

Daily Economic News Summary: 26 October 2018

1. Make In India: Suresh Prabhu Asks States To Opt For Local Products For Public Procurement

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

Commerce and industry minister Suresh Prabhu has asked states to emulate Centre's model of giving preference to products manufactured under the Make in India initiative for public procurement to provide impetus to local manufacturing. Besides giving a "big boost to domestic manufacturing of goods and provision of supplies, it will also lead to growth in employment and income", Prabhu wrote to all chief ministers earlier this week. Under the Public Procurement (Preference to Make in India) Order, it was envisaged that all central government departments, their attached or subordinate offices and autonomous bodies controlled by the Centre should ensure purchase preference is given to domestic suppliers in government procurement.

2. Five More Non-Basmati Rice Mills Cleared For Exports To China

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

Five more rice mills have been cleared for exporting non-basmati rice, from India to China, taking the total to 24 rice mills, the government said on 25 October. The development comes weeks after the first consignment of non-basmati rice, of 100 tonne, was shipped to China, from Nagpur. "India is keen to export agri products like rice and sugar to China in order to bridge widening trade deficit," the commerce and industry ministry said in a release. In May this year, officials from China inspected rice mills that are capable of exporting non-basmati rice to China and 19 rice mills and processing units were registered for export to China.

3. Bangladesh Opens Chattogram, Mongla Ports For India Trade

Source: Livemint ([Link](#))

India and Bangladesh on 25 October signed an agreement to use the Chattogram and Mongla ports in Bangladesh for movement of goods to and from India. The countries also decided to initiate Kolkata-Dhaka-Guwahati-Jorhat river cruise services. The agreements were signed during the 19th edition of the standing committee meeting under the Protocol on Inland Water Transit and Trade in New Delhi. The two-day secretary-level talks between India and Bangladesh concluded on 25

October. Bangladesh shipping secretary Abdus Samad expressed satisfaction with the present rounds of talks and said the next round of talks were expected in December. “The last round of talks between India and Bangladesh was held in 2016 and I am happy that after two years India has initiated the next round of talks which will help both countries.”

4. Modi, Abe To Announce Joint Infra Projects In Indo-Pacific Region

Source: Livemint ([Link](#))

India and Japan could announce the undertaking of joint infrastructure projects in the Indo-Pacific region during a summit meeting between Prime Minister Narendra Modi and his Japanese counterpart Shinzo Abe early next week. One of the key agreements the two sides expect to sign during the 28-29 October meeting is on Japan giving a second tranche of funds for the flagship Mumbai-Ahmedabad high speed railway, foreign secretary Vijay Gokhale said. A first tranche of funds of ₹5,500 crore was given to India last month. Modi is set to meet Abe for the 12th time in four-and-a-half years on 29 October, signalling the strong ties between Asia’s second and third largest economies.

5. Agro Specific Zones Being Mulled In Farm Export Policy

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

Government will soon set up specific agriculture export zones well placed with ports and airports in the country aimed at boosting India’s agriculture products exports internationally, commerce and industry minister Suresh Prabhu said on 25 October. The zones have been envisaged under the proposed Agriculture Export Policy. Alongside domestic strategy, the government is also focusing on exporting agricultural products to the world. Prabhu further said that there is need to cater to the niche market of organic food. India ranks first in terms of total number of organic producers and 9th in terms of world's organic agricultural land, it said.

6. India May Not Yield To US Pressure To Change Import Rules For Dairy Products

Source: Livemint ([Link](#))

India may cite religious, cultural and moral grounds to reject a US demand to allow imports of its dairy products derived from animals fed on the internal organs of ruminants such as cattle and sheep. The US is currently reviewing the benefits India gets under the generalized system of

preferences (GSP) the US duty-free scheme for developing countries. The review follows complaints filed by the US dairy and medical equipment industries over India's alleged failure to provide "equitable and reasonable access to its market". India and US trade officials are currently negotiating to finalize a trade package that would involve give-and-take from both sides. India is seeking a waiver of the unilateral tariff hikes imposed by the Trump administration on steel and aluminium and continuance of GSP benefits.

7. India's Digital Economy May Cross \$1 Trillion By 2022, Says Report

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

India's digital economy is likely to cross \$1 trillion by the financial year 2022, a KPMG report said here on 25 October. The report launched at the India Mobile Congress 2018 also forecasts that mobile data usage in the country is likely to surge five times by 2023. "In a sign of the country's ascendancy and as a testimony to the telecom sector's blistering pace of growth, India became the world's second-largest telecom market in 2018 with over a billion subscribers," said the report. "With the given trends, the digital economy is expected to cross \$1 trillion by FY22."

8. DoT Wants Telecom Operators To Stop Aadhaar-Based Biometric Authentication

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

The Department of Telecommunications (DoT), in accordance with a Supreme Court order, will soon come up with a notification asking telecom operators to stop biometric authentication on the basis of the Aadhaar. According to sources, the notification will be out in a couple of days. The DoT will withdraw its earlier order on Aadhaar authentication. Operators will have to go back to physical verification for on-boarding customers for the time being while the DoT prepares an alternative digital mechanism. According to sources, around 95 per cent of the verification of customers takes place through Aadhaar authentication and going back to physical verification will increase the cost for mobile operators, which are in financial stress.

9. India's 'Unicorn' Producing Gathers Pace, 8 New Startups Join Club In 2018

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

India is producing Unicorns at a pace not seen before. In 2018 alone, eight new start-ups joined the coveted Unicorn club, a group of companies that are valued over \$1 billion individually. An

uptick in late-stage deals and confidence amongst investors to support large businesses have allowed start-ups to scale faster. Consequently, the average time taken to attain a billion-dollar valuation has also come down to 5-7 years, industry body Nasscom said in a report on 25 October. In this regard, India only trails China, a country with considerable government support to the corporates, where average 'time to Unicorn' is 4-6 year, according to Indian Startup Ecosystem Report 2018, released by the industry body in partnership with business consultancy, Zinnov.

10. China's SAIC Keen To Walk The Talk In India

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

MG Motor India, its local subsidiary, is going flat out with its product plans. It's an interesting brand concoction that Rajeev Chaba puts in perspective. "MG brand is designed by the British at the UK Design Centre, engineered by the Chinese in their global design/engineering centres and produced in India by Indians," explains the President and Managing Director of MG Motor India. In short, SAIC Motor Corporation is the Chinese parent whose products will be sold under the MG brand in India. The company, MG Motor India, has its operations in Halol, Gujarat, the former home of General Motors.