

Daily Economic News Summary: 1 February 2019

1. Interim Budget: 10 Things To Watch Out For

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

Interim finance minister Piyush Goyal will present this government's last budget 1 February before the country heads for elections. His speech may pack a bigger punch than the typical poll-year vote-on-account. Here's a pre-budget primer: Fiscal budget, Income tax relief, Universal Basic Income, farm package, job concerns, subsidies and MGNREGA, disinvestment, new taxes and/or surcharge, RBI Dividend, and Capital Spending.

2. Amazon Removes Numerous Products From Indian Site As New E-Commerce Rules

Source: Livemint ([Link](#))

E-commerce rules that went into effect in India on 1 February caused widespread disruption for Amazon.com, forcing it to take down an array of items from its India website including Echo speakers, batteries and floor cleaners. Two sources with direct knowledge of the matter said the products began to disappear from the Amazon India site late on 31 January as it began complying with the revised norms before a midnight deadline. India's new e-commerce investment rules bar online retailers from selling products via vendors in which they have an equity interest, and also from making deals with sellers to sell exclusively on their platforms.

3. Government Not To Extend February 1 Deadline On Revised Norms For E-Tailers

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

The government on 31 January said it will not extend the deadline of February 1 for implementing the revised guidelines for e-commerce companies having foreign direct investment. The Department for Promotion of Industry and Internal Trade (DPIIT) said it had received some representations to extend the deadline of February 1, 2019 to comply with the conditions contained in the Press Note 2 of 2018 series on FDI policy in e-commerce. Both Amazon and Walmart-owned Flipkart have sought an extension of the February 1 deadline for complying with the revised norms, stating that they need more time to understand the details of the new framework.

4. South Korea To Combine World's Two Biggest Shipbuilders In \$2 Bn Deal

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

Hyundai Heavy Industries, the world's biggest shipbuilding group, has announced a share swap deal worth 2.1 trillion won (\$1.98 billion) to take over second-ranked Daewoo and create a global heavyweight controlling over 20 per cent of the market. The move comes as the worldwide shipbuilding sector recovers from a global economic downturn that led to massive losses, widespread job cuts and, in 2017, the \$2.6 billion bailout of South Korea's Daewoo Shipbuilding & Marine Engineering Co Ltd. State-funded Korea Development Bank (KDB) owns 55.7 per cent of Daewoo, and has said it intends to sell the stake and consolidate the country's three biggest shipbuilders - which includes Samsung Heavy Industries Co Ltd - into two.

5. RBI Lifts Lending Curbs On Bank Of India, Bank Of Maharashtra, Oriental Bank Of Commerce; Move To Expand Loan Growth

Source: Firstpost ([Link](#))

In a significant move, the Reserve Bank of India (RBI) on 31 January lifted lending curbs on three out of 11 weak public sector banks (PSBs) as the central bank under new Governor Shaktikanta Das met one of the key demands of the government for boosting credit growth. Bank of India (BoI), Bank of Maharashtra (BoM) and Oriental Bank of Commerce (OBC) are now out of the Prompt Corrective Action (PCA) Framework, a move that will help expand loan growth to prop up economy. "It has been decided that BoI and BoM which meet the regulatory norms including Capital Conservation Buffer (CCB) and have Net NPAs (non-performing assets) of less than 6 per cent as per third quarter results, are taken out of the PCA framework subject to certain conditions and continuous monitoring," the RBI said in a statement.

6. Government Says NSSO Report Citing High Unemployment Rate Not Final

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

Amid a raging controversy, the government on 31 January said it has not finalised the survey on labour force which reportedly showed that unemployment rate in the country hit a 45-year high of 6.1 per cent in 2017-18. The National Sample Survey Office's (NSSO's) periodic labour force survey (PLFS), according to the Business Standard newspaper, states that unemployment was last this high in 1972-73. The unemployment rate was 2.2 per cent in 2011-12, it said. The report generated a lot of controversy, with Congress President Rahul Gandhi saying the Modi

government had promised two crore jobs, but five years later a “leaked job creation report card” has revealed a “national disaster”.