

Daily Economic News Summary: 22 July 2019

**1. China asks New Delhi to joint fight against unilateralism, protectionism amid trade war with US**

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

China has said it values India's concerns on the bilateral trade imbalance and is willing to discuss new approaches to address the issue and asked New Delhi to join Beijing in its fight against "unilateralism and protectionism" amidst a bruising trade war with the US. India for long has been pressing China to open its pharmaceutical market for Indian pharma exports to address the yawning trade deficit which last year according to Chinese figures, crossed USD 57 billion in a USD 95.5 billion in a USD 95.5 billion trade. China's new Ambassador to India Sun Weidong said, "China highly values India's concerns on trade imbalance. But I have to point out that we have never deliberately pursued a trade surplus against India."

**2. Electric vehicle start-up SmartE gets Rs 100-crore investment from Mitsui**

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

Electric vehicle (EV) start-up SmartE has raised Rs 100 crore from Japanese major trading house Mitsui & Co in a Series B funding round. In addition to the capital, Mitsui will bring to SmartE multiple synergies through its existing businesses in the EV domain to enable the company for long-term growth. Founded in 2014, SmartE provides electric mobility services and focuses on offering shared last-mile connectivity. It has moved over 35 million commuters till date. With its fleet of nearly 1,000 electric three-wheelers in Delhi-NCR, it moves around 100,000 commuters daily. The company will use the funding to rapidly increase its fleet size within Delhi-NCR as well as other key cities around the country. It will also use the funds to significantly ramp up its charging infra network to offer both plug-in vehicle charging and battery swapping solutions.

**3. Commerce Ministry, exporters to discuss strategy to increase shipments to US, China**

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

In its efforts to execute an effective plan to increase exports to the US and China as the two countries continue to engage in a tariff war with each other, the Commerce Ministry is roping in exporters to share their strategy to exploit the opportunity and also point out the pain points. At a

meeting to be chaired by the Commerce Minister on July 31, exporters and officials will focus on the high potential items for exports already identified by the government and how exports can be enhanced, a government official said. “Exporters will share with the government the strategies they could adopt to make the most of the situation and grab a bigger market share in the US and China. They will also point out the specific constraints that they face,” the official pointed out.

#### **4. CII identifies 31 items with high export potential**

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

In a study on ways to boost merchandise exports, the Confederation of Indian Industry (CII) has identified 31 items with high potential for exports such as women’s apparel, drugs, cyclic hydrocarbons and furniture. India’s exports in the first quarter of the on-going fiscal contracted compared to exports in the same period last year due to weakening of global trade growth and lower demand. In 2018-19, India’s exports increased 9 per cent to hit a new high of \$331 billion, breaching the previous high of \$314 billion clocked in 2013-14.

#### **5. India sews coalition of 9 nations to push development at WTO**

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

India has formed a coalition of nine countries to place special provisions for developing countries and high farm subsidies in advanced nations that harm African states at the forefront of global trade talks. Stating that special and differential treatment (S&DT) is a “non-negotiable right for all developing countries”, the grouping said “all members, no matter their trade share, must have an equal say in decision making” of the World Trade Organization (WTO). India, South Africa, Bolivia, Cuba, Uganda, Zimbabwe, Ecuador, Tunisia and Malawi have suggested preservation of consensus decision making and reaffirming special provisions for developing countries to address asymmetries in global trade. This comes as the US and Canada, among other countries, have questioned the eligibility of developing countries for special provisions even as they propose rule making for issues such as e-commerce and investment, which don’t have the multilateral mandate.

