

Daily Economic News Summary: 30 March 2016

1. Government clears 100% FDI in e-commerce marketplaces

Source: **Times of India** ([Link](#))

In a major reform on the eve of PM Narendra Modi's visit to Brussels and the US, the government on Tuesday allowed 100% foreign direct investment (FDI) in the marketplace format of e-commerce via the automatic route. This is the second segment of retail to be opened up in a month. In the Budget, the government had allowed 100% FDI for marketing locally produced food items even as FDI in multi-brand retail remained on the backburner.

2. Parrikar woos global investors with new DPP

Source: **Business Standard** ([Link](#))

After the thumbs up from India Inc to the Defence Procurement Procedure (DPP), Defence Minister Manohar Parrikar today sought to woo global investors, saying the newly unveiled policy provides a level-playing field for all stakeholders. *"The DPP has raised expectations. I only consider it to be a level-playing field and nothing beyond that. Many of the ideas which could have been executed could not be done so because of the earlier DPP,"* he said at a Global Investors' Summit organised here by ASSOCHAM on the sidelines of the ongoing Defence Expo at Betul -Naqueri in south Goa. The minister told the delegates that the new DPP removes several "shackles" and frees the department from procedural tangles. *"The DPP saw around 3,000-4,000 hours of work, which includes reading, re-reading,"* said Parrikar. The Defence Minister had unveiled the new DPP on the first day of the Defence Expo yesterday and its text is now available online. The minister said, *"DPP is just a warm up, the final game is yet to begin. Through DPP 2016, we have attempted a good draft. Neither do I claim that we are experts in everything, nor is it that everything we work out is perfect."* He told the industry players that their suggestions and recommendations are welcome. *"May be after six months, we will see how the new DPP functions."*

3. Make in India at centre of our business strategy: Airbus

Source: **Live Mint** ([Link](#))

Airbus Group is looking at India as a potential manufacturing hub with over 45 Indian suppliers already embedded into its global supply chain for commercial aircraft production, said a top executive of the firm's India unit. *"India is important for us not just as a market but also as a strategic resource hub. India has a lot to offer us and we have a lot to offer to India. We see India as a potential manufacturing hub for us,"* said Pierre de Bausset, president and managing director of India unit at the Defexpo 2016 on Tuesday. *"We have over 400 engineers at our own facility in Bengaluru engaged in core engineering work across all our civil aircraft product range. This shows the emphasis we place on integrating top Indian talent pool in our global engineering organization. On the defence side also things are looking up with proactive policy changes by the Indian government including the rolling out of the 'Make in India' programme,"* Bausset said.

Make In India is the brainchild of Prime Minister Narendra Modi to promote India as the world's next manufacturing destination and attract foreign direct investment (FDI). The European aerospace and defence company has offered to build the C295W military transport aircraft in India together with Tata Group as a replacement of the Indian Air Force's ageing Avro fleet. The offer is currently being processed by the ministry of defence and the field evaluation trials for the aircraft are expected in the near future. Airbus has said that if selected for the contract, it will help set up a C295W final assembly line with Tata and will support the creation of an industrial ecosystem in India to feed the final assembly line (FAL).

4. Reliance Defence to join hands with Rafael to build missiles

Source: **Times of India** ([Link](#))

Reliance Defence, an arm of Anil Ambani-led Reliance group, on Tuesday said it has signed a deal with Israel's Rafael Advanced Defence System to set up a joint venture (JV) company in India to cater to the requirements of the Indian defence sector. Among the equipment this JV will target is air-to-air missiles, air defence systems and large aerostats that will oversee projects worth \$10 billion in ten years, a release from Reliance Defence said. It is one of the largest JVs between an Indian company with any original equipment manufacturer (OEM), the release said. Reliance Defence will hold 51% in the JV with the balance by Rafael. *"The JV company will be located at Pithampur, Indore in Madhya Pradesh and will generate more than 3,000 highly skilled jobs. The project will have an initial capital outlay of more than Rs 1,300 crore, without including the cost of technology,"* the company release said.

5. Govt extends wheat import duty till June on higher production

Source: **Live Mint** ([Link](#))

The government on Tuesday extended the 25% import duty on wheat by another three months, till June, to curb imports as domestic production is estimated to rise by over 8% this year. Wheat production is projected to increase by 8.42% to 93.82 million tonnes (MT) in 2015-16 crop year, as against 86.53 MT in the previous year, despite deficient monsoon during last year. In a notification dated 28 March, the Central Board of Excise and Customs (CBEC) said that 25% duty on import of wheat will continue beyond 31 March, up to 30 June 2016.

Also, the basic customs duty of 40% on import of ghee butter and butter oil, has been extended by six months to 30 September. The government has extended the wheat import duty as it has surplus stock in godowns and harvesting of the rabi crop has started. The Food Corporation of India (FCI), the nodal agency for procurement and distribution of foodgrains, has set a target to purchase 30.5 MT this year from farmers.

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By Harsha Hazarika