

## Daily News Monitor: 24 August 2020

### **1. Govt frames norms for enforcement of ‘rules of origin’ for imports under FTAs**

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

The government has come out with norms for the enforcement of ‘rules of origin’ provisions for allowing preferential rate of customs duties on products imported under free trade agreements. The new norms have been framed with a view to checking inbound shipments of low quality products and dumping of goods by a third country routed through an FTA partner country. The Department of Revenue has notified the ‘Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020’ which would “come into force on September 21, 2020”. These rules “shall apply to import of goods into India where the importer makes a claim of preferential rate of duty in terms of a trade agreement,” it said.

### **2. NITI Aayog reviews EV-related policies, recommends bringing financing under priority sector lending**

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

The NITI Aayog has recommended bringing financing of electric vehicles under priority sector lending, as it reviewed policies related to EVs, according to a CNBC-TV18 report. The government policy think-tank has also recommended increasing Faster Adoption and Manufacturing of Hybrid and Electric vehicles (FAME) II subsidy and extending the current timeline of one year to boost demand for electric vehicles. Consumers would be given a 50 percent incentive for the purchase of electric vehicles under Fame II. Additionally, battery makers and entities operating charging infrastructure could also get 50 percent incentive under FAME II. The policy also encourages battery swapping under FAME II, according to the news report.

### **3. Textile Ministry invites bids to conduct study GST rates: Report**

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

Ministry of Textiles is planning to commission a study to understand if the Goods and Services Tax (GST) on textiles and apparels is adversely impacting domestic production and requires restructuring. "We have received complaints that the GST rate on synthetic fibres is leading to an inverted duty structure, making imports cheaper than domestic manufacture. To address the concerns, the Ministry has decided to appoint consultants who will assess GST rates on the value chain of textile," said a report by Hindu Businessline, quoting a government official. The government taxes synthetic fibre at 18 percent, yarn at 12 percent

and final output, including garments, at 5 percent. This creates an inverted tax structure where GST rate on inputs is higher than that on output.

#### **4. Adani Group ready for dominance in aviation**

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

Adani Enterprises Ltd (AEL) is set to become India's largest private airport operator, marking a step forward in its ambitious plan to establish a dominating presence in the civil aviation sector as it has in its current businesses of ports and energy. The Adani Group flagship will become the largest operator of airports other than state-run Airports Authority of India (AAI), which runs most of the airports, with the Union cabinet approving the transfer of six airports on 50-year leases to AEL. The company will take control of the airports in Ahmedabad, Lucknow, Mangaluru, Jaipur, Thiruvananthapuram, and Guwahati. These will be leased for operation, management, and development in a public-private partnership model. AEL won the contracts after offering to share the highest revenue-per-passenger with AAI during a bidding process that concluded in February 2019.

#### **5. India-US trade pact in focus ahead of US presidential polls**

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

With the US and the European Union signing a mini trade deal on 21 August, the focus has shifted to the trade package being negotiated by India and the US, with a wafer-thin margin left for resolving differences before the US presidential elections in November. In a small but significant breakthrough in trade ties, the EU last week agreed to eliminate tariffs on American lobsters while the US will reduce duties on a range of European products such as crystal glassware and cigarette lighters. A limited trade package being discussed by India and the US since 2018 is expected to cover tariff-related concessions for US farm produce, especially dairy items, pricing of pharma products such as stents and knee implants, and information and communication technology products.

#### **6. Singapore govt invests ₹450 crore in Phoenix Mills share sale**

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

The government of Singapore has invested ₹450 crore in the recent qualified institutional placement (QIP) offering of mall developer Phoenix Mills Ltd, the company said in a filing to the stock exchanges. Mint had reported on 21 August that Phoenix Mills has raised ₹1,100 crore through its QIP. The government of Singapore was the biggest investor in the share sale, contributing almost 41% of the total amount. Other major investors in the share share include domestic institutional investors such as ICICI Prudential Mutual Fund, SBI Mutual

Fund and Aditya Birla Sun Life Mutual Fund, according to the stock exchange filing. Shares were issued to these investors at ₹603 apiece. On Friday, Phoenix Mills shares closed at ₹697 per share, up 7.8% from previous close.

#### **7. India Sotheby's International Realty ties up with Krisumi Waterfall Residences** **Source: Livemint ([Link](#))**

India Sotheby's International Realty recently tied up with Krisumi Waterfall Residences, which is the first Indo-Japanese mega real estate project in India, as their strategic marketing partner. Krisumi is a collaboration (a 50:50 JV) between the world-renowned Sumitomo Corporation from Japan and the Krishna Group in India. Sumitomo Corporation is part of the 400-year-old Sumitomo Group, a Fortune 500 company with annual revenues of \$50 billion across 900 companies that employ 70,000 people across the globe. Sumitomo has successfully delivered over 300 world class projects across Japan, USA, China and Indonesia. The Krishna Group is one of the largest automotive component manufacturing groups in India with annual revenues of approximately \$ 800 million. Krisumi's mission is to create projects in India that offer the highest quality, aesthetic relevance and enduring value to buyers.

#### **8. Jindal Aluminium increasing focus on defence, aerospace segments: MD** **Source: Livemint ([Link](#))**

The country's largest aluminium extrusion firm Jindal Aluminium, which controls over 30% of the domestic market, is increasing its focus on the defence and aerospace segments as it expects these sectors to be more active given the policy changes allowing private players, says a senior company official. The ₹3,000-crore Bengaluru-based company with 52 years of history is also the second largest maker of aluminium flat rolled products, producing 50,000 million tonnes of rolled products, giving it 10-12% of the market; and 1,20,000 million tonnes of extruded products per annum. Its products reach 42 countries globally, contributing 15-20% of its topline annually, says vice-chairman and managing director Pragun Jindal Khaitan, the grandson of the group founder and chairman Sitaram Jindal.

#### **9. Thai hotelier Dusit returns to India in 2021** **Source: The Economic Times ([Link](#))**

Thailand-based multinational hospitality chain Dusit International, known for brands such as Dusit Thani and Dusit Devarana, is returning to India. It will open at least two Dusit-branded hotels per year from 2021 onwards in cities such as Mumbai, Delhi and Bengaluru as well as other key leisure destinations throughout the country, a top executive said. Besides the

signing of a new property under a franchise agreement with a local partner in Kolkata, Dusit is in talks with other potential owners and is on course to conclude at least four more signings in the next 12 months, Lim Boon Kwee, chief operating officer at Dusit International, told ET. Dusit International, which has hotels in markets such as the UAE, China, the US, the Maldives and Egypt besides Thailand, had previously entered India through a joint venture agreement with Bird Group in March 2007. The separation agreement concluded in March 2018.