

Daily Economic News Summary: 18 October 2019

1. Brexit deal spells good news for India Inc with large investments in UK

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

Britain and the European Union (EU) agreeing to a new Brexit deal spells good news for Indian companies with large investments in the United Kingdom (UK). If the agreement is ratified by the British Parliament, it will end the uncertainty plaguing the operations of many Indian companies for the last three years, said analysts. The biggest relief will be felt at Bombay House, the headquarters of the Tata group, one the largest industrial investors in the UK through companies such as Tata Motors, Tata Steel, Tata Consultancy Services, Indian Hotels, and Tata Global Beverages. The group has invested nearly 50 billion pounds in the UK since its acquisition of Corus Steel in 2007. Other Indian companies with a large exposure to Britain include Mastek, CRISIL, Solara Active Pharma, eClerx Services, Majesco, and Rico Auto Industries.

2. India ranked third in 2019 Hurun Global Unicorn List; China pips US to top ranking

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

The Hurun Research Institute has released the inaugural Hurun Global Unicorn List 2019, a ranking of the world's billion-dollar tech 'start-ups' founded in the 2000s and not yet listed on a public exchange. This is the first year of the list, and follows from the sixth quarterly Hurun China Unicorn Index. Valuations are a snapshot as of 30 June 2019. India was placed third with 21 unicorns, led by payments solutions platform One97 Communications (\$10 billion) and followed by cab aggregator Ola Cabs (\$6 billion); online educator Byju's (\$6 billion) and travel-stay finder OYO Rooms (\$5 billion). E-commerce and fintech make up 31 per cent of the world's unicorns, followed by Cloud and Artificial Intelligence (AI). The world's unicorns span 25 industries, with the 'Big 5 Industries' making up half of the total. According to Hurun Report Chairman Hoogewerf, these are the industries disrupting the world economy, initiating the Fourth Industrial Revolution, and widely considered to hold the key to the future.

3. Govt expands PM's Economic Advisory Council; appoints 3 part-time members

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

Less than a month after reconstituting the Economic Advisory to the Prime Minister, the centre has added three more part-time members to the advisory body – Neelkanth Mishra, Nilesh Shah and Anantha Nageswaran. Mishra is the India Equity Strategist for Credit Suisse, Shah is the Managing Director of Kotak Mahindra Asset Management, and Nageswaran is the Dean of IFMR Graduate School of Business. Since they are part-time members, they may not have to take leave from their current posts. The new appointments were announced through a notification by the Cabinet Secretariat on 15 October. The council was tasked with analyzing any issue, economic or otherwise, referred to it by the PM, according to its terms of reference. The body could also take up the issues suo motu. It has submitted around three-four papers to the Prime Minister's office, on issues like employment, fiscal situation, economic growth, manufacturing and infrastructure. None of its work has been made public.

4. Niti Innovation Index: Karnataka, Tamil Nadu, Maharashtra ranked top three states in innovation

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

Karnataka, Tamil Nadu, Maharashtra, Telangana and Haryana have been ranked as top five states in innovation in NITI Aayog's first Innovation Index released on 17 October. The index, released by Aayog's vice chairman Rajiv Kumar and CEO Amitabh Kant, has been developed into the lines of Global Innovation Index. Chattisgarh, Bihar and Jharkhand are at the bottom of the index among states. Among north-eastern states, Sikkim, Himachal Pradesh and Uttarakhand have top the index while Delhi, Chandigarh and Goa have topped the list among union territories in the countries.

5. Govt probing Flipkart, Amazon over alleged predatory pricing: Piyush Goyal

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

The government is probing WalMart-owned Flipkart and Amazon over the alleged predatory pricing, commerce minister Piyush Goyal said on 17 October. Warning of stringent action as per the law for any violation, he said detailed questionnaires have been sent to these companies and their response is awaited. According to media reports, the e-commerce majors have grossed up over \$3 billion in gross merchandise value during the festive sales held over the past fortnight,

which typically see over half of their annual sales. "E-commerce companies have no right to offer discounts or adopt predatory prices. Selling products cheaper and resulting the retail sector to incur losses is not allowed," Goyal told reporters. They are also not permitted to own products and sell them, he said and that they are only platforms helping sellers connect with potential buyers. Without specifying the exact transgressions, Goyal said his ministry has received complaints from the traders body CAIT alleging violations of norms by these players.

6. New industrial policy not to replicate state models

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

The government has begun work on redrafting the proposed national industrial policy, keen to offer benefits in addition to what states provide. "We don't want to replicate the state models but we have decided to engage in wider consultations," said a senior official aware of the plans. The government has already constituted a working group to prepare the contours of the new industrial policy to make India a manufacturing hub. The working group, comprising members from seven state governments, the Centre and domestic industry, will consult stakeholders, identify pain points of industry and develop actionable solutions for short and medium term and also delineate the role for the private sector in achieving the national targets.

7. India has Worked on Fundamentals of Economy, But There're Problems to Be

Addressed: IMF

Source: News 18 ([Link](#))

The International Monetary Fund on 17 October said though India has worked on the fundamentals of its economy, there are problems, including the long-term drivers of growth, that need to be addressed. The IMF on 15 October trimmed India's growth forecast by 90 basis points to 6.1 per cent. This is second downward revision in seven months and in total 120 basis points reduction. 100 basis points is equal to one percentage point. "India has worked on the fundamentals (of its economy), but there are problems to be addressed. In the financial sector, especially non-banking institutions, there are steps taken now to consolidate banks. They ought to help resolve some of these issues," IMF Managing Director Kristalina Georgieva told reporters at a news conference in Washington.