

Daily Economic News Summary: 9 May 2019
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1. India Tells US It's Willing To Reduce Import Duties On Telecom Equipment

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

India has proposed to reduce import duties on telecom equipment, including mobile phones and smart watches, and offered an optimum duty reduction package, in line with the United State's (US') demands. According to sources, Commerce and Industry Minister Suresh Prabhu told US Commerce Secretary Wilbur Ross that duties on IT products — a key US concern — may be cut, but not eliminated. During his visit to India, the US commerce secretary has repeatedly hit out at India for charging high tariffs on US products, enacting market access barriers and having a difficult regulatory environment.

2. British Entrepreneur Jason Unsworth Submits EoI To Invest In Jet Airways

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

British entrepreneur Jason Unsworth has submitted an expression of interest to invest in Jet Airways, claiming support of its founder Naresh Goyal. But sources from public sector banks, which were steering the resolution process for the airline, said Unsworth's offer would not be considered at this stage. Goyal too has denied association with Unsworth, terming his claims as mischievous and misleading. The development comes two days before the deadline for submission of binding offers. Private equity firms IndiGo Partners, TPG and Jet's strategic partner Etihad were shortlisted at the EoI stage on April 12.

3. Flipkart Ups The Ante In Grocery Battle With Amazon; Unveils Supermart

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

Walmart-owned e-commerce firm Flipkart on 8 May unveiled Flipkart Supermart, its online grocery store, in Mumbai. The launch guarantees customers access to high quality products and offers, and convenient delivery options in grocery shopping, the company said. Flipkart Supermart is already live in Bengaluru, Chennai, Hyderabad and Delhi. It competes with Amazon and other online grocers such as Bigbasket, Grofers, Swiggy and Google-backed Dunzo, which are all in a fierce battle with each other to dominate this space.

4. Will Lose \$3.2 Billion If ICT Tariffs Scrapped, China Will Benefit, India Tells US

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

While US president Donald Trump and commerce secretary Wilbur Ross have slammed India for creating ‘tariff barriers’ to trade, New Delhi has told Washington that it will lose as much as \$3.2 billion a year in customs revenue if it scraps the up to 20% duties on the seven ICT products, including high-end cell phones and smart watches, acceding to the US demand, according to a source. Its potential revenue loss, says New Delhi, will be way above the export incentives of \$190 million that the US offered India in FY18 under the so-called generalised system of preferences (GSP). Even that incentive amount might have dropped further in FY19 when the US first dropped 50 items from the list of items eligible for incentives and later, in March, announced the withdrawal of the programme in 60 days.

5. RBI Warns Finance Panel Of More Fiscal Slippages By States

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

The Reserve Bank on 8 May warned of the rising risks to fiscal consolidation of the states as their finances are saddled with farm loan waivers, income support schemes and the Uday bonds for their power distribution companies. The remarks were made during a meeting between the members of the 15th Finance Commission and the RBI brass, including governor Shaktikanta Das and the deputy governors, at the central bank headquarters in Mumbai. In its presentation, the RBI listed out the specific factors that will drive fiscal slippages in the revised estimates of FY19, including “the Uday scheme in the past and farm loan waivers and income support schemes in the FY19 revised estimates,” a statement from the central bank said. It can be noted that ahead of the general elections, a slew of states and also the Centre had doled out sops to the marginalised sections, including the farmers and the poor.

6. PNB Scam Accused Nirav Modi Denied Bail By UK Court For Third Time

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

A UK court on 8 May denied for the third time bail to fugitive diamantaire Nirav Modi, the main accused in the Punjab National Bank fraud and money laundering case amounting to up to USD 2 billion. Dressed in a light blue shirt and trousers, the 48-year-old appeared before Westminster Magistrates Court Chief Magistrate Emma Arbuthnot and sat behind a glass enclosure as the hearing got underway. Modi’s defence team doubled the bail security to 2 million pounds and offered he would stay on 24-hour curfew at his London flat.

7. Civil Aviation Minister Seeks Report On Allocation Of Airport Slots Vacated By Jet Airways To Other Airlines

Source: Firstpost ([Link](#))

Civil Aviation Minister Suresh Prabhu has sought a report on the allocation of airport slots vacated by Jet Airways to other airlines, an official source said on 8 May. In the wake of crisis-hit Jet Airways suspending operations, the ministry decided to allocate the vacant slots at the airports in the national capital and Mumbai to other carriers. The move is part of larger efforts to increase capacity amid recent surge in airfares. According to the source, the minister has asked Civil Aviation Secretary Pradeep Singh Kharola for a report on the Jet Airways' slots that have been allocated to other airlines so far. The report is to be submitted by 11 May.

8. India Monitoring Costs Of Importing Non-Iranian Oil

Source: The Statesman ([Link](#))

The Finance Ministry is closely watching the economic costs of oil imports from other alternative markets like Iraq and Saudi Arabia, following the United States' withdrawal earlier this month of the waiver granted last year to some countries by the US on its Iran sanctions. Following the withdrawal of the US waiver, India has stopped contracting oil shipments from Iran this weekend, an official source said here on 8 May. Petroleum Minister Dharmendra Pradhan last month had said that government has put in place a robust plan for the adequate supply of crude oil to Indian refineries. With 80 per cent of India's requirements being met through imports, higher-priced oil from non-Iranian sources can make a big dent in the country's current account deficit and forex reserves.

9. Samsung Pips OnePlus, Leads Premium Segment In India

Source: The Statesman ([Link](#))

After losing out to Chinese smartphone maker OnePlus for three quarters in a row, Samsung regained the top spot in the Indian premium smartphone segment in the first quarter of 2019, Counterpoint Research said on 8 May. The initial uptake for the Galaxy S10 series drove Samsung to the leadership position in the premium segment, said the market research firm. Top three premium brands including Samsung, OnePlus and Apple accounted for 90 per cent of the premium segment shipments in Q1 2019 as compared to 95 per cent in Q1 2018. OnePlus came second as it underwent its seasonal cycle. However, the OnePlus 6T remained the best-selling premium smartphone in Q1 2019, a title it has held since its launch

10. Tata Motors in talks with China's Chery Automobiles for India JV: Report
Source: Business Standard ([Link](#))

Chinese automaker Chery Automobiles is reportedly keen on a joint venture with Tata Motors for an India entry. State-owned Chery already has a JV with Tata Motors-owned Jaguar and Land Rover to make cars in China. The partnership was formed in 2012 and helped Jaguar Land Rover open their first assembly facility in Changshu, China in October 2014. "The nature of the partnership—a joint venture, retail sales tie-up or technology sharing and the time for Chery's entry into India is yet to be finalized, Livemint reported on 9 May.