# Daily Economic News Summary: 24 October 2019

**1. India's rank jumps 14 places in World Bank's ease of doing business ranking**
**Source: Livemint (Link)**

India climbed 14 rungs in the World Bank's Ease of Doing Business 2020 survey to stand at 63, among 190 countries, making it the one of world's top 10 most improved countries for the third consecutive time. The sharp rise in the ranking underscores the reformist credentials of the Narendra Modi-led National Democratic Alliance (NDA) government and may help the country lure multinational companies looking for investment destinations apart from China amid its ongoing trade war with the US. Last year, India jumped 23 places to reach 77th position in the rankings. In six years of the Narendra Modi government, India's ranking has improved 79 places from 142nd in 2014 to 63th in 2019, a record for a major economy.

**2. India improves ranking in Melbourne Mercer Global Pension Index**
**Source: Financial Express (Link)**

India has marginally improved its ranking to 32nd position in terms of providing pension and retirement benefits to citizens compared to last year, according to a report. The country's score in the Melbourne Mercer Global Pension Index (MMGPI) 2019 rose to 45.8 from 44.6 last year. The MMGPI, which covers 37 countries, is based on how they fare on providing pension and retirement benefits to citizens across different income groups. India stood at 32nd position in 2019 out of 37 countries, while it was ranked at 33rd place in 2018 out of 34 countries in the list. India's index value increased largely due to the improvement in all three sub-indices of adequacy, sustainability and integrity.

**3. Kolkata, Bengaluru to be included in World Bank's doing business report**
**Source: Financial Express (Link)**

The World Bank will now include Kolkata and Bengaluru, besides Delhi and Mumbai, for preparing ease of doing business report to provide a holistic picture of business environment of the country, an official has said. "The country of the size of India was not properly represented by just two cities, and now with the inclusion of Kolkata and Bengaluru, Indian ranking in the

World Bank's report will present a much better picture," the official said. The report ranks 190 nations based on ten parameters, which includes ease of starting a business, construction permits, getting electricity, getting credit, paying taxes, trade across borders, enforcing contracts and resolving insolvency. The official added that the exercise to include these two new cities has already been initiated and would be included in the World Bank's ranking in the years to come.

**4. IMF sees Indian economic growth rebounding to 7 per cent next fiscal**
**Source: Financial Express (Link)**

The recent tax cuts, government's progress in addressing lingering weaknesses in the financial sector and measures to support growth sectors as seen as factors underpinning growth in the near term, Ostry said. The International Monetary Fund (IMF) sees Indian economic growth rebounding to around 7 per cent in the next financial year, supported by measures like monetary policy stimulus and corporate income tax cuts. "We see the Indian economy rebounding from our projected 6.1 per cent growth this fiscal year to something like 7 per cent in the next fiscal year (2020). We see the factors that will support growth, including monetary policy stimulus, working their way through the pipeline," Jonathan Ostry, Deputy Director, Asia Pacific Department at the IMF, told reporters. India's success in the service sector has been especially remarkable as its share of the world's information and communication technologies service exports almost tripled in a decade, from 6.3 per cent in 2000 to 17.8 per cent in 2010, recording the largest increase globally for the sector, according to the IMF report.

**5. Stop duty-free import of edible oil via Nepal, Bangladesh, Indian body urges PM, FM**
**Source: Financial Express (Link)**

Protesting against the alleged influx of edible oil into the country through Nepal and Bangladesh, the Solvent Extractors Association of India (SEA) has approached Prime Minister Narendra Modi and finance minister Nirmala Sitharaman, seeking government intervention. The association has urged the government to take immediate and strong action to ensure duty-free import of edible oils are not allowed. According to the association, what started as a trickle has now assumed alarming proportions and is not only threatening the very survival of the refining industry in eastern and northern India but also resulting in huge revenue loss to the government. "It is harming the interests of oilseed farmers as it results in distorting our markets and the very purpose of keeping high import duties on edible oils is getting negated," the association said in a note to the PM.

**6. Environment Ministry working out ways to make mining activities hassle-free**
**Source: The Hindu, Business Line (Link)**

A major bottleneck for Indian energy resources mining and exploration has been attaining various regulatory approvals to undertake the activities. One such approval, which is also the most important one, is environmental clearance. Contractors have surrendered or relinquished the areas awarded to undertake hydrocarbons exploration or mining activities, due to delay in getting such clearances or at times approvals being denied. To overcome such hurdles, the Ministry for Environment, Forest and Climate Change (MoEF & CC) has decided to come up with guidelines that will detail how much and what can be allowed for undertaking exploration activities.

