

Daily Economic News Summary: 12 September 2019

1. Govt to give renewables their moment in the sun

Source: Livemint ([Link](#))

In a renewed push to cut India's dependence on fossil fuels, the central government wants state-run companies to build massive clean energy parks at a cost of around \$2 billion each, with built-in incentives to ensure states and operators are invested in the success of the parks. The proposed ultra mega renewable energy power parks (UMREPP) of 2,000 megawatts (MW) each will help developers achieve economies of scale and further bring down solar and wind power tariffs. Setting up such parks will bolster India's image as a clean energy champion at a time the world is grappling with concerns related to climate change. Clean energy projects now account for more than a fifth of India's installed power generation capacity. These green energy parks will be set up under the existing Solar Park scheme, which provides the building blocks—land and grid connectivity—and will be implemented by a special purpose vehicle (SPV).

2. Oyo Hotels enters premium space

Source: Livemint ([Link](#))

India is in talks with the US for restoration of Generalised System of Preferences (GSP), mutual withdrawal of their disputes at the World Trade Organization and removal of higher tariffs on steel and aluminium by Washington, as the two sides work to resolve their bilateral trade differences. "We have been discussing various issues with the US such as GSP restoration, and withdrawal of their Section 232 tariffs and our retaliatory duties," said an official. The two sides have been engaged in talks to iron out the differences, which began last year when the US levied global additional tariffs of 25% and 10% on the import of steel and aluminium products, respectively. Commerce minister Piyush Goyal is also likely to visit Washington soon. Officials said while the economic impact of GSP withdrawal on India's exports is not significant, these issues have longterm strategic implications and should not become deal breakers.

3. Indian students set to get 2-year work visa in UK with new 'graduate route'

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

In a move that addresses a long-standing demand to boost number of Indian students choosing British universities, the UK government on 11 September announced a new two-year post-study

work visa route for all international students. The new 'Graduate' route, to be in place by next year, will be open to all overseas nationals who have valid UK immigration status as a student and have successfully completed a course of study in any subject at undergraduate level or above at a government-approved UK higher education institution. The visa will allow eligible students to work, or crucially look for work, in any career or position of their choice, for two years after completing their studies. The government's latest announcement was widely welcomed by university chiefs and representatives, who highlight that Indian students were particularly prone to make their higher education choices based on being able to gain some work experience at the end of their degree.

4. Any agreement on RCEP deal to be based on national interests: Piyush Goyal

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

Any agreement on the proposed Regional Comprehensive Economic Partnership (RCEP) deal would be based on national interests, Commerce and Industry Minister Piyush Goyal said on 11 September. He, however, warned that while the government would strive to protect the interests of a majority of industries, the overall discussion could not be hijacked by one or two sectors. “As long as India's domestic industry and our national interests are protected, the faster it (the RCEP) is done, the better for India,” Goyal said. “Any agreement that India finalises will ensure that indiscriminate imports don't come in, while major opportunities for exports and job creation are reserved,” he added. Stressing that most industries were in favour of the deal, Goyal said some of the opponents had not understood the details of the RCEP yet. “Not everybody is opposing the RCEP. We are literally vertically split, with half the industry saying it should be brought quickly,” Goyal said.

5. Real estate next on the FM's list; Anurag Thakur says relief measures for sector may be announced soon

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

Even as the real estate sector reels under a slowdown, the government may make some announcement for the sector in the coming days, CNBC TV18 reported Minister of State (MoS), Finance & Corporate Affairs, Anurag Thakur as saying at an event on 11 September. The government has met the stakeholders, industry leaders, homebuyers, real estate sector and discussed the difficulties faced by the industry in various sectors in the last few days, Anurag Thakur had recently said in an interview to ET Now. The country's real estate sector is battling

the ongoing slowdown amid tight liquidity, default by many builders and elevated property prices. On bank merger, Anurag Thakur said that the consolidation of PSBs will lead to cost benefits, higher productivity, ramp up credit growth and assure that there will be no job losses because of the merger. Speaking about the recent move by the RBI mandating banks to link their loans to an external benchmark, the minister said it's commendable that 14 PSBs have already come out with repo-linked loan products. There is an appeal to PSBs to further pass on benefit of rate cuts to firms so they are able to invest, he added.

