

Daily Economic News Summary: 21 October 2019

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1. Top leaders from India, US to discuss trade, geopolitics at leadership summit

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

Top leaders and corporate executives from India and the US will gather in New Delhi on October 21 for a day-long brain storming session on trade and geo-politics. To be hosted by US India Strategic and Partnership Forum (USISPF) with the theme "Partners of Growth", the second annual India Leadership Summit would also be attended by former US Secretary of State and statesman Henry Kissinger, Condoleezza Rice, India's External Affairs Minister S Jaishankar among others. Over 300 influential and powerful people from India and the US are joining the summit which aims to focus on the immense potential that the US-India relationship has in areas beyond trade including sustainability, security, energy access and innovation.

2. India expresses disappointment over lack of support for IMF quota increase

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

India on 19 October expressed its disappointment over the lack of support to increase the quota structure of the International Monetary Fund (IMF). IMF quotas, which are the primary source of IMF funds, determine voting shares. Quotas are supposed to be reviewed every five years although these reviews can be delayed. India views "the lack of adequate support for a quota increase under the 15th GRQ (General Review of Quotas) as somewhat disappointing", Union Finance Minister Nirmala Sitharaman said in her address to the annual meeting of the IMF here. "We, however, consider this as a temporary setback. We hope that the discussions in the next (16th) Round of the GRQ would achieve success in terms of quota increase to take care of the Fund's resource adequacy," she said

3. Not Mahindra or Tata, Hyundai Kona is the EV of choice for govt

Source: Livemint ([Link](#))

The Union government has placed initial orders with Hyundai Motor Co. for the Kona electric compact sport-utility vehicle. This comes as the government's largest electric vehicle (EV) procurement programme, run by state-owned Energy Efficiency Services Ltd (EESL), faces

bottlenecks because of issues such as vehicle quality and a lack of demand, according to several government officials. Power and new and renewable energy minister Raj Kumar Singh, and NTPC chairman and managing director Gurdeep Singh have started using the Kona, which went on sale in July. Top officials at policy think tank NITI Aayog too are keen to use the vehicle. The preference for the Kona is despite the vehicle's price tag of ₹23.71 lakh post government subsidies, which is about double that of Tata Motors Ltd's Tigor and Mahindra and Mahindra Ltd's e-Verito electric sedans.

4. Blackstone crosses \$12 billion investment milestone in India

Source: Livemint ([Link](#))

Blackstone Group LP has invested \$3.6 billion as of end-September in India, its record for a single year in the country, said a person directly familiar with the development. With this, total investments by the New York-based firm across private equity (PE) and real estate deals have crossed \$12.6 billion. Blackstone aims to surpass the \$13 billion mark by December 2019, which will also mark its 13th year of operations in India. Blackstone made real estate investments of \$6.6 billion as of end-September, surpassing private equity funding at \$6 billion. "This has been a blockbuster year for Blackstone in India in terms of investments, the highest since it set up operations here in 2006," said the person cited above, who declined to be named. "There are multiple deals in the pipeline, both in PE and real estate, and it will easily cross \$13 billion by the end of this year," the person said.

5. Huawei's Honor to launch Android smartphone in India by end of this year

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

Chinese smartphone brand Honor is planning to launch Android-based handset in India by the end of this year, despite a ban on its parent firm Huawei for purchase of software and hardware components from US companies. Besides, the Huawei sub-brand is focussing on deployment of internet of things (IoT) technology. "We are going to launch Honor 9X by the end of this year in India. It will be on Android. Any android phone can be mirrored with Honor smart screen. We have always been thankful to our US partners for their support," Honor India President Charles Peng told PTI in an interview. Honor has come with its operating system HarmonyOS after the US government announced a ban on supplies of components and software by American

companies to Huawei. It recently unveiled world's first HarmonyOS based product Honor Vision.

