

Daily Economic News Summary: 22 January 2019

1. Union Budget 2019 For Small Businesses: Msme's Going To Be Govt's Pet Project; What Have They Got So Far

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

Narendra Modi government has been trying to push out perks for the MSME sector (Micro, Small and Medium Enterprises) as it seeks to spur economic growth ahead of general election 2019. In November last year, the Prime Minister announced 12 key initiatives aimed at uplifting the MSMEs. Recently, the limit of GST exemption was doubled to Rs 40 lakh to bring relief to small businesses. Even the RBI stepped up to ease the burden of the debt-ridden MSMEs, by handing out a loan recast scheme for loans upto Rs 25 crore. MSMEs are the mainstay of Indian economy. They contribute to around 95% of the enterprises of the country and make up to about 30% of the overall GDP. Around 20% of the MSMEs are based out of rural areas and consequently are a major source of employing rural workforce.

2. Assam Incubator Aims To Support 1,000 Units In 5 Years, Seeks To Attract \$250 Mn For State Startups

Source: Firstpost ([Link](#))

Chief Minister Sarbananda Sonowal on 20 January inaugurated the 'Assam Startup The Nest' initiative to facilitate growth of at least 1,000 startups over the next five years. The initiative is a state-owned incubator for startup ventures, which seeks to augment the business environment by promoting idea generation to startup companies and help them establish and accelerate growth and success. Sonowal said that Act East Policy has given impetus to the trade and business in the state and through it the state would become the gateway and business hub of South East Asia.

3. Kumbh Mela To Generate Rs 1.2 Lakh Crore Revenue; Hospitality Sector Aims At Employing 2.5 Lakh People: CII

Source: Firstpost ([Link](#))

The mega Kumbh Mela, which began on 15 January and will continue till 4 March, is expected to generate a revenue of Rs 1.2 lakh crore for Uttar Pradesh, says apex industry body Confederation of Indian Industry. Although the Kumbh Mela is spiritual and religious in nature,

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the economic activities associated with it generate employment for over six lakh workers across various sectors, CII said in a report. The Uttar Pradesh government has allocated Rs 4,200 crore for the 50-day Kumbh Mela this time, which is over thrice the budget of the Maha Kumbh in 2013, making the mega pilgrimage perhaps the costliest ever. The hospitality sector aims at employing 2,50,000 people, airlines and airports around 1,50,000 and tour operators around 45,000. The employment numbers in eco-tourism and medical tourism are being estimated at 85,000, says a CII study.

4. IMF forecasts India GDP at 7.5% in FY20 and 7.7% in FY21

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

India will further build its lead as the world's fastest-growing major economy as it picks up pace next year while the global economy is forecast to slow, the International Monetary Fund said. India's GDP is forecast to expand 7.5% in FY20 and 7.7% in FY21. China's growth is seen at 6.2% in both years. The FY20 forecast has been raised by 0.1 percentage point from the projected outlook in October 2018. India's Central Statistics Office expects gross domestic product to grow 7.2% in FY19, up from 6.7% last year, while the Reserve Bank of India has pegged it at 7.4%.

5. Nepal's Central Bank Announces Ban Of Indian Notes Above ₹100

Source: Livemint ([Link](#))

Nepal's central bank has banned the use of Indian currency notes of ₹2,000, ₹500 and ₹200 denominations, a move that could affect Indian tourists visiting the Himalayan nation where Indian currency is widely used. Nepal Rastra Bank on 20 January issued a circular prohibiting Nepali travellers, banks and financial institutions from holding or carrying and trading Indian bank notes higher than ₹100, the Kathmandu Post reported. The central bank said in its circular letter that Indian currency of 200, 500 and 2,000 denominations cannot be carried and used for trading. Under the new regulation, Nepali citizens cannot carry these denominations to countries other than India. Similarly, Nepalis are also not allowed to bring such notes from other countries. Indian notes of 100 or below, however, are allowed for trading and conversion, the bank's circular reads.

6. PNB Fraud: Mehul Choksi Gives Up Indian Citizenship, Surrenders Passport To Antiguan Govt In A Bid To Avoid Extradition

Source: Firstpost ([Link](#))

Fugitive diamantaire Mehul Choksi, accused of involvement in the over Rs 13,500 crore fraud at Punjab National Bank (PNB), has given up his Indian citizenship and surrendered his passport to Antigua in an attempt to avoid extradition to India. According to news reports, Choksi has also surrendered his Indian passport number Z-3396732 with cancelled pages to the Indian High Commission in Antigua. He has also deposited the mandatory \$177 dollar for leaving Indian citizenship. He has given his new address as Jolly Harbour Marks, Antigua. Choksi, chairman of Gitanjali group, is one of the alleged masterminds in the PNB fraud case and is an uncle of fugitive diamantaire Nirav Modi.

7. India Up One Place On Global Talent Competitiveness Ranking At 80th: Survey

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

India has moved up one position to rank 80th on the global talent competitive index, but remains a laggard among the BRICS nations, a new survey showed on 21 January. Switzerland continues to top the list, released on the first day of the World Economic Forum (WEF) Annual Meeting here by INSEAD business school in partnership with Tata Communication and Adecco Group. With an overall position of 45th and despite a fall of two places, China is the best performer among BRICS countries, while India remains the laggard of this grouping, the report said.