**7. Why the rice trade wants India in the RCEP**
**Source: The Hindu, Business Line (Link)**

At a time when domestic producers of commodities such as dairy and plantation products including coffee, tea, rubber, pepper and arecanut, among others, are wary of the proposed RCEP (Regional Comprehensive Economic Partnership) deal, the Indian rice trade is keen that the cereal is included as part of the agreement as it could help boost exports. Rice is among the few commodities where India has a competitive advantage in the ongoing RCEP talks. According to the International Grains Council, rice production in India is projected to be 115.5 million tonnes for the 2019-20 October-September marketing year and consumption at 102.2 million tonnes. With an opening stock of 27.4 million tonnes, the total rice availability is projected at 142.9million tonnes. IGC has projected Indian rice exports for 2019-20 at 11.7 million tonnes.

**8. Cabinet approves agreement with other countries in medicine, science & tech**
**Source: Business Standard (Link)**

The Cabinet on 23 October gave approval to agreements signed with other countries in various fields like traditional medicine, and science and technology. These included administrative arrangement on cooperation in the field of Railways between the Ministry of Railways and the Directorate General for Mobility and Transport of the European Commission. According to an official statement, a proposal for agreement on Science and Technology Cooperation between

India and the US was also approved, it said. The agreement would provide an opportunity to promote high quality' and high impact' research and innovation partnerships as well as broadening and expanding relationships between the extensive scientific and technological communities, it said. The Cabinet also approved a Memorandum of Understanding to provide a framework for cooperation between India and St Vincent and the Grenadines for the promotion of traditional systems of medicines and will mutually benefit the two countries in the said field.

**9. Agents of foreign firms seek GST exemption, cite govt body clarifications**
**Source: Business Standard (Link)**

Agents providing various services to foreign companies are quoting the government’s own Tax Research Unit’s (TRU’s) clarification in asking for exempting them from the 18 per cent goods and services tax (GST). These providers, indenting agents in technical parlance, went to the Gujarat high court against the GST levied on them. On the reasoning that they provide services which are export in nature. While such agents located outside India are exempt from GST, those providing these services such as marketing or sales promotion, etc, through offices in India are taxed. As the case continued, the TRU (of the Central Board of Indirect Taxes and Customs) said the tax should not be levied on these services. The clarifications were issued as office memoranda, regarding place of supply rules of intermediary services providers under GST. These clarifications call for amending Section 13 (8) of the Integrated GST Act, which says the place of supply in cases where these services are offered will be the location of the supplier of services itself.

**10. Boost to realty: 1,797 Delhi unauthorised colonies to be regularised**
**Source: Business Standard (Link)**

The Modi government on 23 October approved regularising 1,797 unauthorised colonies in the national capital, a move taken with an eye on Assembly polls nearly 100 days away, but which also promises to boost the real estate sector in Delhi. These colonies are home to an estimated four million people. Regularisation will allow building of civic infrastructure, including drainage and sewerage, in these colonies, and confer ownership rights on owners. In Delhi, the subject of land, along with law and order, comes under the Centre. Housing and Urban Affairs Minister Hardeep Singh Puri said the decision will “pave the way for incentivised planned urbanisation and transform the urban squalor into modern urban spaces with modern amenities” in these colonies. The government said the cabinet decision was based on the recommendations of a Delhi Lieutenant Governor headed committee consultations with all stakeholders.

**11. Govt approves revision in fuel retailing policy**
**Source: Money Control (Link)**

The government has approved changes to the fuel retailing policy in India, Union Minister Prakash Javadekar announced on October 23. Marketing and transportation of fuel will now be open to new players. Javadekar said the opening up the fuel retailing will increase investment and competition. A company will need to have a minimum net worth of Rs 250 crore to obtain permission for fuel retail outlet, the Cabinet has proposed. 5 percent of the fuel retail outlets will have to be set up in remote areas within two years of a company receiving authorisation. An upfront payment of Rs 3 crore will be required as a bank guarantee for establishing fuel retail outlets in rural areas. The Oil Ministry had constituted a committee in October 2018 for deliberation existing fuel retail guidelines.