

Daily Economic News Summary: 20 June 2019

1. Farm sector likely to get Rs 25 lakh-crore budget boost

Source: Hindustan Times ([Link](#))

The central government has targeted spending Rs 25 lakh crore on the rural and farm economy over the next five years, which will reflect in allocations to be made in these sectors in the annual Budget on July 5, an official said, requesting anonymity. Ahead of the Budget's preparation, departments and ministries had been asked to present monthly, yearly and full five-year targets, following a similar exercise to draw up the agenda for the first 100 days of the new government, a second official said. These agenda-setting exercises are going to "inform the Budget-making exercise", the second official added, also requesting anonymity. The Budget is expected to push farm and non-farm rural infrastructure and, within agriculture, it is likely to focus on removing bottlenecks in farm supply chains to enable freer trade in farm commodities so that farmers earn better prices.

2. India won't allow multi-brand retail by foreign companies, says Goyal

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

Commerce and Industry Minister Piyush Goyal has asked traders and retailers to send suggestions regarding the draft e-Commerce policy to his ministry in the next five days. In a meeting with the trader community on 19 June, Goyal also reiterated that India will not allow multi-brand retail by foreign companies. Addressing traders' concerns, Goyal said that no entry will be allowed for multi-brand retail on the pretext of Business-to-Business enterprise. He said provisions regarding the data in the e-commerce policy is being addressed by the Ministry of Electronics and Information Technology (MeitY). He assured traders the e-commerce policy, currently on the anvil for more than a year, will be finalised only after taking into account every suggestion received by the Department for Promotion of Industry and Internal Trade (DPIIT). The department had earlier faced allegations of not keeping the policy formation process not transparent enough.

3. US tells India it is mulling caps on H-1B visas to deter data rules; another tit-for-tat tariff action?

Source: Firstpost ([Link](#))

The United States has told India it is considering caps on H-1B work visas for nations that force foreign companies to store data locally, three sources with knowledge of the matter told Reuters, widening the two countries' row over tariffs and trade. The plan to restrict the popular H-1B visa programme, under which skilled foreign workers are brought to the United States each year, comes days ahead of US Secretary of State Mike Pompeo's visit to New Delhi. India, which has upset companies such as Mastercard and irked the US government with stringent new rules on data storage, is the largest recipient of these temporary visas, most of them to workers at big Indian technology firms. The warning comes as trade tensions between the United States and India have resulted in tit-for-tat tariff actions in recent weeks. From Sunday, India imposed higher tariffs on some US goods, days after Washington withdrew a key trade privilege for New Delhi.

4. OYO may become largest hotel network in the world: SoftBank's Masayoshi Son

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

SoftBank Group Corp. founder Masayoshi Son is expecting Indian startup OYO to become the largest hotel network in the world. At a general shareholders' meeting in Tokyo on Wednesday, Son said that OYO is one of the largest hotel networks in India and has become the second biggest hotel network in China in just one year. The company is growing its market worldwide in regions such as the US, UK and Southeast Asia. "They (OYO) would be becoming the largest hotel network in the world," said Son. In May this year, SoftBank, which is one of the biggest start-up investors in the country, observed its operating profit for the year ended March raised by valuation gains from its investments in companies such as OYO and ride-hailing giant Uber.

5. AHSI signs MoU with Singapore Botanical Gardens to work for sustainable development

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

Agri-Horticultural Society of India (AHSI) has signed a memorandum of understanding with Singapore Botanical Gardens, a unit of The National Parks Board, Singapore, to work together on shared set of objectives for environmental protection and sustainable development. Under this partnership both parties will extend mutual cooperation to foster capacity building and training in horticulture, through knowledge sharing on management and appreciation of the living heritage. The organisation will work together on public interpretation and educational outreach activities.

Skill development for staff will be facilitated through exchange programmes, and invitations to relevant horticulture shows, conferences and workshops organised by either institution. AHSI and Singapore Botanical Gardens will also collaborate towards implementing joint horticulture projects of mutual interest.

6. Government turns down traders' e-commerce regulator demand

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

The government has ruled out the possibility of a regulator for the ecommerce sector as it prepares to finalise a national policy on e-commerce. Commerce and industry minister Piyush Goyal has told small traders and retailers to explore ways to benefit from ecommerce platforms but turned down their demand for a regulator for the sector. “Traders wanted a regulator or separate law for the e-commerce sector but the minister said that will not solve their problems,” said an official aware of the details of the meeting that Goyal had with representatives of small traders on 19 June.

7. Nirmala Sitharaman discusses macro situation, budget planning

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

Finance minister Nirmala Sitharaman on 19 June reviewed the current economic situation with all sectoral regulators and held discussions on the forthcoming budget at the Financial Stability and Development Council (FSDC) meeting. In a statement, the finance ministry said the current global and domestic economic situation as well as financial stability issues, including, inter alia, those concerning banking and non-banking finance companies (NBFCs), were reviewed. ““All the regulators presented their proposals for the Union Budget 2019-20,” the statement said. This was Sitharaman’s first such meeting after she took charge as the finance minister. FSDC is the apex body of sectoral regulators, including the Reserve Bank of India, headed by the finance minister. The budget will be presented on July 5.

8. Customs officials likely to get more powers

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

Indian customs officials could soon get more powers to effectively deal with growing tax frauds of integrated goods and service tax credits. The government is contemplating amending the Customs Act in the upcoming budget to enable this, an official privy to the development told ET. “We are examining what kind of changes need to be made to the law.” The proposed changes could provide powers for recovery, confiscation and arrest, the official said. There has been a

rise in integrated GST-related frauds with many exporters using IGST credits to pay customs duty liability, prompting customs officials to initiate investigation.

9. Focus Africa: India extends a grant of \$15 million to Niger to increase its influence in the African Union (AU) and eyes uranium

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

To further deepen its presence in the African continent, India has offered a helping hand to Niger by granting \$15 million to help organize the African Union (AU) Summit next month. Expressing his views, Prof Ajay Dubey, Jawaharlal Nehru University, says, “India needs a stronger presence in the African Union as it largely goes by Banjul formula of the union to affect its aid and grants through India-Africa Forum Summit (IAFS). By extending this assistance, India will extend its influence in the African Union.” Also, Niger has a huge formal and informal export going on of Uranium other countries and India would like to access potential substantial supply source of Uranium, Dubey points out. According to the Ministry of External Affairs (MEA), the grant assistance was handed over by Indian envoy to Niger Rajesh Agarwal to that country’s deputy foreign minister Lamido Ousseini Bala Goga Salamatou

10. Sinha panel for doubling cap on collateral-free loans to MSMEs

Source: The Indian Express ([Link](#))

The U K Sinha committee on micro, small and medium enterprises (MSMEs) has proposed doubling the limit on collateral-free loans to Rs 20 lakh from the current level of Rs 10 lakh to boost the fund requirement of the MSME sector. The proposal is to provide the loans under the MUDRA scheme of the central government as working capital and term loans for business enterprises in manufacturing, trading, services and agriculture activities. The eight-member Sinha committee submitted its report to the Governor of the Reserve Bank of India on 18 June. The RBI constituted an ‘Expert Committee on Micro, Small and Medium Enterprises’ under the chairmanship of former Securities and Exchange Bureau of India (Sebi) chairman U K Sinha in January 2019 to suggest long-term measures for the economic and financial sustainability of the MSME sector. The committee held its deliberations including consultations with various stakeholders.