

## Daily Economic News Summary: 16 January 2019

### **1. Govt plans to impose restrictions on imports of products categorized as 'others'**

**Source: Livemint ([Link](#))**

Imports of uncategorized items may soon require special licences, with the commerce ministry seeking to curb such imports by shifting them to a restricted list in a month, trade minister Piyush Goyal said. "We have a big problem in our imports of a category called 'others'. In that category, all sorts of stuff are being put in and imported into the country. The last analysis I got done, I found one out of four products being imported in the 'others' category," Goyal said at the National Standards Conclave on 15 January. "I appeal to everybody, who is importing any product or service into the country, please categorize your product into the respective HSN (harmonized system of nomenclature) code where it falls. If your product is imported in sufficient measure, it requires a separate HSN code." Importers may face serious consequences if they fail to comply with the directions, the minister said. These could be higher duty on products that come under the "others" category or requirement for a licence to import such items, he said.

### **2. Jeff Bezos pledges \$1 billion, pulls out all stops in India charm offensive**

**Source: Livemint ([Link](#))**

Amazon.com founder Jeff Bezos pledged \$1 billion in new investments to help take small Indian businesses online, as the world's richest man pulled out all the stops to woo merchants and the government amid regulatory scrutiny and protests by traders. The investments, said Bezos in a chat with Amazon India country head Amit Agarwal, will touch as many as 10 million small and medium businesses, including manufacturers, resellers, local offline shops and brands. "This initiative will use Amazon's global footprint to create \$10 billion in Indian exports by 2025," Bezos told a hall packed with Amazon executives and businessmen, who sell on its marketplace, and industry stalwarts at the company's first Smbhav summit for small businesses. As many as 3,000 small and medium businesses (SMBs), startups, and technology solution companies thronged the venue in Delhi from across the country to attend the two-day event, cheering Bezos as he spelt out his vision for India. In another part of the city, a group of traders protested Amazon's policy of offering deep discounts on products, a strategy the traders claim is aimed at

bankrupting them and cornering market share. They held up posters that read “Amazon Go Back”.

### **3. Brazil looks to India as trade ties with Argentina deteriorate**

**Source: Livemint ([Link](#))**

Brazilian President Jair Bolsonaro is set to visit India next week, aiming to boost trade with a rapidly growing market as ties with neighboring Argentina deteriorate. With the Asian nation expanding around 7% a year over the past decade, Brazil sees a huge potential for its exports of food and commodities, according to Marcos Troyjo, the special secretary of foreign trade and international relations at the Economy Ministry. “International experience shows us that people eat more and invest in infrastructure when their income doubles,” Troyjo said in an interview in Brasilia. Brazil sees a chance to increase its \$7 billion in annual bilateral trade with India to \$25 billion in the next few years. With the South Asian giant doubling its per capita income in the last 10 years and set to overtake China in terms of population in the next decade, India represents a massive potential market for Brazil as it opens its economy to the world, Troyjo said.

### **4. Budget 2020: Govt may announce sops to woo Apple, Samsung suppliers**

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

The government is considering a plan to offer subsidised loans to mobile handset manufacturers in a bid to attract Apple and Samsung Electronics’s suppliers to open factories in the nation, said a government official. The proposals by the Ministry of Electronics and Information Technology includes offering interest subsidy on local borrowing by manufacturers, may form part of the federal budget to be unveiled on February 1, the official said, asking not to be identified citing rules on speaking to the media. It also includes setting up of industrial zones equipped with taxation and customs clearance, along with infrastructure such as roads, power and water supply, the official said. India plans to make \$190 billion worth of mobile phones by 2025 from \$24 billion now, the official said. Two calls made to the spokesman of the ministry remained unanswered.

