

**Daily Economic News Summary: 23 April 2019**

**1. Senior Officials Of RCEP Countries To Meet In Bangkok On May 24**

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

Senior officials of the 16-member RCEP group, who are negotiating a mega free trade agreement, will hold meetings in Bangkok from May 24 to iron out issues pertaining to the goods and services sector, an official said. "It is not a full-fledged round but an inter-sessional meeting, where senior officials would hold detailed discussions on issues of the proposed Regional Comprehensive Economic Partnership (RCEP) agreement," the official added. The meeting assumes significance as the member countries are aiming to conclude the negotiations by end of this year.

**2. GAIL Emerges Highest Bidder For IL&Fs Wind Power Plants At Rs 4,800 Cr For 7 Wind Power Assets**

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

Bankrupt Infrastructure Leasing & Financial Services (IL&FS)'s asset monetisation drive got a major boost on 22 April with state-run energy major Gail India offering Rs 4,800 crore for the seven operating wind power plants up for sale. These seven special purpose vehicles have an aggregate debt of Rs 3,700 crore. This makes the deal at a premium. The bidding process to these assets having 12 sites spread across seven states was launched last November. "Gail's offer of around Rs 4,800 crore for 100 percent enterprise value contemplates no hair-cut to the debtors of these seven special purpose vehicles, aggregating to nearly Rs 3,700 crore,' the company said in a statement.

**3. Domestic Air Passenger Volume Crosses 171 Mn In Fy19, Up 14.25%; March Posts Lowest Growth Rate**

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

Domestic air passenger volume grew 14.25 percent to 171.25 million in fiscal 2019 over the previous year, even as March posted the lowest growth rate in many years with a paltry 0.14 percent, according to the data from the DGCA. In FY18, the passenger volume had clipped at a higher 18.3 percent to 146.84 million. However, the March numbers came as a shocker to the

airline industry as the traffic though continued to grow in green but almost flat at 0.14 percent to 11.59 million passengers up from 11.58 million a year ago, largely due to the huge capacity reduction following the troubles at Jet Airways in the month, show data released by the DGCA on 22 April.

#### **4. Finmin Asks All Departments To Conduct Review Of Govt Guarantee**

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

The Finance Ministry has asked all departments to undertake a review of government guarantees given by respective ministries to their CPSEs or entities. The review should undertake aspects like the discharge of repayment obligations or interest obligations as per terms of the loan agreement and covenants and conditions met, the Finance Ministry said in an office memorandum. Besides, the details of CPSEs or entities due guarantee fee paid on time to the government should also be submitted. The Finance Ministry has extended date for submission of these details to April 30 from April 10.

#### **5. Blackstone Group To Acquire Majority Stake In Essel Propack At ₹134/Share**

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

Blackstone Group Lp, one of the world's largest private equity firms, has agreed to buy a majority stake in speciality packaging company Essel Propack Ltd for about \$310 million. The New York-based PE firm has signed a definitive agreement with Essel Propack's promoter, Ashok Goel, to buy a 51% stake at ₹134 a share. Goel, who holds about 57% stake in the company through the Ashok Goel Trust and affiliates, will retain a minority stake post the transaction. The Blackstone-Propack deal will trigger a mandatory open offer, according to takeover norms of the Securities and Exchange Board of India (Sebi), requiring Blackstone to purchase an additional 26% stake in Essel Propack. The PE firm has offered to buy the 26% stake at ₹139.19 a share.

#### **6. Yet Again, SEA Seeks Duty On Palm Oil Imports From MFNs**

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

Edible oil trade body Solvent Extractors' Association of India (SEA) has raised its demand to impose safeguard measures on palm oil imports from countries enjoying Most Favoured Nation (MFN) status with India. In a letter to the trade and industry, SEA President Atul Chaturvedi stated that the industry would like the Government of India "to invoke the Article 5 of Chapter 5 of Comprehensive Economic Cooperation Agreement With Malaysia (CECAM) under which

India can take safeguard measures in case serious injury is caused to domestic industry and can suspend duty reduction or levy the duty applicable to MFN.”

