

Daily Economic News Summary: 29 October 2018

1. India-Japan Annual Summit: PM Narendra Modi Discusses Bilateral, Regional And Global Issues With Japanese Leaders

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

Prime Minister Narendra Modi on 29 October met Japanese Foreign Minister Taro Kono and held productive, focused discussion on bilateral, regional and global issues. Modi arrived in Japan on Saturday to attend the 13th India-Japan annual two-day summit which will seek to review the progress in ties and deepen strategic dimension of the bilateral relationship. Modi also met Secretary General Toshihiro Nikai of the ruling Liberal Democratic Party and the Minister of Economy Trade and Industry (METI) Hiroshige Seko. He appreciated the Japanese support extended to the flagship initiatives in India. “Secretary General of Liberal Democratic Party Toshihiro Nikai called on PM @narendramodi. PM appreciated his vision and experience in strengthening of our bilateral relationship, specially support extended to the flagship initiatives in India,” Kumar tweeted. Japan’s role in India’s economic journey continues to be integral to its transformation, Kumar added.

2. Indians Spent Over Rs 50k Crore On Chinese Phones In FY18

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

Consumers in India spent more than Rs 50,000 crore in FY18 on purchasing smartphones made by just the top four Chinese brands, nearly twice what they spent on them in the previous fiscal. That trend is set to continue with Chinese brands dominating the Indian smartphone market, analysts and industry executives said. The four — Xiaomi, Oppo, VivoNSE 0.00 % and Honor — along with a few other Chinese brands like Lenovo-Motorola, One-Plus and Infinix, make up more than half of the total Indian smartphone market by sales. Sales of Chinese brands are growing rapidly this year too, as per the data available thus far, analysts said.

3. WTO Sets Up Dispute Panel On India-US Case On Export Subsidies

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

The World Trade Organisation's dispute settlement body has set up a panel to examine the US complaint against certain export-subsidy measures by India as both the sides failed to resolve the

issue at consultation level, an official said. In March, the US dragged India to the global trade body's dispute settlement mechanism over export subsidies, saying that these incentives were harming the American companies. Seeking consultation under the aegis of the WTO is the first step of dispute settlement process. If the two nations are not able to reach a mutually agreed solution through consultation, the complainant can request for a WTO dispute settlement panel to review the matter.

4. UIDAI Asks Banks To Use Aadhaar Ekyc For Govt Subsidies, Welfare Scheme Users; Various Options Listed For Other Customers

Source: Firstpost ([Link](#))

The UIDAI has clarified to banks that Aadhaar eKYC can be used to authenticate beneficiaries of government subsidies and welfare schemes while for other customers physical Aadhaar card can be used for verification, a source said. The Aadhaar-issuing authority Unique Identification Authority of India (UIDAI) wrote to the banks last week clarifying the instances and modes in which Aadhaar can be used, and a copy of the same was also sent to the Reserve Bank of India, a senior UIDAI official told PTI. The UIDAI wrote to banks after it received legal opinion on the matter, in the wake of a recent Supreme Court verdict that restricted the use of Aadhaar by private entities but cleared it for welfare schemes.

5. Working With US To Ease Trade Tussle At The Earliest, Says Suresh Prabhu

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

Commerce and Industry Minister Suresh Prabhu on 27 October said India and the US have exchanged offers and talks are on between the two sides to arrive at a trade deal. "Negotiations are ongoing. Of course, at this stage they've given an offer and we've also given a counter-offer, and we're working on it," Prabhu said at an event here organised to mark IDFC Bank's third anniversary. India and the US have been embroiled in a series of trade spats, including the penal duties imposed by the US on Indian steel and aluminium. India's retaliatory tariffs on American imports of \$235 million are set to kick in next week.

6. Tracking India's Macroeconomic Data In Run-Up To Elections 2019

Source: Livemint ([Link](#))

The latest gross domestic product (GDP) numbers show that the Indian economy grew at an impressive rate of 8.2% in the April-June quarter, the fastest quarterly growth in over two years. However, this has not shielded the government from criticism over its handling of the economy. The falling rupee, worsening current account deficit and stress in the banking sector have all raised questions over the sustainability of the recent economic recovery. As India's GDP numbers are released with a lag of three months and given the persistent doubts surrounding the calculations of the new GDP series, it becomes important to track other high-frequency indicators to gauge the state of the economy. Starting this month, *Mint* will track 16 high-frequency indicators to assess the health of the Indian economy in a monthly macroeconomic tracker.

7. Iran Oil Imports: India 'Cautiously Optimistic' On US Sanctions

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

Caught between the US and Iran, India is 'cautiously optimistic' about not attracting secondary sanctions from Washington for continuing to import oil from the Islamic nation beyond November 4. "Our optimism comes from the talks we have had with US officials (on oil imports from Iran), who seemed sensitive to our needs and concerns," an official told *BusinessLine*. "But we are also cautious as it all boils down to the will of one powerful person in the US." While American sanctions on Iran have been in effect since August 6, those concerning the oil and banking sectors will kick in from November 4. This will block banking channels, making payment for oil bought from Iran difficult. It will also stop reinsurance cover to refineries processing Iranian oil. Apart from India, Iran exports crude oil to the EU, China, South Korea, Turkey and Japan. Indian refiners, however, have not signed any new contract with Iran. Their existing contracts run till March/April 2019.

8. India's First Inland Waterways Shipment To Start With Pepsico On Tuesday

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

The country's first container movement on inland waterways vessel post-independence scheduled on 30 October from Kolkata would start with a consignment of the PepsiCo. Inland Waterways

move 16 containers from Kolkata to Varanasi on NW-1. PepsiCo (India) will move 16 containers equivalent to 16 truckloads - filled with food and snacks in the vessel MV RN Tagore which will reach Varanasi in 9-10 days, the officials said. Senior shipping ministry and IWAI officials are expected to present to mark the event. The vessel will make its return journey with fertilizers belonging to IFFCO that will be procured from its Phulpur plant near Allahabad

9. Finmin Seeks Input From Ministries For Arun Jaitley's Next Budget Speech; Govt's Last Budget Before 2019 Polls

Source: Livemint ([Link](#))

The Finance Ministry has sought inputs from different central ministries for Arun Jaitley's Budget Speech, which would be the last budget of the current BJP-led NDA government before the 2019 general polls. Earlier this month, the ministry began the budgetary exercise for 2019-20. During the process, meetings will be held with ministries of steel, power, and housing and urban development to finalise revised expenditure for the current fiscal and projections for the next financial year. The finance ministry has requested the ministries to send material related with their departments that may merit inclusion in the finance minister's budget speech for 2019-20 by 15 November according to a communication by the finance ministry to all secretaries.