Chief Economic Adviser, Dr. Arvind Subramanian at a press conference regarding the Economic Survey 2017-18, in New Delhi. Principal Director General (M&C), Press Information Bureau A.P. Frank Noronha and other dignitaries are also seen---PIB

Chief economic advisor sees less scope for RBI to cut rate

NEW DELHI, JAN 29 /--/ Chief economic adviser Arvind Subramanian today indicated that the scope for RBI to lower interest rate may be limited with growth picking up and inflation hardening.

RBI, which is slated to announce the next monetary policy review on February 7, has maintained status quo on interest rate since August last year. "By definition if growth is picking up and inflation is rising, there is less scope of monetary easing. By definition that's true," he told PTI when asked about possibility of rate cut by by the central bank. He added however that it would be inappropriate for him to comment on rate cut as it is the domain of the Reserve Bank of India.

RBI had last cut interest rate by 25 basis points to 6 per cent on August 2, 2017. On whether he has changed his views on monetary policy stance, Subramanian said, it is "relative to what I said earlier...not relative to today but what I said earlier. I am not saying rate should go up at all".

Asked whether RBI missed the bus for lowering interest rate, he said, "For about 18 months we could have had lower interest rate. Now, I think they are probably more consistent with inflation outlook". Now the cycle has turned, he said, adding that the inflationary pressure is mounting.

Retail inflation crossed the RBI's comfort level and rose to 5.21 per cent in December on rise in prices of food items. The retail inflation, based on Consumer Price Index (CPI), was 4.88 per cent in November. In December 2015, it was 3.41 per cent. The Reserve Bank has been asked by the government to keep inflation at 4 per cent, plus or minus 2 per cent, and its rise beyond the comfort zone will put pressure on the central bank not cut interest rate (repo rate).

Observing that directionally economy seems to be picking up quite nicely, he said, "exports have also been picking up briskly and driving India's economic growth... Over the next few years, we can grow between 8-10 per cent," he said. India, as per the Economic Survey released today, is expected to regain the world's fastest growing major economy tag as it is likely to clock 7-7.5 per cent growth rate in 2018-19, up from 6.75 per cent in the current fiscal. Earlier, addressing the media, Subramanian said there are concerns like high global oil prices and a sharp correction in elevated stock market as they could suddenly impact capital flows. "We need to watch out oil prices…we had thought that oil prices would no go beyond USD 55-60…we were wrong," he said, adding that the crude level for calculation of GDP for 2018-19 is estimated at 12 per cent higher than the current fiscal. Saudi company Aramco's listing may be contributing to rise in oil prices, he added.

"The higher assets prices go, the more vigilant we should be… Indian stock rise is different from other economies, as Indian stock prices rise reflects massive portfolio reallocation from gold and real estate to stocks. So, heightened vigilance is called for," he said. Going forward, he said, the impact of Goods and Services Tax (GST) and demonetisation will be less or zero. He ruled out any negative impact of GST and demonetisation in the next fiscal.

Indian economy picking 'up nicely', will clock up to 7.5% growth in '19 : Survey

NEW DELHI, JAN 29/--/ Shedding the impact of GST and demonetisation, India's economy is "picking up quite nicely," and will expand by 7-7.5 per cent in 2018-19 to again become the world's fastest growing major economy, according to the Economic Survey released today.

However, it could face challenges from rising oil prices and a sharp correction in the elevated stock prices, according to the Survey, an annual account of the state of economy prepared by the Chief Economic Adviser, independent of the government. Released just two-days before the BJP government presents its fifth and final full-year Budget, the Survey did not rule out a pause in fiscal consolidation plan ahead of the general elections due next year. The Economic Survey 2017-18 was presented in Parliament by Finance Minister Arun Jaitley.

The economy "seems to be picking up quite nicely and robustly" as temporary impact of demonetisation and GST has been decimated, CEA Arvind Subramanian later told reporters. The Survey has pegged the GDP growth for the current fiscal at 6.75 per cent and said that exports as well as private investments are set to rebound in the coming year. The growth rate is higher than the recent CSO estimate of 6.5 per cent. The Gross Domestic Product (GDP) growth was 7.1 per cent in 2016-17 and 8 per cent in the preceding year. It was 7.5 per cent in 2014-15. The growth in the current fiscal has been marred by the rollout of nationwide Goods and Services Tax (GST) and the after effects of demonetisation of high value currency notes in November 2016. The good news for the economy comes just before the country heads toward several assembly elections this year and general elections scheduled before May 2019. More importantly, it points to the chaotic GST implementation finally stabilising and the waning of the after-effects of demonetisation. Deloitte India's Lead Economist Anis Chakravarty said the Survey provides a holistic picture of the achievements of the last one year and challenges for the next year.

