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India one of world's fastest growing large economies IMF

India has been one of the fastest growing large economies in the world, the International Monetary Fund (IMF) has said, asserting that the country has carried out several key reforms in the last five years, but more needs to be done.

Responding to a question on India's economic development in the last five years at a fortnightly news conference here, IMF communications director Gerry Rice Thursday said, "India has of course been one of the world's fastest growing large economies of late, with growth averaging about seven per cent over the past five years."

"Important reforms have been implemented and we feel more reforms are needed to sustain this high growth, including to harness the demographic dividend opportunity, which India has," he said.

Details about the Indian economy would be revealed in the upcoming World Economic Outlook (WEO) survey report to be released by the IMF ahead of the annual spring meeting with the World Bank next month, he said.

This report would be the first under Indian American economist Gita Gopinath, who is now IMF's chief economist.

"The WEO will go into more details. But amongst the policy priorities, we would include accelerate the cleanup of banks and corporate balance sheets, continue fiscal consolidation, both at centre and state levels, and broadly maintain the reform momentum in terms of structural reforms in factor markets, labour, land reforms and further enhancing the business climate to achieve faster and more inclusive growth," Rice said

(Source: Press Trust of India)

India to grow at 7.3% in 2019, 2020: Moody's

The Indian economy is expected to grow at 7.3 per cent in calendar year 2019 and 2020, and the government spending announced ahead of elections this year will support near-term growth, Moody's said on Friday.

The US-based rating agency said the country is less exposed to a slowdown in global manufacturing trade growth than other major Asian economies and emerging markets and is poised to grow at a relatively stable pace in the two years.

“We expect India’s economy to grow around 7.3 per cent in both years (2019, 2020),” Moody’s said in its quarterly Global Macro Outlook for 2019 and 2020.

Moody's growth estimates is based on calendar year. India, however, measures its economic growth on the basis of fiscal year (April-March).

In the 2018-19 fiscal ending March 2019, the Indian economy is estimated to have grown 7 per cent, lower than 7.2 per cent in 2017-18.

Moody's said the announcement in the Interim Budget 2019-20 on the direct cash transfer programme for farmers and the middle-class tax relief measures will contribute a fiscal stimulus of about 0.45 per cent of GDP.

"These measures will support growth through consumption over the near term, albeit at a fiscal cost...

"In India, government spending announced ahead of elections this year will support near-term growth," Moody's said.

It said RBI is likely to be able to maintain their current monetary policy stance after some tightening last year.

The RBI cut its benchmark policy rate in February and changed the policy stance to "neutral" from "calibrated tightening". Inflation measures have steadily declined since the middle of 2018.

On the banking sector, Moody's said, although the overall strength of the system is improving, it remains a constraint on the economy.

In February 2019, the government provided further capital infusions to public sector banks. These measures, combined with the application of the Prompt Corrective Action framework, which requires timely recognition of bad loans, and resolution of bad loans through the Insolvency and Bankruptcy Code, are helping to address solvency and asset quality challenges.

"However, a complete turnaround of the banking system requires more time amid slower-than-expected resolution of legacy problem loans," it said.

Non-performing assets declined to 10.8 per cent in September 2018, from a peak of 11.5 per cent in March 2018. The central bank expects this ratio to improve further to 10.3 per cent in March 2019.

Moody's said, with range-bound oil prices, export growth has outpaced import growth for the last two years. Fiscal spending on infrastructure and the rural economy should continue to support domestic activity.

(Source: Press Trust of India and Hindu Business Line. 1/3/2019)

India retorts to subsidy cut push; Commerce Secy says western farm subsidies higher than in India
Developed countries, including the European Union (EU) and the US, have alleged in the World Trade Organization (WTO) that India provides huge subsidies to its farmers.

Subsidies provided by India to its farmers are quite low as compared to billions of dollars given by western countries, a top government official said Wednesday.

Commerce Secretary Anup Wadhawan said India provides only about USD 250 per annum per farmer but unfortunately “our subsidies run into trouble” as they are not structured properly, so there is a need to learn from other countries.

Developed countries, including the European Union (EU) and the US, have alleged in the World Trade Organization (WTO) that India provides huge subsidies to its farmers. India always maintains that its farm subsidies are well below the WTO’s cap of 10 per cent.

The US has also dragged India to the WTO’s dispute settlement mechanism over export subsidies being provided by New Delhi.” If you look at the kind of budgetary support which developed countries provide to their economic agents, the numbers are mind boggling,” Wadhawan said here at a function.

