

Daily Economic News Summary: 23 January 2019

1. Govt Revives Plan To Change Fiscal Year To January-December: Report

Source: Livemint ([Link](#))

The government has revived plans to change the fiscal year to January-December from the current April-March, a report by business news channel BTVi, quoting news agency Cogencis, said. Opposition from the states had forced the central government to put the idea on the backburner after first being very enthusiastic about it. The change is expected to help the government include the monsoon forecast in its Budget projections, as this will align the financial year with the south-west monsoons and thus help in better allocation of resources to the agricultural sector.

2. Government Likely To Target About ₹800 Billion From Divestment In Fy 2019/20

Source: Livemint ([Link](#))

The Indian government is likely to seek to raise about 800 billion rupees (\$11.21 billion) through the sale of state-owned assets in the next fiscal year, beginning April 1, two government sources with direct knowledge of budget discussions told Reuters on 22 January. The target, which is the same as for the current financial year, includes proceeds from the expected privatisation of loss-making national carrier Air India, and the sale of an insurer to be created by the merger of three state-owned firms, the sources said. It will also involve the sale of units in an exchange traded fund consisting of minority stakes in about 20 state-owned companies, they said.

3. India Presses China To Import More Indian Products

Source: Daily Pioneer ([Link](#))

India on 22 January pressed China to import more Indian goods, especially pharmaceutical and IT products, as top commerce officials of the two countries held talks in Beijing on the widening trade deficit, which last year crossed \$57 billion. Commerce Secretary Anup Wadhawan also discussed the progress made under Regional Comprehensive Economic Partnership (RCEP) during his talks with Wang Shouwen, Vice Minister of China's Ministry of Commerce, the Indian Embassy here said in a press release. Wadhawan on 21 January held talks with Zhang

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Jiwen, Vice Minister of General Administration of China Customs (GACC) which is responsible for examining market access and quarantine issues for India's agriculture and allied products. The two sides held a detailed discussion on the widening trade deficit, the press release said. The trade deficit in 2018, according to Chinese official data, climbed to \$57.86 billion from \$51.72 billion in 2017 in about \$95.54 total bilateral trade.

4. Exporters May Get Incentives Based On R&D, Specific Clusters Under New Ftp

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

Exporters are likely to get incentives based on parameters like research and development, product-specific clusters and production pattern under a five-year foreign trade policy (FTP) to be released later this year, an official said. The commerce ministry is working on recasting the existing export incentive schemes in line with the global trade norms of the World Trade Organisation (WTO). Under an FTP, the government announces incentives for exporters. Currently, duty benefits are provided under merchandise export from India scheme (MEIS) and services export from India scheme (SEIS).

5. India-South Africa Ties: Enhancing Military, Space And Economic Relations To Be The Focus

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

A high level delegation including nine Ministers, senior officials of his government and a 50-member business delegation is accompanying the President of South Africa Cyril Ramaphosa, will arrive on a two day state visit to India from Jan 25-26. Enhanced and greater cooperation in areas including military to military, maritime security, skill development, and agriculture and information technology will be the focus of both bilateral as well as delegation level talks when the visiting leader meets with Prime Minister Narendra Modi on Jan 25. Over 150 Indian companies including Tata, Mahindra, Vedanta and Motherson Sumi have invested in South Africa employing over 20,000 locals. India is among the top five trading partners of South Africa.

6. World Economic Forum 2019: From Hot Cups Of Tea To Technology Solutions; How India Is Attracting Eyeballs

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

Amid government's absence, India is still making a mark in the ongoing World Economic Forum (WEF) in Davos through its corporate sector. Nearly 140 business honchos including Mukesh Ambani, Gautam Adani, Nandan Nilekani, among others are attending the annual meeting between January 22 and January 25. Tata Tea, which it is offering free cups of hot tea to the people, is among the big brands that are most visible in the event, according to news agency PTI. The other group firm – TCS – is assisting in providing technology solutions, the report also said. Unlike last year, 'Indian Adda' – known for Indian food and beverages – has given a miss this time. However, 'India Invest' has set up India Investment Centre.

7. Narendra Modi To Consider Cheap Loans, Free Accidental Insurance Coverage To Small Businesses: Report

Source: Firstpost ([Link](#))

Prime Minister Narendra Modi is considering offering cheap loans and free accidental insurance coverage to millions of small businesses, two government sources with direct knowledge of the matter said, as he tries to placate a key voter bloc ahead of a general election due by May. Small business groups have been critical of the Modi government in the past year after many firms were squeezed by a shock move to ban high-value currency notes in 2016, followed by a hasty implementation of a nation-wide goods and services tax (GST) that raised their compliance costs. In a bid to win them back, and following election losses in five states last month, the government run by Modi's Bharatiya Janata Party (BJP) recently announced GST concessions and tweaked an e-commerce policy in favour of small traders.