

Daily Economic News Summary: 13 August 2019
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1. China promises to address India's concern over ballooning trade deficit

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

China on 12 August promised to address India's growing concerns over the ballooning trade deficit and suggested expanding cooperation in areas like industrial production, tourism and border trade to achieve "overall balance" in bilateral commercial relations. India has repeatedly voiced concern over the trade imbalance which last year crossed a whopping USD 57.86 billion over USD 95.5 billion total bilateral trade. The trade deficit in 2018, according to the official Chinese data, climbed to USD 57.86 billion from USD 51.72 billion in 2017. External Affairs Minister S Jaishankar, who is in for talks with the Chinese leadership to prepare for the second informal summit between Prime Minister Narendra Modi and Chinese President Xi Jinping later this year in India, mentioned the trade deficit issue during talks as well as during a bilateral event.

2. Government to soon launch farmer-friendly crop insurance scheme: Narendra Singh Tomar

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

The government will soon launch a more farmer-friendly crop insurance scheme to maximise benefits under the Pradhan Mantri Fasal Bima Yojana (PMFBY), said agriculture minister Narendra Singh Tomar. "We have seen few shortcomings in the present scheme. We have invited suggestions from states to make it more farmer friendly. The aim of this scheme is just to maximise benefits to farmers and cover their risks," Tomar said. The minister said the Centre is expecting feedback and suggestions from states this month, after which the scheme would be suitably modified. "We have not fixed any timeline for the new guidelines.

3. With 2,000 stores Xiaomi plans to reach out to rural areas

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

Chinese smartphone brand Xiaomi now has 2,000 exclusive Mi Stores across the country, helping grow its presence in small towns and rural areas, at a time when sales growth has begun to taper off in the category. The addition of the last 1,000 Mi Stores, which are third party-run small format stores, has come in a little over four months. These stores are different from the Mi

Studios and company-run Mi Home stores, which Xiaomi has been opening across Metro and tier-I cities. These stores will help the company reach its target of driving 50% of sales through the offline channel by year-end, said Xiaomi India managing director Manu Jain. Moreover, the company is aiming to open 3,000 more stores in the next 12-18 months.

4. Jio Announces First Day First Show Service: Here's Everything You Need to Know

Source: News 18 ([Link](#))

Reliance Jio has announced a brand new concept, which is going to give cinema halls a run for their money. Called 'Jio First Day First Show', the service aims at offering Jio Fiber users the ability to watch new movies on the day of their release at the comfort of their homes. This means that if you have opted for the service offered on Jio Fiber, which is the company's broadband service, you will be able to watch a new movie, the day it is released in theatres. This kind of service does not exist in the country, and while the company has not revealed the pricing, it said that the service will launch in the middle of 2020. Announced at the Reliance India Limited Annual General Meeting, the Jio First Day First Show service will only be available for users that have opted for the Jio Fiber broadband service. Notably, while the broadband service has been rolling out, the official plans and pricing will be announced on September 5.

5. Reliance Aims to Integrate 3 Crore Merchants, Kirana Shop Owners for Digital New Commerce Platform

Source: News18 ([Link](#))

Reliance Industries Limited's (RIL) Chairman and Managing Director Mukesh Ambani unveiled his plans for the much-awaited Reliance New Commerce during the annual general meeting on 12 August, integrating merchants, consumers and producers through a new digital platform. "The main purpose of New Commerce is to completely transform the unorganised retail market, which accounts for 90 per cent of India's retail industry. The three crore merchants and kirana shop owners, who generate direct and indirect livelihoods for over 20 crore people, form the backbone of India's commerce eco-system," he said at the annual meet. Jio Prime Partner POS, Ambani said, will modernise even the smallest neighbourhood kirana shop to become a future-ready digitised store.

6. Govt may permit 100% FDI in contract manufacturing: Sources

Source: Money Control ([Link](#))

The government is working on a proposal to allow 100 percent FDI in contract manufacturing with a view to attract overseas investments, sources said. According to the existing foreign investment policy, 100 percent foreign direct investment (FDI) is permitted in the manufacturing sector under the automatic route. A manufacturer is also allowed to sell products manufactured in India through wholesale and retail channels, including through e-commerce, without government's approval. The commerce and industry ministry is working on a proposal that would be finalised soon and sent for Union Cabinet's approval. Finance Minister Nirmala Sitharaman in her Budget speech in July had proposed relaxation in the FDI norms for certain sectors such as aviation, AVGC (animation, visual effects, gaming and comics), insurance, and single brand retail with a view to attract more overseas investment.

7. Energy projects: Govt plans Adarsh scheme to put mining on track

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

The government is planning to identify 25-30 mineral-rich districts in the country to accelerate mining programmes by expediting the approval mechanism for energy projects in these regions. According to official documents reviewed by FE, the initiative comes under the 'Agrim Districts for Accessing Resources Sustainable and Harmoniously' (Adarsh) scheme, which is being planned by the government to meet the rising energy demands of the country, via domestic resources. The plan has been designed by the 'Five Year Vision Resources Group 2024', which was tasked to layout a framework to increase energy supply and cut imports. According to sources, the ministries of power, renewable energy, petroleum and natural gas, environment and forest, coal, mines and external affairs constitute the group. The group was formulated after secretaries from the aforementioned ministries held six meetings between June 21 and August 6.

8. Reliance Jio ties up with Microsoft for digital transformation

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

Jio on 12 August announced 10-year deal with Microsoft that will help the telecom player set up a network of large data centers across India. The tech giant will deploy Azure cloud platform in these centres to support offerings. This also helps Jio enter an enterprise business currently populated by the likes of Google, Amazon Web Services, Netmagic, and CtrlS, among other seasoned data centre service providers. The firm will also provide the combined cloud-Microsoft

app infrastructure free of cost to start-ups and for a monthly fee of Rs 1,500 to the ministry of micro, small, and medium enterprises. It is not clear if Jio has applied for empanelment (audit and accreditation) with the ministry of electronics and information technology.

9. Health ministry re-initiates process of amending Cigarettes Act

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

The Union Health Ministry has re-initiated the process of amending the Cigarettes and Other Tobacco Products Act (COTPA) in a bid to strengthen its provisions, including a ban on the sale of loose cigarettes and heavy fine for violation of rules. The aim is to make it more effective and more inclined to the WHO Framework Convention on Tobacco Control (WHO FCTC) guidelines, sources said. Currently, the penalty for smoking in restricted areas is up to Rs 200. The ministry had proposed a number of amendments to the 2003 legislation and put the draft Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Amendment Bill in the public domain in 2015. "However, it was withdrawn in 2017 to have a re-look at the draft provisions and come up with a better version. We are reviving the entire process of redrafting it," one of the sources said.

10. Piyush Goyal's investment pitch in Russia's Far East: Come to India, get cheap land, labour

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

Commerce Minister Piyush Goyal underlined the need of bilateral investment treaties and payment security mechanism for power purchase agreements (PPAs) while addressing the business delegation from India on strengthening business ties with Russia's Far East Region in Vladivostok, Russia. Piyush Goyal highlighted that the land and labour are cheap and local pool of Hindi or English interpreters are easily available too. He added that the Indian government is corruption-free and these all together make India an investment destination with a lot of competitive advantages. The Commerce Minister is accompanied by the Chief Ministers of Goa, Gujarat, Haryana, Maharashtra, and Uttar Pradesh and an official from the State of Assam.