



November 19, 2020 - Thursday

Key Developments

Lakshmi Vilas Bank depositors' money safe, says RBI-appointed administrator

T N Manoharan, the RBI-appointed administrator of Lakshmi Vilas Bank, on Wednesday said that depositors' money is safe and expressed confidence of completing the lender's merger with DBS Bank India within the deadline set by the regulator. On Tuesday, the Reserve Bank of India (RBI) appointed former non-executive chairman of Canara Bank T N Manoharan as the administrator of Lakshmi Vilas Bank after superseding the board of the crippled private sector lender. A moratorium has been imposed on the bank and cash withdrawals have been capped at Rs 25,000 per account. Talking to reporters, Manoharan said that he was confident of the timely merger of the bank with DBS Bank India before the December 16 deadline. He said that his top priority is to assure depositors that their money is safe and that the bank has enough liquidity to pay back the depositors. Lakshmi Vilas Bank has Rs 20,000 crore in deposits and Rs 17,000 crore in advances. RBI will issue the final merger draft on November 20.

<https://www.financialexpress.com/industry/banking-finance/lakshmi-vilas-bank-depositors-money-safe-says-rbi-appointed-administrator/2131150/>

Insolvency and Bankruptcy Board of India amends liquidation regulations to hasten process

In a move aimed at speeding up the liquidation process, the Insolvency and Bankruptcy Board of India amended its regulations to allow a corporate debtor's asset that is "not readily realisable" to be transferred to a third party in consultation with stakeholders. Creditors can also transfer debt due to them to a third party during the liquidation process to benefit creditors who may not be willing to wait for completion of the process. The Insolvency and Bankruptcy Code envisages early closure of the liquidation process so that the assets of the debtor are released for alternative use expeditiously, IBBI said. "However, the process takes longer where the liquidation estate includes a not-readily realisable asset," IBBI said in a statement on November 13.

<https://economictimes.indiatimes.com/news/economy/policy/insolvency-and-bankruptcy-board-of-india-amends-liquidation-regulations-to-hasten-process/articleshow/79286297.cms>

FDI SOP: Inter-ministerial panel for delayed proposals, strong review mechanism, crisp timelines

All mergers and acquisitions involving foreign direct investment will require approval of the National Company Law Tribunal as a "necessary precondition," the government said. Investors are required to submit 23 documents, of which nine are mandatory instead of 20 earlier, according to the updated Standard Operating Procedure for Processing FDI Proposals issued by the Department for Promotion of Industry and Internal Trade. The documents include details of ownership, control and significant beneficial owners of the entities involved, and registration of outlets with states.

<https://economictimes.indiatimes.com/news/economy/policy/fdi-sop-inter-ministerial-panel-for-delayed-proposals-strong-review-mechanism-crisp-timelines/articleshow/79288380.cms>

IFSCA notifies global in-house centres regulations

The International Financial Services Centres Authority (IFSCA) has enabled the setting up and functioning of global in-house centres (GIC) in IFSCs by notifying its GIC regulations on Wednesday. The move will enable multinational

corporations to set up GICs, service delivery operators or subsidiaries that are usually located in low-cost geographies, in the IFSC established in GIFT City in Gujarat.

<https://economictimes.indiatimes.com/news/economy/finance/ifsc-notifies-global-in-house-centres-regulations/articleshow/79287678.cms>

Hypothetical income cannot be taxable: Karnataka High Court

Future notional income or hypothetical income which is yet to be realised cannot be taxable on an assumption that the money would be received at some point, Karnataka High Court has ruled. The court was ruling in the matter of Karnataka state government versus the income tax department. As per the details of the case the tax department had taxed future income that the state government would have received from transmission of electricity, a Deloitte tax note read. Karnataka government charges “wheeling charges” which are kind of revenue for the electricity it supplies to other state governments. The tax department said that while the state government had debited the expenses towards the wheeling charges in the current financial year, it had not added the revenue part in the accounts.

