

Daily Economic News Summary: 24 July 2019

**1. Govt introduces in Lok Sabha two labour reform bills merging 17 existing laws**

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

The Union government breathed life into the stalled labour reform process on 23 July by introducing two labour code bills—merging 17 existing laws related to wage and occupational safety of workers. While the Code on Wages Bill, 2019, aims to simplify the wage and bonus payments rules, besides mandating a national minimum wage, the Occupational Safety, Health and Working Conditions Code, 2019, aims to improve the working condition of workers across all establishments with 10 or more employees. The wage code will subsume four existing laws, while the occupational health code will merge 13 related laws. According to the wage code bill tabled in the Lok Sabha on 23 July, the Central government shall fix the national floor wage keeping in mind the geographic areas. Thus, instead of one national minimum wage, the government may go for several floor rates, a suggestion that had initially come from a government panel in March.

**2. Nasscom takes SME delegation to US to strengthen strategic alliances**

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

As part of its efforts to strengthen strategic alliances between the US and the Indian IT industry, the National Association of Software and Services Companies (Nasscom) recently took a delegation of SMEs to the US to help them explore the possibilities of entering the American market. Said to be a one-of-its-kind engagements programme, the delegation of small and medium enterprises (SMEs) visited several states, including New Jersey, North Carolina, Ohio, Michigan and Texas, from July 15 to 22. They got a chance to meet top government officials, including the governors of New Jersey, North Carolina and Ohio, besides companies cutting across industries, economic development departments, and law firms and consulting firms, a media release said. "This programme is a step forward towards doing business in the US, as it helps strengthen strategic alliances between the US and the Indian IT tech industry. The programme will help strengthen the commercial and economic ties between American and Indian

businesses to create a win-win scenario," Shivendra Singh, vice president and head of Global Trade Development, Nasscom, said.

### **3. Govt initiates new process to identify essential medicines**

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

The prices of some drugs used for treating cancer, cardiac diseases and diabetes are likely to be cut as the government initiates a new process to identify essential medicines and bring some of them under price control. A newly-constituted committee on the National List of Essential Medicines (NLEM) will meet stakeholders on Thursday to shortlist drugs that should be available in adequate numbers and assured quality, according to a senior government official. The NLEM committee, headed by Balram Bhargava, secretary, department of health research and director-general of the Indian Council of Medical Research, will decide on essential medicines and send the list to a second committee, comprising Rajiv Kumar, vice-chairman of NITI Aayog, Preeti Sudan, secretary of the health ministry, and P. Raghavendra Rao, secretary of the department of pharmaceuticals, for deciding which ones are to be brought under price control.

### **4. FM hints 25% corporate tax may be extended to all companies**

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

Finance minister Nirmala Sitharaman signalled that the government may extend the lower corporate tax rate of 25% to all companies, giving India Inc something to cheer about. Her July 5 budget had lowered the rate for most companies but excluded the biggest. "We brought it down in order that now 99.3% of all industries are covered by the 25% rate," Sitharaman said in her reply to the discussion on the appropriation and finance bills in the Rajya Sabha. "Therefore, hardly any are left behind... We shall cover them sooner." She said this was a commitment that had been given in the debut budget of the first Narendra Modi government in 2014 and it had to be honoured. The bills were endorsed by voice vote and returned on 23 July, marking the passage of the first budget by the second Narendra Modi-helmed administration in Parliament.

### **5. After World Bank, China-led development bank pulls out of Amaravati project**

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

The Beijing-backed Asian Infrastructure Investment Bank has dropped plans to finance a new capital for the Indian state of Andhra Pradesh, after the World Bank pulled its support on 19 July. The construction of the city, known as Amaravati, is the brainchild of the state's former

chief minister, N. Chandrababu Naidu, who lost power in elections in May. "AIIB is no longer considering the Amaravati Sustainable Infrastructure and Institutional Development Project for funding," spokeswoman Laurel Ostfield told Reuters in an emailed statement.

#### **6. IMF lowers India's growth outlook for FY20 on weaker demand**

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

The International Monetary Fund (IMF) further cut its annual growth forecast for India, as it expects weaker domestic demand to limit an economic recovery. The economy is now expected to expand 7% in the year ending 31 March 2020, 0.3 percentage point slower than IMF's April projection. In April, the Fund cut India's growth outlook by 0.2 percentage point to 7.3%. Economic growth is expected to accelerate to 7.2% in the following year. "The downward revision of 0.3 percentage point for both years reflects a weaker-than-expected outlook for domestic demand," IMF said on 23 July in its update to the World Economic Outlook (WEO).

#### **7. Govt has no official estimation of black money in the country: MoS Finance**

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

The government on 23 July said there is no official estimation of black money in the country, however, it has taken several concrete steps to crack down on illicit funds. "There is no official estimation of black money in the country," Minister of State for Finance Anurag Singh Thakur said in a written reply in Parliament. In 2014, the BJP-led government came to power with a thumping majority and one of the key poll promises was to bring back black money stashed abroad. Also, one of the key objectives enlisted by Prime Minister Narendra Modi in the November 8, 2016, high-value note ban or demonetisation was to curb the ill-gotten money.

#### **8. RIL overtakes IOC as highest ranked Indian company on Fortune 500 list**

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

Mukesh Ambani-led Reliance Industries has jumped 42 places to become the highest-ranking Indian firm on the Fortune Global 500 list. State-owned Indian Oil Corp (IOC) had been the top-ranked Indian company on the list and was first on the Fortune India 500 list which was started in 2010. "This year, ranked 106, Reliance Industries (RIL) has replaced IOC (117) as the top-ranked Indian company on the Global 500 list," Fortune said. RIL's revenue soared 32.1 per cent from \$62.3 billion in 2018 to \$82.3 billion in 2019. In comparison, IOC clocked a 17.7 per cent growth in revenue from \$65.9 billion to \$77.6 billion. "Over the past 10 years, RIL's revenue

rose at a compounded annual growth rate of 7.2 per cent from \$41.1 billion in 2010, while that of IOC rose at 3.64 per cent from \$54.3 billion in 2010," it said.

### **9. FM rules out rollback of duty on newsprint, says move to give domestic industry level playing field**

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

Rejecting demands for rollback of import duty on the paper used for printing newspapers, Finance Minister Nirmala Sitharaman on 23 July said 10 per cent customs duty on imported newsprint was a move to provide a level playing field for domestic manufacturers. Replying to the debate on Finance Bill 2019, which contained the tax proposal, in the Rajya Sabha, she said domestic newsprint manufacturers were finding it difficult to find buyers because the same was being imported. "Basic Customs Duty on newsprint has been increased to provide a level playing field to domestic manufacturers. There is a capacity in this country to produce newsprint. But unfortunately, they are not able to get buyers because most of the newsprint is imported," she said.

### **10. Changes likely in proposed data privacy rules: Only critical data may need to be housed in India**

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

India is likely to water down its proposed rules on data privacy and localisation, mandating that only critical information needs to be compulsorily retained in India, people familiar with the matter said. It's also expected to reduce the number of instances in which company executives can be jailed due to breach of data security to just one, they added. "The proposed (draft) Data Protection Bill will now be tweaked to allow personal information which is not 'critical' nor 'sensitive' to be stored and processed anywhere, while data classified as 'critical' should be kept only in India," a senior government official told ET. This could help ease the tension in trade ties between the US and India, another official said.