

Daily Economic News Summary: 27 June 2019

1. Amid trade tensions, PM Modi and Donald Trump to meet at G20 summit today

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

US President Donald Trump on 26 June left the White House to attend the G-20 Summit in Osaka, Japan over the weekend to hold discussions on a host of bilateral and global issues with leaders of top 20 economies of the world. “I’m heading to Japan, Osaka. And we are going to be meeting with (leaders from) a lot of different countries, many of whom have been taking advantage of the United States but not so much anymore, and soon not at all anymore,” Trump told reporters in the South lawns of the White House before boarding Marine One which took him to Andrews Joint Air Force Base for Air Force One for travelling to Japan. The US president will meet his Chinese and Russian counterparts Xi Jinping and Vladimir Putin. A White House official said the president would meet Prime Minister Narendra Modi on the sidelines of the G-20 Summit.

2. Pompeo Hails Close Ties on India Trip But Differences Linger

Source: Bloombergquint ([Link](#))

Secretary of State Michael Pompeo and his Indian counterpart stressed the strength of their two countries’ ties after a day of meetings but reported little progress in resolving disputes over trade, defense and energy that have weighed on the partnership. “Harmonizing our interests and our views, that’s really the task of diplomacy and I think Secretary Pompeo would agree with me today that we have earned our pay,” External Affairs Minister Subrahmanyam Jaishankar said at a briefing alongside the top U.S. diplomat in New Delhi 26 June. He said a key part of having a strategic relationship “is to comprehend the other nation’s interest.”

3. Cross-border payments: Relief for Visa, MasterCard and others as RBI eases data storage norms

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

Major international firms like American Express, Visa, Mastercard, Amazon, Paypal, Western Union, etc, may heave a sigh of relief as the Reserve Bank of India (RBI) on 26 June relaxed its April 2018 circular mandating that all payments data generated in India be stored within the

country. In some sort of relief, the central bank has now allowed such international firms to store data abroad in cases where the transaction originates in the country but gets completed overseas, with a proviso that a mirror copy of such transactions are stored in India. However, for end-to-end domestic transactions, all storage still needs to be done within the country. In 26 June's clarification, the RBI also said that the payment data sent abroad for processing should be deleted abroad within the prescribed time line and stored only in India. The data stored in India can be accessed or fetched for handling customer disputes whenever required.

4. American investments worth trillions waiting for India, says Pompeo

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

Ahead of the G-20 meet in Osaka, the US engaged with India on subjects ranging from investments to employment creation, data localisation to technology partnership, and trade to defence collaborations. On a short visit to New Delhi, United States Secretary of State Mike Pompeo on June 26 said American investments worth trillions of dollars are waiting to flow in, while pointing out that the industries must stay away from countries with weak law. Addressing a gathering of diplomats and other eminent guests in the evening after his meetings with Prime Minister Narendra Modi and External Affairs Minister S Jaishankar earlier in the day, Pompeo said, "one million Indian youth enter the job market, every month. There are trillions of dollars worth of American investments, sitting on the sidelines waiting to be put to work in the Indo-Pacific region." Currently, the US is the 6th largest source of historical equity investments into India.

5. India taps EU to adopt bloc's security recommendations for 5G network

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

The Indian telecom policymaker and regulator are engaging with their counterparts in the European Union (EU) to standardise 5G norms so that security risks can be captured. This comes even as the telecom operators remain in a fix about 5G rollout amid financial and security concerns. The European Commission- an institution of the EU, responsible for proposing legislation, implementing decisions, upholding the EU treaties and managing the day-to-day business of the EU-is working on a recommendation which addresses cybersecurity risks in 5G networks. The Commission aims to set out guidance on appropriate risk analysis and management measures at the national level, on developing a coordinated European risk

assessment and on establishing a process to develop a common toolbox of best risk management measures.

6. G20 nations imposed 20 new trade-restrictive measures in last 8 months: WTO

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

The G20 countries have imposed as many as 20 new trade-restrictive measures such as high customs duties and import bans between October 2018 and May this year, according to a WTO report. G20 members include Argentina, Australia, Brazil, Canada, China, France, Germany, India, Japan, Russia, the UK, the US, among others. “In terms of numbers, G20 economies implemented 20 new trade-restrictive measures between mid-October 2018 and mid-May 2019, including tariff increases, import bans and new customs procedures for exports,” the report said.

7. Japan-America-India can collaborate on 5G technology: Mike Pompeo

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

US Secretary of State Mike Pompeo on 26 June suggested that Japan, America and India can collaborate on 5G technology. Pompeo praised India for ending oil imports from Iran and Venezuela. “You made hard choices to cut off Iran oil. We know this has a cost. We will do everything to ensure you have crude (supply),” assured Pompeo. He was speaking at ‘India Policy’ speech in New Delhi. “India’s IT sector, it’s more than just a digital miracle — it’s a source of national pride...”

8. US Secretary of State Pompeo promises to ensure oil supplies to India after Iranian crude ban

Source: Livemint ([Link](#))

US secretary of state Michael Richard Pompeo on 26 June night promised India of adequate crude oil supplies even as India, the world's third-largest oil importer, has been trying to buffer its consumers from the spike in global prices. “We’re doing everything we can to ensure you have adequate crude imports. We appreciate your help in pushing these regimes to behave like normal countries, and the Venezuelans to take care of their people,” Pompeo said at India International Centre on 26 June, according to a US State Department statement. India was among Iran’s top oil buyers with imports of 23.5 million tonnes in 2018-19. However, with the US’s conditional waiver for Iranian oil imports to eight countries, including China and India, expiring on 2 May, India has stopped all oil imports from the Persian Gulf nation. While sourcing crude

from other suppliers is not an issue, the price at which it is bought will impact the Indian economy.

9. RBI issues norms for setting up FBAs for fixing efficient benchmarks for financial instruments

Source: Money Control ([Link](#))

The Reserve Bank of India (RBI) on June 26 issued guidelines for setting up of financial benchmark administrator (FBA) for administering "significant benchmarks" in the markets for financial instruments. Benchmarks administered outside India do not fall under the scope of the guidelines, the RBI said in a statement. Significant benchmark means any benchmark notified by the Reserve Bank of India, it said adding that the central bank will notify a benchmark as a 'significant benchmark' taking into consideration its use, efficiency and relevance in domestic financial markets.

10. India's gold demand could fall to three-year low as prices hit record high

Source: Hindustan Times ([Link](#))

India's gold demand could fall 10% in 2019 from a year ago to the lowest level in three years as record high local prices dent retail purchases during a key festive season, the head of an industry body told Reuters. Lower purchases by India, the world's second biggest consumer after China, could limit a rally in global prices that hit a 6-year high earlier this week. "Of late, customers are not used to such a jump in prices," Anantha Padmanabhan, chairman of the All India Gem and Jewellery Domestic Council (GJC) told Reuters by telephone. "They will not raise allocations to buy gold just because prices have risen. Volume-wise demand will drop 10% from last year."