"It shows there are signs of upturn that are visible right now and can potentially strengthen over the next few months and are likely to be aided by exports," he said. Subramanian said the growth would be higher than 7.5 per cent if exports pick up, but he listed oil prices and a correction in elevated share prices as downside risks. The average price of the basket of crude India imports rose by around 14 per cent in the current fiscal and is projected to further rise by 10-15 per cent in 2018-19, the Survey said. GDP may be impacted by 0.2-0.3 per cent, inflation will be higher by 0.2-0.3 per cent and current account deficit will widen if oil prices were to rise by USD 10 per barrel, Subramanian said. "Against emerging macroeconomic concerns, policy vigilance will be necessary in the coming year, especially if high international oil prices persist or elevated stock prices correct sharply, provoking a 'sudden stall' in capital flows," the Survey has warned.

However, it said that with world growth likely to witness moderate improvement in 2018, expectation of greater stability in GST, likely recovery in investment levels, and ongoing structural reforms should support higher growth. "On balance, country's economic performance should witness an improvement in 2018-19." For the next year, it prescribed: "Stabilising the GST, completing the twin balance sheet actions, privatising Air India, and staving off threats to macro-economic stability. "Over the medium term, three areas of policy focus stand out: Employment - finding good jobs for the young and burgeoning workforce, especially for women; Education - creating an educated and healthy labour force; Agriculture - raising farm productivity while strengthening agricultural resilience." India, it said, must continue improving the climate for rapid economic growth on the strength of the only two truly sustainable engines - private investment and exports. It warned that economic management will be challenging in the coming year due to overall economic and political background.

"Setting overly ambitious targets for consolidation -- especially in a pre-election year -- based on optimistic forecasts that carry a high risk of not being realised will not garner credibility," said the Survey. To further make it easier for doing business in India, it called for addressing pendency, delays and backlogs in the appellate and judicial arenas. Gross Value Added (GVA), it said, is expected to grow by 6.1 per cent in 2017-18 as compared to 6.6 per cent in 2016- 17. (PTI)

RInfra bags Rs 882 cr road contract from NHAI

MUMBAI, JAN 29/--/Anil Ambani-led Reliance Infrastructure (RInfra) today said it has bagged a Rs 882 contract from the National Highways Authority of India (NHAI) for six-laning of Aurangabad to Bihar Jharkhand border (Chordaha) section of NH-2 in Bihar.

The company has received the Letter of Award (LoA) for the project from NHAI under the National Highway Development Program (phase V), to be developed on engineering, procurement and construction (EPC) basis, it said in a statement here. The scope of work includes design, engineering, procurement and construction of a six-lane highway and associated bridges with paved shoulders and is expected to be completed within 24 months from the appointed date. "This order is reflective of our steadily expanding footprint in the road infrastructure space following the growing presence in mega projects in power sector, both in the international and domestic markets," RInfra EPC Chief Executive Arun Gupta said. He further said the company is poised to tap potential business opportunities in the EPC domain in the areas of transportation, power, heavy civil works, and oil and gas. RInfra is keenly pursuing project opportunities worth around Rs 2 trillion to increase its EPC order book to Rs 50,000 crore by FY19.

"The company is equally well-positioned to garner a sizeable market share in the transport sector," it said. RInfra EPC has been shortlisted for some prestigious projects like the Bandra-Versova Sea Link, Mumbai Coastal Road, and the Mumbai-Nagpur Expressway, the release said. The company has so far executed large-scale projects worth Rs 33,000 crore including the ultra mega power project (UMPP) of 3,960 MW at Sasan, Madhya Pradesh. RInfra, which has been focusing on projects in power, roads, railways, defence and ports, currently operates eleven road projects with a total length of 1,000 km on build, operate and transfer (BOT) basis. (PTI)

