

## Daily Economic News Summary: 17 June 2019

### **1. PM Modi Lays Down 2024 Vision During NITI Aayog Meeting, Says Making India \$5 Trillion Economy Challenging But Achievable**

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

Prime Minister Narendra Modi on 15 June announced formation of a high-powered task force to suggest structural reforms to boost farm productivity and marketing of the produce to boost farmers' income. "There is a need to boost corporate investment, strengthen logistics and provide ample market support," Modi said, addressing the fifth Governing Council of the NITI Aayog. Modi is the chairperson of the think-tank's governing council, with all chief ministers as its members, among others. He said the Centre and states should work together to promote exports to boost income and employment in the country.

### **2. US-China Trade War: India Sees Export Boost In 354 Items**

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

The trade war between the US and China has opened a window of opportunity for India to record additional exports in case of at least 354 items ranging from capital goods to base metals worth billions of dollars, according to a new commerce ministry study. Of the 774 American tariff lines (items) on which China has imposed extra duties, India can ship out more and replace the US, especially in 151 items, the study suggests. In these 774 items, China's imports from the US stand at an annual \$20.4 billion. However, while India exports these items worth \$32.8 billion to the world, it ships out only \$2.9 billion to China. This means there is a huge scope for India to replace the US. However, as has been pointed out by analysts, benefits to India are contingent on greater competitiveness as well as its ability to scale up production to meet higher demand.

### **3. ADB Approves Rs 1,650 cr Infrastructure Projects In Tripura**

**Source: Money Control ([Link](#))**

The Asian Development Bank (ADB) has approved a project worth Rs 1,650 crore to develop infrastructure in seven district headquarter towns of Tripura, a senior official has said. The ADB will provide Rs 1,650 crore, out of which 80 per cent will be grant-in-aid and the state will have to repay 20 per cent loan in due course of time, he said. Such an ADB-assisted ambitious

infrastructure development project, first of its kind in Tripura, is expected to modernize all the district headquarter towns and boost tourism and trade prospects in the future to realise the vision of Chief Minister Biplab Kumar Deb of transforming Tripura into a model state," the official told reporters on 16 June.

#### **4. India Imposes Higher Retaliatory Tariffs On 28 US Goods; Mike Pompeo Says Open To Resolving Trade Differences**

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

India will impose higher retaliatory tariffs on 28 US products including almonds, apples and walnuts from 16 June, following Washington's withdrawal of key trade privileges for New Delhi. The new duties take effect from 16 June, a government notification said, in the latest trade row since US president Donald Trump took office in 2017 vowing to act against countries with which Washington has a large trade deficit. From 5 June, President Trump scrapped trade privileges under the Generalized System of Preferences (GSP) for India, the biggest beneficiary of a scheme that allowed duty-free exports of up to \$5.6 billion. India termed that "unfortunate" and vowed to uphold its national interests. Reuters previously reported India was preparing to levy higher tariffs ahead of Prime Minister Narendra Modi's first meeting with Trump on the sidelines of a G20 summit in Japan on 28 and 29 June.

#### **5. India May Trade Places With US To Ship Items To China**

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

India has identified 151 products that it can export to China instead of the US and benefit from the price advantage thrown up by the retaliatory higher duties slapped by the Xi Jinping government on US products amid the intensifying trade war between the two countries. These include diesel engines, X-ray tubes, antibiotics, copper ores, granite, xylene, inverter and ketones, said people with knowledge of the matter. This comes in the wake of the US terminating preferential benefits to \$6.35 billion of Indian exports and India deciding to raise import tariffs on 29 goods originating in the US.

#### **6. New Income Tax Rules From Today, No Escape Just By Paying Penalty**

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

Tightening the screw on tax evaders, the revised guidelines issued by the Income Tax (I-T) Department have made serious offences under black money and benami laws "generally" non-compoundable. This means that a person or entity would not be able to settle a case of tax

evasion by just paying the tax demand, penalty and interest. The new guidelines will kick in from June 17, 2019 and apply to all cases for compounding received on or after this date. Listing 13 cases, where the offences are not to be generally compounded, and also grouping the offences in two parts, the Central Board of Direct Taxes (CBDT) has directed its senior officers to circulate the revised guidelines for compliance by concerned authorities. Offences forming category 'A' include failure to pay tax deducted at source under Chapter XVII-B or tax payable under Section 115-0. Failure to pay the tax collected at source also falls under this category.

## **7. Modi 2.0: Groups Of Secretaries Formed For Each Sector For Quick Results**

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

A team of secretaries will now vet major schemes before those are presented to the Prime Minister at Pragati (Pro-Active Governance and Timely Implementation) and other meetings. The cabinet secretary has made operational this sectoral approach for secretaries, which will be a regular feature of the government. Each group will have a leader who will be expected to steer the schemes for implementation, cutting through the ministerial turf battles. Cabinet Secretary P K Sinha has instructed the secretaries to come up with (a) a five-year plan document for their ministry or department, with well-defined targets and milestones, and (b) a significant impactful decision in each ministry, for which approvals will be taken within 100 days. Both these would be vetted by the sectoral group of secretaries. Incidentally these sectors were often cross-cutting. Former revenue secretary Hasmukh Adhia, for instance, headed the sectoral team of secretaries on education in the previous government till he retired.

## **8. Xiaomi Supplier Opens 1st India Manufacturing Plant**

**Source: The Statesman ([Link](#))**

Xiaomi supplier Holitech Technology on 15 June said it has inaugurated its first component manufacturing plant in Greater Noida and will invest nearly \$200 million over three years in the country. Holitech Technology would be manufacturing compact camera modules (CCM), capacitive touch screen module (CTP), thin film transistor (TFT), flexible printed circuits (FPC) and fingerprint module locally. The local manufacturing plant is ready and will be in production within the third quarter of this year and aims to generate 6,000 jobs in three years, Xiaomi said. Spread across four factories and spanning over 25,000 square metres, the component manufacturing plant will start mass production with a production capacity of over 300 million components per year. “Xiaomi has witnessed significant growth in the country and we are

positive that Holitech's plans for India will herald a new stage of evolution for the electronics manufacturing industry in India," Muralikrishnan B, Chief Operating Officer, Xiaomi India, said in a statement.