

Daily Economic News Summary 26 February 2020

1. India and US to start negotiations for 'big trade deal': PM Modi

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

Describing Indo-US relations as "one of the most important partnerships" of the 21st century, Prime Minister Narendra Modi on 25 February said increasing the bilateral defence and security cooperation is a very key aspect of this relationship. Addressing a joint press meet with US President Donald Trump after their comprehensive talks on key issues, including trade, counter-terror and energy cooperation, Modi said as far as bilateral trade is concerned, there have been positive talks between the two commerce ministers. "President Trump and I have agreed that our teams will give a legal shape to the understanding that our commerce ministers have reached. We have also agreed to start negotiations for a big trade deal. We hope that it will yield good results in mutual interest," the Prime Minister said.

2. India, Australia agree to consider reviving talks for FTA

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

India and Australia on 25 February agreed to consider reviving stalled negotiations on the proposed free trade agreement (FTA), an official statement said. The matter was discussed in a Joint Ministerial Commission meeting between India and Australia, convened on February 24. It was co-chaired by Commerce and Industry Minister Piyush Goyal and his Australian counterpart Simon Birmingham. "They agreed to consider reviving the negotiations on the bilateral Comprehensive Economic Cooperation Agreement (CECA)," Commerce and Industry Ministry said in the statement.

3. Trump: Cut tariffs for better trade ties

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

True to his style, US President Donald Trump did not mince words when he said that India needs to work on its tariffs if it wanted better trade relations with America. At a press conference called at short notice, Trump, to a question, said, "India is probably the highest tariff nation... I said you have to stop that, especially those that pertain to American states. I think we are understanding each other." The press conference, which Trump himself moderated, was free flowing with the

US President taking questions from both international and Indian media. Citing the case of Harley Davidson, the US-based premium motorbike manufacturer, Trump said the company had to pay very high tariffs when it exported to India. But Indian companies faced almost no tariffs when they exported motorbikes to the US, the President said, adding that it was unfair treatment.

4. US, India now global strategic partners, to start Quadrilateral Initiative

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

Without any deadlock-breaking agreements on trade, or the sale of nuclear power reactors, much of the feel-good around the two-day visit of US President Donald Trump centred on the burgeoning US-India strategic and defence partnership. “Today, President Trump and I have taken a decision to raise our partnership to the level of a comprehensive global strategic partnership,” said Prime Minister Narendra Modi, addressing the media after bilateral talks in New Delhi on 25 February. Modi and Trump agreed to galvanize the Quadrilateral Initiative (Quad), which could become an important element in the Indo-Pacific strategic architecture, bringing together democracies that are wary of a rising China.

5. ISRO to launch geo imaging satellite GISAT-1 on March 5 from Sriharikota

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

The Indian Space Research Organisation (ISRO) on 26 February said that GSLV-F10 will launch geo imaging satellite, GISAT-1, from Satish Dhawan Space Centre in Sriharikota on March 5. The launch is scheduled to take place at 5.43 pm. "Geosynchronous Satellite Launch Vehicle (GSLV-F10) will launch geo imaging satellite (GISAT-1) from the second launch pad of the SDSC SHAR, Sriharikota. The launch is tentatively scheduled at 1743 Hrs IST on March 05, 2020, subject to weather conditions," ISRO said. Weighing about 2,275 kg, GISAT-1 is a state-of-the-art agile Earth observation satellite that will be placed in a 'geosynchronous transfer orbit' by GSLV-F10. Subsequently, the satellite will reach the final geostationary orbit using its onboard propulsion system.

6. Donald Trump's visit: No trade deal, but India and US sign three MoUs

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

The Central Drugs Standard Control Organization and the US Food and Drug Administration are the parties to the MoU. Sources claimed the two nations would focus on information exchange to help in capacity building. Another agreement clinched during the visit was between ExxonMobil,

Indian Oil Corporation (IOC), and Chart Energy & Chemicals to establish a system of transportation infrastructure to expand gas access in India. The Indian LNG arm of the American company will supply gas for the purpose while Chart will help create “virtual pipeline systems” that will deliver liquefied natural gas by road, rail, and waterways to areas not connected by physical pipelines. The two sides also signed an MoU on mental health, between the Indian department of health and family welfare and the department of health and human services

7. SEBI: Mauritius investors can still register as FPIs

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

The markets regulator on 25 February clarified that foreign investors from Mauritius will continue to be eligible for registration in India but will face tougher disclosure requirements. The Securities and Exchange Board of India’s (Sebi) statement comes after the island nation, a tax haven and the second-largest source of foreign portfolio investments into India after the US in 2019, was placed on an international terror-financing watch list. Funds coming from Mauritius will now be subject to stricter know-your-client (KYC) disclosures, compliance and regulatory scrutiny, a Sebi spokesperson said. Fund managers were, however, sceptical whether Sebi will allow them to register as foreign portfolio investors (FPIs) under the regulations. Financial Action Task Force (FATF), a Paris-based monitoring group to tackle terrorism financing and money laundering, last week put countries, including Mauritius, Pakistan and Cayman Island on its grey list, which indicates the jurisdictions have weak rules to prevent money laundering and terror financing.