



ASSOCHAM NEWS & VIEWS

WEEKLY

Highlights

- ⇒ **I**NTER-MINISTERIAL COMMITTEE ON VIRTUAL CURRENCIES SUBMITS ITS REPORT ALONG WITH DRAFT BILL 'BANNING OF CRYPTOCURRENCY & REGULATION OF OFFICIAL DIGITAL CURRENCY BILL, 2019'
- ⇒ **P**RINCIPAL SCIENTIFIC ADVISER HOLDS MEETING WITH LEADING MNCs TO POSITION INDIA AS A FAVOURED DESTINATION FOR R&D
- ⇒ **I**NDEX NUMBERS OF WHOLESALE PRICE IN INDIA – REVIEW FOR THE MONTH OF JUNE, 2019



CONTENTS**COMMERCE AND INDUSTRY**

INDEX NUMBERS OF WHOLESAL PRICE IN INDIA – REVIEW FOR THE MONTH OF JUNE, 2019	3-7
---	-----

COMMERCE AND INDUSTRY MINISTER REVIEWS ACTION PLAN TO ACHIEVE RS. ONE LAKH CRORE GMV ON GeM IN FY 2019-20	8
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FINANCE

PRINCIPAL SCIENTIFIC ADVISER HOLDS MEETING WITH LEADING MNCs TO POSITION INDIA AS A FAVOURED DESTINATION FOR R&D	9
--	---

EXCHANGE RATES NOTIFICATION NO. 52/2019-CUSTOM (NT)	10-11
---	-------

INTER-MINISTERIAL COMMITTEE ON VIRTUAL CURRENCIES SUBMITS ITS REPORT ALONG WITH DRAFT BILL 'BANNING OF CRYPTOCURRENCY & REGULATION OF OFFICIAL DIGITAL CURRENCY BILL, 2019'	12
---	----

RBI

MONTHLY DATA ON INDIA'S INTERNATINOAL TRADE IN SERVICES FOR THE MONTH OF MAY 2019	13
---	----

MINISTRY OF COMMERCE & INDUSTRY

Index Numbers of Wholesale Price in India (Base: 2011-12=100) Review for the month of June,2019

The official Wholesale Price Index for 'All Commodities' (Base: 2011-12=100) for the month of June,2019 rose by 0.2% to 121.5 (provisional) from 121.2 (provisional) for the previous month.

INFLATION

The annual rate of inflation, based on monthly WPI, stood at 2.02% (provisional) for the month of June,2019 (over June,2018) as compared to 2.45% (provisional) for the previous month and 5.68% during the corresponding month of the previous year. Build up inflation rate in the financial year so far was 1.33% compared to a buildup rate of 2.41% in the corresponding period of the previous year.

The movement of the index for the various commodity group is summarized below:-

PRIMARY ARTICLES (Weight 22.62%)

The index for this major group rose by 1.4% to 141.4 (provisional) from 139.5 (provisional) for the previous month. The groups and items which showed variations during the month are as follows:-

The index for 'Food Articles' group rose by 1.1% to 151.7 (provisional) from 150.1 (provisional) for the previous month due to higher price of fish-marine (6%), pork, arhar, barley, peas/chawali and moong (4% each), fruits & vegetables and urad (3% each), beef and buffalo meat, masur and maize (2% each) and mutton, condiments & spices, rajma and paddy (1% each). However, the price of betel leaves (26%), tea (2%) and ragi and poultry chicken (1% each) declined.

The index for ' Non-Food Articles' group rose by 0.7% to 128.7 (provisional) from 127.8 (provisional) for the previous month due to higher price of raw rubber (12%), fodder (5%), groundnut seed (4%), safflower (kardi seed) (3%), mesta, hides (raw), rape & mustard seed and soyabean (2% each) and raw silk, cotton seed (1% each). However, the price of floriculture (8%), gingelly seed and copra (coconut) (3% each), castor seed and gaur seed (2% each) and niger seed, raw jute, linseed, industrial wood and sunflower (1% each) declined.