Corporation Bank celebrated 69th Republic Day at its Corporate Office in Mangaluru. Jai Kumar Garg, Managing Director & CEO of the Bank unfurled the National Flag. Gopal Murli Bhagat, Executive Director of the Bank, General Managers, other Executives & Employees of the Bank were present on the occasion--EOI Pix

Bamboo excluded from tree category to benefit NE people: Prez

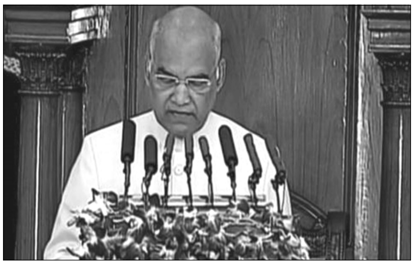
NEW DELHI, JAN 29/--/President Ram Nath Kovind today said bamboo has been excluded from the category of tree, thus allowing it to be cut, transported and used, benefiting lakhs of people in the Northeast. In his maiden address to the joint sitting of both Houses of Parliament, Kovind said lakhs of people in tribal areas, especially in the Northeastern region, depend on the bamboo industry.

"The inclusion of bamboo in the category of tree had adversely affected livelihoods associated with it. Keeping in mind these difficulties, my government has excluded bamboo from the category of tree. This has now provided freedom to cut, transport and use bamboo," he said. Kovind said the minimum support price of several forest produce collected by tribal people had also been increased. Referring to the NDA government's objective of taking the benefits of development to every part of the country, the president said it was working with sensitivity to fulfill the hopes and aspirations of the people of the Northeast. "To accelerate the pace of development of this area, the North East Special Infrastructure Development Scheme was sanctioned recently, with 100 per cent central assistance.

Under this scheme, projects relating to drinking water supply, energy, education and health will be completed," he said. To strengthen electricity transmission and distribution network in the Northeastern states, Kovind said the government sanctioned schemes worth Rs 10,000 crore in the last three years He said in Mizoram, a hydro-electric power project constructed at a cost of Rs 913 crore was dedicated to the nation recently and the government was striving to enhance road connectivity in the Northeast.

"The work on the Agartala-Akhaura rail-link which will connect India and Bangladesh is progressing rapidly. The Shillong Tura road project was dedicated to the people last year in December," he said. The president said this road would improve connectivity in the entire Northeastern region.

Last year, the longest river-bridge of the country, Dhola-Sadiyaa, was dedicated to the nation, he said. The bridge has reduced distance between Assam and Arunachal Pradesh by 165 kilometers. Kovind said the government has also decided to develop the Barak river in Assam as National Waterway-16. (PTI)



President Ramnath Kobind Addressing the joint session of parliament on the first day of the Budget Session at Parliament House in New Delhi on Monday

Bajaj Auto launches the Dominar 2018 collection

EOI CORRESPONDENT

KOLKATA, JAN 29/--/ Bajaj Auto Ltd has introduced the Dominar 2018 collection with the launch of new 3 colours, Rock Matte Black, Canyon Red and Glacier Blue. The new collection comes with Gold Dust alloy wheels which gives it a special premium look. The 2018 collection should be a head turner and appeal to the riding enthusiasts with its striking presence.

Commenting on the Dominar 2018 collection, Eric Vas, President – Motorcycles, Bajaj Auto Ltd said, "We are commemorating the first anniversary celebration of Dominar400 with the launch of a new 2018 collection. Within one year, the bike has created a strong following for itself. It has become the preferred choice for city riders and long distance tourers, alike. Customers have pushed the bike into extreme long distance and challenging geographies with aplomb, which inspired us to dedicate the new collection to these terrains it has dominated."

Dominar 400 has redefined long distance riding in India. Riders have taken it to punishing snow covered terrains of Spiti in winters which is beyond imagination for other peer group bikes. The latest in these accomplishments has been the Trans-Siberean Odyssey, where 3 riders covered 15000kms in 53days on theirDominarswith no break down or part change on what is believed to be the world's toughest journey. With its superior performance, control & technology, the Dominar transforms any ride into a hyper-ride. Its customers form a very active community of riders. The company encourages their passion for riding by organising weekend breakfast rides &long-distance tours. The impressive specifications of Dominar have been retained.

Hyper-performance through 373cc DTS-i engine, hyper-agility from twin spar perimeter frame, hyper-control with twin channel ABS and hyper-technology of liquid cooling FI engine and LED headlamps come together to deliver the most talked about bike since its launch.