In the agriculture sector, he said, the EU and the US provides huge subsidies but cleverly put those in boxes which are WTO compatible.

Citing a joke, he said, cows in the EU get so much of subsidy that a cow can be flown around the world in business class twice.”Our subsidies in agriculture for instance are only about USD 250 per annum per farmer, compared to billions of dollars which western countries give,” he said.

Talking about special economic zones (SEZs), he said there is a need to make these zones as zones of excellence, which should be investor friendly, having state-of-the-art infrastructure.

“We need to transform our SEZs into that model,” he said adding that competitive economic zones are not based on fiscal incentives but based on easy regulatory environment and single-window system.

There is also a need to look at Chinese model of these zones which are spread in a much wider space, Wadhawan said adding India’s SEZ policy does not get implemented entirely as envisaged.

“India is not as successful story as China and other countries…but India has a relative decent start. The exports (from SEZs) are about Rs 6 lakh crore per annum and has created 2 million direct jobs,” he added.

Speaking at the function, Niti Aayog Chief Executive Officer Amitabh Kant said increasing exports would help in boosting the country’s economic growth.

Rather than SEZs, India needs coastal economic zones, he said adding incentives should be linked to employment creation. These zones would have a huge positive impact on India’s economic growth, he added.

India needs more globalization to boost wages: World Bank-ILO report

India needs to ramp up exports if workers are to enjoy higher wages, according to a new report from the World Bank and the International Labor Organization.

Nearly 10 million Indians enter the workforce every year in a country where almost 60 percent of the population live below a poverty line of $3.2 a day

While the link between exports and economic growth is widely accepted, the authors show how trade can help draw people out of the informal, or unregulated, economy and boost pay, thereby reducing

poverty. They estimate that raising the value of India's exports by $100 per worker would increase average annual wages by 572 rupees ($8) per person.

"Our results show the positive side of globalization in South Asia, which stems from higher exports," the authors say in the report. "Rising wages and a shift from informal to formal employment are exactly the kinds of benefits governments hoped for when they opened up their economies to international trade."

Trade Share

Workers who are educated, urban and male tend to benefit more from the export gain, according to the study.

While India's economy has grown at a robust pace of about 7 percent in the past few years, it's become less reliant on trade over the years. The World Bank estimates that trade as a percentage of gross domestic product dropped to 41 percent in 2017 from 55.8 percent in 2012.

India's share of world exports is 1.7 percent, while it buys 2.5 percent of global imports, according to the World Trade Organization.

About 800,000 jobs moved from the informal economy to the formal sector between 1999 and 2011 because of export growth, representing 0.8 percent of the labor force, the World Bank study shows.

Greater exports don't necessarily mean more jobs, according to the study, and governments need to focus on better policies to get the maximum benefit of trade.

"With the right policies, India can ensure that greater export orientation can boost workers' gains from trade and spread them more widely, so benefiting disadvantaged groups," the authors said.

(Source: Bloomberg, World Bank-ILO report, 6/3/2019)

India jumps 2 spots on WEF's global Energy Transition index, beats China

The WEF said energy systems have globally become less affordable and less environmentally sustainable than they were five years ago.

India has moved up two places to rank 76th on a global energy transition index, which has ranked 115 economies on how well they are able to balance energy security and access with environmental sustainability and affordability.

Sweden remains on the top on this annual list compiled by Geneva-based World Economic Forum (WEF) and is followed by Switzerland and Norway in the top three, as per its latest report released on Monday.

The WEF said energy systems have globally become less affordable and less environmentally sustainable than they were five years ago, though access to energy has improved with less than 1 billion now living without access to electricity. It said India is amongst the countries with high pollution levels and has a relatively high CO_2 intensity in its energy system.

"Despite this, India has made significant strides to improve energy access in recent years, and currently scores well in the area of regulation and political commitment towards energy transition," the WEF said. It suggested there was a ground for optimism regarding India despite the current outdated energy

system not being ready for transition, because an enabling environment is being built to support future transition.

While India has scored low in terms of system performance (ranking 97 and 86, respectively), it ranks considerably higher when it comes to readiness (45 and 61, respectively). Overall, India has moved up two places from 78th last year. China is ranked even lower than India at 82nd position, though it ranks very high at seventh place in the world for regulation and political commitment.

Despite its low ranking, India is the second best in the BRICS block of emerging economies, with Brazil being the best at 46th place globally. However, India is the only amongst the five economies to improve its rank since last year.

Among major economies, the UK is ranked 7th, Singapore 13th, Germany 17th, Japan 18th and the US 27th.

