

Daily Economic News Summary: 23 September 2019

1. Howdy, Modi: PM talks of \$5 trillion economy, low-cost data, GST

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

Describing the changing scenario of the Indian economy and the targets set by the government at the 'Howdy, Modi!' event in Houston on 22 September, Prime Minister Narendra Modi spoke of cheap data prices in the country, the Goods and Services Tax (GST) and the target of \$5 trillion economy. He also said that in the last five years, the country's GDP growth has in an unprecedented manner averaged around 7.5 per cent. Addressing the 50,000 strong Indian-American community at the NRG Stadium in Houston with US President Donald Trump in the audience, Modi said: "Data is the new gold...The focus of Industry 4.0 is totally on data. It is India where data prices are the cheapest in the world and 1 GB data is available for 25-30 cents."

2. RCEP: India readies tougher rules to curb dumping

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

The move is aimed at allaying the domestic industry's fears that any free trade agreement with China through RCEP (Beijing is a member) will result in massive dumping of highly-subsidised items, mostly diverted due to the ongoing trade war. India is preparing for any "irrational spike" in imports ahead of a potential deal at the 16-nation Regional Comprehensive Economic Partnership (RCEP) negotiations in November, with commerce and industry minister Piyush Goyal having cleared critical changes in anti-dumping, countervailing and safeguard rules to better protect the domestic industry. As part of the proposed changes, lesser duty rules (LDR) — under which authorities typically impose import duties at a lower level than the margin of dumping if this is adequate to remove "injury" to the domestic industry — would be scrapped, a source told FE. The abolition will allow authorities to slap anti-dumping and countervailing duties to the full extent of dumping and illegal subsidies enjoyed by foreign exporters, respectively.

3. Bonanza for exporters: RBI eases priority-sector lending norms to boost exports

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

Last week, finance minister Nirmala Sitharaman had announced that RBI would soon ease PSL norms for exports, which will release an extra Rs 36,000- Rs 68,000-crore loans to this sector

that has witnessed a persistent contraction in credit flow. The Reserve Bank of India (RBI) has relaxed the priority-sector lending (PSL) rules for exporters, scrapping the turnover limit for an exporter to be eligible for such loans and increasing the sanction limit per borrower, to complement the government's efforts to boost the flow of credit and reverse a slide in outbound shipments in recent months. Last week, finance minister Nirmala Sitharaman had announced that RBI would soon ease PSL norms for exports, which will release an extra Rs 36,000- Rs 68,000-crore loans to this sector that has witnessed a persistent contraction in credit flow. Before the RBI's notification on 20 September, exporters with a turnover of up to Rs 100 crore each were eligible for credit under the PSL norms. With the abolition of this criterion, a larger number of exporters will benefit. Similarly, the maximum sanction limit of loan to exporters is now raised to Rs 40 crore per borrower from Rs 25 crore earlier.

4. Top 1,000 listed firms may see tax savings of Rs 37k cr on tax cut: Crisil

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

CRISIL Research on 22 September said top 1,000 listed companies could see tax savings of Rs 37,000 crore on account of the corporate tax cut. "Over the past few days, a slew of measures have been introduced to address the slowdown in the Indian economy. Friday's announcement, however, is the most material...Our analysis indicates these 1,000 companies could see tax savings of Rs 37,000 crore, or nearly a fourth of the total savings anticipated by the government," it said in a statement. The drop in tax rate would now bring India at par with most Asian economies, it added. "CRISIL Research's analysis of nearly 1,000 companies -- spread across 80+ sectors such that they cover more than 70 per cent of NSE's market capitalisation -- indicates that effective tax rates had risen over the past 5 years," it said.

5. PM Modi to articulate India's plans for renewable energy, other climate action proposals at UN Summit

Source: Money Control ([Link](#))

Prime Minister Narendra Modi is expected to articulate his government's ambitions on renewable energy and make a call for a coalition for disaster resilient infrastructure at UN Secretary General Antonio Guterres' High-Level Climate Action Summit on 23 September. Modi is among the first set of speakers at the Summit's opening ceremony, a highly significant gesture given that only those Heads of State, Government and Ministers are invited to speak at the summit who will have any "positive development" to announce on climate action. India's important role and

contribution to global climate action efforts have been underlined by the fact that Modi is the fourth speaker at the Summit, after Guterres, New Zealand Prime Minister Jacinda Ardern and President of Marshall Islands Hilda Heine. German Chancellor Angela Merkel will speak after Modi.

6. India to invest Rs 230 crore in World Expo pavilion

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

India will invest Rs 230 crore in constructing the India Pavilion at the World Expo 2020 in Dubai next year and plans to raise Rs 200 crore from participation charges, publicity and sponsorships. Investment would be in construction, curation, interiors, maintenance and security. Commerce and industry minister, who is in Dubai, on 22 September proposed a mechanism for those who visit the expo, to be able to visit India. “We would like it if people who come to visit the expo can extend their visit and travel to India. We will make India Pavilion the best pavilion of Expo 2020,” Goyal said. He was speaking at the brick-laying of the India Pavilion at World Expo 2020.

7. Govt may invite foreign firms to set up rail-making units in India

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

The central government is considering a global tender for manufacturing of rails. Companies would be asked to set up production units as part of the ‘Make in India’ project. “With (government-owned) Steel Authority of India (SAIL) and Jindal Steel & Power (JSPL) unlikely to meet demand from the railways, there are plans for a global tender,” said a source in the know. The government is likely to ask for an Expression of Interest (EoI) from global companies. The major entities who could take part include Voestalpine Schienen, Sumitomo Corporation, Angang Group International, East Metals, CRM Hong Kong, British Steel, France Rail and Atlantic Steel, says the source. In November 2018, Rail Vikas Nigam Ltd (RVNL), a project development subsidiary of the railways, was given exemption from the mandatory local sourcing clause while procuring steel rails. This exemption was required under the provisions of the Domestically Manufactured Iron and Steel Policy for government procurement.

8. 178 years old British travel firm Thomas Cook collapses but no impact on India business

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

One of the world’s oldest travel and leisure companies Thomas Cook filed for compulsory liquidation on 23 September after failing to secure a bailout from lenders. However, the India

branch of Thomas Cook will continue to function as “it is a completely different entity since August 2012,” Madhavan Menon, Chairman and Managing Director, Thomas Cook India, said in a statement. Thomas Cook India Group was acquired by Fairfax Financial Holdings, a Canada-based multinational with varied interests. The latter acquired a 100% stake in Thomas Cook India and hence, the Thomas Cook UK is no longer a promoter of the India subsidiary. As the company ceased operations and Thomas Cook flights were cancelled, millions of travellers across the globe were left in a frenzy. The British government will now undertake one of its largest repatriation measures to bring back about 6 lakh stranded holidaymakers across the globe.