

Daily Economic News Summary: 21 November 2018

1. India, Russia Sign \$500 Million Deal For Two Warships

Source: Livemint ([Link](#))

India and Russia 20 November signed a \$500 million deal for construction of two warships in Goa for the Indian Navy under the technology transfer model, officials said. They said the agreement for the project was signed between defence PSU Goa Shipyard Ltd (GSL) and Russia's state-run defence major Rosoboronexport under the government-to-government framework for defence cooperation. Under the deal, Russia will provide design, technology and some materials to GSL for construction of the ships in India.

2. India, Mauritius Likely To Sign Free Trade Pact In January

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

The proposed India-Mauritius free trade agreement, being given the final touches by negotiators this week, is likely to be signed in January during Mauritius PM Pravind Kumar Jugnauth's India visit, a government official has said. "Textiles and marine products are the two tricky areas for India but the negotiators are trying to sort it out right now in Mauritius. We hope the agreement will be ready to be formalised when Mauritian PM visits in January," the official told *BusinessLine*.

3. Liam Fox To Visit India To Discuss Post-Brexit Trade

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

With Britain's exit from the European Union (EU) just a few months away and uncertainty looming large on the terms of parting, UK Secretary of State for International Trade Liam Fox is likely to visit India early next month to discuss the future of bilateral trade post-Brexit with his Indian counterpart Suresh Prabhu. "The two may also take forward the tentative unofficial talks on a free trade agreement between the UK and India and what all it could include," an official close to the development told *BusinessLine*.

4. Shut Out Of China, US Coal Exporters Find Favour In India For Now

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

US coal exporters have effectively lost a promising market in China since the imposition of tariffs as part of the ongoing trade dispute, but so far they have managed to find other buyers in Asia,

chiefly India. China imposed a 25 per cent tariff on imports of US coal in August this year, as retaliation against tariffs on its exports implemented by the administration of President Donald Trump. Vessel-tracking and port data compiled by Refinitiv show that no coal from the United States was discharged in China in October, while two cargoes totalling 2,12,000 tonnes are being unloaded this month.

5. RBI Move To Boost Indian Banks' Lending Ability By Up \$42 Billion: Sources

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

The Reserve Bank of India estimates that Indian banks will have capacity to lend an extra 2.5 trillion rupees to 3.0 trillion rupees (\$35 billion to \$42 billion) over the next year after it decided to relax a deadline for lenders to boost capital ratios, two sources aware of discussions on the matter said on 20 November. Under pressure from Prime Minister Narendra Modi's government to spur lending ahead of elections, the RBI agreed at its board meeting on 19 November to extend a deadline for lenders to further lift capital conservation buffers by a year to March 31. The relaxation will also reduce banks' capital requirements by about 300 billion to 350 billion rupees of capital, the two sources said, adding that the numbers were shared by the RBI at the board meeting.

6. Kovind Hints At Enhanced Maritime Security Cooperation With Vietnam

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

India has said it would expand maritime security cooperation with Vietnam amid China's belligerence in South China Sea and ambitions in the Bay of Bengal. The two sides also agreed to further strengthen bilateral cooperation in defence, atomic energy, outer space and oil and gas. Four MoUs in the fields of communications, education and trade and investment were signed to take the bilateral agenda forward. Kovind is currently on a state visit to Vietnam. It is understood that during his meetings, the two sides discussed the South China Sea situation and expanding defence ties, including implementation of defence related \$500-m line of credit.

7. IG International To Import Alphonso Mangoes From South Africa

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

Fresh fruit firm IG International on 20 November announced importing of Alphonso mangoes from South Africa for catering to the domestic market in the ongoing festive season. Since the season of Alphonso mangoes lasts for only three weeks in South Africa, a limited quantity of this variety will be air shipped to India. Following the import of Alphonso mangoes, IG International will import the Tommy Atkin variety in December followed by the Shelly variety in January, thereby marking the completion of the South African mango season.

8. RBI's MSME Loan Recast Plan May Be Based On Existing Scheme

Source: Livemint ([Link](#))

The proposed loan restructuring mechanism for micro, small and medium enterprises (MSME) with loans up to ₹25 crore is likely to be based on the existing government “framework for revival and rehabilitation of MSMEs”, albeit with a few tweaks, said a person aware of the development. “While the existing framework provides for early detection of stress in MSMEs and charts a mechanism for resolution, the new scheme could perhaps relax the existing stress recognition timelines,” the person cited above said, requesting anonymity. The government has been pushing the Reserve Bank of India (RBI) for some sort of relief to the MSME sector, and the board on 19 November advised the central bank to consider a scheme to recast MSME loans.

9. Off-NCLT Deals: Two Power Projects Get Lease Of Life

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

While the attempts by lenders and promoters to find resolution of some stressed power assets outside the ambit of the National Company Law Tribunal (NCLT) have largely been foiled by non-consenting minority lenders, debt recasts of a couple of projects have been agreed upon by stakeholders. Last week, Renascent Power, a unit of Tata Power's private equity platform Resurgent Power Ventures, agreed to acquire 75% stake in Prayagraj Power Generation Company's (formerly of the Jaypee group) 1,980 MW Bara power plant for Rs 6,000 crore.