

Daily Economic News Summary: 1 November 2019

1. After talks, RCEP now a political call

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

India is playing hardball to protect its interests in the Regional Comprehensive Economic Partnership (RCEP) trade agreement ahead of the meeting of trade ministers of the 16 member countries on November 2-3 in Bangkok to see if an announcement on concluding the proposed deal could be made at the Leaders' Summit on November 4. Prime Minister Narendra Modi is expected to take the political call on India joining RCEP as part of the country's growing economic footprints in the Indo-Pacific region. Some prospective RCEP member states including G-20 economies from South East Asia and East Asia are keen on India's presence in RCEP amid apprehensions that its absence will enable China to dominate the trade bloc.

2. India loses export incentive case filed by US at WTO, to appeal against the ruling

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

India suffered a setback at the World Trade Organization (WTO) in a dispute against the US that had challenged its key export subsidy schemes including the one for special economic zones. The WTO has ruled that these export subsidy programmes violated provisions of the trade body's norms. New Delhi is likely to appeal the ruling before the organisation's Appellate Body, officials said. A dispute panel in the WTO ruled that these export subsidy programmes provided by the Indian government violated provisions of the trade body's norms. The other affected schemes are - Merchandise Exports from India Scheme (MEIS), Export Oriented Units Scheme and sector specific schemes, including Electronics Hardware Technology Parks Scheme and Bio-Technology Parks Scheme; Export Promotion Capital Goods Scheme; and Duty-Free Imports for Exporters Scheme.

3. Valued at \$1 billion in heyday, ShopClues sold for just about \$100 million

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

This was the year ShopClues planned to launch an initial public offering. On 31 October, the Gurugram-based e-commerce was sold for just about \$100 million, less than a tenth of its valuation of \$1.1 billion in happier days. After multiple attempts at selling itself, including to larger e-commerce player Snapdeal, ShopClues has found a buyer in Singapore-based e-

commerce platform Qoo10 in an all-stock deal. It also reportedly held talks with Paytm Mall, eBay and Flipkart for a potential sale over the past year. One of the youngest and most promising unicorns, or start-ups valued at \$1 billion and above, ShopClues has had its share of controversies, the most public of which was a fall-out between its co-founders Radhika and Sandeep Aggarwal, who were earlier married to each other.

4. PM to visit Thailand from November 2-4 for ASEAN-India, East Asia and RCEP summits

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

Prime Minister Narendra Modi will visit Thailand from November 2-4 during which he will attend the ASEAN-India, East Asia and RCEP summits, the Ministry of External Affairs announced on 31 October. Modi will be visiting Bangkok at the invitation of Thai Prime Minister Prayut Chan-o-cha, Secretary East Vijay Thakur Singh said at a media briefing. He will attend the 16th ASEAN-India summit, 14th East Asia Summit and 3rd Regional Comprehensive Economic Partnership (RCEP) summit and related events, she said. Negotiations for resolving outstanding issues on RCEP are going on in Bangkok, she said, adding the leaders will review the state of negotiations at the summit.

5. India among top nations with most conducive environment for financial inclusion: Report

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

According to The Economist Intelligence Unit's 2019 Global Microscope on Financial Inclusion report, the overall environment for financial inclusion has improved globally with India, Colombia, Peru, Uruguay and Mexico having the most favourable conditions for inclusive finance. India is placed among the top nations with the most conducive environment for financial inclusion in terms of allowing non-banks to issue e-money, proportionate customer due diligence and effective consumer protection, a report said on 31 October. According to The Economist Intelligence Unit's 2019 Global Microscope on Financial Inclusion report, the overall environment for financial inclusion has improved globally with India, Colombia, Peru, Uruguay and Mexico having the most favourable conditions for inclusive finance.

6. Sensex hits all-time high of 40,344 in early trade, Nifty 50 crosses 11,900

Source: Scroll ([Link](#))

The BSE Sensex, one of India's benchmark share indices, hit an all-time high of 40,344.99 points in early trade on 31 October. The National Stock Exchange Nifty 50 gained 75.90 points

to reach 11,920 at 11.30 am, less than 200 points away from breaching its record high. Both indices rose over 0.6% due to a massive foreign fund inflow and the United States Federal Reserve's decision to reduce its interest rates for the third straight time. Lower interest rates in the United States are expected to encourage investors to come to emerging markets such as India's. At 11.30 am, the Sensex was up 264.26 points at 40,316.13. The biggest gainers were Infosys, State Bank of India, Tata Motors, Sun Pharmaceuticals and Yes Bank, while the shares that lost the most were Axis Bank, Tata Steel, Mahindra & Mahindra, Tech Mahindra and ITC.