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NEWSBULLETIN

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CHINA SAYS TIT-FOR-TAT TARIFFS WILL 'DESTROY' US-CHINA TRADE

China on Wednesday said tit-for-tat tariffs will "destroy" trade between the world's top two economies, after Washington fired the next shot in a ballooning trade war, readying fresh levies on \$200 billion in Chinese goods. The outburst of large-scale mutual levying of tariffs between China and the United States will inevitably destroy Sino-US trade, Assistant Minister of Commerce Li Chenggang told a forum in Beijing. [[Click here for more](#)]

RIDERS APPLY: DOT APPROVES MERGER OF IDEA AND VODAFONE

The Department of Telecommunications (DoT) gave a conditional approval to the much-awaited merger of Vodafone India and Idea Cellular, which basically means if the demands raised on the two firms towards one-time spectrum charges are met, the final approval will be accorded. The department has asked Idea Cellular to pay Rs 3,926 crore in cash for Vodafone spectrum and furnish a bank guarantee of Rs 3,342 crore. The two companies are now likely to approach the Telecom Disputes Settlement and Appellate Tribunal to challenge the demands raised by the DoT. [[Click here for more](#)]

INDIA AMONG LEAST VULNERABLE TO CURRENCY PRESSURES: MOODY'S

Even as the rupee fell below the 69 level intra-day against the dollar, global rating firm Moody's has said India is among the least vulnerable to currency pressures because of its low reliance on external capital inflows. "India's limited external vulnerability is supported by a large and relatively stable domestic financing base for government debt, which contributes to the economy's resilience by sheltering it from abrupt changes in external financing conditions," Moody's said. [[Click here for more](#)]

'BAD BANK' CAN HELP IMPROVE NPA RESOLUTION

India proposes to defer the implementation of tax collection at source (TCS), a move that will give a breather to Amazon, Flipkart, and other e-commerce service providers. "It has been

decided to defer it for three months,” said a senior government official aware of the development. Online platforms have to collect the tax from those selling goods on their sites while making payments for goods sold. The tax, designed as a measure to improve compliance by helping to track such transactions, was to come into effect on July 1. E-commerce platforms, which have multiple sellers with small turnovers, have been wary of the provision, fearing an increase in the compliance burden. [[Click here for more](#)]

AIRPORTS AUTHORITY OF INDIA, SRI LANKAN GHOST AIRPORT AND THE CHINESE CONNECTION

In a move that seems both strategic and business-like, the Airports Authority of India (AAI) is reportedly planning to acquire 70 percent stake in Sri Lanka's Mattala Rajapaksa International Airport, an airport situated in small fishing town of Hambantota, near the southern tip of the island nation. The \$250-million international airport is struggling to operate flights - the last international flight was discontinued in May owing to safety concerns. Since then, the airport is not operating even a single flight. [[Click here for more](#)]

INDIA CAN'T HAVE SINGLE RATE GST, 3-SLAB STRUCTURE POSSIBLE: ARVIND SUBRAMANIAN

Ruling out a single rate GST, Chief Economic Advisor Arvind Subramanian today pitched for a three rate structure going forward as revenues stabilise. He said Goods and Services Tax is a "work in progress" and there is a need for further simplification of rates with fewer exemptions and simpler policies. "In India, we can never have one rate. I had recommended a standard rate and one for demerit good, one for low rate. I think, in India, the debate should be about 'why can't we have three', rather than 'why not one'," Subramanian said at an NCAER event. [[Click here for more](#)]
