

Daily Economic News Summary: 29 May 2018

1. WHO Adopts Resolution On Digital Health Initiated By India

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

Health and Family Welfare Minister J.P. Nadda on May 29 said the resolution on digital health brought out by India was adopted by the 71st World Health Assembly, the decision-making body of the World Health Organization (WHO). “I’m happy to share that the landmark resolution on #DigitalHealth – initiated by India – was unanimously adopted by the 71st World Health Assembly in Geneva. India received widespread praise for its leadership on this forward looking agenda,” Nadda said in a tweet. The 71st World Health Assembly was held last week in Geneva and was attended by delegations from all WHO member states. In his address at the Assembly, Nadda said: “Digital health technology have a huge potential for supporting Universal Health Coverage (UHC) and improving accessibility, quality and affordability of health services. This is a resolution which should be owned by all of us so as to pave the path for a forward looking global health agenda.” The resolution paves the path for WHO to establish a global strategy on digital health identifying priority areas including where WHO should focus its efforts and engages member states to optimize their health systems in sync with the global digital health agenda.

2. Direct Tax Code: Government Extends Date For Feedback On New Law, You Can Give Your Suggestions By June 15

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

The government has extended by 3 months the term of the Task Force constituted to review the existing I-T Act, 1961 and draft a New Direct Tax Law. With this, the date for sending suggestions and feedback has also been extended. Now, the stakeholders and the common man can send their suggestions up to June 15, 2018. As per a press release issued by the Ministry of Finance, the feedback and suggestions can be sent through an email at rewriting-itact@gov.in in the format provided on the website of the Income Tax Department –www.incometaxindia.gov.in. Earlier, such feedback/ suggestions were invited till April 2, 2018. The Task Force constituted to draft a new Direct Tax Law as per the economic needs of the country was recently granted 3 more months to submit its report. It was appointed in November 2017 after the government implemented the

new indirect tax. It was supposed to submit its report in six months. Last week, the government had extended the term of task force till August end. The task force is chaired by Arvind Modi, a member of the Central Board of Direct Taxes.

3. Blow To Sterlite: Tamil Nadu Orders Permanent Closure Of Copper Unit

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

The Tamil Nadu government on May 28 ordered the permanent closure of Sterlite's copper plant in Tuticorin following last week's violent protests during which 13 people were killed in police firing. The move is expected to trigger a long-drawn legal battle between the company and the state government. The decision follows the visit of deputy chief minister O Panneerselvam to Tuticorin. He said that the state government will take resolute steps for the permanent closure of the Vedanta Group's copper smelter plant. In an order issued in the evening, principal secretary to the government MD Nasimmuddin said under Sections 18(1)(b) of the Water Act, 1974, in the larger public interest the government endorsed the closure direction of the Tamil Nadu Pollution Control Board (TNPCB) and also directed the board to seal the unit and close the plant permanently.

4. Pradhan Mantri Ujjwala Yojana: PM Modi Says 10 Crore LPG Connections Given In 4 Years Against 13 Cr In 6 Decades

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

Prime Minister Narendra Modi on May 28 said his government has distributed 10 crore LPG connections in four years, including four crore free to poor women of which 45 per cent beneficiaries have been Dalits and tribals resulting in a "big social transformation". Underling his government's pro-poor credentials, Modi also took a dig at the previous regimes saying when he was young, the rich and influential people would get the LPG and tell the poor that it was unsafe to have a gas connection at home. "When we would ask them why do they have it in their homes, they were silent," he said. Interacting through video-conference with some women beneficiaries who received free cooking gas connection under the Ujjwala Yojana, a flagship welfare scheme aimed at increasing LPG coverage among the poor, the prime minister said 10 crore LPG connections have been given in the last four years as compared to 13 crore in six decades since independence. India aims to increase liquefied petroleum gas (LPG) usage to cover 80 per cent of

its households by March 2019, against 72.8 percent in 2017. The Prime Minister did not give a date for achieving 100 per cent coverage. Under the scheme, the government gives a subsidy of Rs 1,600 to state-owned fuel retailers for every free LPG connection installed in poor rural households without one. This subsidy is intended to cover the security fee for the cylinder and the fitting charges. The beneficiary has to buy her own cooking stove and refills.

5. The Government's Sugar Addiction Keeps Getting Difficult To Shake Off

Source: Livemint ([Link](#))

India has moved away from administering fuel prices but may well end up fixing sugar prices. In 2013, when the government began cherry-picking from the Rangarajan committee's recommendations to decontrol the sugar sector, it seemed a bad idea. The main recommendation of the report was to free the sugar cane price and link it to the price of sugar and by-products. That never happened. The central government fixed a minimum price and some state governments fixed their own price at a higher level. Sugar prices rose and fell but cane prices either stayed fixed or increased. The situation this year has turned so bad that the government is considering a minimum price at which mills will sell sugar. If it goes through, it will control both the input cost and the output price in this season. Investors are seeing the bright side (mills earn more profit) but that's a short-sighted view. Today's floor price can turn into tomorrow's cap on prices. On May 29, shares of Uttar Pradesh-based sugar mills such as Balrampur Chini Mills Ltd and Bajaj Hindusthan Sugar Ltd rose by 6%. In the March quarter, Balrampur's per unit sugar realizations declined by 14.5% over a year ago, causing a loss of Rs135 crore in the sugar segment despite volumes rising by 29%.

