

<b>Daily Economic News Summary: 8 March 2019</b>
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**1. Cabinet Allows Ministerial Panel To Decide On Price, Timing Of CPSE Sale**

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

The Union Cabinet on 7 March decided to authorise the Finance Minister-led Alternative Mechanism (AM) to take a call on strategic disinvestments, announced measures to promote power generation, and declared an interest subsidy of up to ₹3,355 crore on loans taken by sugar mills to boost ethanol production. Addressing the media after the Cabinet meeting, Finance Minister Arun Jaitley said the Cabinet Committee on Economic Affairs (CCEA) has empowered the AM set up in 2017 to look into the strategic sale of Central Public Sector Enterprises (CPSEs) to decide on the quantum of shares to be transacted, the mode of sale and the final pricing of the transaction, or lay down the principles/guidelines for such pricing, the selection of strategic partner/buyer, and the terms and conditions of sale. It can also decide on the timing of the sale and any other related issue regarding the transaction.

**2. Cabinet Approves Transformative Mobility And Battery Storage Mission**

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

The Mission will finalise the details of PMP for Electric Vehicle ecosystem and drive its implementation. The Union Cabinet has approved the National Mission on Transformative Mobility and Battery Storage. An official statement said, “The Mission will have an Inter-Ministerial Steering Committee chaired by Chief Executive Officer (CEO), NITI Aayog to promote clean, connected, shared, sustainable and holistic mobility initiatives. The Mission will also launch the Phased Manufacturing Programmes (PMP) for Batteries and for Electric Vehicle components.” The National Mission on Transformative Mobility and Battery Storage will finalise and implement strategies for transformative mobility and Phased Manufacturing Programmes (PMP) for electric vehicles, their components and batteries.

### **3. GSP Withdrawal: Trade Surplus With Us Shrinks; Official Says US Action Unfortunate** **Source: Financial Express ([Link](#))**

The Trump administration may have cited the absence of ‘equitable and reasonable’ market access from New Delhi to withdraw the duty benefits on annual exports worth \$5.6 billion under the so-called Generalized System of Preferences (GSP) by May, but latest data showed India’s goods trade surplus with the US actually shrank for a second straight year through 2018. According to the US government data, New Delhi’s trade surplus with Washington eased to \$21.3 billion in 2018 from \$22.9 billion in 2017. In contrast, China’s trade surplus with the US widened further to a record \$419.2 billion last year from \$375.6 billion in 2017, despite the tariff war between the world’s top two economies. The drop in India’s trade surplus is important, given that the US’ overall goods trade deficit zoomed further in 2018 to \$878.7 billion from \$795.7 billion a year before.

### **4. Amid Rising Trade Tensions With US, India Wants To Extend Iran Oil Sanctions Waiver** **Source: Livemint ([Link](#))**

India wants to keep buying Iranian oil at its current level of about 300,000 barrels per day (bpd), as it negotiates with Washington about extending a waiver of US sanctions past early May, two sources in India with knowledge of the matter said. India has reduced its purchases of Iranian oil, but has been in talks on extending a sanctions waiver, known as a significant reduction exception, a senior India official said in January. The talks come just as trade tensions rise between Washington and New Delhi. The United States is planning to end preferential trade treatment for India that allows duty-free entry for up to \$5.6 billion worth of its exports to the United States.

### **5. India, Russia ink \$3 billion Nuclear Submarine Deal** **Source: Livemint ([Link](#))**

India on 7 March signed a \$3 billion deal with Russia to lease a third nuclear-powered submarine in a major boost to its role as the net security provider in the Indian Ocean region. The agreement was signed in New Delhi and the submarine could be delivered to the Indian Navy by 2025, according to a person familiar with the development. In 1988, the Indian Navy leased for three years a nuclear-powered cruise missile submarine that was christened INS Chakra. In 2012, it took on lease for 10 years, a second submarine christened Chakra II, which currently serves with

the Eastern Naval Command. India and Russia are discussing extending the lease of this submarine to 2027.

#### **6. State Bank of India to join SWIFT's Global Payment Interface**

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

State Bank of India will soon sign up with the Society for Worldwide Interbank Financial Transactions' (SWIFT) Global Payment Interface (gpi), adding to the list of Indian banks that have subscribed to the interbank communication channel's new payment interface which is set to make cross-border transactions much more secure and transparent, a top official said. "We are in the final stages of approval with SBI and we hope to announce the partnership soon," said Kiran Shetty, CEO Swift India. India's largest lender will join 11 of its counterpart banks that will have subscribed to this payments platform which comes with features such as end-to-end payment tracking, access to unaltered remittance information, faster and more transparent transactions. These banks are ICICI Bank, Axis Bank, Punjab National Bank, Yes Bank, City Union Bank, HDFC Bank, Bank of India, Federal Bank Limited, Union Bank of India, Indian Bank and IndusInd Bank