

Daily Economic News Summary: 12 December 2019
--

1. Piyush Goyal stresses on MSME exports; says opportunity for small businesses globally under FTAs

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

The tariff concessions under the Free Trade Agreements (FTAs) signed by India gives export opportunities for products including those from SMEs, said Commerce Minister Piyush Goyal. The SME products on which such concessions are offered by India's trading partners including Japan, South Korea and some ASEAN countries, belong to categories including readymade garments, leather goods, processed foods, and engineering products such as auto components, Goyal informed Lok Sabha on 11 December. MSME focused export promotion schemes include participation in international exhibitions and fairs, training programme on the packaging for exports, Market Development Assistance (MDA) Scheme for MSME exporters and National Award for quality products.

2. Chinese city turns into ghost town after Samsung shifts operation to India, Vietnam

Source: Livemint ([Livemint](#))

Huizhou city on the north of China's flourishing Pearl River Delta has turned into a ghost town after Samsung closed its three-decade old factory and shifted operations to India and Vietnam in October, in the first visible fallout of the ongoing trade war between China and the US. The bustling city turned a "ghost town" after Samsung closed its last smartphone factory in China, the Hong Kong-based South China Morning Post reported on 11 December. Samsung relocated production to Vietnam and India in large part as a response to the trade war between the world's two largest economies, it said, adding that the industry insiders consider that it reflected China's changing position in the global supply chain. Last year Samsung inaugurated its world's largest mobile factory in Noida, near the Indian capital. The new facility will enable Samsung to double its capacity for mobile phones in Noida from 68 million units a year to 120 million units a year, in a phase-wise expansion to be completed by 2020.

3. Cabinet clears social security pact with Brazil

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

The government on 11 December approved a social security agreement between India and Brazil, which would enable workers of both the nations to avoid making double social security contributions while their stay in each other's territory. India has been signing bilateral social security agreements (SSAs) with other countries in order to protect the interests of Indian professionals/skilled workers working abroad for short durations and enhance the competitiveness of Indian companies. The SSA with Brazil will help in avoiding making of double social security contributions by the workers (detachment); easy remittance of benefits (exportability); aggregating the contribution periods (in two countries) to prevent loss of benefits (totalisation).

4. Lok Sabha passes bill to set up unified body to regulate IFSCs

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

The Lok Sabha on 11 December passed a bill to set up a unified authority for regulating all financial activities in international financial services centres (IFSCs) in the country. The first IFSC in India was set up at Gujarat International Finance Tec-City (GIFT) in Gandhinagar, Gujarat. The unified authority will act as a single-window for regulating various financial activities in the IFSC, she said. All the laws of land, including the Prevention of Money Laundering Act, will apply, she said, adding the unified authority which will be independent would be subject audit by the CVC and the CAG.

5. Cabinet clears amendments to insolvency law

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

The Union Cabinet on December 11 approved changes to the insolvency law, including provision to ring- fence successful resolution applicants from criminal proceedings with regard to offences committed by previous promoters of a company. The amendments to the Insolvency and Bankruptcy Code (IBC) are aimed at removing certain difficulties being faced during insolvency resolution process to realise the objects of the Code and to further ease doing of business, an official release said. The IBC (Second Amendment) Bill, 2019, seeks to change various sections as well as insert a new section in the law. According to the release, the amendments would remove bottlenecks, streamline the corporate insolvency resolution process and that protection of last mile funding would boost investment in financially-distressed sectors.

6. Bill to provide social security to workers introduced in Lok Sabha

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

The government on 11 December tabled the much-awaited social security code in the Lok Sabha, which, among other things, seeks to empower the Centre to provide social security to workers employed in the gig economy. The Bill, tabled by labour minister Santosh Gangwar, has a provision for differential rates of employees' contribution to their provident fund for a specified period, for a certain class of employees. This code, which would subsume nine central labour Acts, seeks to make Aadhaar mandatory for availing of benefits under various social security schemes. It has an enabling provision to empower the Centre to set up funds for providing social security to gig, platform, and unorganised workers. This is the first time such workers will be covered under the social security law. Gig workers are usually spoken of in the context of the sharing economy, such as Uber, Ola drivers, and delivery persons for Zomato and Swiggy. Essentially, these are jobs enabled by tech-enabled platforms where the worker is not bound to the organisation and can choose to work for as long they want, in a stint.

7. Government readies plan to push India into top 50 ease of business rankings

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

The government on 10 December set out the roadmap to get India to break into the top 50 countries in the World Bank's Ease of Doing Business rankings with Prime Minister Narendra Modi brainstorming with ministries. The government has already worked out a strategy to focus on Kolkata and Bangalore, the two new cities that will be reviewed by the World Bank after it expanded the scope of the annual exercise to cover four Indian cities. Discussions have taken place with top state government officials in West Bengal and Karnataka, who have offered full cooperation. "Every state wants to do well," said a source at the Centre. India is currently ranked 63 and the government is putting special emphasis on areas such as enforcement of contracts, registering property, starting a business and paying taxes, while maintaining its focus on improving on other aspects to move up the rankings.