

Daily Economic News Summary: 2 February 2018

1. Budget 2018: A Transformational Road Map for India's Progress

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

A staunch commitment to reforms has been the hallmark of this government, and the 2018-19 Budget has reaffirmed this. During his fifth Budget speech, the FM focused on addressing some of the pressing challenges faced by India's economy: improving access to quality healthcare and education, enhancing agriculture and creating jobs. This is the first budget of Independent India that brings social sector centre stage. The Budget takes strides towards compensating farmers with remunerative prices, leveraging economies of scale to improve productivity, enhance infrastructure and connectivity for farmers and makes it easier for farmer producer organisations to operate.

2. Railways gets a Record Rs1.48 Trillion in Union Budget 2018

Source: Livemint ([Link](#))

The Union budget has allocated a record Rs1.48 trillion for Indian Railways to raise its carrying capacity and improve the train travel experience. Of this, Rs1.46 trillion is capital expenditure, while Rs2,028 crore is to reimburse operating losses on strategic lines and reimburse IRCTC (Indian Railway Catering and Tourism Corporation) for the operational cost of e-ticketing. In the last budget, finance minister Arun Jaitley had waived service charges on railway e-tickets to encourage cashless transactions. The charges waived were Rs40 for AC class and Rs20 for sleeper class.

3. Budget 2018: Infrastructure Sector Gets a Rs5.97 Trillion Push

Source: Livemint ([Link](#))

India will invest as much as Rs5.97 trillion in creating and upgrading infrastructure in the next financial year, finance minister Arun Jaitley said in his budget speech on 1 Feb. Infrastructure development has been one of the focus areas of the Narendra Modi government. Starting with an allocation of around Rs1.81 trillion in 2014-15, expenditure towards infrastructure reached Rs4.94

trillion in 2017-18. The finance minister also announced the government's new roadmap for infrastructure, which included plans to introduce seaplanes and a passenger-friendly toll policy.

4. Budget 2018: Government tries to Boost Employment

Source: Livemint ([Link](#))

The Union Budget for 2018-19 has said that the government will bear the 12% contribution to the retirement corpus of salaried individuals in the Employees' Provident Fund for the first 3 years of their employment. "I am happy to announce that the government will contribute 12% of the wages of the new employees in the EPF for all the sectors for next 3 years," finance minister Arun Jaitley said in his Budget speech.

5. Budget 2018 Extends Sops to MSMEs in Push to Formalize Indian Economy

Source: Livemint ([Link](#))

Union Budget 2018 proposes to cut corporate tax rate to 25% for companies with annual revenue of up to Rs250 crore, earmarks Rs3 trillion for 2018-19 under the Mudra scheme. The Union Budget 2018 on Thursday extended sops to micro, small and medium enterprises (MSMEs), as part of the government's efforts to bring businesses under the formal economy's fold. Aimed at easing cash flow challenges, these announcements come against the backdrop of demonetization in November 2016 and the introduction of the goods and services tax (GST) in July 2017.

6. E-way Bill Application Deferred, Trial to Continue as Government Faces Tech Glitch

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

With the E-way bill generation platform facing technical glitches, the Government on 1 Feb said it is extending the trial period for e-way bill. However, the government has not clarified how long the trial will run. "In view of difficulties faced by the trade in generating e-way bill due to initial tech glitches, it has been decided to extend the trial phase for generation of e-way bill, both for inter and intra-State movement of goods. It shall be made compulsory from a date to be" announced, tweeted the government. E-way bill became mandatory from 1 Feb but throughout the day there have reports of the platform crashing. Some companies have complained that moving goods had come to a complete standstill.

7. Budget 2018: Arun Jaitley Announces ‘Modicare’ As Obamacare Becomes Passe

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

Keeping in mind the rural and middle class population of the country, Finance Minister Arun Jaitley in his budget document announced world’s largest healthcare program. Finance Minister Arun Jaitley announced a new flagship national health protection scheme that provides for a health insurance cover of Rs 5 lakh per family per year. The program launched on the same lines as by the US President Barack Obama (Obamacare) during his Presidentship will cover 10 crore poor and vulnerable families that adds up to approximately 50 crore families. The scheme will be launched under the Ayushman Bharat Mission. The Arun Jaitley also added in union budget 2018 that the healthcare program will generate lakhs of jobs, particularly for women

8. Budget 2018: FM Arun Jaitley Still Has to Reason His Case against Cryptocurrencies

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

One of the main concerns voiced by governments and critics of bitcoin and other cryptocurrencies is the anonymity of cryptocurrency transactions. It is a common belief that bitcoin transactions are impossible to track and can aid terrorists, criminals, tax evaders etc. in avoiding detection by government agencies. Many investors and consequently governments get spooked and rightly so by cyber-attacks targeting cryptocurrency wallets and exchanges and some have even deemed the technology unsafe. In order to put a regulatory framework in place, regulators must accept that owning and trading cryptocurrencies is legal and that they envisage these digital currencies being an integral part of the global financial system going forward.

9. Data Oil to Help Run the Economy on the Digital Highway: Nandan Nilekani, Non-Executive Chairman, Infosys

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

Digital platforms have leapfrogged physical ones in many ways. More Indians have access to mobile data than to functional toilets. 4G coverage is 84%, that of sanitation, 65%! Similarly, more families have access to banking than to electricity. It is fair to say we are much better at software than hardware. The finance minister spoke of building additional rural roads to connect habitations to markets, of expanding the number of toilets to two crore, free LPG connections to eight crore women and free electricity to four crore households. This is welcome. However, it is in the use of

digital technology and data-led inclusion that India leads the way. Digital technology-led inclusion started with the building of a common digital identity infrastructure, on which were layered bank accounts, direct benefit transfers, simpler banking access, payments, investments, pensions and other financial products.

10. IMF Welcomes Fiscal Targets of Jaitley's Budget

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

The IMF today welcomed the fiscal targets set by Finance Minister Arun Jaitley in the annual budget proposals and noted that the economic survey released this week strikes a good balance with realistic forecast. The IMF is impressed by a range of important economic issues covered and the depth of the analysis in the survey. "We broadly shared the overall assessment of the state of the economy in particular the economic survey's outlook of 6.7 per cent in fiscal 2017-2018 and 7-7.5 per cent in 2018-19," he said, noting that this is in line with the IMF's forecast.