

Daily Economic News Summary: 29 October 2019

1. Investments in food startups peak since 2016 amid growing demand

Source: Livemint ([Link](#))

Rebel Foods, the cloud kitchen startup that operates the Faasos brand, has been on a fundraising spree. Since March, the Mumbai-based firm has raised funds through multiple rounds, including \$25 million from Goldman Sachs and Irving Investors, according to filings sourced by Paper.vc, a business intelligence platform. Rebel Foods' fundraising highlights peaking investor interest in food brands in India. Investments in food startups in the first 10 months of this year are double the amount for the whole of 2018. According to Tracxn Technologies' estimates, food startups have raised \$511.79 million across 20 deals from January to 15 October 2019, compared with an investment of \$248.57 million across 24 deals last year, \$210.09 million across 50 deals in 2017 and \$114.59 million across 46 transactions in 2016.

2. WTO to decide on India's retaliatory tariffs

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

The World Trade Organization agreed on 28 October to establish a panel to settle a disagreement over India's decision to impose retaliatory import tariffs on 28 US products. This comes almost a month after India blocked the first request by the US to set up a panel to decide on New Delhi's decision to impose additional duties on products including apples, walnuts, chickpeas, lentils, boric acid and diagnostic reagents. The WTO's Dispute Settlement Body agreed to the second request by the US for establishment of the panel, a Geneva-based official said. The decision of the panel will have an important bearing on duties levied by other countries on US goods following protectionist measures by the Trump administration.

3. Rupee hits one month high as local equity and Asian currencies gain

Source: Livemint ([Link](#))

The Indian rupee on 29 October hit one month high against US dollar tracking gains in local equity and Asian currencies amid optimism for a trade deal. At 9.10 am, the home currency was trading at 70.74 a dollar, up 0.24% from Friday's close of 70.89. The Indian unit had opened and touched a high of 70.73 a dollar -- a level last seen on 1 October. Monday markets were closed due to Diwali holiday. President Donald Trump says US is ahead of schedule to sign a very big

portion of the China deal. Federal Reserve will meet on 29-30 October and 40 economists polled by Bloomberg expect the fed to approve a quarter point reduction. The yield on the 10-year Indian government bond was at 6.518% compared with its previous close of 6.501%. Bond yield and prices moves in opposite directions. In pre-opening trade, the benchmark Sensex Index rose 0.28% or 110.44 points to 39360.64 points. Year to date, it has gained 8.2%.

4. RCEP deal: Japan tries to convince China to relax demands on India

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

To make the proposed Regional Comprehensive Economic Partnership (RCEP) deal between 16 nations more acceptable to Indian negotiators, Japan is trying to convince China to lower demands put forward to New Delhi seeking a reduction or elimination of import duties on goods, a person close to the negotiations has said. Trade Ministers from RCEP countries are scheduled to meet again on November 2-3 in Bangkok to see if an announcement on concluding the deal could be made at the RCEP Leaders Summit on November 4 as planned, or whether a partial conclusion is all that that can be managed at the moment, the official added.

5. India tells Ghana to put in place clear export policy on raw cashews

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

The cashew sector has urged the government of Ghana to come out with a stable policy with regard to export of raw cashew nuts (RCN) so that importers from countries like India are not put to trouble. In an interactive meeting with a government delegation from Ghana at the Kanara Chamber of Commerce and Industry in Mangaluru, K Prakash Rao, former president of Karnataka Cashew Manufacturers' Association, said that Ghana banned the export of RCN two years ago, probably with the aim of encouraging entrepreneurs there. Though Ghana lifted the ban later as that country could not process the volume available there, the move sent a wrong signal to RCN-importing countries.

6. Revised draft Seeds Bill goes soft on compensation issue

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

The revised draft Seeds Bill 2019, which the Ministry of Agriculture and Farmers' Welfare placed in the public domain recently for suggestions and comments, seems to be a watered down version of a draft prepared about nine years ago by the then United Progressive Alliance (UPA) government. Among other things, the new draft has done away with the clause that stipulates constitution of a committee to decide on compensation to be given to affected farmers when

seeds sold by companies and their agents fail to meet the promised performance under given conditions. The earlier draft of the Seed Bill prepared in 2010, incorporating recommendations from the earlier Parliamentary Standing Committee and representations from farmer groups and civil society organisations had this clause in place.

7. Govt owed Rs 5L crore to industry at FY19-end: Niti Aayog estimate

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

About Rs 49,000 crore claims filed by the industry against the 32 CPSEs are under various stages of arbitration while the CPSEs have also filed counter arbitration for about Rs 43,000 crore. The government wants to give a cash booster to Corporate India and small businesses to invigorate the investment cycle but the Centre itself and assorted agencies owned and managed by it owed a staggering Rs 5 lakh crore to them and state-run agencies like FCI at the end of the last fiscal. Though there have been concerted efforts at least at the level of the central government to clear the backlog, unpaid dues of the general government to the businesses for various goods and services availed are still very high.

8. PM Modi's Saudi Arabia visit will boost India's energy security

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

Prime Minister Narendra Modi's visit to the world's largest oil producer Saudi Arabia will help the country to ensure its energy security. Saudi Arabia is the world's largest crude oil producer with an average production of 10 million barrels a day, almost 10% of the global output. It is also one of the two largest suppliers of crude to India, the other being Iraq. During the visit, Prime Minister Modi will have bilateral meetings with the King Salman bin Abdulaziz Al-Saud and Crown Prince Mohammed Bin Salman. India and Saudi Arabia have enjoyed traditionally close and friendly relations. Saudi Arabia has been one of the largest and reliable suppliers of India's energy needs, said Prime Minister Modi in a statement. Prime Minister Modi's visit comes on the heels of a surprise coordinated drone attack on the country's oil facilities that crippled nearly 10% of its oil production facility, raising the concerns of supply disruptions for an energy-starved country like India. However, Saudis were quick to restore the oil production to the pre-attack level in a matter of weeks. Saudi authorities had also assured the Indian government of a steady supply despite the attack on Aramco refinery.