

Daily Economic News Summary: 22 March 2017

1. India to attract \$ 4.2 billion Global Investment: Report

Source: NDTV Profit ([Link](#))

With India emerging as a preferred investment destination, the country is expected to witness nearly \$4.2 billion new capital in the realty sector in 2017, says Cushman & Wakefield. According to a report titled 'The Great Wall of Money' by the global consultant, new capital available for global real estate investment in 2017 is estimated at \$435 billion, out of which India is expected to get nearly \$4.2 billion. The report states that the total global wall of money in 2017 has fallen by 2 per cent compared to 2016's peak of \$443 billion, but is the second highest figure recorded since 2009. "India's attractiveness as a global investment destination has strengthened on account of the country's political will to attract and protect investment growths. India's inclusion in the top investment destination is a testament of this confidence," Cushman & Wakefield Managing Director, India Anshul Jain said. He said the country saw its best year in 2016 with private equity investments the highest in 9 years.

2. GST on aerated drinks must be based on sugar content: Coco Cola India chief

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

Coca-Cola India would prefer the government to consider levy of GST on aerated drinks on the basis of sugar content. With the GST Council announcing the cap on the cess to be charged on aerated beverages, Venkatesh Kini, President, Coca-Cola India and South-West Asia, hoped the government will eventually move to a differential tax structure based on sugar content in food products as is the case in countries such as Mexico. Many countries levy sugar tax on a range of products, including beverages, which is based on sugar content. From a consumer and the public health perspective as well as the government revenue perspective, it would be great if the government taxed products based on sugar content, he said adding "I hope the government eventually moves in that direction. India is one of the largest consumers of sugar on a per capita basis and if one looks at the source of 99 per cent of this sugar consumed, it comes from products that we don't sell." Asked about the impact on tax incidence for the company, he said, "We are

awaiting clarity on this and the impact on our business is yet to be determined. But we are optimistic that the impact of GST rates will not be inflationary on Indian consumers.”

3. GST rollout from July 1: Cabinet clears the decks by okaying 4 draft Bills

Source: Business Standard ([Link](#))

Clearing the way for a July 1 roll-out, the Union Cabinet on Monday approved four Bills on a national goods and services tax (GST). The decision comes two working days after the GST Council cleared these — Central GST (CGST), Union Territory GST (UTGST), Integrated GST (IGST) and the Compensation Bill. These are now set to be introduced in Parliament within this week, most likely as money Bills and so, not needing approval of the Rajya Sabha, where the ruling National Democratic Alliance does not have a majority. “It is expected that implementation of the GST will lead to an increase in the gross domestic product by one to two per cent, leading to more employment and productivity,” went an official statement. The GST will subsume various indirect levies of the Centre and states — service tax, excise duty, octroi and value-added tax, among others, and create an input tax credit chain for refunds. This would pave the way for a common national market. States will have to get the state GST Bills passed by their respective assemblies. Jammu & Kashmir will need to pass all in its state assembly, on account of special powers on taxation under the Constitution.

4. Media and entertainment industry sustains growth, says report

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

The Indian media and entertainment industry in 2016 was able to sustain a healthy growth on the back of strong economic fundamentals and steady growth in domestic consumption coupled with growing contribution of rural markets across key segments. These factors aided the industry to grow at 9.1 per cent on the back of advertising growth of 11.2 per cent, despite demonetisation shaving off 150 to 250 basis points in terms of growth across all sub-segments at the end of the year. **Ad revenues, Digitisation drive, TV industry growth, Films, digital advertising**

5. DGCA tells airline to surrender unutilized international routes

Source: Live Mint ([Link](#))

Aviation regulator Directorate General of Civil Aviation (DGCA) has asked airlines to surrender routes that they won't fly within six months of being allocated the rights. The aviation ministry signs air services agreements with various countries, allowing their airlines a fixed number of seats on various routes to India. Local airlines also get the same number of seats which are then farmed out to airlines including Air India, Jet Airways, IndiGo and SpiceJet. "The traffic rights allocated to an airline for a particular schedule period shall be fully utilized by it during the same schedule period. Failure to do so shall result in the unutilized rights reverting back to Ministry of Civil Aviation at the end of the schedule period for which they were allocated and the ministry will be free to allocate them to other airlines," DGCA said in a notification on Tuesday. So far, airlines were allowed extensions and they could carry forward the route allocation to the next schedule. Flights are awarded in summer schedule starting in March followed by a winter schedule six months later.

6. Global digital payment major Payoneer eyes big play in India

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

After the government's push for the digital payments in the businesses, multinational digital payments services providers have spotted a robust business prospects in India. New York-headquartered digital payments services provider, Payoneer is reaching out to entrepreneurs, freelancers and small and medium businesses (SMBs) to use their platform to pay or receive payments from overseas in international currencies at a reduced cost. Operational in India since August 2016, Payoneer conducts transactions for businesses across the globe spread across 200 countries and providing platform to transact in about 150 currencies. "We have built a platform for businesses to receive or make payments in a hassle-free and cost effective way. Unlike banks, there are zero transfer fees and no documentation charges. It saves up to 71 per cent on currency conversion than other payment solutions. We had obtained the RBI license in 2015 and has been allowed to receive US \$ 10,000 per transaction," said Rohit Kulkarni, Country Manager, Payoneer India. The platform supports wire fund transfers too, which enhances its capacity to transfer in excess of US \$ 100,000 and more.

