

Daily Economic News Summary: 24 July 2018

1. India, 9 Other Asian Economies To Pull Ahead Of US In Terms Of GDP By 2030: Report

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

The 10 major economies of Asia, including India, are expected to see robust growth and amount to over USD 28 trillion in real GDP terms on aggregate, more than the US by 2030, says a DBS report. According to DBS, the Asia-10 economies are - China, Hong Kong, India, Indonesia, Malaysia, the Philippines, Singapore, South Korea, Taiwan, and Thailand. By 2030, Asia-10 economies will grow so robustly that they will, on aggregate, amount to over USD 28.35 trillion in real GDP (2010 constant dollars) terms, while for the United States will amount to USD 22.33 trillion. "We expect Asia-10 to pull ahead of the US by 2030," DBS said, but added that this neither is a sufficient nor a necessary condition to invest in Asia, as investing cannot be based on a single indicator, especially when it comes to a long-term horizon. According to the global financial services major, Asia has a bright economic future, however, all Asian economies face some common issues - climate change, rising inequality, worsening environment for trade, and technological disruption that can drag growth numbers.

2. Fast-Track NPA Resolution: 22 Psbs, 19 Private, 32 Foreign Banks Sign Pact To Resolve Stressed Assets

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

Banks and financial institutions, including SBI, PNB and LIC on July 23 entered into an overarching inter-creditor agreement (ICA) to fast-track resolution of stressed assets of Rs 50 crore or more which are under consortium lending. The ICA is being signed by 22 public sector banks (including India Post Payments Bank), 19 private sector banks and 32 foreign banks. Besides, 12 major financial intermediaries, like LIC, HUDCO, PFC and REC are also signatories to the pact, according to the agreement. Under the pact, which is part of project 'Sashakt', each resolution plan will be submitted by the lead lender to an Overseeing Committee. "The lead lender that is the lender with the highest exposure shall be authorized to formulate the resolution plan, which shall be presented to the lenders for their approval," an official statement said. Under the ICA

framework, the decision making will be by way of approval of ‘majority lenders’, those with 66 per cent share in the aggregate exposure. Once a resolution plan is approved by the majority lenders, it will be binding on all the lenders that are a party to the ICA, it said.

3. Maruti Suzuki Crosses Production Of 20 Mn Vehicles In India; First Carmaker In India To Cross Milestone

Source: Firstpost ([Link](#))

Maruti Suzuki India Ltd (MSIL) said on July 23 it has crossed cumulative production of 20 million vehicles in India from its Gurugram and Manesar facilities since inception. The feat has been achieved in 34 years and six months since the start of production in December 1983, the company said in a statement. MSIL is the first carmaker in the country to cross the milestone. "The 20 million production milestone is a testimony of trust in brand Maruti Suzuki," MSIL Managing Director and CEO Kenichi Ayukawa said. Out of the 20 million units, 14.37 million vehicles were manufactured in Gurugram, while 5.62 million vehicles were from the Manesar facility, the company added. The company had achieved the one million production in March 1994, nearly a decade after the start of manufacturing cars. In April 2005, it reached the five million milestone, while the ten million mark was hit in March 2011. "In the next seven years, the company achieved 20 million production milestone," MSIL said.

4. Finance Ministry Refuses To Share Black Money Reports

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

The Finance Ministry has refused to share copy of three reports on the quantum of black money held by Indians inside the country and abroad, saying its disclosure would cause a breach of privilege of Parliament. The then UPA government had in 2011 commissioned these studies by Delhi-based National Institute of Public Finance and Policy (NIPFP) and National Council of Applied Economic Research (NCAER) as well as the National Institute of Financial Management (NIFM) in Faridabad. Replying to an RTI query, it said the study reports of the NIPFP, NCAER and NIFM were received by the government on December 30, 2013, July 18, 2014, and August 21, 2014, respectively. The ministry said these reports were submitted to the Standing Committee on Finance on July 21 last year and the committee is now seized of the matter. "Accordingly, the disclosure of information would cause a breach of privilege of the Parliament. Therefore, the

information sought is exempt from disclosure under Section 8 (1) (c) of the RTI Act,” it said in reply to the RTI application filed by this PTI correspondent.

5. Free Trade Agreements Find Few Takers Despite India's High Export Hopes

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

Commerce Secretary Rita Teotia got the loudest applause at the Delhi Dialogue last week for her firm assertion that free trade agreements (FTA) India has signed up are not popular within the country, including the ambitious 15-nation Regional Comprehensive Economic Partnership (RCEP). Addressing an audience of Indian business chambers like Ficci, external affairs specialists and delegates from some of the Asean think tanks, she said, “FTAs have to show they add to jobs. They have to allow our businessmen to do business with countries we have signed those with.” Her assertion makes clear that FTAs not only do not enjoy political support in India, the sixth largest world economy, but with only 1.65 per cent share of global exports, as per WTO data, they are also in the sunset mode. The seven FTAs are not seen as necessary for India’s expectations to double the size of her economy by 2025. The government has plans to raise Indian exports from the current \$302.8 billion (2017-18) to \$1 trillion in the same period, but hopes to do so without sewing up new trade deals with partners.

