Daily Economic News Summary: 17 December 2019

1. Reliance Industries topples Indian Oil Corporation to become country's largest company in Fortune India 500 list
Source: Firstpost (Link)

Boosted by its consumer-facing businesses like organised retail and telecom, Reliance Industries ended state-owned Indian Oil Corporation's (IOC) 10-year reign as India's largest company, topping the Fortune India 500 list. With a revenue of Rs 5.81 lakh crore in 2018-19, the Mukesh Ambani-led conglomerate also became the first privately-held and the only other company to become India's largest corporation apart from IOC for the first time in 10 years, Fortune India said. State-owned Oil and Natural Gas Corporation (ONGC) was ranked third, same as in 2018. It was followed by State Bank of India, Tata Motors and Bharat Petroleum Corporation Ltd (BPCL) -- all with no changes in their ranking between 2018 and 2019. The list does not take into account subsidiaries of companies and so ONGC's ranking does not reflect those from its recently acquired Hindustan Petroleum Corp Ltd (HPCL) as well as ONGC Videsh Ltd.

2. First electric vehicle public charging station in Delhi has been inaugrated
Source: Firstpost (Link)

In a bid to build a robust EV charging infrastructure, state-run Energy Efficiency Service Ltd (EESL) and South Delhi Municipal Corporation (SDMC) on 14 December inaugurated the first electric vehicle public charging station in south Delhi. The inauguration coincides with the National Energy Conservation Day being celebrated across the country, EESL said in a statement. The charging station has been installed in the SDMC parking area of Greater Kailash-1 N Block market. EESL has installed the charging station after signing an agreement with SDMC. This is the first of the 75 charging stations to be installed across SDMC areas as per the agreement.

3. Government tapping corporates to spur investment, boost economy: Report
Source: Money Control (Link)

The government has approached 25 large corporate houses to ascertain their investment and expansion plans and address pain points in order to boost economic activity and investments, The Times of India reported. Moneycontrol could not independently verify the report. The five-year investment roadmap and short-term expansion plans have been sought, besides addressing issues raised by the companies. The government would try and connect the corporates to the relevant authorities in order to iron out regulatory, licence, or funding-related problems, the paper quoted an officer say. Initiated under the Project Management Cell (PMC) by Commerce and Industries Minister Piyush Goyal, the process has been on for a few weeks, the paper said.

4. India slips to 112th place on gender gap; in bottom-5 on health, economic fronts
Source: Money Control (Link)

India has slipped four places to rank 112th globally in terms of gender gap amid widening disparity in terms of women's health and survival and economic participation -- the two areas where the country is now ranked in the bottom-five, an annual survey showed on 16 December. While Iceland remains the world's most gender-neutral country, India has moved down the ladder from its 108th position last year on the World Economic Forum's Gender Gap Report to rank below countries like China (106th), Sri Lanka (102nd), Nepal (101st), Brazil (92nd), Indonesia (85th) and Bangladesh (50th). Yemen is ranked the worst (153rd), while Iraq is 152nd and Pakistan 151st.

5. Economic Advisory Council of Fin Comm discusses GST stabilisation, tax collection issues
Source: Money Control (Link)

Economic Advisory Council of the Fifteenth Finance Commission on December 16 discussed issues related to GST stabilisation and possible ways to improve tax collection for additional resource mobilisation. "Advisory Council was informed about submission of the 2020-21 report and now the Commission is on its next task of preparing the report for 2021-26 period," said an official release after the fifth meeting of the Fifteenth Finance Commission. Talking to reporters, Finance Commission Chairman N K Singh said the Commission plans to make recommendations on Goods and Services Tax (GST), which will be for the GST Council to consider.

6. Nitin Gadkari approves changes in Interest Subvention Scheme for MSMEs
Source: Money Control (Link)

Union Minister Nitin Gadkari on December 16 approved changes in the Interest Subvention Scheme guidelines for micro, small and medium enterprises, and said the modifications are expected to boost their productivity through access to credit at reduced cost. The Minister for Road Transport & Highways and MSME reviewed the functioning of the scheme. "It is expected that the modifications in the scheme guidelines will lead to fulfilment of objectives of the scheme, i.e. to increase productivity in MSMEs through access to credit at reduced cost," Gadkari said. The minister highlighted that the government is committed to enhancing credit to the MSME sector and the implementation of the scheme is being closely monitored to help micro, small and medium enterprises (MSMEs) get incremental credit of up to Rs 1 crore with an interest subvention of 2 per cent.

7. Budget may rejig duties to boost local manufacturing
Source: The Economic Times (Link)

The upcoming budget could see another rejig of basic customs duties on select products as the government attempts to push local manufacturing. The commerce and revenue departments are in discussions on the matter and will take a final call closer to the budget, which is likely to be presented on February 1. Metals including aluminium, copper and steel, select chemicals and plastics are some areas in focus, as are certain consumption goods. There is gap between bound rates and effective rates, an official said, pointing to the scope for increasing tariffs. A bound tariff rate is the maximum allowed by the WTO to any member state for imports from another member state.

8. Government mulls new duty on imports
Source: The Economic Times (Link)

Ahead of the Budget, the commerce department has asked the finance ministry to levy border adjustment tax (BAT) on imported goods to offset the impact of levies such as electricity duty, clean energy cess, levies on fuel and royalty that are not part of goods and services tax (GST). “Such taxes (which are not part of GST), while resulting in an increase in the cost of production of domestic goods, also place them on an unequal footing vis-a-vis imports rendering our exports uncompetitive, commerce secretary Anup Wadhawan has proposed to the revenue department. An estimate suggested that coking coal, which faces clean energy cess, constituted 40% of the raw material cost producing steel, officials told TOI. An analysis shared by a steel manufacturer with the commerce department has estimated that the share of non-creditable taxes in the sale price of hot-rolled coil may be as much as 5% of the sale value, while in case of imports it could be around 3% of the price.

9. Moody's slashes FY20 growth forecast to 4.9% on weak household consumption
Source: Business Standard (Link)

Moody's Investors Service has lowered India's gross domestic product (GDP) growth projection for the 2019-20 fiscal year to 4.9 per cent from 5.8 per cent, citing weak household consumption. The rating agency said slower economic growth over the past few quarters would dent the debt repayment capacity of households and hurt retail loan quality. Private-sector banks have a larger exposure to retail loans and may be more at risk. However, the increase in non-performing loans (NPLs) will likely be gradual. Moody's, in a statement, said India's growth had decelerated as an investment-led slowdown had now broadened into weakening consumption. Financial stress among rural households and sluggish job creation are among the key drivers of the slowdown.

10. India joins elite club to enable free 24x7 NEFT funds transfer facility
Source: Business Standard (Link)

India moved to round-the-clock payment transfer system effective on 16 December, joining only a handful of countries globally to do so. On top of it, the Reserve Bank of India (RBI) said effective January 1, banks should not charge anything to their savings account holders for availing such a facility through online or mobile modes. From 16 December, the facility got activated, and banks have started offering their customers round-the-clock NEFT services, except for a half an hour break after midnight in some cases. Earlier, effective July 1, the RBI had waived processing charges it for transactions processed in NEFT. Last week, the RBI had opened a special window for settlement of the NEFT transactions. On 16 December, between 12 am to 8 am, over 1.14 million transactions were settled, according to the central bank. This, according to RBI Governor Shaktikanta Das, is RBI's effort to offer Indian customers a bouquet of e-payment options. Freeing up such transactions was to give further impetus for such digital retail payments.