

Daily Economic News Summary: 23 August 2019

1. Commerce ministry to soon come out with new foreign trade policy

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

The commerce ministry will soon come out with a new foreign trade policy, which provides guideline and incentives for increasing exports, for the next five financial years 2020-25, an official said. The ministry is giving final touches to the new policy as the validity for the old one will end on March 31, 2020. "We have taken views of all stakeholders. The new policy is likely to be announced by September-end or early-October," the official said. The new policy would focus on simplifying procedures for exporters and importers besides providing incentives to boost outbound shipments. The ministry's arm directorate general of foreign trade (DGFT) is formulating the policy.

2. Nepal, India review bilateral ties with special focus on connectivity, economic partnership

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

External Affairs Minister S Jaishankar and his Nepalese counterpart Pradeep Gyawali have reviewed bilateral ties with special focus on connectivity and economic partnership, officials said on 22 August. The two leaders also discussed matters related to cooperation in international, regional and sub-regional fora at the 5th Nepal-India Joint Commission meeting, which concluded on 21 August, a statement issued by the Ministry of Foreign Affairs in Nepal said. "The fifth Meeting of the Nepal-India Joint Commission reviewed the entire gamut of bilateral relations with specific focus on the areas of connectivity and economic partnership, trade and transit, power and water resources, culture and education," it said. The two ministers emphasised on enhancing cooperation in tourism sector, particularly in the context of Visit Nepal Year 2020 that aims to attract two million visitors, the statement said.

3. Basmati rice exporters to visit Saudi Arabia seek relaxation on quality norms

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

India's basmati-rice exporters and government officials are set to visit Saudi Arabia to lobby for permission to export rice without any new restrictions, beyond the target date of September 1. The Saudi Food and Drug Authority (SFDA) has effective September 1 sought test reports on

minimum residue levels (MRL) along with Certificate of Conformity from Indian exporters. It has also asked them to source rice from good agriculture practices (GAP) certified farms approved by SFDA. Apart from this, it has asked for DNA test to prove the authenticity of basmati rice. To address these concerns Indian rice exporters are expected to visit Saudi Arabia next week in a government cum trade delegation along with Agricultural & Processed Food Products Export Development Authority (APEDA) officials to discuss the issue with SFDA. Saudi Arabia accounts for 20% share of India's annual basmati rice exports of 4-4.5 million tonnes

4. Ocean energy now a renewable source, govt approves proposal

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

Ocean energy has been included in renewable energy to give a further boost to ocean energy in India. Power Minister R K Singh approved the proposal. It has been clarified by the Ministry of New and Renewable Energy to all the stakeholders that energy produced using various forms of ocean energy such as tidal, wave, ocean thermal energy conversion, etc. shall be considered as renewable energy and shall be eligible for meeting the non-solar Renewable Purchase Obligations (RPO). The total identified potential of tidal energy is about 12,455 MW, whereas the total theoretical potential of wave energy in India along the country's coast is estimated to be about 40,000 MW, according to the ministry. Ocean Thermal Energy Conversion (OTEC) has a theoretical potential of 180,000 MW in India if suitable technological support is provided.

5. Govt names its e-commerce portal Bharat Craft; plans to do what Alibaba did in China to benefit MSMEs

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

Taking a cue from e-commerce giant Alibaba's success in China, the Ministry of MSME said that its e-commerce portal in the offing, to be known as Bharat Craft and to function on the lines of Alibaba would benefit India's vast MSME sector. "Government is planning to launch Bharat Craft, an e-commerce portal, on the lines of Alibaba, and should soon see turnover on the platform to the tune of Rs 10 lakh crore in the next few years and this would benefit MSMEs in a big way," MSME Minister Nitin Gadkari at the listing of 200th MSME (Wonder Fibromats) on National Stock Exchange (NSE) Emerge platform addressing small business entrepreneurs and investment bankers. India's e-commerce market is dominated by Walmart-owned Flipkart and Amazon India. Asia's richest man Mukesh Ambani of Reliance Industries has announced his

plans to enter the e-commerce industry in a big way through his New Commerce platform. Bharat Craft will have to compete with these three big players to establish itself and achieve the Rs 10 lakh crore turnover target set by the Modi government.

6. E-commerce giant Amazon buys 49% stake in Kishore Biyani's Future Coupons

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

After almost a year of negotiations, global e-commerce and technology giant Amazon.com is acquiring a 49 per cent stake in Future Coupons, the promoter entity of Future Retail. According to sources in the know, the size of the deal is between Rs 1,500 crore and Rs 2,000 crore. Through this transaction, Amazon has managed to acquire around a 3.6 per cent stake in the Future group. "We have been informed by Kishore Biyani on behalf of the existing shareholders forming part of the promoter group and Future Coupons Limited (promoters) that they have entered into a share subscription agreement and a shareholders' agreement with Amazon.com NV Investment Holdings LLC (Amazon)," Future Retail said in a BSE filing on 22 August evening. Future Retail on its part maintains that Amazon's stake buy is mainly an investment into the digital payments space.

7. Government proposes ban on e-cigarettes, with jail term of up to 3 years

Source: Livemint ([Link](#))

The health ministry has proposed a ban on the production and import of electronic cigarettes, documents seen by Reuters showed, potentially jeopardizing the expansion plans of big firms like Juul Labs and Philip Morris International. The ministry has proposed that the government issue an executive order banning the devices in the public interest, saying it was needed to ensure e-cigarettes don't become an "epidemic" among children and young adults. "E-cigarettes and similar technologies that encourage tobacco use or adversely impact public health are hazardous for an active as well as passive user," the health ministry said in an internal note seen by Reuters that the federal cabinet is expected to consider. Health officials are proposing jail terms of up to three years, with a penalty of up to 500,000 rupees (\$7,000), for repeat offenders against the new rules, according to a draft of the executive order.

8. At solar alliance summit, Delhi to propose global power grid

Source: Livemint ([Link](#))

India plans to help set up a global electricity grid that may initially aim to link countries such as Myanmar, Thailand, Cambodia, Laos, and Vietnam with the sub-continent as part of an evolving

energy security architecture. The proposals will be presented at the second general assembly of the International Solar Alliance (ISA) to be held in New Delhi from 30 October to 2 November, said power and new and renewable energy minister Raj Kumar Singh. “What we are talking about is a grid connection running east to west or west to east as you have it. If you have that, then you don’t need any storage because the Sun is always shining somewhere,” Singh said in an interview on Friday.

9. Auto companies in India cut more jobs, halt production to tackle slowdown

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

With India's auto sales declining for the ninth straight month in July, more automotive manufacturers are laying off workers and temporarily halting production to keep costs in check, according to sources and documents seen by Reuters. Japanese carmaker Toyota Motor and South Korea's Hyundai Motor are the latest in a string of companies to halt production at plants to combat slumping sales, according to company memos to employees, reviewed by Reuters. Passenger vehicle sales in July fell at the fastest pace in nearly two decades. The sales declines have triggered major job cuts in India's auto sector, with many companies forced to shut down factories for days and axe shifts.