6. Iran Becomes India's No. 2 Oil Supplier, Replacing Saudi: Oil Minister

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

Iran was the second-biggest oil supplier to Indian state refiners between April and June, India's oil minister said on July 23, replacing Saudi Arabia as companies took advantage of steeper discounts offered by Tehran. India, Iran's top oil client after China, shipped in 5.67 million tonnes or about 457,000 barrels per day (bpd) of oil from the country in the first three months of this fiscal year, Dharmendra Pradhan told lawmakers in a written reply. He did not provide comparable numbers from the year-ago period. Data compiled by Reuters shows that India imported about 3.46 million tonnes, or about 279,000 bpd, from Iran between April and June last year. State refiners, accounting for about 60 per cent of India's 5 million bpd refining capacity, had curbed imports from Iran last year in protest against Tehran's move to grant development rights for the giant Farzad B gas field to other parties. For this fiscal year, the refiners had decided to almost

double imports from Iran, which offered almost free shipping and extended credit period on oil sales. Iraq continued to be the top oil supplier to India in the April-June period. New Delhi shipped in 7.27 million tonnes of oil from Iraq, while shipments from Saudi Arabia totalled 5.22 million tonnes, making it the third largest supplier, Pradhan's statement showed.

7. Commerce Ministry Working On Strategy To Boost Chemical, Plastics Export

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

The commerce ministry is working on an export promotion strategy to boost shipments of chemicals, plastics and allied products sector to push the growth of the country's overall exports, an official said. For the formulation of the strategy, the ministry has constituted a sub-group to deliberate upon the issues of the sector. The group, which held its first meeting on July 3, discussed the constraints hampering the growth of exports of chemicals, plastics and allied sectors. The exercise is part of the overall initiative of the ministry to work on sectoral export promotion strategy to boost the country's merchandise exports. Exports of organic, inorganic and agrochemicals grew by 38 per cent to USD 10.7 billion in 2017-18. Similarly, exports of plastics and its products rose to USD 5.3 billion in 2017-18 from USD 5.24 billion in the previous fiscal. The main destination for these shipments includes the US, China, the UAE, Malaysia and Korea. Since 2011-12, India's exports have been hovering at around USD 300 billion. During 2017-18, the shipments grew by about 10 per cent to USD 303 billion. Promoting exports helps a country to create jobs, boost manufacturing and earn more foreign exchange.

8. India Extends \$200 Million Credit Lines To Rwanda; Modi Holds Talks With Kagame

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

India on July 23 extended \$200 million lines of credit to Rwanda as Prime Minister Narendra Modi held wide-ranging talks with President Paul Kagame and discussed measures to strengthen cooperation in trade and agriculture sector. After the one-on-one talks with president Kagame, Modi announced that India will soon open its mission in Rwanda. The two countries signed agreements on leather and allied areas and agricultural research. India also extended two lines of credit -- one of \$100 million for development of industrial parks and Kigali special economic zone (SEZ) in Rwanda and another one for \$100 million for agriculture. Modi, arrived in Rwanda

tonight on the first leg of his three-nation Africa tour as part of India's outreach to the resource-rich continent, becoming the first Indian premier to visit the East African country.

9. Government Agenda Gets A Push; 6 Bills Introduced, 2 Passed In Lok Sabha

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

The fourth sitting of the monsoon session of Parliament on July 23 saw the government giving a push to its legislative agenda with six bills introduced and two passed in the Lok Sabha while three bills were taken up for passage in the Rajya Sabha. Five of the six bills introduced in the Lok Sabha will replace the ordinances brought by the Narendra Modi government earlier this year. These bills are the Insolvency and Bankruptcy Code (Second Amendment) Bill, 2018, Criminal Law (Amendment) Bill, 2018, National Sports University Bill, 2017, Homoeopathy Central Council (Amendment) Bill, 2018 and The Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts (Amendment) Bill, 2018. The monsoon session has been productive for the government. The first day of the session on July 18 saw three bills being introduced in the Lok Sabha. The House passed the Fugitive Economic Offenders Bill on July 19 and the Rajya Sabha passed amendments to the Prevention of Corruption Act.

10. BRICS May Unite Against Trump's Protectionist Trade Policies On July 25

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

Prime Minister Narendra Modi's visit to South Africa for the 10th Brazil, Russia, India, China, South Africa (BRICS) summit on July 25 is expected to see the five nations hit out against US president Donald Trump's protectionist trade policies, while norms on greater financial integration and investment facilitation may be discussed. A move in this direction was decided at the recently-concluded G20 finance ministers' meet in Buenos Aires, a senior government official said. The joint declaration of the summit, to end on July 27, may include a condemnation of growing protectionism as well as a pitch for greater financial market integration, he added. The 8th BRICS Trade Ministers' meet, held earlier this month in South Africa, had also expressed concern at the growing global protectionism. Most of this originated in the United States, which is the largest trade partner of China and the largest export destination for India. It had also committed

to break the deadlock on certain issues at the World Trade Organization (WTO) as well as commissioned the first study on increasing value-added trade among members.