

## Daily Economic News Summary: 16 July 2018

### **1. India Urges China To Issue Longer Work Visa Permits To Indians**

Source: Livemint ([Link](#))

As China cosies up with India on the trade front in the backdrop of harsh protectionist measures taken by the US, India has urged its northern neighbour to liberalize its visa regime for Indian professionals who are at present given work permits for only one year. Raising the matter during the China's trade policy review at the World Trade Organization (WTO) last week, India highlighted the challenges Indian businesses face while doing business in China. China has recently shown willingness to address India's long-pending concerns on the trade front. Both sides held their long-pending 11th joint economic group meeting in May on one-month notice from the Chinese side and agreed to draw up a medium- and long-term roadmap with action points and timelines to address the trade deficit between them. India's representative at the WTO in a statement said that in the services sector, the challenges for Indian firms include complex requirements for participating in contracts of the state-owned enterprises (SOEs) and issues related to qualification requirements, licensing and taxation. “

### **2. Govt Plans To Decriminalize Less Serious Companies Act Violations**

Source: Livemint ([Link](#))

In an attempt to improve the ease of doing business in India, the corporate affairs ministry is set to decriminalize offences of a less serious nature under the Companies Act, 2013. The ministry said in a statement on July 15 that it has set up a 10-member panel led by its secretary Injeti Srinivas to review penal provisions in the Companies Act, 2013, as some of the offences may be required to be decriminalized and handled by an in-house system of adjudicating officers, where a penalty could be levied in cases of default. “This would also allow the trial courts to pay more attention on offences of serious nature,” said the statement. It added that compoundable offences or the less serious ones in the Companies Act, 2013 which are punishable with fine only or punishable with fine or imprisonment or both will be reviewed to decide whether these may be considered as ‘civil wrongs’ or ‘defaults’ where a penalty by an adjudicating officer may be imposed in the first place.

Only non-compliance of the order of the officer will be deemed as offence warranting a trial by a special court.

### **3. India Raises Trade Deficit Issue With China At WTO**

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

India has flagged concerns of its large trade deficit with China, visa restrictions for Indian professionals and the challenges faced in exporting IT services, meat, rice and medicines to Beijing at the World Trade Organization (WTO). Trade is skewed in favour of China at a trade surplus of \$63 billion. Bilateral trade was \$89.6 billion in 2017-18. “This large and growing deficit is difficult for India to sustain, and serious efforts need to be made to remedy the situation,” India said in its submission to WTO, commenting on China’s trade policy, which ET has seen. India also sought greater Chinese investment in manufacturing and infrastructure and termed Chinese foreign direct investment ‘modest.’ Total Chinese investment in India aggregates to \$1.74 billion and annual investments are \$100 million. The US said China has caused “serious harm” to WTO partners by failing to live up to free-trade principles as it employs preferential treatment for SOEs, discriminatory regulatory requirements and unique national standards.

### **4. Mukesh Ambani Becomes Asia’s Richest Person; Here’s How Rich The Ambani Family Is**

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

Mukesh Ambani on July 13 overtook Alibaba Group founder Jack Ma to become Asia’s richest person as the market value of his refining-to-telecom conglomerate Reliance Industries topped Rs 7 lakh crore mark. Ambani was estimated to be worth \$44.3 billion on July 13 with Reliance Industries Ltd. rising 1.6 percent to a record 1,099.8 rupees. But do you know how much the Ambani family is worth? With a \$43.4 billion in wealth, the Ambani family is the seventh richest family in the world, according to the Bloomberg Billionaires Index. “Dhirubhai Ambani, the father of Mukesh and Anil, started building the precursor to Reliance Industries in 1957. When Dhirubhai died in 2002 without leaving a will, his widow brokered a settlement between her sons over control of the family fortune,” Bloomberg reported recently. Mukesh Ambani has added \$4 billion to his fortune this year as Reliance doubled its petrochemicals capacity and investors cheered the success of his disruptive telecom upstart Reliance Jio Infocomm Ltd. Notably, the firm had earlier

breached the 7 lakh crore in intra-day trade on October 18, 2007. The US dollar was quoted at Rs 39.59 at that time. The market valuation of RIL had crossed the Rs 6 lakh crore mark in November last year.

### **5. Solar Tariff Falls Again To All-Time Low Of Rs 2.44/Unit**

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

Solar tariffs once again matched the record-low rate of Rs 2.44/unit in the latest auction for 3,000 MW capacity. The same tariff was also discovered in the reverse auction for 2,000 MW capacity earlier this month, matching the price that was first found in May 2017 for Rajasthan's Bhadla projects. Solar tariffs had gone up to Rs 2.70/unit, Rs 2.85/unit and Rs 3.48/unit in auctions for projects in Andhra Pradesh, Karnataka and Uttar Pradesh, respectively, in this week itself. The fact that these states receive lower solar radiation than Rajasthan is said to be the reason behind higher tariff. The latest auction marks the largest solar capacity that was offered for bidding in a single round till date. Greater size of capacities put up for auction help developers manage the risks related to land acquisition and availability of evacuation infrastructure. People close to the development told FE that ACME Solar has emerged as the lowest bidder (L1) with Rs 2.44 per unit for 600 MW capacity, while Azure Power secured 300 MW at Rs 2.64 per unit. Rutherford Solarfarms (Canadian Solar) has bagged 200 MW at Rs 2.70/unit, while Mahoba Solar (Adani Green) has got 300 MW at Rs 2.71/unit. ReNew Power received 500 MW at Rs 2.71 and SoftBank received the highest capacity of 1,100 MW at Rs 2.71 per unit.

