



# India Economic News Bulletin



Embassy of India

February 2019

Dear Friends,

I am happy to bring you the first issue of "The Economic News Bulletin" 2019.

India is expected to witness strong economic growth in 2019. Despite last year being filled with external vulnerabilities arising out of rising oil prices, trade wars between major global trading partners and US monetary tightening, India remains the world's fastest growing major economy. The World Bank has estimated that India's Gross domestic Product (GDP) will grow at 7.3 per cent during the ongoing financial year and will further climb up to 7.5 per cent in the next two financial years.

On 1 February 2019, the Interim Union Budget for 2019-2020 was presented to the Parliament by Mr Piyush Goyal, Minister of Finance. In keeping with India's agenda for inclusive development, several programmes were announced including income support for farmers, creation of a Department of Fisheries, and a pension scheme for unorganised sector workers.

January witnessed several Embassy events. The Ministry of Agriculture of the Netherlands and the Embassy of India jointly organized a brainstorming session with companies in the food and agro sector on 10 December 2018. The session was addressed by Mr. A. Gierveld, Deputy Director General, Ministry of Agriculture followed by discussions with representatives from the Dutch and Indian agro-business community. A briefing session was held on 10 January 2019 for the trade delegation which went to India for the 9<sup>th</sup> edition of Vibrant Gujarat Global Summit held from 18 to 20 January 2019. Mr Menno Snel, State Secretary for Finance led the Dutch delegation to Gujarat, where Netherlands was also a partner country.

The 15<sup>th</sup> Pravasi Bharatiya Divas was celebrated in The Hague with 250 members of the Indian Diaspora in attendance on 13 January 2019. The event was inaugurated by Mr Rabin Baldewsingh, former Deputy Mayor of The Hague along with Mr Ram Lakhina and Mr Wahid Saleh, recipients of Pravasi Bharatiya Samman awards, followed by cultural programs.

India participated in the Vakantiebeurs at Utrecht from 10 to 13 January 2019. The India Tourism Pavilion showcased tourism destinations including using virtual reality displays. Another pavilion displayed the immense tourism potential of Kerala.

The 70<sup>th</sup> Republic day of India was celebrated on the 26 January 2019. Over 600 people gathered at the residence of the Ambassador (India House in Wassenaar) and celebrations began with the hoisting of the National flag by the Ambassador, singing of the National anthem and reading out of Hon'ble President Ram Nath Kovind's address to the nation. This was followed by a performance of patriotic songs. The event was attended by H.E. Mr. Bas Eenhoorn,

Mayor of Amstelveen, H.E. Sheikh Mohammed Belal, Ambassador of Bangladesh and H.E. Justice Dalveer Bhandari, Judge at the International Court of Justice and prominent members of the Indian community.

A diplomatic reception on the occasion of the 70th Republic Day was also hosted with King's Commissioner of Drenthe, Ms. Jetta Klijnsma and Mayor of Utrecht, Mr. Jan Van Zanen as Guests of Honour in attendance. Dutch dignitaries and Ambassadors of various countries stationed in The Hague, senior officials of the Dutch Government and prominent members of the Indian community attended the reception. The reception was held for the second consecutive year in the historic Nieuwe Kerk in Amsterdam. The celebrations included a dance performance and playing of compositions by Indian maestros Dr. L Subramaniam and A R Rahman on the finest historic church organ of The Netherlands. Guests also had the opportunity to view the exhibition on "Buddha's Life, Path to the Present" where the ancient and modern were spectacularly combined.

Wishing you all happiness for the upcoming festive season.

**Venu Rajamony**  
**Ambassador of India to the Netherlands**

## **Trending news**

### **Interim Union Budget for 2019-20**

The interim Union Budget for 2019-20 was announced by Mr Piyush Goyal, Union Minister for Finance, Corporate Affairs, Railways and Coal, Government of India, in Parliament on February 01, 2019. It focuses on supporting farmers, the economically less privileged, workers in the unorganised sector and salaried employees, while continuing the Government of India's push towards better physical and social infrastructure. Main points from the Interim Union Budget for 2019-20 can be found [here](#). The copy of the Interim Union Budget Speech can be found [here](#).