The index for 'Minerals' group rose by 14.5% to 158.0 (provisional) from 138.0 (provisional) for the previous month due to higher price of copper concentrate (41%), bauxite (6%) and manganese ore (4%). However, the price of limestone (12%), lead concentrate (4%), zinc concentrate (3%) and iron ore (1%) declined.

The index for 'Crude Petroleum & Natural Gas' group declined by 0.3% to 92.5 (provisional) from 92.8 (provisional) for the previous month due to lower price of crude petroleum (1%).

FUEL & POWER (Weight 13.15%)

The index for this major group declined by 1.3% to 102.1 (provisional) from 103.4 (provisional) for the previous month. The groups and items which showed variations during the month are as follows:-

The index for 'Coal' group rose by 0.3% to 124.0 (provisional) from 123.6 (provisional) for the previous month due to higher price of lignite (7%).

The index for 'Mineral Oils' group declined by 2.2% to 94.3 (provisional) from 96.4 (provisional) for the previous month due to lower price of naphtha (10%), furnace oil (5%), bitumen (4%), petrol (2%) and HSD (1%). However, the price of kerosene (2%) and lube oils and LPG (1% each) moved up.

MANUFACTURED PRODUCTS (Weight 64.23%)

The index for this major group remained unchanged at its previous month level of 118.4. The groups and items which showed variations during the month are as follows:-

The index for 'Manufacture of Food Products' group rose by 0.9% to 130.4 (provisional) from 129.2 (provisional) for the previous month due to higher price of powder milk (12%), molasses (11%), buffalo meat, fresh/frozen (7%), manufacture of prepared animal feeds and processed tea (5% each), gur (4%), butter, rice, non-basmati, coffee powder with chicory and processing and preserving of fruit and vegetables (2% each) and sooji (rawa), ghee, bagasse, cotton seed oil, condensed milk, other meats, preserved/processed, ice cream, instant coffee, wheat bran, maida and sunflower oil (1% each). However, the price of honey (6%), manufacture of macaroni, noodles, couscous and similar farinaceous products (3%), chicken/duck, dressed - fresh/frozen, palm oil and manufacture of health supplements (2% each) and manufacture of processed ready to eat food, copra oil, spices (including mixed spices), groundnut oil, salt, processing and preserving of fish, crustaceans and molluscs and products thereof, castor oil and sugar (1% each) declined.

The index for 'Manufacture of Beverages' group rose by 0.7% to 123.3 (provisional) from 122.5 (provisional) for the previous month due to higher price of country liquor and rectified spirit (2% each), bottled mineral water and spirits (1% each).

The index for 'Manufacture of Tobacco Products' group rose by 2% to 155.1 (provisional) from 152.1 (provisional) for the previous month due to higher price of cigarette (4%), other tobacco products (2%).

The index for 'Manufacture of Textiles' group declined by 0.3% to 119.3 (provisional) from 119.7 (provisional) for the previous month due to lower price of viscose yarn, synthetic yarn and texturised and twisted yarn (1% each). However, the price of manufacture of knitted and crocheted fabrics and manufacture of other textiles (1%) moved up.

The index for 'Manufacture of Wearing Apparel' group declined by 0.4% to 138.7 (provisional) from 139.2 (provisional) for the previous month due to lower price of manufacture of wearing apparel (woven), except fur apparel (1%).

The index for 'Manufacture of Leather And Related Products' group declined by 0.4% to 119.2 (provisional) from 119.7 (provisional) for the previous month due to lower price of athletic/sport shoes (3%) and vegetable tanned leather, leather shoe and waterproof footwear (1% each). However, the price of belt & other articles of leather (3%) moved up.

The index for 'Manufacture of Wood And of Products of Wood and Cork ' group rose by 0.2% to 134.6 (provisional) from 134.3 (provisional) for the previous month due to higher price of wooden box/crate (3%), wooden block - compressed or not (2%) and wooden panel and plywood block boards (1% each). However, the price of lamination wooden sheets/veneer sheets (1%) declined.

