

MARKET WATCH

	14-12-2017	% CHANGE
Sensex	33,247	0.59
US Dollar	64.34	0.15
Gold	29,665	0.78
Brent oil	62.93	-0.27

NIFTY 50

	PRICE	CHANGE
Adani Ports	395.10	1.10
Ambuja Cements	264.75	0.65
Asian Paints	1123.45	6.90
Aurobindo Pharma	665.35	-3.80
Axis Bank	541.45	5.70
Bajaj Auto	3162.80	11.50
Bajaj Finance	1685.85	14.05
Bharti Airtel	520.30	2.95
Bosch	19880.20	15.40
BPCL	513.55	7.25
Cipla	590.45	12.30
Coal India	262.85	-0.30
Dr Reddys Lab	2310.65	49.95
Eicher Motors	28738.70	17.45
GAIL (India)	487.10	-4.70
HCL Tech	882.85	16.50
HDFC	1704.50	7.80
HDFC Bank	1838.05	16.70
Hero MotoCorp	3460.55	41.10
Hindalco	236.40	1.95
HPCL	437.25	13.90
Hind Unilever	1321.60	6.55
Indiabulls HFL	1186.25	5.20
ICICI Bank	304.35	1.40
IndusInd Bank	1650.35	2.95
Bharti Infratel	356.65	-1.05
Infosys	1013.10	9.35
Indian OilCorp	410.00	7.80
ITC	264.25	5.25
Kotak Bank	1024.65	9.75
L&T	1188.80	-0.45
Lupin	852.80	7.55
M&M	1431.60	19.10
Mauriti Suzuki	9112.75	-7.90
NTPC	177.30	1.25
ONGC	184.35	0.45
PowerGrid Corp	200.10	-0.40
Reliance Ind	921.50	6.85
State Bank	314.00	0.70
Sun Pharma	514.40	-2.45
Tata Motors	402.40	0.45
Tata Steel	685.75	4.90
TCS	2557.80	-70.60
Tech Mahindra	514.25	10.65
UltraTech Cement	4268.20	-6.15
UPL	719.60	-6.45
Vedanta	284.55	1.00
Wipro	288.60	1.40
YES Bank	303.90	2.00
Zee Entertainment	567.75	0.70

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on December 14

CURRENCY	TT BUY	TT SELL
US Dollar	64.14	64.46
Euro	75.84	76.22
British Pound	86.24	86.68
Japanese Yen (100)	56.91	57.20
Chinese Yuan	9.70	9.75
Swiss Franc	64.93	65.25
Singapore Dollar	47.60	47.85
Canadian Dollar	50.00	50.26
Malaysian Ringgit	15.70	15.79

Source: Indian Bank

BULLION RATES CHENNAI

December 14 rates in rupees with previous rates in parentheses

Retail Silver (1g)	39.90	(39.10)
22 ct gold (1 g)	2,734	(2,714)

WTO meet ends without consensus

Member countries fail to reach agreement on food security right, centrality of development

ARUN S
BUENOS AIRES

The December 10-13 meeting of the World Trade Organisation's highest decision-making body in this 'city of fair winds' ended becalmed with the WTO's 164 members unable to reach a consensus on substantive issues such as the food security right of developing countries and the centrality of development in multilateral trade negotiations.

However, the Ministerial Conference managed to salvage a commitment from member nations to secure a deal by 2019 on banning certain forms of fisheries' subsidies.

During hectic parleys, the U.S. blocked the demands of more than a 100 developing nations, including India and China, to implement their food security programmes without onerous conditions. Since all major decisions in



Fruitless talks: Only way to get an outcome in such talks is when everyone shows flexibility, says WTO's Azevêdo. *AP

the WTO need to be taken by 'the membership as a whole', even a single country can end up being the deal-breaker.

India, for its part, thwarted attempts by several countries, both developed and developing, to initiate binding discussions on what they

called the 21st century challenges to trade – including e-commerce, investment facilitation and proposed norms for small firms. This it did by refusing to budge from its position that members should first resolve outstanding issues (such as food sovereignty) of the ongoing Doha

Round negotiations that began in 2001 with a 'development agenda' (for improving the trading prospects of developing nations), before considering 'new issues'.

"Despite our best efforts we could not meet the deadline on [permanent solution to the issue of] public stockholding [for food security purposes]. It's not the first deadline we missed – but it is still disappointing," WTO Director-General Roberto Azevêdo said in closing remarks. "We could not even agree on more detailed programmes in many areas. And I know that for many, especially the proponents, the disappointment is particularly bitter."

'Don't give up'

Responding to a question from *The Hindu* on how the WTO would handle this failure, especially considering that some member nations

had failed to comply with certain decisions that were part of previous Ministerial Declarations, Mr. Azevêdo said: "It is disappointing that in some areas, particularly where we had a [Ministerial] mandate as you pointed out, we could not get that outcome. But we don't give up. We just continue. This is the nature of the multilateral system."

