

Daily Economic News Summary: 2 December 2019

**1. Tokyo indicates efforts are on to address India's concerns on RCEP**

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

Japan is pushing for India to join the Regional Comprehensive Economic Partnership (RCEP) and is working with other countries that are part of the mega trade deal to ensure that New Delhi's concerns are addressed, Atsushi Kaifu, deputy spokesman for the Japanese foreign ministry, said on 1 December. Kaifu, however, seemed to distance himself from a report last week that said Japan would not consider joining the China-led trade pact if India was not part of it. The issue of India joining the RCEP was not discussed at the first ever "2+2" dialogue between the foreign and defence ministers of Japan and India in New Delhi on Saturday, the Japanese official said. However, the matter was raised when Japanese foreign minister Toshimitsu Motegi and defence minister Taro Kono called on Prime Minister Narendra Modi ahead of the "2+2" dialogue with Modi, Kaifu said. It was also discussed when foreign minister S. Jaishankar met Motegi last month on the sidelines of the G20 foreign ministers' meet in Japan, he said.

**2. Govt preps up for cybersecurity policy upgrade, invites suggestions**

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

India is ready to update its cybersecurity policy, and as a first step towards formulating the new document "National Cybersecurity Strategy 2020," the government is inviting suggestions from the citizens. "The Indian Government under the aegis of National Security Council Secretariat through a well-represented Task Force is in the process of formulating the National Cyber Security Strategy 2020 (NCSS 2020) to cater for a time horizon of five years (2020-25)," the National Cyber Security Strategy (NCSS) website, which is now open for submission of comments, says. The last date for submission is December 31. The proposed vision of the upcoming policy is "to ensure a safe, secure, trusted, resilient and vibrant cyber space for our nation's prosperity". India's recently-appointed national cybersecurity coordinator Rajesh Pant on several occasions has mentioned about the draft.

### **3. Airtel, Jio and Vodafone Idea to raise tariffs by up to 47%**

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

All three private telecom operators in the country, Vodafone Idea Ltd, Bharti Airtel Ltd and Reliance Jio Infocomm Ltd, said they will raise prices of their prepaid voice and data services, ending a protracted tariff war that dragged rates to the lowest in the world. The increases in most plans announced by the three operators on 1 December evening are in the range of 15-47%. While the new tariffs for Vodafone Idea and Bharti Airtel will be effective starting Tuesday, Reliance Jio's revised tariffs will come into effect on 6 December. The tariff hike by the three operators is the first of its kind in more than a decade after years of competition ensured prices of calls and data services hit rock bottom. The entry of Reliance Jio in September 2016 intensified the price war, triggering an industry-wide consolidation that left only three private telcos and caused record losses at Vodafone Idea Ltd and Bharti Airtel Ltd.

### **4. RBI may cut interest rates for the sixth straight time**

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

The central bank is likely to cut interest rates for the sixth straight time on 5 December despite a surprise spike in inflation, as the Reserve Bank of India (RBI) seeks to reverse a protracted growth slowdown in Asia's third-largest economy. Eight out of 10 economists and treasury heads surveyed by Mint expect RBI's monetary policy committee (MPC) to cut the repo rate, at which RBI lends to banks, by 25 basis points (bps) to 4.9%, while maintaining an accommodative stance. Two expect the RBI to cut rates by 15bps. Economic growth has slowed to 4.5% in the September quarter, its weakest pace since 2013, despite a cumulative 135bps cut in policy rates this year. Indian banks, saddled with record bad loans, have failed to transmit the rate cuts to borrowers.

### **5. 12 global companies evinced interest to shift base from China to India: Nirmala Sitharaman**

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

Finance Minister Nirmala Sitharaman on 30 November said about 12 global companies have evinced interest to shift their base from China to India, taking advantage of competitive tax rate of 15 per cent announced recently. In a biggest reduction in 28 years, the government in September reduced corporate tax rate by almost 10 percentage points in a bid to give a boost to sagging economy. Base corporate tax for existing companies has been reduced to 22 per cent

from 30 per cent, and for new manufacturing firms incorporated after October 1, 2019 and starting operation before March 31, 2023, it was slashed to 15 per cent from 25 per cent. the minister said the word that was given for bringing newer industries, which are moving out of China, is actively moving forward.

## **6. Government plans to invest \$1.39 trillion in infrastructure to spur economy**

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

Government will unveil a series of infrastructure projects this month as part of a plan to invest Rs 100 lakh crore (\$1.39 trillion) in the sector over the next five years, the finance minister said on Saturday, in a push to improve the country's economy. Nirmala Sitharaman's comments, as cited in local newspapers, followed data released on Friday that showed India's economic growth slowed to 4.5% in the July-September quarter - its weakest pace since 2013 - upping the pressure on Prime Minister Narendra Modi's government to speed reforms. "A set of officers are looking into the pipeline of projects that can be readied so that once the fund is ready, it could be front-loaded on these projects," Sitharaman said at a business summit in Mumbai, the newspapers reported.

## **7. Government appoints Soma Roy Burman as new Controller General of Accounts**

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

The government on 1 December said it has appointed Soma Roy Burman, a 1986-batch Indian Civil Accounts Service Officer, as the new Controller General of Accounts (CGA). Burman is the 24th CGA and is the seventh woman to hold this position. "The government appointed Burman, as the Controller General of Accounts (CGA) with effect from December 1, 2019," the Finance Ministry said in a statement. During her 33-year long career, she has held cadre positions at different levels in ministries such as Home Affairs, Information & Broadcasting, Industry, Finance, Human Resource Development and Shipping, Road Transport & Highways.

## **8. Policy shift: Insurers blacklist coal**

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

The number of insurers turning their backs on coal more than doubled in 2019, activist groups said on 2 December, sapping the viability of projects using the highly-polluting fuel. Coal exit policies have been announced by 17 of the world's biggest insurers controlling 46 percent of the reinsurance market and 9.5 per cent of the primary insurance market, said the Unfriend Coal campaign, a coalition of environmental groups, as it released its third scorecard on the sector.

“This action is having a tangible impact,” it said, citing brokers as saying that costs are increasing to insure coal facilities with certain projects already being unable to obtain any coverage. Increasing operating costs put coal — the dirtiest fossil fuel and biggest single contributor to human-made climate change — at a commercial disadvantage. An inability to buy coverage makes it impossible to raise finance for new projects.

### **9. 35 startups have chance to stand out among nearly 4 lakh startups in India; here’s how govt is planning**

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

The Department for Promotion of Industry and Internal Trade (DPIIT) has invited applications for its first-ever National Startup Awards. The awards will recognise startups building “innovative products or solutions and scalable enterprises, with high potential of employment generation or wealth creation, demonstrating measurable social impact,” Commerce Ministry said. Applications are open until December 31, 2019. Startups will be awarded across 35 areas clubbed into 12 broad categories including agriculture, education, energy, finance, health, industry 4.0, space, security, enterprise technology, food, tourism, and urban services. Along with startups, the awards will also be given to accelerators and incubators supporting startups in their early business.