<https://economictimes.indiatimes.com/news/economy/policy/hypothetical-income-cannot-be-taxable-karnataka-high-court/articleshow/79280622.cms>

Economy

Piyush Goyal: Govt e-commerce portal GeM playing crucial role in MSME growth; orders up 88% in 12 months

In line with PM Narendra Modi’s Atmanirbhar Bharat initiative, the Government e-Marketplace (GeM) is playing a crucial role in catalysing the growth of MSMEs, promoting women entrepreneurship, and enabling startups to reach out to government buyers, Commerce Minister Piyush Goyal tweeted on Wednesday. The portal, which has 2,42,648 micro and small enterprise (MSE) sellers, out of 7,44,488 sellers, saw order volume growing 88 per cent from 26.2 lakh as on November 1, 2019, to 49.4 lakh as on November 1, 2020, Goyal tweeted the data. Also, the number of women sellers selling to government organisations and departments on the marketplace increased 92 per cent to 17,566 year-on-year in November.

<https://www.financialexpress.com/industry/sme/msme-eodb-piyush-goyal-govt-e-commerce-portal-gem-playing-crucial-role-in-msme-growth-orders-up-88-in-12-months/2131068/>

I-T refunds worth Rs 1.36 lakh cr issued to 40.19 lakh taxpayers till Nov 17

The Income Tax department has issued refunds worth over Rs 1.36 lakh crore to over 40 lakh taxpayers so far this fiscal. This includes Personal income tax (PIT) refunds amounting to Rs 35,750 crore and corporate tax refunds of over Rs 1 lakh crore during this period. “CBDT issues refunds of over Rs 1,36,066 crore to more than 40.19 lakh taxpayers between 1st April, 2020 to 17th November, 2020. Income tax refunds of Rs 35,750 crore have been issued in 38,23,304 cases and corporate tax refunds of Rs 1,00,316 crore have been issued in 1,95,518 cases,” the I-T department tweeted.

<https://www.financialexpress.com/economy/i-t-refunds-worth-rs-1-36-lakh-cr-issued-to-40-19-lakh-taxpayers-till-nov-17/2131254/>

How new LTC exemption can support economic recovery; GST collections, digital usage may get a boost

Leave Travel Concession (LTC) is a common element of compensation adopted by employers to remunerate employees for availing tax benefits. This forms part of the salary paid by an employer to employee travel within a country. LTC amount is a tax-free allowance provided to the employees subject to various conditions. The exemption can be taken twice in a block of four years for the actual journey undertaken with the family. This exemption is only valid for domestic travel and not for international travel, sightseeing, or accommodation expenses. However, due to the global pandemic, employees are unable to make travel plans and thus are unable to avail of the tax benefits. Even though in India, unlock is in progress, but leisure travel shall still be avoided. Taking into consideration, the government has come up with an innovative solution where an employee can avail of the tax benefits of LTC without having to make the actual travel.

<https://www.financialexpress.com/economy/how-new-ltc-exemption-can-support-economic-recovery-gst-collections-digital-usage-may-get-a-boost/2131300/>

Taxman goes after companies undertaking frauds within different states

The tax department on Wednesday said that it is going after companies and scrutinising transactions between various companies within different states. The tax department said that there are many companies that are using fake invoices for interstate transactions to avail input tax credit under the Goods and Services Tax (GST) framework. Under GST framework companies have to register with every state and the state GST authorities would collect the tax. "It seems that the GST authorities are scrutinizing possible GST avoidance by taxpayers at a microscopic level, credit to the use of technology available to the government officers in the form of online reconciliation tools, information from the GSTN network, etc. This bust of interstate fake invoice racket is an example of prevention of revenue leakage, which the government intended with the introduction of GST and GSTN (GST network)," said Abhishek Jain, Tax Partner, EY.

<https://economictimes.indiatimes.com/news/economy/finance/taxman-goes-after-companies-undertaking-frauds-within-different-states/articleshow/79284071.cms>

Banking and Finance

Merging troubled LVB will boost DBS's retail biz in India: Moody's

Rating agency Moody's today said the proposed merger of troubled Lakshmi Vilas Bank (LVB) with DBS's Indian subsidiary will strengthen latter's business position by adding new retail and small and medium-sized customers. DBS Bank India's loan book is mostly focused on the corporate and SME sectors. The acquisition will help DBS complement traditional physical branch banking with its digital strategy in India. The merger will not alter Singapore-based DBS group's credit profile. The effect of merger on DBS's capital will be immaterial.

