

<b>Daily Economic News Summary: 15 May 2019</b>
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**1. WTO Meeting Ends With Demand For Breaking Dispute Settlement System Logjam**

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

India, along with 16 other key World Trade Organization (WTO) economies, on 14 May called for the urgent appointment of judges to the appellate body of the WTO. The issue threatens to derail dispute settlement between nations. The mini-ministerial held by India also saw nations commit to multilateralism, and bat for special trade rule provisions for developing and least developed countries (LDCs), that have been under attack from richer nations.

**2. India To Decide On Resuming Iranian Oil Buy After Lok Sabha Polls: Report**

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

India told Iran on 14 May it will decide on its oil imports after elections end this month, in line with its economic interests, a government source said. Iran's Foreign Minister Javad Zarif held talks on the issue with Sushma Swaraj during a visit to New Delhi. India has suspended imports of Iranian oil from May because of renewed US sanctions on Iran. "On purchase of oil from Iran, EAM (External Affairs Minister) reiterated the position that a decision will be taken after the elections keeping in mind our commercial considerations, energy security and economic interests," a government source said.

**3. India Again Postpones Retaliatory Tariff Deadline On US Products To June 16**

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

The government on 14 May again extended its deadline to impose retaliatory import duties on 29 US products, including almond, walnut and pulses, till June 16. A notification of the finance ministry said that implementation of increased customs duty on specified imports originating in the US has been postponed from May 16 to June 16 this year. These deadlines were extended several times since June 2018, when India decided to impose these duties in retaliation to a move by the US to impose high customs duties on certain steel and aluminium products.

#### **4. Crude From Mongolia? Funded By India, Mongolia's First Ever Grass Root Refinery To Come Up In Sainshand, Dornogobi Province**

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

First ever grass root refinery in Sainshand, Dornogobi Province, in Mongolia is being set up for a capacity of 1.5 Million Metric Tonnes Per Annum (MMTPA), which will be implemented with the funding from Exim Bank of India under \$ one billion Line of Credit (LOC). This refinery project would have 65% Indian content and 35% content would be foreign, including Mongolian. New Delhi is also expected to take a decision on enhanced funding shortly as requested by Mongolia. The government of that country has requested India to consider allocating additional funds after examination and analysis of the Detailed Feasibility Study (DFS). Based on the timelines projected, the refinery is likely to become fully operational by mid- 2023.

#### **5. Japan Takes India To Wto Over Mobile Phone Import Duties**

**source: Financial Express ([Link](#))**

Japan has complained at the World Trade Organization about India's duties on mobile phones, base stations and routers, and the circuit boards and other components that go into them, a WTO filing showed on 14 May. Japan's complaint, the first step in a legal dispute, said India had sought to foster domestic production by adjusting various taxes including customs duties, especially since it launched the "Make in India" campaign in September 2014. Some of the tariffs on goods of substantial interest to Japan were now "clearly in excess" of the rates allowed by the WTO, Japan said.

#### **6. India-China Joint Group On Energy May Meet Shortly**

**Source: Livemint ([Link](#))**

India and China are set to roll out a buyers' bloc to bargain collectively for crude oil purchases as US sanctions on Iran threatens to inflate oil bills. The two countries are finalising the 'time schedule' and 'detailed agenda' for the first meeting of a joint working group (JWG) on energy, said a government official, requesting anonymity. The group will not only discuss oil purchases, but will also extend to liquefied natural gas (LNG), including cargo swap options for gas. The potential tie-up, which is expected to have a major bearing on the global energy architecture, will also see the two countries look at alternative fuels such as shale oil and gas, and gas hydrates, said the official cited above.

## **7. WTO, Members Differ On Resolution Of Impasse Over Special Treatment**

**Source: Livemint ([Link](#))**

The developing countries and the World Trade Organization (WTO) Secretariat differed on the way the current impasse over the special and differential (S&D) treatment should be resolved, at an informal two-day meeting of a select group of trade ministers in Delhi on 13-14 May. The different proposals indicated a widening of the gulf between the developing countries and the Secretariat. The S&D status available to developing and least developed countries (LDCs) gives them more time for implementing multilateral trading rules and commitments. As many as 17 of the 22 members present at the meeting of trade ministers and senior officials of developing countries and LDCs organized to find common ground on issues of concern brought out a Delhi Declaration insisting on safeguarding S&D provisions. Five members—Kazakhstan, Turkey, Argentina, Brazil and Guatemala—did not sign the joint statement but did not specify the reason for this.

## **8. India Pharma Majors Dr Reddy's, Wockhardt, And Others Deny Allegations Of Conspiracy To Fix Prices In US**

**Source: Firstpost ([Link](#))**

Indian pharma majors Dr Reddy's, Wockhardt, Aurobindo, and Glenmark, which are among the generic drug makers named in an anti-trust lawsuit in the US on 14 May denied allegations of engaging in a conspiracy to fix prices. The companies have been accused of violating antitrust laws by fixing prices and allocating customers. In separate clarifications to stock exchanges, the companies denied the accusations and stated they would defend themselves in the matter. Dr Reddy's said, "We intend to vigorously defend against these allegations and are in the process of filing our response with the District Court of Connecticut."

## **9. India Will Soon Have To Decide On Sharing Daily US Dollar-Rupee Rate With Overseas Exchanges**

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

India will soon have to take a call on whether to officially share the US dollar-rupee reference rate with overseas exchanges, fund houses, corporates and banks. The benchmark rate is used to settle millions of trades and currency derivative contracts in India and abroad. Financial Benchmark India Pvt Ltd (FBIL), mandated by the Reserve Bank of India, is the independent benchmark administrator for interest and foreign exchange rates. The agency authorised to set

the benchmark exchange rate has recently started announcing the rate with a day's lag – allowing only registered users to access information on the same day.