

Daily Economic News Summary: 18 September 2019

1. Sitharaman isn't done yet. Govt to announce one more economic booster dose this week

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

The finance ministry is working on one more booster dose to give a leg-up to the economy that has hit over six-year low of 5 per cent, a senior finance ministry official said. The blue print for the stimulus is ready that would be announced by Finance Minister Nirmala Sitharaman in the next few days, the official said without giving further details. The government announced a slew of measures in three dosages which include a special window for real estate, export incentives, bank consolidation and sops for micro, small and medium enterprises (MSMEs) and the automobile sector. Earlier this week, RBI Governor Shaktikanta Das had said the government has taken a number of measures to boost the economy in three phases and indicated that more steps are likely.

2. Indonesia agrees to import Indian rice & sugar to push trade volume to \$50 billion

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

SE Asia's biggest nation Indonesia has decided to purchase rice and sugar from India a move that will help to reduce trade deficit between the two sides and push trade volume to \$ 50 billion by 2025. The bilateral trade is currently in favour of Indonesia and export of rice and sugar from India will help to bridge trade deficit, ET has learnt. This decision to import Indian rice and sugar is understood to have been taken by Jakarta in the backdrop of India providing level playing field to Indonesian palm oil by charging same duties on Malaysian palm oil. On September 16 the Embassy of India, Jakarta, in partnership with the Ministry of Trade of Government of Indonesia, jointly hosted a Multi Product Road Show, focusing on exports of Bovine Meat, Rice and Sugar from India to Indonesia.

3. Indians are the largest resident non-migrants in US

Source: Livemint ([Link](#))

Every fourth non-resident foreign national in the US in 2016 was an Indian, according to a report which states that about 60 per cent of the resident non-immigrants were citizens of Asian countries, with those from China accounting for 15 per cent. In 2016, there were an estimated 2.3 million non-immigrant residents who are mainly workers, students, exchange visitors, and

diplomats and other representatives. This was up 15 per cent from two million in 2015, said the report compiled by the Department of Homeland Security. Examples of such temporary purposes include tourism, work, study, participation in an exchange programme, representing a foreign government or international organization, and accompanying a principal non-immigrant as an immediate family member, it said.

4. Tata Power exits South African wind power projects

Source: The Hindustan Time ([Link](#))

Tata Power has exited its investments in two wind power farms of about 230-MW generation capacity in South Africa for \$106 million. The move was in line with the company's aim to sell sub-optimal international assets, the company said in a statement. Khopoli Investments Ltd (a 100% subsidiary of Tata Power) announced the execution of a share purchase agreement with Exxaro Resources Ltd for the divestment of the company's entire 50% stake in Cennergi, a South African joint venture, for an amount of ZAR 1,550 million (\$106 million), subject to normal working capital and other adjustments. Cennergi (Pty) Ltd is a 50:50 joint venture between Exxaro Resources Ltd, a leading South African coal producer, and Khopoli Investments Ltd. The agreement is likely to be completed by the third quarter of FY20. Post this transaction, Exxaro will have 100% ownership of Cennergi.

5. RBI expands scope of Bharat Bill Payment System

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

The Reserve Bank of India has expanded the scope of the Bharat Bill Payment System (BBPS) by adding other categories of recurring payments through the portal. BBPS is an interoperable platform that enables a customer to pay bills such as telephone, water, gas, direct-to-home (DTH) and electricity at a single location—electronic or physical. With the expansion of the scope of the payment facility, other recurring payments such as school fees, municipal taxes, insurance premiums can also be paid via BBPS. “As announced in...the Statement on Developmental and Regulatory Policies released with the Third Bimonthly Monetary Policy Statement 2019-20 of August 07, 2019, it has been decided to expand the scope and coverage of BBPS to include all categories of billers who raise recurring bills (except prepaid recharges) as eligible participants, on a voluntary basis,” the banking regulator said in a notification on 16 September night. BBPS payments can be made using cash, cheques as well as through digital

methods such as internet banking, debit, credit card, among others. Bill aggregators and banks function as operating units and carry out these payment transactions for customers.

6. \$45 billion at stake: Global investors unwinding as Narendra Modi euphoria wanes

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

Global investors are starting to fall out of love with Narendra Modi. After pouring \$45 billion into India's stock market over the past six years on hopes that Modi would unleash the country's economic potential, international money managers are now unwinding those wagers at the fastest pace on record. They've sold \$4.5 billion of Indian shares since June, on course for the biggest quarterly exodus since at least 1999. "The euphoria around Modi before 2014 has tapered off," said Salman Ahmed, the London-based chief investment strategist at Lombard Odier Investment Managers, which oversees about \$52 billion.

7. 44 lawmakers urge Trump administration to reinstate GSP for India

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

A bipartisan group of 44 influential lawmakers has urged the Trump administration to reinstate India's designation as a beneficiary developing nation under the key GSP trade programme as part of a potential trade deal between the two countries. The Trump administration terminated India's designation as a beneficiary developing nation under the Generalized System of Preferences (GSP) in June. The GSP is the largest and oldest US trade preference programme and is designed to promote economic development by allowing duty-free entry for thousands of products from designated beneficiary countries. In a letter to US Trade Representative Robert Lighthizer, the House members suggest an "early harvest" approach that "would ensure that long-sought market access gains for US industries are not held up by negotiations over remaining issues".

8. India looks to Russia for crude after drone strike on Saudi oil facilities

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

India is looking to diversified crude oil sources such as Russia amid concerns over continued supply from Saudi Arabia, following a drone attack on the country's oil facilities last week. The attack on September 14 affected production of about 5.7 million barrels of oil per day (mbpd), which is half of Saudi Arabia's exports and about 5 per cent of the global supply. During 2018-19 financial year, around 40.3 million tonne (mt) of the 227 mt crude oil imports worth Rs 7.83 trillion by India came from Saudi Arabia. Petroleum Minister Dharmendra Pradhan indicated on

Tuesday the country was now looking to Russia as an alternative source as part of a strategy to have a diversified oil basket. “There is enough diversity in our crude oil sources. I met Rosneft’s Chief Executive Officer (CEO) Igor Sechin on 17 September and we discussed in detail about crude oil imports from Russia,” Pradhan added.