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Newsletter

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EICC Wishes all its Members and Readers a Very Happy and Successful New Year 2019. Thank you to our readers and stakeholders for their invaluable support over the past 12 months, we really couldn't do what we do without you. Once again you have helped make EICC that it is, with your engagement with our stories – your suggestions, criticisms, wit and insight.

Europe India Chamber of Commerce (EICC), 69, Boulevard Louis Mettewie, (bte. 18), 1080 Brussels
Tel: +3224692677 Fax: +3224692677 Web: www.europeindia.eu E-mail: info@europeindia.eu
Editor: Secretary General

India to retain top position in remittances with $80 billion: World Bank

Over the last three years, India has registered a significant flow of remittances from USD 62.7 billion in 2016 to USD 65.3 billion 2017.

India will retain its position as the world's top recipient of remittances this year with its diaspora sending a whopping USD 80 billion back home, the World Bank said in a report Saturday.

India is followed by China (USD 67 billion), Mexico and the Philippines (USD 34 billion each) and Egypt (USD 26 billion), according to the global lender.

With this, India has retained its top spot on remittances, according to the latest edition of the World Bank's Migration and Development Brief.

The Bank estimates that officially-recorded remittances to developing countries will increase by 10.8 per cent to reach USD 528 billion in 2018. This new record level follows a robust growth of 7.8 per cent in 2017.

Global remittances, which include flows to high-income countries, are projected to grow by 10.3 per cent to USD 689 billion, it said.

Over the last three years, India has registered a significant flow of remittances from USD 62.7 billion in 2016 to USD 65.3 billion 2017. In 2017, remittances constituted 2.7 per cent of India's GDP, it said.

The Bank said remittances to South Asia are projected to increase by 13.5 per cent to USD 132 billion in 2018, a stronger pace than the 5.7 per cent growth seen in 2017.

The upsurge is driven by stronger economic conditions in advanced economies, particularly the US, and the increase in oil prices having a positive impact on outflows from some GCC countries such as the UAE which reported a 13 per cent growth in outflows for the first half of 2018.

Bangladesh and Pakistan both experienced strong upticks of 17.9 per cent and 6.2 per cent in 2018, respectively, the World Bank said.

For 2019, it is projected that remittances growth for the region will slow to 4.3 per cent due to a moderation of growth in advanced economies, lower migration to the GCC and the benefits from the oil price spurt dissipating.

The Gulf Cooperation Council (GCC) is a regional inter-governmental political and economic bloc of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE.

As global growth is projected to moderate, future remittances to low- and middle-income countries are expected to grow moderately by four per cent to reach USD 549 billion in 2019. Global remittances are expected to grow 3.7 per cent to USD 715 billion in 2019.

The Brief notes that the global average cost of sending USD 200 remains high at 6.9 per cent in the third quarter of 2018. Reducing remittance flows to three per cent by 2030 is a global target under Sustainable Development Goal (SDG) 10.7. Increasing the volume of remittances is also a global goal under the proposals for raising financing for the SDGs, it said.

"Even with technological advances, remittances fees remain too high, double the SDG target of 3 per cent. Opening up markets to competition and promoting the use of low-cost technologies will ease the burden on poorer customers," said Mahmoud Mohieldin, Senior Vice President for the 2030 Development Agenda, United Nations Relations, and Partnerships at the Bank.

The average cost of remitting in South Asia was the lowest at 5.4 per cent, while Sub-Saharan Africa continued to have the highest at 9 per cent.

No solutions are yet in sight for practices that drive up costs, such as de-risking action of banks, which lead to closure of bank accounts of remittance service providers.

Another persistent factor that keeps fees high is the exclusive partnership between national post office systems and any single money transfer operator, as it allows the operator to charge higher fees to poorer customers dependent on post offices, the Bank said.

"The future growth of remittances is vulnerable to lower oil prices, restrictive migration policies, and an overall moderation of economic growth.

