

Daily Economic News Summary: 20 September 2019

1. GST Council Meet today: Focus on revenue protection, boost for economic growth; no major tax rate cuts likely

Source: Firstpost ([Link](#))

The GST Council, headed by Union Finance Minister Nirmala Sitharaman and comprising representatives of all states and Union Territories (UTs), will have its 37th meeting in Goa on 20 September in the backdrop of economic growth hitting a six-year low of 5 percent for the first quarter of the current fiscal. The GST Council's Fitment Committee, which comprises of revenue officials of both Centre and States, has rejected demands for a cut in tax rate on items ranging from biscuits to cars, owing to tight revenue position, sources told PTI. "If any proposal of rate reduction for any sector comes for the consideration of the Council, the member would first have to review the revenue position and only then decide," said an official in the knowledge of the matter to PTI.

2. No stressed MSME loan can be declared NPA till March 2020; govt asks banks to hold loan melas in 400 districts from 3 Oct

Source: Firstpost ([Link](#))

In a bid to boost lending, the government on 19 September asked public sector banks to hold 'loan melas' in 400 districts to lend to desirable shadow banks and retail borrowers, and said no stressed loan account of MSMEs will be declared an NPA till March 2020. Grappling with six-year low GDP growth and a 45-year high unemployment rate, the government is looking to boost credit that will bring liquidity for businesses and create jobs. Finance Minister Nirmala Sitharaman, who has since her maiden Budget on 5 July announced measures in three tranches for boosting the economy, held a meeting with heads of public sector banks (PSBs) on 19 September to review liquidity or money flow in the system and transmission of lower benchmark interest rates to borrowers. Ahead of the festive season, banks will hold 'loan melas' in 400 districts in two tranches beginning 3 October to approve loans to any retail or NBFC borrower, she said. PSBs will focus on giving loans to the 'RAM' category—retail, agriculture and MSMEs, the minister said.

3. Modi to attend two round tables with CEOs of US companies

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

Prime Minister Narendra Modi will participate in two round tables with the CEOs of American companies one in Houston focussing on the energy sector and the other in New York during his seven-day visit to the US beginning this weekend. The Prime Minister will address the annual United Nations General Assembly (UNGA) session in New York on September 27. Modi is also scheduled to hold an interactive sessions with US Congress members on September 22. Interestingly, as many as 44 US Congress members wrote to the US Trade Representative Robert Lighthizer on 17 September making a case for restoration of GSP benefits for Indian items.

4. To cut imports, Centre plans to boost oilseed cultivation

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

After achieving self sufficiency by incentivising production of pulses, the Centre is keen on giving a push to oilseeds cultivation, a move that could help reduce the country's dependence on edible oil imports. "The government is fully interested in promoting oilseeds now and various options are being explored," Parshottam Rupala, Union Minister of State for Agriculture and Farmers Welfare, told BusinessLine on the sidelines of the World Seed Congress 2019. Rupala said the government wants to cut down on the huge edible oil import bill, which exceeds ₹60,000 crore per year. Besides focussing on improving the productivity, output and expanding the cultivation in the irrigated areas, the government also proposes to incentivise farmers to take up oilseeds, Rupala said.

5. OECD slashes India's economic growth forecast from 7.2% to 5.9%

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

The Organisation for Economic Co-operation and Development (OECD) appears to be the most pessimistic on India's economy among think tanks, as it cut the GDP growth forecast by 1.3 percentage points to 5.9 per cent for 2019-20. For the next year, the OECD has projected the Indian economy to grow 6.3 per cent, bringing down its earlier forecast by 1.1 percentage points. The Paris-based policy forum said the trade war between the US and China has sent global growth momentum tumbling toward lows last seen during the financial crisis. The OECD predicted that the global economy will see its weakest growth since the 2008-2009 financial crisis, slowing from 3.6 per cent last year to 2.9 per cent this year; it predicted 3 per cent growth for the next year. "Developments in many emerging-market economies were softer than

projected, including in India, Mexico and other commodity-exporting countries," the OECD said in its latest economic outlook, analysis, and forecasts, released on 19 September.

6. DSCI, MeitY and Google India join hands for 'Digital Payment Abhiyan'

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

Nasscom's Data Security Council of India (DSCI) on 19 September said it has collaborated with the electronics and IT ministry (MeitY) and Google India to launch a nationwide awareness campaign 'Digital Payment Abhiyan'. Communications and Electronics & IT Minister Ravi Shankar Prasad launched the campaign that will educate end-users on the benefits of making digital payments and urge them to adopt security and safety best practices, a statement said. The campaign was launched at the Google for India event. To drive the campaign objectives and amplify outreach to users across all states, DSCI has onboarded various digital payments ecosystem partners.

7. India likely to unveil measures to boost growth: Sources

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

Finance Minister Nirmala Sitharaman is likely to unveil measures to boost economic growth, which slipped to a six-year low of 5 percent in the April-June quarter, two government sources said on 19 September. The measures include a review of import tariffs on certain items ahead of Prime Minister Narendra Modi's visit to the United States, the sources said. "We are waiting for the approval from the prime minister's office, and the measures could be announced on Friday," one of the government sources told Reuters. Any relaxation of tariffs on U.S. imports would be seen as a step in easing a trade row between the two countries that has accelerated in Modi's second term.