The index for 'Manufacture of Paper And Paper Products' group declined by 0.6% to 122.7 (provisional) from 123.5 (provisional) for the previous month due to lower price of paper bag including craft paper bag (12%), kraft paper (2%) and corrugated sheet box, corrugated paper board, paper carton/box, duplex paper, base paper, newsprint and paper for printing & writing (1% each). However, the price of card board, map litho paper and laminated paper (1% each) moved up.

The index for 'Printing And Reproduction of Recorded Media ' group rose by 0.2% to 148.6 (provisional) from 148.3 (provisional) for the previous month due to higher price of printed form & schedule (6%), journal/periodical (2%) and sticker plastic (1%). However, the price of printed books (1%) declined.

The index for 'Manufacture of Chemicals And Chemical Products' group declined by 0.3% to 119.3 (provisional) from 119.7 (provisional) for the previous month due to lower price of mono ethyl glycol (6%), sulphuric acid (4%), aromatic chemicals, caustic soda (sodium hydroxide) and organic surface active agent (3% each), carbon black, polyester film(metalized), polyethylene, phosphoric acid, alcohols, aniline (including pna, ona, ocpna), acetic acid and its derivatives and polyester chips or polyethylene terephthalate (pet) chips (2% each) and ammonia gas, plasticizer, ethyl acetate, sodium silicate, ammonium sulphate, organic chemicals, explosive and foundry chemical (1% each). However, the price of face/body powder (6%), nitrogenous fertilizer, others (4%), menthol, creams & lotions for external application and camphor (3% each), tooth paste/tooth powder and dye stuff/dyes incl. dye intermediates and pigments/colours (2% each) and poly vinyl chloride (PVC), acrylic fibre, ammonia liquid, oleoresin, detergent cake, washing soap cake/bar/powder, amine and ammonium phosphate (1% each) moved up.

The index for 'Manufacture of Rubber And Plastics Products' group declined by 0.1% to 109.1 (provisional) from 109.2 (provisional) for the previous month due to lower price of plastic button (5%), polyester film (non-metalized) (4%), polypropylene film, plastic tube (flexible/non-flexible) and condoms (2% each) and plastic tank, plastic bag, plastic bottle, rubber tread, thermocol, polythene film, plastic tape, 2/3 wheeler rubber tube and medium & heavy commercial vehicle tyre (1% each). However, the price of plastic furniture and processed rubber (4% each), rubber crumb (3%) and

rubber components & parts, elastic webbing and PVC fittings & other accessories (1% each) moved up.

The index for 'Manufacture of Other Non-Metallic Mineral Products' group declined by 0.2% to 118.2 (provisional) from 118.4 (provisional) for the previous month due to lower price of cement blocks (concrete) (3%), clinker (2%) and marble slab, porcelain sanitary ware, glass bottle, stone, chip and graphite rod (1% each). However, the price of ceramic tiles (vitrified tiles) and asbestos corrugated sheet (2% each) and ordinary sheet glass, non-ceramic tiles, cement superfine and white cement (1% each) moved up.

The index for 'Manufacture of Basic Metals' group declined by 0.9% to 108.7 (provisional) from 109.7 (provisional) for the previous month due to lower price of stainless steel pencil ingots/billets/slabs (5%), copper metal/copper rings and lead ingots, bars, blocks, plates (3% each), steel cables, zinc metal/zinc blocks, angles, channels, sections, steel (coated/not), alloy steel castings, ferrochrome, mild steel (MS) blooms, brass metal/sheet/coils, copper shapes - bars/rods/plates/strips and aluminum foil (2% each) and aluminum castings, hot rolled (HR) coils & sheets, including narrow strip, cold rolled (CR) coils & sheets, including narrow strip, MS wire rods, silicomanganese, alloy steel wire rods, stainless steel coils, strips & sheets, aluminum shapes - bars/rods/flats, stainless steel bars & rods, including flats, MS bright bars, GP/GC sheet, aluminum alloys, MS pencil ingots, galvanized iron pipes and MS castings (1% each). However, the price of rails (2%) and aluminum disk and circles, stainless steel tubes and steel forgings - rough (1% each) moved up.