"Remittances have a direct impact on alleviating poverty for many households, and the World Bank is well positioned to work with countries to facilitate remittance flows," said Michal Rutkowski, Senior Director of the Social Protection and Jobs Global Practice at the World Bank.

(Source: Zee News, New Delhi, 8/12/2018)

India pips China in FDI inflows for the first time in 20 years

India's FDI was the highest ever with 235 deals amounting to $37.76 billion this calendar year, according to data from Dealogic, a global M&A and capital markets data provider.

From Walmart to Schneider Electric and Unilever on the one side and TPG Capital or KKR on the other, a tide of global capital is flooding into India from strategic investors to financial sponsors and consequently changing the pecking order of mega M&A sweepstakes in the prized market of Asia.

For the first time in two decades, India has been getting more foreign investment than its neighbour China. In 2018, India saw more than $38 billion of inbound deals compared with China's $32 billion, buoyed by stable fundamentals, a bankruptcy code and fresh opportunities in sunrise sectors.

India's foreign direct investment (FDI) was the highest ever with 235 deals amounting to $37.76 billion this calendar year, according to data from Dealogic, a global M&A and capital markets data provider, beating China, which has historically been the favourite for emerging market bets. China's trade standoff with the US is seen as a major reason for the slowdown.

BIG TECH WAR

"India has had a busy M&A calendar in 2018 and we will continue to see good traction in inbound M&As," said Kalpana Morparia, chief executive for South and Southeast Asia at JP Morgan Chase & Co."Given India's demographics, the ecommercestory, the way India has leapfrogged the several stages oftechnologicalevolution,we expecta lot of activity in the technology and financial services space going forward."

Global investors typically focus on India despite short-term uncertainty over the political climate, be it state or federal elections, said Sonjoy Chatterjee, chairman, Goldman Sachs in India.

“The macro overlay is that conditions are stable when you look at the big barometers, whether it be inflation, fiscal deficit or growth,” he said. “Also, the current account deficit has moved around due to oil and the currency but seems to be settling back.”

Bankers from both these Wall Street bellwethers were involved in the biggest transaction of the year — Walmart’s $16 billion buyout of Flipkart. This may be a dominant theme in the foreseeable future asthe technology-driven consumer retail and financial services spaces are expected to see substantial M&A activity going ahead.

However, that will also depend on how the latest changes in the FDI policy on ecommerce play out.

Inbound interest will remain strong as India continues to be a critical growth market with its billion plus demographic advantage for investors from the US as well as China. Most expect the competition among Alibaba, Tencent and the FAANG (Facebook, Apple, Amazon, Netflix, Google) tech giants from Silicon Valley to intensify.

DISTRESSED ASSETS

Apart from ecommerce, another reason for inbound FDI was asset divestment, stemming from the new bankruptcy framework. Some of the crown jewels of Indian manufacturing, especially in steel, have been put on the block. As a result, foreign investors with deep pockets are deploying funds. In the past two years since the Insolvency and Bankruptcy Code (IBC) has been introduced, around 9,000 cases have come up for redressal, media reports show.

Of this, around a fourth were resolved before entering bankruptcy court, leading to a liquidity release of around `1.2 lakh crore, media reports show. This is where bankers see a huge opportunity — helping promoters seek investment from strategic and financial sponsors before a company is admitted for liquidation.

“The bigger opportunity I think is pre-IBC,” said Chandresh Ruparel, managing director, Rothschild & Co. “If you were to look at companies that are facing distress and are about to be admitted to IBC, that is the area of great activity. It is either the promoter that is looking at some sort of financing to stay out of IBC, you can look at the typical ARCs (asset reconstruction companies) or traditional distress funds to come in at this point.”

When capital is scarce, it plays to the strengths of special situation specialists, many of which have set up shop either on their own like

Brookfield, or in partnership with a local partner such as Aion or Bain Capital. With banks and other traditional lenders staying away, this has presented a big opportunity for structured credit in terms of buying out distressed loans and real estate financing.

