

Daily Economic News Summary: 17 January 2018

1. Modi @Davos: PM has to be India's Marketing Chief

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

The 2018 World Economic Forum (WEF) meeting at Davos, Switzerland, that will take place during January 23-26 comes with a very different background from the last few years. For one, 2017 turned out to be a much better year for the global economy than had been anticipated. Global growth was a healthy 3.5% and well distributed across the world. Stock markets were on a tear, including here in India, clocking returns not seen since the halcyon pre-financial crisis days. While there has been a lot of talk about 'economic nationalism', nothing fundamentally changed in the global order. For India, this year will be even more important due to the participation of the Indian PM after 20 years. For Prime Minister Narendra Modi, there are two clear agenda points. "The first is to continue to aggressively promote India as an investment destination. We need much more investment, and what better forum than Davos with its high concentration of global CEOs, investors and influencers to make a pitch".

2. 'Exports are the Key to Doubling Farmers' Incomes'

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

Incremental additions to growth in agricultural sector won't help in doubling the incomes of farmers as envisaged by Prime Minister Narendra Modi. What the country needs to do is to encourage exports and go for structural reforms in the agricultural sector, according to experts. The experts who gathered at a workshop organised by the Centre for Good Governance (CGG) and National Bank for Agriculture and Rural Development (Nabard) felt that the focus on production based strategies should make way for efforts to increase farmers' incomes. S Narsing Rao, Principal Secretary to the Chief Minister of Telangana said he felt that it was the responsibility of the governments and not that of farmers to protect the interests of consumers. In order to achieve this, the country should focus on exports, and structural reforms.

3. Thinking of Organising Mini-Ministerial Of WTO Members: Suresh Prabhu

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

India is considering holding a mini-ministerial meeting of about 40 World Trade Organization (WTO) members to discuss ways to increase global trade, Commerce Minister Suresh Prabhu said on Jan 17. He said “We are thinking of organising a mini-ministerial in India sometime in March, wherein we would like to invite friends like the US, Africa and Latin America, about 30-40 of them, and try to find out how we can actually create a new big trade volumes in the world.” Prabhu said the idea of the meeting is to deliberate upon ways to “create bigger markets”, rather than finding out ground of contentious issues. He also informed that his ministry is working on a new trade policy, which benefits global commerce. He expressed the hope that with the growth in the country's economy, India's GDP would touch USD 5 trillion in the coming years. He also said that open market and free flow of goods help increase in global trade, investments and creation of jobs.

4. Open up for Trade with ASEAN: Prof Kishore Mahbubani

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

The invitation extended to the leaders of the 10 ASEAN nations to be chief guests at the forthcoming Republic Day celebrations in New Delhi is a powerful signal of India's increasing engagement with the region, but it must build on it and add substance, said Prof. Kishore Mahbubani, Professor of Public Policy, National University of Singapore, and a former diplomat of the Singapore Foreign Service. An early and concrete test for India to show its commitment is coming up shortly, he said, pointing to the approaching deadline for signing a Regional Comprehensive Economic Partnership (RCEP) treaty in late 2017. RCEP is a proposed Free-Trade Agreement (FTA) between ASEAN and countries such as China, Australia, Korea, Australia, New Zealand and India. He was speaking at a meeting organised by the Asia Society, India centre in Mumbai on Jan 17. He said it was no secret that among the six other nations with whom ASEAN proposes to sign the RCEP, India was the most reluctant to open its borders for trade. He said the creation of a larger trading area would be a win-win in the long-term, even though there may be a few short-term costs for India.

5. CII Urges Govt to Bring Petrol, Natural Gas Under GST

Source: Livemint ([Link](#))

Confederation of Indian Industry (CII) says till such time that crude oil, natural gas, diesel, petrol and aviation turbine fuel are included in GST, C form should be continued to avoid high tax incidence on these products. The GST was rolled out from 1 July 2017 by subsuming most of the central and state indirect taxes into a single tax. But, crude oil, natural gas, diesel, petrol and aviation turbine fuel (ATF) have not been included in the ambit of GST as of now. CII said till such time that the five are included in GST, C form should be continued to avoid high tax incidence on these products. The industry association said post GST, since C form is not available for inter-state purchase of goods and so the extra tax burden will be shifted to the consumer. It suggested that petroleum products, natural gas, electricity, alcohol and real estate should be covered under GST.

6. India to be \$5 trillion economy in 8-9 years: Suresh Prabhu

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

Commerce and Industries Minister Suresh Prabhu today said India is expected to become a USD 5 trillion economy in the next 8–9 years with the manufacturing sector contributing 20 per cent to that. “India is going to be USD 5 trillion economy in 8–9 years. USD 1 trillion will come from manufacturing. Therefore we are preparing a detailed plan what will be going in that manufacturing,” Prabhu said at an event organised by internet firms body IAMAI. He said that experts who are involved in manufacturing are preparing the roadmap and including all sectors where manufacturing can be promoted. The minister said if manufacturing alone is digitised it will create huge opportunity for technology firms. “60 per cent of the USD 5 trillion will come from services. This includes various services which are not being even thought of at present. Like home care services have tremendous scope,” he said. The minister said that USD 3 trillion may be under statement as per the plan being worked out and there are empirical evidences to back it.

7. GST Council Meet: Govt May Simplify Returns Filing Norms Tomorrow

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

On Jan 18, the GST Council will consider a host of proposals to simplify procedure for filing of returns, registration of large entities and take stock of the GSTN's readiness for e-way bill rollout from February 1. The Council, in its meeting ahead of the 2018-19 Budget, will also consider reduction in GST rates for goods and services in view of the representations received from various interest groups. This would be the 25th meeting of the Council. The committee has made as many as 16 recommendations based on the suggestions of the advisory panel. Under the Goods and Services Tax (GST) rolled out from July last year, inter-state road transport of goods beyond 10 km, with a value of Rs 50,000 and above, will mandatorily require e-way bill from February 1.

8. Commerce Ministry Plans Integrated Logistics Portal

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

The newly set up logistics division of the Department of Commerce has initiated work on an integrated logistics portal that will be a transactional e-marketplace. The move is aimed at simplifying the regulatory processes in both domestic and export-import (EXIM) logistics to reduce transactional costs and time. "The e-market place will connect buyers as well as logistics service providers with all government agencies such as Customs, port community systems, sea and air port terminals, shipping lines and railways," said an official from the Commerce Ministry. Under the MoU, CII will identify logistics challenges facing the industry and suggest action solutions to the Logistics Division. It will also interact with State governments and work on promoting the logistics sector, along with capacity building programmes. The two sides will cooperate in organising a national logistics convention each year to bring together stakeholders in the sector. Logistics costs in India, at 13-14 per cent of GDP, are higher than those in developed countries. The World Bank Logistics Performance Index ranked India 35 in 2016 compared to 54 in 2014.