

Daily Economic News Summary: 6 February 2019

1. India Set To Lose No. 1 Cotton Grower Tag To China

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

Adverse climatic conditions and water shortage coupled with a static growing area are set to knock India off its No. 1 perch in cotton production worldwide. As per the latest international reports, for the year 2018-19, India will lose its ‘top cotton producer’ tag to China, which has shown improved yields with better farming practices. The International Cotton Advisory Committee (ICAC) recently stated that India’s cotton production is expected to dip by 7 per cent due to “insufficient rainfall” in growing regions, whereas production in China is expected to increase by about 1 per cent to 5.94 million tonnes.

2. Duties On Key Mobile Handset Parts Removed From February 1

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

The government withdrew a notification levying duties on key mobile handset components such as LCD displays, touch panels and vibrator motors from February 1. People familiar with the matter said this could be the first step toward deferring the levy by a year — to April 1, 2020 — giving relief to handset makers such as Samsung. It will give them more time to get in place an ecosystem for locally manufacturing such components, they said.

3. India-US Commercial Dialogue, Ceo Forum To Be Held On Feb 14

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

US Secretary of Commerce Wilbur Ross and Commerce and Industry Minister Suresh Prabhu will discuss key issues such as India’s FDI rules for e-commerce and import duties on IT and electronics and the US penal duties on steel and aluminium at the US-India Commercial Dialogue next week, a government official said. Top CEOs from both countries led by ATC’s James Taiclet and Tata Son’s N Chandrasekaran will also brainstorm on areas of bilateral cooperation and point out problems at the India-US CEO Forum to be held simultaneously on February 14.

4. Industry Wants Government To Step Up Sugar Exports

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

Sugar industry representatives will meet food and consumer affairs ministry officials on 7 February to push for fresh measures to boost exports amid expectations of higher production of the commodity than estimated consumption. The industry wants the government to provide financial assistance to companies which aim to expand their ethanol production capacity, to help maintain profitability and liquidity of sugar mills, the executives said. The government has asked domestic sugar mills to export 5 million tonnes in the 2018-19 season (October-September) to liquidate excess sugar stock in the country. “The industry has signed contracts for export of 1.5 million tonnes of sugar till date.

5. No More Zomato, Swiggy Discounts? Restaurants’ Body Wants Code Of Conduct For Online Food Aggregators

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

The national restaurant association of India (NRAI) wants a code of conduct to be put in place for the online food aggregators. The association will hold an internal meeting in Mumbai on 7 February to decide on the course of action to be taken against food aggregators like Swiggy and Zomato which have distorted market with deep discounts. The association had sent a letter to the department for promotion of industry and internal trade (DPIIT) two weeks ago seeking clarity on whether the online food aggregators should fall under the purview of the government’s new guidelines on foreign direct investment in e-commerce that came into effect on February 1.

6. Finance Ministry Expects Rs 69,000 Cr In Dividend From Rbi In 2019-20; Central Bank Has Transferred Rs 40,000 Cr This Fiscal

Source: Firstpost ([Link](#))

The finance ministry expects Rs 69,000 crore dividend from the Reserve Bank of India (RBI) in the next financial year, sources said. The government has projected to mobilise Rs 82,911.56 crore as dividend or surplus from the RBI, nationalised banks and financial institutions during 2019-20. If the central board of the RBI approves transfer of Rs 28,000 crore requested by the government as interim dividend for the current fiscal, the total surplus transfer by the central bank would be Rs 68,000 crore in 2018-19.

The RBI, which follows July-June financial year, has already transferred Rs 40,000 crore in the current fiscal.