“The need for capital for certain sectors in India is very large,” said Amit Dixit, senior MD, Blackstone Private Equity. “Most of this capital wouldn’t go in as common equity in a company but as structured credit or some other structured arrangement.”

Three years back, when local banks were active, the overseas ones found it difficult to be on top of the collateral structure. Those roles are fast reversing.

HEALTHCARE BECKONS

Traditional private equity players have also tweaked their growth-investment thesis to hew closer to their original credentials as takeover or buyout specialists, aiding industry consolidation such as that playing out in healthcare.

KKR-backed Radiant or TPGbacked Manipal are mopping up scattered, subscale assets to bulk up and take on global giants such as Malaysia's IHH Healthcare, which scooped up the biggest Indian hospital chain Fortis earlier this year.

However, IHH's plan to take a majority stake may have hit a roadblock thanks to a mid-December Supreme Court verdict.

"We love buying companies that are complex or misunderstood by the market," KKR's Henry Kravis told ET in a recent interaction. "We were trying to do a lot of minority deals very early on without having much say in them. They turned out to be mediocre. We realised we needed to either have controlling positions or significant minority to be able to drive changes."

To keep the momentum going, corporate captains and M&A dealmakers believe strengthening governance and an optimal capital structure need to be sustained.

Corporate families are looking to optimise portfolios and capital allocation for the India of the future which will be about scale and innovation.

The overall macro environment in the last three years has helped this shift but delayed resolution of headline cases such as Essar Steel, which drag on in the courts, may again spoil the party as India heads toward a national election.

(Source: Economic Times, New Delhi, 28/12/2018)

Union Cabinet approves pact between India and France in the field of energy efficiency

The Union Cabinet Thursday approves a pact between India and France in the field of energy efficiency and conservation. The Union Cabinet chaired by Prime Minister Narendra Modi has been apprised of Memorandum of Understanding (MoU) between India and France in the field of energy efficiency/energy conservation. The MoU was signed on October 17, 2018, an official statement said.

The pact involves knowledge exchange and cooperation in the nature of technical assistance only. The MoU is expected to take forward information exchange on policies, programmes and technologies relating to enhanced energy efficiency and demand side management. It will lead to awareness creation on energy efficiency. Development of tools for collection, use and analysis of CO2 emissions and GHG data for tracking global emissions for INDC. It will promote research and development and demonstration of energy efficient technologies. Development of sustainable mobility with specific focus on electric transport, it added.

(Source: PTI, New Delhi, 7/12/2018)

India eyes $100-bn FDI in next two years; plans industrial clusters for some countries: Suresh Prabhu

India would be happy to welcome firms from Europe and the US who want to move out of other countries and set up manufacturing bases in India, Prabhu said.

India will aim to receive USD 100 billion in foreign direct investments in the next two years and special industrial clusters are being created for countries like Japan, South Korea, China and Russia where their companies can invest and operate, Union Minister Suresh Prabhu said.

The commerce and industry minister said his ministry has also identified sectors and countries which holds huge potential for investments in India.

"I have given a target. USD 100 billion of FDI should come from different sectors into India. It will not happen in one year. We have identified companies, sectors and countries and now we are going for road shows to attract investors," Prabhu told PTI in an interview.

He said India would remain a top destination for foreign investors in 2019 and the ministry would look at all sectoral issues that may come come in the way to attracting overseas investments.

"For countries like Japan, South Korea, China and Russia, we are creating industrial clusters where they can invest and operate," Prabhu said.

The minister said China has agreed to set up industrial parks in India and the Chinese authorities have been asked to give a list of companies that are willing to set up factories in India.

Similarly, India would be happy to welcome firms from Europe and the US who want to move out of other countries and set up manufacturing bases in India, Prabhu said.

"We will be very happy to give them special status in India," he added.

The comments follow several steps taken during 2018 to further liberalise norms and improve business climate in India to attract greater FDI.

