

Daily Economic News Summary: 10 October 2019

**1. Govts may get more power to tax MNCs like Google, Facebook**

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

Countries around the world, including India, will get more power to tax big multinationals such as Google, Apple and Facebook doing business within their borders under a proposed overhaul of decades-old rules. The Organisation for Economic Co-operation and Development (OECD) has proposed to expand government rights to tax multinationals, especially big internet firms, by releasing a methodology for such taxation. The development is a shot in the arm for India which has proposed its own regulations on taxation of digital companies. “With the OECD report also supporting the right to tax, one would now have to see if and when the CBDT (Central Board of Direct Taxes) finalises the profit attribution rules.

**2. Govt identifies hundreds of products for possible import curbs**

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

The government has identified hundreds of products including electronics, toys, blankets and several daily-use items for possible “import substitution” by discouraging their shipments into the country. While a detailed list of products has been prepared by the commerce department, which is spearheading the move, a final decision will only be taken in consultation with other government agencies. The strategy to check imports could be multi-fold, including an increase in import duty to prod global players to set up shop in India and provide protection to domestic industry that may be currently manufacturing it.

**3. Cabinet approves MoUs signed between India, foreign broadcasters for exchange of technical expertise**

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

The Union Cabinet on 9 October gave approval to MoUs signed between India and foreign broadcasters in the field of radio and television to facilitate exchanges of technical expertise and training of manpower to meet emerging challenges in broadcasting. The MoUs were given ex-post facto approval at the Cabinet meeting chaired by Prime Minister Narendra Modi, an official statement said. The pacts with the foreign broadcasters will help the public broadcaster in

exploring new visions; new technologies and stiff competition; media liberalisation; and globalisation.

#### **4. India's cheapest electric car launched! Tigor EV with 213 km range priced under Rs 10 lakh**

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

Tata Motors has launched the updated iteration of the Tigor EV in India. The all-electric compact sedan now comes with a 21.5 kWh battery pack that offers an extended range of 213 km on a single charge according to ARAI certification. It will be available in three variants namely XE+, XM+ and XT+. Prices for the Tata Tigor EV starts from Rs 9.44 lakh (after deducting Govt. subsidies). With this, the Tigor EV has become the cheapest electric car available for commercial buyers. For private buyers, the prices of the Tata Tigor EV starts at Rs 13.09 lakh (ex-showroom, Delhi) and Rs 12.59 lakh (ex-showroom, India).

#### **5. Xi may push for RCEP, but Modi may stress on trade deficit at Mamallapuram summit**

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

India and China are likely to announce additional confidence building measures to strengthen relationship between the two countries when Chinese president Xi Jinping and Prime Minister Narendra Modi meet in Mahabalipuram later this week. But no new agreements are expected to be signed, a government official has said. The timing of Xi's visit to India, scheduled on October 11-12, is important as it is taking place right after his meeting with Pakistan's Prime Minister Imran Khan in Beijing and concurrently with the crucial meeting of Trade and Economic Ministers from countries negotiating the ambitious Regional Comprehensive Economic Partnership (RCEP) pact including the ASEAN, India, China and three others in Bangkok.

#### **6. Narendra Modi government gives 'highest' DA since 7th CPC's 2016 pay scales**

**Source: Hindustan Times ([Link](#))**

The Centre announced on 9 October an additional hike of 5 percentage points in the dearness allowance that would be given to 50 lakh employees and another 65 lakh pensioners from July onwards. "This is a Diwali gift from the Centre to the employees," said Information and Broadcasting minister Prakash Javadekar at a press conference in Delhi. The Centre would now release an additional installment of dearness allowance (DA) to employees and dearness relief to pensioners from July 2019 representing an increase of 5 percentage points over the existing rate of 12% of the basic pay or pension, to compensate for price rise.

## **7. Madhya Pradesh to host investors' summit to woo investments**

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

The first investors' summit of 9-month-old Congress-led government in state christened "Magnificent Madhya Pradesh" to woo investments will be organised here on October 18. The meet is aimed at attracting investments in logistics, warehousing space, agro-processing, tourism, pharma, information technology, textile and other sectors. After the introduction of Goods and Services Tax (GST), we want to develop the state into a hub of logistics and warehousing sector, chief secretary RS Mohanty told reporters. He said that the summit focuses to attract investments in agro-processing, tourism, pharma, IT, renewable energy, fast-moving consumer goods, artificial intelligence, cement manufacturing and mining sectors.

## **8. Effects of global slowdown more pronounced in India: IMF chief**

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

The global economy is witnessing “synchronized slowdown”, which will result in slower growth for 90 per cent of the world this year, and the effect is even “more pronounced” in some of the largest emerging market economies like India, new IMF chief Kristalina Georgieva has warned. The Managing Director of International Monetary Fund (IMF) pointed out that the widespread deceleration means that this year’s growth will fall to its lowest rate since the beginning of the decade. She said the World Economic Outlook to be released next week will show downward revisions for 2019 and 2020. “In 2019, we expect slower growth in nearly 90 per cent of the world. The global economy is now in a synchronized slowdown,” Georgieva said on Tuesday, in her curtain raiser speech for the IMF and World Bank’s annual meeting here next week. “The headline numbers reflect a complex situation,” she said.

## **9. Govt-industry delegation reaches out to Czech firms for scaling up investments in India**

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

With India having ushered in one of the biggest reforms by way of slashing corporate tax, a high level government-industry delegation led by secretary in the department of heavy industry, A R Sihag is reaching out to top Czech companies, including Volkswagen and Skoda Transportation to scale up their investment in India, leveraging the country as their global supply chain hub. Mr Sihag, India's Ambassador to Czech Republic Mrs. Narinder Chauhan and the EEPC chairman Mr Ravi Sehgal along with other senior government officials organised 'India Investment Meet' at the International Engineering Fair (MSV) at Brno, in central Europe, on October 8. An Indian

pavilion with a strong presence of engineering and technology firms, is showcasing the country's capability to the global businesses at the prestigious fair, between October 7- 11,2019.

#### **10. Bharti Airtel raises \$750 mn from investors based in Asia, Europe and US**

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

Bharti Airtel on 9 October said it has raised \$750 million (about Rs 5,330 crore) from investors based in Asia, Europe and the US through a hybrid financial instrument. Bharti Airtel said in a statement that "its wholly-owned subsidiary Network i2i Limited, has priced ... offering of \$750 million 5.650 per cent subordinated perpetual securities." The proceeds shall be used for refinancing, investments in subsidiaries and general corporate purpose. Bharti Airtel's Treasury Head Ashish Sardana said in the backdrop of the current global economic environment, the strong response for its inaugural hybrid securities offering from high quality investors across Asia, Europe and the US underlines the future growth potential of its business. "The securities have been distributed to fund/asset managers, insurance companies etc," a banker closely involved in the transaction said.