"I remember the many times that we did not have outcomes. That didn't mean we stopped. That also didn't mean that because we didn't get an outcome, we wouldn't be able to have them later...The only way to get an outcome in these very difficult issues is when every side shows flexibility. You can't expect to get everything you want, but you cannot also not engage," he added.

(The writer is in Buenos Aires at the invitation of India's Commerce Ministry)

Income share of top 1% surged: report

'Inequality rose substantially since implementation of '80s deregulation reforms'

SPECIAL CORRESPONDENT
NEW DELHI

Income inequality in India rose rapidly since the 1980s to a situation where the top 10% of the earners accounted for 56% of the income earned in 2014, according to a new report by economists, including Thomas Piketty and Lucas Chancel.

The report, titled 'World Inequality Report,' said inequality rose substantially since the 1980s following the implementation of the deregulation reforms by the government. "In 2014, the share of national income captured by India's top 1% of earners was 22%, while the share of the top 10% of earners was around 56%," the

report said. "The top 0.1% of earners has continued to capture more growth than all those in the bottom 50% combined."

"Indian inequality was driven by the rise in very top incomes," the report added. "The income share of India's top 1% rose from approximately 6% in 1982-1983 to above 10% a decade after, then to 15% by 2000, and further still to around 23% by 2014. The latest data thus shows that during the first decade after the millennium, the share of national income attributable to the top 1% grew to be larger than that pertaining to the bottom 50%. By 2014, the national income share of the bottom

50% – approximately 390 million adults – was just two-thirds of the share of the top 1%, consisting of just 7.8 million people."

'Rising inequality'

"An even stronger increase in the share of national income was experienced by the top 0.1% and top 0.01%, whose shares grew fivefold and tenfold, respectively, from 2% and 0.5% to almost 10% and 5%, between 1983 and 2014," it said.

According to the authors, this rising inequality is in sharp contrast to the trends seen in the 30 years following Independence, when income inequality was widely reduced and the incomes of

the bottom 50% grew at a faster rate than the national average.

"After independence, [the then Prime Minister] Jawaharlal Nehru implemented a set of socialist policies, with strict government control over the economy, with an explicit goal to limit the power of the elite," the report said. "The policies implemented by himself and his followers, including his daughter Indira Gandhi, up to the late 1970s, included nationalisations, strong market regulation and high tax progressivity."

These measure, and others, the report said, had a significant impact on reducing income inequality.

WPI inflation at 8-month high in Nov.

PRESS TRUST OF INDIA
NEW DELHI

Inflation based on wholesale prices accelerated to 8-month high of 3.93% in November due to a sharp rise in onion prices and costlier seasonal vegetables, government data showed. Calculated on wholesale price index (WPI), the inflation was 3.59% in October this year, and 1.82% in November last.

The November figure is the highest so far this fiscal and the previous high was when the WPI touched 3.85% in April. Kitchen staple onion witnessed a whopping 178.19% inflation last month.

INTERVIEW | SUSANA MALCORRA

'We need soul-searching talks on development, trade'

Trade is 'a' pillar of development, not 'the' pillar: MC Chair

ARUN S

In her closing remarks at the December 10-13 meeting of the World Trade Organisation's (WTO) topmost decision-making body, **Susana Malcorra**, Argentine minister and Chair of the Ministerial Conference (MC) said dialogue, and not just negotiation, was part of the world of the WTO members. Ms. Malcorra said she wants the Buenos Aires meeting to be remembered "as the place where this dialogue began." In an interview, Ms. Malcorra said, there was a need to lift the commitment to the 'development agenda' of the WTO's Doha Round and bring it all the way up to the 2030 Agenda for Sustainable Development. Excerpts:

Just before the meeting, you had said "there is life after Buenos Aires." Now that the meeting here is deadlocked, do you think the WTO and the development agenda of the Doha Round talks are on life-support?

■ No, I don't. I think it is clear that there is a big divide around the question of development and its relationship with trade.

So what we have to do is really give ourselves the opportunity to have a big soul-searching discussion on how to move it forward.

When Doha Round started in 2001, we were in a totally different context. We were at the beginning of the Millennium Development Goals. Now we are in the 2030 Agenda for Sustainable Development.

Many things have happened since 2001. So we need to lift the commitment to Doha and bring it all the way up to the 2030 Agenda, and recognize that as much as trade is 'a' pillar of deve-



This is not an 'either, or' situation. We should be able to deal with both

development, it is not 'the' pillar of development, and [to] make sure we make those connections.

During the meeting, there was a perception that while the U.S. was seemingly stepping back from its leadership role in taking forward multilateralism, other countries like China, India and South Africa stepped forward. Do you feel this looks like the dawn of an era of new leadership at the WTO level?

■ Clearly the power is shifting, and the views from different powers are shifting. So that has implications on our negotiations.

That is the reality and we have to deal with reality.

What is your view on India's stand that negotiations on 'new issues'

like e-commerce, investment facilitation and proposed norms on small firms should start only after resolving outstanding issues such as food security in the Doha Round?

■ Well, India and others feel very strongly that we should not have any new issue on the table discussed, and more importantly being negotiated, until we finish the old issues. That is not the position of Argentina.