The index for 'Manufacture of Fabricated Metal Products, Except Machinery And Equipment' group declined by 0.4% to 116.4 (provisional) from 116.9 (provisional) for the previous month due to lower price of steel pipes, tubes & poles (2%) and forged steel rings, lock/padlock, hose pipes in set or otherwise, hand tools and bolts, screws, nuts & nails of iron & steel (1% each). However, the price of jigs & fixture (2%) and metal cutting tools & accessories (1%) moved up.

The index for 'Manufacture of Electrical Equipment' group declined by 0.1% to 111.9 (provisional) from 112 (provisional) for the previous month due to lower price of copper wire (4%), pvc insulated cable, insulating & flexible wire and lead acid batteries for vehicles & other uses (2% each) and rotor/magneto rotor assembly, aluminum wire, air coolers, insulator, fibre optic cables, aluminum/alloy conductor and rubber insulated cables (1% each). However, the price of electric welding machine (4%), solenoid valve, incandescent lamps and electrical relay/conductor (3% each), dry cells such as torch light batteries, ACSR conductors, electric switch and fluorescent tube (2% each) and electric filament type lamps, connector/plug/socket/holder-electric and fan (1% each) moved up.

The index for 'Manufacture of Machinery And Equipment' group rose by 0.4% to 113.1 (provisional) from 112.7 (provisional) for the previous month due to higher price of rice mill machinery (8%), air filters (4%) and agriculture implements, centrifugal pumps, pressure vessel and tank for fermentation & other food processing, sewing machines, cranes, chemical equipment & system and pump sets without motor (1% each). However, the price of chillers (10%), separator (2%) and filtration equipment, hydraulic pump, air gas compressor including compressor for refrigerator,

hydraulic equipment, mining, quarrying & metallurgical machinery/parts, roller mill (raymond) and evaporator (1% each) declined.

The index for 'Manufacture of Motor Vehicles, Trailers And Semi-Trailers' group rose by 0.7% to 114.1 (provisional) from 113.3 (provisional) for the previous month due to higher price of seat for motor vehicles (7%), axles of motor vehicles (3%), cylinder liners and passenger vehicles (2% each) and shafts of all kinds, crankshaft, chassis of different vehicle types, chain, gear box and parts and minibus/bus (1% each). However, the price of head lamp (4%) and steering gear control system, release valve, wheels/wheels & parts and radiators & coolers (1% each) declined.

The index for 'Manufacture of Other Transport Equipment' group rose by 1.8% to 116.9 (provisional) from 114.8 (provisional) for the previous month due to higher price of motor cycles (3%) and auto rickshaw/tempo/matador/three wheelers (1%).

The index for 'Manufacture of Furniture' group declined by 0.8% to 128.4 (provisional) from 129.4 (provisional) for the previous month due to lower price of iron/steel furniture (2%) and wooden furniture (1%). However, the price of foam and rubber mattress, hospital furniture and plastic fixtures (1% each) moved up.

The index for 'Other Manufacturing' group declined by 0.1% to 106.2 (provisional) from 106.3 (provisional) for the previous month due to lower price of plastic moulded-others toys (1%). However, the price of table tennis table (9%), playing cards (3%), stringed musical instruments (incl. santoor, guitars, etc.) (2%) and cricket ball (1%) moved up.

WPI FOOD INDEX (Weight 24.38%)

The rate of inflation based on WPI Food Index consisting of 'Food Articles' from Primary Articles group and 'Food Product' from Manufactured Products group decreased from 5.10% in May, 2019 to 5.04% in June, 2019.

FINAL INDEX FOR THE MONTH OF APRIL, 2019 (BASE YEAR:2011-12=100)

For the month of April, 2019, the final Wholesale Price Index for 'All Commodities' (Base: 2011-12=100) stood at 121.1 as compared to 120.9 (provisional) and annual rate of inflation based on final index stood at 3.24% as compared to 3.07% (provisional) respectively as reported on 14.05.2019.

MINISTRY OF COMMERCE & INDUSTRY

Commerce and Industry Minister reviews action plan to achieve Rs. One Lakh Crore GMV on GeM in FY 2019-20

Union Minister of Commerce & Industry and Railways, Piyush Goyal, last evening, chaired a meeting to review and formulate an action plan for Government e Marketplace (GeM) to achieve a target for Rs. lakh crore Gross Merchandise Volume (GMV) on GeM in FY 2019-20.