"We estimate that DBS India's customer deposits and net loans will increase by about 50 per cent-70 per cent following the merger. LVB will also add around 500 branches to DBS India's 27 branches", Moody's said in statement.

https://www.business-standard.com/article/finance/merging-troubled-lvb-will-boost-dbs-s-retail-biz-in-india-moody-s-120111801018_1.html

AIBOC opposes merger of Lakshmi Vilas Bank with DBS Bank; pitches for merger with state-owned bank

A day after the RBI put in public domain a draft scheme of merger of Lakshmi Vilas Bank (LVB) with subsidiary of Singapore-based DBS, public sector banks' officer union AIBOC on Wednesday said the amalgamation is not in the national interest and demanded the consolidation with any PSB.

The proposed amalgamation of the cash-strapped LVB with DBS Bank India seems to be a ploy to provide entry of foreign banks into the country in a big way, All India Bank Officers' Confederation (AIBOC) President Sunil Kumar said.

<https://www.financialexpress.com/industry/banking-finance/aiboc-opposes-merger-of-lakshmi-vilas-bank-with-dbs-bank-pitches-for-merger-with-state-owned-bank/2131193/>

Online gold loan business is gaining traction and NBFCs want to make the most of it

The online gold loan remains the preferred choice for businesses and individuals even after nonbanking finance companies reopened their branches. With increased adoption of smartphones and expanding internet connectivity in rural and semi-urban India, NBFCs are aiming to get most of their customers on to the online gold loan platform.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/online-gold-loan-business-gaining-traction-and-nbfc-want-to-make-most-of-it/articleshow/79281372.cms>

Subscribers under NPS, APY schemes reach 3.83 crore till Oct-end: PFRDA

The number of NPS subscribers grew over 23 per cent to 3.83 crore by the end of October, according to data from the Pension Fund Regulatory and Development Authority (PFRDA). The number of subscribers in various schemes under the National Pension System (NPS) rose to 383.12 lakh by the end of October 2020 from 310.80 lakh in October 2019, showing a 23.27 per cent jump year-on-year, PFRDA said in a release on Wednesday.

Subscribers under the Atal Pension Yojana (APY) increased 34.51 per cent to 2.45 crore at the end of October, from 1.82 crore a year ago. The total assets under management under the NPS rose 33.79 per cent to Rs 5.13 lakh crore as of October 2020, from Rs 3.83 lakh crore at the end of October 2019, PFRDA data showed.

https://www.business-standard.com/article/pti-stories/subscribers-under-nps-apy-schemes-reach-3-83-crore-till-oct-end-pfrda-120111800982_1.html

FPIs stay bullish on Indian equities; pump \$6.3 bn in Sept quarter

Overseas investors have pumped in USD 6.3 billion in Indian equity markets in three months ended September on attractive valuations, opening-up of the economy and resumption in business activities, says a Morningstar report. This comes following a net inflow of USD 3.9 billion in June quarter and a net withdrawal of USD 6.38 billion in March quarter.

Apart from inflow, the value of FPI investments in Indian equities swelled further during the quarter under review largely on the back of robust net inflows, coupled with a strong performance of the Indian equity markets.

https://www.business-standard.com/article/pti-stories/fpis-stay-bullish-on-indian-equities-pump-usd-6-3-bn-in-sept-qtr-120111800901_1.html

Industry

India has potential to scale up laptop, tablet manufacturing to \$100 billion by 2025: ICEA

India has the potential to scale up its cumulative laptop and tablet manufacturing capacity to USD 100 billion by 2025 through policy interventions, mobile devices industry body ICEA said on Wednesday. Scaling up laptop and tablet PC manufacturing can take share of India in global market to 26 per cent from 1 per cent at present. Besides, it will generate 5 lakh new jobs and lead to a cumulative inflow of foreign exchange to the tune of USD 75 billion and investment of over USD 1 billion by 2025, ICEA said in a report on opportunity for making laptops and tablets in the country.

India Cellular and Electronics Association (ICEA) Chairman Pankaj Mohindroo said the country's electronic market has reached USD 65 billion with large contributions from mobile phones. "In laptop and tablets, we are still dependent on imports, and 87 per cent of it is imported from China. The laptop market is not a very large market in India.