In the World bank's doing business report, India's rank has improved to 77th from 130th earlier.

Earlier this year in January, the government permitted foreign airlines to invest up to 49 per cent in debt-ridden Air India, and eased norms for investment in single brand retail, construction and power exchanges. Norms were also relaxed for medical devices and audit firms associated with companies receiving overseas funds.

The government permitted 100 per cent FDI under the automatic route for single brand retail trading and also in power exchanges that provide an online platform for trading in electricity. This was the second major liberalisation in FDI policy by the NDA government after major changes effected in June 2016.

Total FDI in India, including re-invested earnings, rose to USD 61.96 billion in 2017-18, from USD 60.22 billion in 2016-17. In April-June period of the current fiscal 2018-19, the country has attracted USD 16.86 billion of foreign investments.

Experts, however, said the government needs to focus on areas like infrastructure NSE 1.85 % modernisation and easing of procedures to attract global investors.

"Globally also, FDI inflows have cooled down. India needs to take steps in areas like infrastructure and procedural easing to further attract investments," Professor Biswajit Dhar of Jawaharlal Nehru University (JNU) said.

India mainly attracts investments from countries like Mauritius, Singapore, Japan, UK, the Netherlands, the US, Germany, Cyprus, France, and UAE.

The sectors that received maximum FDI during 2018 include services, computer hardware and software, construction development, trading, automobile, pharmaceuticals, chemicals, and power.

To attract overseas companies, several states such as Madhya Pradesh, Gujarat, Andhra Pradesh, Jharkhand, Uttar Pradesh and West Bengal are also organising investors' meet for their respective states.

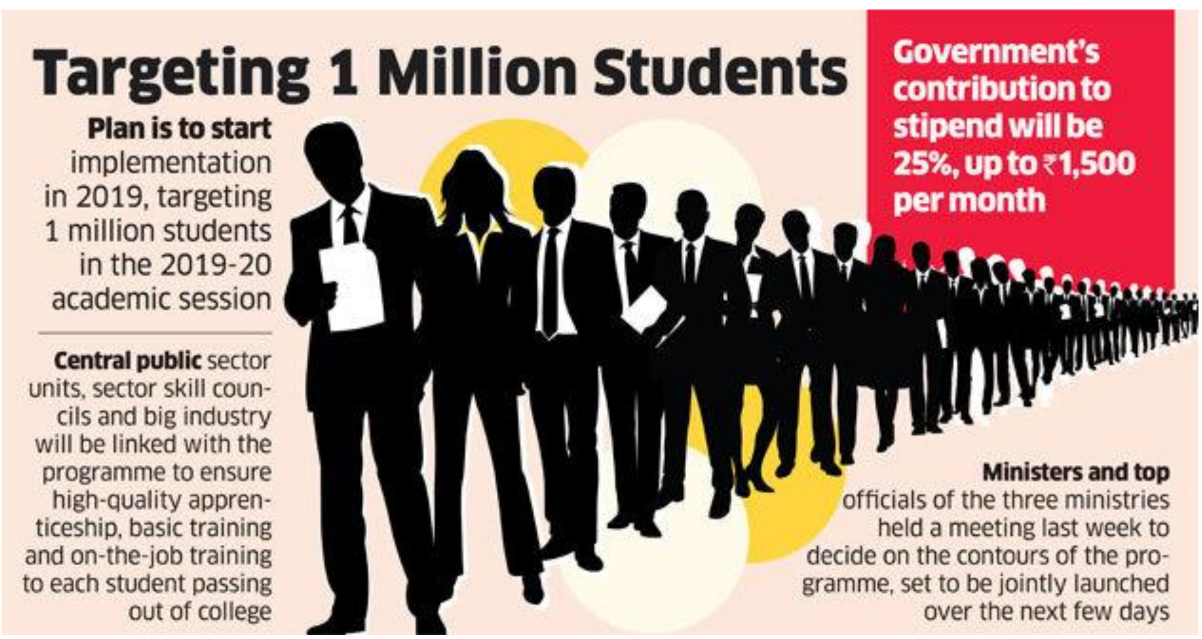
The commerce and industry ministry has also started ranking of states on their ease of doing business. In the last report, Andhra Pradesh topped the chart among all the states and union territories.

