

Over 300 items may see customs duty hike in Budget

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NEW DELHI: As a measure to boost domestic small and medium industry, the government may consider a hike in customs duty on over 300 items like toys, furniture, footwear, coated paper, rubber items among other in the Union Budget.

Besides giving relief to the domestic industry and boosting employment, the move to keep imports down and help to raise revenue. Many of these are industries which are essentially concentrated

while for new pneumatic tyres of rubber, it has proposed to hike customs duty to 40 per cent from the current 10-15 per cent.

The import duty hike on footwear is a move to thwart the increase in imports of undervalued and cheap footwear. While the majority of imports are coming from ASEAN countries, with which India has a free trade agreement, it is suspected that China is re-routing large quantities of footwear through these countries.

The ministry has proposed to increase import



UN Projects India's Growth Rate At 5.7 Per cent For 2019-20, Expects It To Rise Next Year

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UNITED NATIONS: The UN projects India's economy to grow by 5.7 per cent in the current fiscal year and expects it to rise to 6.6 per cent in the next.

The projection in the UN's World Economic Situation and Prospects report released on Thursday are higher than the 5 per cent made by the World Bank earlier this month.

The UN growth estimate for the current fiscal is drastically lower than the forecast of 7.6 per cent made in last year's report in January and 7 per cent in the May update.

The head of UN's Global Economic Monitoring Branch, Dawn Holland, told IANS that although there has been a steep decline in growth, India was still one of the high performers

globally.

She said that it was expected to improve its growth rate in the coming year because of the steps being taken. According to the report, only China has a higher growth rate than India among the world's large economies with a 6 per cent forecast for the current calendar year.

Briefing the media about the report, UN's Chief Economist Elliott Harris presented a dire picture of the global economy last year when the world's gross product growth rate dropped to 2.3 per cent, the lowest in a decade. He said that rising tariffs and rapid shift in trade policies were responsible for the lower growth rate with the United States-China trade disputes playing a significant part.

In South Asia, Bangladesh is forecast grow by 8.1 per

cent this fiscal year and 7.8 in the next, while Pakistan's growth rate estimated at 3.3 per cent for 2019-20 is projected to slip to 2.1 per cent next year.

Associate Economics Affairs Officer Julian Slotman, the UN's pointperson for Indian and South Asia, said in an interview to IANS that "a huge decline in investment and in private consumption" were the major reasons for the economic slowdown in India. External factors have also contributed to the lower growth, he said.

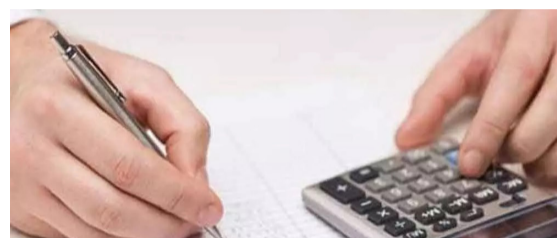
"Globally we have seen a large impact of trade tensions, particularly between the US and China, but also other major economies, that have affected growth rates across the globe and also, of course, India which is a very open economy, that has a lot to gain from international

trade," he said.

In India, he said, the government has responded to those issues by announcing some stimulus steps, which we do expect to improve economic growth in 2020 going forward. However, fiscal stimulus in itself will not be enough."

He mentioned two areas where India could do better: Labour and green energy. "The labour markets are not performing optimally with high levels of informality (and) gender barriers that effectively limit the participation of women," he said.

In addition, the majority of youth are neither working nor undergoing training, he said. "This is something the government will have an address, to both improve long-term economic growth and to reach (the UN's) sustainable development goals," he said.



in the small and medium sectors and employment-intensive. The Commerce and Industry Ministry in its budget recommendations has proposed rationalisation of basic customs on over 300 items across sectors including furniture, chemicals, rubber, coated paper and paper boards.

On footwear and related products, the Ministry has suggested an increase in duty to 35 per cent from the current 25 per cent

duty on wooden furniture to 30 per cent from the current 20 per cent. For coated paper, paper boards and hand made papers, it has suggested doubling the duty to 20 per cent. The Ministry has asked for the removal of import duty on waste paper and wood pulp, which is currently at 10 per cent and 5 per cent, respectively. The paper industry has expressed concerns about cheap imports and a surge in inbound shipments.

Benchmark indices end mixed; RIL saves the day

Press Trust Of India

MUMBAI: Market benchmarks Sensex and Nifty ended on a mixed note after a volatile session on Friday, with gains in Reliance Industries offsetting losses in other heavyweights HDFC, ICICI Bank and TCS.

