

Decisions taken by the Union Cabinet

- **Cabinet approves MoU between India and Uzbekistan on Mutual Cooperation in Combating Illicit Trafficking in Narcotics, Drugs, Psychotropic Substances and Precursors**

The Union Cabinet chaired by Prime Minister Shri Narendra Modi has approved the MoU between India and Uzbekistan on Mutual Cooperation in Combating Illicit Trafficking in Narcotics, Drugs, Psychotropic Substances and Precursors.

Benefits:

The MoU will help in mutual cooperation in regulation of narcotic drugs and psychotropic substances, and in combating drug trafficking. It is an effective framework to deal with all issues requiring mutual assistance and cooperation in the areas identified. The MoU will facilitate effective institutional interaction between both the Governments. The MoU, once in force, would help in curbing transnational narcotics trafficking.

- **Cabinet approves MoU between India and Uzbekistan on Cooperation in the Sphere of Law & Justice**

The Union Cabinet chaired by Prime Minister Shri Narendra Modi has approved the Memorandum of Understanding (MoU) between India and Uzbekistan on Cooperation in the Sphere of Law & Justice.

Benefits:

The MoU takes care of concerns and requirements in the field of exchange of experience by legal professionals, Government functionaries and their training and effective legal aid mechanism for resolution. The MoU will facilitate greater cooperation between India and Uzbekistan in providing legal services in both countries in the field of exchange of experience through information sharing visits, and training between both countries on enhancing legal capacities of Government functionaries.

- **Cabinet approves MoU between India and Uzbekistan for strengthening cooperation in the field of Tourism**

The Union Cabinet chaired by Prime Minister Shri Narendra Modi has approved the Memorandum of Understanding (MoU) between India and Uzbekistan for strengthening cooperation in the field of Tourism. The MoU will be signed during the VIP visit from Uzbekistan to India on 1st October 2018.

Benefits:

Signing of the MoU in the field of Tourism will help the two countries in creating an institutional mechanism for enhancing cooperation in the tourism sector. It will also help in increasing foreign tourist arrivals from Uzbekistan to the country. This in turn will result in economic development and employment generation. The MoU shall create favourable conditions for long-term tourism cooperation for the mutual benefits of all stakeholders within the broader framework and areas of cooperation. In addition, the MoU shall explore to incorporate the best practices in order to implement the measures that will realize the objectives set out in it.

- **Cabinet approves MoU between India and Uzbekistan on cooperation for establishment of Uzbek-Indian Free Pharmaceutical Zone in the Andijan region of Uzbekistan**

The Union Cabinet chaired by Prime Minister Shri Narendra Modi has approved the Memorandum of Understanding (MoU) between India and Uzbekistan for establishment of the Uzbek-Indian Free Pharmaceutical Zone in the Andijan Region of Uzbekistan. The MoU will be signed during the visit of President of Uzbekistan to India on 1st October 2018.

In view of the importance of the growth of the pharmaceuticals and biopharmaceutical industry in both countries

and the importance of mutual cooperation in trade, industry and production in the pharmaceutical and biopharmaceutical sectors, both the countries have been trying to establish a formal mechanism of bilateral cooperation. The MoU will create an enabling framework of cooperation for setting up an Uzbek-Indian Free Pharmaceuticals Zone in Andijan region of Uzbekistan. It will also facilitate Indian pharmaceutical and biopharmaceutical companies to invest in and establish production facilities in the Uzbek-Indian Free Pharma Zone of Andijan for manufacture of Pharmaceutical Products.

- **Cabinet approves MoU between the Institute of Chartered Accountants of India (ICAI) and the Institute of Certified Public Accountants of Kenya (ICPAK)**

The Union Cabinet chaired by Prime Minister Shri Narendra Modi has given its approval for signing of a Memorandum of Understanding (MoU) between the Institute of Chartered Accountants of India (ICAI) and the Institute of Certified Public Accountants of Kenya (ICPAK). It will help to establish mutual co-operation and collaboration in the areas of knowledge sharing through joint research, quality support, capability and capacity building, trainee accountant exchange programmes and conducting Continuous Professional Development (CPD) Courses, workshops and conferences.