<https://www.financialexpress.com/industry/technology/india-has-potential-to-scale-up-laptop-tablet-manufacturing-to-100-billion-by-2025-icea/2131169/>

'Less than 30% retailers prepared to handle around 10x surge in online consumer demand'

The festive season is expected to be nothing like we have seen before. With an approximate 10x surge in online consumer demand, less than 30 per cent of retailers are prepared to handle this surge. Retailers are constantly looking for ways to transform customer experiences, however, almost 66 per cent* of enterprises say that their existing systems do not impact customer experience positively. According to a survey on Indian online shopping behavior conducted by Rakuten Insight* in May 2020, about 59 percent of consumers said that they purchased online during the pandemic as they were practicing social distancing and wanted to minimize their time outside of the home. The most commonly purchased items were food and groceries, personal hygiene products, and household cleaning products.

<https://www.financialexpress.com/industry/sme/cafesme/msme-logi-less-than-30-retailers-prepared-to-handle-around-10x-surge-in-online-consumer-demand/2130925/>

Handset makers may hire around 50,000 people by March 2021, driven by PLI scheme

The handset industry is set to hire around 50,000 direct employees by March, 2021, under the impetus of the production-linked incentive (PLI) scheme, which has encouraged global and local players to set up and expand manufacturing factories in India. Recruiters say the blue collared workforce returning to the cities and the push for diversity, has mobile makers set up hiring mandates with assurance of safe workplaces amidst Covid-19 outbreak.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/handset-makers-may-hire-around-50000-people-by-march-2021-driven-by-pli-scheme/articleshow/79282641.cms>

Amazon opens 'made in India' toy store amid Centre's self-reliance mission

In line with government's "Atmanirbhar Bharat" vision, Amazon India on Wednesday launched a toy store where sellers from 15 Indian states will showcase thousands of unique toys across categories like traditional, handmade and educational. The launch of the "made in India" toy store could help local manufacturers to take on the deluge of Chinese toys into the Indian market. Amazon.in said that the store will enable thousands of manufacturers and sellers

to sell locally designed and manufactured toys, inspired by Indian culture, folk tales as well as toys that encourage scientific thinking and innovation.

"I commend Amazon India's efforts to feature local toys by launching a dedicated 'Made in India' toy store where the state's vibrant toys from Channapatna will also be featured," Karnataka Deputy Chief Minister C. N. Ashwath Narayana said in a statement.

https://www.business-standard.com/article/companies/amazon-opens-made-in-india-toy-store-amid-centre-s-self-reliance-mission-120111800578_1.html

Eightfold increase in tobacco smuggling during June-Oct 20 : FICCI CASCADE

India continues to be a target for tobacco smugglers in spite of several restrictions with an almost eightfold increase in the illegal activity, according to industry chamber FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADE).

Enforcement agencies in India seized illicit cigarettes worth around Rs 412 crore in the last five months across India, which is a quantum jump compared to Rs 52 crore in June-October period of 2019, FICCI CASCADE said in a statement. "This comes in the wake of several cases being intercepted during the COVID-19 pandemic," it added.

https://www.business-standard.com/article/pti-stories/eightfold-increase-in-tobacco-smuggling-during-june-oct-20-ficci-cascade-120111800850_1.html

Agriculture

Farmers' Acts: Is it too early to see farm sector reforms as gamechanger?

Despite and amidst unprecedented uproar, presidential assent was accorded to three farmers' bills, on September 27, 2020, in this monsoon session. The bills, which are now acts, namely, the Farmers' Produce Trade And Commerce (Promotion and Facilitation) Act, 2020 ('Trading Act'), the Farmers (Empowerment And Protection) Agreement On Price Assurance And Farm Services Act, 2020 ('Farm Services Act') and the Essential Commodities (Amendment) Act, 2020 ('ECA Amendment'), collectively the 'Farmers' Acts' are deemed to have come into force since June 05, 2020. The Farmers' Acts essentially aim at fostering trading in farm produce. The legislations seem to encourage private participation in avenues earlier reserved only for licensed participants under the state Agriculture Produce Marketing Committee (APMC), by introducing newer trade channels such as e-commerce platforms, while also laying down a regulatory framework for the transactions between farmers and purchasers of their produce.

