

## Daily Economic News Summary: 25 August 2017

### **1. India has potential for 8% growth in 2-3 years, says NITI Aayog**

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

Prescribing policy measures to keep the economy on a strong footing, the NITI Aayog on Thursday said that India's prospects of reaching the 8 per cent growth target in the next few years are very bright. "Indeed, there are good prospects that we will return to 8 per cent plus growth trajectory in another two to three years if not sooner," it said in the Three Year Action Agenda for 2017-18 to 2019-20...The report comes soon after the second volume of the Economic Survey had given a downward risk to its earlier forecast of 6.75 to 7.5 per cent GDP growth for 2017-18. The economy had grown by 7.1 per cent last fiscal and official data on the first quarter GDP growth in 2017-18 will be released on August 31. While calling for fiscal consolidation to stay on course and for the fiscal deficit target of 3 per cent of the GDP by 2018-19 to be met, the document said reforms in taxation policy and administration will further reduce tax evasion and expand the tax base...To this end, the three-year roadmap also called for more reforms to benefit the 125 crore citizens through measures like higher expenditure in high-priority sectors like education and health and a strong programme for rural transformation to double farmers' incomes by 2022.

### **2. New edition of consolidated FDI policy report to come out soon**

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

The Commerce and Industry Ministry will soon release the next edition of its consolidated FDI policy document, incorporating all the changes made over the past year, a senior official has said. The ministry official said the consolidated report is a compilation of the various decisions taken by the government in the past one year...The Department of Industrial Policy and Promotion (DIPP), which deals with FDI related matters, compiles all policies related to foreign investment regime into a single document to make it simple and easy for investors to understand. Investors would otherwise have to go through various press notes issued by the department and RBI regulations to understand the policy. The government updates the policy every year. The whole exercise is aimed at providing an investor friendly climate to foreign players and, in turn, attract more FDI to boost economic growth and create jobs. During the last one year, the government has liberalised FDI policy in over a dozen sectors, including defence, civil aviation, construction and development, private security agencies

and news broadcasting. Foreign investments are considered crucial for India, which needs around \$1 trillion for overhauling its infrastructure sector such as ports, airports and highways to boost growth.

### **3. India Inc not investing in labour-intensive sector**

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

The Union government on Thursday questioned India Inc over its “reluctance” to invest in labour-intensive sectors even in states where labour laws had been made flexible. The government flagged the issue at the release of the NITI Aayog’s three-year action plan, which disagrees with the critics who have suggested that economic growth has been jobless so far...Releasing the action plan, Finance Minister Arun Jaitley said the Indian economy would hugely benefit if it managed to adhere to the strict fiscal and revenue deficit targets laid down in the action agenda (2017-18 to 2019-20). The action plan, released more than three months after it was first circulated among chief ministers, proposes reduction of the fiscal deficit to 3 per cent of GDP by 2018-19, and the revenue deficit to 0.9 per cent of GDP by 2019-20.

### **4. India, Nepal to enhance security, defence ties; inks 8 pacts**

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

Nepal on Thursday assured New Delhi it would not allow any activity against India, as the two sides signed eight pacts, including on cooperation in countering drug trafficking and post-earthquake reconstruction in the Himalayan nation. After comprehensive talks with his Nepalese counterpart Sher Bahadur Deuba, Prime Minister Narendra Modi laid emphasis on closer cooperation between the two countries’ security and defence forces to prevent any misuse of their open border...“I would like to assure you (Modi) Nepal will never allow any activity against friendly neighbour India and there will be every support, every help and cooperation from our side,” Deuba said. Foreign Secretary S Jaishankar said India conveyed to Nepal that the country should forge the “broadest possible consensus” and take every section of the people along in implementing its new Constitution...Modi, too, exuded confidence that Nepal would take into consideration aspirations of all its citizens during the implementation of the Constitution...Deuba said both sides also exchanged views on regional and sub-regional cooperation using BIMSTEC (The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) and BBIN (Bangladesh, Bhutan, India, Nepal Initiative) and create a “win-win” situation in various areas.

### **5. Myanmar blames India for restricting pulses import quota**

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

Yangon has blamed New Delhi for restricting import of three major pulses from Myanmar, saying that the move has plunged Burmese pulses industry into chaos, an official report said...In August, India announced a 200,000-ton import quota on pigeon peas and 300,000-ton quota on mung bean and green grams, Xinhua news agency reported. The severe restriction by India limiting the amount of pea products from Myanmar has quickly and adversely affected the Burmese pulses market, commerce officials said. The restriction would help support prices of lentils in India but would put pressure on producers in Myanmar who rely heavily on export to India, an official said. The regular purchase of beans by India has been stopped, said a pulses trading association, calling for negotiation between the two nations' authorities to find a settlement. Myanmar has been exporting peas to India for nearly three decades, while India exported medicines, sugar and agricultural machinery to Myanmar...Myanmar exports around 1.5 million tons of pulses to foreign countries annually, of which India is the largest market.

