

Daily Economic News Summary: 27 March 2017

1. Arun Jaitley discusses GST, other economic issues with Maharashtra FM

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

Union finance minister Arun Jaitley today discussed issues related to GST and other economic matters with Maharashtra finance minister Sudhir Mungantiwar, representatives of industries and bankers. In the meeting here, representatives of sectors such as shipping and ports, gems and jewellery, petroleum, agriculture and fertilisers and entertainment gave their representations on GST (goods and services tax) to Jaitley. "Besides GST, issues related to onion exports, farmer suicides and development of agriculture sector in the state were discussed," Mungantiwar told reporters after the meeting. A request was made to Jaitley to consider reduction in the high interest rate at which loans were sanctioned to the state by the Centre in the past, he said.

2. EU wants to suspend 300 generic drugs tested by Indian co Micro Therapeutic

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

Europe's medicines regulator has recommended the suspension of more than 300 generic drug approvals and drug applications due to "unreliable" tests conducted by Indian contract research firm Micro Therapeutic Research Labs. The decision, announced by the European Medicines Agency (EMA) on its website, is the latest blow for India's drug-testing industry, which has run into a series of problems with international regulators in recent years. Nobody at the Chennai-based company was immediately available to comment. The EMA said European officials had been investigating Micro Therapeutics' compliance with good clinical practice after Austrian and Dutch authorities raised concerns in February 2016. "The inspections identified several concerns at the company's sites regarding misrepresentation of study data and deficiencies in documentation and data handling," the agency said.

3. Modi govt's push to double solar power capacity could run into land hurdle

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

The union cabinet decided last month to double India's solar power generation capacity, from 20 Gw to 40 Gw, by setting up 50 solar parks, which are solar projects with a capacity of 500 Mw or more concentrated in one area. But this additional 20 Gw would mean acquisition of at least 80,000 acres of land, thrice Jaipur's area, and possibly a problematic move in a land-starved country, as **IndiaSpend** has reported in January 2017, when talking about canal-top solar installations, where solar panels are installed atop lengths of canal, to save on the cost and conflict involved in land acquisition.

4. Foreigners to the rescue as inflows rise to bridge India's current account deficit

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

Economists are betting that India has seen the back of the impact of its unprecedented cash ban, prompting foreigners to pour in investment that's crucial to help bridge a widening current account deficit. Deutsche Bank AG estimates that foreign direct investment touched \$37.4 billion April-January, on track to exceed the previous fiscal year's about \$45 billion, with signs of recovery after a plunge late last year as the US prepared to tighten policy and India announced demonetisation. Overseas investors' holdings of Indian stocks and bonds have also picked up, rising more than \$8 billion in 2017. While Asia's third-largest economy is forecast to grow at one of the fastest paces in the world, Prime Minister Narendra Modi needs this money. Domestic private investment is slumping and the central bank's shift to a neutral policy stance makes it unlikely to recover soon. Meanwhile US President Donald Trump's threatened crackdown on immigration risks further slowing service exports and remittances, key revenue earners for India.

5. Govt working on options for duty sops sought by Apple

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

The government is working on certain options to accommodate demands related to tax and duty concessions sought by iPhone maker Apple for setting up a manufacturing unit in India. Although the Finance Ministry has prima facie rejected the demands of the US-based technology major, senior executives of the company met an inter-ministerial group recently to deliberate upon the issue. The group discussed at length the demands of the company, sources said, adding that the government is trying to find ways through which certain support measures could be extended to the American firm. Sources also said the company is asking for concessions as it wants to bring in its supply chain or component makers to the country as Apple cannot source inputs locally. The company also wants duty exemptions on the products to be bought from special economic zones (SEZs). At present, goods exported from SEZs do not attract any duty but import duties are levied if items produced in special economic zones are sold in the domestic market.

6. Narendra Modi among probable for Time magazine's most influential people

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

Prime Minister Narendra Modi has been named among the probable contenders for Time magazine's annual list of the 100 most influential people in the world. Time will next month announce the list, comprising a number of leading artists, politicians, lawmakers, scientists and leaders of tech and business. While its editors will determine the ultimate honorees, the publication has asked readers to vote from among a list of probable contenders. Modi had been named among the magazine's probable contenders in last year's Time 100 list also. He was named among Time's 100 most influential people in the world in 2015 and former US President Barack Obama had written a profile for him for the magazine. Last year the then Reserve Bank of India (RBI) Governor Raghuram Rajan, tennis star Sania Mirza, actress Priyanka Chopra, Google's India-born Chief Executive Officer (CEO) Sundar Pichai and founders of Indian e-commerce major Flipkart Binny Bansal and Sachin Bansal were among Time's list of the 100 most influential people.