Details:

- ICAI and ICPAK will provide opportunities to key members of the reciprocal body's staff to learn from their knowledge and experience through informal work placements to be agreed through a work schedule.
- Jointly promote activities to raise awareness and the overall visibility of the ICAI/ ICPAK strategic partnership and the collaboration outlined in this MoU with members.
- ICAI and ICPAK will collaborate on benchmarking initiatives and trainee accountant exchange programmes.

Major impact:

India is Kenya's sixth largest trading partner and the largest exporter to Kenya. As per a report on African

countries. The Kenyan economy is expected to be amongst the top performers in Africa in 2017 in terms of growth in Gross Domestic Product (GDP). Kenya has a largely diversified economic base and aims to seek increased access to the Indian market for Kenyan goods, while India is interested in exploring ways to become Kenya's top foreign trading partner.

Considering that Kenya's economy is one of the top amongst the African countries and the kind of investments and trusts entrusted by the two countries in the recent past, India's Chartered Accountants have already been playing a significant role in the economic growth of the country; there is a lot of scope for professional opportunities for Indian Chartered Accountants in Kenya.

- **Cabinet approves MoU between India and Uzbekistan on cooperation in pharmaceutical sector**

The Union Cabinet chaired by Prime Minister Shri Narendra Modi has approved the signing of a Memorandum of Understanding (MoU) between India and Uzbekistan for increased cooperation in the areas of Trade, Industry, and Research & Development of Pharmaceutical products. The MoU will be signed during the visit of President of Uzbekistan to India on 1st October 2018.

In view of the importance of the growth of the pharmaceutical Industry in both countries and importance of mutual cooperation in trade, production, research and development in the pharmaceutical sector, both Governments have been trying to establish a formal mechanism of bilateral cooperation. The MoU will explore the possibilities for the production of medicines, including Active Pharmaceutical Ingredients (APIs) in different therapeutic segments in both countries. It will also exchange information on trade and registration procedures, legal and regulatory requirements for export and import of pharmaceuticals products, including APIs. The MoU will increase cooperation with the Republic of Uzbekistan in the areas of Trade, Industry and Research & Development of Pharmaceutical products.

- **Cabinet approves Agreement between India and Uzbekistan on cooperation in the field of Agriculture and Allied sectors**

The Union Cabinet chaired by Prime Minister Shri Narendra Modi has approved the signing of an Agreement

between India and Uzbekistan for cooperation in the field of agriculture and allied sectors.

The Agreement between India and Uzbekistan provides for cooperation in the following fields:

- i. Exchange of information regarding laws, standards and product samples of mutual interest;
- ii. Establishment of joint agriculture clusters in Uzbekistan;
- iii. Exchange of experience in the field of crop production and their diversification;
- iv. Exchange of experience in the field of seed production based on modern technology; exchange of information concerning certification of seed in accordance with the legislation of the States of the Parties; exchange of samples of seeds on beneficial terms.
- v. Application of technology for enhanced water use efficiency in agriculture and allied sectors, including irrigation;
- vi. Conduct of joint scientific research on genetics, breeding, biotechnology, plant protection, soil productivity conservation, mechanization, water resources, and mutual application of scientific results;
- vii. Development and extension of cooperation in the field of plant quarantine;
- viii. Exchange of experience in the field of animal husbandry, including animal health, poultry, genomics, setting up of quarantine facilities;
- ix. Exchange of information between research institutes in the fields of agriculture and food industry on scientific and practical activities (fairs, exhibitions, conferences, symposia)
- x. Cooperation in agricultural and food trade;
- xi. Explore setting up of food processing joint ventures;
- xii. Any other form of cooperation as mutually agreed between the Parties.

The Agreement provides for constitution of a Joint working Group comprising of representatives from both countries, the task of which would be to prepare plans of cooperation, provide solutions to the problems arising during the implementation of this Agreement and to monitor the implementation of tasks determined by the Parties. The meetings of the Working Group shall take place at least every two years, alternately in India and in Uzbekistan. This Agreement shall enter into force on the date of its signing and shall remain in force for a period of five (5) years, being automatically extended for a subsequent periods of five (5) years. This Agreement shall be terminated after six (6) months from the date of receipt of notification of either Party of its intention to

terminate.

- **Cabinet approves MoU between NITI Aayog, and Ministry of Economic Development of the Russian Federation (MEDRF) in the field of social, economic, industrial and regional development programs**

The Union Cabinet chaired by Prime Minister Shri Narendra Modi has given its approval for signing of a Memorandum of Understanding (MoU) between National Institute for Transforming India (NITI) Aayog, and Ministry of Economic Development of the Russian Federation (MEDRF) in the field of social, economic, industrial and regional development programs.

