

**Daily Economic News Summary: 27 February 2020**

**1. Mukesh Ambani top Indian in Hurun Global Rich List 2020**

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

The number of billionaires in the world has risen by 347 in a year to 2,817 despite a slowdown in the global economy, according to the Hurun Global Rich List 2020 released by the China-based company on 26 February. This is the ninth year of the ranking and has 2,817 billionaires from 71 countries and 2,183 companies. Hurun Report chairman and chief researcher Rupert Hoogewerf said: “A boom in tech valuations and strong stock markets across the US, India and China propelled the billionaires to record heights. The US had a record number of 626 ‘known’ billionaires. China, despite the trade war, added 182 new faces to 799 billionaires, widening the gap with the US.”

**2. India to go slow on trade deal with US, both sides to work on wider FTA**

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

After the euphoria over US President Donald Trump’s visit died down amid no clear deadline for concluding a trade deal, India is now aiming to go slow on the negotiations front. But rather than planning a limited trade pact, both sides now want to create a comprehensive free-trade agreement (FTA) which will be wider in scope. Senior officials said both nations have agreed to go back to the drawing board and prepare better concession offers on most issues. They include medical devices, agriculture and high-value tech goods. Talks with India’s second-largest trade partner will be reset on trade concepts such as export incentives under America’s Generalized System of Preferences (GSP) scheme and reciprocal tariffs on a wide range of sectors. On 25 February, Trump had said a comprehensive trade agreement with India would take much longer to finalise than earlier expected. He added it was unlikely before the year-end.

**3. India plans to raise coal imports from US, move to deepen bilateral energy partnership**

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

In what could deepen Indo-US bilateral energy partnership, New Delhi is planning to increase import of coal from the US. India has a shortage of coking coal, used for steel production. “We are having business and policy-level interactions for long-term engagement with the US for

sourcing coking coal,” steel and petroleum minister Dharmendra Pradhan said here on 25 February. Given India’s plan to raise domestic steel output from the current level of 140 million tonne (MT) to 300 MT by 2030, the requirement of coking coal is seen to rise 190% to 175 MT. American oil supplies to India have jumped ten-fold to 2,50,000 barrels per day (bpd) in the last two-three years.

#### **4. PhonePe receives Rs 427 crore in fresh capital from Singapore parent**

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

PhonePe has received \$60 million (Rs 427.25 crore) in fresh capital from its Singapore parent, PhonePe Pvt Ltd – the first infusion this calendar year, according to the company’s RoC filings, sourced from business signals platform paper.vc. In 2019, the entity infused a total of about \$340 million in the digital payments firm in four tranches. Walmart that claims to be impressed with the way PhonePe is “scaling” has pumped in a considerable chunk of money in Flipkart’s payments business since its acquisition of the e-commerce firm in 2018. Nikhil Kanekal, analyst at paper.vc, says the US-based retailer has infused nearly \$700 million in PhonePe during 2018 and 2019.

#### **5. Apple to open first retail store in India next year, confirms Tim Cook**

**Source: Livemint ([Link](#))**

Apple Inc will open its first physical retail store in India in 2021, Chief Executive Tim Cook said on 26 February. Responding to a question from a shareholder at Apple's annual shareholder meeting in Cupertino, California about the company's plans for India, Cook said Apple would start selling its products online in the country this year and will open its first Apple-branded store there next year. "We needed to get approval from the government to go in there ourselves" rather than with a domestic partner, Cook said. "I don't want somebody else to run the brand for us."

#### **6. H&M India eyes Rs 2,000-cr turnover, likely to maintain 40% growth rate**

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

The world’s second-largest fashion retailer Hennes & Mauritz (H&M) is targeting Rs 2,000 crore in turnover from India, its fastest-growing emerging market, Janne Einola, country head of H&M India, said. The retailer, which competes globally with Inditex’s Zara, the world’s largest fashion company, is likely to achieve the target by the end of this calendar year (CY), Einola said, driven by a greater online and offline push, local collaborations and affordable merchandise. H&M

follows a December to November accounting year. It has 47 stores in India. H&M, said retail experts, would maintain its over 40 per cent rate of growth in terms of sales for 2020, coming at a time when there is a domestic consumption slowdown.

