

Daily Economic News Summary: 11 September 2018

1. India Wants Trade Deal With US: Donald Trump

Source: The Economic Times ([Link](#))

President Donald Trump has said India wants a trade deal with the US despite the tough stance taken by his administration on the issue. Trump wants to stop the subsidies that growing economies like India and China have been receiving as he wants the US, which he considers as a developing nation, to grow faster than any other nation. "Frankly, I'll tell you, India called us the other day. They said they would like to start doing a trade deal, first time," Trump said without mentioning who called up whom.

2. India Pips Japan In GDP Based On Purchasing Power Parity

Source: Business Today ([Link](#))

India has overtaken Japan to hold the second largest regional share of Asia and Pacific region's GDP, based on purchasing power parity, with the country's share going up from 14.6 per cent in 2000 to 17.3 per cent in 2017, an Asian Development Bank (ADB) report said on 10 September. China accounted for 42.7 per cent of the region's total output at purchasing power parity (PPP) in 2017 compared to 25.1 per cent in 2000. India held the next largest regional share of GDP at PPP in 2017 at 17.3 per cent during the year, up from 14.6 per cent in 2000.

3. India-US 2+2 Dialogue: Trade Deal Conversations Between New Delhi, Washington At Beginning Stages, Says White House Official

Source: Financial Express ([Link](#))

Negotiations for better trade deals between the US and India that meet the needs of both the countries are at the beginning stages, a senior White House official said on 10 September. "I know that a number of administration officials just recently came back from India. They expressed their willingness to negotiate new and better trade deals, and those conversations are at the beginning stages," White House Press Secretary Sarah Sanders told reporters at her daily news conference. The conversation between the leadership of the two countries was how can they grow their trade relationship in a fair and reciprocal manner, she told reporters during a separate conference call.

Tariffs and non-tariff barriers, she said, have been the subject of long-standing concern. But we're working with the government of India to address these market access challenge issues, she said.

4. India Tells US It Won't Accept Caps On Steel, Aluminium Exports

Source: Livemint ([Link](#))

India has turned down a Donald Trump administration offer to waive tariff hikes on steel and aluminium in exchange for India capping exports of these items at 70% of its total exports to the US last year. India has maintained that exports of these items to the US form a minuscule portion of total imports by the US and no quantitative quota should be put in place. "We have made it clear that we will not accept any caps on India's steel and aluminium exports to the US," a senior government official said on condition of anonymity. India has claimed that steel and aluminium exports worth \$1.2 billion to the US have been impacted after the tariff hike in March, with the US collecting additional revenue worth \$241 million.

5. India's Growing Economy Attracts GCC Investment

Source: Saudi Gazette ([Link](#))

Indian economy, which registered 8.2 percent growth in the first quarter of 2018-19 fiscal year – the highest in recent history is expected to attract large-scale investment from the GCC to India, following the recent announcement of the development of a \$44 billion oil refinery to be built by Abu Dhabi National Oil Company (ADNOC), Saudi Aramco and Indian counterparts. The announcement comes a few months after Emirates Group announced a \$4.23 billion (INR300 billion) aircraft maintenance, repair and overhaul (MRO) project in Andhra Pradesh in February this year. Although these projects will take years to take shape, they reflect a growing investment appetite by Gulf investors in to India's growing economy

6. Modi, Hasina Launch Railway, Power Projects

Source: Livemint ([Link](#))

India on 10 September cemented its credentials as a key development partner of Bangladesh with Prime Minister Narendra Modi and his counterpart Sheikh Hasina jointly inaugurating two railway projects and a power link through which New Delhi would export an additional 500 megawatts (MW) of power to Dhaka. The inauguration of the three projects was done via video conference

with Tripura chief minister Biplab Kumar Deb and West Bengal chief minister Mamata Banerjee joining in.

