

Daily Economic News Summary: 16 September 2019

1. RCEP deal may have pushed government to announce exports package

Source: Livemint ([Link](#))

The impending conclusion of negotiations for the contentious Regional Comprehensive Economic Partnership (RCEP) trade deal may have forced the Indian government to announce a comprehensive package for exporters—akin to a mini foreign trade policy—to boost their competitiveness. “Announcing a package for exporters had become inevitable given the disadvantage that the RCEP deal may put some exporters,” said a government official speaking under condition of anonymity. While steel, MSME, agriculture, and dairy industries have been vocal against the trade deal, pharmaceutical and cotton industries may benefit from the trade agreement. In clearest sign so far that India is inclined to sign the free trade agreement with the 16 member grouping which also includes China, trade minister Piyush Goyal last week said the government will protect its national interest while signing the RCEP deal.

2. Iran payment for India tea exports becomes regular

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

Payments from Iranian importers of Indian tea have become more regular in the past fortnight after worrying delays since late July, giving sufficient cash-flow visibility to exporters of the second-flush crop. This year, Iran has picked up a record quantity of tea from India at prices generally higher than those last year. Exports to the Persian Gulf nation have more than doubled between January and July at 35.23 million kg, surpassing 30 million kg for the whole of 2018. Unit price realisation has also gone up by 15 per cent this year to ₹275 per kg. “Exporters were worried over payments as we faced glitches in the July-August period,” said Anish Bhansali, MD at tea exporter Bhansali & Co. “However, over the past fortnight, payments have become normal.”

3. Incentives for exports to boost shipments: Exporters

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

Incentives announced by the government will help in boosting the country's exports at a time when there are signs of worsening global economic conditions and it will help in boosting outbound shipments, according to exporters. Federation of Indian Export Organisations (FIEO)

said the new measures announced for the sector in form of incentives and refund of taxes will not only go a long way in enhancing the growth prospects in the short-term but will also give it a much needed boost in the medium-term and long-term. FIEO President Sharad Kumar Saraf said the new scheme of Remission of Duties or Taxes on Export Products (RoDTEP) with revenue burden of up to Rs 50,000 crore for the government, looks attractive as it will neutralise all duties and levies suffered by the export products.

4. India jumps 11 spots on Global Economic Freedom index; it's good news for sluggish economy

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

India has jumped 11 spots on Global Economic Freedom index from last year's 96th spot to the current ranking of 79. The latest gain is promising news for the Indian economy which is currently reeling under slowdown, Indian think-tank Centre for Civil Society said on 13 September. "It is well established that economic freedom fosters economic growth by affecting incentives leading to efficient use of resources. The freedom to choose and supply resources, competition in business, openness to trade, and legally protected property rights are central ingredients for economic progress," said Sudhanshu Neema, Lawyer and Economist, Centre for Civil Society. The Economic Freedom of the World Report 2019 surveyed a total of 162 countries.

5. Indian delegation to visit US ahead of PM Modi's address to UNGA

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

An Indian delegation of political leaders and foreign policy experts will be visiting the United States ahead of Prime Minister Narendra Modi's visit there address the United National General Assembly on September 27. The delegation will be visiting the US on September 17 and include Congress leaders Manish Tewari and Jaiveer Shergill, BJP's Rajiv Pratap Rudy and Shiv Sena's Priyanka Chaturvedi. Prime Minister will be leaving for the US on September 21 and address the UNGA on September 27. Shergill said the delegation will visit both Washington DC and New York, where they will participate in discussions on various international issues, including the Indo-US relations and the impact of US-Afghan rumblings on South Asia peace and stability.

6. Dubai-like mega shopping festivals in India next year: Nirmala Sitharaman's move to boost exports

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

In order to boost exports, Finance Minister Nirmala Sitharaman has announced Dubai-like mega shopping festivals in India, starting March 2020. The government is expected to hold these festivals in four Indian cities, and the move is likely to boost textiles, leather industry & promote yoga tourism. Nirmala Sitharaman said the government is planning various themes for these festivals, ranging from gems and jewellery, textiles and leather to yoga, among others. The government is eyeing a boost to tourism with these festivals. “Mega shopping festivals will be held in India to attract people from all over the globe in a bid to push Indian business, exports and tourism,” Finance Minister said.

7. India-Central America: Indian companies head to Guatemala to explore opportunities in various sectors

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

For the first time back to back a large number of Indian companies are heading to the Central American nation Guatemala. It will be for the first time ever that India Pavilion will be the second largest after Taiwan at the Ferret Expo in Guatemala. Confirming this, India’s ambassador to Guatemala BS Mubarak said that “EEPC is coming with 20 companies to Guatemala (All Engineering) from 6-9th November to participate in Ferret Expo. This will give an opportunity to the Indian companies to explore the market and showcase their products. An expo titled ‘Namaste India’ is being organized by the Indian mission in Guatemala which will showcase India’s automobile, pharmaceutical, engineering, Indian cuisine, etc. “This event will be located in the upmarket neighbourhood of the city – Cayala. The proposed dates are from Nov 2-3,” Mubarak added.