

18 ECONOMY

BRIEFLY

Distribution business: NTPC, PGCIL ink MoU

New Delhi: State-run NTPC, and PGCIL have signed an agreement for setting up National Electricity Distribution Company Ltd (NEDCL) through a joint venture company on 50:50 equity basis. The main aim of the initiative undertaken by the state-owned behemoths is to enter electricity distribution business on a pan-India basis. **ENS**

FinMin issues clarification on DoE salary order

New Delhi: The finance ministry clarified on Saturday that an office order issued by Department of Expenditure on June 18 regarding disbursement of salary for June is applicable to only an attached office under the department and temporary in nature. The ministry cautioned general public not to circulate the order since it is confidential in nature and may attract punitive actions under applicable legal provisions. **PTI**

'Steel producers need to address consumer needs'

Guwahati: Stressing that the steel industry plays a key role in fostering socio-economic development of a country, Union Minister Fagga Singh Kulaste has said the manufacturing units should be able to understand and address all needs of the customers efficiently. Speaking here at an interactive programme organised by the Steel Authority of India Ltd, he said poor connectivity in the region has always been a major bottleneck for transportation of steel and iron products, but the northeast was working towards overcoming the challenge. **PTI**

DECISION TAKEN AFTER CONSULTATION WITH THE DGCA Indian carriers to avoid flying in affected areas of Iran airspace

ENSE ECONOMIC BUREAU
NEW DELHI, JUNE 22

FOLLOWING AN advisory by the US Federal Aviation Administration (FAA) on Friday prohibiting US-registered planes from flying over part of Iranian airspace, Indian carriers in consultation with the Directorate General of Civil Aviation (DGCA) have decided to avoid flying in the affected portions of the airspace.

Iranian Revolutionary Guard on Thursday shot down a US surveillance drone over the Strait of Hormuz adding to the tension between the two countries. "All Indian operators in consultation with DGCA have decided to avoid the affected part of Iranian Airspace to ensure safe travel for the passengers. They will re-route flights suitably," India's aviation safety regulator said in a tweet on Saturday.

Air India's Chairman and Managing Director Ashwani Lohani said that there will be no substantial effect of this on the flag-carrier's flights but the airline was assessing the rerouting of incoming flights.

An IndiGo spokesperson



The green highlighted area shows the portion of Iran airspace that airlines are avoiding. Source: Flightradar24

Friday said: "Gulf of Oman/Strait of Hormuz: A few Routes are affected by the FAA advisory."

"Alternate routes and adequate special safety measures and instructions to pilots have been implemented. The situation is constantly being monitored and measures will be taken if necessary. All GE flights are operating according to the planned schedule."

On Friday, the FAA restricted American operators to fly over the Strait of Hormuz and the Persian Gulf, following which US-based United Airlines cancelled its Mumbai-Newark service. The air-

line said it has suspended all of its India services till September 1. The carrier's flights to Delhi were already suspended due to restrictions in Pakistani airspace since February.

Various global airlines that overfly the Gulf region to fly either eastward or westward have also said they would reroute to avoid the tensed region.

These include Malaysian Airlines, Singapore Airlines, Lufthansa, KLM, British Airways, Qantas. Gulf-based carriers such as Abu Dhabi-based Etihad and Dubai-based Emirates have also

'Iran says its airspace is fully safe and secure'

Dubai: Iran's Civil Aviation Organization said on Saturday the country's airspace was safe for airlines to fly through, semi-official Tasnim news agency reported, amid heightened tension between Tehran and Washington. "Iran-controlled airspace over Persian Gulf and other flight routes are completely safe," Spokesman Reza Jafarzadeh, was quoted as saying. **REUTERS**

said they would reroute their flights to avoid possible areas of conflict.

There have been precedents where civilian flights have come under safety threat when flying over regions with ongoing geopolitical tensions.

The most recent case being shooting down of Malaysian Airlines flight MH17 using a surface-to-air missile over eastern Ukraine in 2014 at the height of the Crimean crisis.