The ministry has now decided to help the states undertake a similar exercise for their respective districts.

(Source: Economic Times, New Delhi, 27/12/2019)

Modi govt about to roll out a mega jobs programme for undergraduates
With unemployment emerging as a major concern ahead of the Lok Sabha elections, three ministries — human resource development, labour and skill development — are set to join hands to train undergraduates and generate jobs for them, starting in 2019.

The Modi government is preparing to roll out a mega 'apprenticeship' programme, specifically targeting students of humanities and other nontechnical courses across private and government-funded higher education institutes, to make them more employable and help them get jobs when they graduate.



A six- to 10-month apprenticeship and on-the-job training with prospective employers, backed with stipends, will be arranged for students in the final year of their degree programmes, ET has learnt.

While technical courses tend to have a better linkage with industry and offer faster employment avenues to graduates, this doesn't always hold true for nontechnical degree holders. This segment constitutes a significantly high number of those without jobs because only a small percentage opts for post-graduation and further studies. Career counselling and relevant apprenticeship are envisaged as part of the plan to make them job-ready.

Central public sector units, sector skill councils a Central public sector units, sector skill councils and big industry will be linked with the programme to ensure high-quality apprenticeship, basic training and on-the-job training to each student passing out of college, ET has learnt.

Ministers and top officials of the three ministries held a meeting last week to decide on the contours of the programme, set to be jointly launched over the next few days.

The plan is to start implementation in 2019, targeting 1 million students in the 2019-20 academic session. The larger goal is to bring into effect a national 'integrated apprenticeship programme' to 'improve the employability' of over 8 million students passing out of degree programmes.

The Rs 10,000-crore corpus of the National Apprenticeship Promotion Scheme, which has remained largely unused so far, will be unlocked to help fund the stipend-based apprenticeship. The government's contribution to the stipend will be 25% of the stipend, up to Rs 1,500 per month, a person aware of the plan said.

There will be three key focus areas — adding apprenticeship-based, end-of-degree programmes and linking them with higher education institutes, restructuring the bachelor's in vocational courses programme to add the apprenticeship module and integrating all higher education institutes with the National Career Service portal.

The portal will be linked with the website of the Ministry of Skill Development and Entrepreneurship to create a seamless dashboard displaying student qualifications, eligibility, their apprenticeship and employment status and a waitlist that is updated when the graduates find employment.

(Source: Economic Times, 17/12/2018)

Modi's big Ease of Doing Business push: These changes in customs duty on cards to help importers, exporters

On November 19, Narendra Modi, while addressing India Inc, said that key reforms that are needed to push India into top 50 of the Ease of Doing Business ranking should be aimed for completion by December end.

On November 19, the prime minister, while addressing India Inc, said that key reforms that are needed to push India into top 50 of the EODB ranking should be aimed for completion by December end. A few days after Prime Minister Narendra Modi set the target of breaking into top 50 of the World Bank's Ease of Doing Business index by December end, the government is mulling changes in customs duty to help importers and exporters.

According to a report by ET Now, the government is looking to make several changes including the automated release of goods and doing away with face-to-face contact with customs officers and tax officials. These changes are likely to speed up the process of overseas trade.

On November 19, the prime minister, while addressing India Inc, said that key reforms that are needed to push India into top 50 of the EODB ranking should be aimed for completion by December end so that they can be taken by the World Bank for evaluation.

Narendra Modi said that it is necessary to reduce human intervention in processes and increase the use of modern and digital technologies. Continuing its huge success from 2017, India this year jumped 23 ranks to secure 77th rank on the Doing Business index. Last year, the country had leapfrogged 30 ranks to break into top 100 of the elite list for the first time.