<https://www.financialexpress.com/economy/farmers-acts-is-it-too-early-to-see-farm-sector-reforms-as-gamechanger-farm-services-apmc-trading/2131241/>

Farmers developing own soya, onion seeds worry companies

An increasing number of soybean and onion farmers deciding to develop seed plots, so that they don't have to buy seeds from private seed companies, has the seed industry worried. Maharashtra agriculture department is encouraging farmers to develop their own soya seeds and not depend on seed companies, considering the farmers' complaints about early germination failure of soybean seeds in July this year. The share of private seed companies in soya seed distribution in Maharashtra is about 60 per cent, according to industry players.

<https://www.thehindubusinessline.com/economy/agri-business/farmers-developing-own-soya-onion-seeds-worry-companies/article33124217.ece?homepage=true>

Covid-19 plays spoilsport on Vanilla prices and consumption worldwide

The pandemic situation across the world seems to have played spoilsport on the prospects of Vanilla farmers from realising a better price as production picks up globally, including in India.

<https://www.thehindubusinessline.com/economy/agri-business/covid-19-plays-spoilsport-on-vanilla-prices-and-consumption-worldwide/article33123369.ece>

Infrastructure

Festival season helps airlines carry more passengers than before although y-o-y number still negative

Domestic airlines carried 52.17 lakh passengers in October this year, registering a decline of over 58 per cent from the 1.23 crore passengers flown during the same period in previous year. However, the number of passengers flown

in October is more than the numbers flown in September this year (39.43 lakh), which is being viewed by the Directorate General of Civil Aviation as “showing some recovery due to increase in demand after opening of the lockdown and the onset of the festival season.”

<https://www.thehindubusinessline.com/news/national/festival-season-helps-airlines-carry-more-passengers-than-before-although-y-o-y-number-still-negative/article33125634.ece>

Pipavav cuts terminal handling charges for empty containers

APM Terminals Pipavav on Wednesday said it has cut terminal handling charges for empty containers by a quarter to help the exporters, facing container shortage for overseas shipments. The charges have been revised downward from November 16 and will remain in effect till December 31, 2020, the private port operator said in a release. The move is aimed at supporting exporters in getting easy access to empty containers and reducing the waiting period, the port operator said. APM Terminals Pipavav is taking efforts to facilitate trade and help in reviving the economy amid a considerable imbalance in trade due to severe shortage of containers for exporters, it added. "The Port has reduced the terminal handling charges for empty containers by 25 per cent to enable the exporters who are adversely impacted by the shortage of empty containers due to significant fall in imports," APM Pipavav Terminals said.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/pipavav-cuts-terminal-handling-charges-for-empty-containers/articleshow/79283650.cms>

DGCA studying the FAA order on return on Boeing 737 MAXs

The Directorate General of Civil Aviation (DGCA) is studying the order issued by the US Federal Aviation Authority (FAA), which today said that Boeing 737 MAX can return to skies after corrections ordered by the US regulator are implemented. We will study and react," said a senior DGCA official.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/dgca-studying-the-faa-order-on-return-on-boeing-737-maxs/articleshow/79285278.cms>

Energy

Vedanta Group puts in expression of interest to buy government stake in fuel retailer BPCL

Vedanta has submitted its expression of interest for acquiring the full stake of the government in Bharat Petroleum Corp Ltd. The company, among three potential bidders that have put in initial bids, said that the expression of interest (EoI) was preliminary and exploratory in nature. "Vedanta's EoI for BPCL is to evaluate potential synergies with our existing oil and gas business," a spokesperson said Wednesday. "The EoI is at a preliminary stage and exploratory in nature," the spokesperson added.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/vedanta-group-puts-in-expression-of-interest-to-buy-government-stake-in-fuel-retailer-bpcl/articleshow/79279762.cms>

States

Odisha approves Rs 464.72 crore investment plans

The Odisha government has accorded in-principle approval for four investment proposals worth Rs 464.72 crore, an official said. The implementation of the investment proposals will generate employment for more than 873 persons. The proposals got the government's nod at the Single Window Clearance Authority (SLSWCA) meeting held under the Chairmanship of Chief Secretary A K Tripathy on Tuesday. The proposal of Galax Industries Private Limited to set up a Medium Density Fibreboard (MDF) manufacturing facility with an annual capacity of 72,000 cubic meters at an investment of Rs 93 crore got the SLSWCA nod.