6. Act East Policy: South Korean Companies keen to invest in India's Defense Corridors; assure non-involvement in PoK

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

Top defence and aerospace South Korean companies which are seeking joint ventures with the Indian companies are expected to invest in the two defences industrial corridors (DIC) in Tamil Nadu and Uttar Pradesh. Also, the first-ever 2+2 Dialogue between the two countries is slated for November. Diplomatic sources have confirmed that big companies including Hanwha Defense, Hyundai Rotem, Korea Aerospace Industries Limited (KAI), LIG Nex1, DACC Carbon Company which are already participating in various EoIs, RFPS and RFIs are ready to set up their manufacturing bases in the two DICs. These companies are ready to transfer top-end technology to the Indian companies and participate in Make in India initiative.

7. Ayushman Bharat 2.0 improves cancer cover

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

In a major overhaul, Ayushman Bharat would provide health cover for cancer based on the drug regimen and not on the type of cancer. The new health insurance scheme for the poorest of the poor would add over 200 packages and offer a larger variety of better quality implants in cardiology and orthopaedics. The governing board of the National Health Authority (NHA), the nodal agency for implementation of the flagship programme, approved Ayushman Bharat 2.0 on 11 September. Taking a giant in cancer care, Ayushman Bharat has aligned its cancer care with the National Cancer Grid of Tata Memorial Hospital. So far, the cancer care provided by hospitals was dependent on the location of cancer (like lung or pancreas). After the approval of the governing board, the packages would be further tweaked and then sent for upload on the IT platform. Ayushman Bharat 2.0 is slated for rollout on October 1.

8. Reports on Indonesian palm oil duty cut confuses Indian edible oil industry

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

Edible oil industry body Solvent Extractors' Association (SEA) has requested commerce ministry to clarify on reports that India has agreed to cut import duty on Indonesian palm oil in lieu of access to Indian sugar in that country. In a letter written to the Union commerce minister SEA has said, "It is reported today in Electronic Media quoting Indonesian Trade Minister Mr. Enggartiasto Lukita that India will reduce the import Duty on RBD Palmolein to 45% to create a level playing field with Malaysia. The report further states that India has positively responded to this request.

9. Govt to announce scrappage policy shortly: Nitin Gadkari

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

Road transport and highways minister Nitin Gadkari said the government is working on a vehicle scrapping policy and will announce it shortly. "The policy is in the works. It has to be cleared by the finance ministry. There are some issues which have to be resolved with state government and stakeholders. It will be announced shortly," Gadkari said on 11 September. He said apart from scrappage centres for commercial vehicles and passenger cars, industry stakeholders should also look at setting up such units for dismantling old two-wheelers. The minister said he has already taken up the matter of slashing goods and services tax (GST) rates on vehicles with finance minister Nirmala Sitharaman.

10. Commerce ministry to soon seek Cabinet nod for Multi-Modal Transportation of Goods Bill: Piyush Goyal

Source: Firstpost ([Link](#))

The Commerce Ministry will soon approach the Union Cabinet to seek approval for the proposed Multi-Modal Transportation of Goods Bill, 2019, (MMTG) which seeks to facilitate smooth movement of products for domestic consumption as well as foreign trade. Commerce and Industry Minister Piyush Goyal also said that the national logistics policy 2019 is being finalised and, soon, they will seek the Cabinet's nod for that as it aims at cutting logistics cost cut by one-third. "We have finalised the Multi-Modal Transportation of Goods Bill, 2019, and soon we will take that up with the Cabinet. It will help in faster movement of consignments for exports, imports and domestic trade," he told reporters here. Multimodal transportation includes a combination of more than one mode of movement, such as rail, road or sea, for end-to-end

delivery of goods. After getting the Cabinet's approval, the Bill will be laid in Parliament for approval. It would repeal the existing MMTG Act 1993.

11. Delhi-NCR ahead of Bengaluru, Mumbai with over 7,000 start-ups, 10 unicorns, new biz valuation of around \$50 bn: Report

Source: Firstpost ([Link](#))

Delhi-NCR is home to over 7,000 start-ups and 10 unicorns with these new businesses having a cumulative valuation of about \$50 billion, ahead of cities such as Bengaluru and Mumbai, according to a report by TiE-Delhi-NCR and Zinnov. The report, titled 'Turbocharging Delhi-NCR Start-up Ecosystem', stated that Delhi-NCR accounted for a 23 percent share of start-ups in the country. While there were 7,039 start-ups in Delhi-NCR, Bengaluru had 5,234, Mumbai 3,829 and Hyderabad 1,940. These new companies were founded between 2009 and 2019. Within Delhi-NCR, Delhi accounted for 4,491 start-ups, Gurugram 1,544 and Noida 1,004 new businesses. The report highlighted that Delhi-NCR has 10 unicorns—companies with a valuation of over \$1 billion—compared to nine in Bengaluru, two each in Mumbai and Pune and one in Chennai.