

Daily Economic News Summary: 11 June 2019

1. PM Modi Asks Top Officials To Come Out With Five-Year Plan For Each Ministry, Impactful Decisions

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

Prime Minister Narendra Modi on 10 June asked top bureaucrats to prepare a five-year plan for each ministry with well-defined targets and milestones in sync with the people's mandate in the election to change the status quo and improve quality of life, officials said. In a meeting with secretaries of all ministries, the prime minister said each ministry should come out with an "impactful decision" for which approvals will have to be taken within 100 days, they said. The prime minister said people were yearning for a better life and the government must focus on ensuring ease of living, and asked the officials to begin work on making India a five-trillion dollar economy.

2. Government Mulling Tax On Cash Withdrawal Of Rs 10 Lakh A Year

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

The government is looking at the possibility of introducing a tax on those withdrawing Rs 10 lakh in cash a year as it seeks to discourage the use of paper currency, crack down on black money and promote use of digital payments for all manner of transactions. Government sources told TOI that another proposal under consideration is mandating Aadhaar authentication for all high-value cash withdrawals, which it believes will make it easy to track individuals and tally tax returns. In doing the government will go beyond just seeking the unique identification number, as is the case with deposits of over Rs 50,000 where PAN is given.

3. Big Shift In Disinvestment Policy: Plan To Privatised Profitable CPSEs In Works

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

The government may now look to privatise profit-making state-run companies, marking a sharp shift from its earlier policy of disinvesting only loss-making central public sector enterprises (CPSEs). It could ask Niti Aayog to draw up a list of non-strategic profitable companies that can be privatised, said a government official. "Some initial discussions have been held.... This aspect can also be looked at after the alternate mechanism groups are notified," the official said on on

condition of anonymity. The final call will be taken at the level of the Prime Minister's Office (PMO), he said. ET had reported earlier this month that the government would soon reactivate the alternate mechanism route.

4. 50% Tariff On US Motorcycles By India Unacceptable, Says Donald Trump

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

US President Donald Trump said that even though India has reduced its import tariff on American motorcycles from 100 percent to 50 percent, it is still too high and not acceptable to him. Trump said the United States, under his leadership, is a country that can no longer be fooled." We're not the foolish country that does so badly. You look at India, very good friend of mine, Prime Minister (Narendra) Modi, you take a look at what they've done, 100 percent tax on a motorcycle. We charge them nothing," Trump told CBS news in an interview on Monday. Trump was referring to the import tariff on the Harley Davidson motorcycles, an issue that has been close to his heart and wants India to reduce it to zero.

5. Govt moves NCLT For 5-Year Ban On Il&Fs Financial Services Auditors

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

The Ministry of Corporate Affairs (MCA) moved the National Company Law Tribunal on 10 June to bar the auditors of IL&FS Financial Services (IFIN) Deloitte Haskins & Sells and BSR & Associates from business for five years for alleged collusion with the IFIN management and failure in reporting mismanagement. The application filed by the MCA was against Deloitte, BSR and individuals including former Deloitte Chief Executive Udayan Sen, Deloitte partner Kalpesh Mehta and BSR partner Sampath Ganesh. BSR is a KPMG network accounting firm. The tribunal has asked the auditors to file their reply by June 19. The case has been listed for hearing on June 21. The MCA has also sought to appoint a new statutory auditor for the company.

6. Flipkart Revises Commissions And Shipping Fee To Attract Smaller Sellers

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

Home-grown online retail firm Flipkart, now owned by American major Walmart, has slashed seller commissions and shipping fee. The move is expected to help the Bengaluru-based e-commerce company attract new sellers as well as retain the existing ones, sources in the know said. Flipkart, which was earlier offering two commission rates, for products priced above and

below Rs 300, has now divided it into four slabs. The seller commission will now vary for products priced up to Rs 300, Rs 301 to Rs 500, Rs 501 to Rs 1,000, and above Rs 1,000.