### **5. Newly appointed Dy Guv Patra to look after RBI's monetary policy division**

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

Newly appointed RBI Deputy Governor Michael Debabrata Patra will look after the key monetary policy department along with seven other units, the central bank said after reshuffling

portfolios of deputy governors. Besides the governor, the Reserve Bank of India (RBI) has four deputy governors looking after different departments. Patra, who was the executive director, took over the post that was lying vacant since June last year when Viral Acharya resigned. As executive director, he was a member of the Monetary Policy Committee (MPC) of the RBI, which is invested with the responsibility of monetary policy decision making in India. He will continue to be an ex-officio member of the MPC as deputy governor. As deputy governor, Patra will look after Monetary Policy Department including Forecasting and Modelling Unit (MPD/MU), the central bank said.

#### **6. India plans new law to protect foreign investment: Sources**

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

India is planning a new law to safeguard foreign investment by speeding up dispute resolution, aiming to attract more capital from overseas to boost stuttering domestic growth, two officials with direct knowledge of the matter told Reuters. In a 40-page initial draft, India's finance ministry has proposed appointing a mediator and setting up fast-track courts to settle disputes between investors and the government, one of the sources said. "The idea is to attract and promote foreign investment, but a major issue for investors is enforcement of contracts and speedy dispute resolution," said the official. The draft proposal is aimed at diffusing investor mistrust around the sanctity of agreements, which has worsened recently after some state governments decided to review approved projects, or threatened to cancel contracts.

#### **7. Mandatory FASTag rule relaxed for 65 toll plazas on National Highways citing high cash transactions**

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

The Centre has exempted select toll plazas with high cash transactions to temporarily allow not more than 25% hybrid lanes accepting both cash and online transactions - for toll collection. This comes after the National Highways Authority of India (NHAI), which is implementing the electronic toll collection (ETC) program, raised 'concerns' regarding high cash transactions at 65 identified toll plazas in the country. Around 535 toll plazas under NHAI have been equipped with ETC program, raised 'concerns' regarding high cash transactions at 65 identified toll plazas in the country. Around 535 toll plazas under NHAI have been equipped with ETC, and barring 65 of these, the remaining toll plazas have to mandatorily convert all lanes barring one in each direction into FASTag lanes January 15 onwards.

## **8. Government drafting national fisheries policy with Rs 45,000 crore budget**

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

The government is drafting first national fisheries policy with a budget of Rs 45,000 crore for next five years to promote marine fishery, aquaculture and mariculture, official sources said. The only existing policy is on marine fisheries from which the production stands at 4.3 million tonnes annually, but there is no policy on inland fisheries that produces the rest 23 million tonnes. The newly carved out Fisheries Ministry is working on an overarching policy that would cover all aspects of the fishery sector, the sources said. The draft policy will soon be placed before the Cabinet for approval. A budget of Rs 45,000 crore would be required for next five years for implementing the policy, the source added.

## **9. Malaysia to engage with India over palm oil curbs: Minister**

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

Malaysia will use diplomatic channels as it moves to resolve concerns over palm oil exports after India imposed some curbs last week, a minister said on 16 January. "This year, we foresee more challenges in some of our major markets, Teresa Kok, Malaysia's minister of primary industries, told an industry conference. A key concern was India's imposition of restrictions on RBD palm oil, she added, referring to refined palm oil. "Despite these developments, the ministry will continuously engage these markets, including through diplomatic channels to seek amicable solutions to restore market confidence and further strengthen existing and potential markets."

## **10. India has not closed doors on RCEP: S Jaishankar**

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

India has not closed its doors on the Regional Comprehensive Economic Partnership (RCEP) and will carry out a cost benefit analysis to evaluate its merit, External Affairs Minister S Jaishankar said on January 15. In his address at the Raisina Dialogue, Jaishankar said India pulled out of the RCEP as the offer made by countries of the bloc did not match India's expectations. "Where RCEP is concerned, we have to look at cost and benefit. We will evaluate RCEP on its economic and trade merit. We have not closed our mind to it," he said. On whether India will join it, Jaishankar said the ball was in the court of the member countries of the RCEP.