And now, let me step down from the position of the Chair [of the Buenos Aires meeting].

Argentina is of the view that not allowing ourselves to discuss certain issues that are of high interest to all of us, hinders our ability to deal with them in the future. So my feeling is that this is not an 'either, or' situation. We should be able to deal with both of them. This is a decision of WTO members. We need to close this divide.

(This writer is in Buenos Aires at the invitation of India's Commerce Ministry)

'Lighthouse projects to spur digitisation'

SPECIAL CORRESPONDENT
NEW DELHI

The government and the industry on Thursday decided to carry out a number of 'lighthouse projects' to spur digitisation.

"We had very fruitful discussion on how the private sector, including the IT-BPM, skilling, healthcare, banking and the education sector, can collectively work towards the digital revolution," said IT Minister Ravi Shankar Prasad, after the second meeting with industry experts to prepare a roadmap for making India a trillion dollar digital economy.

The meeting was attended by Google's Rajan Anandan, NIIT's Rajendra Pawar, Dr. Devi Shetty of Narayana Healthcare, Mathew Oommen of Reliance Jio, among others. Besides, officials from the Ministries of Education, Telecom and Health were also present.

Mr. Prasad said a lot of individual companies would be carrying out 'lighthouse projects'. For eg., Google will work with publishers and advertisers to bring more regional language content online, while Bharti Airtel will be working towards bringing high speed Internet to rural India as well as building data centres in the country.

The digital economy is pegged at about \$413 billion at present. MeitY expects IT/ITeS sector to grow to \$350 billion by 2025 from \$160 billion, while the electronics sector is likely to touch \$300 billion by the same time (from \$100 billion now).

Telecom and e-commerce are projected to grow to \$150 billion each, while sharing economy and digital skilling each presents a \$30 billion opportunity.

GST collections could rise on e-way bills: FM

'Fixing banks, biggest agenda for 2018'

SPECIAL CORRESPONDENT
NEW DELHI

Revenue collections from the Goods and Services Tax could pick up over the coming months as provisions such as e-way bills for transport of goods kick in, Finance and Corporate Affairs Minister Arun Jaitley said stressing that lower direct and indirect tax rates are only possible when government's tax kitty expands.

Reacting to the U.S. Government's move to slash Corporate Tax rate from 35% to 21%, the Finance Minister said the fine print will need to emerge in order to understand how much of an advantage it created for American firms and termed it as a manifestation of the protectionist trend in the developed world.

"Whether it is trade policies or fiscal policy in some regimes, they seem to be impacted by this trend," said Mr. Jaitley. "I think we will have to wait for the fine print to see how much of an advantage it is. Because any regime, at the end of the day, its accounts have to tally. And if they don't tally, it creates a further uncertainty itself," Mr. Jaitley said.

"Which country in the world has a 5% entry point rate on direct taxes? Ten is the least any country has. You had to resort to a 5% tax in order to nudge non-compliant sections of society to get into the tax structure and get into this habit of paying tax," he said on GST.

Similarly, he referred to talk about small enterprises being impacted by the GST, and said the GST Council had proposed a composition scheme to levy 1% tax on enterprises with a turnover of upto a ₹1.5 crore. "Now, again, can anybody tell me which country in the



Arun Jaitley

world has 1% indirect tax?" he asked. "It is only when your taxation base in a formalised economy expands that your ability to rationalise rates increase. Rationalisation of rates in a non-compliant society is always more challenging and more difficult. It's only when your collection basket increases then you can cut rates. That applies to both direct and indirect taxes," he said.

Reacting to concerns expressed by some State Finance Ministers that the revenue shortfall under GST had been higher than expected, Mr. Jaitley said, "There are future stages. One is with regard to reduction of compliance burden which, I think, is a legitimate concern and the GSTN is doing this in a phased manner."

Tasks for 2018

Mr. Jaitley said the biggest agenda for the government in the coming year was fixing banks and completing the unfinished task of strengthening public sector banks so that they can lend more to SMEs which had been starved of credit.

"We have already announced a detailed recapitalisation plan and the idea behind it is to ensure the banks' ability to support growth and lend to MSMEs, which have been at the receiving end for the last few years due to NPAs at banks."

Calling all
Santa Clauses
to join the *Bake-a-thon!*

Let's come together for some fun volunteering at the Chennai bake-a-thon, and share the joy of baking!

For more details, and to register visit
www.friendsofchennai.com/joyofbaking

Cakes baked at the Bake-a-thon will be donated to charities across the city.

Date: Sunday, 17th December 2017. **Venue:** Food Consulate, No 6 Radhamohan Street, Velachery, Chennai, Tamil Nadu - 600042.

SLOT 1	SLOT 2	SLOT 3	SLOT 4
7:30 am	10:30 am	1:30 pm	4:30 pm
to	to	to	to
10:30 am	1:30 pm	4:30 pm	7:30 pm

Registration is mandatory | Free registration | 50 seats only per slot

T&C Apply