'Capital outflows into commercial realty up 92%'

Capital investment in commercial real estate by Indian investors in overseas markets soared by 92 per cent to \$700 million between the first quarter of 2018 and the first quarter of 2019, as per a report by Knight Frank

HIKE RETURNS: Investors tapped the overseas market to diversify risk and increase their returns

TOP DESTINATIONS: The UK, the Netherlands, Germany, the US and Australia were top destinations for Indian capital investments

WHAT PROMPTS OUTFLOW: Geopolitical factors coming into play, prolonged global economic cycle and interest rate in late cycle investment are prompting cross-border capital flows

INDIA'S RANK: With investment of \$2.6 billion,



India stood 20th among the top capital importing countries globally, while China was at the sixth position with an investment of \$14.30 billion

\$2.6 bn the cross border investment into Indian commercial real estate sector during the period under review

US AT TOP: The US was the top capital importing country globally with an investment of \$80.89 billion and it also topped the list of capital exporting countries globally, with an investment of \$59.62 billion, followed by Canada (\$50.41 billion) and Germany (\$24.50 billion)

ASIA-PACIFIC: As per the report, Singapore overtook Hong Kong as Asia-Pacific's top source for outbound capital. Singapore has already invested more than \$4 billion in China, South Korea, the UK and Australia in January-March 2019, reflecting several landmark cross-border deals

Puri inaugurates central command centre for air traffic flow management

ENSE ECONOMIC BUREAU
NEW DELHI, JUNE 22

CIVIL AVIATION Minister Hardeep Singh Puri termed the Central Command Centre for Air Traffic Flow Management (ATFM) as "absolute necessity" for ensuring higher standards of safety while inaugurating it here on Saturday.

As major airports are facing capacity constraints, the central ATFM system is primarily meant to balance the "capacity against the demand to achieve optimum utilization" of "airport, airspace and aircraft", Airport Authority of India (AAI) said in a statement.

After the inauguration, the minister said, "This is a world class system where on one large screen you can see all the civil aviation infrastructure in the country. The planes on the ground, the planes which are in the air, those planes you are in touch with - all of it is integrated with the ATC (air traffic control)."

"It is an absolute necessity. It was a requirement. I am glad that this state of the art facility is now operational...But more than that, it will also help in ensuring higher standards of safety. That is most crucial," Puri said.

The minister said the defense forces will also use this system. "All platforms in the air, whether they are fixed wing or rotor craft, etc., are all part of this safety and integrated airflow management system," he added.



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HARDEEP SINGH PURI,
CIVIL AVIATION MINISTER

The central ATFM system integrates flight data from various subsystems like ATC Automation System, flight updates and flight update messages.

"The system also displays weather information along with static information about airports, airspaces and air routes. The system processes the demand and capacity information and provides decision-making tools to the ATFM Flow Manager for collaborative decision making and to ensure regulated flow of traffic at each airport in India," the AAI statement said.

After inauguration, AAI's Joint General Manager MK Nelli, who is in-charge of the ATFM command centre, told PTI. "This system helps us in collaborating actively in real time...We (aviation stakeholders) are all connected through various means of communications, through internet, through dedicated networks, so that all of us can access the same information

and everyone has the same visibility towards each other's resource requirements and resource availability.

"And then we manage to arrive at a solution. That solution then becomes - kind of - binding for all aviation stakeholders to follow...This centre works on this principle," Nelli added.

He said the central ATFM system has connected all airports in India.

"It has actively connected top 36 airports that are handling the traffic. These airports are physically connected to this network. The rest of the airports are connected through internet," he said.

Talking about the future, he said the system will look on how to deal with the rising demand for slots and other resources at various airports across the country.

"The principle is fair distribution of slots and other available resources to everyone," he said. **WITHPTI**

TRADE WAR

'Trump-China tariffs could cost billions for consumers'

REUTERS
WASHINGTON, JUNE 22

IF THE United States does impose tariffs on another \$300 billion worth of Chinese goods, it would cost US consumers \$12.2 billion more for apparel, footwear, toys and household appliances each year, the National Retail Federation (NRF) said on Friday.