This year, India's efforts towards reducing time and cost of trade by the electronic sealing of containers, upgrading of port infrastructure, and submission of electronic documents with digital signature won big for the country during the evaluation of the rankings. With 23 rank jump, India also emerged highest ranked economy in South Asia.

(Source: Financial Times, 4/12/2018)

Government seen going full throttle on labour reforms in 2019

The Centre will spare no effort to push through some key labour reforms in the new year and is expected to get Parliament's nod on at least two codes on wages as well as industrial relations before going to general elections.

The Centre will spare no effort to push through some key labour reforms in the new year and is expected to get Parliament's nod on at least two codes on wages as well as industrial relations before going to general elections. The labour ministry is already in the process of seeking the Union Cabinet's approval on amended wage code bill after its vetting by the parliamentary standing committee, so that it could be pushed for passage in Parliament. The Code on Wages Bill 2017 was introduced in the Lok Sabha on August 10, 2017 and thereafter referred to the standing committee.

Similarly, the Ministry of Labour and Employment is keen to push the passage of Code on Industrial Relations, in the run-up to the 2019 polls. The ministry, however, has decided to remove certain provisions in the bill, drawing flak from trade unions. In line with the recommendations of the Second National Commission on Labour, the ministry has taken steps for formulating four labour codes on wages; industrial relations; social security and welfare; and occupational safety, health and working conditions by amalgamating, simplifying, and rationalising the relevant provisions of the existing central labour laws.

"Keeping the social security and welfare aspects of workmen better and intact, we are working in the direction of bringing reforms in various labour laws with objective of ease of doing business in new future," Labour Minister Santosh Gangwar told PTI. The minister also said that the government has taken several new initiatives in the labour and employment sector this year. The ministry is also working on Code on Social Security & Welfare. A preliminary draft of the code was placed on the website of the ministry on March 16, 2017, inviting comments of the stakeholders/public.

After considering the comments of various stakeholders, the ministry sought comments on a revised draft Code on Social Security and Welfare, 2018 on March 1, 2018. After tripartite consultations with unions and employers, the ministry has circulated draft labour code on Social Security & Welfare Bill, 2018 for inter-ministerial consultation recently. The ministry had also sought comments on the Code on

Occupational Safety Health and Working Conditions on March 23, 2018. After tripartite consultations, the draft Occupational Safety, Health and Working Conditions Bill, 2018 has been circulated for inter-ministerial consultation recently.

Apart from this, the ministry is also pushing for subsidising paid maternity leave under a new scheme to encourage employers to employ women. The ministry had noted that the employment of women affected after increase paid maternity leave benefit. Maternity Benefit (Amendment) Act, 2017 — which came into force from April 1, 2017 — increased paid maternity leave from 12 weeks to 26 weeks and benefited 18 lakh women employees. In one of the initiatives, the ministry has proposed to bear seven weeks of salary to motivate employers. This policy will be finalised after approval by the competent forum. The labour ministry also got the Payment of Gratuity (Amendment) Bill, 2018 passed by Parliament this year which provides for hike in upper ceiling on tax free gratuity amount from Rs 10 lakh to Rs 20 lakh. The government also approved a Memorandum of Understanding (MoU) among Brazil, Russian Federation, India, China, South Africa, regarding Cooperation in the Social and Labour Sphere. The MoU was signed on August 3, 2018 during BRICS Labour and Employment Ministers (LEM) Meeting.

The pact provides a mechanism for cooperation, collaboration and maximum synergy amongst BRICS member countries with the common objective of inclusive growth and shared prosperity in the new industrial revolution. This would facilitate member countries to share knowledge and also implement joint programmes on matter of labour and employment, social security and social dialogue. Another Memorandum of Understanding (MoU) was signed between India and Italy for training and education in the fields of labour and employment. The ministry also included the category of 'Fixed Term Employment Workman' for all sectors in the Industrial Employment (Standing Orders) Act, 1946 and rules made there this year.

