

Daily Economic News Summary: 15 January 2019

1. Amazon Food Biz To Log Off If New Rules Remain On Menu

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

Amazon's food-only retail business will stop selling on Amazon.in if the government's latest foreign direct investment (FDI) guidelines remain unchanged by next month. This would be a blow for the initiative as Amazon was the only foreign retailer to have committed investment to the tune of \$500 million in the food retail segment after it opened up in mid-2016. In addition, Amazon's planned acquisition of a stake in Future Retail may be delayed, people familiar with the matter told ET. This development follows the latest notification on ecommerce FDI, which prohibits marketplaces from selling affiliates' products. It goes into effect on February 1.

2. IT Exemption Threshold May Go Up In Interim Budget

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

With middle-class apathy on the rise, Finance Minister Arun Jaitley may double the income tax exemption threshold for the salaried from the present Rs 2.5 lakhs to Rs 5 lakhs while also reinstating tax-free status for medical expenses and transport allowance, providing some relief to the section already under strain since demonetisation. Though propriety demands that not too many policy changes should be made in a vote on account budget, the BJP government is apprehensive of the possibility of a middle-class backlash in the impending general elections.

3. 10% Reservation For Economically Weak In General Category Comes Into Force

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

The constitutional provision to provide 10 per cent reservation in government jobs and education to economically backward section in the general category has come into force on 14 January, a government notification said. The Constitution (103 Amendment) Act, 2019 received the assent of the President on 12 January. "In exercise of the powers conferred by sub-section (2) of section 1 of the Constitution (One Hundred and Third Amendment) Act, 2019, the Central government hereby appoints January 14 as the date on which the provision of the said Act shall come into

Daily Economic News Summary: 15 January 2019

force," a gazette notification by the Ministry of Social Justice and Empowerment read. The bill was passed by Parliament on January 9.

4. Etihad Poised To Take Effective Control Of Jet Airways

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

Etihad Airways PJSC may gain effective control of Jet Airways (India) Ltd, if lenders approve a resolution plan for the cash-strapped local airline, according to two people familiar with the ongoing discussions. The plan could see Etihad Airways raise its stake from the current 24%, and Jet Airways's promoter and founder Naresh Goyal cede control of the airline that began operations more than two and a half decades ago, said the people cited above, requesting anonymity. A potential control of Jet Airways by Etihad will allow the Abu Dhabi-based carrier make a deeper foothold in the world's fastest growing civil aviation market by exploiting Jet Airways's network in India while also exploring more synergies for overseas operations.

5. Suresh Prabhu Launches Phase II Of Ratnagiri, Sindhudurg Development Plan; To Devise Customised Growth Strategies For Districts

Source: [Firstpost \(Link\)](#)

Commerce and industry minister Suresh Prabhu on 14 January launched the second phase of the district development plan (DDP) for Ratnagiri and Sindhudurg in the Konkan region of Maharashtra. The first phase of the plan involved identifying growth areas and mapping and determining the baseline for each of the earmarked districts, and aimed to increase GDP growth by 2-3 per cent annually, thereby helping boost national GDP. Through a pilot project of the department of industrial policy and promotion (DIPP), six districts Varanasi (UP), Muzaffarpur(Bihar) Visakhpatnam (AP) and Solan (HP), Ratnagiri and Sindhudurg in Maharashtra have been identified for the district development plan. The target is to devise and implement customised growth strategies for districts, focusing on their specific strengths in niche areas such as services, geographical indications (GI) and skills.

6. India Beats China In Paper Market Growth Despite Dumping Fears

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

India has emerged as the world's fastest growing paper market with a compounded annual growth rate (CAGR) of 6-7%, cocking a snook at China, the biggest consumer of paper globally.

Daily Economic News Summary: 15 January 2019

The Rs 60,000-crore paper industry logged this robust growth, fighting both raw material scarcity and competition from cheaper imports, according to outlook analysis by IPMA (Indian Paper Manufacturers Association). Even as the growth statistics are rosy as never before, IPMA's annual meet was disturbed by the issues of competitive cost, amidst the government policy of giving preferential tariff treatment to import of paper and paperboard under different FTAs (Free Trade Agreements) and other bilateral trade pacts.

7. Plugging Loopholes: E-Commerce Firms Like Amazon, Flipkart Asked To Store Payments Data In India

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

The ministry of electronics and information technology (MeitY) wants e-commerce platforms like Amazon and Flipkart to store all consumer payments data within the country. Sources told FE that MeitY has written to the department of industrial policy and promotion (DIPP), which is responsible for making policies and issuing directives to e-commerce firms, to bring these players under local data storage norms in its e-commerce policy. Apparently, MeitY wants to plug the loophole which exists after the Reserve Bank of India (RBI) made it mandatory for all payment firms like American Express, Mastercard, Visa, etc to store all payments data within the country.