

## **Daily Economic News Summary: 23 January 2018**

### **1. What to Expect From Day 1 of WEF Summit in Davos Today**

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

Prime Minister Narendra Modi, railways and coal minister Piyush Goyal, actor Shah Rukh Khan, director Karan Johar and a handful of Indian origin business executives will shape the dialogue on key economic, social, cultural and developmental issues confronting the world on the first day of the four-day World Economic Forum (WEF) annual summit, which begins at Davos in Switzerland on Jan 23. The highlight of Jan 23 session will be Modi's opening plenary, in which he is expected to share his vision of India's future engagement with the international community. Modi will also project India as the engine of global economic growth and outline the reforms undertaken in the country. In a discussion on energy, Goyal will share his thoughts on how industries, institutions and innovation shape the future of energy systems. The session will cover alternative energy sources, climate change and smart city design.

### **2. Will Work Closely for Early Conclusion of RCEP Talks: Suresh Prabhu**

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

India today said it will work "closely and constructively" with all the members of RCEP for early conclusion of the negotiations for a mega trade deal that began in 2015 with 16 members. Commerce and Industry Minister Suresh Prabhu asserted however on the importance of addressing sensitivities and aspirations of all the 16 member countries of the Regional Comprehensive Economic Partnership (RCEP) group. RCEP is a mega trade pact among these countries and aims to cover goods, services, investments, economic and technical cooperation, competition and intellectual property rights. Further Prabhu called upon ASEAN member countries to liberalise procedures for movement of professional to promote trade in services. India runs a trade deficit of USD 10 billion with ASEAN. The two-way commerce between the two regions stood at about USD 71 billion currently.

### **3. IMF Forecasts 7.4% Growth for India in FY19**

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

India is forecast to grow 7.4% in FY19 against 6.7% this year, gaining pace to 7.8% in FY20, the IMF said in its January update of the World Economic Outlook: Brighter Prospects, Optimistic Markets, Challenges Ahead that was released simultaneously in Davos and Washington. Modi will address the WEF opening plenary session on Jan 23. The global economy is expected to grow 3.9% this year, faster than 3.7% forecast earlier in October. India's growth remains unchanged from the October forecast. The International Monetary Fund (IMF) said India's growth will pick up in FY19. That will see the country regain the tag of fastest-growing major economy, backing the government's revival theme. The IMF also said 2017 saw the best global growth in seven years.

### **4. India Ranks 62nd on WEF's Inclusive Development Index**

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

Despite an improved performance, India continues to be ranked below neighbours Pakistan, Sri Lanka and Nepal in the Inclusive Development Index released by the World Economic Forum. India has been ranked 62 out of 74 emerging economies on a metric focussed on the living standards of people and future-proofing of economies by the WEF. This Inclusive Development Index has been developed as a new metric of national economic performance as an alternative to GDP. India, the WEF said, reflects an 'improving trend'. Though the incidence of poverty has declined in India over the past five years, six out of 10 Indians still live on less than \$3.20 per day.

### **5. With Nearly 47,500 Flights, Mumbai-Delhi is World's Third Busiest Air Route**

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

The Mumbai-Delhi is the third-busiest air route in the world, with as many as 47,500 departures and landings in 2017. Yet despite reaching this position, the Mumbai-Delhi route could face serious challenges in sustaining or improving it this year. The reason? Hardly any additional capacity is now available at Mumbai airport to deploy more flights on this route. But with the demand growing by 10-12 per cent annually, and with no possibility of adding more flights, flyers will soon face a hike in air fares this year. Airlines say the route makes up about 10 per cent of their capacity and revenues, making it by far the biggest market.

## **6. India Fifth Most Attractive Market for Investments: PWC Survey**

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

India has emerged as the fifth most attractive market for investments and the optimism over global economic growth is at a record level, a survey of CEOs by global consultancy PwC said on Jan 23. The findings come on a day when the rich and powerful are meeting here for the World Economic Forum's (WEF) annual summit starting Jan 23. Around 46 per cent of global CEOs consider the US as one of the three most important countries for growth, followed by China (33 per cent) and Germany (20 per cent) at second and third places, respectively. At the fourth spot is the UK (15 per cent). "India (9 per cent) bumps Japan (8 per cent) as the fifth most attractive market in 2018," it noted. The sectors having the highest demand for new recruits are health care (71 per cent), technology (70 per cent), business services (67 per cent), communications (60 per cent), hospitality and leisure (59 per cent).

## **7. Amazon to Expand Prime Programme**

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

Amazon India (Amazon Seller Services Pvt. Ltd) will now offer more than 25 million products in the Prime service, up from 11 million earlier, at a delivery speed of one or two days, said Jamil Ghani, vice-president, Prime International, Amazon. Amazon is also investing hundreds of crores of rupees to expand its video offering in India, including spending on producing original content. Amazon is also introducing a music service to rival that of Apple Music and a similar offering from Google. The company may launch the service in India this quarter. More than two months after doubling the price of its Prime subscription service, online retailer Amazon India is expanding the Prime programme as it looks to retain a large chunk of its existing customers by making the service more attractive

## **8. Paytm Valuation Pegged At \$10 Billion after Secondary Share Sale**

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

Paytm, run by One97 Communications Ltd, is likely to be valued at about \$10 billion when some existing and former employees sell a part of their shares to new investors, three people familiar with the matter said. The secondary share sale is expected to be in the range of \$50-70 million, the people said, requesting anonymity. One of the new investors is Discovery Capital, they added. If

the share sale goes through, Paytm will cement its position as the second-most valuable internet start-up in India, behind only Flipkart, which is valued at \$12.6 billion. Paytm's valuation has seen a massive spike in the past two years. The company has been growing steadily and currently houses four different products under the One97 stable-Paytm Mall, Paytm Payments Bank, Paytm Money and Paytm Wallet. Paytm counts SoftBank, SAIF Partners, Alibaba and Ant Financial Services as investors.

### **9. Tata Group Sees Big Opportunity to Grow in Financial Services**

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

The Tata Group sees potential for significant growth in financial services without relying on acquisitions, as India's largest conglomerate looks to sharpen its focus on about half a dozen businesses. "Both our insurance business and non-banking finance company have got a huge opportunity to grow," Natarajan Chandrasekaran, chairman of group holding company Tata Sons, said on Jan 22 in an interview to *BloombergQuint* at the World Economic Forum in Davos, Switzerland. "Just looking at the space, even organically there is a very big opportunity." The salt-to-software group is also focusing on the "core themes of simplification, synergy and scale" across six to seven major business segments, he said.

### **10. Govt May Lower Tariffs for New Hydro-Electric Power Projects**

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

The Union power ministry is considering lowering tariffs for new hydro-electric power projects to help them compete against cheaper forms of electricity, according to people with knowledge of the matter. The ministry has proposed excluding the costs of building infrastructure such as roads and bridges from tariffs to make new hydropower projects viable, the people said asking not to be named as the discussions are not public yet. Those costs might be borne by the central government and the states where the projects are located, the people said, adding that the details haven't been finalized. Nearly 100 gigawatts of electricity potential in India's rivers is lying untapped because of high tariffs. Hydropower projects, often located in remote regions, are crucial to stabilize the grid as the government looks to add 175 gigawatts of renewable capacity.