After hitting a record intra-day high of 42,063.93, the 30-share BSE Sensex settled 12.81 points, or 0.03 per cent, higher at 41,945.37.

The broader NSE Nifty, however, ended 3.15 points, or 0.03 per cent, down at 12,352.35.

On the Sensex chart, Bharti Airtel was the top gainer, rallying 5.47 per cent, after experts said the Supreme Court's rejection of a review of its order that put Rs 1.47 lakh crore liability of past dues on telcos, will weaken Vodafone Idea's ability to compete in the Indian market; in turn, providing an opportunity for Bharti Airtel and Reliance Jio to gain market share.

Shares of Vodafone Idea plunged 25.21 per cent. Ahead of their quarterly earnings, Reliance Industries and HCL Tech advanced up to 2.79 per cent, while TCS fell 0.79 per cent.

Heavyweight HDFC dropped 1.23 per cent. In percentage terms, IndusInd Bank, SBI, HDFC, ICICI Bank and L&T were among the top losers.

On the contrary, Bharti Airtel, Reliance, Sun Pharma, HCL Tech and Maruti Suzuki emerged as major gainers.

According to traders, domestic investors are awaiting directional cues from key corporate results for cues amid concerns over higher bank non-performing assets and a spike in retail inflation.



RBI should act as lender of last resort, provide liquidity to NBFCs: SBI

Press Trust Of India

MUMBAI: With difficulties in NBFC sector continuing, economists at SBI on Friday pitched for the Reserve Bank to play its role as the lender of last resort, something the central bank has avoided since the start of troubles in 2018.

In its report on Budget expectations, the economists said RBI should "seriously think" of providing liquidity to non-banking financial companies (NBFCs) against the assets held by the lenders.

"Given the crisis of confidence in the financial markets, it is imperative that central banks don't forget their primary function of being the lender of the last resort," they said.

The NBFC sector has been impacted since August 2018 after the collapse of infrastructure lender IL&FS.

So far, RBI has refused to play its role as the lender of last resort, terming the problem at select NBFCs as one created because of asset-liability mismatches, where entities depended on short-term liabilities to fund



long-term assets and found the going difficult with hike in rates. A slew of analysts have blamed the slowdown in lending by the liquidity-starved NBFCs for the fall in consumption, which is among the factors resulting

in dip in GDP growth.

The SBI report included help for NBFCs as part of its fiscal policy suggestions ahead of the February 1 Budget. It suggested a formal arrangement can be worked out wherein the Govern-

ment strengthening of NBFC sector. They also pitched for deferment of principal repayments by 50 systemically important NBFCs and housing finance companies for a specified period.

Among other measures, SBI economists recommended the government to focus on growth and not on meeting the fiscal deficit target, warning that not doing so can aggravate issues of growth slowdown.

They advocated for fiscal deficit to be budgeted at an elevated 3.8 per cent for 2020-21 financial year, which is the same level as its revised estimate of 3.8 per cent which will be met in 2019-20.

The government should adopt a new fiscal consolidation path from FY22 onwards which will look at 0.20 per cent narrowing of the fiscal gap every year till FY25, they said.

Amazon India will create 1 million jobs by 2025: Jeff Bezos

Agencies

BENGALURU : Amazon.com Inc (AMZN.O) said on Friday it planned to create 1 million jobs in India by 2025, a day after the country's trade minister said the e-commerce giant's recently unveiled \$1 billion investment in the country was no big favour.

Amazon and Walmart's (WMT.N) Flipkart are facing mounting criticism from India's brick-and-mortar retailers, which accuse the U.S. giants of violating Indian law by racking up billions of dollars in losses to fund deep discounts and discriminating against small sellers. The companies deny the allegations.

Amazon said it would create new jobs in India through investments in infrastructure, technology and logistics.

"We are investing to create a million new jobs here in India over the next five years," Amazon Chief Executive Officer Jeff Bezos said in a statement.

Bezos, who is currently visiting India, said on Wednesday the company would invest \$1 billion to bring small businesses online in the country, adding to the \$5.5 billion the company had committed since 2014.

"They may have put in a billion dollars but then if they make a loss of a billion dollars every year then they jolly well have to finance that billion dollars," Indian trade minister Piyush Goyal told a security conference in New Delhi on Thursday.

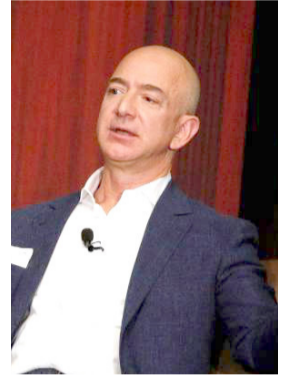
"So it's not as if they are doing a great favor to India

when they invest a billion dollars," Goyal had said.

