

Daily Economic News Summary: 16 May 2019

1. Indian Green Card Aspirants May Benefit As Trump Has A New Immigration Plan

Source: Livemint ([Link](#))

In a major policy speech on 15 May, US President Donald Trump is all set to announce a new proposal to overhaul the country's immigration policy that would give preference to foreigners based on merit rather than the existing system that gives preference to family ties, a move that could end the agonising Green Card wait for hundreds and thousands of Indian professionals. Brainchild of Trump's son-in-law, Jarred Kushner, the new plan primarily focusses on strengthening border security and revamping the system of Green Card or legal permanent residency so that people with merit, higher degrees and professional qualifications could get an easy access to the immigration system.

2. NSSO's Latest Report A Setback In Effort To Improve State GDP Data

Source: Livemint ([Link](#))

The disappointing results of the National Sample Survey Office (NSSO) 74th round field survey of services firms have impaired India's chances of improving the accuracy of state-level estimates of gross domestic product, or GSDP, according to economists and statisticians. The data issues in GSDP estimation matter because the changes in the methodology have led to wide discrepancies across states. This has impacted the borrowing limits for states, as well as the likely share of federal funds that they could receive (see Plain Facts). The advisory council of the 15th Finance Commission is set to discuss these issues on Thursday, two people with direct knowledge of the matter said on condition of anonymity.

3. Tata Chemicals Transfers Food And Beverages Business To Tata Global

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

The \$104-billion Tata group on 15 May announced that it was demerging the consumer products business of Tata Chemicals into Tata Global Beverages as part of a larger mandate to bring food and beverages under one unit. The announcement brings to an end days of speculation and comes nearly two months after Tata Sons Chairman N Chandrasekaran restructured operations under 10 verticals at the conglomerate in a bid to streamline its business. Under the demerger process, 114

shares of Tata Global will be issued for every 100 shares of Tata Chemicals, taking the latter's post-demerger share base to 920 million from 631 million now.

4. Mexican Fast-Food Major Taco Bell Plans To Open 600 Outlets In India

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

Taco Bell, the global Mexican fast-food major, is planning to open 600 outlets in India over the next 10 years. If implemented successfully, this can make India the second-largest market for Taco Bell, after the US, said Liz Williams, president, Taco Bell International. "India is one of the most important markets outside the US and its diverse nature offers an opportunity to Taco Bell, as we are adept at embracing change. After the new plan is implemented successfully, India will emerge as the second-largest market for Taco Bell," said Williams. Currently, South American countries are its leading markets outside the US.

5. Qatar Airways Seeks Govt Nod To Operate Additional Flights To India

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

Qatar Airways hopes to operate additional flights to India after the civil aviation ministry decided to temporarily withdraw traffic rights held by Jet Airways. Jet, which suspended operations on April 17, used to operate double daily flights from Mumbai and Delhi to Doha. The grounding of the airline has led to reduction in capacity and higher fares on international routes. The civil aviation ministry has withdrawn rights held by Jet on routes like Dubai, Doha, Singapore, Hong Kong and London on request from domestic airlines. Qatar Airways said it had made a formal submission to the central government to allow additional flights which will ease travel woes of Indian immigrants during peak summer months.

6. Electoral Bonds Worth Rs 5,029 Crore Issued Till May 4, Reveals RTI Reply

Source: DNA ([Link](#))

At an average of Rs 48 lakh per bond, the State Bank of India (SBI) has issued 10,494 electoral bonds in nine phases so far, worth over Rs 5,029 crore, an RTI response has revealed. SBI is the only commercial bank which has been authorised by the Centre to issue electoral bonds ever since it was envisaged last year. In a response to Mumbai-based RTI activist Manoranjan Roy's query on the total numbers of electoral bonds issued and the names of companies or individuals giving the donations, the bank said it has issued 10,494 bonds worth Rs 5,029 crore till phase nine which was completed on May 4.

