

## Daily Economic News Summary: 4 February 2019

### **1. Finance Minister Piyush Goyal To Address RBI Board On 9 February; Highlight Key Points Of Interim Budget**

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

Finance Minister Piyush Goyal is scheduled to address the customary post-Budget meeting of the central board of Reserve Bank of India on 9 February and highlight the key points of the interim Budget. The meeting will take place two days after the sixth monetary policy review which is expected to take a call on policy rates. According to sources, the board meeting on 9 February would also take up request of the government for interim dividend for the current fiscal. The government expects Rs 28,000 crore from the RBI as interim dividend for the current fiscal based on the financial position of the first half of the central bank. The Reserve Bank, which follows July-June financial year, paid Rs 40,000 crore as dividend for the current fiscal.

### **2. Japanese Hybrid Cars To Hit Indian Roads In 2021**

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

Suzuki Motor Corp., Toyota Motor Corp. and Honda Motor Co. have started developing strong or full hybrid cars for India and are expected to introduce them by the end of 2021, said two people with direct knowledge of the development. The Japanese automakers have been encouraged by the Union government's assurance that it will not differentiate between hybrid and electric vehicles while offering financial incentives to makers of eco-friendly vehicles. The carmakers are expected to initially offer the hybrid technology in locally produced midsize sedans, the people cited above said, requesting anonymity.

### **3. Over 4,000 Urban Cities Declared Open Defecation Free: Govt**

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

Over 4,000 urban cities have been declared open defecation free (ODF) under the Swachh Bharat Mission, an official at the Housing and Urban Affairs Ministry said. Out of the total 4,378 urban cities, 4,140 have already been declared ODF in the country, he said. The official said almost all the urban cities will become ODF by the next month under the Swachh Bharat Mission, a flagship programme of the Narendra Modi government.

#### **4. Full Benefits Of GST Only From 2020-21: Interim Budget**

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

The Interim Budget 2019-20 may have kept an ambitious growth target for the Goods and Services Tax for next fiscal, but it doesn't expect benefits from the indirect tax regime to flow in until 2020-21. "Accrual of the full benefit of GST reforms and revenues is expected to take some more time and, therefore, the stabilisation phase is expected to continue in 2019-20 too," the Budget documents have noted, adding that the full benefits of GST reforms should start accruing from 2020-21 and completely stabilise thereafter to ensure sustainable fiscal path. Noting that 2018-19 was the first full year of implementation of GST with numerous rate changes, the Budget has said the full potential of the tax system would be realised only after the transition period is over.

#### **5. Infosys Drafts A New Strategy To Focus On Growth From Top Clients**

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

Executives from Infosys Ltd's consulting practice will now work jointly with sales and delivery heads to garner more business by offering a wider array of services to its top clients. This effort is the latest initiative being rolled out by Infosys under chief executive Salil Parekh, who since taking over in January last year has focused on bringing stability at India's second largest information technology (IT) services firm. Infosys expects to grow at a faster pace in the current financial year than in 2017-18. The company, after posting a 2.2% sequential increase in dollar revenue during the October-December period, raised its revenue outlook for 2018-19 to 8.5-9% in constant currency terms.

#### **6. All Eyes On 1st RBI Policy Review Under Shaktikanta Das; Will There Be A Rate Cut?**

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

After the Interim Budget, all eyes are now on first Reserve Bank of India (RBI) policy meeting under new governor Shaktikanta Das next week, in which, experts say, the Monetary Policy Committee is likely to maintain status quo for the second time in a row. The RBI Monetary Policy Committee (MPC) policy review is on February 7. Former Finance Ministry top bureaucrat, Das, was appointed the governor of the central bank in December after Urjit Patel's exit, arguably, due to many contentious issues. The bi-monthly policy decision is most likely to be influenced by the Budget announcement as well, experts said. The repo rate presently is 6.5%, and former RBI governor Patel had signaled the possibility of rate cut if inflation continued to

plunge. However, with the Budget deviating from the fiscal consolidation path, the RBI may only choose to change the stance from 'calibrated tightening' to 'neutral'.