

**Daily Economic News Summary: 11 October 2019**

**1. RCEP Bangkok Ministerial: Talks on investment, e-commerce, trade remedies yet to be settled**

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

Negotiations on four of the critical chapters investment, e-commerce, rules of origin and trade remedies for the 16-nation Regional Comprehensive Economic Partnership (RCEP) agreement are yet to be settled, although talks on as many as 21 of the 25 chapters have been concluded. Commerce and industry minister Piyush Goyal will attend the last ministerial meeting of the RCEP grouping, which will be held in Bangkok on October 11 and 12. This will be followed by a summit of the leaders of the 16 member-nations on November 4, where the mega trade deal is expected to be announced. Prime Minister Narendra Modi will attend the leaders' summit, according to an official statement.

**2. India jumps to 7th spot in Brand Finance Nation ranking**

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

India jumped two levels to 7th position in the Brand Finance Nation ranking of 2019 despite the reduction in the overall economic growth due to slowdown in the manufacturing and construction sectors. As per the latest report by independent brand valuation consultancy Brand Finance, India has jumped to seventh position from 9th last year, after recording a solid 19 per cent growth in brand value to USD 2.6 trillion. "The Indian economy was quick to recover after the global financial crises with growth now reduced by a recent slowdown in both the manufacturing and construction sectors," it said.

**3. Hyderabad Nizam's descendants demand share in £35-million fund lying in UK Bank, to move court**

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

The heirs of the last Nizam of Hyderabad, Mir Osman Ali Khan, have demanded their share in the £35-million fund lying in a bank in the United Kingdom after a court ruled that the money belonged to the Indian government and 7th Nizam. In its October 2 verdict, the Royal Courts of Justice in London ruled that the "Nizam VII was beneficially entitled to the fund and those

claiming in right of Nizam VII – the Princes and India – are entitled to have the sum paid out to their order”. The case had virtually become a India-Pakistan clash with the neighbouring country claiming the right over the money.

#### **4. Online food delivery may touch \$12.53 billion by 2023**

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

India’s online food delivery market is estimated to touch \$12.53 billion by 2023 on the back of high growth rate, according to a recent report by DataLabs by Inc42. Compared to the global growth rate of 9.01%, the online food delivery market in the country is growing at 15%, the report said. A total of \$5.24 billion has been raised by Indian start-ups between 2014 and H1 2019, of which 56% has been for food-tech start-ups, the report showed. Food-tech start-ups contributed 42% of the total consumer services deal count between 2014 and 2018. Swiggy and Zomato backed by deep-pocketed Naspers and Ant Financial, respectively, lead India’s food delivery market. While Swiggy so far mopped up close to \$1.5 billion in funding, Zomato raised close to \$800-million funding till date. According to analysts, Swiggy and Zomato jointly delivered about 96 million orders in the year April 2017 till March 2018. The report said Zomato and Swiggy have about 63% share in terms of app installs in food-tech sector.

#### **5. Amazon, Flipkart execs meet DPIIT officials over deep discounting allegations**

**Source: Livemint ([Link](#))**

After complaints from brick and mortar retailers alleging predatory pricing and deep discounting by the e-commerce companies during their ongoing festive sales, senior officials of the Department for Promotion of Industry and Internal Trade (DPIIT) on 10 October met representatives of Amazon and Flipkart. Confederation of All India Traders (CAIT) Secretary General Praveen Khandelwal had alleged that e-commerce companies are following unethical business models and violating foreign direct investment norms. The meeting was chaired by an additional secretary-level officer of the department. However, an official word on the meeting was not available. PTI reported an Amazon spokesperson saying, "We had open and transparent discussion with DPIIT officials. We thank the Ministry of Commerce and Industry for the opportunity and we are always available for further engagement as needed."

