

## Daily News Monitor: 2 July 2020

### **1. Ford, Mahindra to expand tie-up to muster up a rival to Hyundai's Creta**

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

As sports utility vehicles (SUVs) continue to be a hot favourite with buyers, the joint venture of Mahindra & Mahindra and Ford has added yet another vehicle platform to the partnership that will spin off a model each for both the players. Both companies are building SUVs which will be based on a common Ford Motor Company platform. These two new SUVs will be targeting the entry mid-size segment currently dominated by the Korean heavyweights Hyundai and Kia. This is in addition to a number of other SUVs and projects that M&M and Ford have been working on since 2019.

### **2. World Bank to give \$750 million to support 15 crore viable MSMEs impacted by Covid-19**

**Source: Hindustan Times ([Link](#))**

The World Bank on 2 July said it will give a \$750 million-budget support to 15 crore MSMEs to increase liquidity access for viable small businesses impacted by Covid-19. During the 2020 fiscal (July 2019-June 2020), World Bank has extended \$5.13 billion loans to India-- which is the highest in a decade. This includes \$2.75 billion given in three months in response to the Covid-19 pandemic. World Bank Country Director in India Junaid Ahmad said this funding is under the multilateral lender's Development Policy Law, which is a direct budget support. The funding would support the government's initiative to protect the micro, small and medium enterprises (MSME) sector by unlocking liquidity, strengthening non-banking financial companies and small finance banks and enable inclusive access to financing.

### **3. Customs told to clear all Chinese shipments with entry bills till June 30**

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

In a breather of sorts for industry, customs officials have been instructed to clear all shipments from China held up at airports and seaports where bills of entry (BoE) have been filed till the midnight of June 30. However, they were told, through informal directives, to hold up consignments coming July 1 onwards for 100 per cent physical checks until further orders. The latest diktat does not apply to import of active pharma ingredients (APIs). Even 11 top-ranked importers such as Samsung, LG, Honda and Toyota have been exempted from the 100 per cent physical inspection, in line with instructions issued earlier this week. "The rationale for the June 30 midnight deadline is not very clear," said a government official.

Bilateral trade between China and India was worth \$88 billion in FY19 with a trade deficit of \$53.5 billion in China's favour.

#### **4. Hitachi completes merger of its JV business unit with Power India**

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

Hitachi has completed the merger of its joint venture power business unit with ABB Power Grids, known as Power India, a statement said on 1 July. The merger follows the completion of the global merger of the energy business vertical of the Swiss major with the Japanese conglomerate. The merged entity is known as Hitachi ABB Power Grids globally. While Hitachi owns 80.1 per cent stake in the new joint venture which has a combined business of \$ 10 billion, ABB holds the balance, the companies said in a joint statement. Following this, Hitachi will directly be responsible for the management and operation of Power India or ABB Power Products and Systems India which comprises part of Hitachi ABB Power Grids, and is listed on the BSE and NSE (as Power India).

#### **5. New private trains will beat Rajdhani Express, Indian Railways invites bids**

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

Indian Railways on 1 July said it has invited proposals from private companies to run 151 modern passenger trains. The railways will shortlist bidders to run train operations on 109 pairs of routes across the country. The project would entail private sector investment of about ₹30,000 crore, the Indian Railways said in a statement. This will be the first initiative of private investment for running passenger trains over Indian Railways network, the railway ministry said. "The objective of this initiative is to introduce modern technology rolling stock with reduced maintenance, reduced transit time, boost job creation, provide enhanced safety, provide world class travel experience to passengers, and also reduce demand supply deficit in the passenger transportation sector," the railways said.

#### **6. Curbs on companies from countries illegally holding Indian land**

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

As tensions run high along the border with China, the government is examining a proposal to impose trade and procurement curbs on companies from countries 'illegally occupying Indian territory', specifically those active in territories such as Pakistan-Occupied Kashmir (PoK). ET has gathered that while a final call is yet to be taken, high-level discussions are underway to scrutinise the proposal threadbare, and discuss its implementation and business implications. Any decision would directly impact Chinese firms as the northern neighbour

‘illegally occupies’ 38,000 sq km of Indian territory in Ladakh. Also, Pakistan, which has occupied a part of Kashmir, has ceded over 5,000 sq km in the Shaksgam Valley to China.

#### **7. Zeta forays into ASEAN countries in partnership with Sodexo**

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

Bengaluru-based fintech startup Zeta has expanded its operations to the South East Asian markets. With Sodexo as its first client, Zeta will start operations in Philippines and Vietnam. As a software service provider, Zeta will power Sodexo's employee benefits and rewards programme. In India, Zeta has a minority stake in the joint entity with meal and employee benefits major Sodexo BRS India. It offers multi-benefit solutions to corporates. With 15,000 clients and 2 million users on its platform, Zeta has already expanded its scope of work to banking domain as well. It powers traditional banks as well as fintech players to launch digital retail and corporate banking products.

#### **8. Railways fast-tracks proposal to let private players operate 151 trains**

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

Fast-tracking the proposal to run private trains in the country, the Railways has initiated the process to rope in players to operate 151 passenger trains, which are expected to see investments to the tune of Rs 30,000 crore. Requests for qualification (RFQs) have been invited from private firms for operating train services over 109 origin destination (OD) pairs of routes. The routes have been formed into 12 clusters across the Indian Railways network. “This is the first initiative of private investment for running passenger trains over the Indian Railways network. Majority of the trains will be manufactured in India. The private entity shall be responsible for financing, procuring, operation and maintenance of the trains,” the Railways said in a statement.