<https://www.financialexpress.com/economy/odisha-approves-rs-464-72-crore-investment-plans/2130806/>

Healthcare

Google Maps will now allow you to check regional COVID-19 details; adds live crowd feature

In a bid to inform people about Coronavirus transmission, Google Maps has decided to add new features that will help users make a decision before they step out during the holidays. The new addition has come at a time when COVID-19 cases have been surging again, owing to winters, pollution and festive season. The new feature will update users about the latest information like all-time detected cases in an area, death toll across an area, and an average caseload growth trend of the last seven days. This is expected to give a clear picture of an area before people travel there. Also, Google Maps will also give live crowd related information on public transport.

The company announced the rollout of these features in a blog post. "Whether you're heading out of town or staying local, keeping a pulse on the latest COVID trends can help you stay safe. Since we launched the COVID layer, it's helped nearly 10 million people get critical information about COVID-19 right from Google Maps," the company said in a statement.

<https://www.financialexpress.com/industry/technology/google-maps-will-now-allow-you-to-check-regional-covid-19-details-adds-live-crowd-feature/2131174/>

Public-private partnership needed for providing healthcare: Experts

The COVID-19 pandemic has demonstrated that healthcare is not a solely local or national issue, it is a global issue and there is need for public-private partnerships to provide healthcare, experts said on Wednesday. Emphasising the need for both public and private sectors, All India Institute of Medical Sciences (AIIMS) Director Randeep Guleria said, "Private and government sectors complement each other. There is no competition between the two sectors." He added that there are certain areas where the public sector can do better whether it be training, be it having more medical colleges and trying to run them, or providing care as far as preventive medicine is concerned.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/public-private-partnership-needed-for-providing-healthcare-experts/articleshow/79285477.cms>

Covid-19 plasma therapy: Antibody concentration in donor plasma key, says ICMR

Barely a month after its chief said he would recommend removal of convalescent plasma therapy from guidelines for Covid-19 treatment, the Indian Council of Medical Research (ICMR) has come out with an advisory to prevent its indiscriminate use in the country. More importantly, it recommended the minimum concentration of antibodies that should be present in plasma of donors, as lower concentration of specific antibodies against SARS-CoV2 virus makes it a futile exercise, the advisory issued on Tuesday night said.

<https://www.thehindubusinessline.com/news/covid-19-plasma-therapy-antibody-concentration-in-donor-plasma-key-says-icmr/article33123669.ece>

External

India pulled out of RCEP as concerns not addressed: S Jaishankar

India did not join the Regional Comprehensive Economic Partnership (RCEP) which formally came into vogue last weekend because Indian concerns were not addressed, emphasised Foreign Minister S Jaishankar. "We took a call given that the way (RCEP) is currently, that it is not in our interest to enter this agreement as it would have fairly immediate negative consequences for our own economy...What we did on RCEP is not a generic position vis a vis trade," the minister said.

<https://economictimes.indiatimes.com/news/economy/policy/india-pulled-out-of-rcep-as-concerns-not-addressed-joining-it-would-have-resulted-negative-consequences-for-economy-eam/articleshow/79287644.cms>

India not on track to hit climate goals, should limit emissions: G20 report

As the world's leading economies are directing trillions of dollars towards COVID-19 recovery packages, a significant proportion is going to fossil fuel industries without climate-related conditions, risking clean energy opportunities in the coming decade, a G20 climate performance report said on Wednesday. India, it said, is not on track for a 1.5 degrees Celsius world. To be on track, India needs to limit its carbon dioxide (CO2) emissions to 4.597 MtCO2e by 2030 and below 3.389 MtCO2e by 2050. India can do so by adopting a 'no new coal' policy as well as working on a plan to phase out coal by 2040.

https://www.business-standard.com/article/current-affairs/india-not-on-track-to-hit-climate-goals-should-limit-emissions-g20-report-120111800396_1.html

AEPC urges commerce ministry to start talks for preferential trade deal with UK to boost exports

Apparel export promotion body (AEPC) on Wednesday urged the commerce ministry to start negotiations for a preferential trade agreement with the UK to boost exports from the sector. AEPC Chairman A Sakthivel said that the agreement would help in removing the customs duty disadvantages faced by domestic players in the UK. "It has been learnt that after the implementation of Brexit (Britain's exit from the European Union bloc) in January 2021, 47 Least Developed Countries (LDCs) including Bangladesh will continue to enjoy preferential trade benefits after the UK's departure from the EU.

