

Daily Economic News Summary: 16 August 2019

1. PM Modi reviews state of economy with Sitharaman, Finance ministry officials

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

Prime Minister Narendra Modi on 15 August comprehensively reviewed the state of the economy with Finance Minister Nirmala Sitharaman as his government scrambled for solutions to tackle a fast-spreading slowdown in various sectors, which is eroding wealth and causing job losses. Modi, after delivering his sixth straight address to the nation on the Independence Day from the ramparts of the Red Fort in New Delhi, went into brainstorming with Sitharaman and all top officials in her ministry, sources privy to the development said. The meeting, they said, was to assess the nature of the slowdown and its long-term impact. There are expectations that the government would come out with sector-specific stimulus sometime soon.

2. Saudi Aramco defends its hold on coveted Indian oil market with Reliance tie-up

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

Saudi Aramco's proposed purchase of part of India's Reliance Industries will allow it to regain its grip on the world's fastest-growing oil market where suppliers including the US and Russia are making inroads. Aramco's plan to buy 20 per cent of the oil-to-chemicals business of Reliance which includes the world's biggest refining complex at Jamnagar on India's west coast comes with an assurance to buy half a million barrels a day of the kingdom's crude on a long-term basis. That's around 25 million tons a year and will allow Saudi Arabia to easily reclaim the top supplier spot from Iraq.

3. MeitY wants fresh incentives for electronics manufacturers

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

The ministry of electronics and information technology (MeitY) has proposed fresh incentives to boost electronics manufacturing in India after three major schemes ended last year. The proposals include 4-6% interest rate subsidy on loans for new investments, renewal of the electronic manufacturing cluster (EMC) scheme and waiver of collateral for loans taken to set up machinery. The move comes after the three marquee schemes of the government designed to kickstart local electronics manufacturing in India ended in 2018. The fresh proposals have been sent to the finance ministry, officials told ET. Currently, an inter-ministerial panel set up by the

Prime Minister's Office (PMO) and headed by the Niti Aayog is working on a roadmap to develop India as a global hub for electronics manufacturing.

4. Jalan committee finalises report on RBI reserves; board meet on Aug 23

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

The Reserve Bank of India's (RBI's) central board meeting scheduled to be held on August 23 will likely take up the report of the Bimal Jalan committee, tasked with reviewing the central bank's economic capital framework. The six-member expert committee held its last meeting on Wednesday, according to sources, to finalise a "fresh report", which will be submitted to RBI Governor Shaktikanta Das before the central board meeting later this month, said a committee member, who didn't wish to be identified. The Jalan committee report will not have the views of former finance and economic affairs secretary Subhash Chandra Garg, who had proposed to submit a dissent note, according to the source

5. US appeals against WTO ruling favouring India in renewables case

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

The US has appealed against a WTO panel ruling favouring India. In its complaint, India had alleged that local content requirements and subsidies for the renewable energy sector in several American states were discriminatory and against multinational rules. The appeal, which was discussed at the WTO's Dispute Settlement Body (DSB) meeting on 15 August, however, may not be taken up by its the global organisation's Appellate Body, as it could become dysfunctional in December. A WTO panel had ruled in June in favour of India, which claimed that subsidies and mandatory local content requirements in 11 renewable energy programmes in eight American states-Washington, California, Montana, Massachusetts, Connecticut, Michigan, Delaware and Minnesota are inconsistent with global trade rules.

6. India's battle to catch China in payment apps; country to become more digital

Source: Livemint ([Link](#))

The playing field in India's rapidly expanding market for digital payments is poised to get more crowded as the country races to catch up with China in squeezing out the use of cash, according to the head of the South Asian nation's payments network. That means Indians will continue to face a bewildering array of payments apps provided by Facebook Inc., Google, Amazon.com Inc. and others, in contrast to China where two home-grown technology giants dominate the market. "India will remain a multiple-player model where the consumer has a choice to continue to use

his bank account, and for the last mile can use any app which he sees fit," said Dilip Asbe, the chief executive officer of National Payments Corp. of India. "We give equal opportunities to both small and large players, unlike China," he added in a recent interview.

7. Paytm to invest ₹750 crore to reach 250 mn monthly active users by March 2020

Source: Livemint ([Link](#))

Digital payments firm Paytm on 15 August said it will invest ₹750 crore to approximately double its monthly active user base on mobile to 250 million by March 2020. The company expects its Paytm Inbox service to accelerate the growth as it has garnered 27 million monthly active users and expects additional 60-70 million new customers to come on board by end of the current fiscal year. "We are already seeing 27 million monthly active users on Paytm Inbox. Now that we are upgrading it to the next level with innovative use of the content, we hope to get around 60 to 70 million new users of the app. Our target is to have 250 million monthly active users this year," Deepak Abbot, Sr. Vice President, Paytm said in a statement.