

Daily Economic News Summary 6 February 2020

1. Unemployment rate at 6.1% in 2017-18: Govt cites new survey in Rajya Sabha

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

Unemployment rate in the country as per a new survey was 6.1 percent in 2017-18, the Centre informed Rajya Sabha on February 5. Minister of State (MoS) for Labour Santosh Gangwar said that the government is conducting a new Periodic Labour Force Survey (PLFS) with new parameters and bigger sample size, and its results cannot be compared with previous surveys in this regard."As per the new Periodic Labour Force Survey being conducted by the government, the labour force participation is 36.9 percent and the rate of unemployment for 2017-18 is 6.1 percent," he said.

2. Cabinet gives in-principle approval for setting up 13th major port

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

The Union Cabinet on February 5 cleared the in-principle approval for development of major port at Vadhavan in Maharashtra. Vadhavan port will be developed on the landlord model at an estimated budget of Rs. 65,544 crore. A special purpose vehicle will be set up with Jawaharlal Nehru Port Trust (JNPT) as the lead equity partner with at least 50 percent investment in the project. The SPV will develop the port infrastructure including reclamation, construction of breakwater and connection to the hinterland. The government plans to implement all business activities under the PPP model. The Vadhavan port has a natural draft of about 20 meters close to the shore. Development of the port will enable handling of container vessels of 16000-25000 Twenty Foot Equivalent (TEUs) capacity.

3. FM Nirmala Sitharaman introduces Direct Tax Vivad Se Vishwas Bill in Lok Sabha

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

Finance Minister Nirmala Sitharaman on 5 February introduced a bill in Lok Sabha which seeks to provide for resolution of disputed tax cases involving Rs 9.32 lakh crore. Introducing the Direct Tax Vivad Se Vishwas Bill, 2020, the minister said this bill emphasises on trust building. The scheme, she said, will not be an open ended scheme and can be availed for a limited time. The bill seeks to provide a formula-based solution without any discrimination, she said. Giving

the rationale behind the scheme, Sitharaman said it will reduce the litigation expenditure for the government and at the same may help in generating some revenue.

4. Customs duty cut on thoroughbred horses to fetch big export & employment benefits

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

Galloping clear off the budget's protectionist herd is a thoroughbred free-trade move — zero tariff on thoroughbred horses. Even more remarkable, the duty cut is sharp — from 30% to zero. Before you think this is just a bit of budgetary horsing around and isn't a big deal commercially, consider this: The industry around thoroughbreds is worth half a trillion dollars globally, and potential winnings for India for betting on free trade are big. A prized equine can fetch as much as a million dollars in the world market. The National Horse Breeding Society of India had sought the duty relief. Tegbir Brar, owner of Dashmesh Stud farm, said currently customs duty, GST and cess add up to 48.96%. "Now we'll be able to import better stock to improve breeds."

5. PM Modi asks for model act to resolve roadblocks in infra projects

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

Prime Minister Narendra Modi has directed cabinet secretary Rajiv Gauba to come up with a Model Act for 'Right of Use' in consultation with the ministries of petroleum and power, and circulate the same to all states and union territories, in an attempt to resolve a big roadblock in infrastructure projects. PM's directions came last month while reviewing the 1,212-km long Paradip-Hyderabad pipeline project of the Indian Oil Corporation NSE 1.79 %, among the longest pipeline projects in the region passing through three states, whose foundation stone was laid by the Prime Minister in December, 2018. The PM was told, as per officials, that the project was held up due to 60 km of 'Right of Use' issue pending in Andhra Pradesh and a 6-km stretch of 'Right of Use' pending in the state of Odisha.

