

Daily Economic News Summary: 20 December 2019

1. South-South Cooperation: India to increase crude import from Brazil

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

In 2017-18 the South American country had supplied around 10 million tonnes of crude to India. South-South Cooperation, crude import, Brazil, New Delhi, South American nation, US sanctions on Venezuela, Iran, Saudi Oil Refinery Venezuela had been the fourth-largest oil supplier to India after Saudi Arabia, Iraq and Iran. (Reuters photo) To meet its growing energy needs, India is keen to increase its crude imports from the South American nation Brazil. In fact, when the leaders of India and Brazil meet in New Delhi next month this will be on the agenda of talks. Due to the US sanctions on Venezuela and Iran and the attack on the Saudi Oil Refinery, Indian companies have been exploring different markets including options for increasing its imports from Brazil for country's energy security. Venezuela had been the fourth-largest oil supplier to India after Saudi Arabia, Iraq and Iran. In 2017-18 the South American country had supplied around 10 million tonnes of crude to India.

2. Bengaluru retains tag as highest paying city, Hyderabad comes second; IT professionals command highest salaries: Report

Source: Firstpost ([Link](#))

Professionals from IT industry command the highest salaries, while Bengaluru has retained the tag as the highest paying city in the country, a report said on 19 December. According to Randstad Insights Salary Trends Report 2019, the average annual cost to company (CTC) in Bengaluru for talent across junior level stood at Rs 5.27 lakh, Rs 16.45 lakh for mid-level and Rs 35.45 lakh for senior level. Bengaluru had topped the list in 2017 and 2018 Salary Trends report as well. Hyderabad (Rs 5 lakh) and Mumbai (Rs 4.59 lakh) took the second and third spot for junior level roles, Mumbai (Rs 15.07 lakh) and the National Capital Region (Rs 14.5 lakh) for mid-level roles and Mumbai (Rs 33.95 lakh) and Pune (Rs 32.68 lakh) for senior roles respectively, the report noted.

3. New textiles policy to help India emerge as manufacturing and exporting hub: Govt **Source: Financial Express ([Link](#))**

The government on 19 December said the new Textiles Policy 2020 being formulated by the Centre is aimed at developing in the country a competitive textile sector which is modern, sustainable and inclusive. This new policy will have a special focus on manufacturing of apparel and garment, technical textiles, man-made fibre products and exports. The Textiles Ministry has sought suggestions for formulating the much-awaited new Textiles Policy for the next 10 years, which will envisage positioning India as a fully integrated, globally-competitive manufacturing and exporting hub. The policy will entail the strategy and action plan for the country's textile and apparel segments, while maintaining pre-eminent position in handicraft and handloom sectors. "The entire effort is being made to realise the Prime Minister's vision of 'Make in India' for the country and for identifying one strong product with export potential from every district and cluster," the Textiles Ministry said.

4. Niti Aayog seeks experts' views to strengthen population policy **Source: The Economic Times ([Link](#))**

Niti Aayog will on 20 December brain storm with top policy makers, experts and specialists on ways and means of strengthening India's population policy and family planning programme. The Aayog has partnered with the Population Foundation of India for the national level conference. Any proposal emerging from the conference will form part of the Niti Aayog working paper that will outline the road map to help achieve India's vision of attaining population stabilisation, as voiced by Prime Minister Narendra Modi in his Independence Day speech this year. "The working paper is expected to address key gaps in India's family planning programmes," Niti Aayog said in a statement on 19 December.

5. India Inc seeks steps to stimulate consumption, revive investment **Source: The Economic Times ([Link](#))**

India Inc has made a strong pitch for converging corporate tax rate to 15% over three years, ease of doing business and improving regulatory environment to safeguard investment as part of its budget wish list. At a pre-budget meeting with finance minister Nirmala Sitharaman on 19 December, industry captains sought measures to stimulate consumption, revive private investment and boost growth. "I made some suggestions around mergers and acquisitions and demergers, about NCLT processes and about certain sections of income tax that are coming in

the way of M&A or are slowing them down,” Bharti Enterprises chairman Sunil Mittal told reporters after the meeting.

