

Daily Economic News Summary: 28 September 2018

1. India Sees Opportunity In Escalating US-China Trade War

Source: Livemint ([Link](#))

India has spotted an opportunity to boost its exports with the second round of tariff hikes by the Donald Trump administration on \$200 billion of Chinese imports putting the US at a disadvantage. The commerce ministry is currently consulting various export councils to shortlist items, especially in sectors such as chemicals, pharmaceuticals and electrical parts, where India could have a comparative advantage. India is looking for ways to boost exports and cut non-essential imports in the backdrop of its current account deficit (CAD) touching 2.4% in the June quarter and the sharp depreciation of the rupee.

2. India To Export First Consignment Of Non-Basmati Rice To China Tomorrow, Says Commerce Ministry

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

China has allowed imports of non-basmati rice from India and the first consignment of 100 tonnes will be shipped on 28 September from Nagpur, the commerce ministry said on 27 September. The consignment will be received by China National Cereals, Oils and Foodstuffs Corporation (COFCO) which is a state-owned firm of the neighbouring country, the ministry said in a statement. “After concerted efforts of the government, 19 rice mills and processing units have been registered for export of non-basmati rice from India to China,” it added.

3. Modi Government Plans More NCLT Benches In The Next 2-3 Months – All You Need To Know

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

In bid to deal with the rising number of insolvency cases, the government is planning to set up more benches of the National Company Law Tribunal (NCLT) in the next two-three months, senior officials at the ministry of corporate affairs said. Currently, about 9,000 cases are pending before NCLT benches in the country for insolvency and other routine matters. More than 5,000 cases are in Mumbai and about 2,100 are in New Delhi. “The government is concerned that things should move

faster (on NPA resolution) and so if there are more cases, we need more courts (NCLT benches) and judges,” the official said

4. Aadhaar Verdict Puts Fintech Firms In A Spot

Source: Livemint ([Link](#))

With the Supreme Court barring private companies from seeking Aadhaar data, digital payments companies may lobby with the finance and law ministries to formulate a law that will allow them access to the biometric database. The judgement will have an adverse impact on the digital payments industry, especially for small fintech companies and start-ups, which have low-cost business models and use Aadhaar for customer verification, said Vishwas Patel, chairman of Payments Council of India (PCI), the industry body that represents all digital payments companies in India.

5. Commerce Minister Suresh Prabhu Removes Value Limit For Exports Through Post

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

The Commerce Ministry 27 September removed the value limit for exports through post but has fixed Rs 5 lakh cap in case of overseas shipments through courier services. “The value limit stipulated on exports through post...has been done away with. The value limit of Rs 5 lakh will be applicable only in case of courier exports,” the Directorate General of Foreign Trade (DGFT) said in a notification. Exporters’ body FIEO said the move gives an edge to shipments through foreign post offices over couriers. In a separate notification, the directorate said imports under three duty exemption schemes — advance authorisation, EPCG (export promotion capital goods), and EOU (export oriented units) — would be exempted from integrated goods and services tax (IGST) and compensation cess till March 31, 2019.

6. Trade Ministers, Chief Negotiators To Hold Series Of Meetings On RCEP Trade Pact In October

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

Trade ministers and senior officials of RCEP member countries, including India and China, will hold series of meetings in October to iron out issues hampering negotiations over the proposed mega trade deal, an official said. The mega pact aims to relax norms and significantly cut import

duties to boost trade in goods, services, promote investments, technical cooperation, and intellectual property rights. Chief negotiators will meet for a special round of talks in Jakarta from October 6-9, before the meeting of RCEP trade ministers on October 13 in Singapore. Trade experts too have expressed apprehensions that eliminating duties for Chinese goods may further impact domestic industries.

7. Commerce Ministry Forms High-Level Advisory Group On New Foreign Trade Policy

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

The Commerce Ministry has constituted a 12-member high-level advisory group which would suggest ways to promote the country's trade, an official said on 27 September. It would look at areas including exchange rate management, impact of trade wars and strategy to manage consequences of unprecedented de-stabilising conflict oriented trade dynamics. The panel would also examine prevailing trade dynamics, and suggest framework for India to engage in future international trade. The panel would be headed by Prime Minister's Economic Advisory Council (PMEAC) part-time member Surjit Bhalla. Under the policy, the government announces steps for exporters. Currently, the government has two schemes --merchandise and services export from India scheme

8. India Defers Largest Global Solar Tender On Bidders Concerns

Source: Livemint ([Link](#))

State-run Solar Energy Corporation of India (SECI) on 27 September deferred a tender for 10,000 megawatts (MW) of solar power till 12 October on bidders request for extending time for securing tie-ups for domestic manufacturing and completing ongoing negotiations for sourcing modules at better prices. There are five packages of 2000 MW each for the largest global solar tender. A successful bidder will have to set-up a domestic manufacturing capacity of 600 MW each for every package won. The efforts is aimed at further lowering the country's solar power tariffs and provide a boost to the National Democratic Alliance (NDA) government's Make in India plans.

9. Govt To Explore Legal Framework To Make Trade Transactions Mandatory Through Port Community System

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

The Shipping Ministry is set to issue an order to make the port community system (PCS) mandatory for all Indian seaports, including public and private ports. The move is based on the recommendation of a 11-member panel set up at the behest of the Prime Minister's Office (PMO) in May this year to promote ease of doing business. The panel headed by R K Agarwal, joint secretary (ports) in the Shipping Ministry, also recommended that a legal framework needs to be explored under various laws governing maritime trade stakeholders, to make it mandatory to carry out transactions through the PCS.

10. Modi Govt Establishes High-Level Advisory Group To Boost Exports

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

A day after hiking import duties on 19 items, the government decided to set up a 12-member, high-level advisory group to look at ways of promoting export. Headed by economist Surjit Bhalla, part-time member of the Prime Minister's Economic Advisory Council (PM-EAC), the group will work on exchange rate management and impacts of trade wars. The panel has been set up as a temporary measure and is set to meet for the next two months regularly, and then it will submit a report to the commerce ministry, a government official said. It will also examine the prevailing trade dynamics and suggest a framework for India for engaging in international trade.