#### **7. In a major boost to electronic giants, SEZs clear local sourcing test**

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

In a major boost to consumer electronic giants like Apple and Xiaomi, the government has relaxed the local sourcing norms. Issuing a clarification, the Department for Promotion of Industry and Internal Trade (DPIIT) on 26 February said, foreign retailers can now meet their local sourcing requirements by buying goods produced in units based in Special Economic Zones (SEZs). While 100 per cent foreign direct investment (FDI) is allowed in single-brand retail, if the foreign investment exceeds 51 per cent, the 30 per cent mandatory local sourcing norm kicks in. “As regards, sourcing of goods from units located in SEZs in India, it may be clarified that sourcing of goods from such units would qualify as sourcing from India for the purpose of 30 per cent mandatory sourcing from India for proposals involving FDI beyond 51 per cent, subject to SEZ Act, 2005,” DPIIT said in the clarification.

#### **8. Modi govt adopts flexible approach towards coronavirus epidemic**

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

After multiple rounds of meetings with exporters, importers, industries, and other stakeholders, the Narendra Modi government has firmed up its response to the coronavirus epidemic. The Centre has decided against a broad-based approach and will tackle the issue on a case-to-case basis. Officials have also ruled out any rollback of import duty hikes announced in the Union Budget. In the immediate term, the Central Board of Indirect Tax and Customs (CBIC) is working on easing clearances of goods which arrive without proper documentation. Banks have been told by the Centre to provide bridge loans to companies which have already paid to their suppliers in China but haven't got the deliveries yet. Hence, they are undergoing a working capital crunch, officials said.

#### **9. Govt notifies 100% FDI in insurance intermediaries**

**Source: Business Today ([Link](#))**

In a move that'll enable foreign brokerage firms to venture into Indian insurance space, the Department for Promotion of Industry and Internal Trade (DPIIT) has notified amendment to the Foreign Direct Investment (FDI) policy, allowing 100 per cent FDI in insurance intermediaries.

These intermediaries include insurance brokers, re-insurance brokers, insurance consultants, corporate agents, third party administrator, surveyors and loss assessors. The announcement regarding 100 per cent FDI for insurance subsidiaries was made by Union Finance Minister Niramala Sitahraman in her Budget speech last year. "FDI inflows into India have remained robust despite global headwinds...I propose to further consolidate the gains in order to make India a more attractive FDI destination," she had said. So far, FDI in the insurance sector was capped at 49 per cent under automatic route. Notably, FDI for insurance companies is still capped at 49 per cent.

#### **10. States will be ranked basis their efforts to promote MSMEs**

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

The government is working to rank States on the basis of their efforts to promote micro, small and medium enterprises (MSMEs), a senior official said. "We are making a state ranking system where we will rank States, we are in talks with Niti Aayog for this," MSME Secretary AK Panda said at the National MSME Awards ceremony on 26 February. "We will rank states on the basis of 4 E's. Employment generation, for enterprise creation, third, exports, and fourth for ease of doing business," Panda said. "Ultimately, the action is taking place in states," he said. Panda added that MSMEs are increasingly registering themselves on the Goods and Services Tax network (GSTN), which is bringing them into the formal sector.

#### **11. CCI launches 'Hira', new brand of Indian cotton**

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

Cotton Corporation of India launched Indian cotton brand named Hira in Mumbai on 26 February. Dr Ali Rani, chairman, Cotton Corporation of India said that she has worked very hard to change Indian quality parameters under procurement by the CCI and currently it is the best quality at par with the international standards. Industry veteran Suresh Kotak said, CCI is doing a wonderful job under the leadership of Dr. P. Ali Rani. He said, "The establishment of CCI was done to support the Indian farmers and to give quality and quantity to the textile industries."

#### **12. Cabinet approves exemption of IPGL from DPE guidelines**

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

The government on 26 February approved the exemption of India Ports Global Ltd from the Department of Public Enterprises (DPE) guidelines for smooth execution of Chabahar Port project. The approval was given during a Union Cabinet meeting chaired by Prime Minister

Narendra Modi. "The Union Cabinet...has approved the exemption of the India Ports Global Ltd (IPGL) from the DPE Guidelines, except reservation and vigilance policies," the shipping ministry said in a statement. IPGL was incorporated as a special purpose vehicle jointly promoted by Jawaharlal Nehru Port Trust (JNPT) and Deendayal Port Trust (DPT) for development and management of Shahid Beheshti Port of Chabahar in Iran.