

Daily Economic News Summary 7 February 2020

1. PM Modi says fundamentals of Indian economy strong

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

Prime Minister Narendra Modi on 6 February said the fundamentals of the Indian economy were strong and had inherent capability for higher growth rates. Replying to the debate in Rajya Sabha on a motion thanking the president for his address to the joint sitting of both houses of Parliament, he said there was no reason for being despondent. Rejecting pessimism over the target of nearly doubling the size of the economy to USD 5 trillion, he said aspirational targets were needed to move ahead.

2. India sets seafood export target at \$10 billion by 2020

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

Indias continued buoyancy in sustainable seafood exports in the face of stiff global competition would be on full display at the 22nd India International Seafood Show (IISS) from February 7-9, officials said in Delhi on 6 February. Also showcasing the latest technological interventions in the aquaculture sector, the event would witness industry leaders and experts deliberating on policies and actionable roadmaps to achieve the country's marine products export target of USD 10 billion by 2022, they said.

3. Bill to settle tax disputes introduced in Lok Sabha

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

Finance Minister Nirmala Sitharaman on 5 February introduced in the Lok Sabha the much-awaited 'Direct Tax Vivad Se Vishwas' Bill 2020 to provide for resolution of disputed direct taxes. The Bill provides a lucrative option to the taxpayers to settle their cases pending before the Commissioner (Appeals), Income Tax Appellate Tribunal, High Court or Supreme Court as on January 31, 2020, irrespective of whether the demand in such cases is pending or has been paid. It also provides for waiver of interest, penalty and prosecution. The pending appeal may be against disputed tax, interest or penalty in relation to an assessment or reassessment order or against disputed interest/ fee where there is no disputed tax. In fact, an appeal may even be against tax determined on defaults in respect of tax deducted/collected at source.

4. India keen to keep future FTAs with RCEP nations less ambitious

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

The possible free trade pacts being explored by India with some of the individual members of the Regional Comprehensive Economic Partnership (RCEP) bloc like Australia, South Korea and Japan, are unlikely to be as ambitious as the original agreement being negotiated with the 16-member group. “We don’t want the same problems that we had with the RCEP to get reflected in new pacts which we may get into with some of the members individually. That is why it makes sense for us to not go for very high levels of opening up,” a person close to the development told BusinessLine. Countries such as Australia, New Zealand, South Korea and Japan are among the first ones with which India is ready to consider individual agreements to begin with, the official said.

5. RBI finally realises it is bigger than its policy rate-setting committee

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

The job of a central bank is bigger than chasing one macro-economic target. The Reserve Bank of India (RBI) seems to have finally come to realise this. “The MPC (monetary policy committee) may have been discounted, but do not discount the RBI,” said governor Shaktikanta Das in a press briefing after the policy statement on 6 February. The RBI is bound by law to keep headline inflation in the band of 2-6%, failing which it would be asked to explain itself to elected lawmakers of India. Inflation shot past this target in December. To that extent, its six-member committee has been careful not to be too accommodative to growth concerns. But nothing stopped Das from using other measures to soften the blow of an absent rate cut on an economy struggling to recover its mojo back. And that is exactly what the RBI did on 6 February in Mumbai.

6. RCEP return hope ebbs as India skips meeting in Bali

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

Dashing hopes for an early return to the negotiating table for the China-dominated Regional Comprehensive Economic Partnership (RCEP), India has skipped a meeting in Bali where its concerns on the mega regional trade deal were to be discussed, according to sources. The Asean secretariat had last month invited New Delhi to the Bali meeting, scheduled for February 3 and 4. India’s decision comes in the wake of China showing no sign of flexibility in its negotiating positions, not even through bilateral communications.

7. Digital India: From billion payments in month, new goal must be to reach billion transactions a day

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

While India has already been lauded by Google for work done in revolutionising digital payments in the country, the government must now set another ambitious target for itself — crossing a billion digital payments a day. “Digital payment transactions on the Universal Payment Interface (UPI) platform rising from 0.1 million in October 2016 to 1.3 billion in January 2020 represents the magic of entrepreneurs, nonprofits and policymakers working together. And gives us a new target- a billion transactions a day,” Manish Sabharwal and Deepak Phatak, chairman of Teamlease services and Ltd and chair professor at IIT Bombay respectively, wrote in The Indian Express.

8. Amazon pumps Rs 2,563 crore into its two India entities

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

Amazon has pumped Rs2,563 crore into its two India entities Amazon Seller Services and Data Services according to the company’s RoC filings sourced from business signals platform paper.vc. While Amazon Seller Services received a fresh Rs2,208 crore in capital, the Seattle-based e-commerce major infused Rs355 crore in its India data services arm, the documents showed. The fresh funding comes nearly a month after Amazon infused an aggregate amount of Rs1,715 crore in Amazon Pay (Rs1,355 crore) and Amazon wholesale (Rs360 crore), the documents showed. Amazon founder and CEO Jeff Bezos, who was on a visit to India last month, announced an additional \$1 billion of investment in the country taking the company’s total India investment commitment to \$6 billion.