

## Daily Economic News Summary: 2 July 2019

### **1. India protects drug, agriculture biz at RCEP**

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

In what is being seen as a major victory for India and other developing countries, three harmful provisions concerning pharmaceuticals and agriculture which were part of the Regional Comprehensive Economic Partnership (RCEP) free trade agreement have been withdrawn. The provisions were taken off the negotiating table after India took the leadership role in arguing against provisions of patent term extensions and data exclusivity, which would impact public health and access to affordable medicines in developing countries by creating monopolies, official sources confirmed to TOI. The other significant provision relates to a tighter intellectual property (IP) regime on seed and planting materials potentially detrimental for the country's agriculture sector. The "stringent IP provisions" have been stumbling blocks for a while, with India arguing for these to be taken out of the agreement, a person close to the negotiations said.

### **2. N.S. Vishwanathan reappointed RBI deputy governor for one year**

**Source: Livemint ([Link](#))**

N.S. Vishwanathan on 1 July was reappointed as deputy governor of the Reserve Bank of India. The Appointments Committee of Cabinet has approved the extension of Vishwanathan's term as RBI deputy governor by one year with effect from 4 July this year, the order issued by the Personnel Ministry said. His tenure was to end 3 July . Vishwanathan is in charge of regulation of banks, non-banking finance companies and cooperative banks. Vishwanathan's reappointment has caught many RBI watchers by surprise as they were expecting him to superannuate next month.

### **3. 5 income tax changes expected in Modi 2.0 government's first Budget**

**Source: Livemint ([Link](#))**

Nirmala Sitharaman will present the first Budget of second term of the Modi government on July 5. Despite the Modi 1.0 government announcing some tax relief in the interim Budget in February, there are expectations that the finance minister may announce some more relief on the income tax front on 5 July but not much. Many analysts expect the budget to be pro-growth and

tax sops will add stimulus to an economy that has slowed sharply this year. "Many benefits for individual taxpayers were already introduced in the interim budget. Not much can be expected on that front in the coming budget exercise," says Sandeep Sehgal, director of tax and regulatory at Ashok Maheshwary & Associates.

#### **4. Commerce ministry seeks stakeholder comments for next foreign trade policy**

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

The commerce ministry has sought views of all stakeholders for the formulation of the next foreign trade policy (FTP) which provide guidelines for enhancing exports to push economic growth and create jobs. "It has been decided to revise the current foreign trade policy (2015-20). Therefore, suggestions/inputs are hereby invited from all the stakeholders for framing the proposed new FTP," the directorate general of foreign trade (DGFT) has said in a notice. The current policy will end in March 2020. The new five-year foreign trade policy (2020-25) is expected to be released in September this year. In such a policy, the government announces incentives for both goods and services exporters.

#### **5. GST collection falls below Rs 1-trillion mark, first time in four months**

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

The goods and services tax (GST) mop-up fell below the Rs 1-trillion-mark for the first time in four months in June. It grew by a meager 4.5 per cent to Rs 99,939 crore, against 6 per cent growth in May, according to data released by the Ministry of Finance on 1 July. The target in the interim Budget, along with projected growth in state GST (SGST), required collections to touch Rs 1.3 trillion a month. With this shortfall, the target might become daunting if it is retained in the full Budget for fiscal year 2019-20 (FY20), to be presented in Parliament this 5 July. The GST revenue for March was Rs 1.06 trillion; for April, it was Rs 1.13 trillion; and in May, it touched Rs 1 trillion. This reinforces the need for data intelligence and policies to plug revenue leakages.

#### **6. Modi sets up chief ministers' panel for agriculture reforms**

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

The Centre on 1 July formed a high-powered committee of chief ministers led by Maharashtra CM Devendra Fadnavis to suggest structural reforms to boost farm productivity and marketing. The high-powered committee will have CMs of Karnataka, Haryana, Arunachal Pradesh, Gujarat, UP, MP & Union ministers for agriculture, rural development & panchayati raj as

members. Fadnavis is the convenor of the committee while NITI Aayog member Ramesh Chand is its the member-secretary. The committee would suggest modalities for adoption and time bound implementation of agriculture sector reforms in two months, the government said in a statement.

**7. New credit scheme for small, medium enterprises to encourage job creation; special focus on tribals, agri-related activities: Nitin Gadkari**

**Source: Firstpost ([Link](#))**

A new scheme is being worked out to encourage employment generation by small and medium enterprises in the country, with special focus on scheduled castes and tribals, the government told Rajya Sabha on 1 July. Medium and Small Enterprises Minister Nitin Gadkari said while replying to questions during the Questions Hour that credit limits of World Bank and Asian Development Bank (ADB) will be used to provide loans to small and medium enterprises (SMEs) that will help provide employment opportunities to the poor. He said small and medium enterprises contribute 29 percent of India's GDP and provide employment to 11 crore people.

**8. Govt agrees to debate on jobs in Lok Sabha**

**Source: Livemint ([Link](#))**

The Parliament is set to discuss unemployment, which is at a four-decade-high, with the government on 1 July agreeing to the opposition's demand for a debate on the lack of job creation a burning question in the run-up to the general elections. During Question Hour in Lok Sabha, Congress' Adoor Prakash and Biju Janata Dal's (BJD's) Pinaki Mishra raised the issue of data on employment generation in the last five years, and asked what measures the Union government was taking to create jobs. Prakash asked if the government has created "any master plan for each sector of the economy for creation of more jobs and put any deadline to achieve that goal".