

Daily Economic News Summary: 22 October 2018

1. UIDAI Tells Banks To Continue Aadhaar-Enabled Payments

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

The Unique Identification Authority of India (UIDAI) has told banks to continue with the Aadhaar-enabled Payment System (AEPS) after some private banks had suspended these services. UIDAI's call is seen as a boost for digital payments. Some lenders had suspended AEPS operations following the Supreme Court order in September setting aside mandatory linking of Aadhaar with bank accounts, a finance ministry official told ET. "This was despite the fact that the judgement had observed that direct benefit transfers (DBT) will continue to be Aadhaar-linked," he said, adding this was leading to confusion in interbank transfers as well. "We had asked UIDAI to take a legal opinion and issue directions."

2. India Protests Move To Launch Plurilateral Negotiations At Global Trade Body

Source: Livemint ([Link](#))

India has inveighed against a "new round" of trade talks without "a system of enforcement of existing rules" at the global trade body, after a group of industrialized and developing countries intensified their efforts to launch plurilateral negotiations on controversial issues at the 12th ministerial conference in Astana, Kazakhstan, said people familiar with the development. The Astana meeting, which will be held on 8-11 June 2020, could radically change the character of the World Trade Organization from multilateral to plurilateral (involving two or more countries) for pursuing certain issues, which are being currently opposed by a large majority of countries, said trade envoys, preferring anonymity.

3. India Holds Investors' Seminar In China, Over 120 Chinese Companies Attend

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

A seminar highlighting investment opportunities in India has been organised in the Chinese city of Wuhan to harness the potential for greater trade and investment ties. The event held on October 19 was part of the Forum on Global Production Capacity and Economic Cooperation, organised by the embassy in coordination with the Hubei Provincial government. The event was also attended by an official delegation from Madhya Pradesh, consisting Pankaj Agarwal, Principal

Secretary of Department of Micro Small and Medium Enterprises and Vivek Porwal, Managing Director of Madhya Pradesh Trade and Investment Facilitation Corporation Ltd and made presentation on investment opportunities in the state.

4. Ayushman Bharat: One Lakh People Benefitted Under Health Insurance Scheme, Says J P Nadda

Source: Firstpost ([Link](#))

Nearly a month after the rollout of the Centre's PMJAY health insurance scheme, one lakh people have availed the benefits of the ambitious programme, Union Health Minister J P Nadda said on 21 October. The Pradhan Mantri Jan Arogya Yojana (previously Ayushman Bharat), touted as the world's largest health insurance programme, was launched pan-India by the prime minister from Jharkhand on 23 September. Nearly a month after the rollout of the Centre's PMJAY health insurance scheme, one lakh people have availed the benefits of the ambitious programme, Union Health Minister J P Nadda said on 21 October. The Pradhan Mantri Jan Arogya Yojana (previously Ayushman Bharat), touted as the world's largest health insurance programme, was launched pan-India by the prime minister from Jharkhand on 23 September.

5. India's Dominance In This Sector Faces Competition From China; Here's What Commerce Ministry Report Shows

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

India's comparative advantage in the crucial telecommunications, computer and information services trade has eroded in recent years, while China's has improved. Although India still retains its dominance in this space, an analysis of the revealed comparative advantage (RCA) in a dozen services segments, ranging from software to transportation, by the commerce ministry shows India is more competitive than China in only three of them. Importantly, in the three services segments where India scores over China – telecommunications, computer and information services, other business services and financial services – its RCA dropped between 2012 and 2016, while that of China's rose (See the chart). These three segments accounted for 70% of India's external trade (both exports and imports) in services in 2016. This suggests the neighbor is trying to catch up where it has been lagging traditionally.

6. Anti-Dumping Duty Levied On ‘Flax Yarn’ Imports From China

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

The Finance Ministry imposed definitive anti-dumping duty on certain ‘flax yarn’ — a linen yarn used in fabric industry — from China. Based on the recommendations of the Designated Authority in the Commerce Ministry, the revenue department imposed an anti-dumping duty that ranges from \$1.30 per kg to \$4.83 per kg depending upon the producer and exporter from China. The petition seeking anti-dumping probe on ‘flax yarn of below 70 Lea Count (43 Nm)’ from China was filed by Jaya Shree Textiles — a unit of Grasim Industries Limited (previously Jaya Shree Textiles) — Unit of Aditya Birla Nuvo Ltd)

7. The World’s Fastest Growing Economy Has The World’s Most Toxic Air

Source: Livemint ([Link](#))

Asia’s largest economy, China, has long had a reputation for smoggy skies. But these days, neighbouring India is fighting the far bigger battle with pollution: The South Asian country is home to the world’s 10 most polluted cities. In the coming weeks, the Modi government’s policies on pollution will be put to the test as winter descends on the dusty plains of north India. Crops are burned during this season and millions of fireworks go off during the Diwali festival, usually pushing air pollution to hazardous levels. Modi’s government has also promoted solar power, improved emission standards and handed out millions of cooking gas canisters to reduce kitchen fires inside homes. Officials have also tried to ban farmers from burning crops. But environmentalists are still waiting for more concrete targets from a national clean air plan that has yet to be officially launched.

8. Less Psus, Less Imports: Private Peers Beat Psus In Raising Output

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

As the government mulls ways to substitute certain commodity imports through higher local production, it will do well to undertake a comprehensive review of the performance of key public-sector units (PSUs) vis-a-vis their private-sector peers over a long period. A sharp jump in the production of certain PSUs like Balco and Hindustan Zinc after their privatisation also holds lessons on how below-par output and government ownership often go hand in hand in India. An inter-ministerial panel under commerce and industry minister Suresh Prabhu has asked 15 import-

sensitive ministries/departments to come up with specific suggestions urgently to increase local production within two-three months. The idea is to achieve greater trade and current account balance by curtailing imports at a time when the rupee is weakening against the US dollar. The move comes at a time when the International Monetary Fund has warned that the country's current account deficit could worsen to 3% of GDP in FY19, against 1.9% a year before.