

# NEWS ALERT

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## Follow India's Example, PM Tells The World

The style was quintessential Manmohan Singh: unassuming, suave, gentle. But the substance of his midmorning address to fellow leaders of the G20 here on Sunday was firm, uncompromising and self-assured to the point of being brash. In essence, the Indian leader told the rest of the world to follow India's example when it comes to economic policy. He urged industrial countries not to exit fiscal stimulus either in a hurry or altogether, because, at the present moment, "we have a much greater risk of deflation than of inflation". Contractionary policies, if followed by many industrialised countries simultaneously, could provoke a double-dip recession. By declaring himself against allowing the nervousness of euro zone debt markets to scare all countries into premature fiscal consolidation, Mr Singh aligned himself with US President Barack Obama and France's Nicolas Sarkozy. However, he did not cold-shoulder Germany, the most significant advocate of fiscal consolidation, completely either.

## Singapore Pushes for Mauritius-like Tax Treaty with India

Singapore has sought a more liberal tax regime from India on the lines of the one it has with Mauritius, as the India-Singapore trade and investment pact comes up for review. This demand comes even as India is pitching for a review of the tax treaty it has with Mauritius to plug loopholes to avoid treaty misuse. India and Singapore had a second review meeting of the trade and investment pact last month. More than 40% of foreign investment inflows into India are routed through Mauritius, a significant portion of which is believed to be third country funds and Indian money.



India and Singapore had signed a Comprehensive Economic Cooperation Agreement in 2005 that had eased foreign investment norms. The double taxation avoidance agreement between the two countries also provided for some tax benefits but not akin on one offered by India-Mauritius one.

## Protests Greet Leaders at G20

When global leaders meet, the one thing they can count on with greater certainty than a concluding communiqué is protest. Protesters give a rousing reception to the arriving dignitaries with greater enthusiasm than is mustered by official reception committees. Things are no different with the G20 meet at Toronto.

Youngsters wearing black marched through some of the busiest streets of downtown Toronto on Saturday afternoon, smashing shop windows, breaking up mannequins and strewing the pieces on the ground. The police proactively closed down shops and eateries, but did not take any tough action against the protesters, till after they burnt a couple of police cars. What were the protesters opposing? Some protested against capitalism. Some others had more mundane demands such as better maternity benefits. The cause did not matter, really. The meet was an occasion for different streams of discontents to rage against the system. Toronto had not seen such 'violent' protests since 1994, according to local television.