Daily Economic News Summary: 24 August 2018

1. Draft E-Commerce Policy Ignites Turf War Between Ministries
Source: Financial Express (Link)

The recommendations of a task force on e-commerce, headed by then commerce secretary, seem to have stoked a sort of turf war. Not just some of the task force's proposals, but even its delegation of work to other departments to implement its suggested policy changes have irked these ministries and departments, senior government officials told FE. Given the situation, the Prime Minister's Office (PMO), which held a meeting of key departments last week on the e-commerce policy, could involve the NITI Aayog or the Cabinet secretariat, instead of the commerce ministry, to monitor implementation of the e-commerce policy involving several departments once it is approved, said an official. As such, the PMO's will have the final word on the policy framework.

2. Amid Foreign Aid Row, EU Takes Red Cross Route For Donations
Source: Livemint (Link)

Amid speculation over whether India will accept foreign aid for flood-hit Kerala, the European Union (EU) seems to have found a solution—channel aid through the Indian Red Cross Society (IRCS). A press release from the EU office in New Delhi said the EU "has allocated an initial contribution of €190,000 in humanitarian aid funding to support the IRCS for immediate relief assistance. The aid will directly benefit 25,000 from among the most affected people in some of the worst-hit areas of the state." This comes after foreign ministry spokesman Raveesh Kumar on August 23 clarified that while India would not be accepting aid channelled by governments "in line with the existing policy", contributions to the Prime Minister's Relief Fund and the Chief Minister's Relief Fund from NRIs, PIOs "and international entities such as foundations would, however, be welcome".

3. 5G Launch In India Likely By 2020, Economic Impact Of $1 Trillion By 2035
Source: Business Standard (Link)

Fifth-generation (5G) telecommunication services, which can create an economic impact of $1 trillion in India by 2035, are expected to be launched in the country by 2020. To make 5G a success in India, a steering committee on 5G has suggested increasing the quantum of spectrum with lower pricing. The committee, headed by Stanford University Professor A J Paulraj, was formed in September last year to formulate a road map for 5G in India. "By acting early to embrace the 5G opportunity, India can accelerate the 5G dividend and potentially also become an innovator in 5G applications," the panel said in its report submitted to the government. The panel has given wide-ranging recommendations entailing spectrum policy, regulatory policy, development of application standards, education, etc. The panel feels the quantum of licensed mobile spectrum in India is much lower as compared to countries like the US and the UK. Also, the cost of spectrum, relative to per capita gross domestic product, is much higher than most countries.

4. After China Exit, Maruti Is All That Suzuki May Have
Source: Livemint ([Link])

Suzuki Motor Corp. may be exiting China and that is good news for India. Unlike Indian consumers' abiding love affair with Suzuki cars, sales of the company's vehicles in China have plunged after a promising start. Quitting China will allow the Japanese carmaker to free up resources and focus more attention on India, its most lucrative market. *Nikkei Business* on August 23 reported that Suzuki and its Chinese partner, Chongqing Changan Automobile Co., will disband their joint venture, with Suzuki selling its stake to the local manufacturer. The process of dissolving the partnership will start with approval from Chinese authorities and could be completed by the year-end, with Changan continuing to make Suzuki-brand vehicles under licence, according to the *Nikkei* report.

5. Japan To Be 'Country Partner' For Make In Odisha 2018
Source: The Economic Times ([Link])

The Odisha Government has tied up with Japan for it mega investment Conclave 2018 to take place in November this year. The state has already identified 600 acres near capital city Bhubaneswar that could serve as a dedicated industrial park for Japanese investors. While Japan will be 'Country Partner' to the Make in Odisha conclave, SBI is banking partner for the event. Making the announcement on August 23, Chief Minister Naveen Patnaik said, "This will provide a new impetus to the relations between Odisha and Japan and open up varied sectors for collaboration. We also appreciate SBI coming onboard as the Banking Partner for the event." A delegation led by the state's Minister for Industries is scheduled to visit Tokyo later this month to pitch Odisha as an investment destination, particularly for food processing, seafood, chemicals, plastics and petrochemicals and downstream industries in the metals sector, electronics, textiles and tourism.

6. Govt Imposes Standard Green Clearance Norms For As Many As 25 Sectors
Source: Business Standard ([Link])

The government has imposed standard conditions for as many as 25 sectors seeking environment clearance (EC) for expansion of existing projects or new projects. The government-constituted green panel, called the Expert Appraisal Committee (EAC) assesses the projects and makes recommendations, based on which the environment ministry grants the final EC. "In order to bring uniformity on the stipulated terms and conditions across the projects, sectors, and as a general guide to EAC as well as project proponents, the ministry has prepared standard conditions for 25 sectors," the ministry said. The sectors include iron, steel, cement, coal, petroleum refineries industry, paper and pulp, hydro-electric projects, and industrial estates, among others. The standard EC conditions will have to be considered by the EAC at the time of appraisal of the proposals. The EAC, after due diligence, can modify, delete, and add conditions based on the project-specific requirements, the statement said.

7. New Industrial Policy To Focus On Jobs, Push Tech Use, Cut Red Tape
Source: The Hindu, Business Line ([Link])

The much-anticipated New Industrial Policy, which will replace the 27-year-old existing policy and pave the way for promotion of new technology and reduced regulations, has been placed before the Union Cabinet for approval. "The New Industrial Policy is now just a Cabinet nod away. Its implementation will lead to job creation and modernisation of units, and will encourage entrepreneurs to experiment with new technology to improve efficiency," a government official told *BusinessLine*. "All ministries and departments concerned were kept in the loop throughout the drafting process. Hence, there were no major changes proposed during the inter-ministerial consultations," the official said. This will be the third industrial policy drafted in independent India. The first was announced in 1956, and the second, in 1991.

8. Secretaries Panel Approve Setting Up National Logistics Portal
Source: The Economic Times ([Link])

A committee of secretaries has approved a proposal by department of commerce (DoC) to setup a National Logistics Portal (NLP) to ease transportation of goods across the country and those meant for export, officials in the know said. The logistics division of the department has developed a proof of concept (PoC) of the common online platform to integrate all transactions involved in their production and export. “All ministries concerned have in principally approved the portal. A committee of secretaries has approved the PoC,” said one official aware of the development. It was announced in this year’s budget that the department will develop NLP as a single window online marketplace, to link all the stakeholders. The portal is being planned in three phases- development of a logistics e-marketplace whose test run is being planned by March, single window certification by bringing in 81 authorities on board, and integrating financial services on the platform.

9. Government Extends Sugar Export Deadline By 3 Months Till December
Source: The Economic Times (Link)

The food ministry on August 23 extended the deadline for exporting 2 million tonne of sugar by three months to December as only a fourth of it has been shipped so far. In March, the government had allowed sugar export in view of record domestic output of 32 MT. Mill-wise, Minimum Indicative Export Quotas (MIEQ) were allocated by the ministry in May. "The date of export of MIEQ allocated to sugar mills is extended by three months up to December 31," an official order said. Mills can export either sugar produced in the current 2017-18 season or the next 2018-19 season (October-September), it said. As per the official data, only about 5 lakh tonne sugar has been exported so far. The shipments have been lower due to non-availability of raw sugar which is in demand in the global market.