

Daily Economic News Summary: 27 January 2020

1. Govt likely to soon allow Indian cos to list overseas

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

The government is likely to soon decide on permitting Indian companies to list their equity shares overseas, according to an official. Apart from providing an additional fund raising avenue for the corporates looking to expand and boost their business activities, overseas listing of shares would also help in bringing more capital into the country. The official said many companies are interested in listing their equity shares in foreign countries. Currently, quite a few Indian companies have American Depository Receipts (ADRs) that are traded in the US. Some other corporates have their Global Depository Receipts (GDRs).

2. Budget 2020: Govt may consider import duty cut on raw material for fertiliser industry

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

The government may consider cut in import duty on raw material used in the fertiliser industry in the forthcoming budget with a view to boost domestic manufacturing in the country, sources said. Lower import duty on raw material like rock phosphate and sulphur used for manufacturing of DAP (Di ammonium phosphate) would help boost domestic production and cut in import bill, according to sources. Currently, there is an import duty of 5 percent on such imports and the country imports about 95 percent of its DAP requirement from global markets. The country also imports about 30 percent of its urea requirements.

3. Govt invites bids for Air India, two subsidiaries

Source: Livemint ([Link](#))

The government on 27 January invited preliminary bids to divest its entire stake in Air India, and the airline's subsidiary Air India Express along with its joint venture Air India SATS Airport Services Private Limited. The last date for submission of bids is 17 March, and qualified bidders will be notified 31 March, according to bid document issued by the Department of Investment and Public Asset Management. The government owns 100% stake in Air India, and its subsidiary

Air India Express. AISATS is a joint venture partnership between Air India and Singapore Airport Terminal Services (SATS) Limited, which provides ground and cargo handling services.

4. Easier FDI norms coming for ‘most favoured nations

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

The government is mulling a new investment law that will categorise nations into ‘most favoured’ and ‘not pro-India’ besides emphasising contract enforcement and fast-track dispute resolution. A new Bill is likely to be introduced in the Budget session of Parliament that is scheduled to begin on January 31. Officials told BusinessLine that the “draft of the Bill, which is being vetted by the Law Ministry, will be placed before the Cabinet for approval for introduction in Parliament.” The Bill might even get a mention in the Budget speech. Efforts will be made to get it passed during the Budget session itself.

5. Signs of recovery: Cargo handling at ports gains momentum

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

In an early indication of economic recovery, cargo handling in Indian ports is witnessing a spike. The trend was noticed since mid-December and gained momentum in January. Cargo handling at ports normally improves in December-January. But this year has been different due to sluggish economic growth during the last two quarters. The manufacturing sector suffered contraction for nearly five months with trailing effect on port operations. According to Indian Ports Association (IPA), 12 major (government-run) ports reported barely 0.98 per cent growth in cargo during April-December 2019. Though the growth is still lower than last year, things have certainly changed for the better in January in both bulk and containerised cargo.

6. India’s forex reserves touch life-time high of USD 462.16 billion

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

The country’s foreign exchange reserves rose USD 943 million to touch a life-time high of USD 462.16 billion in the week ended January 17, according to the latest data from the RBI. In the previous week, the reserves had increased by USD 58 million to USD 461.21 billion. In the reporting week, the rise in reserves was mainly on account of an increase in foreign currency assets, a major component of the overall reserves, which rose by USD 867 million to USD 428.45 billion, the data released by the Reserve Bank of India (RBI) on 24 January showed. Expressed in dollar terms, the foreign currency assets include the effect of appreciation or

depreciation of non-US units like the euro, pound and yen held in the foreign exchange reserves. In the reporting week, gold reserves increased USD 70 million to USD 28.56 billion.

7. India likely to raise import duties on more than 50 items next week

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

India plans to increase import duties on more than 50 items including electronics, electrical goods, chemicals and handicrafts, targeting about \$56 billion worth of imports from China and elsewhere, officials and industry sources said. Finance Minister Nirmala Sitharaman could make the announcement when she presents her annual budget for 2020/21 on Feb. 1, along with other stimulus measures to revive sagging economic growth, one of the government officials said. Higher customs duties are likely to hit goods such as mobile phone chargers, industrial chemicals, lamps, wooden furniture, candles, jewellery and handicraft items, two government sources with direct knowledge of the matter said.

8. To boost desi companies, curbs likely on tyre, furniture imports

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

The government is all set to clamp down on import of furniture and certain types of tyres, especially retreaded ones, amid concerns that cheap goods are flooding the market and pushing out domestic manufacturers. An official decision is expected over the next few days with a detailed analysis on furniture imports having already been undertaken by the commerce department, sources told TOI. Separately, certain types of gems are also on the radar for import curbs.