

Daily Economic News Summary: 1 February 2018

1. Arun Jaitley to Unveil Budget 2018 Today, Fiscal Deficit Target in Focus

Source: Livemint ([Link](#))

As India's government gets set to unveil its 2018-19 budget on Feb 1, all eyes will be on whether the authorities stay the course on containing the fiscal deficit, or whether they throw caution to the wind with a populist set of spending priorities. Facing discontent at home over falling farm incomes and a backlash following policy initiatives that have dented growth, Prime Minister Narendra Modi will be aiming to woo rural voters and small business owners in the last full budget before a general election that must be held by May 2019.

2. Navi Mumbai SEZ to Start Operations in 2019

Source: Livemint ([Link](#))

Navi Mumbai Special Economic Zone Pvt. Ltd promoted by Reliance Industries Ltd chairman Mukesh Ambani, Jai Corp. India, SKIL Infrastructure Ltd and City and Industrial Development Corp (CIDCO) will be developed in phases and be open to industrial units in 2019, two officials aware of the development said. On Jan 30, the Maharashtra government allowed Navi Mumbai SEZ promoters to convert the SEZ into an integrated industrial area. The SEZ is proposed to be developed over 2,140 hectares in Dronagiri, Ulwe, and Kalamboli nodes in Navi Mumbai. The integrated industrial township policy allows promoters of non-functioning SEZs to convert the specially designated areas into industrial townships by allotting up to 40% of the total project area for commercial and residential purposes.

3. India Needs to be Extra Cautious in RCEP Trade Deal: CEA Arvind Subramanian

Source: Livemint ([Link](#))

India needs to be extra cautious and take into account geostrategic issues while moving ahead with the Regional Comprehensive Economic Partnership (RCEP) trade deal as it will also mean opening up the market to China, chief economic adviser Arvind Subramanian said. ASEAN members have been putting pressure on India to open up its market for more than 90% of their traded goods, while they remain reluctant to India's proposal to allow free movement of Indian skilled professionals

in the RCEP region. There is growing clamour for India to either exit RCEP or resist its early conclusion. Commerce minister Suresh Prabhu last week insisted on concluding a “balanced and collectively satisfactory” RCEP agreement that includes a services pact.

4. India Scores Better than Global Average on Budget Transparency

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

India scored slightly better than the global average when it comes to budget transparency, according to results of the Open Budget Survey (2017) released on Jan 30. With a rank of 53 among 115 countries covered by the survey, India's score of 48 out of 100 for transparency (as against the global average of 43), showed an improvement of 2 percentage points over the 2015 index. To improve budget transparency, IBP suggests that India should draft and publish a pre-budget statement and mid-year review. India should also provide more information, such as comparisons between planned revenue and actual outcomes and a comparison between the original macroeconomic forecast and actual outcomes.

5. Godrej Properties adds Three New Projects across Bengaluru, Noida

Source: Livemint ([Link](#))

Godrej Properties Ltd (GPL) will develop three new projects, two in Bengaluru and one in Noida, including its first plotted land development. The Mumbai-based firm has entered into a joint venture with Sai Srushti Group to develop a 100-acre land parcel near Devanahalli Town in north Bengaluru marking its first plotted development project, the developer said on Jan 31. The other project in Bengaluru is a joint venture with the promoters of Lahari Music Group to develop 17 acres of land, with the possibility of further extending the development up to 24 acres, in Electronic City Phase - I, abutting the main Wipro Campus in South Bengaluru. The third project is in the Noida Expressway micro market, where GPL will develop a group housing project, of around 1.7 million sq.ft, under the development management model in partnership with Ace Group.

6. 28.4 Lakh E-Way Bills Generated in a Fortnight

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

A whopping 28.4 lakh e-way bills have been generated by transporters within a fortnight of the beginning of registration. In the 14-day trial period starting January 16, the day when nationwide

e-way bill registrations for taxpayers began, 28.4 lakh e-way bills have been generated with 3.4 lakh happening only on Jan 30. Under the Goods and Services Tax, inter-state transportation of goods beyond 10 km, with a value of Rs 50,000 and above, will mandatorily require e-way bill from February 1. The government expects that the e-way bill would act as an anti-evasion tool and help bring more taxes to the exchequer.

7. Working Group to Meet on Roadmap to Make India A \$5 Trillion Economy

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

Commerce and Industry Minister Suresh Prabhu will call a meeting of a working group soon to develop a detailed roadmap for increasing the size of Indian economy to USD 5 trillion in the coming years. This was discussed today during a review meeting of different initiatives with the officers of the Department of Industrial Policy and Promotion. Prabhu has recently stated that India is expected to become a USD 5 trillion economy in the next 8-9 years with the manufacturing sector contributing 20 per cent to that. The minister said the policy should include provisions for encouraging self help groups and promote district level industrialisation.

8. Spicejet to Introduce 20 Domestic Flights from Feb 11

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

Budget airline SpiceJet has announced 20 new non-stop domestic flights starting from February 11, aimed at strengthening its network across South India. The airline would introduce 18 new flights in the South, of which ten would be catering to popular tourist destinations in Andhra Pradesh, the airline said in a release in Mangaluru. SpiceJet would also become the only carrier to operate between Kolkata-Jabalpur and Bengaluru-Puducherry with daily direct flights. The new flights connecting the metro cities with the non-metros will give fresh impetus to the airlines regional connectivity theme, 'connect the unconnected,' it said.

9. Prabhu: Centre Working on Creating Brand Value to Push Leather Exports

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

Around 40 per cent of India's GDP will come from exports in the next seven years, said Minister for Commerce and Industry Suresh Prabhu. Addressing the inaugural function of the 33rd edition of the India International Leather Fair 2018 (IILF) that is taking place in Chennai between

February 1 and 3, Prabhu said that to improve exports the Centre has a clear strategy that includes re-engaging with global markets and creating partnerships. The Commerce Ministry is currently conducting market research on countries to find out what kind of products will sell well there. The idea is to design products in India partnering with other countries. This will add brand value and the Centre is working on that, he added.