

Daily Economic News Summary: 30 July 2019

1. Commerce ministry proposes a new export incentives scheme

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

The commerce and industry ministry has floated a cabinet note for a new export incentives scheme that would be compliant with the World Trade Organization (WTO) norms. The Rebate of State and Central Taxes and Levies (RoSCTL) scheme, which at present is available on export of garments and made-ups, will now be extended to all exports in a phased manner. The new scheme will replace the extant Merchandise Exports from India Scheme (MEIS), which was challenged by the US last year in WTO. The new scheme will allow reimbursement of duties on export inputs and indirect taxes through freely transferrable scrips. Scrips are incentives that can be used to pay duties. “We wanted RoSCTL to be the template for all schemes,” said an official in the know of the details.

2. Rajya Sabha passes IBC amendment, restoring primacy of lenders in insolvency cases

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

The Rajya Sabha on 29 July approved amending the three-year-old Insolvency and Bankruptcy Code (IBC), providing clarity about preference to secured lenders over operational creditors and giving lenders explicit authority over distribution of proceeds of auction of loan defaulting companies. Replying to a debate on the Insolvency and Bankruptcy Code (Amendment) Bill 2019, Finance Minister Nirmala Sitharaman said the changes being brought in now are in response to events that eroded legislative intent of the IBC. She referred to the Essar Steel insolvency case where the lenders and operational creditors have been treated at par by the bankruptcy court for distribution of auction proceeds.

3. Indian government sector next big thing for Google Cloud

Source: Livemint ([Link](#))

Google that last week disclosed its Cloud business has hit an annual revenue run rate of over \$8 billion—quite a worrisome news for its rivals—is now mobilising its efforts to tap into the burgeoning Cloud opportunities in the government sector in India. The aim is clear: To help government clients have scalable, agile and secure multi-Cloud experience with built-in

Artificial Intelligence (AI) and Machine Learning (ML) capabilities. According to Nitin Bawankule, Director, Google Cloud, India, the time is ripe for the company to now deeply explore the government sector as various state governments are moving fast on initiatives like building smart cities, along with plans to move their workloads to a secure on-premise as well as Public Cloud atmosphere.

4. Govt to soon notify constitution of National Traders' Welfare Board to help small traders

Source: Livemint ([Link](#))

The commerce and industry ministry will soon notify the constitution of a National Traders' Welfare Board that will identify ways to improve access to funds for this unorganised sector and suggest measures to simplify acts and rules applicable to traders. "The notification for constitution of the board will be issued soon," an official at the ministry said under condition of anonymity. The board will also make recommendations to reduce the compliance burden of traders as well as to ensure social security benefits such as insurance, pension, and healthcare for traders and their employees. The ruling Bharatiya Janata Party in its party manifesto for the 2019 general elections had promised to establish a National Traders' Welfare Board and also come up with a National Policy for Retail Trade. "To protect the interests of small traders, we will provide an accident insurance of ₹10 lakh to all the traders registered under GST (goods and services tax)," the party said in the manifesto.

5. Piyush Goyal to skip RCEP meet in China this week

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

Commerce and industry minister Piyush Goyal will not participate in the two-day Regional Comprehensive Economic Partnership (RCEP) ministerial meet in Beijing starting August 3. The minister cancelled his trip as he has to attend the ongoing Parliament session, which has been extended to August 7, said an official source. However, industry sources said the cancellation of visit reflected India's growing anxiety over domestic resistance to the 16-nation mega trade deal. From steel to pharmaceuticals, industries have been criticising the country's various existing trade agreements with Asean, Japan and South Korea on grounds that India's trade deficit with these countries have only widened after these pacts came into force, and there is little for domestic industry to benefit from.

6. Byju's CEO is India's newest billionaire

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

The education app developed by Byju Raveendran has grown to a valuation of almost \$6 billion. India's newest billionaire is a former classroom teacher who developed an education app that has grown to a valuation of almost \$6 billion in about seven years. Byju Raveendran, the Chief Executive Officer (CEO) of Byju's, joined the rarefied club after his Think & Learn Pvt scored \$150 million in funding earlier this month. That deal conferred a value of \$5.7 billion on the company in which the founder owns more than 21 per cent, sources said. Byju's own fortunes have climbed alongside the market. Its revenues are expected to more than double to Rs 3000 crore (\$435 million) in the year ending March 2020, Raveendran said. That pace of growth has already caught the eye of some of the industry's biggest investors from Naspers Ventures and Tencent Holdings Ltd to Sequoia Capital and Facebook-founder Mark Zuckerberg and wife Priscilla Chan.

7. India keen to share its digital revolution with Africa: President Ram Nath Kovind

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

Technology has been at the centre of India's development partnership with countries in Africa, President Ram Nath Kovind said, underlining that India is keen to share its digital revolution with Africa to enhance the well-being of its people. Addressing the National Assembly of Benin, President Kovind said that following the success of Pan-African E-network initiative, India now looks forward to the implementation of the E-Vidya Bharati and E-Arogya Bharati initiative with Benin. "India is happy to share its digital revolution with Africa to enhance the well - being of its people and, in particular, empower its youth. Few days ago, we successfully launched our second Moon Mission – Chandrayan Two.

8. Railways parcel business to get boost, Amazon roped in to transport goods

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

The railways parcel business is all set to get a boost with the national transporter roping in e-retail giant Amazon to transport its goods by train. According to a Railway Board letter issued earlier this month, as a pilot project the railways will give Amazon space in two of its premium trains - the Sealdah Rajdhani and the Mumbai Rajdhani for a period of one month, which could be extended to three months depending on the feedback received. According to the agreement, zonal railways will earmark a space of 2.5 tonnes in the parcel van of the trains for

loading/unloading of Amazon India consignments and the remaining space of 1.5 tonnes will be for railways.

9. Flipkart-owned PhonePe receives Rs 698-cr infusion from parent company

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

Flipkart-owned digital payments company PhonePe has received a fund infusion of about Rs 698 crore from its parent firm, as per regulatory filings. The resolution to allot the said shares to PhonePe Pvt Ltd was passed at a board meeting on July 5, the document sourced by business research platform Paper.vc showed. The company did not respond to an email query. In March this year, PhonePe had raised over Rs 700 crore from its Singapore-registered parent entity, which was a part of the USD 500 million commitment by Flipkart. The fund infusion will provide PhonePe more muscle to compete in the burgeoning payments segment in India. It competes against the likes of Paytm, Google Pay, Amazon Pay and others in this space. Interestingly, messaging giant WhatsApp has recently stated that it plans to roll out its payments service in India later this year.