The objective of the MoU is to explore the potential of cooperation in the framework of preparation and implementation of strategies and programs of social, economic, industrial and regional development. It provides a framework and enabling environment to understand each other's strengths, market, technologies, policies, etc.

The MoU covers the following areas of cooperation:

- i. Conducting and execution of joint research projects related to issues of mutual interest;
- ii. Exchange of information and research works related to issues of mutual interest between the two sides, including information on government strategies and development programs;
- iii. Visits of relevant specialists of both sides for participation in joint events;
- iv. Organization of seminars, conferences and other meetings on agreed agenda; and
- v. Other forms of cooperation as per mutual consent of the Sides.

- **Cabinet apprised of the MoU between India and South Korea for enhancing cooperation in Applied Science and Industrial Technology**

The Union Cabinet chaired by Prime Minister Shri Narendra Modi has been apprised of the Memorandum of Understanding (MoU) between India and South Korea on cooperation in Applied Science and Industrial Technology. The MoU was signed in New Delhi on 9th July 2018 during the visit of the President of South Korea to India.

The aim and objective of this MOU is to promote bilateral cooperation in the fields of applied science and industrial technologies for the purposes of promoting sustainable development and enhanced quality of life.

- **Cabinet approves financial assistance worth Rs.825 Crore for relining of Sirhind Feeder Canal and relining of Rajasthan Feeder Canal**

The Union Cabinet chaired by Prime Minister Shri Narendra Modi has approved providing Central Assistance of Rs. 620.42 Cr. and Rs. 205.758 Cr. for implementation of relining of Rajasthan Feeder Canal and Sirhind Feeder Canal respectively over five years (2018-19 to 2022-23) for Relining of Sirhind Feeder from RD 119700 to 447927 and relining of Rajasthan Feeder from RD 179000 to 496000 of Punjab.

Impact:

- i. Implementation of these twin projects would help in addressing the problem of water-logging in 84800 Ha of land in Muktsar, Faridkot and Ferozpur districts in South-West Punjab.
- ii. Implementation of these projects would address the problem of water logging in South-West Punjab and enhance the flows/ water availability in the two canals.
- iii. Farmers in the area would be benefitted due to stabilisation / improved irrigation in 98,739 Ha of land due to relining of Rajasthan Feeder and 69,086 Ha due to relining of Sirhind Feeder.

Expenditure:

- Funding for CA to the Rajasthan Feeder and Sirhind feeder shall be made through NABARD under existing system for funding of 99 PMKSY-AIBP projects under LTIF.
- In addition to existing monitoring mechanism for projects by Central Water Commission, an Expert Project Review Committee may be constituted to oversee the overall implementation of these projects.

- The approved cost of relining of Sirhind Feeder Canal is Rs. 671.478 Cr and that of relining of Rajasthan Feeder Canal is Rs. 1305.267 Cr, at 2015 PL. Of the total estimated cost, Rs. 826.168 Cr would be provided as Central Assistance (Rs. 205.758 Cr for Sirhind Feeder and Rs. 620.41 Cr for Rajasthan Feeder).
- Investment Clearance of Revised Cost Estimates amounting to Rs.671.478 crore and Rs.1305.267 crore for Relining of Sirhind Feeder and Relining of Rajasthan Feeder respectively have been accorded on 6th April, 2016.
- The projects were visited by a team under Chairman CWC during 2016 and by another team under Sh. A. B. Pandya, former Chairman, CWC during 2017. They recommended remedial works to be taken up. The Punjab Government also conveyed its financial concurrence on 26.04.2018.
- **Cabinet approves Agreement between India and Uzbekistan on cooperation in health and medical science**

The Union Cabinet chaired by Prime Minister Shri Narendra Modi has approved the signing of an Agreement between India and Uzbekistan on cooperation in health and medical science.