### **6. India Becomes Vice-Chair Of Asia Pacific Region At Global Customs Body**

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

India has become the vice-chair (regional head) of the Asia Pacific region of the World Customs Organisation (WCO) for a period of two years to June, 2020, the finance ministry said on July 15. The organisation has divided its membership into six regions. Each of the regions is represented by an elected vice-chairperson to the WCO council. "India is a wealth of experience in promoting security and facilitation of cross border trade," it said. To mark the assumption of vice chair, an event is being organised tomorrow here by the Central Board of Indirect Taxes and Customs (CBIC) in partnership with industry body CII. It will witness participation of customs delegates

from 33 countries of the Asia-Pacific Region, customs officers from different ports in India. WCO represents 182 customs administrations across the globe that collectively process approximately 98 per cent of world trade.

**7. India Set For Third-Largest Economy Tag With \$10 Trn GDP By 2030: Garg**  
**Source: Business Standard ([Link](#))**

India is eyeing the tag of the world's third-largest economy by 2030, after overtaking France as the sixth-largest economy and coming close to the UK, which is at the fifth place. Economic Affairs Secretary Subhash Chandra Garg said on July 14 the Indian economy is at a take-off stage and is expected to be the world's third largest by 2030 with GDP worth \$10 trillion. This means India is aiming to overtake the UK, Japan and Germany by 2030, to be behind only the US and China. In the first 40 years of independence, the country hardly grew at 3.5 per cent and today, 7-8 per cent is the norm, Garg said at a function to mark the platinum jubilee celebrations of the Institute of Cost Accountants of India. Earlier, Jaitley had expected India to become the bigger economy than UK's by next year. Britain's economy was just about \$25 billion bigger than India's at \$2.62 trillion in 2017. However, there was a significant gap between the top four economies and India. In 2017, the US was the world's largest economy with a size of \$ 19.39 trillion, followed by China (\$12.23 trillion). Japan (\$4.87 trillion) and Germany (\$3.67 trillion) are at the third and fourth places, respectively, according to the World Bank data.

**8. LIC Board To Meet Today To Finalise Acquisition Of Stake In IDBI Bank, Say Sources**  
**Source: Firstpost ([Link](#))**

The board of insurance behemoth Life Insurance Corporation of India (LIC) is scheduled to meet on July 16 to finalise the acquisition of 51 percent stake in IDBI Bank, sources said. The due diligence process by LIC is complete as per the directions of Insurance Regulatory and Development Authority of India (Irdai), they said. State-owned LIC will approach markets regulator Sebi after getting approval from its board, which will meet in Mumbai. Irdai has already given its approval to LIC for the stake purchase, a move which will help the debt-ridden state-owned bank get a capital support of Rs 10,000-13,000 crore. As per Sebi takeover code, an acquirer has to give an open offer to the shareholders of target company on acquiring shares or voting rights

of 25 percent or more. Irdai at its meeting held in Hyderabad last month had permitted LIC to increase its stake from 10.82 percent to 51 percent in IDBI Bank. LIC has been looking to enter the banking space by acquiring a majority stake in IDBI Bank as the deal is expected to provide business synergies despite the lender's stressed balance sheet.

### **9. PM Narendra Modi lays foundation stone of Rs 23,000-crore expressway in Uttar Pradesh**

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

Prime Minister Narendra Modi began his two-day visit to eastern Uttar Pradesh, by laying the foundation stone of the ambitious Rs 23,000-crore Purvanchal Expressway. The 353-km long expressway, which will connect several important and historical towns of eastern Uttar Pradesh, including Barabanki, Amethi, Sultanpur, Faizabad, Ambedkar Nagar, Azamgarh, Mau and Ghazipur with Lucknow, the state capital is expected to be constructed in 36 months, and reduce the travel time between Delhi and Ghazipur. It will begin from Chand Sarai village on Lucknow-Sultanpur road (NH 731) and end at Haidariya village in Ghazipur district, about 18 km from the UP-Bihar border. Addressing a rally at Azamgarh, Modi said the expressway will connect the parts of the state, which have remained away from development, and also reduce the distance between Delhi and Ghazipur by many hours. “Purvanchal Expressway will take UP, especially eastern UP, to greater heights. More than Rs 23,000 crore will be spent on it and all the places falling in the route will experience a change,” Modi said, adding, with the construction of this expressway, the farmers of Purvanchal will be able to transport crops, cereals, fruits, vegetables, milk in much lesser time to Delhi.