

Daily Economic News Summary: 2 May 2017

1. GST not to increase compliance burden, says Hasmukh Adhia

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

The GST would not increase compliance burden on assesseees and all apprehensions in this regard are misplaced, Revenue Secretary Hasmukh Adhia said today. "Many people think that implementation of GST would result in increase in compliance cost. This is completely misplaced," he said while addressing netizens on Facebook. Explaining the rationale, he said people have to keep different law books for filing return for various taxes like VAT, Excise etc in the present taxation regime. "But with the roll out of GST, there would be a single tax and accounting for this will be very simple. It can be done through an offline excel form provided by GST Network. If someone uses this form for keeping record of purchase and sales, then he can use this for filing return. Thus, compliance would be minimized," he said.

2. Recep Tayyip Erdogan makes a pitch for India-Turkey FTA

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

Turkish President Recep Tayyip Erdogan today pitched free trade agreement with India as a starting point to expand the ambit of bilateral economic ties. Erdogan, who was accorded a ceremonial reception at Rashtrapati Bhavan today, said the two countries should also explore the possibility of trade in local currency to deal with exchange rate fluctuations. Addressing the India-Turkey Business Summit in presence of Prime Minister Narendra Modi, he said the relationship between the two is based on friendship. The visiting president further said the Turkish-India business council should be a more active mechanism. "It would be also good to start free trade agreement (FTA) talks. This would also add further momentum to our relations," he said. He, however, noted that the bilateral trade volume is skewed against Turkey. Of the total USD 6.5 billion trade, Turkey's export was only about USD 650 million.

3. India should make quality global products: Nirmala Sitharaman

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

Commerce and Industry Minister Nirmala Sitharaman said Monday that India should take the lead in making quality products available to the world at affordable prices. Inaugurating the Fourth National Standards Conclave organised by the Department of Commerce in association with CII, BIS, EIC, FSSAI, APEDA and NABCB, Sitharaman emphasised the need for both quality and affordability for manufacturers to comply and consumers to buy. She said Prime Minister's 'Zero Effect Zero Defect' idea aims at exactly this. She cited the costing and quality involved in the launch of the Mangalyan as a prime example of quality with affordability. Sitharaman said long-term strategy should not lose sight of immediate challenges. Any national strategy for standards should be able to factor in technology to disseminate any change in import requirements in foreign countries so that our exporters are well prepared to overcome those barriers. This dissemination has to be in regional languages. This has become critical as the number of notifications in WTO has increased and many deals with standards," she added.

4. Govt working on evolving comprehensive national strategy for standardization

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

The government is working on evolving a comprehensive national strategy for standardisation to make standards a key driver for all economic activities relating to goods and services. "India should be setting standards for the world rather than following the standards which are being set by other countries," Commerce & Industry Minister Nirmala Sitharaman said in her address at the fourth National Standards Conclave on Monday. She added that the country should participate actively in any global debate on setting standards. Sitharaman inaugurated a portal on Indian standards jointly developed by the Ministry and industry body CII on Monday that would provide all information on standards existing in the country and conformity assessment. Stressing on the role of dissemination of information, the Minister said it was important that information on new standards reached stakeholders on time so that they could conform to and implement those standards.

5. Core industries grow by 5% in March, fastest in 3 months

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

The eight core industries grew by 5 per cent in March, fastest in three months, on the back of higher coal and steel production. The growth rate of eight infrastructure sectors — coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity — was however lower than 9.3 per cent recorded in March last year. As per the government data released today, coal production increased by 10 per cent in March as against 2.5 per cent a year ago. Steel (alloy + non-alloy) production was up 11 per cent while it had expanded by 7.8 per cent in March 2016. Electricity generation was up by 5.9 per cent. Crude oil and natural gas production was 0.9 per cent and 8.3 per cent, on annual basis. On the other hand, cement production declined by 6.8 per cent in March this and also fertiliser output (-0.8 per cent). There was also decline in production of refinery products (- 0.3 per cent).

6. ‘Govt confident of achieving 3.5% fiscal deficit target for 2016-17’

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

The government is confident of achieving the fiscal deficit target of 3.5 per cent for 2016-17, the newly appointed Controller General of Accounts (CGA), Anthony Lianzuala, has said. After taking charge today, Lianzuala — a 1982 batch civil accounts service officer — said his office has given timely input to the government on expenditure and receipt front to assess its fiscal roadmap. “We have done our best (in giving data input) and I think the government will be able to achieve its target of fiscal deficit of 3.5 per cent (for 2016-17),” he told PTI. Further, he explained that his office sends input to the government on a daily basis to assess its fiscal position. “For example, in the last 15 days of March, we have given all our inputs on expenditure and receipt collection on a day-to-day basis. This helps the government in seeing how much fiscal deficit it is on a particular date,” said the official. India’s fiscal deficit at the end of February 2016-17 was Rs. 6.05 lakh crore, which was 113.4 per cent of the full-year target, on account of lower realisation on non-tax revenues. The fiscal deficit, which is a gap between government’s total receipts and expenditure, at the end of February was higher when compared with 107.4 per cent in the similar period of the previous fiscal.

7. Latin America, Canada, Africa, Nordic nations are becoming new Indian IT hubs

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

It may not be all gloom for Indian IT workers aspiring for foreign shores after the US, Australia and Singapore tightened visa rules for skilled migrants. According to some top hiring consultants, in the medium term, several new markets will attract Indian techies. Indian IT talent will have ready takers in Europe, the Middle East and Japan, they said, adding that while the nations that have adopted the protectionist measures will continue to need skilled workers, Latin America, Canada, Africa and the Nordic nations could be the IT hubs of the future. “While protectionism has kicked in, local talent is still not available in these countries to meet immediate demand. Besides these, one can expect Canada, Latin America, South Africa and few other African countries as potential future markets,” said Rituparna Chakraborty, executive vice president of TeamLease Services. However, the US remains the most important market for IT talent, “even as we are seeing some talent moving towards Europe, East Africa and Kenya. We are also working on a project to skill Indians to go to Japan as enquiries are coming in from there,” said Manmeet Singh, president, Experis ITManpowerGroup India.