

Daily Economic News Summary: 24 July 2017

1. India likely to clock 7.5% growth this fiscal: Arvind Panagariya

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

India is likely to clock a 7.5 per cent economic growth in the current fiscal, NITI Aayog Vice Chairman Arvind Panagariya has said, even as he acknowledged that creation of "good jobs" in the country remains a big challenge. "For the current fiscal year of 2017-18, I expect that we will be back to at least 7.5 per cent and as you get towards the last quarter of the year probably we will begin to touch eight per cent. But the average for the year would be about 7.5 per cent," Panagariya told...Panagariya, who had presented India's 'Voluntary National Review Report on Implementation of Sustainable Development Goals' at the UN High Level Political Forum on Sustainable Development 2017 last week, however, said that job creation in the country, especially at the lower, semi-skilled level, "truly is the biggest challenge, probably bigger than growing at eight per cent." He said it is unfortunate that India's better performing sectors such as automobile, auto parts, engineering goods, petroleum refinery, pharmaceuticals and IT enabled services, are not very employment-intensive.

2. Government to open lateral entry door for private sector specialist

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

In a major move aimed at bringing domain expertise to policy making, the government has decided to open its doors for private sector specialists in select departments, a senior personnel ministry official said. A proposal is being worked out to induct 50 such specialists from the private sector in government departments at the level of director and joint secretary, he said. Many of these posts are manned by civil service officials... Private sector talent can be brought in on fixed-term contracts to supplement the government's effort of providing good and effective governance, he said. About 48 lakh employees work in various central government departments. Over 4.2 lakh posts were vacant as on March 1, 2015, according to latest data. The move to induct private sector specialists comes following a suggestion from the government's policy think tank Niti Aayog.

3. Narendra Modi government detects whopping Rs 71,491 crore of undisclosed income last year

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

Massive searches, seizures and surveys by the Income Tax (IT) department over the last three years have led to the detection of around Rs 71,941 crore of “undisclosed income”, the Centre has told the Supreme Court. During the period of demonetisation from November 9 last year to January 10 this year, “The total undisclosed income admitted was more than Rs 5,400 crore” and the total quantity of gold seized stood at 303.367 kgs, the Finance Ministry has said in an affidavit to the apex court...the details of the unaccounted income for three years from April 1, 2014 to February 28 this year, including the demonetisation period. The affidavit said that during the three year period, searches were undertaken by the IT department in over 2,027 groups “which led to the admission of undisclosed income of more than Rs 36,051 crore”. “This is in addition to the seizure of undisclosed assets worth Rs 2,890 crore,” it said.

4. Forex reserves touch record high of \$389.059 billion

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

The country’s foreign exchange reserves rose by \$2.681 billion to touch a new life-time high of \$389.059 billion in the week to July 14, helped by increase in foreign currency assets (FCAs), RBI data showed. In the previous week, the reserves had marginally declined by \$161.9 million to USD 386.377 billion. FCAs, a major component of overall reserves, surged by \$2.677 billion to \$364.908 billion, according to the RBI data. Expressed in US dollar terms, FCAs include the effects of appreciation/depreciation of non-US currencies, such as the euro, pound and the yen, held in the reserves. Gold reserves remained unchanged at \$20.348 billion. The special drawing rights with the International Monetary Fund (IMF) rose by \$1.8 million to \$1.479 billion. The country’s reserve position with the IMF too increased by \$2.7 million to \$2.322 billion.

5. Infosys cofounder Nandan Nilekani: India needs a policy on data

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

Former UIDAI Chairman Nandan Nilekani on Saturday said that India needed a data protection law “as soon as possible” as it is a “fundamental thing” so that the users can demand from the domestic or foreign companies to share their data when needed. “This is not a technology problem, but a policy problem,” Nilekani said here at the Delhi Economics Conclave 2017. Former Attorney General Mukul Rohatgi had said earlier that the government was planning to come out with a data protection policy this year. The need for the law was felt after online messaging service WhatsApp changed its policy of non-sharing of data for its users after acquisition by Facebook in 2016 to permit sharing of the attributes of its users for advertisement targeting...Noting that data created huge businesses and data companies have unique scale advantages, Nilekani said, “India needs a policy on data.” He also stressed that the government should make law to give people control of their own data. “India will go from data poor to data rich in the next three years. India has a unique digital infrastructure,” PTI quoted Nilekani as saying.