6. Govt asks Amazon, Flipkart to reveal top 5 sellers, capital structure

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

E-commerce giants Amazon and Flipkart have been asked to disclose names of top five sellers on their platform, price list of goods of preferred vendors and the kind of support provided to sellers, according to sources. The Department for Promotion of Industry and Internal Trade (DPIIT) in separate questionnaires to these companies have also asked them to share their capital structure, business model and inventory management system. These questions were sent to them after several complaints were made to the department by traders body CAIT that e-commerce companies have been violating the foreign direct investment policy in garb of mega festive sales. E-mail queries sent to Amazon and Flipkart on the matter did not elicit any response. The Confederation of All India Traders (CAIT) have time and again alleged that these companies follow unethical practices by indulging in predatory pricing. The DPIIT has held several meetings separately with these companies and CAIT members.

7. Govt to launch start-up portal, updated BHIM app and software product registry

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

An official in Meity said the government is organising a start-up summit and various industry leaders in the IT and start-up space like Deepender Goyal, founder of Zomato; Vijay Shekhar Sharma, Paytm founder and CEO; Kunal Bahl, Snapdeal founder; and Shradha Sharma, founder and CEO of Your Story, among others, are expected to attend it. The ministry of electronics and IT (Meity) is scheduled to launch a host of initiatives including a specialised portal for start-ups, an updated version of BHIM app and an Indian software product registry on October 21. An official in Meity said the government is organising a start-up summit and various industry leaders in the IT and start-up space like Deepender Goyal, founder of Zomato; Vijay Shekhar Sharma, Paytm founder and CEO; Kunal Bahl, Snapdeal founder; and Shradha Sharma, founder and CEO of Your Story, among others, are expected to attend it. Apart from discussions, the new launches will be announced, which will further strengthen the digital ecosystem in the country.

8. Many countries have cautioned India against cryptocurrencies; RBI has banned its use, says Nirmala Sitharaman

Source: Firstpost ([Link](#))

Many countries have cautioned against rushing into cryptocurrencies, Union Finance Minister Nirmala Sitharaman said on 20 October, as Facebook's proposed virtual currency Libra became a buzzword during the annual meeting of the International Monetary Fund and the World Bank. In fact, Reserve Bank of India Governor Shantikanta Das spoke about cryptocurrencies during one of the interventions this week. The RBI has banned the use of cryptocurrencies in India. "On our side, the Reserve Bank Governor spoke about it during our turn to intervene. I got the sense that many countries were cautioning on rushing into this," Sitharaman told a group of Indian reporters in response to a question on the discussions on Libra, the proposed virtual currency from Facebook, which was one of the talked about topics this annual meeting.

9. Govt to prepare blueprint for companies looking beyond China, make India as preferred investment destination

Source: Firstpost ([Link](#))

Union Finance Minister Nirmala Sitharaman on 19 October said she will prepare a blueprint for international companies that are looking beyond China to make India as their preferred investment destination. She said industry leaders who are contemplating getting their businesses out of China are "definitely considering India is the pitch ". Therefore, she said, it might be important for the government to now see and meet up with a lot of industry leaders and invite them to India. "I'd certainly be doing that once back and design in some way whereby I will identify those multinational corporations, all American businesses or any other country European or a British origin who are moving out of China or who probably are even contemplating. I will make a blueprint with which I will approach them and put forward to them as to why India is a far more preferable destination," Sitharaman told a group of Indian reporters at the conclusion of her interactions at the annual meeting of the International Monetary Fund and the World Bank in Washington.

10. Government likely to float bids for 100% stake sale in Air India next month

Source: Livemint ([Link](#))

The government is planning to invite preliminary bids for 100% stake sale in Air India next month and already some entities have expressed interest in the national carrier, sources said. The

airline is sitting on a debt pile of around ₹58,000 crore, besides huge accumulated losses running into thousands of crores. Some entities have already expressed interest in buying Air India, the sources said, adding the Expression of Interest (EoI) document is being given the final touches. EoI inviting bids for 100% stake sale are likely to be floated either this month-end or next month, they added. Bidding for the national carrier will be carried out through a newly developed e-bidding system. Last week, Civil Aviation Secretary Pradeep Singh Kharola took a review meeting of Air India ahead of the airline's board meet, which scheduled to be held on October 22 for clearing the consolidated account statement for the fiscal ended March 2019. Earlier this month, Air India management held a meeting with its trade unions on the proposed privatisation of the loss-making carrier.