

Daily Economic News Summary: 18 July 2019
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1. Visa norms rejig to ease foreign nationals' entry

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

The home ministry has liberalised India's visa rules to simplify the entry of foreign nationals and give them greater flexibility in terms of permitted activities. The main visa categories, apart from those issued for long-term visits and to SAARC members and Overseas Citizens of India, have been scaled down to 21 from 26 by clubbing common groupings. These include combining the medical attendant and medical visas, project and employment visas, internship and research with student visas and sports with business visas.

2. Cabinet okays IBC tweaks, gives financial creditors upper hand

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

The cabinet approved key changes in the Insolvency and Bankruptcy Code (IBC) aimed at restricting the resolution process to 330 days, including time for litigation, and ensuring the primacy of financial creditors over operational ones in case of recoveries. This clarifies ambiguities that had arisen following a recent ruling by the National Company Law Appellate Tribunal (NCLAT) in the Essar Steel resolution case. Homebuyers have also been given a stronger voice in the bankruptcy resolution plans of developers that haven't delivered projects. The amendments will need to be approved by Parliament and may be introduced in the current session. Among the seven amendments approved by the cabinet on 17 July, a key change retroactively clarifies an IBC provision to put the committee of creditors (CoC) in driver's seat.

3. Easing business climate, trade norms to help India attract FDI, improve CAD, says IMF

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

Easing business climate and relaxing trade related norms will help India attract foreign investors and improve the current account deficit situation, according to International Monetary Fund (IMF). The IMF in its India section of the External Sector Report has said that although progress has been made on foreign direct investment (FDI) liberalisation, portfolio flows remain controlled. India's trade barriers remain significant, it said, adding steps to contain fiscal deficit should be accompanied with measures to enhance credit availability through faster cleanup of

balance sheets of banks and corporates. “Improving the business climate, easing domestic supply bottlenecks, and liberalising trade and investment will be important to help attract FDI (foreign direct investments), improve the CA (current account) financing mix, and contain external vulnerabilities,” the IMF said.

4. Government extends 15th Finance Commission’s term by a month till November 30

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

The government on 17 July extended the 15th Finance Commission’s term by a month till November 30, and broadened the ambit of its recommendation to include funds for defence and internal security, an official statement said. The government on November 27, 2017, notified the 15th Finance Commission, headed by N K Singh, to suggest, among other things, the formula for devolution of funds to states by the Centre for five years commencing April 1, 2020. “Cabinet approves extension of the term of the Fifteenth Finance Commission up to 30th November, 2019; approves Amendment in the Terms of Reference for the Fifteenth Finance Commission to address concerns regarding funds for defence and internal security,” an official tweet said.

5. India, UAE trade to expand on initiatives like e2e: DP World

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

Global trade enabler DP World said 18 July that it has launched initiatives such as end-to-end trade solutions, which may boost trade and investment between India and the UAE. India is one of the UAE's largest trade partners with bilateral trade amounting to over USD 60 billion and annual growth topping 11 per cent. "The trade and investment flow between India and the United Arab Emirates (UAE) are poised to expand rapidly with the launch of a major initiative by DP World, UAE Region," DP World said in a statement.

6. India allows 1,239 tonnes raw sugar export to US

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

The government 17 July permitted export of 1,239 tonnes raw sugar under its tariff-rate quota (TRQ) to the US, which enables shipments to enjoy relatively low tariff. TRQ is a quota for a volume of exports that enter the US at relatively low tariffs. After the quota is reached, a higher tariff applies on additional imports. "Additional quantity of 1,239 tonne of raw cane sugar to be exported to USA under TRQ up to September 30, 2019 has been notified," Directorate General of Foreign Trade (DGFT) said in a public notice. The country enjoys duty-free sugar exports to the US for up to 10,000 tonnes annually under preferential quota arrangement.

7. Government likely to seek stakeholders' views on draft national retail policy soon

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

In an attempt to boost the business of small traders, the Department for Promotion of Industry and Internal Trade (DPIIT) is likely to put out a draft national retail policy to seek stakeholders' view. "The main aim of the policy is to streamline retail trade and promote ease of doing business in the retail sector," a government official said. The policy is expected to focus on promoting ease of doing business, licensing, access to funds, direct selling, and hyper-market related matters. "The policy is also expected to focus on ways to promote the growth of the retail sector, an increase in digital payments, reducing infrastructural bottlenecks," the official said. The department is in the process of drafting the contours of the policy after completing discussions and will put it out in the public domain soon for comments from the public.

8. eBay logs into Paytm Mall with 5.5% stake, eyes pie of online retail

Source: Livemint ([Link](#))

eBay has agreed to buy a 5.5% stake in e-commerce marketplace Paytm Mall in a renewed attempt by the San Jose, California-based company to grab a foothold in India's fast-growing and intensely competitive online retail market. The companies did not disclose the value of the transaction in a joint statement on 17 July. eBay and Paytm Mall also did not say whether the agreement contains any provision for eBay to enhance its shareholding in Paytm Mall in the future. A person with direct knowledge of the deal terms said eBay is investing \$165 million in the Noida-based firm, raising the value of Paytm Mall to about \$3 billion from \$1.5-2 billion last year.

9. RBI surplus: Bimal Jalan panel for staggered transfer over 5 years

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

The resource-hungry Centre is unlikely to gain a windfall in one go but will still reap rich financial dividends over the medium term, as the Bimal Jalan panel is set to recommend the transfer of the central bank's excess reserves to the government over a period of 3-5 years, a source privy to the matter said. The report of the panel, which held its last meeting on 17 July, however, isn't going to be a unanimous one, as finance secretary Subhash Chandra Garg is learnt to have dissented. Although the precise size of the central bank's surplus as estimated by the panel isn't immediately known, indications are the first tranche of the transfer to the government could be around Rs 50,000 crore.