The Agreement covers the following areas of cooperation:-

1. Expanding opportunities for the development of business cooperation in the field of medical equipment, including equipment for teaching and research laboratories of institutions of medical education, and pharmaceutical products;
2. Strengthening of primary health care and setting up of health care facilities;
3. Medical and health research development, as well as exchange of experience in these areas;
4. Exchange of experiences and technologies in the field of telemedicine and electronic-health information systems;
5. Maternal and child health protection;
6. Development and improvement of the techniques and strategies for epidemiological surveillance and communicable and non-communicable diseases control;
7. Regulation of drugs and pharmaceutical products;
8. Any other areas of cooperation of mutual interest.

A Working Group will be set up to further elaborate the details of cooperation and to oversee the implementation of this Agreement.

- **Cabinet approves National Digital Communications Policy-2018**

The Union Cabinet chaired by Prime Minister Shri Narendra Modi has approved the National Digital Communications Policy-2018 (NDCP-2018) and re-designation of the Telecom Commission as the "Digital Communications Commission".

Impact:

The NDCP-2018 envisions supporting India's transition to a digitally empowered economy and society by fulfilling the information and communications needs of citizens and enterprises by establishment of a ubiquitous, resilient and affordable digital communications infrastructure and services.

The 'Customer focused' and 'application driven' NDCP-2018 shall lead to new ideas and innovations, after the launch of advanced technology such as 5G, IOT, M2M, etc. which shall govern the telecom sector of India.

Objectives:

The key objectives of the policy are:

- i. Broadband for all;
- ii. Creating four million additional jobs in the Digital Communications sector;
- iii. Enhancing the contribution of the Digital Communications sector to 8% of India's GDP from ~ 6% in 2017;
- iv. Propelling India to the Top 50 Nations in the ICT Development Index of ITU from 134 in 2017;
- v. Enhancing India's contribution to Global Value Chains; and
- vi. Ensuring Digital Sovereignty.

These objectives are to be achieved by 2022.

Features:

The policy aims to

- Provide universal broadband connectivity at 50 Mbps to every citizen;
- Provide 1 Gbps connectivity to all Gram Panchayats by 2020 and 10 Gbps by 2022;
- Ensure connectivity to all uncovered areas;
- Attract investments of USD 100 billion in the Digital Communications Sector;
- Train one million manpower for building New Age Skill;
- Expand IoT ecosystem to 5 billion connected devices;
- Establish a comprehensive data protection regime for digital communications that safeguards the privacy, autonomy and choice of individuals
- Facilitate India's effective participation in the global digital economy;
- Enforce accountability through appropriate institutional mechanisms to assure citizens of safe and
- Secure digital communications infrastructure and services.

Strategy:

The policy advocates:-

- i. Establishment of a National Digital Grid by creating a National Fibre Authority;
 - ii. Establishing Common Service Ducts and utility corridors in all new city and highway road projects;
 - iii. Creating a collaborative institutional mechanism between Centre, States and Local Bodies for Common Rights of Way, standardization of costs and timelines;
 - iv. Removal of barriers to approvals; and
 - v. Facilitating development of Open Access Next Generation Networks.
- **Cabinet approves increasing of Government ownership in Goods and Services Tax Network and change in the existing structure with transitional plan**

The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi has approved increasing of Government ownership in Goods and Services Tax Network (GSTN) and change in the existing structure with transitional plan as per following:

- Acquisition of entire 51% equity held by the Non-Government Institutions in GSTN equally by the Centre and the State Governments and allow GSTN Board to initiate the process for acquisition of equity held by the private companies.
 - The restructure GSTN, with 100% government ownership shall have equity structure between the Centre (50%) and the States (50%).
 - To allow change in the existing composition of the Board of GSTN inducting three directors from the Centre and the States and three other independent directors to be nominated by the Board of Directors and one Chairman and the CEO. Thus the total number of Directors is 11.
-
- **Cabinet approves transfer (disinvestment) of incomplete projects of Hotel Gulmarg Ashok, Gulmarg and Hotel Patliputra Ashok, Patna to the State Governments of Jammu & Kashmir and Bihar respectively**

In continuation of the disinvestment policy of the Government of India, the Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi has approved to further disinvestment of ITDC properties / units / JVs by way of transfers of Incomplete Project of Hotel Gulmarg Ashok, Gulmarg to the State Government of Jammu & Kashmir and Hotel Patliputra Ashok, Patna to the State Government of Bihar respectively.

