Daily Economic News Summary: 25 February 2019

1. Saudi Arabia To Make India Regional Hub For Oil Supply: Saudi FM
Source: The Economic Times (Link)

Saudi Arabia is looking at making India a regional hub for supply of crude oil and will invest billions of dollars in the country to build storage facilities and strengthen refineries, Saudi Foreign Minister Adel bin Ahmed Al-Jubeir has said. Saudi Arabia, the world's biggest oil exporter, will also invest in downstream assets in India besides helping the country boost its infrastructure in the petrochemical sector, Al-Jubeir said. The foreign minister, who was part of Saudi Crown Prince Mohammed Bin Salman's delegation here, said his country looked at India as a rising economic power and was very bullish about its potential to grow further.

2. Afghanistan Launches New Export Route To India Through Iran
Source: The Economic Times (Link)

Afghanistan began exports to India through an Iranian port on 24 February, official said, as the landlocked, war-torn nation turns to overseas markets to improve its economy. Officials said 23 trucks carrying 57 tonnes of dried fruits, textiles, carpets and mineral products were dispatched from western Afghan city of Zaranj to Iran's Chabahar port. The consignment will be shipped to the Indian city of Mumbai. At the inauguration of the new export route, President Ashraf Ghani said Afghanistan was slowly improving its exports in a bid to reduce its trade deficit.

3. Finance Ministry Expects Three To Four More Lenders To Come Out Of Reserve Bank's PCA Framework This Year
Source: Firstpost (Link)

The finance ministry expects three to four more lenders to come out of weak bank list of the Reserve Bank in the next six to eight months on account of improvement in financial health amid capital infusion and falling bad loans. The recent capital infusion of Rs 48,239 crore in 12 public sector banks (PSBs) will help Corporation Bank and Allahabad Bank to come out of the Prompt Corrective Action (PCA) framework in the next few weeks, sources said. Corporation Bank is the biggest beneficiary of this round of capital infusion with Rs 9,086 crore of funding, followed by Allahabad Bank with Rs 6,896 crore. This infusion will help these two lenders meet requisite capital thresholds of 7.375 CET-1 ratio, 8.875 percent Tier I ratio, 10.875 percent of capital-to-risk weighted assets ratio (CRAR) and the net NPA ratio threshold of below 6 percent.

4. Surat Textile Exporters Stop Business With Pakistan
Source: The Economic Times ([Link](#))

Exporters from the country's largest man-made fabric (MMF) hub in Surat have stopped exports of fabrics to Pakistan in the aftermath of dastardly attack by a terrorist of Jaish-e-Mohammed (JeM) on a CRPF convoy in Jammu & Kashmir's Pulwama district a few days ago. Over 40 CRPF personnel were martyred in the attack by the terrorist of the Pakistan-based organization. Two biggest fabric markets in Pakistan- Azam cloth market in Lahore and Lucknow market in Karachi- depend on polyester fabrics, saris, lenghas and dupattas imported from Surat. Many shops in these markets have signboards that say they sell saris and dress material imported from Surat.

5. US, Canada May Object To India's Quantitative Cap On Pulses Imports
Source: The Hindu, Business Line ([Link](#))

India is set for another trade face-off with the United States and Canada at the World Trade Organisation (WTO). According to a senior Union Commerce Ministry official, the US along with Canada is likely to raise objection at the WTO opposing quantitative cap on pulses imports. This is separate from the objections filed earlier this month with the WTO on India's alleged "under-reporting" of market price support for five varieties of pulses under the minimum support price (MSP). Santosh Kumar Sarangi, Joint Secretary, Ministry of Commerce & Industry, Department of Commerce, Government of India said, "Recently, we had implemented quantitative restrictions for pulses imports. But now we are receiving the news that the US and Canada are planning to take us to WTO objecting to the step."

6. Draft E-Commerce Policy Tightens Rules For Foreign Players
Source: The Hindu, Business Line ([Link](#))

In a proposed tightening of regulations for foreign investors, the draft e-commerce policy floated by the Centre has suggested that all e-commerce websites should have a registered business entity in India and all product shipments from overseas must be channelised through the Customs. The draft policy, put up by the Department for Promotion of Investments and Internal Trade on its website on 23 February, is also categorical that FDI should be encouraged only in the marketplace model. Large e-commerce retailers with foreign investments, including Amazon and Flipkart, have said they are examining the details of the draft proposal and will submit their inputs to the Centre.