

Daily Economic News Summary: 25 July 2019

1. Cabinet approves amendments to Aadhaar Bill

Source: Livemint ([Link](#))

Further strengthening Aadhaar in India, the Cabinet on 24 July approved official amendments to the Aadhaar and Other Laws (Amendment) Bill 2019, while providing a fillip to India's sugarcane farming sector. The Aadhaar and Other Laws (Amendment) Bill, 2019 was introduced in the Lok Sabha by electronics and IT minister Ravi Shankar Prasad on 24 June 2019. It replaces an Ordinance promulgated on 2 March 2019. On 8 July, the Rajya Sabha passed The Aadhaar and Other Laws (Amendment) Bill, 2019. The Act provides for the use of Aadhaar number as proof of identity of a person, subject to authentication. The Bill replaces the provision to state that an individual may voluntarily use his Aadhaar number to establish his identity, by authentication or offline verification. The Bill also states that authentication of an individual's identity via Aadhaar, for the provision of any service, may be made mandatory only by law of Parliament.

2. Indian passport will get you a free visa-on-arrival in Sri Lanka

Source: Livemint ([Link](#))

Sri Lanka has granted approval to issue on-arrival visa to tourists from countries, including India and China, aiming to revive its flagging tourism sector after the deadly Easter bombings. On July 10, the Sri Lankan government planned to revive the visa on arrival and free visa programme for 39 countries with effect from August 1. But the programme then, however, excluded Sri Lanka's top source markets, namely India and China, according to Colompage. The countries included, Austria, Belgium, Bulgaria, Cambodia, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, United Kingdom, United States of America, Japan, Australia, South Korea, Canada, Singapore, New Zealand, Malaysia, Thailand and Switzerland.

3. IBC bill introduced in Rajya Sabha

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

The government introduced the Insolvency and Bankruptcy Code (Amendment) Bill, 2019, in the Rajya Sabha on 24 July, seeking to restrict the duration of the resolution process and ensure the primacy of financial creditors in case of recoveries. The resolution process is proposed to be limited to 330 days, including time for litigation. The bill seeks to remove ambiguities that had arisen due to an order by the National Company Law Appellate Tribunal on Essar Steel's insolvency resolution. It is set to help classes of creditors such as homebuyers who are represented on committees of creditors by a single authorised representative. Key clarifications in the bill will put the committee of creditors in control of the distribution of proceeds from a successful resolution plan under the IBC. The amendments clarify that unsecured financial creditors and operational creditors need not be treated on par with secured financial creditors for a resolution to be considered fair and equitable.

4. Committee setup to examine FDI issues in e-comm: Piyush Goyal

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

The government has set up a committee to examine issues related to foreign direct investment (FDI) in e-commerce and give its suggestions, commerce and industry minister Piyush Goyal has said. A draft national e-commerce policy covering various areas of e-commerce, has been prepared and placed for comments in public domain. The Government has also introduced National Policy on Electronics (NPE) and National Policy on Software Products (NPSP) in 2019 for the growing digital economy. The government in Budget proposed that local sourcing norms will be eased for foreign investment in single brand retail where 100% FDI is permitted with a 30% mandatory local sourcing clause.

5. Uber, Bengaluru-based Sun Mobility tie-up to offer electric three-wheelers in India in coming months

Source: Firstpost ([Link](#))

Ride-hailing company Uber Technologies Inc and Bengaluru-based start-up Sun Mobility said on 24 July they will partner to offer commuters in India electric auto-rickshaws in the coming months, amid a push by policymakers to encourage the use of cleaner fuels. Uber already allows riders in India to book the ubiquitous three-wheeled vehicles dubbed "autorickshaws" or "autos". Sun Mobility, led by Chetan Maini, who pioneered electric cars in India with the Reva,

and Uday Khemka, vice-chairman of the Sun Group, will offer charged swappable batteries as a service to fleet owners and Uber's driver-partners, under the partnership.

6. GST council meet today to consider tax cut on electric vehicles

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

The GST Council on 25 July will consider the proposal to cut tax rate on electric vehicles (EVs) to 5% from 12% currently, a move that will align with the government's push to make non-fossil fuel transport lucrative to buyers. The Council, chaired by finance minister Nirmala Sitharaman, would meet for the 36th time via video-conferencing. The proposal to slash rates on EVs was referred to a committee of officials called 'fitment committee' for preparing recommendation. Apart from EVs, the fitment committee is likely to recommend concessional rates on electric chargers and hiring of Evs. A government official said that since EVs are not sold in any significant volume, the rate cut and its impact on revenue wouldn't be a concern for the GST Council.

7. India up 5 ranks to 52nd most innovative country in Global Innovation Index

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

India has moved up five positions to become the 52nd most innovative country, according to the Global Innovation Index (GII) that was launched on 24 July. India's rank has risen by 29 places since 2015, when it was at the 81st spot. The country's rank stood at 57 in 2018. The index tracks innovation both in government policies and industry practices, and a concerted policy push by the Prime Minister's Office in promoting innovation in the digital economy and ease of doing business has helped India, a person in the know said. GII is developed jointly by Cornell University, INSEAD and World Intellectual Property Organization (WIPO), an agency of the United Nations. The index was launched for the first time in a developing economy — in partnership with the Confederation of Indian Industry.

8. Bears tightening grip on markets as foreign investors rush for exit

Source: Livemint ([Link](#))

Indian stocks appear to be sinking gently into a bear market hug, shedding around \$149 billion in investor wealth since 5 July when finance minister Nirmala Sitharaman presented her Union budget. Though aggregate market value remains above \$2 trillion, aggressive selling by foreign portfolio investors (FPIs) have driven benchmark indices Sensex and Nifty 6-7% below their record highs touched in June on concerns over tax proposals and disappointment over the budget

lacking adequate growth impetus. The sell-off in smaller companies appears more severe. Since their record highs in late 2018, BSE Midcap and Smallcap indices are down 25.2% and 35.4%, respectively. While there is no universal definition of a bear market, the one usually deployed involves a 20% fall in stock prices, coming at a time of widespread pessimism.

9. Govt likely to go for \$10-billion overseas bond sale in October: Report

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

The Centre is considering an option to raise \$10 billion in one go from its first overseas bond sale as early as October, according to people with knowledge of the matter. The government would prefer to sell yen or euro-denominated debt so as to offer lower yields, the people said, asking not to be identified as the plan is still under discussion. A dollar bond isn't ruled out given there would be more liquidity, while it could also decide to sell the debt in multiple sales over a longer period, they said. India is banking on the novelty of a debut offering at a time when investors are desperate for returns as the world's pile of negative-yielding debt grows to a record \$13.4 trillion. While Saudi Arabia and Argentina have raised more money in recent years from international bond sales as emerging markets return in popularity, Prime Minister Narendra Modi's government will be working to a tight timeline.

10. Govt amends bidding guidelines for wind power projects

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

In a bid to fast-track wind energy projects, the Centre has made certain amendments to the bidding guidelines for such projects, according to an official statement. The amendments have been made based on the experience of bidding and consultation with various stakeholders, the Ministry of New and Renewable Energy said in a statement on July 24. The development assumes significance as the government has set an ambitious target of having 175 GW of clean energy capacity by 2022, including 100 GW solar and 60 GW of wind energy. As per the statement, now the timeline for land acquisition for wind power projects has been extended from seven months to scheduled commissioning date i.e. 18 months. This, the ministry said, will help wind power project developers in states where land acquisition takes longer time.