Meanwhile, Piyush Goyal on Friday said his statement regarding Amazon was misconstrued and asserted that the government welcomes all investments but it should adhere to rules and regulations.

Goyal said that these investments should not create unfair competition for small traders.

"We welcome all types of investments. But if the foundation of any investment violates law then there will be a legal process. Some people think I



said something negative against Amazon. If you look at the context of my statement, I said investment should come within the law and regulations. This process is followed across the world," the minister told reporters here when asked to comment on his statement.

"There are some laws regarding eCommerce in India. We come investments that come under those laws. But this investment should not create unfair competition to small traders and retail businessmen in India," he said.

All foreign investments must adhere to law of the land: Goyal on Amazon row

Press Trust Of India

AHMEDABAD : A day after stating that Amazon was not doing any favour to India by investing one billion dollars, Union minister Piyush Goyal on Friday said the country welcomes all kinds of investments that follow the "letter and spirit" of the law.

Goyal said that some people have misconstrued his remarks by suggesting that he had said something negative against Amazon.

"I was only saying that investment should come as per the rules and regulation," Goyal said.

Big ticket investments in the retail space should not hurt small traders who does not have "lakhs and crores" of rupees, Goyal, who was here to inaugurate 'Ahmedabad Design



Week', a three-day long event for the students of various design and architecture institutes, said.

"We welcome all kinds of investment. However, necessary legal process would follow if any investment is made outside the purview of law," the minister pointed out.

"Our country has some rules for e-commerce industry. We welcome all those investments which comes as per these rules. However, it should not create unfair competition for the small traders of India. They do not get zero per cent loans.

SHORT STORIES

Foreign tourist arrivals up despite travel advisories, attempts to create bad image'

Press Trust Of India

NEW DELHI: Foreign tourist arrivals (FTAs) to India increased despite travel advisories issued by several countries and attempts by some groups to create "a bad perception" of the situation in the country, said Tourism Minister Prahlad Patel on Friday.

In 2019, till December, there has been a 43-per cent increase in tourists availing e-visa, Forex has grown by almost 19 per cent and the increase in FTAs is around 8 per cent as compared to the same period in 2018



"I think the data makes clear to those trying to create a bad perception of the country in a planned manner that they have failed in comparison to the attempts made by the prime minister to showcase this country. The data shows India is stable, peaceful and definitely worth seeing," said Patel

when asked about the effects of the protests against CAA, NRC, NPR have on the tourism industry.

According to data from the ministry, FTAs grew by 4.3 per cent in September 2019, a month after the abrogation of Article 370 in Jammu and Kashmir, as compared to the same period in 2018.

Gold rises by Rs 32, silver gains Rs 116

Press Trust Of India

NEW DELHI: Gold prices rose by Rs 32 to Rs 40,590 per 10 gram in the national capital on Friday amid rupee depreciation and strong global prices.

In the previous trade, the yellow metal had closed at Rs 40,558 per 10 gram.

Silver prices also gained Rs 116 to Rs 47,756 per kg as compared to Thursday's close of Rs 47,640 per kg.

"Spot gold for 24 Karat in Delhi was trading higher by Rs 32 on rupee depreciation and strong global prices. Spot rupee was trading around 14 paise weaker against the dollar during the day," HDFC Securities Senior Analyst (Commodities) Tapan Patel



said. In early trade on Friday, the rupee opened on a cautious note and fell 7 paise to 71.00 against the US dollar.

In the international market, gold and silver were trading in the green at USD 1,555 per ounce and USD 18.02 per ounce, respectively.

China's economy performance worst since 1990

Agencies

BEIJING: China's economy weakened to its slowest pace in three decades in 2019 as weaker domestic demand and trade tensions with the United States took their toll, official data showed Friday.

The world's second-largest economy grew by 6.1 per cent last year, its worst performance since 1990, according to the National Bureau of Statistics.

The figure matches an AFP analyst forecast and is within Beijing's official target of 6.0-6.5 per cent. But last year's growth was down from 6.6 per cent in 2018. While China's economy had been gradually losing steam over the first

three quarters, growth stabilised at 6 per cent in the last three months of 2019 -- the same pace as



in 2019. "However, we should also be aware that the global economic and trade

growth is slowing down," he said at a news conference.

He added that there were more sources of instability and risk, with the economy facing "mounting downward pressure".