### **7. Reserve Bank Of India Has \$43 Billion In Excess Capital: BofAML**

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

A panel named by India’s central bank to study its capital structure is likely to identify excess reserves of up to 3 trillion rupees (\$43 billion), or 1.5 percent of gross domestic product, according to Bank of America Merrill Lynch. The view from BofAML lends itself to a debate over Reserve Bank of India’s reserves, with one school of thought believing that the monetary authority holds surplus capital that can be handed over to the government and the other saying the RBI has insufficient reserves. BofAML’s note comes as the panel led by former central bank Governor Bimal Jalan prepares to submit its report in the coming weeks.

### **8. Indian 2-Wheelers Scorching The Track In Overseas Markets**

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

The export journey of home-grown two-wheeler makers is gaining momentum as they post significant growth in shipments across a larger market. The booming two-wheeler exports, thanks to the deeper penetration of Indian companies in markets such as Africa, Latin America and ASEAN, come at a time when the domestic market is going through a slowdown due to stagnant demand. Bajaj is the largest exporter of two-wheelers from India, followed by TVS Motor and Hero MotoCorp.

### **9. Iran sanctions: India Lines Up Alternate Sources, Supplies Not To Be Impacted**

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

India, the second biggest buyer of Iranian oil, has lined up alternate sources to make up for the likely shortfall in supplies after the US decided not to give waiver from its sanctions for buying oil from the Persian Gulf nation. The Trump administration on 22 April decided not to renew waiver that let countries like India buy Iranian oil without facing US sanctions. "Our crude sources are wide. We have alternate sources lined up to make up for any shortfall," a top source said. India, which is the second biggest purchaser of Iranian oil after China, had agreed to restrict its monthly purchase to 1.25 million tonne or 15 million tonne in a year (300,000 barrels per day), down from 22.6 million tonne (452,000 barrels per day) bought in 2017-18 financial year.

### **10. Indigo To Start Six Additional Daily Non-Stop Flights From Delhi**

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

Budget carrier IndiGo on 22 April announced six additional daily non-stop flights from Delhi from May 25. "The airline will operate its first direct flight on the Delhi-Allahabad route, second and sixth frequency on the Delhi-Bhopal and the Delhi-Patna routes respectively," the company said in a statement. According to data released by the Directorate General of Civil Aviation (DGCA) for March this year, IndiGo's domestic passenger market share stands at 46.9%. The airline said, "The new flights are designed to cater to business and leisure travellers who are constantly on the lookout for new and affordable flying options."

### **11. NITI Aayog May Unveil A Makeover Post Polls, Scripts Robust Role For Itself**

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

The NITI Aayog has begun brainstorming on a version 2.0 of itself that could be unveiled after the ongoing general election. The Aayog held an internal meeting, a first for the central government's think tank, to introspect on the tasks it has performed since it was formed on January 1, 2015, and on what needs to be done to make it stronger and its policy recommendations more effective. Based on the outcome of this meeting, the Aayog is likely to make a presentation to the Prime Minister after the new government takes charge on what needs to be done to make its functioning more robust, said people aware of the matter.

### **12. China May Agree On Sustainable Financial Aid For Belt & Road Initiative Projects**

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

China may agree on "sustainable financial support" for projects under its Belt and Road Initiative (BRI) in order to assuage concerns of countries including India that BRI may drive several partner nations into a debt trap. Ahead of the second edition of the BRI summit – which India is boycotting, as it did the first one – people aware of the matter told ET that China may agree on “sustainable financial support for projects and principles agreed by the United Nations General Assembly on debt sustainability” in a joint communique at the summit, which will be held for three days from April 25.

### **13. Flipkart Launches 2nd Data Centre In Hyderabad To Strengthen E-Commerce Biz**

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

Flipkart, the country's largest e-commerce entity, announced the launch of a data centre in the city, besides investment in the state (Telangana) to strengthen its technology infrastructure. This

is Flipkart's second data centre in the country, the first being in Mumbai. It says the new one (built in partnership with CtrlS) is part of one of the largest cloud deployments in the country, to strengthen its growing marketplace e-commerce business. Flipkart had built its own data centre infrastructure much earlier, to store and manage the enormous data that gets generated from online sales, involving customers and sellers. It has developed its own technology tools, without having to depend on the cloud platforms of larger players like Microsoft or AWS for its data storage requirements or analytics.