

Daily Economic News Summary: 10 January 2017

1. Tax collection grows after demonetization, say ArunJaitley

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

ArunJaitley sets aside reports of closing of businesses and resultant job losses due to demonetisation, says tax collection numbers are real and not an estimation Both indirect taxes and direct taxes levied by the Union government have registered good growth in the month of December, finance minister ArunJaitley said on Monday, suggesting that demonetisation's impact on economic activity has been limited. Besides, most states have reported an increase in value-added tax collections for the month of November, Jaitley said, reiterating that well-administered states have not seen any impact on tax collections. Setting aside reports of closing of businesses and resultant job losses due to demonetisation, Jaitley said these are all anecdotal evidence but the tax collection numbers are real and not an estimation. "Statistics and taxation figures are real. This is the money that has come in," he said in a press conference.

2. Narendra Modi hopes GIFT City will become price-setter in a decade

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

PM Narendra Modi was speaking at the inauguration of BSE's wholly-owned unit India International Exchange (INX) at GIFT City in Gandhinagar. Exchanges in the Gujarat International Financial Tech City (GIFT) will become price-setters in at least some of the world's largest traded securities, said Prime Minister Narendra Modi. He was speaking at the inauguration of BSE's wholly-owned unit India International Exchange (INX) at GIFT on Monday. "My vision is that in 10 years from now, GIFT City should become the price-setter for at least a few of the largest traded instruments in the world, whether in commodities, currencies, equities, interest rates or any other financial instrument," said Modi.

3. Why is India's steel consumption rising?

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

If both dealers and companies have stocked up on inventory and demand is not robust, things may get tougher. If demonetisation has affected steel-consuming sectors such as automobile and construction/real estate, how come steel consumption is rising? In December, steel consumption rose by 5.2% over a year ago and by 17.1% over November, according to data collated by the government's Joint Plant Committee (JPC). In November too, consumption was up by 3.8%, although it did decline sequentially. Specific factors appear to be behind this increase and the underlying demand for steel remains weak.

4. Construction, real estate projects spike in December quarter, despite note ban

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

The expectations of a sharp correction in home prices may not be met, a Mint analysis shows. The one sector that was expected to be hit the hardest by the government's move to scrap high-value currency notes in early November is the construction and real estate sector. Given the widespread use of cash in real estate transactions (quite often to facilitate under-reporting of official prices and evade taxes), it was expected that the sector would bear the brunt of the currency-scrapping exercise. But capex figures from the Centre for Monitoring Indian Economy (CMIE) show that such concerns aren't borne out by the data, at least not just yet. The CMIE data shows that the construction and realty sector has outperformed most other sectors in the December quarter. In the quarter ending December, the sector witnessed Rs8986.38 crore worth of new projects during the quarter. This is more than double the Rs4278.25 crore seen in the same quarter last year. It is nearly three times the September 2016 quarter figure of Rs3210.58 crore.

5. Now, a robot to assist you at HDFC Bank; first humanoid in India's banking

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

This is part of an Artificial Intelligence (AI) project it began last year. HDFC Bank, the country's second-largest private one, will be using robots at its branches, to assist customers. Nitin Chugh, their country head for digital banking, said more 'humanoids' would be deployed after seeing the response from customers. Then, the scale of work done with these would be expanded. This is part of an Artificial Intelligence (AI) project it began last year, to improve its technological capability. The bank is looking at using AI to better its customer service, beside marketing, process automation and other aspects. It is also looking at using these methods to drive growth in rural areas, for which it is open to partnering with financial technology entities working in these places. City Union Bank has put a humanoid to use at a branch in Chennai. Initially, it had said, the robot would answer generic banking-related queries from customers. Later, to be integrated with banking systems-enabling transactions, and to improve the automation processes.

