

Daily Economic News Summary: 11 January 2019

1. E-Nam For Farmers: Modi Government's Flagship Programme Starts Inter-State Trade **Source: Financial Express ([Link](#))**

The NDA government's flagship programme electronic national agriculture market (e-NAM) has started inter-state trade on its platform, facilitating traders of one state to buy agricultural produce of a different state. Uttarakhand and Uttar Pradesh have allowed trading through the e-NAM platform following which farmers of Uttar Pradesh have been able to sell their vegetables such as tomato, potato, brinjal and cauliflower to traders outside the state, a government statement said. The e-NAM portal was launched by prime minister Narendra Modi in April 2016. Even as the country's annual production of agriculture and horticulture crops estimated at about 590 million tonne, the traded volume of agricultural produce on e-NAM was only 10.9 million tonne in 2017-18, though up from 5.5 million tonne a year earlier.

2. Cabinet Nod To India-Japan Usd 75-Bn Swap Arrangement To Curb Currency Volatility **Source: The Economic Times ([Link](#))**

The Union Cabinet on 10 January approved a proposal for a USD 75-billion bilateral swap arrangement between India and Japan, a move aimed at enhancing the RBI's ability to manage exchange rate volatility. In a release, the government said the Cabinet chaired by Prime Minister Narendra Modi has approved the proposal for entering into an agreement for the bilateral swap arrangement (BSA) between India and Japan. The arrangement authorises the Reserve Bank of India (RBI) to sign the agreement for bilateral swap arrangement between the RBI and the Bank of Japan for a maximum amount of USD 75 billion.

3. Foreign Investors Seen Making A Comeback In India In 2019 **Source: Livemint ([Link](#))**

Foreign portfolio investors (FPIs) will return to India and other emerging markets in 2019 after staying away the previous year, a top executive at Aditya Birla Sun Life mutual fund said. "India and other EMs now offer favourable risk-reward amid improving growth, supportive macros, healthy balance sheets, light investor positioning and reasonable valuations," said

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Mahesh Patil, co-chief investment officer, Aditya Birla Sun Life AMC. “Consequently, we will see a reversal of the FPI outflows that took place in 2018. In addition, domestic liquidity will sustain in India with SIP flows expected to remain steady,” Patil said at a press conference on 10 January. However, he added that as quantitative easing is wound down, liquidity will be moderate and fund managers will turn selective. Higher interest rates tempt large foreign funds to move their money to the US, hurting emerging markets that face a stronger dollar and high crude prices.

4. Govt Doubles Gst Exemption Limit For Msmes

Source: [Livemint \(Link\)](#)

In a major relief to micro, small and medium enterprises (MSMEs), the GST Council on 10 January doubled the tax exemption limit to ₹40 lakh in annual revenue. The turnover limit for businesses availing of the GST composition scheme, which allows them to pay goods and services tax at a flat rate, was raised to ₹1.5 crore. The move aims to allay the concerns of small traders, a core constituency of the ruling Bharatiya Janata Party (BJP). For north-eastern and hilly states, the GST exemption limit has been doubled to ₹20 lakh. The decisions of the council, chaired by finance minister Arun Jaitley, will come into effect from 1 April. However, states, especially Congress-ruled ones, who fear an erosion of their tax base, have been given a one-time option to stay at the present ₹20 lakh exemption limit if they notify the GST Council Secretariat within a week

5. Modi's 'Make In India' A Casualty As Steel, Auto Firms Spar Over Sourcing

Source: [Livemint \(Link\)](#)

India's steel ministry is putting pressure on automakers to use locally made steel by refusing to back down on tougher steel import norms despite warnings that the new regulations could disrupt the production of cars, government and industry people said. The steel ministry in August announced stringent import rules for some auto grade steel products that are sourced by carmakers from countries such as Japan and South Korea but not yet manufactured in India. India's auto industry, which includes companies such as Maruti Suzuki India Ltd, Hyundai Motor Co. Ltd, Honda Motor Co. and Ford Motor Co., is staring at production stoppages if new tougher rules on steel imports are not relaxed, a federal minister warned in a letter.

6 .Becoming Eco-Friendly! Airports To Go Green As AAI Announces Ban On Single-Use Plastic Items

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

Brilliant step towards environmental sustainability! It's a known fact that plastic pollution causes great damage to the environment. Keeping this in mind, the Airports Authority of India (AAI) has imposed a ban on single-use plastic items at its 129 airports across the country. The single-use plastic items are ones which are used only once and then thrown in the trash. AAI's step towards plastic ban is a great initiative towards saving the environment and resorting to green solutions. According to a PTI report, a statement released by AAI says that several steps have been undertaken to eliminate the use of single-use plastic items at passenger terminals and at city side. These steps include the banning of single-use plastic items like straws, plastic cutlery, plastic plates.

7. India To Trade With Iran In Accordance With International Laws: Prabhu

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

India would like to trade with Iran without violating any international laws, Commerce and Industry Minister Suresh Prabhu said on 10 January. "India will not violate any international law and within the framework of international law, we would like to work with Iran in a manner that we can deal with Rupee trade wherein both countries can trade the items of mutual interest. Iran is India's third-largest oil supplier behind Iraq and Saudi Arabia. It was India's second biggest supplier of crude oil after Saudi Arabia till 2010-11 but Western sanctions over its suspected nuclear programme relegated it to the seventh spot in the subsequent years. In 2013-14 and 2014-15, India bought 11 MT and 10.95 MT, respectively from it.