

Daily Economic News Summary: 28 June 2019

1. India holds road shows in US to attract tourists

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

Aimed at attracting more Americans to explore the various facets of ‘Incredible India’, road shows are being held in different US cities to showcase the country’s various facets ranging from rich cultural and historical heritage to adventure and medical tourism. The four-day road show, organised by the government of India in association with industry stakeholders, received enthusiastic response from the US tour operators, officials said in Washington. Meenakshi Sharma, Director General (Tourism), is leading a high-powered Indian tourism delegation to Washington DC, Boston, Seattle and San Francisco in the US and Vancouver in Canada. On an average 1.2 million American tourists visit India every year. The Department of Tourism has set the goal of increasing it by 10 per cent every year, which she said is doable.

2. DoNER minister Jitendra Singh holds first meeting with northeast MPs; briefs them about schemes

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

DoNER Minister Jitendra Singh on 28 June briefed MPs from northeastern states, including the newly elected ones, about various schemes and programmes of the central government being run for the development of the region, a government statement said. This is the first meeting of these MPs with the ministry after the Modi 2.0 government was sworn in recently. Singh told the Members of Parliament, both the Lok Sabha and the Rajya Sabha, that the Centre will act for improving the lives of northeastern people in close coordination with the elected representatives from various states of the region. He said the Development of North Eastern Region (DoNER) is the only region-based ministry in the government and in the past five years it has given due priority to the development of this region under the leadership of Prime Minister Narendra Modi, the statement said.

3. G20 Summit: PM Modi, Donald Trump, Shinzo Abe hold trilateral talks under ‘JAI’ framework

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

Prime Minister Narendra Modi held a trilateral meeting with US President Donald Trump and Japanese Prime Minister Shinzo Abe on 28 June morning in Osaka ahead of the formal opening of the G-20 Summit. During the Japan-America-India trilateral meeting, Modi highlighted “the importance India attaches to” the grouping. the Prime Minister held bilateral talks with Trump during which the issue of growing global trade frictions, Iran crisis, defence and 5G communications featured prominently. The Modi-Trump meeting assumes significance as the US president, championing his ‘America First’ policy, has been a vocal critic of India for levying “tremendously high” duties on US products. On 27 June, Modi held wide-ranging talks with Abe on the global economy, issues of fugitive economic offenders and disaster management.

4. Ahead of Tokyo meet with Modi, Donald Trump says Indian tariffs unacceptable

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

Ahead of his scheduled meeting with Prime Minister Narendra Modi on the sidelines of the G20 Summit that is being held in Japan on June 28-29, US President Donald Trump has slammed India again for what he called its “unacceptable” tariffs against the US. Having held back its tit-for-tat action for around a year in the hope of clinching a trade deal, India imposed retaliatory tariff on 28 American goods including almond and apple from June 16, responding to Trump’s decision last year to slap extra levy of 25% on steel and 10% on aluminium supplies from select nations, including India. India’s retaliatory action comes just over a week after the US formally withdrew export incentives (which totalled \$190 million in 2017) on Indian exports under the so-called generalised systems of preference (GSP), dealing a blow to a trade deal that was negotiated for months.

5. WTO panel rules in India’s favour in renewable energy case against US

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

A WTO dispute resolution panel has ruled in favour of India in a case against the US saying that America’s domestic content requirements and subsidies provided by eight of its states in the renewable energy sector are violative of global trade norms. The panel concluded in its ruling that “the measures” of the US “are inconsistent” with certain provisions of the General Agreement on Tariffs and Trade (GATT), the World Trade Organisation (WTO) said in a statement on 27 June. It said the US has “nullified or impaired benefits accruing to India under

that agreement”. The GATT aims to promote trade by reducing or eliminating trade barriers like customs duties. The ruling stated that ten measures implemented by the US pertaining to renewable energy sector are inconsistent with its obligations under GATT 1994.

6. Indians' money in Swiss banks falls by nearly 6%, hits second-lowest level in over two decades

Source: Firstpost ([Link](#))

Money parked by Indian individuals and enterprises in Swiss banks, including through India-based branches, fell by nearly 6 percent in 2018 to 955 million Swiss francs (about Rs 6,757 crore) to hit its second-lowest level in over two decades, Swiss National Bank data showed on 27 June. Aggregate funds of all foreign clients of Swiss banks also fell by over 4 percent to CHF 1.4 trillion (nearly Rs 99 lakh crore) in 2018, as per the annual banking statistics released by the Zurich-based central banking authority of Switzerland. However, the 'locational banking statistics' of the Bank for International Settlement (BIS), which the Indian and Swiss governments had said last year was a more reliable measure for deposits by Indian individuals in Swiss banks, showed a greater fall of 11 percent for 2018.

