

Daily Economic News Summary: 15 October 2019

Daily Economic News Summary: 15 October 2019

1. Paytm close to score \$2 billion funds from SoftBank, Ant; valuation to soar to \$16 billion **Source: Financial Express ([Link](#))**

Paytm is close to scoring \$2 billion of new financing from investors including Jack Ma's Ant Financial and SoftBank Group Corp. Paytm is close to scoring \$2 billion of new financing from investors including Jack Ma's Ant Financial and SoftBank Group Corp., a person familiar with the matter said, describing a mega-deal that will raise the temperature in India's increasingly heated financial payments arena. Rob Citrone's Discovery Capital Management is also in discussions to join a funding round that values the country's top online financial services firm at \$16 billion, the person said, asking not to be identified talking about a private deal. The funding will be split evenly between equity and debt and is aimed at helping Paytm fend off an influx of rivals, the person said. Talks are in their final stages but the terms could still change, the person added.

2. RCEP negotiators asked to settle issues by October 22 **Source: Financial Express ([Link](#))**

Trade ministers and negotiators of the 16 nations will have to present to their respective leaders which issue can or can't be settled now so that appropriate announcement can be made at the leaders' summit next month, according to the source. Even as differences between India and some others at the 16-nation Regional Comprehensive Economic Partnership (RCEP) talks persist, the group's members have decided that all issues must be settled by negotiators by October 22, virtually leaving little time for New Delhi to make up its mind on sticky points. The issues that are not settled by October 22 will be frozen for a decision only by the leaders (heads of states), before they are expected to meet on November 4 to announce the RCEP deal, a source close to the development told FE.

3. Tensions rise as Kuala Lumpur, Delhi weigh tit-for-tat tariffs

Source: Livemint ([Link](#))

Tensions seem to be brewing between India and Malaysia, with both the countries reportedly eyeing reciprocal trade curbs following prime minister Mahathir Mohammed's support for Pakistan over India scrapping a temporary article in its constitution granting special status to Kashmir, according to news reports. Mahathir has said his government will monitor bilateral trade with India following reports that New Delhi was considering punitive trade measures on the Southeast Asian nation over his criticism of India's actions in Kashmir, Reuters news agency reported on 14 October. According to the report, New Delhi was looking to cut or limit palm oil imports and other goods from Malaysia in retaliation to Mahathir's speech at the United Nations in September when he said India "invaded and occupied" Jammu and Kashmir.

4. RBI governor to meet PSU banks' chiefs today, may discuss rate transmission

Source: Livemint ([Link](#))

Reserve Bank of India (RBI) governor Shaktikanta Das will meet heads of public sector banks on 15 October as the central bank looks to push greater transmission of policy rates. According to two public sector bank chiefs, Das is expected to discuss transmission of repo rate cuts into lending rates, stressed assets and credit growth by these banks. This follows 14 October's meeting of the bankers with finance minister Nirmala Sitharaman. "While the meeting with the finance minister focused largely on credit growth and the micro, small and medium enterprise (MSME) segment, the governor will take stock of the lending rate scenario and stressed assets," said the first banker quoted above.

5. Group insolvency resolution: UK Sinha-led panel recommends phased implementation of framework

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

The UK Sinha-led Working Group on Group Insolvency has called for a legal framework to facilitate insolvency resolution and liquidation of companies belonging to a group. The framework may be enabling, and may be voluntarily used by relevant stakeholders of the company, the Working Group recommended in its 100-page report submitted to insolvency regulator IBBI recently. Indications are that the recommendations of the working group report will be considered at the upcoming meeting of the Insolvency Law Committee. Meanwhile, only

provisions relating to communication, cooperation and information sharing may be made mandatory for insolvency professionals, Adjudicating Authorities and Committee of Creditors (CoC) of the companies which belong to a group and have been admitted into CIRP, the report said.

6. Indian-American Abhijit Banerjee, two others win 2019 Nobel economics prize

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

Abhijit Banerjee and Esther Duflo of the Massachusetts Institute of Technology and Michael Kremer of Harvard University were awarded the 2019 Nobel Prize in Economics “for their experimental approach to alleviating global poverty.” “The research conducted by this year’s Laureates has considerably improved our ability to fight global poverty. In just two decades, their new experiment-based approach has transformed development economics, which is now a flourishing field of research,” according to a statement on 14 October. Banerjee, born 1961 in India, got his PhD in 1988 from Harvard University. Duflo, who was born in 1972 in Paris, obtained her Ph.D in 1999 from MIT. Kremer, who was born in 1964, got his doctorate from Harvard in 1992. The three were recognized for their ability to divide the vast issue of tackling global poverty into smaller subjects, the committee said.

7. Refiners slash palm oil purchase from Malaysia fearing duty hike

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

Indian refiners have stopped buying Malaysian palm oil for shipments in November and December fearing New Delhi could raise import taxes or enforce other measures to curtail imports from Kuala Lumpur, five traders told Reuters on 14 October. Lower purchases by India, the biggest buyer of Malaysian palm oil so far in 2019, could lead to higher inventories and put pressure on Malaysian palm oil prices, but help rival Indonesia in raising its shipments to India. India is considering restricting imports of some products from Malaysia including palm oil in reaction to the Southeast Asian country’s leader criticising New Delhi for its actions in Kashmir, Reuters reported on 11 October.

8. China's Huawei says it's open to 'no backdoor' agreement with India

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

China's Huawei Technologies is ready to enter into a "no backdoor" agreement with India to allay security concerns, the telecom group's local head said on 14 October as the giant South

Asian country prepares to launch next generation 5G networks. India, the world's second-biggest wireless market by users, will hold an airwaves auction for 5G services before March, according to the country's Telecoms Minister Ravi Shankar Prasad. It has yet to begin 5G trials and has not taken a decision on allowing or banning Huawei from the test runs amid a U.S.-led push to shut out the Chinese tech and telecoms group, saying its gear contained "back doors" that would enable China to spy on other countries. Beijing denies such a plan. Indian telecom carriers Bharti Airtel and Vodafone Idea have used Huawei, as well as its European rivals Nokia and Ericsson, to build their 2G, 3G and 4G networks and have previously underscored the importance of having all three players in India to maintain competition, price and service quality.