

Daily Economic News Summary 20 February 2020

1. Indo-US trade deal: The ball is now in Washington's court

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

Any further movement on India-US trade deal would depend on response from Washington, officials privy to the deliberations told ET, adding there is convergence on many issues. US president Donald Trump has said his country is “not treated very well by India” but the US is “doing a very big trade deal with India”. Indian trade negotiators said a decision on the deal and its structure is now a political call. According to one official, talks will continue till a deal is finalised. While dairy remains a sticky issue, officials said data-related issues have not been discussed lately and are not part of the deal. “We are always willing to talk but now they have to figure it out,” said another official.

2. Trump, Modi to discuss trade, defence during Feb 25 talks

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

Prime Minister Narendra Modi and US President Donald Trump will hold talks on February 25 to deepen cooperation in a range of key sectors including defence and trade, Foreign Secretary Harsh Vardhan Shringla said on 19 February. Trump, who is scheduled to visit India on February 24 and 25, will be accompanied by a high-level delegation, Shringla said. India and the US have an unprecedented level of convergence, he said. Shringla said the Namaste Trump event in Ahmedabad will be similar to the Howdy Modi event that was held in Houston last year. Trump and Modi will hold extensive talks on February 25 on a range of issues, including defence and trade, he said.

3. Coronavirus impact: Govt mulls export curbs on 12 drug formulations

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

The government is weighing a proposal to restrict exports of a dozen drug formulations to keep domestic supplies steady, until raw material imports from coronavirus-hit China resume without any obstruction, an official source told FE. The government may soon announce the names of these formulations. The situation is under control but the government doesn't want to take any risk when it comes to providing adequate supplies of medicines to people. There will be further

deliberation on restricting exports before a decision is made,” said the source. While the Indian pharmaceutical industry is a key formulation drug (value-added products) exporter, it relies heavily on imports of bulk drugs (active pharmaceutical ingredients and intermediates that give medicines their therapeutic value).

4. Govt considering compulsory registration for paper imports

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

The government is considering making it mandatory for paper importers to register themselves before importing the commodity, a move aimed at keeping a tab on imports of the product, an official said. The consideration is on the lines of steel sector, where the government has made it mandatory for traders to register themselves with Steel Import Monitoring System to import 215 iron and steel products. “We are working similar arrangement for paper industry also. Importer will have to give specific information about the product before importing,” an official said.

5. Cabinet approves second phase of Swachh Bharat Mission

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

The Centre on 19 February approved the second phase of Swachh Bharat Mission (Rural), Prime Minister Narendra Modi’s pet project focussed on sustainability of ODF and management of solid and liquid waste. The second phase will be implemented on a mission mode between 2020-21 and 2024-25 with an estimated central and state budget of Rs 52,497 crore, the Jal Shakti Ministry said in a statement. The rural sanitation programme was started on October 2, 2014, when the sanitation coverage in the country was reported at 38.7 per cent. More than 10 crore individual toilets have been constructed since the launch of the mission and as a result, rural areas in all states have declared themselves open defecation free (ODF) as on October 2, 2019.

6. India’s big push to milk production: Cabinet approves this much for dairy farming

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

In a major push to India’s dairy industry, the cabinet today has approved the allocation of Rs 4,460 crore for dairy farming. Cabinet has approved Rs 4,458 crore scheme to boost the dairy sector and the same will benefit 95 lakh farmers of the country, Prakash Javadekar, I&B minister, told reporters at a briefing on 19 February. Under this, 28,000 bulk milk coolers and capacity for chilling 140 lakh litre additional milk per day will also be added. Among other announcements for dairy farmers, the minister said that the government has decided to increase

the interest subvention from earlier 2% to 2.5%. Interest Subvention is a subsidy provided to farmers on the interest rates on loans through the Kisan Credit Card (KCC) scheme.

7. Gujarat tops in total investment proposed under IEM

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

The Gujarat government said the state tops in the country in total investment proposed under Industrial Entrepreneur Memorandum (IEM). Gujarat alone accounts for 51 per cent of the total investment proposed under IEM, while neighbouring Maharashtra is a distant second, a government release said in Delhi. Out of the total Rs 6.78 lakh crore investment proposed under IEM, Rs 3.43 lakh crore (or 51 per cent) was in Gujarat, the release said. Industrial undertakings exempted from the requirements of Industrial Licencing under I (D&R) Act, 1951, are required to file information relating to setting up of industries in the country is known as IEM.

8. India to switch to world's cleanest petrol, diesel from April 1

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

India will switch to the world's cleanest petrol and diesel from April 1 as it leapfrogs straight to Euro-VI emission compliant fuels from Euro-IV grades now - a feat achieved in just three years and not seen in any of the large economies around the globe. India will join the select league of nations using petrol and diesel containing just 10 parts per million of sulphur as it looks to cut vehicular emissions that are said to be one of the reasons for the choking pollution in major cities. Sanjiv Singh, Chairman of Indian Oil Corp (IOC) - the firm that controls roughly half of the country's fuel market, said almost all refineries began producing ultra-low sulphur BS-VI (equivalent to Euro-VI grade) petrol and diesel by the end of 2019 and oil companies have now undertaken the tedious task of replacing every drop of fuel in the country with the new one.