The objective of fixed term employment on one hand is to provide flexibility to the employers in order to meet the challenges of globalisation, new practices and methods of doing businesses while on the other, this would be beneficial for workers as it gives the 'FTE Workman' the same statutory benefits as that of regular workers in a proportionate manner. This would also substantially decrease exploitation of contract workers as the employer would directly hire the worker without any mediator in the form of contract for a fixed term.

Considering the change in employment pattern and the current scenario of employment in India which has transformed from a long-term employment to short-term engagement in form of contract and tempting, the ESI Corporation has approved a Scheme named "ATAL BIMIT VYAKTI KALYAN YOJANA" for insured persons covered under the ESI Act, 1948. This scheme is a relief payable in cash directly to insured persons' bank accounts in case of unemployment and while they search for new engagement.

(Source: PTI, 30/12/2018)

UK, India ties moved forward smoothly in 2018

LONDON: The UK and India pledged to work closely post-Brexit as the bilateral ties moved forward smoothly in 2018, a year in which India scored a major diplomatic victory when a British court ordered the extradition of liquor baron Vijay Mallya wanted back home for alleged bank fraud.

The year 2018 was important one for India-UK ties, with Britain playing host to the Commonwealth Heads of Government Meeting (CHOGM) in April and Prime Minister Narendra Modi attending the summit.

Modi's visit to the UK included bilateral talks with his British counterpart Theresa May, with senior diplomats keen to highlight that the prime minister was accorded special treatment on the sidelines of the summit, including an audience with Queen Elizabeth II.

The visit marked the signing of the UK-India Tech Partnership, which played out through the course of the year to culminate in the first India-UK FutureTech Festival in Delhi, Mumbai and Bangalore in December.

The UK Foreign and Commonwealth Office (FCO) said the year 2018 saw the UK "prioritise" this partnership, as a mark of strength of two countries which share a relationship of "unique depth".

"This is a unique opportunity for us to connect our tech strengths, ecosystems and growth, and will see real developments in the coming year," a FCO spokesperson said.

"We will continue to work closely together to ensure our relationship goes from strength to strength in 2019 and beyond," the spokesperson said.

There is no doubt that the UK's tumultuous exit negotiations with the EU monopolised most of the country's focus, but India's stand on Brexit remained consistent as Ruchi Ghanashyam took over from retired diplomat Y K Sinha as the Indian High Commissioner to the UK.

"The India-UK partnership is very old; it has stood the test of time and whatever happens to this Brexit process, whichever way it turns out, I have absolutely no doubt in my mind that India and UK will remain important partners," Ghanashyam declared in her very first address in London in November.

She arrived just as May's own troubles over Brexit intensified, leading to a no-confidence vote in her leadership over the Withdrawal Agreement struck with the EU. With March 29, 2019, ear-marked as the formal Brexit Day, the UK remains on a countdown to strike a deal that ensures an orderly exit from the European economic bloc.

Some prominent Indian-origin MPs from her Conservative Party have joined in the Brexit rebellion throughout the year, with Shailesh Vara stepping down as Northern Ireland minister over a controversial Irish "backstop", which critics feel would keep the UK tied to EU rules even after Brexit.

While May became accustomed to dealing with high-profile ministerial resignations over Brexit, including vocal Brexiteer Boris Johnson resigning as foreign secretary and two of her Brexit secretaries – David Davis and Dominic Raab – leaving in a huff, the 2018 will stand out as the year that she seemed to keep bouncing back, even surviving an attempted coup.

In a major boost to India's efforts to bring back Mallya, Westminster Magistrates' Court ordered his extradition. He is wanted in India for alleged bank fraud and money laundering amounting to an estimated Rs 9,000 crore.

There were enough celebrations to distract from the Brexit upheavals, as Prince Harry tied the knot with his American actress fiancee, Meghan Markle, in a grand ceremony at Windsor Castle in May.

Mumbai-based Myna Mahila Foundation was among the six charities shortlisted by the royal couple to receive donations in lieu of their wedding presents.