6. Govt begins industry consultations

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

The government has set the ball rolling to bring back the lost glory of one of India’s largest employers - the textile sector – with an emphasis on generating jobs. The textiles ministry has started consultations on the New Textiles Policy, which will include a vision to position India as a “fully integrated, globally competitive manufacturing and exporting hub” and an action plan for the country’s textile and apparel sector. One round of consultations on manmade fibre has been held and the next round will begin soon, industry officials said. The country’s textile sector is under stress and the domestic industry faces competition from Bangladesh, Vietnam and Pakistan, among other countries. Exports of cotton yarn, made-up textile articles and handloom products declined 3.65% on year in November, while those of readymade garments fell 6.5%.

7. Business fears hit to cash flow from new GST input tax credit restriction

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

Industry fears that the Goods and Services Tax (GST) Council’s decision to further restrict input tax credit (ITC) on invoices not uploaded in the relevant form would block the cash flow of businesses, says the latter, at a time when they’re struggling on finances due to economic slowdown. On 18 December, the Council approved a proposal to restrict ITC to 10 per cent of eligible credit, against the current 20 per cent, for such invoices. The mechanism works this way: Suppose you paid Rs 1,000 as taxes to your suppliers and claimed this as ITC on your summary input-output form, GSTR 3B. You have to also ensure all your suppliers upload these invoices in their supply-side return, GSTR 2A. Now, if invoices amounting to 20 per cent of the ITC claimed are not so uploaded by your vendors, then your eligible credit would be only Rs 800. You can claim further ITC of Rs 80 (10 per cent of Rs 800) after the GST Council’s decision is notified. Earlier, you could have done so for Rs 160.

8. India Inc wants Centre to take more steps on ease of doing business

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

Union Finance Minister Nirmala Sitharaman and her officers on 19 December met representatives of India Inc and trade unions for pre-Budget consultations. While industrialists asked the Centre to take more steps to augment ease of doing business, trade bodies stressed

minimum wages, an income-tax ceiling, and pensions. Industry representatives, who included Bharti Enterprises Chairman Sunil Bharti Mittal, Confederation of Indian Industry President Vikram Kirloskar, and Assocham President Balkrishna Goenka, asked officials to “create more freedom for industry to perform”. The corporate leaders highlighted several issues, including income tax roadblocks coming in the way of mergers and acquisitions, or hobbling businesses. “I have come here today to discuss only one thing — make doing business easy in the country. That was what my thrust was,” Mittal told media persons after the meeting.

9. Brookfield plans \$1 billion real estate investment trust listing in India

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

Brookfield Asset Management Inc. is considering bundling its commercial real estate assets in India into a real estate investment trust for a listing next year, according to people familiar with the matter. The Canadian asset manager has held discussions on a potential initial public offering of a property trust that could raise more than \$1 billion, said the people, who asked not to be identified as the discussions are private. Brookfield is considering including about 15 million square feet to 20 million square feet (1.9 million square meters) of real estate, one of the people said. Brookfield owns 22 million square feet of office properties in India, according to its website. Deliberations are at an early stage, and Brookfield could still decide against pursuing the transaction, the people said. A representative for Brookfield declined to comment.

10. Yamaha aims to treble India market share in next 5 yrs; launches 3 products

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

The Indian arm of Yamaha, the Japanese two-wheeler major, says it aims to grow its market share in the segment to 10 per cent in the year 2025, requiring sales that year of around 2.3 million units. “The industry volume by 2025 will be 23 million two-wheelers,” explains Motofumi Shitara, chairman, Yamaha Motor India. Its market share in two-wheelers during 2019 is 3.5 per cent, it says. The latest annual output is 624,000 units for the India market, with another 298,000 units for export. The company was announcing a foray into the 125cc scooter segment, with products in compliance with BS-VI emission norms. It will discontinue 110cc scooters. It announced the launch of three products, the Fascino 125 FI (Fuel Injected), Ray ZR 125 FI and Street Rally 125 FI. The management said it believed the current economic slowdown was temporary. “We are bullish about India,” says Shitara. The firm says there is a huge and aspirational population of the young, looking for premium products with a differentiation.