Daily Economic News Summary: 11 December 2018

1. RBI Governor Urjit Patel Resigns Amid Messy Face-Off With Govt
Source: Livemint (Link)

In a shock move, Reserve Bank of India (RBI) governor Urjit Patel resigned on 10 December. Officially, his resignation letter, all of 88 words, cited personal reasons for the abrupt exit; unofficially, it is apparent that Patel was a victim of the messy face-off between RBI and the government. Of immediate concern is the fallout of Patel's departure, which came ahead of his tenure ending next September, on the financial markets, particularly with respect to the sentiments of foreign investors and rating agencies. They are likely to take a dim view of the resignation, given that the meltdown of some non banking financial companies (NBFCs) in the backdrop of an unprecedented bad loan crisis has cast a shadow of instability over the financial sector.

2. UK Court Ends The Good Times For Vijay Mallya
Source: Livemint ((Link)

The Westminster Magistrates' Court in London on 10 December ordered United Breweries chairman Vijay Mallya's extradition to India. The verdict is a major breakthrough in the case for India's investigation agencies, the Central Bureau of Investigation (CBI) and the enforcement directorate (ED), which have charged Mallya with defrauding loans of up to ₹9,000 crore. Mallya now has 14 days to appeal against the decision and can move the higher courts in the UK. If his plea challenging his extradition is turned down, he will be extradited in the subsequent 28 days. The investigative agencies and banks have been trying to close in on Mallya since he fled to London in March 2016.

3. Good Jump! Corporate Tax Collection Up 18 Per Cent In April-November, Fastest In Five Years
Source: Financial Express (Link)

Corporate tax (CIT) collection grew an impressive 18.3% in April-November of FY19, the fastest pace in at least the last five years, thanks to a better compliance brought about by goods and services tax (GST), digitisation and inter-linking of various government departments leading to an efficient detection of tax evasion. Although the earning of the listed companies in the July-September quarter has been muted, over two-third of CIT comes from unlisted companies which

may have started paying more taxes as avenues of evasion has narrowed, said tax practitioners. The targetted growth for CIT in FY19 is 10.1% .

4. Gifts' From Chinese Apps, E-Commeerce Companies On Govt Radar
Source: The Economic Times (Link)

India is considering imposing restrictions on online purchases of goods from Chinese ecommerce platforms and applications in a move triggered by concerns over adverse impact on local manufacturing and violation of domestic laws. The department of industrial policy and promotion (DIPP) has suggested capping purchases of "gifts" from Chinese etailers and apps at four per buyer per year, a senior official told ET. A large number of products from China are entering India as 'gifts' and shipped directly to customers, according to experts, since gifts of up to Rs 5,000 intended for personal use are exempt from customs duties under the current rules.

5. Tea Exports To Pakistan Up 22 Per Cent During Jan-Oct
Source: The Economic Times (Link)

Exports of tea to Pakistan during the first 10 months of 2018 rose 22 per cent at 13.07 million kg as compared to 10.65 million kg in the corresponding period of 2017, the Tea Board said on 10 December. Major country-wise exports from January to October stood at 200.38 million kg as against 198.86 million kg a year ago, as per provisional estimates released by the board. Iran was the highest importer of Indian tea at 23.04 million kg during the reporting period, topping the year-earlier figure of 22.13 million kg.

6. Modi Government Cuts Power-For-All Target As Deadline Nears
Source: Financial Express (Link)

Prime Minister Narendra Modi is nearing his deadline to electrify every Indian home. That job has become a little easier after 10 million homes, or about one-quarter of the goal, were chopped off the list of those in need of power. The target has been narrowed after on-the-ground surveys revealed large numbers of families that had left their villages and migrated to urban areas, P.V. Ramesh, chairman of REC Ltd., which is implementing the rural electrification program, said in an interview. As well, multiple families living under the same roof have been grouped into one household after they agreed to have a common power connection, Ramesh said.

7. Japan's Sansan Raises $26.43 Million To Aid India Growth
Source: Livemint ([Link](#))

Sansan Inc, a Japanese B2B (business-to-business) professional card managing app, launched Eight, its flagship product, in India, last year. The company plans to deploy a part its Series E funding to develop the product further for a bigger foray into the Indian market. The flagship app currently has around 1,00,000 registered users in India and around 2 million across Singapore and Japan. Sansan raised $26.43 million in Series E funding from Japan Post Capital, T. Rowe Price, SBI Investment and DCM Ventures, according to a statement released by the company on Thursday. Amit Mishra, director of strategy at Eight, did not reveal the exact amount that will be invested in India.

8. India, WTO Members Suggest Changes In Norms For Dispute Resolution Body
Source: Business Standard ([Link](#))

Expressing concerns over delay in appointment of members in appellate body of WTO's dispute settlement system, 13 countries, including India, European Union and China, have floated a proposal 10 December to amend norms for smooth functioning of the dispute resolution mechanism. There is an issue in appointment of members to the appellate body of the World Trade Organisation's (WTO) dispute settlement mechanism. The US has blocked appointment of these members. It is creating uncertainty in the functioning of a key arm of the Geneva-based multi-lateral body. Concerns have also been expressed that the appellate body has a tendency to make findings on issues not necessary to resolve a dispute