

Daily Economic News Summary: 9 August 2019

1. FM Sitharaman assures industry of ‘Quick Action’

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

The government has assured India Inc of some “quick action” to jumpstart the sluggish economy, as a delegation of industry captains on 8 August met finance minister Nirmala Sitharaman with a charter of demands. Industry leaders have sought tax rationalisation, a package for non-banking finance companies (NBFCs), faster transmission of policy rate cuts and relief from harsh penal provisions introduced in the Companies Act for noncompliance with corporate social responsibility (CSR). Sitharaman is meeting industry representatives, having interacted with those from public and private banks, micro, small & medium enterprises (MSMEs) and automobiles sector, so far. She will be meeting representatives of the capital markets on 9 August, and real estate on 11 August.

2. Singtel to raise holding in Bharti Telecom beyond 50%

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

Singtel is likely to raise its stake in Bharti Telecom, the single largest shareholder in Bharti AirtelNSE -0.31 %, to beyond 50%. The move will convert the holding company into a foreign-owned entity and, consequently, take overseas ownership in the mobile operator to over 85%. At present, Bharti Telecom’s 41% equity stake in Bharti Airtel is classified as ‘domestic’ shareholding as it is majority-owned by the Sunil Mittal family (52% stake). Even a small rise in the shareholding of Singtel, which currently owns 48% in Bharti Telecom, will result in a reclassification of Bharti Telecom as a ‘foreign’ investor since it will then be majority-owned by the Singapore company.

3. Trade Ban: Pakistan’s textile, pharma sectors to take a hit, \$1 billion Indian inputs among casualties

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

Pakistan’s decision to suspend bilateral trade with India may hit its textiles and pharmaceuticals industries, which rely on imports of raw materials worth over \$450 million each from India. By comparison, India imports products valued at less than a fourth of its total exports to Pakistan, and is not expected to face a negative impact from the move, which was announced in response

to the government's decision earlier this week to end special status for Jammu & Kashmir. In 2018-19, Pakistan imported \$550.33 million worth of cotton and \$457.75 million worth of organic chemicals from India, according to Commerce Ministry data. Together, the two products make up around half of the country's total imports from India, which were around \$2.07 billion during that financial year.

4. Government building consensus to announce relief measures for FPIs, NBFC sector

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

The government is likely to come up with an announcement to provide some relief to FPIs and the NBFC sector. A senior government official told Moneycontrol that the government is aware of the issue of surcharge on foreign portfolio investors (FPIs) and it is building a consensus on the issue. The official said, "Some relief for FPIs on higher surcharge may be announced soon. We are trying to build consensus on relief for FPIs surcharge issue." In her maiden budget, Finance Minister Nirmala Sitharaman had proposed raising surcharge on the super-rich. This surcharge also increased the tax burden on FPIs as most are organised as non-corporate entities such as trusts and associations where taxation is similar as for individuals.

5. Prime Minister's Office to take final call on data localisation soon: Report

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

The Prime Minister's Office (PMO) will soon make a decision on data localisation, according to a report by The Economic Times. The PMO has also requested fresh consultations on the proposed Personal Data Protection Bill, the report said. "The matter is now with the PMO. They will firm up India's stance on data localisation," an unnamed source told the paper. Moneycontrol could not independently verify the story. The Reserve Bank of India (RBI) has meanwhile clarified that a copy of personal data can be stored overseas in case of cross-border transactions. Digital payments services are required to follow the central bank's instructions on data storage. Google Pay and Amazon Pay have already complied with the data localisation guidelines. The central bank will soon release a report on whether WhatsApp has complied with the rule.

6. FinMin asks commerce ministry to assess revenue impact of proposed RCEP

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

The finance ministry has asked its commerce counterpart to assess the revenue implication of the proposed mega free-trade agreement RCEP, sources said. In a letter to the commerce department,

the revenue department also suggested it to form a joint team of officials to understand the revenue (customs duty foregone) implication of RCEP. "The revenue secretary has written a letter to the commerce secretary to calculate the revenue impact of the proposed agreement," they said. The Regional Comprehensive Economic Partnership (RCEP) is an agreement being negotiated by 16 countries since 2013. So far, 27 rounds of talks at the chief negotiators level have been conducted.

7. Indian auto parts maker braces for plant shutdowns amid industry-wide crisis

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

India's Jamna Auto Industries Ltd, a maker of springs used in vehicle suspensions, said on 8 August it might shut all its plants in August due to weak demand from its customers, underscoring the extent of a slowdown in the auto sector. The company, one of India's largest makers of tapered leaf springs and parabolic springs for automobiles, joins a growing list of auto components manufacturers, including Bosch Ltd and Wabco India Ltd, that have trimmed production amid a demand slump. India's auto sector is facing a downturn, which industry executives say is the worst suffered by the industry, triggering massive job cuts and factory shutdowns. Initial estimates suggest that automakers, parts manufacturers and dealers have laid off about 350,000 workers since April, a senior industry source told Reuters earlier this week. New Delhi-based Jamna Auto's customers include General Motors Co, Toyota Motor Corp and Tata Motors Ltd, India's largest automaker by revenue, according to the company's website <http://www.jaispring.com/customers.htm>.

8. President Ram Nath Kovind signs NMC Bill into a law; NMC to be constituted within six months

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

President Ram Nath Kovind on 8 August gave assent to a key legislation aimed at ushering in mega reforms in the medical education sector and replacing the nearly 63-year-old Indian Medical Council Act. The National Medical Commission (NMC) Bill, passed by both houses of Parliament, will be notified in the gazette soon, Union Health Minister Harsh Vardhan said. "Once notified, the rules will be framed and the NMC will be constituted for development and regulation of all aspects of medical education, profession and institutions. All these will be done within six months," he added. The NMC will replace the scam-tainted Medical Council of India.

The president dissolved the MCI in 2018 and a Board of Governors was appointed to perform its functions.

9. Industry 4.0: Making India smart and intelligent manufacturing hub

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

India has to move from manufacturing outfits of Industry 1.0 and 2.0 to Industry 4.0 and beyond. EEPIC India in association of Department of Heavy industries (DHI) is raising awareness on the 4th Industrial Revolution to drive the Indian manufacturing to a ‘Smart and intelligent Manufacturing’ Hub said Mr Ravi Sehgal at a Industry 4.0 session .Smart Advanced Manufacturing and Rapid Transformation Hub (SAMARTH) - Udyog Bharat 4.0 is an Industry 4.0 initiative of Department of Heavy Industry, Government of India under its scheme on Enhancement of Competitiveness in Indian Capital Goods Sector. The initiative aims to raise awareness about Industry 4.0 among the Indian manufacturing industry through demonstration centres. Currently there are four centres which include Center for Industry 4.0 (C4i4) Lab Pune; IITD-AIA Foundation for Smart Manufacturing; I4.0 India at IISc Factory R & D Platform; Smart Manufacturing Demo & Development Cell at CMTI.