### **India's GDP expected to grow at 7.3 pc in 2018-19**

India's GDP is expected to grow at 7.3 per cent in the fiscal year 2018-19, and 7.5 per cent in the following two years, the World Bank has forecast in a January 2019 report, attributing it to an upswing in consumption and investment. The World Bank said India will continue to be the fastest growing major economy in the world. [Read More](#)

### **India's growth 'very solid': International Monetary Fund (IMF)**

India's growth has been "very solid" over the past four years, IMF's Chief Economist Maurice Obstfeld said in December 2018, praising the fundamental economic reforms like the Good and Services Tax (GST) and the Insolvency and Bankruptcy Code carried out by India. Gita Gopinath has succeeded Maurice Obstfeld as IMF's Chief Economist and is the second Indian to be appointed to the position. Former RBI Governor Raghuram Rajan had earlier served as Chief Economist of the IMF. [Read More](#)

### **India remains an attractive investment destination: Rabobank**

India continues to be an attractive investment destination, according to Mr Jan Lambregts, Managing Director and Global Head of Financial Markets Research, Rabobank International and Mr Hugo Erken, Senior Economist and Country Analyst for North America, Mexico and India, Rabobank International. The improvement on the ease of doing business index, low external and household debt, reform-friendly government and the enormous market make India an attractive proposition. [Read more](#)

### **India to increase public health spending to 2.5 pc of GDP**

The Government of India is targeting to increase public health spending to 2.5 per cent of GDP by 2025. As of now, the India spends 1.15 per cent of its GDP on health. "This will mean an actual increase of 345 per cent over the current share, in just eight years. We will continue to work for the betterment of people. Women, children and youth will continue to remain at the heart of every policy, programme or initiative," India's Prime Minister Modi announced in December 2018 at the 2018 Partners' Forum. [Read more](#)

### **M&As nearly doubled to US\$ 100 billion in 2018; highest in value after 2013**

Merger and acquisition (M&A) activities during 2018 in India reached \$100.1 billion (Rs 7.1 trillion) across 417 deals, almost doubling in value from the previous year, which saw 398 deals valued at \$53.1 billion. After 2013, it was the highest in value. According to Mergermarket Trend Summary, deal-making surpassed all previous annual records since 2001. [Read more](#)

### **Air passenger traffic to grow six fold by 2040: KPMG Report**

India's air passenger traffic is expected to grow sixfold to 1.1 billion per year by 2040, according to the Vision 2040 report released at the Global Aviation Summit in January 2019. The Indian commercial air fleet is expected to be 2,359 by March 2040 and India is also expected to have 190-200 operational airports by 2040, with Delhi and Mumbai having three airports each. [Read More](#)

### **[India poised to become third-largest consumer market: WEF](#)**

India is poised to become the third-largest consumer market behind only the US and China; and consumer spending in India is expected to grow to nearly USD 6 trillion by 2030, according to a World Economic Forum (WEF) report released in January 2019. By 2030, domestic private consumption, which accounts for 60 per cent of India's GDP, is expected to develop into a USD 6-trillion growth opportunity. [Read More](#)

### **[ICRA expects domestic auto parts industry to grow 15%](#)**

India's domestic auto components industry is expected to grow 15 per cent in FY19, driven by robust growth in two-wheeler, commercial vehicle and tractor segment, according to ratings agency ICRA. [Read More](#)

### **[Indian automotive aftermarket may touch \\$ 10.61 bn by 2020](#)**

Indian automotive aftermarket is projected to reach Rs 750 billion (US\$ 10.61 billion) by 2020, according to a report by the Confederation of Indian Industry (CII). [Read More](#)

### **[India's Engineering and R&D \(ERD\) market to grow to USD 42 bn by FY22: Report](#)**

India's engineering and R&D (ER&D) sector is set to grow to USD 42 billion by FY2022, helped by increasing focus on new-age technologies like Internet of Things, big data, artificial intelligence and machine learning. The global ER&D spends continue to be on an upward trajectory and are projected to touch USD 2 trillion by 2022, as per a report by Nasscom, Strategy & and PWC titled 'Impact of Digital on ER&D'. [Read More](#)