Minister of State for Commerce and Industry, Som Parkash also attended the meeting. Chairman, Railway Board and Secretaries of Departments of Promotion of Industry and Internal Trade (DPIIT), Commerce and Director General of Foreign Trade (DGFT) and Secretaries of Ministries of Petroleum and Natural Gas, Housing and Urban Affairs, New & Renewable Energy and Power also participated in the meeting to explore various possibilities of bringing on board more Government of India Ministries/ Departments, PSUs under Ministries and State Governments on the GeM platform.

Commerce & Industry Minister appreciated the transformation in public procurement driven through GeM platform. He directed the officers to maximize the use of GeM to ensure transparency and saving in procurements. He said that the procedure for using the GeM platform has to be made more simple, less time consuming and attractive so that more and more vendors, especially from the MSME sector, come on board. Ease of getting registered on the GeM platform has to be ensured so that public sector banks, PSUs, Ministries and Departments of the State Governments and local bodies at the district level are able to procure from GeM easily and smoothly.

Piyush Goyal urged GeM officers to work proactively with all the Ministries and State Governments and hand hold them to show that GeM is beneficial for them. Greater transparency and quality of products must be ensured on the platform in order to get the Railways, Defence, Telecom and PSUs like Oil, Power, Heavy Industry to place orders of more than one lakh crore through the GeM platform, said the Minister.

Possibilities may also be explored for incentivizing Ministries and States who procure more products and services from GeM. During the review meeting Commerce and Industry Minister also examined the possibility of DGFT to provide the services of their staff in regional centres all over the country to promote GeM and increase the procurement through GeM in their areas.

During the review meeting Commerce & Industry Minister also discussed ways with the Secretaries, who were present, of bringing in external technical experts for specialized products required by railways, Oil PSUs, health sector etc., so that more categories are created in GeM in shortest time and complaints about substandard material is completely eliminated.

Commerce & Industry Minister requested all Ministries and Departments of Government of India to nominate a Joint Secretary level officer to coordinate with GeM and to identify more products and services that may be procured through the GeM platform.

[Click here to see PPTs of GeM](#)

MINISTRY OF COMMERCE & INDUSTRY

Principal Scientific Adviser Holds Meeting with Leading MNCs to Position India as a Favoured Destination for R&D

The Principal Scientific Adviser (PSA) to the Government of India held a meeting with leading multi-national companies, who have substantial R&D presence in India, in New Delhi, to position India as a favoured destination for Research & Development (R&D) by MNC's in India.

The interaction focused on suggestions from nearly 35 multi-national industry leaders from various sectors to address issues and challenges in establishing R&D operations and investments in India. Global best practices were shared to facilitate closer integration with the Indian research and innovation ecosystem. The discussion was chaired by Prof. K VijayRaghavan, Principal Scientific Adviser to the Government of India along with other Government stakeholders, including Department of Science and Technology, NITI Aayog, Ministry of Human Resource Development, Ministry of Electronics and Information Technology, and Micro, Small & Medium Enterprises and was attended by over 70 participants.

The topics covered included deliberations on emerging areas of research and innovation, sharing of data on R&D investments, operational issues and challenges faced by MNCs in India, adoption of best global practices for establishing closer linkages with national R&D institutions and academia, talent development and sourcing, strategic partnerships to bolster R&D in India and integrating with the domestic start-up ecosystem.

The key recommendations from the MNC perspective was to provide a single window support to industries to lessen the operational challenges in enhancing their R&D investments, inter-ministerial policy and programme to enable closer engagement of MNCs in national research and innovation eco-system, regular interaction platform between government and MNCs for scaling up of research and innovation partnerships.

The Office of the Principal Scientific Adviser, through the Prime Minister's Science, Technology and Innovation Advisory Council (PM-STIAC), plays an enabling role in synergizing cross-sectoral collaborations across scientific ministries, research institutions and industry partners to leverage science, technology and innovation for contributing to the knowledge economy and growth of the country.

