

Daily Economic News Summary: 8 February 2018

1. Cabinet okays Insolvency and Bankruptcy Code Bill

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

The Cabinet has given ex-post facto approval to modifications carried out in the Bill that replaced the Insolvency and Bankruptcy Code (Amendment) Bill 2017. An official statement said, “The amendment will bring clarity and ensure that the prohibition of certain persons in the resolution process of an insolvent corporate person does not include unintended persons and the opportunity given to a person whose account is classified as non-performing asset is more equitable.” This Bill was passed by Parliament as the Insolvency and Bankruptcy Code (Amendment) Act, 2018.

2. India’s Tea Exports Reach Record 240.7 Million Kgs In 2017

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

India’s tea exports have touched a record high in 36 years at 240.7 million kilograms during calendar 2017, Tea Board data said. The previous record was in 1981 when exports had reached 241.25 million kilograms. As compared to 2016, exports in the following year was 8.20 per cent higher by 18.23 million kilograms, Tea Board said, adding that the value of exports was Rs 4,731.66 crore, which was an increase of 5.90 per cent over the previous year. Exports from north India touched 148.41 million kilograms, while that from south India was 92.27 million kilograms.

3. NHAI to Start ‘Pay As You Use’ Pilot Project on Delhi-Mumbai National Highways

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

With the aim to execute “pay as you use” tolling in India, the National Highways Authority of India (NHAI) will start a pilot project on the Delhi-Mumbai Highway to study and implement the ability of the system in the country. The project to be run for one year involves implementing a satellite-based electronic toll collection system running on GPS/GSM technology for around 500 commercial vehicles on the Delhi-Mumbai National Highway. However, in case of a failed transaction it would be able to alert the toll operator to collect payment manually and not open the gate. According to the ministry, the pilot project will look at ways to integrate the new solution with the existing pre-paid wallet account offered by NHAI under the FASTag programme.

4. Government Nod to Change Criteria for Classifying MSMEs

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

The Union Cabinet on Feb 7 approved the change in criteria for classifying MSMEs from ‘Investment in Plant & Machinery’ to annual turnover. As per the new classification, enterprises having annual turnover less than or equal to Rs 5 crore fall under the ‘micro’ category. Units having turnover between Rs 5 crore to Rs 75 crore will be classified as small enterprises, whereas those having turnover between Rs 75 crore and Rs 250 crore will be classified as enterprises. According to the government, the move will encourage ease of doing business, make the norms of classification growth- oriented and align classification norms to the new tax regime revolving around GST.

5. Government Considering Tax Benefits for Scrapping 15-Year Old Vehicles

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

The government is finalising a policy to scrap commercial vehicles that are more than 15 years old, and is proposing tax incentives from both the Centre and the states. This proposal, however, requires the approval of the Goods and Services Tax (GST) Council. The policy, likely to be called the Voluntary Vehicle Fleet Modernisation Programme, is expected to push 28 million vehicles off the roads. For this, a three-layer incentive system is being worked out. Old vehicles will have a scrap value that will accrue to the owner. The Union and state governments will also give incentives, including a tax benefit

6. RBI Announces Relief Measures For ‘GST-Affected’ MSME Sector

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

In a measure to provide relief to the micro, small and medium enterprises (MSME) sector which was “badly hit” by the implementation of the Goods and Services Tax (GST), the Reserve Bank of India (RBI) on Feb 7 gave them an extension of up to 180 days to clear their loans to banks. In addition, the RBI also removed credit caps on MSME in the services sector under priority sector. RBI Deputy Governor N.S. Vishwanathan said the formalisation of business through registration under GST adversely impacted cash flows of the smaller entities during the transition phase with consequent difficulties in meeting their repayment obligations to banks and non-banking financial companies (NBFCs).

7. Google and Tata Trusts Expand 'Internet Saathi' Program in Tamil Nadu

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

Google India and Tata Trusts announced the expansion of its 'Internet Saathi' program in the state of Tamil Nadu on Feb 7. Google India will facilitate the provision of Google Cloud credits and access through its affiliate, for eligible startups engaged with Tamil Nadu Government's startup initiative. Google India will also, through its Developer Relations team, provide technical mentorship and advisory support to various startups. Other initiatives include: working together to make all government sites mobile friendly, introduce joint programs to help local small and medium businesses get online, and internet safety education for children to stay safe online.

8. Govt Seriously Looking at Revival Plan for MTNL

Source: Livemint ([Link](#))

The government is seriously looking at a revival plan for state-owned MTNL, and various steps have been taken to improve the telecom operator's customer base, union minister Manoj Sinha said on Feb 7. Replying to supplementaries in the Lok Sabha, he said the government is also considering equipping MTNL and BSNL to start providing 4G services. MTNL has taken various steps to improve its network capabilities, quality of services and to increase the market share. These include expansion of 3G network and redeployment of digital subscriber line asynchronous mode (DSLAM) mode of existing broadband network. During question hour, Sinha said the government is seriously looking at revival plan for MTNL.

9. Radio Emerges as Second Most Accessed Media, Outpaces Social Networking: Report

Source: Livemint ([Link](#))

Radio has emerged as the second most accessed media platform, outpacing social networking and only behind television with listeners tuning in five days a week, said a report by market research firm Nielsen. While 86% of the total people in metro cities consume radio, social media is consumed by 83% of the people. Television consumption is at par with radio in metro cities and is the highest in non-metro cities with 78% people watching TV, said the report titled 'Power of Radio', based on a survey of 3,250 people in one metro (Mumbai) and one non-metro city (Lucknow). The survey was commissioned by Music Broadcast Ltd, which operates the FM brand Radio City.

10. Amazon Plans a Makeover, to Launch its In-House Beauty Products

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

After Flipkart-owned Myntra, Amazon India is preparing to launch its own brand of beauty and personal care products, as the country's top two digital retailers chase a fastgrowing cosmetics market dominated by much smaller startups. “Amazon India is talking to contract manufacturers and will be launching private labels (in-house brands) in a few categories within skincare and makeup,” said one of four people familiar with the company's plans, requesting anonymity. Amazon India already retails 2 million beauty products across 19,000 brands. A spokesperson for Amazon India declined to comment except to say that beauty and personal care is a “strategically important category” for the company.

11. Chinese Solar Firm Longi to Invest \$309 Million in Andhra Pradesh Facility

Source: Livemint ([Link](#))

Green Energy Technology Co. Ltd will be the first Chinese company to set up a solar equipment manufacturing facility in India, the company said in a statement. LONGi will set up the facility in Andhra Pradesh with an investment of around Chinese renminbi (RMB) 1.94 billion (\$309 million) for manufacturing 1GW of monocrystalline silicon cells and modules each. Such modules account for nearly 60% of a solar power project's cost. Monocrystalline silicon is more efficient and expensive than multicrystalline silicon and is widely used globally to set up solar power projects.

12. Security, Economic Partnerships to top Agenda during PM Modi's UAE Visit

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

The New Industrial Policy will focus on reducing regulations and promoting ease of doing business at the district level, Commerce and Industry Minister Suresh Prabhu has said. Interacting with members of industry body CII on Feb 6, the Minister said India will become a \$5-trillion economy within the next 7-8 years and the manufacturing sector is expected to contribute \$1 trillion to it. Prabhu said new products and markets need to be identified to achieve the goal of \$1 trillion and detailed sectoral planning and identification of growth areas are required. A single digital ID for companies, self-regulation, third party certification, and easier regulations will be key to industrial growth, Prabhu adde