Background:

As per the disinvestment policy of the Government of India, it had been decided to lease /sublease the India Tourism Development Corporation Limited (ITDC) hotels / properties / units / Joint Ventures (JVs) jointly with the State Governments and where State Governments were not agreeing to the proposal of leasing / sub-leasing, the properties may be returned back to the State Governments at its officially valued price. The policy had been formulated keeping in view that running and managing hotels on professional lines is not the job of Government or its entities.

In pursuance of the disinvestment policy of the Government of India, with the approval accorded by the Cabinet Committee on Economic Affairs (CCEA), the Inter Ministerial Group (IMG) and the Ministry of Tourism (MoT), the ITDC has to date transferred the properties / units / JVs of ITDC of Hotel Lake View Ashok, Bhopal; Hotel Brahmaputra Ashok, Guwahati; Hotel Bharatpur Ashok, Bharatpur; Hotel Janpath, New Delhi (to Ministry of Housing and Urban Affairs); Hotel Lalitha Mahal Palace, Mysore; Hotel Donyi Polo Ashok, Itanagar and Hotel Jaipur Ashok, Jaipur to the concerned State Governments.

- **Cabinet approves comprehensive policy to deal with excess sugar production in the country**

Due to excess carryover stocks and indication of similar excess production in the ensuing sugar season 2018-19, the liquidity problem of the sugar mills is likely to persist in the coming sugar season too. As a result, cane price arrears of sugarcane farmers may also peak at unprecedented high level.

In order to mitigate the situation, the Cabinet Committee on Economic Affairs chaired by Hon'ble Prime Minister Shri Narendra Modi has approved following measures involving total assistance of over Rs. 5500 crore to support the sugar sector by way of offsetting cost of cane and to facilitate export of sugar from the country thereby improving liquidity of the industry enabling them to clear cane price arrears of farmers:

Details:

a) To provide assistance to sugar mills by defraying expenditure towards internal transport, freight, handling and other charges to facilitate export during the sugar season 2018-19 @ Rs. 1000/MT for the mills located within 100 kms from the ports, @ Rs. 2500/MT for the mills located beyond 100 kms from the port in the coastal states and @ Rs. 3000/MT for mills located in other than coastal states or actual expenditure, whichever is lower. The total expenditure on this account would be about Rs.1375 crore which will be borne by Government.

b) In order to help sugar mills to clear cane dues of farmers, the Government has decided to provide financial assistance @ of Rs. 13.88 per quintal of cane crushed in sugar season 2018-19 to sugar mills to offset the cost of cane. The assistance shall be provided to only those mills which fulfill the conditions as stipulated by Department of Food & Public Distribution. The total expenditure on this account would be about Rs.4163 crore which will be

borne by Government.

c) To ensure payment of sugarcane dues of farmers, both the assistance would be credited directly into the accounts of farmers on behalf of sugar mills against cane price dues payable to farmers against FRP including arrears relating to previous years and subsequent balance, if any, would be credited to mill's account. Assistance shall be provided to those mills which will fulfill the eligibility conditions as decided by the Government.

Please contact for any query related to this mail to Ms. Kriti Khurana, Research Associate at kriti.khurana@phdcci.in with a cc to Dr. S P Sharma, Chief Economist at spsharma@phdcci.in and Ms. Megha Kaul, Economist, megha@phdcci.in, PHD Chamber of Commerce & Industry.

Warm regards,

Dr. S P Sharma
Chief Economist

PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016
Ph.: + 91-11-26863801-04, 49545454
Fax: +91- 26855450, 49545451
Email: spsharma@phdcci.in
Website: www.phdcci.in

"We Walk Our Talk"

PHD CHAMBER OF COMMERCE AND INDUSTRY

PHD House, 4/2 SRI Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel.: +91-11-2686 3801-04, 49545454, 49545400
Fax: +91-11-2685 5450 • E-mail: research@phdcci.in • Website: www.phdcci.in, CIN: U74899DL1951GAP001947

Connect with us:



COPYRIGHT: All rights reserved. No part of this publication/Release may be reproduced, distributed, or transmitted in any form or by any means, without the prior written permission of the publisher. For permission requests, write to the publisher.

DISCLAIMER: This message and its attachments contain confidential information. If you are not the intended recipient, you are strictly prohibited to disclose, copy, distribute or take any action in reliance on the contents of this information. E-mail transmission cannot be guaranteed to be secure or error-free, as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this message, which arise as a result of e-mail transmission. If verification is required please request a hard-copy version.