7. India Is The Brightest Spot For Steel Sector Till 2019: Moody's

Source: The Hindu, Business Line ([Link](#))

India will be the brightest spot for the steel sector over the next 12-18 months, according to Moody's Investors Service. A Moody's statement said India's steel consumption is rising at least 5.5 per cent to 6 per cent every year, tracking strong GDP growth of 7.3 per cent to 7.5 per cent. "Rated Indian steel producers have marginal exposure to the US. We estimate that their indirect exposure may also be limited, given most of their sales are to domestic automotive and manufacturing companies," the statement said. Tata Steel's acquisition of Bhushan Steel Ltd will underpin the increase in Tata's steel shipments by over a third. "We expect a mid-single-digit increase in EBITDA per tonne for Tata Steel's Indian operations over the next 12 months. Moreover, Tata Steel's backward integration in iron ore and coking coal augurs well in times of rising input prices," the Moody's statement said.

8. Modi Government Plans 'Smart' Move In Its War On Black Money

Source: The Economic Times ([Link](#))

The Narendra Modi government has found a smart way to tackle the problem of shell companies — geo-tagging. The Ministry of Corporate Affairs (MCA) might ask companies to geo-tag the location of their registered offices in the statutory filings with the RoC, Mint reported. Geo-tagging will help the government identify cases in which one building houses hundreds of shell companies. The Special Investigation Team on black money headed by retired Supreme Court judge MB Shah had asked the government in 2015 to ensure greater vigilance on multiple companies having the same address and directors. "Use of shell companies to provide accommodation entries to launder black money has been observed in a number of high-profile cases investigated or under investigation in the recent past," the SIT said in a report.

9. Finmin Rules Out Excise Relief On Petrol, Diesel

Source: The Hindu, Business Line ([Link](#))

With the Finance Ministry ruling out any reduction in Central excise duties on petrol and diesel and also indicating that bringing them under Goods and Services Tax (GST) may not be feasible, it is now left to the States to ease the pricing pressure on consumers. “Our ability to give relief depends upon our strength (of revenue collection),” a top Finance Ministry official said. He explained that once tax revenue from direct taxes (income tax) and non-oil indirect taxes go up, there will be a possibility of cutting taxes on oil. “Our aim should be to raise non-oil tax to GDP ratio by 1.5 per cent in the next 5-6 years,” he said, adding such a trend will lower the dependence on tax revenue from oil.

10. Iraq Replaces Saudi Arab As Top Oil Supplier To India In August; Iran Remains Third-Biggest Seller Despite Heavy Cuts

Source: Firstpost ([Link](#))

Iraq replaced Saudi Arabia in August as the top oil supplier to India, data from industry and shipping sources showed, as refiners turned to Iraqi barrels to compensate for a lower intake of Iranian oil ahead of US sanctions in November. The United States is reimposing sanctions on Iran following Washington's decision in May to withdraw from a 2015 international deal aimed at curbing Tehran's nuclear programme. While some sanctions were implemented from 6 August, those affecting Iran's petroleum sector take effect only from 4 November. Imports of Iranian oil by India, Tehran's top oil client after China, fell by about a third to about 523,000 bpd in August from July as state-refiners slowed purchases due to a delay in securing government approval to use Iranian ships.

11. India's Share In Asia-Pacific GDP Rises To 17.3% In 2017: ADB

Source: The Hindu, Business Line ([Link](#))

India's share in the GDP of Asia and Pacific region has increased to 17.3 per cent in 2017 from 14.6 per cent in 2000. As per the ADB's report on 'Key indicators for Asia and the Pacific 2018', the Asia and Pacific region accounts for more than two-fifths of the share of global GDP in PPP (purchasing power parity) terms. Asia and the Pacific region's growing share of global output, which increased from 30.1 per cent to 42.6 per cent, came at the expense of the global shares of

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North America, Europe, South America, and the rest of the world, which declined by 6.8, 4.7, 1.3, and 0.3 percentage points, respectively. The report said the three largest economies in Asia and the Pacific — People's Republic of China, India, and Japan accounted for more than 70 per cent of the region's GDP in terms of PPP in 2017 from about 63 per cent in 2000.