

Daily Economic News Summary: 4 July 2019

1. India to get \$217 million additional revenue from retaliatory tariffs: Piyush Goyal

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

India will get additional \$217 million of revenue from the retaliatory tariffs it imposed on 28 American products, commerce & industry minister Piyush Goyal said on 3 July. “The retaliatory tariffs are expected to have an additional impact in terms of duty incidence of about \$217 million (approximately) on these 28 products imported from US,” Goyal said in a written reply in the Lok Sabha. The US imposed a global additional tariff of 25% and 10% on import of steel and aluminum products in March last year. “In response, the government of India has imposed retaliatory tariffs on 28 products originating or exported from the US with effect from 16th June,” Goyal said.

2. Basmati rice exports rise to USD 4.71 bn in 2018-19

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

The country's basmati rice exports increased to USD 4.71 billion in 2018-19 as compared with USD 3.20 billion in 2016-17, Parliament was informed on 3 July. Commerce Minister Piyush Goyal in a written reply to the Lok Sabha said promotion of agricultural products such as basmati rice is a continuous process. In volume terms, the exports increased to 44,14,605 tonne in 2018-19 from 39,85,210 tonne. Similarly, exports of non-basmati rice also rose to USD 3 billion in the last financial year from USD 2.52 billion in 2016-17. Replying to a separate question, the minister said the top-10 destinations for the country's agricultural exports include the US, Vietnam, Iran, China, the UAE, Bangladesh and Saudi Arabia.

3. Cabinet approves higher minimum support prices for Kharif crops

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

The Cabinet has approved higher support prices for kharif, or summer-sown crops, a new labour code that will allow minimum wages to be paid by cheque or bank transfers to workers of both organised and unorganised sectors, and leasing out of Lucknow, Ahmedabad and Mangaluru airports to Adani Enterprises. The government said the increase in minimum support prices (MSP) for kharif crops, approved by the Cabinet Committee on Economic Affairs, is in line with

giving farmers 1.5 times the cost of production. The highest percentage return to farmers over their cost of production is for bajra (85%) followed by urad (64%) and tur (60%). The support price of common variety rises from Rs 1,750 a quintal to Rs 1,815 while higher quality 'Grade A' variety rises from Rs 1,770 to Rs 1,835 a quintal as reported by ET on 2 July.

4. India's trade deficit widened with 25 major countries in 3 years

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

India's trade deficit, difference between imports and exports, has widened during the past three years with as many as 25 major countries including South Korea, Japan, Germany, Iraq and Saudi Arabia, Parliament was informed on 3 July. Commerce Minister Piyush Goyal said in a written reply to the Lok Sabha that trade deficit depends upon relative fluctuations in the imports and exports of different commodities due to the global and domestic factors such as demand and supply, currency fluctuations, cost of credit, and logistics costs. The increasing trade deficit in spite of positive growth of exports is mainly due to higher imports of products such as crude oil, electronic goods, iron and steel, chemicals, coke, fertilisers, and machinery, he said.

5. Rubber Board charts a new strategy to raise output

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

Untapped rubber plantations will now get a new lease of life as the Rubber Board has something unique to offer. To improve production, the Board is in the process of implementing a new concept of adopting rubber-holdings through producer societies and companies promoted by it. The objective is to ensure that no rubber-holding goes without tapping, said KN Raghavan, Chairman, Rubber Board. He pointed out that rubber production came down by 1,26,000 tonnes in 2013-14 and 2018-19, while tappable areas increased by 1,21,900 hectares. This was due to fewer tappings and decline in productivity in the wake of a fall in prices from the all-time high of ₹243/kg in April 2011 to ₹118/kg in November 2018. The adoption of farms will involve maintenance, weeding, planting protection measures besides provisions for rain-guarding, tapping of trees and processing of the produce.

6. Cabinet approves leasing out three major airports of AAI

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

The Union Cabinet gave its approval on 3 July to the proposals for leasing out three major airports -Ahmedabad, Lucknow and Mangaluru -of the Airports Authority of India (AAI) through public-private partnership (PPP), an official spokesperson said. Earlier this year, the

Adani group had won the bids to operate the three airports for a period of 50 years. The Adani group had also won the bids to operate the Jaipur, Guwahati and Thiruvananthapuram airports, owned by the AAI. The AAI had chosen the winner on the basis of the “per-passenger fee” offered by the bidders.

7. New industrial policy set to be unveiled in budget

Source: Livemint ([Link](#))

India’s much-awaited new industrial policy is expected to be part of 5 July’s Union budget, centring around the Make In India theme to re-industrialize the economy and create manufacturing jobs. The industrial policy will include incentives to make India a manufacturing and exports hub at a time global manufacturers, troubled by the US-China trade war, are looking beyond Asia’s biggest economy, a government official aware of the development said on condition of anonymity. The 5 July Union budget, to be presented by finance minister Nirmala Sitharaman, is the Narendra Modi government’s first after returning to power with a landslide majority. “The policy, which may be part of the upcoming budget, will give a medium- to long-term direction to India’s growth trajectory," said the official cited above.

8. Economic Survey to chart out reform road map of Modi 2.0 govt

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

Ahead of Modi government's maiden Budget in the second term, an economic survey projecting the state of health of the country's economy and outlining the challenges will be tabled in Parliament on 4 July. The survey prepared by Chief Economic Adviser Krishnamurthy Subramanian is likely to flag headwinds that the economy might face in its pursuit to become the world's fifth largest economy. It is also likely to detail reforms road map needed to fulfil Modi's goal of more than doubling the size of the economy to USD 5 trillion by 2024. The survey, which traditionally has chapters on macro economy as well as industry and different sectors and the outlook, will come a day ahead of Finance Minister Nirmala Sitharaman presents the first budget of the Modi 2.0 government.