities Depository Limited (NSDL). In the same duration, investors inclined towards the debt options as the debt component in FPI rose to Rs 12,663, highest after October 2017. The high investment in the first half of the current month has also contributed to taking the foreign currency reserves of the country to an all-time high.

6. National Cyber Security Strategy to go for cabinet nod soon: Rajesh Pant

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

The draft of National Cyber Security Strategy 2020, that envisages creating a secure cyberspace in India, is ready and will soon be sent to key ministries for comments before seeking the Cabinet approval, an official said on 17 February. "We have got industry inputs, the draft of the (National Cyber Security) strategy is ready, we'll do a quick round of sending it to some 2-3 critical ministries and we will put up to the Cabinet for release to the public. The vision of the strategy .is to ensure a safe, secure, resilient, trusted and vibrant cyberspace for India's prosperity," National Cyber Security Coordinator Rajesh Pant said at an ASSOCHAM event.

7. Piyush Goyal asks industry to expand export basket

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

Commerce and Industry Minister Piyush Goyal on 17 February asked the industry to look for ways to expand the country's export basket by adding more value-added products and cut shipments of raw materials. He said the country's export basket is changing but it is not changing at fast pace. "We are moving from some raw materials to intermediates. Can we collectively look at changing basket of exports to do more value-added products? Can we reduce exports of, let's say, iron ore and export high-quality steel? Can we stop exporting alumina, and stop importing aluminium products?," he said in New Delhi. He asked the industry to identify sectors where the government can promote assembling of products at a lower rate of duty and finished items at a higher rate of duty.

8. Moody's cuts India's 2020 growth forecast to 5.4% amid coronavirus fears

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

Global rating agency Moody's said on 17 February that India's economic recovery is likely to be shallow and expand at a lower pace of 5.4 per cent in Calendar 2020 than the earlier estimate of 6.6 per cent. In a review of the global economy to assess likely to impact on Coronavirus outbreak, Moody's said it (virus and its spread) has diminished optimism about prospects of an incipient stabilisation of global growth this year. With the virus continuing to spread, it is still too early to make a final assessment of the impact on China (A1 stable) and the global economy. India's economy has decelerated rapidly over the last two years. the real gross domestic product grew at a meagre 4.5 per cent the third quarter of calendar Q3 2019. Improvements in the latest high-frequency indicators such as PMI data suggest that the economy may have stabilised.

9. MNRE likely to expand duty relief for domestic solar equipment industry

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

To boost domestic solar equipment manufacturing, the ministry of new and renewable energy (MNRE) is planning to also include components under exemption from basic Customs duty (BCD). This comes after the ministry clarified that BCD over imported solar cells, modules, and panels will remain zero. "The MNRE has taken up with the finance ministry the issue of exemption of BCD on import of capital goods required for setting up manufacturing units of solar photovoltaic cells, modules, wafers, ingots, and polysilicon," said a recent notice by the ministry.