

Daily Economic News Summary: 2 May 2019

1. As US Delays Withdrawing Gsp Benefits, India Postpones Retaliatory Tariffs

Source: Livemint ([Link](#))

India on 2 May further extended its June 2018 order to impose retaliatory tariffs on 29 US products by another 14 days till 16 May as it awaits a final word from the US on its decision to withdraw duty free benefits to Indian exporters. On 20 June last year, India notified that it will hike tariffs on 29 US products, including almonds, apples and phosphoric acid worth \$10.6 billion imports in retaliation to the steel and aluminium tariff hikes by the US in March 2018.

2. Apple May Tweak India Strategy In Bid To Increase Market Share

Source: Livemint ([Link](#))

Apple Inc. is likely to make some adjustments to its India strategy to improve its market share in the world's second-largest market for mobile phones. As part of the strategy, the iPhone maker is expected to boost its manufacturing capacity and open branded retail stores. After announcing its fiscal-second-quarter earnings 30 April, chief executive Tim Cook told analysts that Apple, which only assembles the iPhone 7 in India, will increase local manufacturing, Press Trust of India reported. According to Cook, a temporary 22% drop in price for the iPhone XR in April taught Apple something, as it helped the company increase sales. Apple iPhones account for less than 1% of the Indian smartphone market, largely dominated by vendors such as Samsung and Xiaomi.

3. Oyo Targets Europe With €369 Mn @Leisure Acquisition

Source: Livemint ([Link](#))

Oyo, India's biggest hotel startup, has agreed to buy Amsterdam-based vacation rental company @Leisure Group for an estimated €369 million in its biggest-ever acquisition. SoftBank Group Corp. and Airbnb-backed Oyo (Oravel Stays Pvt. Ltd) will buy @Leisure Group from German media firm Axel Springer SE, the companies said in a joint statement. The deal will help the hospitality startup deepen its presence in Europe and bolster its international expansion plans. It is currently present only in the UK with 30 hotels under its flagship brands, Oyo Hotels and Oyo

Townhouse. Oyo did not disclose the value of the transaction. One person aware of the deal said Oyo would pay around €369 million for the acquisition.

4. Iraq Remains India's Top Oil Supplier In Fy19, Imports From Us Up 4-Folds

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

Iraq has for the second year in a row become India's top crude oil supplier, meeting more than a fifth of the country's oil needs in 2018-19 fiscal year. According to data sourced from the Directorate General of Commercial Intelligence and Statistics, Iraq sold 46.61 million tonne of crude oil to India during April 2018 and March 2019, 2 per cent more than 45.74 million tonne it had supplied in 2017-18 fiscal. India provisionally imported 207.3 million tonne of crude oil in 2018-19, down from 220.4 million tonne in the previous financial year.

5. Flipkart In Talks To Buy Indian Grocery Chain Namdhari's Fresh: Report

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

Walmart Inc-owned e-commerce firm Flipkart is in talks to buy Indian grocery chain Namdhari's Fresh, CNBC-TV18 reported on 1 May, citing sources. Namdhari's operates over 30 stores in the southern city of Bengaluru, and the acquisition will help Flipkart expand its food and grocery segment, the report added. Both companies had held talks, one source familiar with the matter told Reuters, adding that it was not immediately clear if it would result in a deal. Walmart acquired about 77 percent of Flipkart for roughly \$16 billion last year, beefing up the competition to Amazon.com Inc in the fast growing Indian e-commerce market.

6. GST Collection Highest Ever: Tops Rs 1.1 Lakh Crore In April For The First Time Since Launch

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

The government mopped up GST revenue of Rs 1,13,865 crore in April, registering a growth of 10.05 percent over the same period of last financial year 2018-19. This is the highest since the new tax regime was implemented in July 2017, and it is the first time ever that monthly GST collection has topped Rs 1.1 lakh crore. The revenue in April is also higher by 16.05% than the monthly average of GST revenue in the last financial year FY19 which stood at Rs 98,114 crore, according to the government statement. Of the total GST collection of Rs 1.13 lakh crore, CGST is Rs 21,163 crore, SGST is Rs 28,801 crore, IGST is Rs 54,733 crore (including Rs 23,289 crore collected on imports) and cess is Rs 9,168 crore (including Rs 1,053 crore collected on imports).

7. India, Iran May Hold Next Round Of Negotiations For Trade Agreement In May
Source: The Economic Times ([Link](#))

Senior officials of India and Iran are likely to hold fifth round of negotiations for a bilateral preferential trade agreement (PTA) here this month, an official said. Till now, four rounds of negotiations have been completed and the last one was held in March in Tehran where both countries discussed draft text of the pact. "Both sides have tentatively agreed to hold the fifth round of talks here this month," the official added. Unlike in a free trade pact, where two trading partners significantly reduce or eliminate duties on maximum number of goods traded between them, PTA involves removal of duties on certain identified products.