7. British Airways To Fly New A350 Plane To India This Year

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

British Airways said its new A350 aircraft business class Club Suite would fly to India later this year. "Bangalore will be the first city in India, and just the fourth destination on the airline's worldwide network, to welcome its new A350 aircraft," the airline said in a release. The newly-branded Club Suite offers direct-aisle access, a door for greater privacy and luxurious flat-bed seats. "As well as a new 56-seat Club World cabin, the three-cabin A350 will feature the latest World Traveller Plus (Premium Economy) cabin, with 56 seats... The World Traveller (economy) cabin offers 219 seats," the release said.

8. Bombay Stock Exchange Launches Mobile App For Its Mutual Fund Platform

Source: Firstpost ([Link](#))

Leading stock exchange BSE on Wednesday said it has launched 'BSE StAR MF' app to enable more participation and help mutual fund distributors process transactions faster. "BSE StAR MF mobile app supports real-time client registration and paperless transactions, creates and uploads mandate for SIPs, generates the basket of multiple orders, tracks and allows the distributor to analyse his business at his fingertips," the exchange said in a release. The app can be downloaded from Google Play Store. Once the app is downloaded, the sign up can be done by providing the member identification number, it added.

9. RBI's vision 2021 looks at a 'cash-lite' society, cyber security, and more

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

The Reserve Bank of India (RBI) on 15 May released its statement on 'Payment and Settlement Systems in India: Vision 2019–2021', which outlined the measures that the central bank will undertake to foster innovation, cybersecurity, financial inclusion, customer protection, and competition. The Payment Systems Vision 2021 envisages achieving a 'highly digital' and 'cash-lite' society through the goalposts of competition, cost-effectiveness, convenience, and confidence, said the RBI. Based on inputs from various stakeholders and guidance of the Board for Regulation and Supervision of Payment and Settlement Systems, the report consists of 36 specific action points with 12 specific outcomes.

10. Ecommerce Companies Flipkart, Amazon Log Out Of Deep Discounts

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

Deep discounts offered on India's two largest ecommerce marketplaces, Walmart-owned Flipkart and Amazon, have vanished for over three months now, said executives from leading consumer companies. Nothing is sold below cost price anymore, they said, though discounts may be more on private label products owned by the marketplaces, which are treading cautiously after the revised foreign investment policy for ecommerce came into effect in February. The two marketplaces have decided to take it slow, at least until the next government takes charge, hoping to fend off the offline trade lobby, which is a massive vote bank and has been lobbying with the government and political parties against deep discounts online, said four executives of leading companies.

11. Iran Sanctions: Indo-Afghan Banking Via Chabahar Port Hit

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

India and Afghanistan may have a problem at hand with banking transactions for bilateral trade through Chabahar port being hit despite the strategically located port kept out of the purview of US sanctions on Iran. At least 50 containers of Afghan goods ready to be exported through Chabahar port for Indian and Chinese markets have been disrupted due to financial obstacles, according to Afghan Chamber of Commerce & Industry (ACCI). The Afghan chamber has urged the US treasury to permit the World Bank and IMF for the letter of credits for transactions at Chabahar port, according to an ACCI official. Indian and Afghan banks are not able to transfer money through the port, the official said, adding that the US sanctions on Iran have affected transactions.

12. Trade Deficit Widens to \$15.33 Billion in April

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

India's merchandise export growth slowed down to a fourmonth low in April with only 0.64% rise to \$26.07 billion, while imports increased at a six-month high of 4.48% to \$41.4 billion, according to official data released on 15 May. Trade deficit widened to a five month high in April 2019 to \$15.33 billion, as against \$13.72 billion a year ago, on the back of higher oilNSE 0.03 % imports at \$11.38 billion, a jump of 9.26%, and a 53.99% jump in gold imports to \$3.9 billion. Only 14 out of 30 major export product groups were in positive territory during April

2019, including petroleum, organic and inorganic chemicals, drugs and pharma, readymade garments of all textiles, electronic goods and ceramic products.