

Daily Economic News Summary: 1 October 2019

**1. Most of Indo-US trade disputes resolvable in the near term, says Jaishankar**

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

Indian foreign minister S. Jaishankar on 30 September said most of the trade disputes between India and the US are “resolvable in the near term”, as he ruled out pushing the issue for the next American administration to deal with. In an event organised by the Washington-based Carnegie Endowment for International Relationship think-tank, Jaishankar said the foreign policy and priorities of the Modi government is in tune with the realities of a New India, which is currently the fifth largest global economy and is soon going to be the third largest, PTI reported. “Most of the trade disputes (with the US) are resolvable in the near term,” Jaishankar told the audience at the start of his first visit to the US after taking office as foreign minister. He said the Modi government was of the view that the trade irritants had to be resolved as early as possible and not leave it for the next administration to deal with.

**2. Saudi Arabia assures Reliance it will supply committed crude oil in October**

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

Saudi Arabia has assured billionaire Mukesh Ambani's Reliance Industries that it will supply all the committed crude oil volumes in October as the world's largest oil exporter recovers faster than expected from the biggest attack ever on its oil industry. Saudi Arabia's "Aramco has been a major and reliable supplier of crude oil for Reliance for over 20 years, both in terms of volume of crude supply as well as a mix of various grades of crude oil," Reliance said in an email response to a questionnaire on supplies from the Kingdom. Saudi Arabia is still recovering from the September 14 drone and missile assault on its main oil facility that knocked out about 5.7 million barrels a day, about half of the country's output. Its state energy company, Saudi Aramco, has vowed not to reduce shipments to customers as it draws down strategic reserves.

**3. Setback at WTO: India to rework export schemes after losing dispute to US**

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

With India losing a key trade dispute with the US at the World Trade Organization (WTO) on export subsidies, it will likely expedite a process to replace or restructure various WTO-incompatible export schemes in the coming months, a source told FE. A WTO dispute settlement

panel is learnt to have ruled in favour of the US that had claim-ed that New Delhi offered illegal export subsidies and “thousands of Indian companies are receiving benefits totaling over \$7 billion annually from these programmes”. These export subsidies were in violation of the WTO’s subsidies and countervailing measures (SCM) pact, the US had alleged. India is awaiting the final report of the panel and its precise findings, which is exp-ected soon, said another source, indicating that a detailed impa-ct assessment would be done once the report was received.

#### **4. Commerce Ministry Bans Export of Electronic Cigarettes, E-Hookah**

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

The commerce ministry on 30 September said it has banned exports of electronic cigarettes, e-Hookah and other similar devices. The notification was issued to comply with the government's ordinance issued on September 18 to ban production, import, distribution and sale of electronic cigarettes. "Export of electronic cigarettes including all forms of Electronic Nicotine Delivery Systems, Heat Not Burn Products, e-Hookah and the like devices by whatever name called and whatever shape, size or form it may have...is prohibited," the Directorate General of Foreign Trade (DGFT) said in a notification. However, it said the ban does not conclude any product licensed under the Drugs and Cosmetics Act, 1940.

#### **5. Several PSU divestments lined up: Govt gears up to kick off its own mega Diwali sale**

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

The government is getting set for a series of blockbuster divestments lining up strategic sales in four blue-chip, state-run companies and firming up plans for embattled Air India. A group of secretaries on 30 September cleared strategic sales in Bharat Petroleum Corp. Ltd (BPCL), BEML Container Corporation of India (Concor) and Shipping Corporation of India (SCI). Stake sales in THDC India and Neepec, both power companies, have also been approved. These could ..be taken over by state-run NTPC. The Air India expression of interest (EoI) paperwork is also likely to be finalised and issued soon, setting in motion the formal process for the state-owned airline’s sale, two government officials familiar with the process said. “Stake sales in these state-owned firms have been put on the fast track,” one of them told ET.

#### **6. Nitin Gadkari inaugurates Rs 1,058 cr Delhi-Meerut Expressway phase 3**

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

Union Minister Nitin Gadkari on 30 September inaugurated the Delhi-Meerut Expressway phase-3, built at a cost of Rs 1,058 crore. The 82-kilometre long Delhi-Meerut Expressway

connects Delhi with Meerut in western Uttar Pradesh. A sum of Rs 8,346 crore is likely to be spent on the project. The third phase or package from Dasna in Ghaziabad to Hapur is over 22-km long, with a civil cost of Rs 1,058 crore. This 6-lane section has 2+2 lane service roads on either sides, and a 4.68-km long 6-lane elevated corridor at Pilkhuwa. The project involves construction of a major bridge across upper Ganga canal, seven new minor bridges, a flyover at Hapur bypass, 11 vehicular underpasses, two pedestrian underpasses, two foot overbridges, six major junctions and 105 minor junctions.

### **7. Despite the ‘sop’ opera, govt sticks to fiscal deficit target**

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

The government on 30 September announced that it will borrow ₹2.68 lakh crore during the second half of the current fiscal, beginning October 1. It also made it clear that there will be no change in the fiscal deficit target for now. Meanwhile, the fiscal deficit for the first five months (April-August) has been nearly 79 per cent of the Budget Estimate of ₹7.03 lakh crore. Normally, borrowing is front-loaded during the first half, and hence, it is less in the second half. Accordingly, the second half borrowing will be ₹2.68 lakh crore or 37.75 per cent of the Budget Estimate. First-half borrowing was at ₹4.42 lakh crore or 62.25 per cent.

### **8. Rajnath Singh launches DefExpo 2020 website**

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

Defence Minister Rajnath Singh on 30 September launched the website of the 11th edition of DefEXpo, which will be held in Lucknow in February next year, officials said. The event will be hosted from February 5-8. "The website, [www.defexpo.gov.in](http://www.defexpo.gov.in), provides online services to exhibitors, besides hosting informative content about the product profile of DPSUs (Defence Public Sector Undertakings) and ordnance factories," a senior official said. The website enables exhibitors to register and book space online as per their requirements on a first-come-first-serve basis, make online payments, book conference halls and venues for Business-to-Business (B2B) meetings, the Defence Ministry said in a statement. Exhibitors can avail early bird discounts by booking space on the website before October 31, it said.

### **9. US Commerce Secy Wilbur Ross to meet Piyush Goyal this week**

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

US Commerce Secretary Wilbur Ross and Commerce and Industry Minister Piyush Goyal are likely to meet on October 3 in New Delhi to discuss trade and investment related issues, an

official said. The meeting assumes significance as India and the US are negotiating a bilateral trade deal to boost two-way commerce. The trade deal talks were recently held in Washington between Goyal and US Trade Representative Robert Lighthizer. "The two ministers are expected to hold a bilateral meeting on October 3," the official said. US President Donald Trump on September 24 had said that his country will soon have a trade deal with India to boost economic ties. "I think, very soon, we will have a trade deal...We will have a larger deal down the road," he had told reporters.

#### **10. Group of secretaries clears strategic stake sale in five companies**

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

A group of secretaries on disinvestment on 30 September approved sale of government's entire shareholding in four public sector companies – Bharat Petroleum Corp Ltd (BPCL), Shipping Corp of India (SCI), THDC India and NEEPCO, a CNBC-TV18 report said quoting Reuters. It also cleared a sale of 30% equity of Container Corp of India (Concor) from the government holding. This is the biggest privatization of state-owned public sector companies proposed to be undertaken by an Indian government since the Atal Bihari Vajpayee dispensation in early 2000. As far as stake sale of BPCL goes, the government will now have to seek the approval of the two Houses for its sale since the company was formed under an act of Parliament.