MINISTRY OF FINANCE

Exchange Rates Notification No.52/2019-Custom (NT) dated 18.07.2019

In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in supersession of the notification of the Central Board of Indirect Taxes and Customs No.48/2019-CUSTOMS (N.T.), dated 4th July, 2019 except as respects things done or omitted to be done before such supersession, the Central Board of Indirect Taxes and Customs hereby determines that the rate of exchange of conversion of each of the foreign currencies specified in column (2) of each of Schedule I and Schedule II annexed hereto, into Indian currency or *vice versa*, shall, with effect from 19th July, 2019, be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SCHEDULE-I

Sl.No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Exported Goods)
1.	Australian Dollar	49.60	47.40
2.	Bahraini Dinar	188.70	176.65
3.	Canadian Dollar	53.80	51.85
4.	Chinese Yuan	10.15	9.85
5.	Danish Kroner	10.55	10.15
6.	EURO	78.85	75.95
7.	Hong Kong Dollar	8.95	8.65
8.	Kuwaiti Dinar	233.60	218.60
9.	New Zealand Dollar	47.70	45.55
10.	Norwegian Kroner	8.15	7.85
11.	Pound Sterling	87.20	84.10
12.	Qatari Riyal	19.40	18.35
13.	Saudi Arabian Riyal	18.95	17.75

14.	Singapore Dollar	51.60	49.70
15.	South African Rand	5.10	4.75
16.	Swedish Kroner	7.50	7.20
17.	Swiss Franc	71.25	68.45
18.	Turkish Lira	12.50	11.70
19.	UAE Dirham	19.35	18.15
20.	US Dollar	69.65	67.95

SCHEDULE-II

Sl.No.	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
		(a)	(b)
(1)	(2)	(3)	
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	65.10	62.65
2.	Korean Won	6.05	5.65

MINISTRY OF FINANCE

Inter-Ministerial Committee on Virtual Currencies submits its Report along with Draft Bill 'Banning of Cryptocurrency & Regulation of Official Digital Currency Bill, 2019'

The Government had constituted an Inter-Ministerial Committee (IMC) on 2.11.2017 under the Chairmanship of Secy (EA), with Secy (MeiTY), Chairman (SEBI) and Dy. Governor, RBI as Members, to study the issues related to virtual currencies and propose specific action to be taken in this matter. The Group's report, along with a Draft Bill has been received by the Government. This Report and Draft Bill will now be examined in consultation with all the concerned Departments and Regulatory Authorities, before the Government takes a final decision.

In the Report, the Group has highlighted the positive aspect of distributed-ledger technology (DLT) and suggested various applications, especially in financial services, for use of DLT in India. The DLT-based systems can be used by banks and other financial firms for processes such as loan-issuance tracking, collateral management, fraud detection and claims management in insurance, and reconciliation systems in the securities market.

As for private cryptocurrencies, given the risks associated with them and volatility in their prices, the Group has recommended banning of the cryptocurrencies in India and imposing fines and penalties for carrying on of any activities connected with cryptocurrencies in India.

The Group has also proposed that the Government keeps an open mind on official digital currency.

As virtual currencies and its underlying technology are still evolving, the Group has proposed that the Government may establish a Standing Committee to revisit the issues addressed in the Report as and when required.

A **copy of the Report of the Group**, along with the **Draft Bill 'Banning of Cryptocurrency & Regulation of Official Digital Currency Bill, 2019'** has been placed on the website of the Department of Economic Affairs.

RESERVE BANK OF INDIA

Monthly Data on India's International Trade in Services for the Month of May 2019

The Reserve Bank releases monthly data on India's international trade in services with a lag of around 45 days.

The value of exports and imports of services during the month of May 2019 are given in the following Table.

Table: International Trade in Services		
(US\$ Million)		
Month	Receipts (Exports)	Payments (Imports)
April-2019	18,062	11,402
May-2019	18,679	12,492
Note: Data are provisional.		

Monthly data on services are provisional and would undergo revision when the Balance of Payments (BoP) data are released on a quarterly basis.

Ajit Prasad
Director (Communications)