

Daily Economic News Summary: 13 September 2018

1. India's Trade Deficit At \$17.4 Billion In August As Imports, Exports Rise

Source: Livemint ([Link](#))

India's exports grew 19.21% to \$27.84 billion in August due to healthy performance by sectors such as petroleum. "Export trade during August 2018 recorded at \$27.84 billion, a positive growth of 19.21%. Exports excluding petroleum also reported a positive growth of 17.43%," Commerce and Industry Minister Suresh Prabhu said in a tweet. Merchandise imports, too, rose 25.41% to \$45.24 billion last month due to rising crude oil prices, leaving a trade deficit of \$17.4 billion. In July, trade deficit soared to a near five-year high of \$18.02 billion.

2. Free Trade Agreement With US Unlikely, Talks Part Of 'Trade Package'

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

India is discussing its bilateral trade issues with the US as part of a 'trade package' of mutual concerns and no separate trade agreement is being thought of, commerce department officials told ET. US President Donald Trump earlier this week said India is keen on a 'trade deal' while early this year, US ambassador to India Kenneth Juster had called for an eventual free trade agreement between the world's two largest democracies. A trade pact is unlikely to benefit India as tariffs on most goods are already low in the US, not leaving much scope for further reduction, officials said. Moreover, the US has been tightening non-immigrant visa norms, which is India's key interest area.

3. G20 Talks: India Wary Of Proposals To Lower Tariffs Under Garb Of Promoting Value Chains

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

India will watch out for proposals by the developed world to bring down tariffs on specific industrial goods under the garb of promoting global value chains and the fourth industrial revolution at the G-20 Ministerial meeting this week. "The G-20 platform is increasingly being used by powerful countries as a launch-pad for proposals which they then push at the World Trade Organisation. This time the focus areas are global value chain and fourth industrial revolution. India will be careful about what it supports," a government official told *BusinessLine*.

4. Govt Approves 100% Electrification Of Railways By 2021-22

Source: Livemint ([Link](#))

The Union cabinet on 11 September approved a proposal for the complete electrification of Indian Railways in the next four years, reducing dependence on imported fossil fuel and saving revenue for the national carrier. The move will cost the government ₹12,134 crore, rail minister Piyush Goyal said after a meeting of the Cabinet Committee on Economic Affairs (CCEA). Indian Railways had moved the cabinet to electrify 108 sections of the railways covering 13,675 route kilometers of tracks. The government backed the proposal saying it will help the carrier save ₹13,510 crore per annum in fuel costs. Besides, complete electrification of broad gauge routes will have a significant impact on safety, capacity and speed.

5. US Tightens Two Norms On Import Of Shrimps

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

The United States has tightened two norms related to its shrimp imports that could hurt India's shipments even as New Delhi and Washington try to iron out their trade issues. The US wants all fishing nets and vessels to have turtle excluding device (TED) so as to conserve turtles and also wants traceability information on imported seafood to prevent any illegal, unreported and unregulated fishing. India's seafood export rose 22% on year to \$7.1 billion in 2017-18 with frozen shrimp and frozen fish being the prime items. Of this, almost \$2.3 billion or 33% of the exports were to the US. Frozen shrimp was 95% of this in value terms. However, meeting these requirements will not be a tall task though they would incur some additional cost, as per the official.

6. Sugar Output May Fall Marginally As Govt Hikes Procurement Price Of Ethanol

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

India's sugar production in the coming 2018-19 season, which starts next month, is likely to be 0.7-0.8 million tonnes less than its estimated total, because of government's recent decision to incentivise the production of ethanol from intermediary molasses and sugarcane juice. Though the drop compared to the estimated 35.5 million tonnes of sugar production looks miniscule, industry players say this is just the beginning and more quantities would get diverted over the years as mills

add new production capacities. This industry players said could take long time to yield result on ground as presently no mill in India buys sugarcane just for making ethanol.

7. Border Trade Boost To BTAD

Source: The Telegraph ([Link](#))

Trade relations between India and Bhutan got a big push on 12 September with the opening of a border trade centre by Assam chief minister Sarbananda Sonowal in this town in Baksa district. An industries and commerce department official said Indian investment in Bhutan is the highest among all nations and there is still huge scope to give it impetus. The border trade centre is a right initiative in that respect, the official said. The Centre had released Rs 14 crore for the centre and work completed last year.

8. Uttar Pradesh Becomes 1st State To Make RFID Tag Must For E-Way Bill

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

Uttar Pradesh has made it mandatory for vehicles operating in the state to use the radio frequency identification device (RFID) tag along with e-way bill from November 1. Though the e-way rules require the use of RFID tag, no other state has made it mandatory since the rollout of the e-way bill in April. E-way rules mandate that a vehicle carrying goods worth over Rs 50,000 must furnish the details electronically on the common portal and generate e-way bill. The portal captures the details of supplier, recipient and the value of goods transacted, which provides the tax department with an anti-evasion tool, especially for monitoring business-to-consumer (B2C) traders.

9. Modi's Big Boost To Farmers: List Of Key Pro-Farmer Decisions Taken By Cabinet Today

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

In a major boost to pro-farmer initiatives, Union Cabinet meeting chaired by Prime Minister Narendra Modi on 12 September took a number of decisions for welfare of farming community. The cabinet approved a new procurement policy on 12 September that compensates oilseeds farmers if rates fall below the minimum support price (MSP) and also allows private companies for procurement. Under the new policy 'Annadata Maulya Samrakshana Yojana', the

state governments will be given an option to select from the multiple schemes to safeguard farmers when prices fall below the MSP.

10. China's Interest In Buying Soyabean From Maharashtra To Benefit Farmers

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

China has shown interest in buying soyabean de-oiled cake produced in Maharashtra and the initiative is likely to help fetch higher prices for the crop than the minimum guaranteed price, an official has said. China's Consul General Tang Gochai, during a meeting with Maharashtra Chief Minister Devendra Fadnavis here Monday night, said his country is looking forward to import agricultural products from the state and also invest in the sector, according to an official release. Fadnavis said an independent officer would be appointed to develop more communication on this with China. Keeping in mind the interest of soyabean cultivators, the Centre has announced a 10 per cent export promotional incentive (subsidy) as well