### **6. India asks Uzbekistan to cut duties on leather, fabrics, ease visa norms**

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

In a bid to strengthen bilateral ties with Uzbekistan, India has requested the Central Asian country to reduce duties on a number of products, simplify customs procedures and ease visa norms...India requested "for reduction of import duty on leather goods and footwear in Uzbekistan from current 30% to 10%, which is the current most favoured nation rate in India," the ministry said in a statement. Commerce and industry minister mentioned that India could source finished leather from Uzbekistan. The minister also urged the Uzbek ministers to consider reducing import duty on Indian engineering exports to the central Asian nation. She also asked Uzbekistan to look at reducing import tariff on fabrics and made-ups. The bilateral trade between the countries was \$155.76 million in 2016-17...New Delhi also asked Uzbekistan to ease business and tourist visa norms and suggested setting up and activation of a private industry led Joint Business Council to develop and enhance business relations at all levels.

**7. GST could increase cost benefits by 5% in 3 years: Retailers**

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

The implementation of goods and service tax (GST) could possibly increase overall benefits for retailers by up to 5 per cent over the next three years, according to the Retailers Association of India (RAI). "GST could increase the overall cost benefit of retailers by up to 5 per cent over three years," Kumar Rajagopalan, chief executive officer of RAI, said...It is expected that supply chain efficiencies may drive in benefits to retailers, as they may not need to keep stocks in various places bringing down wastage, he said. "Transition to GST for us has been good. We have held workshops to create awareness among suppliers and manufacturers. We didn't have any disturbances with our business continuity," S Kannan, chief financial officer of Arvind Lifestyle Brands, said...Retailers expressed other concerns like the transition period of six months to offload stocks, which they said, may not be enough for some sectors like jewellery and furniture.

**8. Commerce Ministry to scale up Government e-Market portal in the next 6 months**

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

The commerce ministry will work with IT firm Intellect Design Arena Ltd to make Government-e-Market (GeM) portal more dynamic and vibrant in the next six months, a senior official today said. The portal was launched in August last year for online purchases of goods and services by all the central government ministries and departments. The online marketplace is so far working on pilot version and in the next six months, it will be scaled up significantly. "In the scaled up version, the portal will have all the best international features such as catalogue management, product categorisation, contract management, data analytics, refund and rejection policy," the ministry official...The official added that the new scaled up version would give more choices to both the buyers and sellers. The scaling up of the GeM portal assumes significance as public procurement of the central and state governments runs into over Rs 2 lakh crore annually. Use of government's e-marketplace by central and state departments would also help save taxpayers' money.

**9. Big blow for taxpayers, NITI Aayog says retain income tax exemption limit at Rs 2.5 lakhs**

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

Niti Aayog today suggested the government should retain the income tax exemption threshold at Rs 2.50 lakh, and take steps to prevent non-farm entities from declaring their earnings as agri income. 'Three Year Action Agenda, 2017-18 to 2019-20' of the think tank, released by Finance Minister

Arun Jatiley, also asked the government to “frontally address” the problem of corruption among tax officials as part of its exercise to curb black money...The Niti Aayog also suggested comprehensive reforms of the anti-competitive regulations as “faulty regulatory policies can have a severe adverse effect on the efficient interplay of market forces and end up harming public interest”. As regards the Prime Minister’s call for doubling farmers’ income by 2022, the think tank said the agenda should include measures to raise farm productivity, bring remunerative prices to farmers, put agri land to productive use, and improve implementation of relief measures. The Aayog also makes a case for reform of Agriculture Produce Marketing Committees Act (AMPC Act) and review of the minimum support price (MSP) mechanism.

#### **10. 58,000 hectares of land in Assam under rubber plantation**

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

Chairman of Rubber Board Ajith Kumar on Thursday met Chief Minister Sarbananda Sonowal and informed him that 58,000 hectares of land in 28 districts are under rubber cultivation and the Board has identified more areas for expanding the rubber farming in the state. Sonowal said the state government is willing to invite tyre manufacturing companies to set up base in the state once production of rubber is increased. Rubber Board chairman requested the Chief Minister for forwarding a proposal to Central government for allocating extra fund under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) for rubber cultivation so that sustainable livelihood for economically weaker families can be generated. The Chief Minister was also informed that the initial 7 to 9 years of gestation period of rubber plantation is highly labour intensive and 46 percent of expenditure of 4.5 lakhs per hectare can be met from MGNREGS.

#### **11. Bright yellow Rs 200 notes to be launched today; check out features**

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

RBI will launch Rs 200 notes today, it will make it easier for the common man to transact in lower denomination “missing link” currency and bring greater efficiency into the system. The bright yellow coloured Rs 200 notes will hit the market just a day after the finance minister gave go-ahead to the RBI to issue the new currency bill...Rs 200 bill bears motif of Sanchi Stupa to depict India’s cultural heritage. The base colour of the note is bright yellow, RBI said. India has currency denominations of Rs 1, 2, 5, 10, 20, 50, 100, 500 and 2000.