

Daily Economic News Summary: 2 September 2019

**1. Government prepares array of rules as it looks to overhaul road mobility**

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

Aimed at overhauling India's entire road mobility play, the National Democratic Alliance (NDA) government is preparing a set of exhaustive rules on issues such as road safety, transportation, vehicle maintenance, insurance against third party risks, offences and penalties. With the Motor Vehicles (Amendment) Act, 2019 becoming a reality, the transport ministry has set up half a dozen committees to frame rules in new areas such as electric vehicles (EVs). The committees will comprise senior ministry officials as well as representatives from states, and industry bodies such as the Society of Indian Automobile Manufacturers (Siam), Insurance Development and Regulatory Authority of India (Irdai), Association of State Road Transport Undertakings (ASTRU), Automotive Research Association of India (ARAI), said two senior government officials, requesting anonymity.

**2. State food ministers to meet tomorrow**

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

A newly-planned scheme of fortifying rice distributed through ration shops, the recently passed Consumer Protection Act 2019, and supply of pulses and onion from Centrally-maintained buffer stocks are among the topics to be discussed at a meeting of State ministers of food, civil supplies and consumer protection, which will take place on 3 September. According to an official release, the fifth national consultation meeting of the State ministers is being held at a time the new consumer protection Act is notified. A pilot scheme was launched recently in 15 districts in predominantly rice-eating States to improve nutrition security by distributing fortified rice through the public distribution system. Both these issues are expected to figure prominently at the meeting, the release said.

**3. TERI to study impact of climate change on farm sector**

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

The Energy and Resources Institute (TERI) is looking at undertaking a study on the impact of climate change and sustainability on the agriculture sector in India and come out with probable solutions to address these. According to Ajay Mathur, Director-General of TERI, there is a need

to take a re-look at the cropping pattern adopted by various States keeping in mind the way climate change is impacting major crops and sowing pattern. “We are aware of the issues confronting the agricultural sector that need to be addressed and I am hoping that we would work on those,” Mathur told Business Line when asked if TERI would look at studying the impact of climate change and sustainability on agriculture and cropping pattern in the country.

#### **4. India yet to capitalize as US funds, firms flee China**

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

India is yet to take advantage of the ongoing flight of American capital and companies from China, analysts said, as US President Donald Trump escalated the trade war with China on Sunday with 15% tariffs on more than \$125 billion of Chinese goods. The Chinese have placed themselves in a bad situation, as some 13% of certain companies “are going to be leaving China in the not-too-distant future”, Trump suggested on 30 August. “I think it is going to be much higher because they cannot compete with the tariffs (imposed on the Chinese goods),” he said. American companies, which seem frustrated with the administration’s trade war with China, are now scrambling to limit their exposure to China, in some cases shifting production other countries such as Vietnam, to avoid tariffs that will soon reach as much as 30%, The New York Times reported. These companies are increasingly locating their operations in Vietnam, despite difficulties involved in shifting production activities from China because of established supply chains.

#### **5. UAE accelerator may back two Indian firms**

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

Last year, BankBuddy, a financial technology firm that provides artificial intelligence (AI) solutions to help financial institutions automate, analyse and assist stakeholder interactions, opted for an acceleration programme to help the startup attract global clientele and also receive genuine feedback from not one but several global financial institutions, which could help it expand beyond India. In September, BankBuddy was selected by Dubai International Financial Centre (DIFC) FinTech Hive, the first and largest financial technology accelerator in the Middle East, Africa and South Asia region. “It was a game changer for us. We had one client in India then. We are seeing hyper growth now and getting a client every month, which is unheard of in the BFSI (banking, financial services and insurance) space,” Aditya Bhagat, co-founder of BankBuddy said during an interaction.

## **6. Modi, Putin likely to sign 25 trade, defence, energy pacts**

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

Russian President Vladimir Putin will host Prime Minister Narendra Modi for a one-on-one dinner on 4 September in Vladivostok in the backdrop of the 20th edition of an annual bilateral summit where both sides are expected to ink 25 pacts across sectors including defence, trade, investments, industrial cooperation, energy and connectivity corridors. At the dinner, the two leaders will look to further deepen their strong personal chemistry and explore steps to effectively coordinate on key global issues including the Af-Pak hotspot, ET has learnt. The two share a strong personal chemistry, which has contributed to qualitative improvement in the bilateral partnership over the last few years, according to informed sources. Russia was the first P-5 nation to support India's recent moves on Kashmir.

## **7. Bangladesh signs deal with Reliance Power to buy electricity for 22 years**

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

Bangladesh has signed an agreement to buy 718 megawatts of electricity from India's Reliance Power over the next 22 years, the company said on 1 September. Reliance plans to invest about \$1 billion to set up a local plant by 2022 to provide the electricity. The plant will be built at Meghnaghat in Narayanganj, over 20 km southeast of the capital Dhaka, according to a project report seen by Reuters at an event held to close the deal. The combined-cycle power plant will be fueled by gas and regasification liquefied natural gas and be fully owned by Reliance. Bangladesh agreed a deal with China last week to build renewable energy projects providing 500 megawatts by 2023 at an investment cost of \$400 million, in the latest sign of Beijing's growing role in the South Asian nation's energy sector.