

Daily Economic News Summary: 5 February 2019

1. Gujarat High Court Allows Exporters Tax Exemption On Imported Material

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

In a likely respite for many exporters, the Gujarat High Court has allowed exporters to claim tax exemption on imported raw material even if the finished products have already been shipped out. This was the practice that prevailed before the goods and services tax was rolled out in July 2017. However, under the GST framework, the imposition of a 'preimport' condition to be followed by exporters holding advance authorisation licences started causing problems. Advance authorisation licences are issued to allow duty-free import of inputs, which are used to make finished products for export.

2. Victory For India: Uk Clears Vijay Mallya's Extradition

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

In a big development in Vijay Mallya extradition case, UK Home Secretary Sajid Javid on 5 February has signed the order to extradite Mallya to India. Mallya now has a 14-day window to appeal to a higher court. According to multiple sources, the entire procedure to bring back Mallya to India may take at least 7-8 months if he uses all his legal options. The UK Home Office confirmed that Sajid Javid — having carefully considered all relevant matters — signed the order on Monday, February 4.

3. No Groceries At Amazon, No Replacement Of Products Through Cloudtail; Big E-Tailers Will Wriggle Their Way Through

Source: Firstpost ([Link](#))

The government revised guideline for e-commerce effective 1 February is pinching consumers and e-commerce majors. It is not apparels or the gadget that you can't buy at a discount as earlier from Amazon or Flipkart that is affecting people as much as convenience items like groceries, for instance. Pantry, Amazon's grocery service, has been temporarily suspended, reported Bloomberg. Not just that, now even products bought from Cloudtail India, Appario -- Amazon's two largest sellers, won't be taken back. That was the convenience of online shopping, after all— buying products at a discount, delivered in the comforts of one's home and replaced if the

customer is not happy with the purchase. However, Amazon has said that these changes are temporary".

4. ONGC Videsh Looks To Pare Stake In One Of Its Costliest Acquisitions

Source: Livemint ([Link](#))

State run-ONGC Videsh Ltd (OVL) is exploring the transfer of its stake in Imperial Energy Corp. Plc's Siberian deposits to a Russian firm to reduce potential losses from the \$2.1-billion acquisition, said a person aware of the development. The plan involves an equity swap under which OVL gets a stake in another asset of the Russian firm, in lieu of its stake in Imperial. Mint could not ascertain the name of the Russian firm. ONGC's move comes against the backdrop of sanctions on Russia, where India's biggest oil and gas explorer owns stakes in significant hydrocarbon assets..

5. Lockheed Martin Proposes Game Changing Defence Partnership With India

Source: Livemint ([Link](#))

Eyeing a greater pie in India's massive military modernisation, a top American defence manufacturing company has said it has proposed a "game-changing" partnership with India. "Lockheed Martin is committed to strategic, long-term international defense partnerships with India. India has a pressing need for advanced, scalable defense capabilities," Vivek Lall, vice president, Aeronautics Strategy and Business Development at Lockheed Martin told PTI. Lockheed Martin is "proposing game-changing defense partnerships that benefit multiple stakeholders" not only in India, but also in the US and beyond, he said on 4 February.

6. New Delhi Begins Expanding Its Diplomatic Footprint In Africa

Source: Livemint ([Link](#))

India has begun to implement plans to expand its diplomatic footprint across resource-rich Africa, appointing ambassadors to countries where previously it had no representation, such as Djibouti and Burkina Faso. New Delhi seeks to extend its diplomatic reach to 47 out of 54 African nations, up from the existing 29, with the new appointments. Indian embassies will also be set up in Cameroon, Cape Verde, Chad, Republic of the Congo, Equatorial Guinea, Eritrea, Guinea, Guinea-Bissau, Liberia, Mauritania, Rwanda, Sao Tome and Principe, Sierra Leone, Somalia, Swaziland and Togo, in a phased manner up to 2021, according to a decision taken by the Prime Minister Narendra Modi-led Union cabinet last year against the backdrop of strategic rival China having embassies in almost all African countries.

7. India Imposed Anti-Dumping Duty On 99 Chinese Products As On Jan 28: Commerce Ministry

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

To protect domestic players from cheap imports, India has imposed anti-dumping duty on as many as 99 Chinese products as on January 28 this year, Parliament was informed on 4 January. "As on 28.01.2019, anti-dumping duty is in force on 99 products imported from China," Minister of State for Commerce and Industry C R Chaudhary said in a written reply to the Lok Sabha. Chinese products on which the duty was imposed include chemicals and petrochemicals, fibres and yarn, machinery items, pharmaceutical, rubber and steel items, he said.

8. India Seeks German Investments In Smart Cities And Airports

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

India on 4 February sought investments from German companies in areas including smart cities and construction of airports to increase economic cooperation between the countries. The issue, among others, was discussed during a meeting between German Minister of Economic Affairs, Digitalisation and Energy of North Rhine Westphalia met Andreas Pinkwart with Minister of State of Commerce and Industry C R Chaudhary. India also expressed keenness to increase collaboration with Germany in areas such as smart cities, food processing, building airports, dairy sector and technology for green energy.