

Daily Economic News Summary: 27 December 2018

1. Govt Tightens Norms For Etailers, Bars Exclusive Deals

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

In a major jolt to Walmart's \$16-billion acquisition of Flipkart and Amazon's \$5-billion bet on India, the government announced changes to the foreign direct investment policy for the ecommerce sector that could trigger a shakeup in the way leading platforms such as Amazon and Flipkart conduct business in the country. The move should mollify brick-and-mortar retailers, which have had a longstanding grievance against ecommerce sites for offering discounts to win over customers. A new rule inserted in the policy bars any entity related to ecommerce platforms from selling on that site and imposes a limit on how much one vendor can sell on a particular portal. The policy also prohibits ecommerce platforms from giving any preferential treatment to any supplier.

2. India, US Unable To Resolve Tariff Issue As Steel Ministry Refuses Quota Restrictions

Source: The Hindu, Business Line ([Link](#))

The Steel Ministry has refused to accept any quantitative restrictions on export of steel and aluminium to the US making it difficult for the Commerce Ministry to convince Washington to withdraw the penal duties imposed on the metals earlier this year, a government official said. India's export of steel to the US has already started taking a hit, although export of aluminium is stable, according to government calculations. The Indian steel industry has also been hit due to a counter levy of import quotas by the European Union. "There is a noticeable glut in the international market which has led to cross dumping of finished products into the country predominantly from South Asian countries and China. The supplies earlier targeted to the European Union are now getting diverted to other markets including India," a steel industry association representative said.

3. Ex-RBI Governor Bimal Jalan To Lead Panel On Economic Capital Framework

Source: Livemint ([Link](#))

The Reserve Bank of India (RBI) on 26 December set up an expert committee, headed by its former governor Bimal Jalan, to suggest how the central bank should handle its reserves and whether it

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can transfer its surplus to the government. The committee, which has been formed to review the existing economic capital framework (ECF), will have former RBI deputy governor Rakesh Mohan as its vice chairman. Other members are RBI central board directors Bharat Doshi and Sudhir Mankad; deputy governor N.S. Vishwanathan; and economic affairs secretary Subhash Chandra Garg. The panel will submit its report within 90 days of its first meeting.

4. Mumbai E-Way To Come Into Delhi; Manesar To Get Closer

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

The upcoming Delhi-Mumbai Expressway will be extended up to Ring Road near DND flyway as NHAI has approved the plan to build a six-lane, access-controlled road from the Western Peripheral Expressway (WPE) near Sohna that would also provide a fast link to Manesar from east and south Delhi. The 59-km stretch will include construction of the much-delayed Kalindi Kunj bypass in Delhi, revamp of the Faridabad bypass and a greenfield stretch that will connect the Delhi-Agra highway with WPE. The new link has been approved to provide an alternative route to reduce the massive traffic congestion on DelhiFaridabad road and reduce travel time between Delhi and Manesar.

5. In Poll Season, Forest Items Eligible For MSP Doubled

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

The Centre has introduced minimum support price (MSP) for 17 more minor forest produce and effected a 5% to 200% increase in the MSP of 19 forest items, giving a big thrust to the BJP-led government's tribal outreach programme ahead of the general election. The scheme, launched by Congress-led UPA government in 2013-14, involves fixing MSP for 24 identified minor forest produce (MFPs) which are collected by tribals in remote areas for sale in village 'haats'. When the market price of any of these MFPs falls below the MSP, state government agencies move in to procure the produce. The Centre's latest move takes the total number of items in the ambit of the scheme to 40. These products include mahua flowers, tejpatta, jamun dried seeds, dried amla pulp, marking nut, soap nut, bhava seed, arjuna bark, kokum, giloe, kaunch seed, chirata, vavding, nux vomica and dhavaiphool.

6. Airports To Make Announcements In Local Language Too: Officials

Source: The Hindu, Business Line ([Link](#))

The latest move follows a directive from Civil Aviation Minister Suresh Prabhu. The Central Government has directed all airports to make public announcements in local language first, followed by Hindi and English. This comes two years after the Airports Authority of India (AAI) had issued a circular regarding the announcements at airports. The latest move follows a directive from Civil Aviation Minister Suresh Prabhu. Officials said that the AAI has issued a directive to all aerodromes under its control to start making public announcements in the local language in addition to Hindi and English. The Civil Aviation Ministry has also notified private airport operators regarding the decision.