6. Goods and Services Tax will accelerate growth, says Union Minister Nitin Gadkari

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

The Goods and Services Tax (GST) will accelerate the growth and ease of doing business and help in nation building, Union minister Nitin Gadkari said today. “GST will remove the red-tapism and corruption and will bring in transparency in the system,” the Shipping minister said at the inaugural ‘Gopal Krishna Gokhale Memorial’ lecture organised by newspaper ‘The Hitvada’. “Till a few days ago 75 lakh (traders/businessmen) have registered for the GST and it is the biggest economic reform that the the country has witnessed wherein, 17 taxes and 22 cesses have been cancelled,” he said. “India has a logistic cost of 18 per cent, while China has a logistic cost of 8 to 10 per cent and that is a reason, why we are not that competitive in the export market,” he said. “Export and manufacturing will get a big boost by GST. Maharashtra’s revenue will increase by 25 per cent and illegal trading will come to a standstill,” he added. The nationwide GST was rolled out from July 1.

7. Recent reforms showing signs of greater compliance: Arun Jaitley

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

The Finance Minister Arun Jaitley on Saturday said that recent big reform steps of demonetisation and GST implementation are already showing benefits in terms of increased compliance and widening of tax base...Jaitley said that generation of cash has become difficult since demonetisation (November 2016) was undertaken and expressed hope that political system would get funded with “cleaner money” in the coming days. For the last 70 years, India's democracy has been funded by invisible money, Jaitley noted and pointed out that Government was actively looking to reform the situation (through proposed electoral bonds). Jaitley outlined three significant steps that government has already undertaken to address the menace of unaccounted money. First, there was a specific legislative change to penalise parking of unaccounted funds outside the country and not declared to tax authorities...Jaitley said that benami transaction prohibition law, which was in limbo since its enactment in 1988, is now being enforced from 2016 and has sent shivers among those who have amassed property through the benami route. The third step, according to Jaitley, is the enactment of Insolvency and Bankruptcy Code (IBC). "We can't have a situation where businesses operate on the premise that bank funded money need not be repaid to the banks", Jaitley said

8. GST impact on taxpayers: Center rolls out relief for small taxpayers; know what it is all about

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

Central Board of Excise and Customs (CBEC) on Saturday extended the time limit for filing intimation for Composition levy to August 16, 2017. In a press release issued by CBEC, it has been stated: “Government is mindful of the concerns of tax payers, especially the small taxpayers, arising from the transition to the GST regime from 1st of July, 2017.” Below this, the release stated, “With a view to ease the compliance burden of provisionally migrated small taxpayers opting to pay tax under the Composition scheme, it has been decided to extend the time limit for filing intimation for Composition levy (filing of intimation FORM GST CMP-01) up to 16th August, 2017.” Small businesses with turnover of up to Rs 75 lakh were earlier given time till July 21 to opt for the scheme in the GST regime, as per report. Under composition scheme, traders, manufacturers and restaurants can pay tax at 1 per cent, 2 per cent and 5 per cent, respectively...Meanwhile, Finance Minister Arun Jaitley has called GST as a way to make cash transactions a lot more difficult. In a PTI report, the union minister was quoted saying that the tax reform along with demonetisation that banned the use

of Rs 500 and Rs 1,000 currency notes last year will lead to greater compliance as well as expansion of tax base.

9. Rules may be eased to help e-commerce companies exports

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

To enable homegrown ecommerce players such Myntra, Snapdeal and a host of handicraft and garment platforms to expand their global footprint, India is looking to revamp the export framework governing overseas sales by them. The measures under consideration include a complete switchover to e-enabled filing systems and even doing away with the current cap of Rs 25,000 on a purchase. “A number of steps have been identified to make it easier for the ecommerce sector to trade,” said a senior finance ministry official. A pilot has already been launched in Mumbai and will be expanded to other customs ports. Exports via these online marketplaces rely on couriers and small packages and often involves a lot of paperwork at the ports. Essentially, these couriers act as aggregators for ecommerce platforms.