#### **6. Piyush Goyal to meet sector specific players on RCEP on Monday**

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

Ahead of trade minister-level deliberations in China on the proposed RCEP agreement, the commerce ministry has convened a meeting of sector specific players, particularly from steel, on 22 July, an official said. The Regional Comprehensive Economic Partnership (RCEP) is a mega

free trade agreement being negotiated among 16 countries. It comprises 10 ASEAN group members (Brunei, Cambodia, Indonesia, Malaysia, Myanmar, Singapore, Thailand, the Philippines, Laos and Vietnam) and India, China, Japan, South Korea, Australia and New Zealand. Senior officials and industry players from sectors including steel, automobile, MSME, engineering and heavy industry would participate in the day long meeting, the official said. Representatives of industry bodies such as CII and FISME would also attend the meeting. The deliberations assume significance as base metal and steel sector have raised reservations over proposed import duty cuts under the RCEP agreement. Certain steel sector players have already demanded removal of the segment from the purview of existing free trade agreements with Japan and South Korea. They have claimed that the pact has not benefitted them.

### **7. Modi govt 2.0 sets sights on making India USD 5 trillion economy**

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

The Modi government has underlined its priorities in the first 50 days of its second term, setting sights on making India a USD 5 trillion economy and hitting the ground running on spurring growth. Two persons in the know of the government policy making said the dispensation truly feels that transformative changes can be brought about only through economic growth and inclusive development. Prime Minister Narendra Modi was sworn-in on May 30 after the BJP won 303 seats — the first time since 1971 that an incumbent government returned to power with such a thumping mandate. The government was off the blocks on day one and set the ball rolling on manifesto promises such as pension schemes for farmers, small traders and unorganised workers, extension of PM-KISAN to all farmers, and setting up of a Jal Shakti Ministry, say political observers.

### **8. RCEP trade ministers to meet in Beijing next month**

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

Commerce ministers of 16 countries including India and Japan which are negotiating the mega free trade agreement RCEP will hold a crucial meeting in Beijing next month to iron out differences and push the negotiations forward, an official said. The ministers will meet on August 2-3 in Beijing, immediately after conclusion of the 27th round of negotiations for the Regional Comprehensive Economic Partnership (RCEP) at Zheng Zhou in China, the official added. The trade agreement aims to cover issues related to goods, services, investments, economic and technical cooperation, competition and intellectual property rights. In the

merchandise sector, all the countries want India to eliminate customs duties on maximum number of goods as the country's huge domestic market provides immense opportunity for exports. India trades in over 11,500 products. Certain sensitive sectors like agriculture are mostly kept out of the purview of such agreements to protect the interest of farmers.

### **9. GoAir to launch international flights to Vietnam, Cambodia, Bhutan**

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

Budget passenger carrier GoAir plans to add destinations such as Hanoi and Phnom Penh to its international network by the year-end, sources said. Sources said the airline, which is rapidly expanding its international presence, will also deploy capacity to Bhutan in the coming days. Till recently, the airline flew to just four international destinations -- Phuket, Malé, Muscat and Abu Dhabi. Lately, it launched a slew of new international flights -- Delhi-Abu Dhabi, Mumbai-Abu Dhabi, Mumbai-Muscat, Delhi-Bangkok and Kannur-Kuwait. However, some of these new international flights are being operated on re-allocated slots of Jet Airways. GoAir has the rights over these till September. An airport slot is a specified time period granted at airports to an airline to operate its scheduled flights.

### **10. Canada's pension fund OMERS seeks new green energy deals**

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

Canadian pension fund Ontario Municipal Employees' Retirement System (OMERS) is scouting for acquisition opportunities in India, in an affirmation of the country's position as a green energy hot-spot. With net assets of more than \$100 billion under management, OMERS has been attracted by the presence of other Canadian investors in India such as Canada Pension Plan Investment Board (CPPIB), Caisse de dépôt et placement du Québec (CDPQ) and Brookfield Asset Management. This comes at a time when India's emerging green economy is expected to require investments of around \$80 billion till 2022, growing more than three-fold to \$250 billion during 2023-30. The country has an installed renewable energy capacity of about 80 gigawatts (GW) and is running the world's largest renewable energy programme with plans to achieve 175GW by 2022 and 500GW by 2030, as part of its climate commitments.