

Daily Economic News Summary: 10 January 2019

1. Tiger Global invests \$200 million in BYJU's; valuation jumps to \$8 billion

Source: Livemint ([Link](#))

New York-based hedge fund Tiger Global Management will invest \$200 million in Think and Learn Pvt. Ltd, the education technology firm that owns and operates learning app Byju's, the startup said on 9 January. According to a person familiar with the matter, the investment will raise the valuation of India's third-largest startup by around 45% to about \$8 billion. Tiger Global's latest investment is a standalone funding, unlike previous rounds when multiple investors had together bought into Byju's. Its last round of funding saw a \$150 million infusion led by Qatar Investment Authority in July last year, the person cited above said on condition of anonymity.

2. Government to slash time taken to start new business to 5 days

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

The government is set to slash the requirements & time taken for starting a new business from 10 process and 18 days to five processes and as many days. Ten key services, including name reservation, incorporation as well as registration for various taxes such as goods and services tax, will soon be available via two forms instead of multiple individual ones at present. The Ministry of Corporate Affairs will in a month unveil the two new forms — 'Spice Plus' and 'Agile Pro' which will replace six forms currently required to avail of these services, a government official said. These two forms will provide access to GSTIN, PAN, TAN, ESIC, EPFO, DIN, bank accounts and professional tax.

3. India to manufacture low-cost medical devices: Nitin Gadkari

Source: Money Control ([Link](#))

Union MSME minister Nitin Gadkari said his department plans to set up five parks to manufacture low-cost medical devices in the country. He also informed about a project being carried out under the Defence Research and Development Organisation (DRDO) to manufacture 'Cochlear implant' equipment. The equipment will be available at 50 per cent of its cost to people

soon, Gadkari said at the annual conference of the Association Otolaryngologists of India. The Micro, Small & Medium Enterprises (MSME) ministry is working on manufacturing low-cost medical devices in the country itself so that poor people could benefit out of it. The ministry will be setting up five parks to manufacture medical devices in India, out of which one has already started in Vishakapatnam, Gadkari said.

4. Commerce ministry holds meeting with SEZ players to discuss issues

Source: Money Control ([Link](#))

The commerce and industry ministry on January 9 held a meeting with special economic zone (SEZ) players and discussed ways to further promote growth of the sector, an official said. The meeting took up certain suggestions from Bharat Forge Chairman Baba Kalyani-led committee on SEZ that are not yet implemented, the official said. One of the members of this committee, Srikanth Badiga, said issues related to further improving ease of doing business for these zones were also discussed. The industry demand to extend the direct tax incentives to SEZ units beyond March 31 also figured in the meeting. In the Budget 2016-17, the government had stated that income tax benefits to new SEZ units would be available to only those units that commence activity before March 31, 2020

5. India bans import of desiccated coconut priced below Rs 150 per kg

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

The government has banned imports of desiccated coconut priced below Rs 150 per kg, a move aimed at discouraging inbound shipments of the commodity. Desiccated coconut is grated and dried form of coconut used in the food industry. “Import of desiccated coconut with CIF (cost insurance freight) value of Rs 150 and above per kilogram is free and import below CIF value of Rs 150 per kilogram is prohibited,” the directorate general of foreign trade (DGFT) said in a notification. The DGFT, an arm of the commerce ministry, deals with export and import related matters. In 2018-19, India imported desiccated coconut worth \$7.45 million. However, during April-November 2019-20, the imports significantly jumped to \$21.43 million. The development assumes significance as the coconut product makers were demanding import duty on desiccated powder in the wake of rising imports from Sri Lanka.

6. Roadshows under ‘Brand Canada’ to be held across 10 Indian cities to attract investment

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

The Indo-Canadian Business Chamber and Air Canada on 9 January announced ‘Brand Canada’, a 10-city roadshow in India supported by the Trade Commissioner Service of the Government of Canada. The initiative will see Canadian provinces and companies travel to Indian cities between January and March in an effort to bring both countries closer through investment and business opportunities. “India and Canada are natural partners with mutual priorities and policy initiatives. While the two countries have a busy trade corridor, there is still untapped potential in the tier-II cities of India. As part of our continuous efforts to enhance trade and investment, the primary objective is to take the Canada story and the economic brand to the interior parts of India,” said Nadira Hamid, chief executive officer, Indo-Canadian Business Chamber.

7. Jeff Bezos, Amazon founder and billionaire, to visit India next week

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

The top executive will also attend SMBhav – an event focussing on small and medium businesses in India - that is slated for January 15-16 in the capital city. When contacted, Amazon declined to comment. Amazon founder and CEO Jeff Bezos will be visiting India next week and is likely to meet Prime Minister Narendra Modi and officials, besides industry leaders, according to sources. The top executive will also attend SMBhav – an event focussing on small and medium businesses in India – that is slated for January 15-16 in the capital city. When contacted, Amazon declined to comment. Amazon, which has seen significant growth in its business in India, has also witnessed protest from a section of traders in the country who claim that e-commerce giants including Amazon and Walmart-owned Flipkart offer deep discounts and engage in unfair business practices.

8. RBI approves Aadhaar-based video authentication as alternative to e-KYC

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

The Reserve Bank of India (RBI) on 9 January allowed video-based authentication as an alternative to the accepted e-KYC (know-your-customer) practices, but such verification will be Aadhaar-based, either online or offline. The need for video-KYC was proposed in the report of the Expert Committee on Micro, Small and Medium Enterprises, headed by UK Sinha, former chairman of the Securities and Exchange Board of India (Sebi) in June last year. The panel observed that currently for conducting even e-KYC, the customer has to be physically present

and the whole process takes lots of data handling. On the other hand, in video-KYC, the whole process can be done simply through a video chat where the customer can display documents. Such video-KYC can be done through Google Duo or Apple FaceTime, the committee had recommended. However, experts pointed out that considering these applications were of foreign origin, the RBI would unlikely allow them. Under the data protection Bill, the central bank is unwilling to let companies store customer data in foreign locations.

9. Relief to airlines: Govt scraps fuel throughput charge at all airports

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

The fuel bill of airlines is set to reduce as the civil aviation ministry has ordered discontinuation of the fuel throughput charge (FTC) collected by airports from oil companies. People in the know said the move will help airlines save close to Rs 500 crore per year. Fuel is one of the highest cost components for airlines. Airports levy charges such as FTC, infrastructure charge, and into-plane charges on sale of jet fuel. The levy is passed through to airlines, pushing up costs. FTC varies from airport to airport. At Mumbai airport, Rs 1,000 is levied per kilolitre of jet fuel. A kilolitre of ATF is priced at Rs 64,529 in Mumbai. In addition, various taxes such as GST and VAT are levied on the FTC, pushing up the cost. "For every Rs 100, tax components including GST and VAT push up the cost by Rs 60. Airports are not providing any kind of service in return. Why should we pay for that? Abolishing throughput charges is a big impetus at a time when oil prices are rising," said the CEO of a private airline.

10. Volkswagen plans to launch four SUVs in India over next two years

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

German automaker Volkswagen on 9 January said it plans to introduce four new sports utility vehicles (SUVs) in the Indian market over the next two years. The company said it would showcase its SUV range, including electric vehicle based on the MEB platform along with the world premiere of the A0 SUV from Brand Volkswagen under India 2.0 project, at the Auto Expo next month. "Owing to ever increasing consumer preferences for the SUVs, the Volkswagen brand plans to heavily focus on introducing its global line-up of SUV portfolio for the Indian market," the company said in a statement. Volkswagen Passenger Cars India Director Steffen Knapp said the company understands the rapidly changing preferences of Indian consumers.