

Daily Economic News Summary: 10 December 2018

1. Ease Of Doing Business: PM Modi To Meet Department Secretaries On Dec 13

Source: Financial Express ([Link](#))

Prime Minister Narendra Modi is scheduled to meet secretaries of various departments, including finance, revenue, economic affairs, DIPP and corporate affairs, as well as chief secretaries of Maharashtra and Delhi on December 13 to deliberate on the ease of doing business rankings. As per sources, the meeting will deliberate on various measures required to help India break into top 50 countries in the World Bank's ease of doing business index. The meeting is part of various interactions planned by the Prime Minister's Office with government departments as well as industry players and policymakers.

2. China Backs India's Bid For Improved Domestic Regulations

Source: Livemint ([Link](#))

Many developing countries, including China, on 6 December supported India's initiative to "rejuvenate" and "re-energize" negotiations to improve the disciplines on domestic regulation, which are being used by the US, the European Union (EU), Canada and Australia, among others, to deny market access to short-term service providers such as computer professionals, according to people familiar with the development. Over the last 23 years, the US, the EU, Canada and Australia erected barriers through what are called domestic regulation conditions, such as qualification requirements, licensing requirements, and technical standards, to deny market access to short-term services providers from India, and other developing countries, under the Mode 4 of General Agreement on Trade in Services.

3. Kerala Becomes First Indian State To Have Four International Airports

Source: Livemint ([Link](#))

Kerala has become the first state in the country to have four international airports with the inauguration of the Kannur airport on 9 December. Civil Aviation Minister Suresh Prabhu and Chief Minister Pinarayi Vijayan jointly flagged off the inaugural Air India Express flight, carrying 186 passengers to Abu Dhabi, at the airport near Mattannur town in the morning. With the commissioning of the airport, the state has become the first in the country to have four international

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airports, with Thiruvananthapuram, Kochi and Kozhikode being the other three. The airport depicts not only cultural traditions of Malabar and Kannur, but also of Kodagu in neighbouring Karnataka. Virajpet in Kodagu is just only 58-km away from the airport, while district headquarters Madikeri is around 90-km away.

4. India To Retain Top Spot In Remittances With \$80 Bn In 2018: World Bank

Source: Livemint ([Link](#))

India will retain its position as the world's top recipient of remittances this year with its diaspora sending \$80 billion back home, the World Bank said in a report on 8 December. India is followed by China (\$67 billion), Mexico and the Philippines (\$34 billion each) and Egypt (\$26 billion), according to the global lender. The Bank estimates that officially recorded remittances to developing countries will increase by 10.8% to reach \$528 billion in 2018, against a 7.8% growth in 2017. Global remittances, which include flows to high-income countries, are projected to grow by 10.3% to \$689 billion, it said.

5. Govt To Give Preference To India-Made Vehicles In Public Procurement

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

The government has mandated preference to be given to domestically-manufactured vehicles with minimum 65 per cent local content in public procurement of automobiles, according to an official notification. As per the new norms notified by the Heavy Industries Ministry with an aim to "encourage Make in India" and to promote manufacturing and production of goods and services locally, "preference shall be provided by all government procuring entities to domestically manufactured automobile and automotive components".

6. Govt Plans To Begin Interim Operations At Chabahar Port In Iran Soon

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

The Indian government plans to begin interim operations at Chabahar port in Iran by tweaking the shareholding pattern of India Ports Global Limited and making it a government entity. This is expected to satisfy the terms imposed by US sanctions on Iran and yet allow India to operate the project. The operations will kick off in a few weeks even though there was a terrorist attack on the port city on 7 December, an Indian government source said. The government is buying out the

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shares of India Ports Global, which are now held in a 60-40 ratio by the Jawaharlal Nehru Port Trust (JNPT) and Deeendayal Port Trust (DPT) in Kandhla.

7. Ministry Sends New Industrial Policy For Cabinet Approval: Suresh Prabhu

Source: The Economic Times ([Link](#))

The New Industrial Policy has been sent for the Union Cabinet's consideration, commerce and industry minister Suresh Prabhu said, proposing a new regime that aims to create jobs for the next two decades and attract \$100 billion foreign direct investment (FDI) annually. The New Industrial Policy, which will replace the 27-year-old existing policy, aims to resolve bottlenecks arising from inadequate infrastructure, restrictive labour laws and complicated business environment. The policy is in sync with the government's 'Make in India' target to increase the share of the manufacturing in the economy to 25% by 2022 from 16-17% now. The policy would have some financial implications as the government may provide incentives for use of transformational technologies like artificial intelligence, internet of things, and robotics

8. Parliamentary Panel Objects To Diversion Of Clean Energy Fund To Compensate States For GST

Source: The Economic Times ([Link](#))

A parliamentary panel, headed by BJP's Murli Manohar Joshi, has taken objection to the Centre's move to divert a large chunk of the Rs 86,440-crore National Clean Energy Fund (NCEF) to compensate states for their revenue loss following the rollout of goods and services tax. Such a move, says the committee on estimates, will impact efforts to check global warming. In its report on the Performance of National Action Plan on Climate Change (NAPCC), the committee has expressed its "concern" that despite the coal cess helping generate substantial revenue, the fund was not made available to fuel clean energy initiatives, people aware of the content of the report told ET. Even the low allocation, it observed, was not utilised, indicating "poor planning and execution" by the implementation agencies.

9. New Steel Policy With Focus On Quality Has Helped Save Rs 5,000 Cr, Says Minister; Per Capita Consumption Has Gone Up

Source: Firstpost ([Link](#))

Union Steel Minister Chaudhary Birender Singh said on 9 December nearly Rs 5,000 crore has been saved since the new steel policy with focus on quality has come into effect. Singh, who was in the megapolis to attend an industry award function instituted by Steel Users Federation of India (SUFI), told reporters that the government plans to impose the Bureau of Indian Standards (BIS) on all steel products. "Currently, the BIS is imposed on 86 percent of products and we plan to take it to 100 percent," he said without putting a timeline for implementation.

10. ISB Hyderabad's Krishnamurthy Subramanian Appointed New Chief Economic Adviser For 3 Years

Source: Livemint ([Link](#))

The government on 7 December named Krishnamurthy Subramanian, an associate professor and executive director at the Centre for Analytical Finance at the Indian School of Business (ISB) in Hyderabad, as its next chief economic advisor (CEA) ahead of its final budget to be presented early next year. Subramanian, 47, specializes in banking, corporate governance and economic policy. The CEA in the finance ministry is a key contributor to the government's overall strategy in managing the economy and offers a critique of the hits and misses through the economic survey. Raghuram Rajan, under whose advice Subramanian obtained his PhD in financial economics at the University of Chicago's Booth School of Business, was the CEA before he became the Reserve Bank of India governor in 2013.