The tariffs would result in consumers paying another \$4.4 billion on apparel, \$2.5 billion on footwear, \$3.7 billion for toys and \$1.6 billion for household appliances, the retail trade group said, based on a study it had commissioned.

"It would be impossible for all market participants in our industry to simultaneously move sourcing to other countries. The capacity does not exist," David French, NRF's senior vice president of government relations, said in a statement. "In the short term, retailers would be forced to continue to use Chinese suppliers and pass on higher costs to their customers."

Many retailers including JC Penney Co and Macy's Inc have opposed more tariffs on Chinese goods and warned of

EXPLAINED Market players find it tough to move sourcing to other countries

FOR MANY fashion brands and retailers in the US, China is the top supplier with no realistic options for other sourcing destinations that could replace it.

It would be tough for US market participants to move sourcing to other countries and in short term, retailers would be forced to continue to use Chinese suppliers and pass on higher costs to their customers.

higher prices for domestic consumers.

Separately, on Friday, the United States Fashion Industry Association (USFIA), which represents brands, retailers, importers and wholesalers based in the United States, estimated that additional tariffs on clothing and home textiles would cost American consumers \$4.9 billion per year.

"We can conservatively estimate an increase in retail prices for products still made in China...That means a family of four would pay an additional \$60 per year just on clothing," United States Fashion Industry

Association said. "The fact remains that for many (fashion brands and retailers), China remains the No. 1 supplier in the world, with no realistic options for other sourcing destinations that could replace China," the association added.

US President Donald Trump has threatened to extend tariffs on another \$300 billion worth of goods imported from China. Trump and Chinese President Xi Jinping are to meet on the sidelines of the Group of 20 meeting in Japan at the end of next week to discuss the trade issues.

SBI plans to tap Singapore SME biz

GURDIP SINGH
SINGAPORE, JUNE 22

THE STATE Bank of India is planning to expand its market in Singapore by enhancing its relationship across small and medium enterprises (SMEs) some of which have strong footholds across Asia Pacific.

Acknowledging the stiff competition from Financial Technology (FinTech) companies, the SBI is also contemplating introducing its YONO SBI app while having opened remittance services to all bank accounts through

eRemit and remittance kiosk channels in the city state.

"We are working on extending credit to Singapore-based SMEs, supporting their businesses both locally and regionally," said SBI Company Head Kishore Kumar Poludasu, who recently took charge of the bank in a marketplace with global trading and financial links. Singapore SMEs accounts for 65 per cent of employment and contributed SGD 196.8 billion or 49 per cent to the economy in 2017, according to the Department of Statistics here.

"We see the potential of further expanding our services to

SMEs," said Poludasu, anticipating SBI's growth in line with Singapore's expansion as an Asian financial hub. The SBI has served Singapore retail and corporate sectors as a qualified full bank since 2008. It has six branches and offering ATM services under ATM5 network across the island state and two remittance centers, especially serving the large pool of Indian workers at dormitories in the industrial sectors.

He also acknowledged stiff competition from FinTech but was quick to assure that banks, as leaders in financial markets, are adopting technologies at faster pace. **PTI**

Budget documents' printing begins with 'Halwa' ceremony

PRES TRUST OF INDIA
NEW DELHI, JUNE 22

FINANCE MINISTER Nirmala Sitharaman, Minister of State for Finance Anurag Thakur and senior officials of the ministry Saturday observed symbolic 'Halwa' ceremony to mark the launch of formal printing of documents relating to the Union Budget 2019-20.

The NDA government would on July 5 unveil the full Budget for 2019-20. On February 1, the government had presented an Interim Budget to take Parliament

nod for spending till the new government takes charge after polls.

Finance Secretary Subhash Chandra Garg, Revenue Secretary Ajay Bhusan Pandey, DIPAM Secretary Atanu Chakraborty and Financial Services Secretary Rajiv Kumar too attended the event.

