

Daily Economic News Summary: 22 October 2019

1. PM Modi highlights efforts to improve ease of doing business in India

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

Prime Minister Narendra Modi on 21 October highlighted the steps taken by his government to improve the ease of doing business in the country when members of the US-India Strategic Partnership Forum (USISPF) called on him. The prime minister also referred to the evolving start-up ecosystem in the country, highlighting the entrepreneurial risk taking capacity of India's youth. He also outlined the steps taken by the government including Atal Tinkering Labs and conducting hackathons to boost innovation potential and solve problems using technology, a statement from the Prime Minister's Office said.

2. New foreign trade policy may have simpler export promotion schemes

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

The commerce ministry is considering rationalising and simplifying certain export promotion schemes such as EPCG in the next foreign trade policy, which provides guideline and incentives for increasing shipments, an official said. The ministry is in consultation with all stakeholders for the preparation of the next policy (2020-25), as the validity of the old one ends on March 31, 2020, the official said. The ministry may also include new chapters for services, and e-commerce exports besides simplifying advance authorisation and self ratification schemes. EPCG is an export promotion scheme under which an exporter can import certain amount of capital goods at zero duty for upgrading technology related with exports.

3. Walmart CEO writes to PM, seeks stable business environment

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

Walmart chief executive Doug McMillon has written to Prime Minister Narendra Modi, seeking certainty and predictability in India's business environment, people familiar with the matter said. Changes in foreign direct investment rules for ecommerce marketplaces late last year had upset Walmart-owned Flipkart and rival Amazon, and forced them to overhaul their business models. Walmart was particularly disappointed because the changes had come just months after it paid

\$16 billion to acquire Flipkart. The local units of both US companies are now also facing probes over their alleged roles in predatory pricing that small retailers claim was forcing them out of business.

4. Niti Aayog kick-starts work on 2035 Vision Document

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

The NITI Aayog has kick-started the exercise for drafting the Vision Document 2035, a 15-year vision for India starting from 2020, with a mandate for a paradigm shift in policy thinking and formulation. The Prime Minister's Office has directed the Aayog to engage the best Indian and overseas subject experts for consultation while preparing the document, saying business-as-usual approach will not work, a senior government official told ET. "The directive from above is to think globally and act locally, whereby we are identifying best experts and practices worldwide across a dozen sectors to draft an outcome oriented document with policy prescriptions that can bring about a shift in approach to addressing India's key problems of unemployment, lower exports and stagnation in the agricultural sector," said the official, requesting not to be identified.

5. Mumbai is the only Indian city in world's top 20 richest list; Delhi inching closer too

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

India's Financial capital Mumbai is among 20 of the world's richest cities, making it the only Indian candidate in the list. With a total private wealth of \$960 billion, Mumbai is also home to most of the country's HNWIs (High Net Worth Individuals), South Africa-based global market research group, New World Wealth, said in a report recently. Also inhabited by Asia's richest man Mukesh Ambani, among other individuals with assets worth over Rs 7 crore, Mumbai is the hub of major industries including financial services, real estate and media. However, these rich individuals are concentrated mainly along the coastline of the city, according to a map collated by NW Wealth.

6. Government looks to ease more FDI rules to attract investment

Source: The Times of India ([Link](#))

Weeks after it eased the foreign direct investment (FDI) regime, the government has begun a fresh review for further liberalisation of sectoral caps as well as segments that are not on the automatic list, as it courts more overseas investors to revive the investment cycle. The department for promotion of industry and internal trade (DPIIT) has initiated an in-house

exercise to identify additional sectors for easier FDI rules before it takes them up with the ministries concerned, sources told TOI. “While most sectors are already on automatic route, we are seeing if there is further scope,” said an official. Just last month, the Cabinet cleared rules for coal mining, single-brand retail, contract manufacturing and digital media, while the finance ministry changed the norms for segments of the insurance business.

7. Govt launches BHIM 2.0 with new functionalities, additional language support

Source: Livemint ([Link](#))

The IT Ministry on 21 October unveiled a slew of new initiatives and programmes, including BHIM 2.0 that packs-in new functionalities, supports additional languages and has increased transaction limits. Union Minister Ravi Shankar Prasad also launched a StartUp Hub portal and Indian Software Product Registry at IT Ministry's MeitY Start-up Summit. BHIM app, a UPI based payment interface developed by National Payments Corporation of India (NPCI) that allows real time fund transfer, was launched in December, 2016. "In order to make BHIM app more feature-rich and effective it has been enhanced with a bunch of new functionalities. Some of the striking features marking BHIM 2.0 include a 'Donation' gateway, increased transaction limits for high value transactions, linking multiple bank accounts, offers from merchants, option of applying in IPO, gifting money..." an official release said.

8. India puts US above RCEP on trade deal

Source: Livemint ([Link](#))

Trade minister Piyush Goyal on 21 October signalled that India may ditch the China-led Regional Comprehensive Economic Partnership (RCEP) trade pact but go ahead with a trade agreement with the US. India and the US have agreed on the broad contours of a proposed trade package and may announce it after closing the pending gaps, Goyal said at the US-India Strategic Partnership Forum in New Delhi. However, speaking on the sidelines of the event, Goyal hinted that India may not rush to sign the RCEP trade pact, saying that it will ensure that its national interest in all sectors are protected before it does so. Goyal said that by now, India and the US would have announced the package, but for the preoccupation of his counterpart Robert Lighthizer, first with US-Japan trade negotiations and then with China.

9. India contributes 7% to global wealth rise, says Credit Suisse report

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

Global wealth has risen by \$9 trillion to \$360 trillion in 2019, according to the Credit Suisse Research Institute (CSRI). India has made a contribution of \$625 billion (nearly 7% of total) to the global wealth. The biggest contribution has come from the US at \$4 trillion (45% of total) and China at \$1.9 trillion (21% of total). The average wealth per adult globally stood at \$70,849, according to the 10th edition of the Global Wealth Report published by CSRI. Wealth per adult for India at \$14,569 is nearly 80% below the global average. The US and Europe have the highest wealth per adult at \$417,694 and \$153,973, respectively. “While wealth has been rising in India, not everyone has shared in this growth. There is still considerable wealth poverty, reflected in the fact that 78% of the adult population has wealth below \$10,000,” says the CSRI report.

10. China key focus in IndiGo’s international expansion spree

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

Budget carrier IndiGo will aggressively focus on China and other South-East Asian nations to boost the airline’s international network, a top company official said. IndiGo has launched services to four destinations in China and Vietnam in the last one month alone. “We are focussed on growing our services in China and Southeast Asia, as well as in the Middle East. We see that India-China access is becoming one of the very important set of routes to operate,” William Boulter, Chief Commercial Officer, IndiGo, told PTI. The company inaugurated operations in China with the Delhi-Chengdu service on September 15. Flights on the Kolkata-Guangzhou route were launched on October 20. It is likely to fly to another destination in that country “early next year”, the senior company official said.