### **[India's mobile subscriber base to touch 1.42 bn by 2024; 80% to use 4G](#)**

India's mobile subscriber base is expected to increase to 1.42 billion by 2024, with LTE (Long Term Evolution) comprising 81 per cent of total subscriptions, according to the Ericsson Mobility Report. [Read More](#)

### **[Indian smartphone market expands 14.5 pc in 2018: IDC](#)**

The smart phone market in India grew 14.5 per cent in 2018 with shipment of 142.3 million units, as per research firm IDC. In the previous year, shipment stood at 124.3 million units. [Read More](#)

### **[Ikea to invest \\$ 711.4 million in Uttar Pradesh, India](#)**

Ikea, a Swedish home furnishings major, is planning to invest more than Rs 5,000 crore (US\$ 711.40 million) in Uttar Pradesh, which will create over 8,000 jobs in the state, according to Mr Peter Betzel, Chief Executive Officer, Ikea India. Ikea has opened its first store in India in August 2018 in Hyderabad. Ikea's second store will open in Mumbai in 2019, followed by Bengaluru and Delhi-NCR. [Read More](#)

### **[World Economic Forum recognizes Tata Steel's Netherlands plant as 'factory of the future'](#)**

The World Economic Forum in January 2019 announced that Tata Steel's plant at IJmuiden in the Netherlands is a leader in technologies of the 'Fourth Industrial Revolution'. [Read More](#)

### **[FDI grew 18% in FY18: RBI data](#)**

Foreign direct investment (FDI) during the previous fiscal grew 18 per cent to Rs 28.25 lakh crore (Approx. USD 400 billion), data from the Reserve Bank of India (RBI) showed in January 2019 in the 'Census on Foreign Liabilities and Assets of Indian Direct Investment Companies, 2017-18' Overseas direct investment (ODI) by Indian companies increased by 5 per cent. In case of overseas investment by Indian companies, Singapore (17.5 per cent) was the major destination, followed by the Netherlands, Mauritius and the USA. [Read More](#)

## Upcoming events

### **8th IESS Show 14-16 March 2019, Chennai, India**

The 8th edition of INTERNATIONAL ENGINEERING SOURCING SHOW – ( IESS 2019) will be held from 14 – 16 March 2019 at Chennai. For further details: <https://www.iesshow.in/>



### **India Carpet Expo 10-13 March, 2019, New Delhi, India**

The Carpet Export Promotion Council (CEPC) is organizing the India Carpet Expo from 10-13 March, 2019 in New Delhi. For further details: <http://www.indiancarpets.com/>



### **8th Global Economic Summit 2019, 6-8 March 2019, Mumbai, India**

World Trade Centre (WTC) Mumbai and All India Association of Industries (AIAI) are jointly organizing the 8th Global Economic Summit 2019 on the theme 'Services: Enabler of Growth for Trade and Industry' scheduled from March 6-8, 2019 at World Trade Centre Mumbai.



### **Global Housing Technology Challenge 2019**

The challenge (GHTC - India) seeks to obtain best available innovative construction technologies from across the globe through a unique competitive process. It aims to transform the eco-system of housing construction sector in the country through lighthouse projects built using advanced proven technologies. It will foster the development of domestic technological research, and building platforms for knowledge sharing and networking across the sector. Last date: 20 February 2019 for submissions. Details: <https://www.ghtc-india.gov.in/Content/Event-Gallery.html>



## **iPHEX 2019, Gujarat from 10-12th April 2019**

Pharmaceuticals Export Promotion Council of India presents iPHEX: an International Exhibition of Pharma and Healthcare organized every year by Pharmaceuticals Export Promotion Council of India(Pharmexcil) with the support of Department of Commerce since 2013. iPHEX is an initiative of Ministry of Commerce to position India as Pharmacy of the World and showcase the entire spectrum of the pharmaceuticals and healthcare sector to the world.



## **India International Cooperative Trade Fair (IICTF)**

International buyers can be from cooperative, corporate, private, government, IICTF covers exhibitors/sellers/buyers who have primary focus on the Cooperative-to Cooperative trade on sectors such as agriculture and allied sectors complete value chains, commodities, exports, technology, climate smart agriculture, processing, packing, storage, machinery, brand promotion, marketing, coop-banking, IT, Cyber-security, livestock, dairy, fisheries, handloom, handicrafts, textiles, consumer goods, retail, hospitality, insurance, finance healthcare, products by women groups and capacity development.



