

Daily Economic News Summary: 11 January 2017

1. Govt. strongly committed to continuing economic reform

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

Strongly committing to continuing economic reforms, Prime Minister Narendra Modi today promised to bring a paradigm shift in policy and economy by providing corruption-free regime and easing processes to make India the easiest place to do business. Addressing the biannual Vibrant Gujarat Global Summit, dubbed ‘Davos of the East’, that had Fortune 500 CEOs and global leaders in attendance, Modi said creating an enabling environment for business and attracting investments is his top priority. “We have placed the highest emphasis on Ease of Doing Business,” he said. “My government is strongly committed to continue the reform of the Indian economy.”

2. Govt. plans policy to boost product designing

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

After Make in India, the government is all set to unveil a policy to promote product designing in the country. Inaugurating the three-day International conference and exhibition on Reinforced Plastics, 2017, Defence Minister Manohar Parrikar said the ambitious ‘Design in India’ policy, which will be an extension of the ongoing ‘Make in India’ programme will target to build, enhance and promote designing capabilities of Indian manufacturers and entrepreneurs so that they can design products of world-class standards to compete with global counterparts and take advantage of ‘Make in India’ programme. Responding to the long standing demand of Indian composites industry to source defence equipment, components and ancillary material domestically from Indian manufacturers of composite products, Parrikar assured the industry that the Defence Procurement Policy will soon include composite products developed in India.

3. Note ban: SBI chief says situation will normalise by Feb-end

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

State Bank of India Chairman Arundhati Bhattacharya today said the prevailing situation arising out of demonetisation will get normalised by end-February, emphasising the need to promote digitisation of economy. “We believe that the situation (arising out of demonetisation) will become totally normal by the end of February,” Bhattacharya told reporters at the airport here. She was here to participate in the 8th Vibrant Gujarat Global Summit (VGGS).

4. Note ban: Cash deals worth Rs. 25,000 cr move to digital mode

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

Post-demonetisation, cash-based transactions worth Rs. 25,000 crore have moved to the digital mode, says a survey. The Economic Research Department of State Bank of India carried out the survey from December 30, 2016, to January 3, 2017, so as to understand the nuances of demonetisation. It showed that 15 per cent of transactions moved to electronic payments such as m-wallets and Point of Sale machines. “This means that Rs. 25,000 crore of cash-based transactions have moved to digital in the last two months. If this is so, this is a good beginning,” SBI Research said in its Ecowrap report.

5. Seaways Shipping handles first vessel under Indo-Bangladesh Treaty

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

Seaways Shipping And Logistics Ltd has handled the first vessel from Paradip Port under the Indo-Bangladesh Coastal Shipping Treaty signed by both the governments. The first Bangladesh-flagged vessel under this treaty, MV Shamayel called at Paradip Port in Orissa, India on December 29, 2016, carrying 149 empty containers and sailed back with 91 containers loaded with sponge iron. The vessel reached Chittagong, Bangladesh on January 1, 2017, thus completing the voyage under the Coastal Shipping Treaty between the two countries. The scope of work undertaken by Seaways include inland haulage from ex-works, arranging for the vessel, stevedoring, vessel agency and last mile delivery from Chittagong Port to destination, the company said in a release issued here on Monday.

6. The budget should cut corporate tax rates drastically

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

If PM Modi is serious about making a paradigm shift in the economy and improve the ease of doing business, he should tell his finance minister Arun Jaitley to dramatically reduce the corporate tax rate. The Union Budget for 2017-18 is very likely to lower corporate tax rates. That is not only because of the faltering economy, but also because the finance minister had promised in his 2015 budget speech that corporate tax rate will be reduced from 30% to 25% over the next four years, together with the phasing out of exemptions and deductions. The Confederation of Indian Industry (CII) has urged a reduction in the corporate tax rate to 18%.

By Rajnee Narula

