

Daily Economic News Summary: 18 September 2018

1. Bob, Dena, Vijaya Bank Lined Up For Amalgamation

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

The government on 17 September announced proposal to amalgamate three public sector banks — Bank of Baroda, Vijaya Bank and Dena Bank. With a combined business of approximately ₹15 lakh crore, the new entity will be the third-largest bank in India after State Bank of India and ICICI Bank. “Nobody will have to worry,” Finance Minister Arun Jaitley said, assuring the employees of the two relatively smaller banks. After all the formalities, the number of public sector banks in India will come down to 19 from 21. Giving the context of this decision, Jaitley said bank lending was becoming weak, hurting corporate sector investments. Also, many banks were in a fragile condition due to excessive lending and ballooning NPAs, he said. “This amalgamated entity will increase banking operations,” he added.

2. Commerce Ministry Wants Further Delay In Tit-For-Tat Tariffs Against US

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

The Centre is likely to further postpone the implementation of retaliatory tariffs against the US, which had been proposed in response to the ‘wrongful’ application of discriminatory duties by the latter on steel and aluminium exports from India. “The Commerce Ministry is planning to ask the Revenue Department to come up with a notification delaying the duties for some time,” a government official told *BusinessLine*. If the implementation of retaliatory tariffs worth an estimated annual \$241 million against 29 products exported from the US to India gets deferred again, it will be the second postponement after the duties were announced on June 20 this year with an implementation date of August 4.

3. Ola Raises \$50 Million From New Chinese Investors At \$4.3 Billion Valuation

Source: Livemint ([Link](#))

Ola, India’s largest cab-hailing service, has raised \$50 million at a valuation of roughly \$4.3 billion from Hong Kong-based Sailing Capital and the China-Eurasian Economic Cooperation Fund (CEEFCF), as part of the SoftBank-backed start-up’s move to raise fresh funds of at least \$1 billion. Sailing and CEEFCF, a state-backed investment fund of China, will hold a combined stake of more

than 1% in Ola, implying that the latter's valuation has inched up since its previous fund-raise, showed regulatory documents filed by Ola with the ministry of corporate affairs and sourced by business intelligence platform Paper.vc.

4. India Shows Good Progress In Human Development Value, But This Major Concern Grows Alongside Too

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

Despite India moving a notch up in the latest Human Development Index (HDI) to rank 130 out of 189 countries and showing rapid progress in poverty eradication, inequality remains one of the pressing issues in the country as there is a decrease of 26.8% in the HDI value when adjusted for inequality. The change is the value of India's Inequality-adjusted HDI, which stood at 0.468, is far worse than the global average decline in the global HDI due to inequality at 20%. According to the latest report released by the United Nations Development Programme, India made quite good progress with its HDI value rising to 0.640, up about 50% from 0.427 in 1990, which indicates that millions have been lifted out of poverty in the country. The rank also put India in the medium human development category.

5. Import Curbs On Non-Essential Goods May Be Declared This Week

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

India is likely to unveil steps to curb imports of several non-essential items such as steel, furniture, electronic items and consumer durables this week. Food items such as nuts and fruits could also be on the list. The government has identified restrictions on non-essential imports as one of the ways in which to rein in the current account deficit and reduce pressure on the rupee. The products have been identified based on the recommendations of a committee headed by cabinet secretary PK Sinha that was looking into India's imports.

6. Pakistan Denies Opening Afghan Trade Route For India

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

Pakistan has refuted media reports that it has expressed readiness to talk on the restoration of the India-Afghanistan trade route using its land. Foreign Minister Shah Mahmood Qureshi rejected the reports after US Ambassador to Afghanistan John Bass was quoted as saying by an Indian

newspaper that Pakistan had approached Afghanistan earlier this year and indicated its willingness to resume trade between Afghanistan and India through its land. The US ambassador said that Indian firms had been investing heavily in Afghanistan's growth. Increased trade, connectivity through Central and South Asia through Afghanistan were all missed opportunities as a result of the prevalence of status quo.

7. India Starts Anti-Subsidy Probe Into Increased Import Of Copper Wire Rods From 4 Nations

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

India has initiated an anti-subsidy probe into increased imports of select copper wire rods from Indonesia, Malaysia, Thailand and Vietnam following complaints by domestic players including Hindalco Industries and Vedanta Industries. The commerce ministry's investigating arm Directorate General of Trade Remedies (DGTR) in a notification stated that there is "prima facie evidence" of existence of subsidies on production and exports of 'continuous cast copper wire rods' in these four countries. Such subsidised imports into India are causing material injury to the domestic industry through their volume and price effects, it said. In the probe, the directorate will determine the existence, degree and effect of alleged subsidisation and to recommend the amount of countervailing or anti-subsidy duty, which if levied, would be adequate to remove the injury to the domestic industry.

8. Sebi Bans Fugitive Economic Offender From Making Open Offer; Move To Prevent Individual From Taking Control Of Listed Firm

Source: Firstpost ([Link](#))

Markets regulator SEBI has barred 'fugitive economic offender' from making an open offer or a competing offer for acquiring shares in a company. The move is expected to help in preventing such offender from taking control of a listed company. "No person who is a fugitive economic offender shall make a public announcement of an open offer or make a competing offer for acquiring shares or enter into any transaction, either directly or indirectly, for acquiring any shares or voting rights or control of a target company," SEBI said in a notification dated 11 September. In the event of failure of the delisting offer, SEBI has issued a framework for acquirers to fulfil the open offer obligations.