Daily Economic News Summary: 30 June 2016

1. India jumps 19 places in World Bank's global logistics performance ranking

Source: **Economic Times** (Link)

India has jumped 19 places in the latest World Bank ranking in the global logistics performance, reflecting the improvement in movement of goods inside the country thus facilitating better trade. The World Bank in its latest once-in-two-year Logistics Performance Index (LPI) said India is now ranked 35th as against the 54th spot it occupied in the previous 2014 report. Logistics organises the movement of goods through a network of activities and services operating at global, regional, and local scale.

2. Cabinet approves new mineral exploration policy

Source: **Business Standard** (Link)

The Cabinet has approved the National Mineral Exploration Policy (NMEP) on Wednesday, which will pave the way for auction of 100 prospective mineral blocks, boosting India's mining potential. Through the new policy, the government is expecting to attract private sector in exploration, besides involving state-run Geological Survey of India (GSI), Mineral Exploration Corporation (MECL) and other notified agencies. According to NMEP, selection of private explorer is proposed to be done through a transparent process of competitive bidding through e-auction. For this, reasonable mineral blocks for regional exploration will be identified by state governments for auctioning.

Once the explorer submits the data after exploration, the state government will auction the mining lease for that block. The mining lease owner will then pay certain royalty to the state government. The NMEP states that an amount equivalent to certain percentage of this royalty should be paid to the private explorer by the mining lease owner. The revenue-sharing could be either in the form of a lumpsum or an annuity to be paid throughout the period of mining lease, with transferable rights. To encourage mineral exploration in the country, the mines ministry has already notified the National Mineral Exploration Trust (NMET). The mining lease owners have started paying an amount — equivalent to 2% of the royalty paid to state governments — to this trust.

3. FSSAI proposes new limits for additives in alcohol drinks

Source: **Business Today** (Link)

Food regulator FSSAI on Wednesday proposed fixing limits for various additives for alcoholic beverages, including wine and others. *"...calling for suggestions, views, comments etc from stakeholders within a period of 30 days on the draft notification related to additional additives, enzymes, processing aids for use in alcoholic beverages including alcohol free and low alcoholic counterparts,"* FSSAI said in the notification.

The regulator has also included new additives in the list. In the notification, the regulator has mentioned the list of additives or enzymes which can be used for production of grape wine and distilled spirituous beverages containing more than 15 per cent alcohol. Earlier, the FSSAI CEO Pawan Agarwal had said that the regulator has finalised a list of food additives and standards with respect to alcoholic beverages and the standards are in alignment with International Organisation of Vine and Wine (OIV) standards. Meanwhile, in a separate draft notification, the food regulator has also invited suggestions from stakeholders on standards of non-carbonated water-based beverages.

4. Cement demand to grow 6% in FY17, Predicts ICRA

Source: **Business World** (Link)

Demand for cement is likely to grow by 6 per cent in the current fiscal and further rise to 7 per cent in 2017-18, on improvement in infrastructure segment, says a report. According to rating agency Icra, cement demand was relatively muted at 5 per cent in 2015-16. *"Cement demand growth will pick up to 6 per cent in 2016-17 and further to 7 per cent in 2017-18... during the current fiscal, it is likely to be driven by the pick-up in the infrastructure segment -- primarily road projects and housing segment,"* Icra Ratings Senior Vice President Sabyasachi Majumdar said. *"This apart, there is a likelihood of recovery in rural demand from the second half of the current fiscal given the expectations of a better monsoon,"* Majumdar added. Icra also noted that cement demand would also be supported by the construction of a new capital for Andhra Pradesh and the focus on irrigation and water grid schemes by Telangana.

5. Retail boost with nod to 24*7 Biz

Source: **Business Standard** (Link)

The Union Cabinet paved the way for shops, restaurants and malls to remain open round the clock, all through the year, by approving a model law. According to the Model Shops and Establishment (Regulation of Employment and Condition of Service) Bill, 2016 non-manufacturing will be allowed to remain open 24 hours a day, all through the year. However, the implementation of the law will depend on the states. The Bill will now be sent to the States which have the option of adopting it or making modification. At present, states have their own rules relating to shops and establishments which cover physical shops or workplaces regardless of the size of the unit. The new law lays down statutory obligations and rights of employers and employees. If adopted by the states, the Act will also allow women to work in night shifts for which the employer will have to provide facilities of night crèches, separate toilets and transportation.

6. IKEA to hire 15,000 to set up 25 stores

Source: **Business Standard** (Link)

In one of the biggest hiring exercises by a foreign firm in the country, the world's largest furniture retailer IKEA is going to hire 15,000 people to run the 25 stores it plans to open. The Swedish chain is also looking at hiring the services of 37,500 more people indirectly to assist in running its stores. *"Each store would employ 500 to 600 workers and indirectly provide job opportunities for 1500 people, We have already started hiring Hyderabad and Mumbai stores and also in Bengaluru"* said Anna Carin, Country Manager, Human Resource, IKEA.

By Harsha Hazarika