

Daily Economic News Summary: 11 November 2019
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1. Government's go-ahead for 4 medical device parks

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

The government has given approval for setting up four medical device parks with a view to support Make in India initiative and provide world-class products at affordable price for treatment. The four parks will be set up in Andhra Pradesh, Telangana, Tamil Nadu and Kerala, sources said, adding that Uttarakhand and Gujarat have also approached the Centre for a go-ahead for such parks. These parks will provide necessary infrastructure, where companies can easily plug and play, sources said. This will not only cut import bill but will also help in easy access to standard testing facilities and reduce cost of production, they said.

2. More flights for Saudi Arabia as Centre increases seat quota by 78%

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

India and Saudi Arabia have revised their air services agreement, enabling an increase in flights between the two countries. The weekly seat quota for the carriers of the two countries has been increased from 28,000 to 50,000 as part of the MoU signed in Riyadh on October 29. The increase in seats will take place in a phased manner. According to the civil aviation ministry, the seat quota will rise to 36,000 in the first instance and then to 44,000 and 50,000 in the next two phases after certain conditions are met. Indian carriers will continue to get unlimited access at Dammam airport, in the capital of Saudi Arabia's Eastern Province.

3. New Zealand sees big potential to cooperate with India in dairy sector

Source: The Hindu, Business Line ([Link](#))

Soon after India's exit from the multi-lateral trade pact, Regional Comprehensive Economic Partnership (RCEP), a prominent partner in the mega trade bloc, New Zealand, has extended a helping hand for best practices in the dairy sector by offering technology and systems. On the last day of his three-day visit to India, Damien O'Connor, New Zealand's Minister of State for Trade and Export Growth, engaged with Amul at the milk capital of India, Anand, and tried to understand India's cooperative structure and the functioning of the dairy market in the country. He hinted that New Zealand will continue to explore the Indian dairy market with the right products at the right time using Indian milk with advanced technology. Asked if New Zealand

looks at India as a potential market, O'Connor stated: "Our countries share a lot of similarity in legal systems, cultural background. About 5 per cent of our population in New Zealand is Indian or of Indian descent. So, we believe it's a market we should talk to. There is also an opportunity for more trade with India."

4. Railways' first privately run train posts ₹70 lakh profit in first month of operations

Source: Livemint ([Link](#))

IRCTC's Tejas Express has made a profit of around ₹70 lakh till October this year while earning a revenue of nearly ₹3.70 crore through sale of tickets, sources said, signalling a steady start for the Railways' first "privately" run train. The Indian Railway Catering and Tourism Corporation's Lucknow-Delhi Tejas Express is part of the Railways' bid to develop 50 railway stations of world-class standards and allowing private passenger train operators to run 150 trains on its network. The train has run with an average occupancy of 80-85 per cent since it began operations on October 5, the sources said. From October 5 to October 28 (21 days, as the train runs six days a week), the expenditure incurred by IRCTC in running the train was around ₹3 crore, they said. The Railway subsidiary, which spent an average of nearly ₹14 lakh per day to run the state-of-the-art train, earned around ₹17.50 lakh daily from passenger fares.

5. Chinese auto firms eye GM's last plant in India

Source: Livemint ([Link](#))

SAIC Motor Corp. Ltd and Great Wall Motors Co. Ltd, two of China's biggest automakers, are in talks with General Motors Co. to acquire the Detroit carmaker's last remaining factory in India, two people aware of the development said. Located at Talegaon in Maharashtra, the plant can produce 165,000 vehicles a year and 160,000 power trains. GM had in 2017 sold its first factory in India at Halol in Gujarat to SAIC. MG Motor India, a unit of SAIC, has tasted runaway success with its debut Hector sport utility vehicle (SUV) since it went on sale in June. This has likely prompted SAIC to eye GM's second factory as MG has outlined an ambitious product introduction plan for the Indian market. MG plans to introduce its second product in India, an electric SUV, next month. Great Wall, China's biggest SUV maker, is actively scouting for land or existing factories in India to start operations. SAIC and Great Wall are looking at new markets for expansion, including India, given that China has reached saturation point, one of the two people cited above said on condition of anonymity.

6. Relief for Indians in US: Spouses of H1B visa holders can continue to work

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

In a temporary relief to thousands of Indians living in America, a US court has refused to strike down, for the time being, an Obama-era rule that allowed spouses of H-1B visa holders to work in America. The H-1B visa is a non-immigrant visa that allows the US companies to employ foreign workers in specialty occupations. A 2015 rule issued by US President Donald Trump's predecessor Barack Obama allowed work permits for certain categories of H-4 visa holders, primarily spouses of those having H-1B work visas waiting for their Green Card, to work in the US. Indians, in particular women, were the greatest beneficiary of this rule, which has been challenged by several US workers with the current Trump administration supporting their cause, saying that it wants to rescind the rule.

7. FDI policy violation: Traders body CAIT to launch agitation against Amazon, Flipkart from 13 November

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

Traders' body CAIT on 10 November said it will launch a series of protests against Amazon, Flipkart and other e-commerce firms for continuous violation of the FDI policy from 13 November. Trade leaders from 27 states gathered here at a National Traders Conference held by Confederation of All India Traders (CAIT). CAIT secretary general Praveen Khandelwal said the frontal war against Amazon and Flipkart will begin from 13 November and continue till 10 January, 2020. The traders' body alleged that these companies were circumventing the law and abusing Press Note No 2 of the government's foreign direct investment (FDI) policy. The first phase of nationwide agitation will be concluded with a three-day National Traders Convention — to be held from 6 to 8 January in New Delhi — which will be attended by trade leaders of about 20 thousand trade associations

8. SEPC for adding more services under export incentive scheme to boost shipments

Source: Money Control ([Link](#))

Services Export Promotion Council has urged the Commerce Ministry to widen scope of incentive scheme SEIS by bringing more services under it to promote the sector in overseas markets, a senior official has said. The foreign trade policy provides tax incentives under Service Exports from India Scheme (SEIS) to several services sector. Depending on the nature of services, the government gives duty credit scrips or certificates. The scheme offers reward at 5 percent or 7 percent of net foreign exchange earned and covers service providers located in

India. Currently, nine broad categories of services are there in the list, including professional, communication, construction, educational, environmental, tourism and transport. Incentives to services exporters under the scheme during the 2018-19 stood at Rs 4,262.8 crore with a total of 6,376 number of SEIS scrips issued. This incentive to exporters to offset infrastructural inefficiencies and associated costs involved to increase services export. Scrips or certificates provided under the scheme can be used for payment of basic and additional customs duties on goods imported. These are freely transferable. If an exporter is not in a position to use the scrip, they can sold in open market.