

Daily Economic News Summary: 19 December 2019
--

1. In a first, GST Council votes to tax lotteries at uniform rate of 28%

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

In a first, the Goods and Services Tax (GST) Council on 18 December resorted to voting to decide an issue. The controversial issue of the GST rate for lotteries was decided on the basis of voting, with the Council fixing a uniform tax rate of 28 per cent on both state and private lotteries with effect from March 1, 2020. All the earlier decisions by the Council had been taken through consensus. The move was a partial defeat for Kerala Finance Minister Thomas Isaac's proposal on whose insistence voting was conducted. "It (voting) was not imposed by the Council. It was not imposed by me as the chair. It was on the insistence of one member," Finance Minister Nirmala Sitharaman told reporters after the meeting.

2. NITI Aayog plans to bring all medical devices under one regulatory regime

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

Government think-tank NITI Aayog has proposed to bring all medical devices under one regulatory regime in a phased manner and have a separate Medical Devices Administration (MDA) with four divisions. In a stakeholders' meeting in New Delhi on 18 December, the NITI Aayog discussed the key features of the draft Medical Devices Bill. The new regime aims to bring in ease of doing business, as the NITI Aayog has proposed to do away with the need to have manufacturing licences to register a medical device or get a certificate of compliance. The government also moots to have a National Register of Medical Devices. These devices are presently governed by the Drugs and Cosmetics Act, 1940. Experts expect the proposed bill to be notified within the next six months.

3. As UPI gears up for global markets, Indian fintechs smell opportunity

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

While Unified Payments Interface (UPI) is all set to test international markets, Indian fintechs working in and around UPI are looking at it as a great growth opportunity. Few of the fintechs have already started getting queries from international banks, financial institutions and governments. Most of the queries are coming from Singapore, UAE, China, Africa, Egypt,

Nigeria, Sri Lanka, Philippines, Bangladesh and South East Asian countries. Market players believe that any economy which does not have a strong card and net banking network will be open to the person to person (P2P) or account to account transfer technology of UPI. The biggest unique selling proposition for UPI is its two factor authentication feature which is not common in other economies.

4. Govt imposes restrictions on import of gold, silver

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

Amid rising inward shipments of gold, the government on 18 December imposed restrictions on import of precious metals. According to a notification issued by the Directorate General of Foreign Trade (DGFT), import of gold in any form has been placed in "restricted" category from the "free" category. "Import policy of gold in any form, other than monetary gold and silver in any form, is amended from 'Free' to 'Restricted'; import is allowed only through nominated agencies as notified by RBI (in case of banks) and DGFT (for other agencies)," the directorate said. However, import under advance authorisation and supply of gold directly by the foreign buyers to exporters against orders have been exempted.

5. US wants India to lower its tariffs: White House officials

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

The US wants India to lower its duties on American products, White House trade and economic adviser Peter Navarro said on 18 December, describing India as "the maharaja" of tariffs. Navarro, who heads the White House Office for Trade and Manufacturing Policy, told Fox News in an interview that a study by him has shown that 90 per cent of the time India charges the United States higher tariffs than they charge India. "We're engaged with India. The problem, I like to joke, India's the maharaja of tariffs. They literally have the highest tariffs in the world of any large country. It's ridiculous," Navarro said.

6. Govt seeks industry suggestions to improve Gold Monetisation Scheme

Source: Livemint ([Link](#))

Union Minister Piyush Goyal on 18 December sought suggestions from the jewellery industry to improve the Gold Monetisation Scheme to unlock the large pool of the yellow metal lying idle with households. Addressing an awards function organised by the Gems and Jewellery Export Promotion Council here, commerce minister said unlocking of idle gold will help in reducing the burden on foreign exchange reserves. In 2015, the government had launched the Gold

Monetisation Scheme to mobilise the yellow metal held by households and institutions in the country. However, the scheme has failed to evoke good response from individuals because of lower returns and security concerns. Under the scheme, banks' customers are allowed to deposit their idle gold for a fixed period in return for interest in the range of 2.25-2.50 per cent.

7. Govt relaxes guidelines for reissue of OCI cards

Source: Livemint ([Link](#))

India on 18 December relaxed certain Overseas Citizenship of India (OCI) guidelines for reissue of passport for those below 20 years of age and those above 50 years. The "temporary relaxation" has been granted till 30 June next year, the Ministry of External Affairs (MEA) said. The ministry said the relaxation has been given in the following cases: "In case an OCI card holder below the age of 20 years has not got OCI card re-issued on change of passport, he/she may travel on the strength of his/her existing OCI card bearing old passport number subject to the condition that along with the new passport, the OCI cardholder carries old passport mentioned in the OCI card". "In case an OCI card holder who has attained the age of 50 years and got his/her passport renewed subsequently but has not got his/her OCI card re-issued on renewal of passport, he/she may travel till June 30, 2020 on the strength of existing OCI card along-with the new and old passports," the ministry said.

8. IndiGo becomes 1st Indian carrier to operate 1,500 daily flights

Source: Livemint ([Link](#))

Budget carrier IndiGo has become the first domestic carrier to operate 1,500 flights per day, a feat which is in line with its expansion strategy. The 1,500th flight was operated in December, the airline said in a release. IndiGo had flown its 1,000th daily service in December last year. The airline currently has a fleet of 249 planes and operates to 83 destinations, including 23 international ones. "We are pleased to be the first Indian airline to touch 1,500 daily departures, with one flight taking off every minute," IndiGo chief executive officer Ronojoy Dutta said. With this, IndiGo now operates on an average one flight per minute. He said this growth has been achieved on the back of unparalleled network offered by the airline in the country.

9. India pitches for H-1B visa holders, says movement of people deepened ties

Source: Livemint ([Link](#))

Pitching strongly for H-1B visa holders, External Affairs Minister S Jaishankar on 18 December reiterated the significant contribution made by movement of persons in a fair and non-

discriminatory manner to the deepening of bilateral ties between India and the United States. People to people ties have been one of the defining elements of our friendship, Jaishankar told reporters at a joint news conference here with the Secretary of State Mike Pompeo along with the Defense Minister Rajnath Singh and Defense Secretary Mark Esper. "We take great pride in the achievements of Indians and Indian Americans in the United States and their contribution to American society, economy and polity," he said. "Trade and services, including the movement of persons in a fair and non-discriminate discriminatory manner has contributed significantly to the deepening of ties," Jaishankar said.

10. Issues related to FASTags will be rectified soon, says Nitin Gadkari

Source: The Hindu, Business Line ([Link](#))

As FASTag sales, transactions and toll collections of National Highways Authority of India (NHAI) jumped following the government push for digital toll collection, Road Minister Nitin Gadkari hoped the difficulties faced by the road users' during transition will soon be sorted out. Taking note of the difficulties faced by the national highway users due to the implementation of FASTag, Gadkari said, "There could be and there (still) are some difficulties in the initial days of implementing (mandatory) FASTags. They should be rectified over the next few days. Surprisingly, our toll income has increased — (at places) where we got Rs 7 crore, we are now getting Rs 85 crore."