## **6. FM Nirmala Sitharaman assures change in cooperative bank laws if required**

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

The government is ready to bring in changes in the laws governing multi-state cooperatives, which also run banks, Finance Minister Nirmala Sitharaman said on 10 October. She also said a three-member committee comprising two secretaries of the finance ministry and a deputy governor of the Reserve Bank of India (RBI) would be set up to look into the issues of multi-state co-operative banks. While speaking at a press conference here, Sitharaman said, "If amendments are going to help us curb malpractices and regulate and empower them better, the RBI will do it." She added that the committee that would look into the matter would take necessary legislative steps to prevent such things from happening in future and empower the regulator. "In the forthcoming winter session of Parliament, if necessary, we will be bringing important legislation changes, which may be necessitated."

## **7. Haldiram emerges sole bidder to buy debt-ridden dairy firm Kwality with offer of Rs 130 cr**

**Source: Firstpost ([Link](#))**

Delhi-based Haldiram group has emerged as the sole bidder for acquiring debt-ridden dairy firm Kwality with an offer of around Rs 130 crore in the ongoing insolvency process, sources said. The lenders are likely to vote on Haldiram's bid later this month, they added. Shailendra Ajmera, who is part of multinational consultancy firm EY, has been appointed as the resolution professional to conduct the insolvency proceedings, which started in December 2018 following an order of the National Company Law Tribunal (NCLT). Global private equity player, KKR had filed insolvency plea against Kwality.

## **8. India, China private sector inks 129 MoUs ahead of Modi-Xi Jinping meet**

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

A day ahead of the meeting between Prime Minister Narendra Modi and Chinese President Xi Jinping, 129 memoranda of understanding were signed between the private sector of both the countries for exports of various products such as chemicals, plastics, pharma, and fertiliser. At Ficci's India-China Meeting and Signing Ceremony, Zhu Xiaohong, counsellor, Embassy of China, said the imbalance in trade in goods between the countries has been one of the factors troubling economic cooperation. "To make it clear, China has never deliberately pursued trade

surplus. China is fully aware that balanced trade is sustainable and beneficial to both sides,” she said. India has time and again raised the issue of widening trade deficit with China, which stood at over \$50 billion in 2018-19. It has also raised concerns that domestic sectors like information technology, agri, and pharma do not get fair market access in China.

### **9. Indian miners reject govt plan to link coal index to foreign prices: Report**

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

India's miners are rejecting a government proposal to establish a national coal index that would be linked to international prices, documents reviewed by Reuters show, because it could make domestic supply uncompetitive. The government is creating a coal price index as part of its plans to open the coal sector to outside investment and end state-run Coal India's control over prices. The country plans to invite bids from global firms for coal mining blocks by the end of 2019. A government panel has proposed one index that would link directly to foreign indexes, such as in Indonesia and Australia and a second proposal that measures the value and volume of all coal transactions, including imports, and compares them to a base period, government documents reviewed by Reuters showed.

### **10. Moody's cuts India GDP growth forecast to 5.8%**

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

International rating agency Moody's on 10 October announced the lowering of India's Gross Domestic Products (GDP) growth to 5.8 per cent. This is lowest projection after the Reserve Bank of India cut the GDP growth to 6.1 per cent earlier this month. "We forecast real GDP growth to decline to 5.8 per cent, in the fiscal year ending in March 2020, from 6.8 per cent in fiscal 2018, and to pick up to 6.6 per cent in fiscal 2020, and around 7.0 per cent over the medium term," the agency said. It said that India's growth will remain weaker than in the recent past at 5 per cent year-on-year in the April-June quarter of 2019. India's real GDP growth has slowed markedly.

### **11. Rules for input tax credit tweaked**

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

In an effort to curb the menace of fake invoices and boost cash flow, the government has limited the input tax credit (ITC) to be availed by Goods and Services Tax (GST) assesses, in case the

details have not been uploaded by the supplier. However, the apprehension is that it will increase the work load for assesses. The existing system prescribes assesses to file two return forms — GSTR 1 (outward sales with tax liability) and GSTR 3B (summary returns with final tax payment). Since, both are not auto linked, this could result in showing higher liability, claiming higher input tax credit and paying less tax in cash. In other words, irrespective of the credit being visible in GSTR 2A (auto generated return for purchases), the service recipient used to claim credit without any restriction subject to having the invoice copy and satisfying other conditions laid down under the law.