

Daily Economic News Summary: 20 September 2018

1. WTO: India, China Call For Flexibility In Proposed Pact On Fisheries Subsidies

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

India and China have agreed to support the proposed fast-tracking of negotiations on limiting harmful fisheries subsidies at the World Trade Organization (WTO) but have cautioned that the special sensitivities of developing countries can't be side-stepped. "Any outcome should be equitable and take into account the sensitivities of developing countries," India's representative said at the meeting of the fisheries committee on Monday at the WTO headquarters in Geneva. New Delhi has been fighting for protecting subsidies given to its artisanal fishing community and has maintained that an agreement on limiting subsidies should exclude small fishers. An agreement on disciplines that prohibit subsidies that contribute to overcapacity and overfishing, and eliminate subsidies that contribute to illegal, unreported and unregulated (IUU) fishing is one of the pacts that members hope to finalise by the next Ministerial round of the WTO in Kazakhstan early 2020.

2. Basmati Rice Exports Face An Uncertain Outlook

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

Indian basmati rice exports face an uncertain export outlook after registering an impressive growth of 23 % and 14 % respectively during FY2018 and first four months of FY2019, according to ICRA. As per an ICRA note released on 19 September, certain adverse developments, materialised and impending, in some major export destinations could materially hurt the export demand for Indian Basmati rice, thereby exerting downward pressure on realisations across the chain. Elaborating on the same, Mr. Deepak Jotwani, assistant vice president, ICRA says, "The tightening of pesticide residue parameters by the European Union (EU) has resulted in considerable decline in exports to this region (58% in volume and 40% in value over Jan – July period).

3. Govt To Soon Announce Import Curb On Several Non-Essential Items: Official

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

The government will soon announce import curbs on several non-essential items, a top finance ministry official said on 19 September while terming "the 10 per cent depreciation" in the rupee \

in the last few weeks as a "temporary phenomenon". "There are always implications of the dollar and rupee exchange rates ... this 10 per cent depreciation in last few weeks that is a temporary phenomenon," he said at an event organised by PHD Chamber of Commerce in New Delhi. To a question about when the government intends to impose import curb on non-essential goods, he replied, "very soon."

4. China Asks India To Provide ‘Level Playing Field’ For Its Firms In 5G Trials

Source: Livemint ([Link](#))

China on 19 September sought “level playing field, transparent and fair environment” for its enterprises in India while expressing concern over New Delhi’s reported move to exclude Chinese telecom companies Huawei and ZTE from 5G trials. According to a report in China’s state-run ‘Global Times’ on Sunday, the India’s Department of Telecommunications (DoT) had barred Huawei Technologies and ZTE Corp from the list of companies allowed to work with local companies in 5G technology-based trials due to “security” concerns. The move follows the US and Australia in banning Huawei and ZTE for national security reasons, it said. However, a top DoT official had said they were in the process of setting up a panel which will decide on areas where 5G technology can be used.

5. Factors Driving The Opportunities For Door-To-Door Express Logistics Providers In Tier 2 & 3 Markets

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

India’s logistics industry is currently pegged to grow at 10% per annum according to the ICRA, and reach USD 215 billion in the next two years, according to the Economic Survey. While the sector’s current growth is largely based on catering to large urban agglomerations and tier 1 cities, the future growth for the industry is expected from India’s plentiful tier 2 and 3 cities. The logistics industry in India is incredibly critical to its economic growth, and spending on logistics already comprises 14.4% of our GDP. This means that businesses and customers in the country spend over USD 316 billion annually on moving goods across the country, showing the critical role it plays for the nation’s economy.

6. India Considers Raising Import Duty On Steel To Support Rupee: Document

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

India's steel ministry has proposed increasing the effective import duty on some steel products to 15 percent from current rates ranging from 5 percent to 12.5 percent, according to two sources and a government document reviewed by Reuters, as the country looks to support the rupee. The proposal, which is part of a broader government plan to cut "non-necessary" imports to stop an outflow of dollars that has sent the rupee to record lows, will be discussed in the trade ministry on 19 September, according to one source with knowledge of the matter. "The broader message is to address the trade balance but we will try to promote 'Make in India' by encouraging domestic (steel) production," said the source, who declined to be named ahead of a possible decision. India's steel imports totalled \$6.5 billion in 2017/18, according to official data.

7. India May Impose Up To \$4.83 Per Kg Anti-Dumping Duty On Chinese Flax Yarn

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

India may impose anti-dumping duty of up to USD 4.83 per kg on a certain kind of flax yarn, used in apparel industry, from China for five years with a view to guard domestic players from cheap imports from the neighbouring country. The commerce ministry's investigation arm Directorate General of Trade Remedies (DGTR) has conducted a probe of alleged dumping of 'flax yarn of below 70 lea count' from China, following a complaint from Jaya Shree Textiles unit of Grasim Industries. In its final findings of the probe, the DGTR has concluded that due to dumped imports, the domestic industry has suffered material injury. "The authority considers it necessary to recommend imposition of definitive anti-dumping duty on the imports... for five years," the DGTR has said in a notification.

8. Canada Looks To 'Diversify', Bolster India Relationship

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

As Canada looks to "diversify" at a time when future of North American Free Trade Agreement (NAFTA) looks uncertain, it seems most keen to strengthen its ties with India. Notwithstanding the outcome of its ongoing NAFTA negotiations with the US, the Canadian government and its business houses have decided not to put all their eggs in one basket, ie, the US, experts said. From health and education to renewable energy and indigenous research in

infrastructure, Canada is already engaging with India for fruitful future alliances. Last week, Toronto hosted the second chapter of the annual 'Invest India conference,' attended by several policymakers and business leaders from both countries. Indian High Commissioner in Canada Vikas Swarup and his Canadian counterpart in India Nadir Patel led from the front.