

Daily Economic News Summary: 13 December 2019
--

1. Govt may impose anti-dumping duty on a chemical from five countries

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

The government may impose anti-dumping duty on a chemical used in polyester fibres and films, imported from five countries as the commerce ministry has launched an investigation for the same. The ministry's investigation arm DGTR has initiated the probe into an alleged dumping of “Mono Ethylene Glycol” originating in or exported from Kuwait, Oman, Saudi Arabia, UAE and Singapore, following a complaint from a domestic company. Reliance Industries Ltd has filed an application on behalf of domestic industry before the DGTR for initiation of the investigation.

2. FM Nirmala Sitharaman introduces bill in Lok Sabha to amend insolvency law

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

Finance Minister Nirmala Sitharaman on 12 December introduced a bill in the Lok Sabha to amend the Insolvency and Bankruptcy Code. The Insolvency and Bankruptcy Code (Second Amendment) Bill, 2019 was approved by the Union Cabinet on 11 December. The amendments in the law seek to remove bottlenecks and streamline the corporate insolvency resolution process, wherein successful bidders will be ring fenced from any risk of criminal proceedings for offences committed by previous promoters of companies concerned. The Insolvency and Bankruptcy Code, which came into force in 2016, has already been amended thrice. The latest changes pertain to various sections as well as introduction of a new section.

3. Gold smuggling on the rise as high prices boost appeal in India

Source: Livemint ([Link](#))

Surging gold prices in India are keeping customs officials on their toes. Illegal inflows have jumped after the Indian government increased import taxes in July and prices surged to record highs in September. Customs officials have arrested people for attempting to smuggle in gold by concealing it in bags, clothes and their rectums. On one flight alone, officials caught 30 passengers trying to smuggle in 7.5 kilograms (16.5 pounds) of gold into Chennai. “The propensity to smuggle now is very high because every time you increase the tax rate, you give that much more incentive to smugglers,” P.R. Somasundaram, managing director for the region at the World Gold Council, said in an interview. “So it will continue like this unless measures are

taken by not just the government but also the trade which shares an equal responsibility to obliterate the grey market."

4. RS passes International Financial Services Bill

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

The Rajya Sabha passed the International Financial Services Centres (IFSCs) Authority Bill by a voice vote on 12 December after a brief debate, paving the way for setting up a unified regulator for the IIFCs. As per the bill, the authority will consist of nine members, appointed by the central government. Besides the chairperson, it will have a member each to be nominated by the Reserve Bank of India (RBI), the Securities and Exchange Board of India (Sebi), the Insurance Regulatory and Development Authority of India (Irdai), and the Pension Fund Regulatory and Development Authority (PFRDA).

5. Ecomm gifts prohibited to curb Chinese imports

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

Goods imported as 'gifts' have been prohibited by the India government. Such duty-free imports via courier as well as through post will no longer be cleared by Customs, the government said in a notification on 12 December. The move is aimed at curbing imports by Chinese ecommerce vendors who were evading duties by declaring commercial shipments as gifts. "Import of goods, including those purchased from ecommerce portals, through post or courier, where Customs clearance is sought as gifts, is prohibited," the Directorate General of Foreign Trade said in a notification. "Import of goods as gifts with payment of full applicable duties is allowed," it said, amending the Foreign Trade Policy 2015-20.

6. Japan will take the lead in getting all countries, including India, to sign RCEP agreement: Top official

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

Japan wants to take the lead in getting India back into the Regional Comprehensive Economic Partnership (RCEP) negotiations and making sure all 16 member countries sign the pact together next year, a top official from the country has said. "Japan is determined to take the lead in getting all 16 countries, including India, to sign the RCEP agreement together in 2020. When and how is something we will have to discuss," Akihiko Tamura, Deputy Director General for Trade Policy, Trade Policy Division, Japan, told BusinessLine. Tamura was in New Delhi this week with the Japanese Trade Minister Hiroshi Kajiyama and had discussions with Commerce and Industry

Minister Piyush Goyal and senior officials from the Ministry on how to help increase competitiveness of Indian industry and address the country's concerns on RCEP.

7. Govt to sell 100% stake in Air India, says Minister

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

The government has decided to sell its entire 100 per cent stake in Air India under the proposed disinvestment process, Union Minister Hardeep Singh Puri said on 12 December. The national carrier, which has a debt burden of more than Rs 50,000 crore, has been making loss for long and as part of revival efforts, the government has decided on disinvestment. "After formation of the new government, Air India Specific Alternative Mechanism (AISAM) has been reconstituted and the re-initiation of the strategic disinvestment of Air India has been approved. Air India's net loss in 2018-19 is provisionally estimated to be Rs 8,556.35 crore. The minister said various measures, including enabling swift transition of Jet Airways aircraft to other airlines, have been taken to improve the aviation sector.