## **Vibrant Terry Towel Global Expo and Summit 2019**

Global buyers from towels and bath linen sector will gather at Vibrant Terry Towel Global Expo and Summit 2019 and meet shortlisted Maharashtra suppliers to negotiate their forthcoming procurement deals and private labels. Vibrant Terry Towel Global Expo and Summit 2019 will showcase a variety of towels along with unique jacquard woven Terry Towels and other bath linen products to forge business linkages worldwide.



## **Embassy Events**

### **Interaction with students of Leiden University on India's Public Diplomacy policy**



An interaction with students of Leiden University on India's Public Diplomacy policy was held at the Embassy of India on December 3, 2018.

[Photos of the event](#)

### **India Tourism at Vakantiebeurs**



Embassy of India represented Indian tourism in the Vakantiebeurs (9-13 January 2019), Jaarbeurs Utrecht, The Netherlands – It was a platform offering a sneak peak of travel destinations and travel products around the world. India Tourism Pavilion showcased tourism destinations with virtual reality and demonstration of special elements from Kerala tourism.

[Photos of the event](#)

### **Briefing Sessoin for delegation to the 9th edition of Vibrant Gujarat**



Embassy of India conducted a briefing session on 10 January 2019 for the delegates travelling to India for the 9<sup>th</sup> edition of Vibrant Gujarat Summit.

[Photos of the event](#)

### **15th Pravasi Bharatiya Divas(Indian Diaspora Day) in The Hague**



Embassy of India celebrated the 15th Pravasi Bharatiya Divas (Indian Diaspora Day) in The Hague on 13 January 2019. The event was inaugurated by Mr Rabin Baldewsingh, Mr Ram Lakhina and Mr Wahid Saleh. The winners of the Bharat Ko Janiye quiz were also announced.

[Photos of the event](#)

### **A round-table session on Netherlands - India cooperation in Food and Agro sector**



Embassy of India, Netherlands in collaboration with the Ministry of Agriculture of the Netherlands and Embassy of Netherlands in India organized a roundtable session on Opportunities in the food and agro sector on December 10, 2019. The session was addressed by Mr. A. Gierveld, Deputy Director General, Ministry of Agriculture Government, Ms Suzanne Van Tilburg, Rabo Bank and Ms Davinia Lamme, Larive International.

[Photos of the event](#)

## **India's 70th Republic day celebrations at the India House**



On the morning of 26 January 2019, members of Indian Diaspora and Friends of India came together at the residence of Ambassador Venu Rajamony in Wassenaar for a flag hoisting ceremony and celebrations.

[Photos of the event](#)

## **70th Republic Day Diplomatic Reception - De Nieuwe Kerk, Amsterdam**



Ambassador Venu Rajamony hosted a diplomatic reception on the occasion of the 70th Republic Day with Guests of Honor, King's Commissioner of Drenthe, Ms. Jetta Klijnsma, Mayor of Utrecht Mr. Jan Van Zanen, Ambassadors to the Netherlands from different countries, prominent members of Indian diaspora and friends of India.

[Photos of the event](#)

## **Book authored by H.E. Ambassador of India Venu Rajamony**



The book authored by H.E Ambassador of India to the Netherlands Venu Rajamony titled "What We Can Learn From The Dutch - Rebuilding Kerala Post 2018 Floods" was launched on 11 January 2019, at the Kerala Literature Festival. The book describes Dutch response to floods over history, innovations in water management and the lessons Kerala can learn. Co authored by young architect Rakesh N.M the book gives a blueprint to rebuild Kerala. Kerala witnessed the largest floods in 100 years during August 2018.

[Photos of the event](#)

## **World Hindi Day**



World Hindi Day was celebrated at Gandhi Center(cultural wing Embassy of India) on 19 January 2019. The celebrations featured various easy and interesting ways to learn Hindi. Ambassador Venu Rajamony addressed the gathering during the World Hindi Day Celebrations held at The Gandhi Center (cultural wing Embassy of India). He expressed appreciation for the overwhelming participation of Hindi lovers. He read out Honorable Prime Minister Narendra Modi's message on World Hindi Day.

[Photos of the event](#)

**\*\*\*Thank you\*\*\***