"This will be a continuation of the disadvantage to Indian apparels in the important and potential market of the UK," he said in a letter to Commerce and Industry Minister Piyush Goyal.

<https://www.financialexpress.com/economy/aepec-urges-commerce-ministry-to-start-talks-for-preferential-trade-deal-with-uk-to-boost-exports/2130971/>

Brexit creates jobs for customs staff in eastern Europe, India

UK companies are turning to cheaper overseas labor to complete their post-Brexit customs paperwork, creating jobs in countries such as Romania and India due to a shortage of trained staff in Britain. Anticipating a surge in demand for its services, Xpediator Plc, which handles freight flows for international companies, has been hiring workers in Romania. Dave Gladen, the firm's group marketing manager, says the country has a deep pool of expertise in the EU's customs rules because it only joined the bloc in 2007. "It's allowed us to get some great expertise, and obviously there's a lower cost," Gladen said in a telephone interview. "Salaries for customs clearance representatives in the U.K. have just escalated crazily." Britain's logistics industry is having to find creative ways to be ready for a wave of bureaucracy that will hit on Jan 1., when commerce between the U.K. and its largest trading partner will be subject to new paperwork even if the two sides reach a free-trade agreement.

<https://www.financialexpress.com/economy/brexit-creates-jobs-for-customs-staff-in-eastern-europe-india/2130997/>

Importers may find FSSAI's proposed regulatory amendments 'unpalatable'

The latest proposal of the Food Safety and Standards Authority of India (FSSAI) to make registration, inspection and audit mandatory for foreign food manufacturing facilities that export food products to India in certain categories, could be seen as a "non-tariff" trade barrier and will increase the compliance burden for food importers. In a move that has caught food importers by surprise, the FSSAI is mulling amendments in import regulations, and in certain categories has proposed – based on food safety risk analysis – making registration, inspection and audit mandatory for foreign food manufacturing facilities that export to India.

<https://www.thehindubusinessline.com/economy/importers-may-find-fssais-proposed-regulatory-amendments-unpalatable/article33118891.ece>

China says COVID-19 detected on more fish exports from India amid growing criticism

Chinese officials have claimed that traces of COVID-19 were found on more cold-chain imports from different countries, including India, amid increasing criticism from several nations that the testing and restrictions are not based on science and would disrupt trade. Cold-chain imports from India, Russia and Argentina test positive for COVID-19 in one day in China, state-run Global Times reported on Wednesday.

https://economictimes.indiatimes.com/news/economy/foreign-trade/china-says-covid-19-detected-on-more-fish-exports-from-india-amid-growing-criticism/articleshow/79287090.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

Silk exports shrink as pandemic hits demand

Shipments of silk products have taken a major beating as the Covid pandemic has shrunk the demand in key markets of Europe and the United States, exporters said. The exports are down by 28 per cent in dollar terms during the April-September period this year over corresponding last year. Shipments stood at \$79.16 million or ₹591.72 crore during April-September as against \$111.19 million or ₹791.89 crore in the same period last year.

<https://www.thehindubusinessline.com/economy/agri-business/silk-exports-shrink-as-pandemic-hits-demand/article33126363.ece>

India to export 3.5-4 million tonnes of wheat to neighbouring countries till March if govt extends export subsidy

India is likely to export 3.5 to 4 million tonnes of wheat to the neighbouring South East Asian and West Asian countries till March, compared to the 0.18 million tonne in the previous year, if the government extends an export subsidy, said the trade. The current stocks in the country with the government and the private sector are over 56 million tonnes, which the government will have to offload ahead of the arrival of the new crop in April.

<https://economictimes.indiatimes.com/news/economy/agriculture/india-to-export-3-5-4-million-tonnes-of-wheat-to-neighbouring-countries-till-march-if-govt-extends-export-subsidy/articleshow/79276225.cms>

India-Luxembourg Summit to give push to foreign portfolio investments

India-Luxembourg Summit on Thursday, the first in last two decades, will be an opportunity to lay the platform for cooperation between Delhi and the European nation (15th largest foreign investor in India) in a post-COVID world. Luxembourg is the third largest source of Foreign Portfolio Investments (FPI) investments in India after US and Mauritius accounting for approximately 8.5% of these investments.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-luxembourg-summit-to-give-push-to-foreign-portfolio-investments/articleshow/79285622.cms>