Within Asia, Malaysia is ranked highest at 31st, Sri Lanka is 60th, Bangladesh 90th and Nepal 93rd. The WEF said its index considers both the current state of the countries' energy system and their structural readiness to adapt to future energy needs.

Small economies have achieved higher scores on readiness, with the UK being the only G7 economy in the top 10.

The biggest challenge facing attempts to future proof global energy is the lack of readiness among the world's largest emitters. The 10 countries that score the highest in terms of readiness account for a mere 2.6 per cent of global annual emissions, the study found. "The world's transition to secure, affordable and sustainable energy has stagnated, with little or no progress achieved in the past five years," it said.

Across 115 economies, more people than ever before now have access to energy. However, this is offset by reduced affordability and almost no progress in making energy systems environmentally sustainable, the WEF said, while calling for urgent action on the part of policy makers and business to safeguard energy development for future generations. It said continued use of coal for power generation in Asia, increasing commodity prices and slower-than-needed improvements in energy intensity have contributed to this year's stagnation in performance.

The 'transition readiness' component of the index has taken into account six individual indicators: capital and investment, regulation and political commitment, institutions and governance, institutions and innovative business environment, human capital and consumer participation, and energy system structure. The WEF said fossil fuels' share of total primary energy supply at 81 per cent has been constant over the past three decades. Also, the global CO2 emissions are expected to have increased by more than 2 per cent in 2018, the highest since 2014.

Consumption of coal increased in 2018, after declining for three consecutive years.

While the US has made progress in reducing the use of coal in power generation, it slipped in the rankings by four places reflecting concerns about the affordability of energy to households, and regulatory uncertainty on environmental sustainability.

(Press Trust of India, 25/3/2019)

European Parliament approves new copyright rules for the internet

Creatives and news publishers will be empowered to negotiate with internet giants thanks to new copyright rules which also contain safeguards on freedom of expression.

MEPs adopted the directive in plenary by 348 votes in favour, 274 against and 36 abstentions. This marks the end of the legislative process for the European Parliament that began in 2016. It will now be down to member states to approve Parliament's decision in the coming weeks. If the member states accept the text adopted by the European Parliament, it will take effect after publication in the official journal and then member states will have 2 years to implement it.

The directive aims to ensure that the longstanding rights and obligations of copyright law also apply to the internet. YouTube, Facebook and Google News are some of the internet household names that will be most directly affected by this legislation.

The directive also strives to ensure that the internet remains a space for freedom of expression.

A press conference with the rapporteur Axel Voss and MEPs Helga Trupel and Sajjad Karim will be held at 15.00 and can be viewed here.

Tech giants to share revenue with artists and journalists

The directive aims to enhance rights holders' chances, notably musicians, performers and script authors, (creatives) as well as news publishers, to negotiate better remuneration deals for the use of their works when these feature on internet platforms. It does this by making internet platforms directly liable for content uploaded to their site and by automatically giving the right to news publishers to negotiate deals on behalf of its journalists for news stories used by news aggregators.

Locking in freedom of expression

Numerous provisions are specifically designed to ensure the internet remains a space for freedom of expression.

As sharing snippets of news articles is specifically excluded from the scope of the directive, it can continue exactly as before. However, the directive also contains provisions to avoid news aggregators abusing this. The 'snippet' can therefore continue to appear in a Google News newsfeeds, for example, or when an article is shared on Facebook, provided it is "very short".

Uploading protected works for quotation, criticism, review, caricature, parody or pastiche has been protected even more than it was before, ensuring that memes and Gifs will continue to be available and shareable on online platforms.

Many online platforms will not be affected

The text also specifies that uploading works to online encyclopedias in a non-commercial way, such as Wikipedia, or open source software platforms, such as GitHub, will automatically be excluded from the scope of this directive. Start-up platforms will be subject to lighter obligations than more established ones.

Stronger negotiating rights for authors and performers

Authors and performers will be able to claim additional remuneration from the distributor exploiting their rights when the remuneration originally agreed is disproportionately low when compared to the benefits derived by the distributer.

Helping cutting edge research and preserving heritage

The directive aims to make it easier for copyrighted material to be used freely through text and data mining, thereby removing a significant competitive disadvantage that European researchers currently face. It also stipulates that copyright restrictions will not apply to content used for teaching or illustration.

Finally, the directive also allows copyrighted material to be used free-of-charge to preserve cultural heritage. Out-of-commerce works can be used where no collective management organisation exists that can issue a license.