6. Reserve Bank of India to get more powers over co-op banks

Source: Livemint ([Link](#))

The Union cabinet on 5 February approved changes to the Banking Regulation Act to give the Reserve Bank of India wider powers to regulate cooperative lenders and prevent frauds such as the one seen at Punjab and Maharashtra Co-operative Bank Ltd. Once the amendment is cleared by Parliament, cooperative banks will be audited according to RBI's norms and the central bank can supersede the board, in consultation with the state government, if any cooperative bank is

under stress, information and broadcasting minister Prakash Javadekar said after the Cabinet meeting. Appointments of chief executives will also require permission from the banking regulator, as is the case for commercial banks, the minister said. Cooperative banks are currently under the dual control of the Registrar of Cooperative Societies and RBI. While the role of registrar of cooperative societies includes incorporation, registration, management, audit, supersession of board and liquidation, RBI is responsible for regulatory functions such as maintaining cash reserve and capital adequacy, among others.

7. PM targets \$5 billion defence exports over the next five years

Source: Livemint ([Link](#))

Prime Minister Narendra Modi on 5 February set a target of \$5 billion in defence exports in next five years for India as he invited private businesses to invest in the country, which he said would realize the twin objectives of handsome returns on investment and making Asia's third largest economy self-reliant in defence manufacturing. India's ambition to develop a defence industrial base was neither a threat nor directed against any country, Modi said at the inauguration of the 11th Defence Expo in Lucknow. The five-day DefExpo 2020 would see the Uttar Pradesh government sign 23 preliminary pacts, which are expected to bring ₹50,000 crore investment and create more than 300,000 jobs, defence minister Rajnath Singh said at the biennial event that has this time brought together more than 1,000 companies and delegations from over 40 countries.

8. Make in India, for India, for world: PM to defence manufacturers at DefExpo

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

Inaugurating the 11th Defence Exposition (DefExpo 2020) in Lucknow on 5 February, Prime Minister (PM) Narendra Modi called on international defence manufacturers to "Make in India, for India and for the world". In his 35-minute inaugural speech, Modi listed out a string of defence production sector reforms his government had put in place since 2014, which he said had set the stage for making India a major international "defence manufacturing hub". "How long can the world's second-largest population, second-largest military, and largest democracy remain reliant on importing all its weaponry?" he wondered aloud. "Terming the opportunity to participate in the Indian defence manufacturing ecosystem "an unparalleled opportunity for the world", Modi stated: "When the world talks about the 21st century, attention naturally turns to India." The PM claimed the defence economy had already picked up due to measures taken by his government. "In 2014, defence exports were Rs 2,000 crore. Now we have exported Rs

17,000 crore worth of defence equipment. In the next five years, we must ensure defence exports cross Rs 5 billion, or Rs 35,000 crore,” said Modi.

9. Govt identifies 44 new areas for city gas distribution auctions

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

The Petroleum and Natural Gas Regulatory Board (PNGRB) has proposed 44 new geographical areas for the upcoming 11th round of bidding for city gas distribution (CGD). According to the new tentative list, the highest number of CGD areas will fall in Tamil Nadu (eight), to be followed by Maharashtra (seven) and Madhya Pradesh (six). At present, the CGD network covers 232 geographical areas spread over 407 districts in 27 states. Under the ninth and 10th rounds of bidding for CGD networks, the numbers of CNG stations and domestic piped natural gas (PNG) connections are expected to increase by 8,181 and 4.2 crore, respectively, in the next 8-10 years. The present share of gas in the energy basket of the country is 6.2%, and the target is to take it to 15% by 2030.

10. India slips to 40th position on International Intellectual Property Index

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

India's slipped to 40th position on the International Intellectual Property (IP) Index, which analyses the IP climate in 53 global economies, this year, according to a report of US Chamber of Commerce's Global Innovation Policy Center. Last year India was ranked at 36th position out of 50 countries. The US, the UK, Sweden, France and Germany remained the top five economies on the intellectual property index in 2019 retaining their spots from the last year. "Since the release of the 2016 National IPR Policy, the Government of India has made a focused effort to support investments in innovation and creativity through increasingly robust IP protection and enforcement," said Patrick Kilbride, Senior Vice President for the Global Innovation Policy Center.