

Daily Economic News Summary: 27 November 2019

1. At least 100 petrol pumps, 5% in remote areas: New liberalised fuel policy

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

India's new liberalised petrol pump norms require licensees to set up a minimum of 100 outlets with at least 5 per cent of them in remote areas. According to a Gazette notification detailing the norms for setting up petrol pumps, the licensee would also be required to "install facilities for marketing at least one new generation alternate fuels like compressed natural gas (CNG), biofuels, liquefied natural gas, electric vehicle charging points etc at their proposed retail outlets within three years of operationalisation of the said outlet." The government had last month relaxed norms for setting up petrol pumps, allowing non-oil companies to market fuel in the world's fastest growing market. Prior to this change, to obtain a fuel retailing licence in India, a company needed to invest Rs 2,000 crore in either hydrocarbon exploration and production, refining, pipelines or liquefied natural gas (LNG) terminals.

2. Ola begins onboarding drivers in London as rival Uber loses licence

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

At a time when Uber has lost the licence to operate in London, its rival Ola has begun registering licenced drivers in London as it prepares to launch its ride-hailing service in the UK capital in the coming weeks. With this, the company said on 26 November over 50,000 licenced drivers will now be assured that they can continue to provide mobility services in London. Drivers can initiate their registration on the Ola app. The Bengaluru-based company launched its operations in the UK starting with Cardiff in August 2018. SoftBank-backed Ola has been steadily expanding across the country to now serving millions of users across Birmingham, Liverpool, Exeter, Reading, Bristol, Bath, Coventry, and Warwick. "Today, we are inviting the tens of thousands of PHV (private hire vehicle) drivers across London to register themselves on the Ola platform, as we prepare to launch in the city in the coming weeks. We have built a robust mobility platform for London, which is fully compliant with TfL's (Transport for London) high standards," said Simon Smith, Head of International, Ola. "We have had constructive conversations with the authorities, drivers, and local communities in London over the past

months, and look forward to contributing towards solving mobility issues in innovative and meaningful ways.”

3. Dairy out of India-US trade talks for now

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

India and the US have identified almost 40 products like pistachios, walnuts and apples that can be considered for duty concessions. The two sides are also trying to zero in on workable concessions for medical devices. The issues were discussed at an official-level meeting between trade negotiators of the two countries last week even as there were no talks on dairy imports. “Discussions are mostly around agricultural goods,” a source said. Washington is also said to have asked New Delhi to reduce the import duty on pulses. The US, along with Canada and Australia, had moved the World Trade Organization (WTO) against India’s ban on import of certain pulses to check falling prices in the domestic market. India, however, doesn’t have any issues with increased import of pistachios from the US, sources said.

4. Marriott International bets big on India, plans 50 hotels in 5 years

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

Unfazed by the slowdown, Marriott International is betting big on the country. It is looking to grow its India footprint by adding 50 hotels that will provide 15,000 more rooms over the next five years. Currently, the company operates 120 hotels in India under various brands. The hotels in the pipeline will include a range of Marriott brand portfolios such as JW Marriott, Tribute Portfolio and Sheraton, company officials said here on 26 November “India represents deep opportunities both for inbound and outbound travel. The country has been a great growth story for us and the second biggest market for Marriott in the Asia Pacific after China. As more and more people travel, there is tremendous opportunity here,” said Rajeev Menon, president, Asia Pacific (excluding Greater China), Marriott International.

5. Labour code: Trade Unions can’t strike work at will

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

The omnibus Industrial Relations Code soon to be tabled in Parliament, amalgamating four existing Central laws, will make it near impossible for trade unions to hold the employers to ransom, even as it seeks to pioneer the concept of unions with defined representative character as determined negotiating agents for the causes of workers. It would also get more difficult to strike work legally in establishments once the Code takes effect, as it proposes to extend the mandatory

14-days prior notice condition to practically all sectors, while currently such notice is required to be served only in case of “public utility services”, although these are defined very broadly. Also, when the conciliation process is on — which usually follows the strike notice and often takes several months — unions cannot resort to strikes.

6. Commerce ministry seeks views of different departments on national logistics policy

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

The commerce ministry has sought views of all the ministries, including steel, shipping and others on the draft national logistics policy, which aims at promoting seamless movement of goods across the country, an official said. The draft policy also seeks to reduce high transaction cost of traders. The government wants to formulate the policy as the sector’s growth is critical to boost exports and economic growth. “We have sought some actionable points from all the ministries and departments on the policy,” the official said. The draft was floated by the logistics division of the commerce ministry. The cost of logistics for India is about 13-14 per cent of the gross domestic product (which is over USD 2.5 trillion) and is much higher as compared to other countries. The target is to reduce it to about 10 per cent in the coming years. High logistics cost impacts competitiveness of domestic goods in international markets. Logistics is a key component for increasing competitiveness of exporters and domestic traders by reducing transport cost and time, and expediting smooth movement of goods.

7. Labour reform push may remove key hurdle for investors, improve ease of doing business

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

Prime Minister Narendra Modi is finally attempting to overhaul India’s most controversial labour laws to attract investment and make it easier to do business in a country where changing archaic rules is a challenge for any government. After a long struggle, his government will push a crucial industrial relations bill allowing companies to hire workers on fixed-term contracts of any duration. The legislation, to be tabled in Parliament’s current winter session, does not seek to change stringent laws on hiring and firing, but allows the government the flexibility to relax the conditions through an executive order. Unlike his last term in power, when Modi decided against bringing this labour reform bill to Parliament, this time around he knows he has the numbers needed. The current changes are part of a process to streamline 44 different federal labour laws into four codes, another step to formalize the \$2.7 trillion economy.

8. New energy policy to be finalised by govt: NITI Aayog Additional Secretary

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

In an address at the Energy Storage Conference, RP Gupta, Additional Secretary of the NITI Aayog, said that the government is in the process of finalising a new energy policy for India. "The new energy policy is being made keeping in mind the accessibility, energy security, transportation and India's future energy requirements," said Gupta. He emphasised that India is a growing economy and its transition energy may not be similar to that of other countries. Coal is likely to remain a key source of energy due its affordability and availability. However, Gupta said the generation of renewable energy will rise to 30-35 percent of total energy generation. He also emphasised on bringing in policies towards energy efficiency that will help reduce total energy requirement by 20 percent.

9. Govt formulating policy on credit ratings for MSMEs: Nitin Gadkari

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

The government is in the process of launching 'Digital data based credit ratings' of Micro, Small and Medium Enterprises (MSME), to help entrepreneurs to get bank loans on the basis of these credit ratings, Union Minister Nitin Gadkari said. While speaking at a conference on 'Opportunities for MSME in Agriculture & Food processing' at Agrovision, Gadkari emphasized on building credibility by MSME's bytimely payment of loans and pitched for setting up more small scale businesses in rural areas. The Minister assured all support from MSME ministry. Timely payment of taxes and loans will ensure good credit ratings and the concerned MSME will get digital data based credit ratings, he said. The MSME sector, which is facing liquidity shortage is contributed 49 percent of India's total exports.