How this directive changes the status quo

Currently, internet companies have little incentive to sign fair licensing agreements with rights holders, because they are not considered liable for the content that their users upload. They are only obliged to remove infringing content when a rights holder asks them to do so. However, this is cumbersome for rights holders and does not guarantee them a fair revenue. Making internet companies liable will enhance rights holders' chances (notably musicians, performers and script authors, as well as news publishers and journalists) to secure fair licensing agreements, thereby obtaining fairer remuneration for the use of their works exploited digitally.

Quote from the rapporteur, Axel Voss (EPP, DE)

"This directive is an important step towards correcting a situation which has allowed a few companies to earn huge sums of money without properly remunerating the thousands of creatives and journalists whose work they depend on.

At the same time, the adopted text contains numerous provisions that will guarantee that the internet remains a space for free expression. These provisions were not in themselves necessary, because the directive will not be creating any new rights for rights holders. Yet we listened to the concerns raised and chose to doubly guarantee the freedom of expression. The 'meme', the 'gif', the 'snippet' are now protected more than ever before.

I am also glad that the text agreed today shelters start-ups in particular. Tomorrow's leading companies are the start-ups of today and diversity depends on a deep pool of innovative, dynamic, young companies.

This is a directive which protects people's living, safeguards democracy by defending a diverse media landscape, entrenches freedom of expression, and encourages start-ups and technological development. It helps make the internet ready for the future, a space which benefits everyone, not only a powerful few."

Copyright reform: The Commission welcomes European Parliament's vote in favour of modernised rules fit for digital age

Strasbourg, 26 March 2019

Today, the European Parliament voted in favour of the new Copyright Directive designed to bring tangible benefits to citizens, all creative sectors, the press, researchers, educators, and cultural heritage institutions.

Vice-President for the Digital Single Market Andrus Ansip and Commissioner for Digital Economy and Society Mariya Gabriel welcome the outcome in a joint statement:

"We welcome the approval of the Directive on copyright in the Digital Single Market by the European Parliament. This Directive protects creativity in the digital age and ensures that the EU citizens benefit from wider access to content and new guarantees to fully protect their freedom of expression online. The new rules will strengthen our creative industries, which represent 11.65 million jobs, 6.8% of GDP and are worth €915,000 million per year.

Today's vote ensures the right balance between the interests of all players – users, creators, authors, press – while putting in place proportionate obligations on online platforms.

The Copyright Directive protects freedom of expression, a core value of the European Union. It sets strong safeguards for users, making clear that everywhere in Europe the use of existing works for purposes of quotation, criticism, review, caricature as well as parody are explicitly allowed. This means that memes and similar parody creations can be used freely. The interests of the users are also preserved through effective mechanisms to swiftly contest any unjustified removal of their content by the platforms.

At the same time, the Directive will improve the position of creators in their negotiations with big platforms which largely benefit from their content. Writers, journalists, singers, musicians and actors will find it easier to negotiate better deals with their publishers or producers. The new rules will also allow research organisations, universities, schools, libraries and museums to use more content online. The Directive takes account of new technologies to ensure that researchers can use text and data mining to its full potential.

We thank all parties involved, and particularly the Members of the European Parliament and the Member States for all their efforts to make this crucial reform for the future of Europe possible."

Background

Commission's surveys showed in 2016 that 57% of internet users access press articles via social networks, information aggregators or search engines. 47% of these users read extracts compiled by these sites without clicking through. The same trend was observed for the music and film industry: 49% of internet users in the EU access music or audiovisual content online, 40% of those aged 15-24 watched TV online at least once a week. This trend has rocketed since then.

Next Steps

The text adopted today by the European Parliament will now need to be formally endorsed by the Council of the European Union in the coming weeks. Once published on the Official Journal of the EU, Member States will have 24 months to transpose the new rules into their national legislation.

Background

In September 2016 the European Commission proposed modernising EU Copyright rules for European culture to flourish and circulate, as part of the Digital Single Market strategy.

The EU Copyright reform is a priority file for the European Parliament, the Council of the EU and the European Commission. It modernises EU copyright rules which date back to 2001, when there were no social media, no video on demand, no museums digitising their art collections and no teacher providing online courses.

Today's agreement is a part of a broader initiative to adapt EU copyright rules to the digital age. In December 2018, EU co-legislators agreed on new rules to make it easier for European broadcasters to make certain programmes available on their live TV or catch-up services online. And since 1 April 2018, Europeans who buy or subscribe to films, sports broadcasts, music, e-books and games in their home Member State are able to access this content when they travel or stay temporarily in another EU country.

(EUROPA, 26/3/2019)