

DAILY NEWS MONITOR: 19 AUGUST 2022

1. New foreign trade policy likely next month; focus on e-commerce exports, hubs

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

The government is likely to release next month the new foreign trade policy with a focus on boosting ecommerce exports and developing districts as export hubs. The commerce department is working on the policy that may detail ways to reduce the compliance burden on small exporters and fund MSMEs to increase exports. It may also seek to make proper categorisation of products which are at present clubbed as "others", as this system leads to misclassification and tax evasion, thereby adding to the growing trade deficit. "We are working on ways to facilitate ecommerce exports through the policy," said an official, adding that the policy could be put in place by the end of next month.

2. Govt working on PLI for electronics components

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

The government is working on a production-linked incentive (PLI) scheme for electronics components. Sources said that discussions with the industry is underway to finalise a long-term road map with the right incentive structure, which will attract global supply chains to relocate their base to India. Industry as well as government sources said that while PLI schemes for smartphones, consumer electronics, IT and telecom will yield results in terms of domestic manufacturing as well as increasing exports, but unless there's a similar scheme for electronics components, trade deficit will continue to widen.

3. Vistara jumps to second place in domestic market share

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

Ferrying a million domestic passengers in July, Vistara crossed 10% of market share in a month for the first time, trailing only industry leader IndiGo. Domestic air passenger traffic, meanwhile, declined 7.7% sequentially in July with Indian carriers flying 9.7 million passengers on local routes, according to data from Directorate General of Civil Aviation (DGCA). Domestic air passenger traffic was 10.5 million in June. While July volumes are better than the 5 million passengers carried in the same month last year, they failed to reach the 11.9 million recorded in the pre-pandemic July 2019.

4. Govt to amend 114-year-old the Indian Ports Act, bring in reforms

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

The Ministry of Ports, Shipping and Waterways has released a draft to amend the Indian Ports Act, 1908, which aims to bring in sweeping reforms in the sector by bringing non-major

ports into the national fold, creating a new mechanism for resolution of disputes, and empowering maritime state development council (MSDC). The draft bill will see comments from stakeholders before being tabled in Parliament. “The Indian Ports Act, 1908 is more than 110 years old. It has become imperative that the Act is revamped to reflect the present-day frameworks, incorporate India’s international obligations, address emerging environmental concerns, and aid the consultative development of the ports sector in the national interest,” the shipping ministry said.

5. India may settle Cuba trade in Rupees

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

Indian trade with Cuba may be settled in rupees or euros in the future, reviving memories of friendly relations that existed between the two nations when the late Fidel Castro ruled the North American nation. Cuban Central Bank officials for the first time met with the Reserve Bank of India and a group of five large local banks, including State Bank of India %, Bank of Baroda banks, including State Bank of India, Bank of Baroda, Union Bank of India, Bank of India and IBA, as part of discussions on possible bilateral trade through the recently established platform and other forms, said two people familiar with the matter.

6. RBI seeks public feedback on changes in payment systems

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

The Reserve Bank of India (RBI) has invited feedback from the public on the various changes proposed in the payments system, including the possibility of imposing tiered charges on transactions done through the Unified Payments Interface (UPI). As announced in the Statement on Developmental and Regulatory Policies dated December 08, 2021, the Reserve Bank of India (RBI) has released a discussion paper on "Charges in Payment Systems" for public feedback, RBI said in a statement. The discussion paper was released on 17th August. Feedback may be provided in respect of questions raised therein, including other relevant suggestions, through email on or before October 3, 2022, the RBI said.