7. Amazon Most Trusted Among Internet Brands In India

Source: The Statesman ([Link](#))

E-commerce major Amazon is the most trusted among the Internet brands in India, followed by Google and Facebook, according to a recent report by TRA Research. Among the 32 Internet brands surveyed, Indian messaging app Hike ranked fourth, beating Facebook-owned Whatsapp, which ranked 10th, said brand intelligence and data insights company's "Brand Trust Report 2019". Indian accommodation service provider and online hotel room aggregator Oyo Rooms was at the fifth position. The Indian online taxi aggregator Ola ranked sixth, way ahead of US-based Uber, which ranked 14th. Online payment service provider Paytm ranked 19th, one place above its global peer PayPal.

8. Bimal Jalan Panel Report On Capital Reserves By June 12, Says Ex-RBI Deputy Governor

Source: Financial Express ([Link](#))

Bimal Jalan committee, constituted to decide the appropriate capital reserves for the Reserve Bank, will put out a well-researched report by the end of June, former RBI deputy governor Rakesh Mohan said. The report will be finalised on the same day, he told CNBC TV18 in an interview. "I am hoping that the next meeting, which is on June 12, will be the last meeting. So, I hope that after that last meeting, I will be free to talk to you on that issue," the former RBI governor also said. A few days back, current RBI governor Shaktikanta Das had said that the committee is in advanced stages of deliberations and the report will be shortly submitted.

9. Asian Country Dethrones US As World's Most Competitive Economy; India Not Even In Top 40

Source: Financial Express ([Link](#))

Singapore now has the most competitive economy in the world after toppling the long-standing competitor the United States, said a report. The Asian country outranked the US in the annual ranking by IMD World Competitiveness and it is for the first time in nine years that Singapore has surpassed the US. The United State of America has slipped to the third position, overtaken by another Asian economy Hong Kon. g SAR as well, the IMD ranking found. According to the same data, the US has fallen behind because of higher fuel prices, weakening exports, and fluctuations in the value of a dollar while the Pacific Asian countries gained ground because of

“advanced technological infrastructure and policies that support businesses”, openness to immigration, and skilled workforce. Meanwhile, India does not feature even in the top ten list and has grabbed 43rd position, one spot up from the previous year’s 44th. While India may not be among the top ten competitive economies, all of the world’s fastest-growing economies belong to the South Asian country. These are Surat, Agra, Bengaluru, Hyderabad, Nagpur, Tiruppur, Rajkot, Tiruchirapalli, Chennai and Vijayawada.

10. Startup Rankings For States: Commerce And Industry Ministry Extends Deadline For Responses To 30 September

Source: Firstpost ([Link](#))

The commerce and industry ministry will now consider measures taken by states and Union Territories (UTs) till 30 September this year for ranking them based on initiatives taken to strengthen their startup ecosystems. Earlier, the Department for Promotion of Industry and Internal Trade (DPIIT), under the ministry, had stated that it would consider measures taken by states and UTs from 1 May, 2018 to 30 June, 2019, for ranking purpose. "To further encourage states and UTs to strengthen their start up ecosystems, @DIPPGOI launched the framework for #StatesStartupRanking2019 on 19 Feb, 2019. Based on the request of various state govts, the deadline for responses is extended by 3 months i.e. upto 30th September," DPIIT secretary Ramesh Abhishek said in a series of tweets

11. RBI's New Framework To Expedite Resolution Of Stressed Assets: Sashakt Committee On Bad Loans

Source: Firstpost ([Link](#))

The mandatory norm of inter-creditor agreement allows banks to decide resolution strategy outside the IBC and it will help lenders to accelerate process to resolve stressed assets, Sashakt committee on bad loans said 10 June. "The requirement of entering into the Inter-Creditor Agreement is an endorsement by the RBI of the need for the lenders to have a framework for resolution outside IBC," the committee headed by PNB non-executive Chairman Sunil Mehta said in a release. The members of the panel that works toward faster resolution of stressed assets in public sector banks include SBI Chairman Rajnish Kumar, Bank of Baroda MD & CEO P S Jayakumar and SBI Deputy Managing Director Venkat Nageswar.