Harry and Meghan are now expecting their first baby in Spring 2019 and have chosen Frogmore Cottage, near Windsor Castle, as their family home. The cottage has a curious British Raj era history, being the former home of Abdul Karim – Queen Victoria's Indian aide and confidant when she was the Empress of India.

The cottage, which is undergoing a multi-million-pound refit, is likely to become part of the royal trail for Indian tourists visiting the UK over time.

The number of Indian tourists continued to rise, with the latest UK Office of National Statistics figures noting that Indians marked the largest visitor visa increase of all countries, at 41,224, to hit a total of 468,923 over the past year.

Skilled Indian professionals and students also registered a hike in the number of UK visas issued, a trend likely to continue as the UK is set for a revamp of its immigration policy to end free movement of people from within the EU following Brexit.

Immigration issues dominated the headlines, with the Home Office embroiled in the Windrush scandal involving Commonwealth citizens being denied settlement rights in the country due to the lack of documentation because they arrived in the UK before rules changed in 1971.

While the majority of those affected were from Caribbean countries, Indians were also among them. As many as 102 Indians were identified by a new Taskforce set up to deal with the crisis by UK home secretary Sajid Javid – who became the senior-most British Pakistani in government when he replaced Amber Rudd, who was forced to resign over the scandal.

Javid will remain in focus as India's high-profile extradition request for Mallya sits on his desk for a sign-off following Chief Magistrate Emma Arbuthnot ordering his extradition on December 10. It marked a major turning point in the case.

As there is a right of appeal against the decision in higher courts, Mallya's extradition case will continue to play out well into 2019.

(Source: Economic Times, 24/12/2018)

UK to leapfrog rival France to become 6th biggest economy in the year after Brexit

A report found that post-Brexit Britain's GDP will still top France’s in the 2020s even if Scotland votes for independence — as it contributes a mere 7.7 per cent to UK output.

The prediction comes in the annual World Economic Rankings from the Centre for Economics and Business Research (CEBR).

It warns that the chronic uncertainty caused by the Brexit talks will see the UK fall below both France and India to 7thin the world in 2019.

But it will bounce back to 6th from 2020 onwards “as the economy takes advantage of new opportunities emerging from Brexit”.

The report points out that the UK is the leading centre for creative and digital sectors, and the main financial sector in the European timezone.

France remains saddled with high debt, high taxes and a “rigid” labour market.

The CEBR said both Scotland and Northern Ireland could leave the UK but the rest of country would be larger by France by 2026, -remaining sixth behind the US, China, Japan, Germany and India.

Douglas McWilliams, CEBR chief, said: “If the UK manages to withstand Brexit it looks likely to regain its standing in the world’s six top economies in 2020

"And it will sustain this position for the foreseeable future."

Ex-Tory party leader Iain Duncan Smith said the report proved Britain's potential outside the EU – where it can begin to try and strike trade deals with the rest of the world.

He told The Sun: "This shows Project Fear and the Bank of England and the Treasury are wrong.
"Our future has not yet been written and it will be written by the great British public and not Remoaners and doomsayers."

The annual World Economic League Table also highlights how Asian economies will replace traditional European powers over the next 15 years.

China will replace the US as the world's biggest economy in 2033.

And by then India will be the third biggest economic power on the planet.

Meanwhile Italy will drop out of the ten largest economies by 2026 and fall to 13thby 2033.

And Mexico will overtake Spain to become the largest Spanish speaking economy in 2031.

In a sign of Europe's falling fortunes, Italy will drop out of the ten largest economies by 2026 and fall to 13thin 2033.

Mexico will overtake Spain to become the largest Spanish-speaking economy in 2031.

Weakening oil prices will see Saudi Arabia fall out of the world's 20 largest economies by 2028.

The World Economic League Table (WELT) tracks the size of different economies across the globe over the next 15 years.

(Source: The Sun, 26/12/2018)
