Daily Economic News Summary: 21 November 2017

1. Government inches closer to divestment target

Source: The Economic Times (Link)

The government has moved a notch closer to achieving its disinvestment target through minority stake sales in state-run companies as it has garnered around Rs 14,500 crore through its latest offering — the Bharat-22 Exchange Traded Fund (ETF). “We will be touching around Rs 52,500 crore,” said Neeraj Gupta, secretary for disinvestment and public asset management (DIPAM), which includes the amount raised through the listing of insurance firms. Of the Rs 72,500 crore disinvestment target set for the fiscal, Rs 15,000 crore was to be achieved through strategic sales.

2. ISMA seeks easing of stock limit as sugar output rises

Source: The Economic Times (Link)

The country’s sugar output in the first 45 days of the current crushing season rose 79%, prompting the Indian Sugar Mills Association (ISMA) to demand the easing of stock holding limits on traders to improve sales of the sweetener. ISMA said 13.73 lakh tonnes of sugar has been produced in the first 45 days of the current season, compared with 7.67 lakh tonnes in year-ago period. An early start to the crushing season is the main reason for higher production, it said. “With surplus sugar availability and lower sugar offtake than expected, continuance of stock holding limit at this stage is affecting their buying interests. This will affect cash flows, which may prove detrimental to the interests of sugar producers and very soon may impact their paying capacity to the sugarcane farmers,’ said ISMA.

3. Jewellers hail revision of GST rule for gold savings schemes

Source: The Economic Times (Link)

Jewellers have hailed the GST Council's decision to allow customers to pay 3% goods and services tax (GST) on monthly gold savings deposit schemes only when they redeem their investments instead of paying the levy on each instalment. The chairman of the All India Gems & Jewellery Trade Federation, Nitin Khandelwal, told ET that jewellers were finding it difficult to convince their customers in small towns and villages in particular that the advance amount paid by them was subject to 3% GST

4. India clearly marks its red lines for next WTO meet

Source: The Economic Times (Link)

India has clearly marked its red lines for next month's ministerial meeting of the World Trade Organization (WTO), arguing that it is not ready for talks to set up a global regime for new issues such as e-commerce, until its concerns related to public stockholding and fixing earlier disparities in the global trading system are addressed. "We have certain long-term issues which are developmental issues. The Doha Development Round was an important beginning but somehow lost its way. We are not expecting Buenos Aires (ministerial meeting) to be another reinventing of the Doha developmental issues.

5. Government may impose $700-800/ton MEP on onion to curb exports

Source: The Economics Times (Link)

The Centre is mulling over re- imposing a minimum export price (MEP) of USD 700-800 per tonne on onion to curb exports and check local prices, a government source said. MEP is the minimum rate below which export is not allowed. Onion MEP was scrapped in December 2015. In a meeting called by the commerce ministry, the MEP issue was discussed in detail with exporters and other stakeholders besides officials of consumer affairs ministry.

6. Assam tea planters to move Centre against ASEAN Free Trade Agreement

Source: The Economic Times (Link)

Assam tea planters have decided to move the Union Ministry for Industry and Commerce and Tea Board of India against the ASEAN free trade agreement which envisages reducing agriculture commodity import tariffs to 50 per cent. Planters in Assam, which is India's largest tea-producing state, fear that cheap tea will flood the Indian market and Indian tea will not be able to withstand the competition owing to high labour cost, low productivity of labours and land, and ever increasing input cost.

7. ISRO opens doors to private sector

Source: The Hindu (Link)

In an attempt to increase the number of satellite launches and build the capacity of the private sector, the Indian Space Research Organisation (ISRO) issued a tender on Monday to the private industry for Assembly, Integration and Testing (AIT) of 30-35 satellites. "ISRO has issued a Request For Proposal (RFP) to the private industry to build 30-35 satellites over three years. Under this, 4-5 companies would be selected after evaluation and awarded parallel contracts. They would be responsible for the AIT of satellites at ISRO facilities," said Dr. M. Annadurai, Director ISRO satellite centre. He was speaking at the first international seminar on Indian space programme jointly organised by ISRO and the Federation of Indian Chamber of Commerce and Industry.

8. India's North American coal imports highest since 2015

Source: The Hindu Businessline (Link)

India’s coal imports from North America quadrupled to 2.1 million tonnes in October from a year ago, the highest since at least January 2015, Thomson Reuters data showed, and buyers are looking to boost purchases amid a domestic shortage of the fuel. A ban on the use of petroleum coke, a dirtier but better-burning alternative to coal, is spurring expectations India will buy even more coal from the United States in coming months. Petcoke has been banned in some states around the Indian capital New Delhi which is battling heavy smog. But rising pollution in other Indian cities could lead to tougher restrictions such as a nationwide ban on use and imports of petcoke, with environmentalists requesting other states in the country to consider banning the use and import of the dirty fuel.

9. Corporates may see 6% pre-tax profit growth next year: Moody’s

Source: The Hindu Businessline (Link)

Expecting growth to revive next year, Moody’s, which over the weekend revised upwards sovereign ratings to Baa2 after almost 14 years, has said a 7.6 per cent GDP expansion can result in corporates reporting a pre-tax profit growth of 5-6 per cent over the next 12-18 months. According to the rating agency, growth will “rebound strongly in 2018 because the supply chain disruptions of 2017 will end soon“. “An economic growth of around 7.6 per cent will result in higher sales volumes, which along with new production capacity and benign commodity prices will support an Ebitda (earnings before interest, taxes, depreciation and amortisation) growth of 5-6 per cent over next 12 to 18 months,” Moody’s said.