The new Dominar 2018 collection is now available across Bajaj Auto dealerships in disc variant at Rs. 1,42,109 & in dual channel ABS variant at Rs. 1,56,270 ex showroom Delhi.

Indians stay top buyers of Dubai properties

Higher yield, status as business hot spot major incentive

SAIFUR RAHMAN

Indians bought property worth Rs42,000 crore in Dubai from January 2016 to June 2017, making them yet again the top foreign property investors in the emirate, statistics released by the Dubai Land Department revealed.

"For years, Indians have consistently been the most prolific non-GCC buyers of Dubai real estate. From January 2016 to June 2017, they bought property worth more than Rs42,000 crores in the emirate," said a statement from Dubai Property Show. In recent years, the trend of Indians investing in Dubai has surged due to the exponentially increasing property prices in India. According to a report, there has been a 12 per cent growth in the number of Indian travellers to Dubai despite demonetisation and cash pressures. Given the recent developments, the repercussions have lowered sales in the Indian real estate sector. Indian investors who wish to invest in second homes or deploy their remonetised cash have limited options to achieve higher returns in India, it is pointed out.

In Dubai, Indian investors can avail of tax-free returns of eight to 10 per cent and sound capital appreciation as the dirham is pegged to the US dollar and unaffected by currency fluctuations. Additionally, under the Reserve Bank of India's 'liberated remittance scheme', an Indian investor can transfer $250,000 legally per year. A couple can send $500,000 every year. This amount can fetch a fantastic property in Dubai. The ease of registering a property in Dubai in comparison to India is also considered as an incentive. Property prices in Dubai are very economical as compared to India. A property in a prime location in the city of Mumbai costs anything between Rs40,000 to Rs55,000 per sqft, a property in Delhi will range up to Rs36,000 per sqft and in Bengaluru, it ranges between Rs19,000 and Rs 27,000 per sqft. Dubai offers property investments in the centre of town at a starting price of Rs 25,000 per sqft. Besides, all apartments here are sold in terms of carpet area while in India, it is sold as built-up. In addition, car park is given for free here. In India, it is charged separately. In Dubai, most apartments come with fittings and fixtures whereas in India, properties usually come shell and core. So, when you add all this up, you get a fantastic deal in Dubai and much higher value for money. As of today, you can buy only a 99sqm land plot in Mumbai for $1 million versus a 162sqm land parcel in Dubai for the same amount. Dubai has been a hotspot not only for businesses but also for sectors such as tourism, real estate, etc., for the past few years. The city is considered a viable international hub because of its steady economic growth, good infrastructure, city planning and ease of access to the rest of the world. Its inclusive culture and tolerance for multiple nationalities is welcoming. A recent Knight Frank report says, from 2012-17, Indian residential property buyers have seen an overall return of 49.3 per cent, the highest in the world. Dubai is among the most affordable property destinations, and the strengthening of the rupee further nudged investors in this direction. In the last three years, Indian nationals have invested a total of $12.97 billion. UAE nationals were the largest investor group in Dubai's real estate sector with $6.89 billion in 2017. Dubai's real estate market has attracted investors from around the world, including Gulf nationals, Arabs and foreigners, with a total of 39,480 investors making nearly 53,000 transactions worth about $30 billion, Dubai Land Department said in a just released report. In a report issued by Dubai Land Department in August last year, the department said, "217 nationalities have invested in Dubai's real estate market. This demonstrates the confidence that the world has in our real estate environment, which is characterised by a strong regulatory system that provides safety and security for all parties."

In addition to investment in residential and commercial units, Indians, Pakistanis, Iranians and Arabs are also some of the largest private sector developers, who are developing not only towers, but mixed-use, master-planned communities also. Among the foreign-owned private property developers, Sobha, Danube Properties, Azizi Developments, Diamond Developers, Shaikhani Group, among others are making headlines on new real estate projects. The UAE investors continue to lead the list of nationalities investing in the Dubai real estate market. The second place was for Indian investors and the Saudis came in third place, followed by British and Pakistanis. Other active investors include Chinese, Jordanians, Egyptians and Canadians. The contribution of women to real estate investment is growing, with their trust in the Dubai real estate market reflected by 11,773 women entering the market and making a total of 14,316 transactions worth over $7 billion. (IPA)