7. Govt asks banks to appoint GM-level officer to address MSME sector woes

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

In a bid to promote MSME sector, the government June 27 asked banks to appoint a general manager-level official to resolve the problems being faced by micro and medium enterprises which contribute significantly towards employment generation and exports. The MSME sector has been a focus of the Narendra Modi government as it plays a critical role in promoting economic growth. Taking forward the agenda of the Modi 2.0 government, Finance Minister Nirmala Sitharaman has asked officials to focus on inclusive growth with an objective of achieving the target of \$5 trillion economy by 2024.

8. Piyush Goyal takes stock of draft National Logistics Policy

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

Minister of Commerce and Industry and Railways, Piyush Goyal, on June 27, reviewed the draft National Logistics Policy. The minister proposed an action plan for the implementation of the policy prepared by the Department of Logistics, which comes under the Commerce Ministry. Goyal has asked these four ministries to work with each other to bring down India's logistics costs from the current 14 percent of the gross domestic product (GDP) to 9 percent. The minister

also directed line ministries to ensure that foodgrains, fruits and vegetables reach from farm to market with a minimum wastage of time. He also said that a central scheme for cold chain across the country, especially for fruits, vegetables and perishables, may be made part of the action plan of the draft logistics policy so that it improves efficiency and reduces the loss of farmer's produce.

9. Finance Ministry tells state-run banks to shore up credit to MSMEs

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

The finance ministry has told the chief executives of all public sector banks (PSBs) to review credit facilities made available to micro, small and medium enterprises (MSMEs) and take 'corrective' measures to ensure the firms get adequate funds. The finance ministry has told the PSB chief executives in an official communication to assign a chief general manager, or a general manager-level officer to "do an in-depth analysis of the progress made and issues in availability of credit, still being faced by the MSMEs". While taking "corrective actions" and doing the analysis, nodal general managers are supposed to submit details to the finance ministry of MSMEs taking credit from banks, non-performing MSME accounts, MSME accounts restructured following to the Reserve Bank of India's (RBI's) January scheme and the MSMEs still uncovered by it, among others.

10. Shinzo Abe backs PM Modi's efforts to press G20 nations on fugitive economic offenders issue

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

Japanese Prime Minister Shinzo Abe on 27 June backed his Indian counterpart Narendra Modi, who is pressing the G20 members that they should deal with the issue of fugitive economic offenders as part of the powerful grouping's anti-corruption measures. Ahead of the G20 summit on 28 June in Osaka, Modi held wide ranging talks with Abe on the global economy, issues of fugitive economic offenders and disaster management. Briefing reporters on the Modi-Abe meeting, Foreign Secretary Vijay Gokhale said, "Prime Minister Abe initially began with the expectations from the G20 meeting, he spoke about the importance of focusing on the global economy, he referred specifically to Prime Minister's initiative at earlier G20 meetings on the issue of fugitive economic offenders and he said that the G20 should deal with this problem as part of the anti-corruption measures."

11. Govt's new move to revive discoms: Install 300 mn smart meters in 3 years

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

India is considering a plan to install smart meters in every home and business as part of its ongoing effort to turn around the country's ailing power sector, according to officials with knowledge of the situation. The plan under consideration would require 300 million smart meters over three years, said the people, who asked not to be identified as the information isn't public. The federal power ministry has begun discussions with manufacturers on supplying the meters, which improve efficiency by monitoring and transmitting power use data. As part of the plan, the federal government is mulling providing subsidies to partially cover the costs, one of the officials said. Preliminary estimates by the government put the cost for the meters at about Rs 2,000 (\$29) apiece, or \$8.7 billion in total, according to one of the officials. That's partly based on an expectation that prices would be lower than a smaller government tender for 5 million smart meters in 2017 at Rs 2,503.

12. US and Australia question India's new farm sector support scheme

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

The US and Australia have raised doubts about India's new farm sector support scheme, Transport and Marketing Assistance (TMA) announced in March this year, at the World Trade Organization (WTO) saying it was trade distorting and perhaps, inconsistent with global norms. This is the latest scheme to come under attack along with the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme that has been questioned by New Zealand even though Australia and the European Union have supported it. New Zealand asked how income support schemes will help replacement of existing subsidies that India already provides on agricultural inputs and its transition plan to provide the direct income support to its small holder farmers. Under the scheme, the Centre promises to give Rs 6,000 per year to all farmers in three equal installments.