6. AAP Govt Sets Target Of Launching Free Wi-Fi Facility By March Next Year

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

Delhiites may get free Wi-Fi facility at public places next year as the public works department has set a target of launching the pilot project for the same on March 31 next year. According to the Delhi government's "outcome budget" under which various departments set target for executing their schemes and projects, tenders for providing free Wi-Fi facility will be awarded by September this year. Free Wi-Fi at public places across the city was one of Aam Aadmi Party's key poll promises. In March this year, Deputy Chief Minister Manish Sisodia had said that Wi-Fi project,

which was earlier with the Information and Technology (IT) departments been given to the PWD to “expedite” the work. However in the ‘risk factor column’ in the outcome budget, the PWD said in the meeting on March 27 this year, the department had intimated that the IT will not be able to execute Wi-Fi project due to “non-availability of sufficient staff” and “no expertise” in this field. The department said the expected date for issue of Request For Proposals (RFP) is June 30, 2018. It also said that expected date for “commissioning of Wi-Fi hotspots at pilot stage” is March 31, 2019.

7. Chinese Officials To Visit India To Discuss RCEP Issues, Says Suresh Prabhu

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

Chinese officials will visit India soon to hold bilateral discussions on the issues hampering the negotiations of the proposed mega free trade deal — Regional Comprehensive Economic Partnership (RCEP), Commerce and Industry Minister Suresh Prabhu said. The pact, negotiations for which started in Cambodian capital Phnom Penh in November 2012, aims to cover goods, services, investments, economic and technical cooperation, competition and intellectual property rights. “Chinese official delegation will be coming here for RCEP only. We have invited them for RCEP,” Prabhu told PTI. The RCEP bloc comprises 10 Asean members (Brunei, Cambodia, Indonesia, Malaysia, Myanmar, Singapore, Thailand, the Philippines, Laos and Vietnam) and their six FTA partners – India, China, Japan, South Korea, Australia and New Zealand. The meeting with Chinese officials would be crucial as Indian industry and exporters are apprehensive about the presence of China in the grouping. They have stated that lowering or eliminating duties for China may flood Indian markets with Chinese goods.

8. Piramal May Re-Enter Indian Drug Market

Source: Livemint ([Link](#))

The Ajay Piramal-led Piramal Enterprises Ltd (PEL) is considering a re-entry into the domestic formulations business, eight years after selling its portfolio to US-based Abbott Laboratories. The firm is also looking to set up an asset management business as part of its overall strategy to focus on fee income, a top official of the company said on May 28. “The valuation we got (for domestic formulations business), has not been breached locally. There has not been a single issue with the

acquisition. But our non-compete agreement with Abbott ends in September, which means we can explore re-entering the market. The proposal is still in the exploratory stages,” said Ajay Piramal, chairman, Piramal Enterprises, on the sidelines of a press conference to release the company’s quarterly earnings. Critical care, over-the-counter consumer products, custom manufacturing for third parties, manufacture and supply of active pharmaceutical ingredients (API), diagnostic medical devices and equipment and diagnostic services, including pathology laboratories and radiology centres and clinical research services, were some of the business that were retained.

9. Centre Plans To Spend ₹4,000 Crore This Year On Job Creation

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

The Government plans to spend ₹4,000 crore this year to create new jobs in the country and it has already employed 40 lakh new job seekers through Pradhan Mantri Rojgar Protsahan Yojana, a senior Government official said here on May 28. “As per latest EPFO data, six lakh employees get added every month in the form of new jobs resulting in formal workforce. Through Pradhan Mantri Rojgar Protsahan Yojana, we have employed 40 lakh new job seekers and ₹725 crore has been given to those corporates providing jobs to them. In this year, we expect to spend ₹4,000 crore for the new jobs to be created,” said Heeralal Samariya, Secretary, Ministry of Labour and Employment. With a GDP growth of 7.4 per cent, coupled with the recent investments in the infrastructure sector, we are hopeful of creating more formal jobs and dignity of jobs simultaneously,” he said speaking at Indian Staffing Federation (ISF) event here. ISF, which hosted its first Industry Staffing Conclave on ‘Employment in the age of Productivity’, said the organised retail will create 12,62,120 jobs, construction and real estate will create 1,37,280 jobs, BFSI will create 52,500 jobs while automobile sector to add 43,060 jobs by 2021.

10. Grid Connected Clean Energy Capacity Reaches 70 GW In April

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

India added 269.64 MW of renewable energy capacity last month taking the total grid connected clean energy capacity to 70,053.81 MW as on April 30, a government report has said. According to the report by the ministry of new and renewable energy, India added 34,165 MW of wind energy, 21,885.1 MW solar energy including rooftop solar, 4,489.80 MW small hydro (of up to 25 MW)

and 8,700.80 MW Biomass (Bagasse) Cogeneration as on April 30. The nation also witnessed 674.81 MW of Biomass (non-bagasse) Cogeneration)/Captive Power and 138.30 Waste to Power till April 30. India also installed off grid clean energy of 40 MW in April taking the total installed capacity in this segment to 1046.93 MW at April end this year. Under the grid connected renewable capacity, India did not add any capacity of Waste to Power and Biomass (Bagasse) Cogeneration). Similarly, under the off grid clean energy capacity, nothing was added in waste to energy and biomass gasifiers segment. However as much as 40 MW of solar photovoltaic (SPV) capacity was added in April this year.