

Daily Economic News Summary: 10 August 2018

1. Gom May Decide Fate Of RCEP Trade Negotiations Today

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

Four top ministers are likely to discuss India's participation in a regional trade pact on August 10, ahead of a key meeting of ministers from the 16 Asia-Pacific member-countries, including China, later this month to chart the way forward as the agreement is negotiated. Commerce and industry minister Suresh Prabhu, finance minister Piyush Goyal, defence minister Nirmala Sitharaman and housing & urban affairs minister Hardeep Singh Puri will consider whether India should continue with or withdraw from the Regional Comprehensive Economic Partnership (RCEP) trade agreement negotiations. The government decided last week to set up the group of ministers after the agriculture, defence and economic affairs ministries opposed the trade pact.

2. EU Foreign Trade Body Maps Plan To Revive FTA Talks

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

Europe's foreign trade association Amfori has said that India and the European Union should focus on resolving differences over three crucial issues if they want to break the deadlock on the longstalled free trade pact. Amfori said talks should initially focus on India's demand for a liberal visa regime for its nurses, a relaxed geographical indications regime and duty cuts on its textile exports. Christian Ewert, president of Brussels-based Amfori, told ET that EU's insistence on India committing to sustainability norms is one of the sticking points as Delhi is against the inclusion of non-trade issues such as environment and labour in its trade pacts. Talks on the trade pact, called Bilateral Trade and Investment Agreement (BTIA), have been held up since 2013 and a recent informal meeting of two sides on how to resume negotiations failed to yield results.

3. New Ecommerce Policy Will Help India In WTO Negotiations: Commerce Department

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

The commerce department has asserted that India requires a domestic ecommerce policy as there was pressure from developed countries on it to take part in WTO negotiations on online trade and also to counter China's domination in the digital space. The commerce department's draft ecommerce policy has come in for criticism from several quarters including government

departments and ministers, as reported by ET on August 8. But a commerce department official said such a policy was needed by India to safeguard its interests and other ministries and departments were shying away from their responsibilities. The idea of the policy was to create a robust information base, facilitate an ecosystem for domestic economy, strengthen consumer protection in the ecommerce space, ensure safety of personal and community data in the country and become WTO compliant, said another official justifying the department's initiative.

4. India Watching China's Measures To Ease Drug-Import Norms

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

Keen to seize the opportunity to export pharmaceuticals to China, the Commerce Ministry is following up with Beijing the steps being taken to ease imports of pharmaceuticals from India after a recent meeting between the Chinese regulator and Indian industry on the issue. "In June, pharmaceutical exporters from India had meetings with representatives from the China Food & Drugs Administration (CFDA) on the problems being faced by them in the Chinese market. China has now agreed to another visit by an Indian pharmaceutical delegation to Shanghai later this month. The Commerce Ministry is trying to follow up on the matter to expedite action on easing of regulations," a government official told *BusinessLine*. At the joint economic group meeting, chaired by the Trade Ministers of India and China, earlier this year in New Delhi, pharmaceuticals was one of the sectors, in addition to rice and IT, which were highlighted by India as the areas where China could increase its imports in order to address the growing trade deficit which has crossed \$60 billion.

5. India Offers ₹1trillion Of Oil And Gas Resources In DSF-II Round

Source: Livemint ([Link](#))

India on August 9 put up for bidding 25 discovered oil and gas fields, holding resources of an estimated ₹1 trillion, as it looked to expedite production from areas lying idle for years. Oil Minister Dharmendra Pradhan launching the second round of Discovered Small Fields (DSF) said the government is expecting as much as ₹45,000 crore in royalty, taxes and profit petroleum over the life of the fields. In DSF-II, 59 discoveries have been clubbed into 25 contract areas spread over 3,042 square kilometers and eight sedimentary basins. The last date of bidding is 18

December and contracts will be awarded within January 2019. "In the DSF-I round, ₹34,600 crore of resources were bid out. In DSF-II, fields holding ₹1 lakh crore of hydrocarbon resources are being offered," he said.

6. GST To Be Slashed On More Items If Revenue Increases, Says Piyush Goyal

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

Finance Minister Piyush Goyal on August 9 said the capacity to slash the GST rates on more items would go up as Goods and Services Tax (GST) revenues and the compliance rate increases and the economy formalises. Goyal was speaking in the Lok Sabha after moving four bills seeking to amend the Goods and Services Tax (GST) laws for consideration and passage. The bills were Central GST (Amendment) Bill, Integrated GST (Amendment) Bill, GST (Compensation to States) Amendment Bill and Union Territory GST (Amendment) Bill. His speech 45-minute speech was interrupted by Congress members who were in the Well raising anti-government slogans on various issues, including demanding setting up of a joint parliamentary committee to probe the Rafale jet fighter deal. The Minister said the "GST Council has reduced rates on many items and services in the last round. We want the consumer to be burdened less by indirect tax."

7. More Indian Shrimp Shipments Refused Entry Into US Due To Salmonella

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

A rising number of shrimp shipments from India are being refused entry in the United States due to the presence of salmonella, a harmful bacteria. That country's sector regulator, the Food and Drug Administration (FDA), refused 10 'entry lines' last month for this reason -- eight were from India. "FDA has reported refusing 60 entry lines of shrimp for salmonella this year, of which the vast majority originate from India," said the Southern Shrimp Alliance (SSA), a US-based body of shrimp fishers and processors. "The rejection speaks about the unhygienic condition of shrimp farming in India. Nevertheless, the number of rejections by the FDA is on the rise because India sends the highest number of containers to the US," said an exporter, seeking anonymity.

8. Govt Plans To Invite Bids For Udan-III Next Month

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

The Ministry of Civil Aviation on August 9 said it is likely to announce the third phase of the regional air connectivity scheme, Udan, next month. The routes up for auction in this phase will include popular tourist destinations such as Mahabodhi temple in Bihar, Ajanta and Ellora in Aurangabad and Hampi in Karnataka, among others. “We are planning to invite bids for Udan-3 in September and announce successful bidders by October,” minister of state for civil aviation Jayant Sinha told reporters on August 9. The Ministry of Tourism had identified 12 tourist hotspots to connect under Udan. Under Udan, an airline can choose to serve the destinations on offer from anywhere depending on its traffic feasibility studies. In this scheme, fares are capped at Rs 2,500 for an hour-long flight for 50% of seats. The remaining seats can be sold at market rates.

9. Chinese Fabric In Bangla Apparel: Government Mulls Tighter Rules For Garment Imports

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

The government is considering a proposal to tighten rules on the origin of imported garments, amid warnings by the industry that Bangladesh which enjoys duty-free access to the Indian market is buying cheap fabrics from China in large volumes and dumping garments made out of them here. The textile and garment industry has represented to the ministries of commerce and textiles to make it mandatory for Bangladesh under the South Asian Free Trade Area (Safta) agreement to use either their own or Indian yarn and fabric in their garments to be able to supply to India at zero duty, said Confederation of Indian Textile Industry chairman Sanjay K Jain. India will not be alone if it does tighten the rules. The US has imposed sourcing restriction under the North American Free Trade Agreement for accepting duty-free imports of garments from Mexico and others. Even under the Trans-Pacific Partnership (TPP), the US (which has pulled out of the pact now) had kept such restriction for members including Vietnam. India had permitted imports of ready-made garments up to 8 million pieces a year from Bangladesh at zero duty in 2006. The cap was, however, lifted in 2010.