"Halwa ceremony marking the commencement of Budget printing process for the General Budget 2019-20 was held in North Block here today afternoon in the august presence of the Union Minister of Finance & Corporate Affairs, Nirmala Sitharaman," a Finance Ministry statement said.

US blocks 5 Chinese tech firms on national security concerns

REUTERS
WASHINGTON, JUNE 22

THE US Commerce Department said on Friday it was adding several Chinese companies and a government-owned institute involved in supercomputing with military applications to its national security "entity list" that bars them from buying US parts and components without government approval.

The export restriction announcement adding the firms to what is effectively a trade blacklist is the latest effort by the Trump administration to restrict the ability of Chinese firms to gain access to US technology amid an ongoing trade war. The department said it was adding Sugon, the Wuxi Jiangnan Institute of Computing Technology, Higon, Chengdu Haiguang Integrated Circuit and Chengdu Haiguang Microelectronics Technology - along with numerous aliases of the five entities - to the list over

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concerns about military applications of the supercomputers they are developing.

Wuxi Jiangnan Institute of Computing Technology is owned by the 56th Research Institute of the General Staff of China's People's Liberation Army, the Commerce Department said, adding "its mission is to support China's military modernization."

China's state broadcaster, China Radio International, said in an editorial on Saturday that the move was one of a series of recent actions by the United States that violated the consensus reached by President Donald Trump and his Chinese counterpart Xi Jinping in Argentina last December.

In 2015, the Commerce Department added China's National University of Defense Technology (NUDT) to the list "be-

cause of its use of US-origin microchips, boards, and (co)processors to power supercomputers believed to support nuclear explosive simulation and military simulation activities." The Commerce Department said on Friday that since 2015 NUDT has procured items under the name Hunan Guofang Kei University using four separate, additional addresses not already on the entity list. The department said on Friday it is now adding Hunan Guofang and the four addresses to the list.

The companies "pose a significant risk of being or becoming involved in activities contrary to the national security and foreign policy interests of the United States," the Commerce Department said.

In May, Trump administration added China's Huawei Technologies Co Ltd to entity list.

Amazon gets patent to use drones for surveillance service

REUTERS
BENGALURU, JUNE 22

AMAZON.COM Inc is exploring using drones not just to deliver packages but also to provide surveillance as a service to its customers, according to a patent granted by the United States Patent and Trademark Office.

The delivery drones can be used to record video of consented user's property to gather data that can be analyzed to look out, say for example, a broken window, or a fire or if a garage door was left open during the day, the patent described.

According to the patent, the surveillance function of the drone can be limited through geo-fencing, a technology used to draw a virtual boundary around the property under surveillance.

Huawei files lawsuit against US Comm dept over seized equipment

REUTERS
WASHINGTON, JUNE 22

HUAWEI TECHNOLOGIES Co Inc filed a lawsuit against the US Commerce Department on Friday challenging whether telecommunications equipment sent from China to the United States, and then back to China, is covered by Export Administration Regulations, according to a court filing.

The lawsuit is the latest salvo in a battle between the US government and Huawei. Washington says the Chinese company's telecommunications gear could be used by Beijing to spy. Huawei denies that is the case.

In the lawsuit, Huawei said that it shipped telecommunications equipment from China, including a computer server and Ethernet switch, to a testing laboratory in California. After the testing was done, the equipment was

shipped back to China. No application for a license was made because none was needed, the lawsuit claims.

But the equipment was seized in Alaska by the US government, and no decision has been made about whether a license is required to ship it, the filing said.

"The equipment, to the best of HT USA's knowledge, remains in a bureaucratic limbo in an Alaskan warehouse," Huawei said in its lawsuit. The Commerce Department did not immediately respond to a request for comment.

Huawei contends that the equipment did not require a license because it did not fall into a controlled category and because it was made outside the United States and was being returned to the same country from which it came. Huawei asked for the equipment to be either released for shipment or for the Commerce Department to decide that it was shipped illegally.