

## Daily Economic News Summary: 19 June 2019

### **1. PM Modi to attend NITI Aayog meeting of economists, sectoral experts on June 22; here's agenda**

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

Prime Minister Narendra Modi will interact with leading economists and experts on 22 June to deliberate on economic policy roadmap for promoting growth and employment generation. The meeting, being organised by government think tank NITI Aayog, will be attended by various ministers, NITI Aayog functionaries, leading economists, sectoral experts and industrialists, sources said. The meeting comes against the backdrop of recent Central Statistics Office (CSO) data showing that the economic growth slowed to a five-year low of 5.8 per cent in the fourth quarter of 2018-19, pushing India behind China, due to poor showing by agriculture and manufacturing sectors. The CSO data had also shown that joblessness was at a 45-year high of 6.1 per cent in 2017-18.

### **2. NHAI plans to seek new investor for Mumbai-Pune Expressway**

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

The National Highways Authority of India (NHAI) plans to find a new operator for the Mumbai-Pune Expressway, one of the country's busiest, with the agreement with IRB Infrastructure Developers set to end in August. NHAI expects the new deal will value the expressway at \$1-1.2 billion (Rs 7,000-8,000 crore), said two people close to the development. SBI Capital Markets has been mandated to find a buyer for the asset and feelers have been sent to global and domestic infrastructure developers such as Macquarie, Cube Highways and National Investment and Infrastructure Fund (NIIF). All have significant exposure in the toll roads segment.

### **3. Top US Senator urges USTR to reinstate India into GSP**

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

A top American Senator, from the opposition Democratic Party, on 18 June urged US Trade Representative Robert Lighthizer, to reinstate India into the Generalized System of Preference, which President Donald Trump has terminated. India's designation as a beneficiary developing nation under the key GSP trade programme was terminated by Trump after determining that it

had not assured the US that it will provide “equitable and reasonable access to its markets”. The termination is effective from June 5. “I hope we can work to solve our issues with India so they can be reinstated into the GSP,” Senator Robert Menendez told Lighthizer during a Congressional hearing on 18 June. But at the same time, he appeared to be supportive of the concerns of the Trump administration with regard to India.

#### **4. Draft e-commerce policy: Piyush Goyal asks firms to submit concerns**

**Source: The Indian Express ([Link](#))**

Commerce and industry minister Piyush Goyal has requested e-commerce firms to send their concerns about India’s draft e-commerce policy to the Department for Promotion of Industry and Internal Trade (DPIIT) within the next 10 days. The meeting, coming months after DPIIT circulated the 42-page draft policy that caused alarm especially among foreign e-commerce players, was held in order for the minister to understand the concerns of the tech industry and Indian and foreign e-commerce companies. Goyal sought their suggestions towards building “a robust data protection framework that will achieve the dual purpose of privacy and innovation and strengthen India’s position as a global tech leader with focus on trust and innovation,” stated the commerce ministry in a release following the meeting.

#### **5. GST on electric vehicles may be reduced to 5%**

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

India may cut the goods and services tax (GST) on electric vehicles to 5% from 12% to provide a stimulus to the sector that’s a high priority for the Narendra Modi government. The GST Council is set to take up the proposal at its June 20 meeting, said a senior government official aware of the development. “There is a proposal to cut tax rates on EVs among other issues,” the official told ET. Lower duties are expected to encourage global manufacturers to invest in India’s planned shift to electric vehicles in order to try and bring down pollution levels. This comes as Punjab has written to the Centre seeking a review of tax rates.

#### **6. RBI panel on MSMEs suggests Rs 20 lakh collateral-free loan under Mudra**

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

A Reserve Bank of India (RBI) expert committee on micro, small and medium enterprises (MSMEs) has recommended doubling the cap on collateral-free loans to Rs 20 lakh from the current Rs 10 lakh. This will be extended to borrowers falling under the Mudra scheme, self-help groups, and MSMEs, said a person privy to the development. If the central bank approves the

recommendation, the banking regulator will have to amend its July 1, 2010 circular that prescribes a maximum Rs 10 lakh for collateral-free loans. The proposal is part of a report prepared by the eight-member RBI committee tasked with reviewing the current framework for the MSME sector. The panel, headed by former Securities and Exchange Board of India chairman U K Sinha, on 18 June submitted its report, which is expected to be made public by the central bank on Friday.

## **7. PM Modi meets key secretaries in run up to Budget**

**Source: Money Control ([Link](#))**

Ahead of the maiden budget of his second term in office, Prime Minister Narendra Modi June 18 brainstormed with top bureaucrats of finance and other ministries for ideas to reverse a slugging economy and create jobs. Sources said the meeting at the Prime Minister's residence had in attendance all five secretaries in the finance ministry as well as Niti Aayog officials. Modi is likely to have discussed the reforms road map for every department with a view to making it easier to do business in the country and boost economy. The agenda for increasing revenue mop-up and taking reform steps to push GDP growth, which has slipped to 5-year low of 6.8 per cent in 2018-19, may have also figured in the meeting, they said. Data showed that even though inflation continued to be within the RBI's comfort range, economic growth in January-March quarter slumped to a 5-year low of 5.8 per cent, pushing India behind China, due to poor showing by agriculture and manufacturing sectors.

## **8. India to counter US protectionism with e-commerce, data security bills**

**Source: Hindustan Times ([Link](#))**

After retaliating against the US withdrawal of preferential treatment for its exports, New Delhi plans to counter Washington's growing protectionism with two pieces of legislation that can have wide-ranging impact on American firms, according to officials familiar with the matter. Of the two proposed laws, the e-commerce policy is aimed at streamlining online trade, currently dominated by American companies such as Google, Facebook, Twitter, Amazon and Flipkart. The proposed Personal Data Protection Bill calls for firms to protect personal data of Indians, such as health and financial data, religious or political affiliation, caste, sexual orientation and biometrics, by storing all data in India, government and industry officials said on condition of anonymity.

## **9. Swiggy looks to raise fresh funds from Carlyle Group**

**Source: Livemint ([Link](#))**

Food delivery unicorn Swiggy is in talks to raise money from US-based private equity fund Carlyle Group, two people aware of the matter said. If Carlyle does invest, it would mark only its second Indian technology startup bet, after backing e-commerce logistics firm Delhivery—first in 2017 and later in March this year. As recently as December, Swiggy raised \$1 billion in a round led by existing investor Naspers Ltd, the biggest ever funding round in the country's booming food-tech sector. Carlyle could invest up to \$200 million at a valuation of \$4.5 billion which Swiggy (Bundl Technologies Pvt. Ltd) is seeking, a jump from the \$3.3 billion it was valued at in December, said the first of the people cited above. While a spokesperson for Carlyle declined to comment, Swiggy did not respond to emails seeking comment.