10. Demonitisation: Notes in circulation at 85% of pre-note-ban level

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

Notes in circulation are above 85 per cent of the pre-demonetisation levels and steps have been taken to accelerate remonetisation, the government said today. “The notes in circulation as on June 23, 2017 stood at Rs 15,074.43 billion as against Rs 17,540.22 billion as on October 28, 2016,” Minister of State for Finance Arjun Ram Meghwal said in a written reply to the Lok Sabha. The availability of currency in different parts of the country is being constantly monitored and steps have been taken to accelerate remonetisation, he said. “With the continued efforts to remonetise the economy, the notes in circulation has been increasing and now stands above 85 per cent of pre-demonetisation levels,” he said. Prime Minister Narendra Modi on November 8 had announced demonetisation of Rs 1,000 and Rs 500 notes in a major assault on black money, fake currency and corruption. New Rs 2,000 and Rs 500 notes were then brought into circulation.

11. Mindless to have open border without framework: Singapore

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

Singapore today sought to defend its visa regime, saying that one-third of its workforce is “already foreign” and it would be “mindless” to have open border without any policy framework to control

the flow of people. The statement of Singapore Deputy Prime Minister Tharman Shanmugaratnam assumes significance as Indian IT companies use that country as a gateway to serve clients in the region. All major Indian tech companies including TCS, HCL, Infosys and Wipro have a presence in Singapore. With Singapore taking a conservative view of visa issuance to Indian tech workers, companies are finding it increasingly difficult to maintain the level of manpower. Observing that out of 5.5 million workforce, 2 million are foreigners, Shanmugaratnam said...IT body Nasscom had in April stated that the clamp down on tech visas by Singapore has shrunk the base of Indian techies to under 10,000 in the South East Asian nation and could hurt the ability of players to chase future deals. Nasscom President R Chandrashekhar had said that issuance of visas to the tech workers under the intra company transfers has reduced to a trickle. Indian companies have been investing in Singapore to bolster their presence in the Asian market that has been growing at a strong pace, although US and Europe continue to account for over 80 per cent of the industry's export revenues.

12. Mobiles worth Rs 90,000 crore produced in India in 2016-17: Government

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

Mobile phones worth Rs 90,000 crore were produced in the country last fiscal, while imports of handsets stood at \$3.7 billion (about Rs 24,364 crore) during the period, Parliament was informed today. India, which is one of the largest telecom markets globally, has seen production of mobile handsets grow at a steady pace over the past few years. "During 2014-15, mobile handsets worth Rs 18,900 crore were produced in India, which increased to Rs 54,000 crore in 2015-16 and further to Rs 90,000 crore in 2016-17," Telecom Minister Manoj Sinha said in a written reply to the Rajya Sabha. Domestic production of cellular mobile handsets witnessed a growth of 185 per cent in value terms in 2015-16 compared to 2014-15 and 67 per cent in 2016-17 as against 2015-16, he said. Sinha noted that during the said time-frame, import of mobile handsets declined from 210 million devices (worth \$7,948 million) in 2014-15 to 146 million units (\$6,059 million) in 2015-16. To promote indigenous manufacturing in India, the government has introduced differential excise duty on cellular mobile handsets in the Union budget of 2015-16, Sinha said. "The Government of India has notified the Phased Manufacturing Programme (PMP) to promote indigenous manufacturing of cellular

mobile handsets and its sub- assemblies... Basic Customs Duty (BCD) of 10 per cent has been imposed on cellular mobile handsets and identified parts thereof,” he added.

13. India to host global meet on cyber space

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

India is set to host the fifth Global Conference on Cyber Space in November, which will be attended by 2,000 delegates from more than 100 countries. More than 50 Ministerial delegates, heads of states and key global IT CEOs among others are expected to attend this conference. Ravi Shankar Prasad, Minister for Electronics & Information Technology and Law & Justice, on Friday chaired a high-level organising committee meeting for this upcoming conference. Addressing reporters, he said the goal of this conference was to promote an inclusive cyber space with focus on policies and frameworks for sustainability, development, security, safety & freedom, technology and partnerships for upholding digital democracy, maximising collaboration for strengthening security and safety. The conference will be held on November 23-34 and will be inaugurated by the Prime Minister.