

Daily Economic News Summary: 4 November 2019

**1. World's biggest trade deal to be delayed to 2020: Draft ASEAN statement**

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

The signing of the world's largest trade pact will likely be kicked back to 2020, according to a draft statement by Southeast Asian leaders, delaying a deal craved by China to offset a painful tariff war with the US. The 16-nation Regional Comprehensive Economic Partnership (RCEP) spans from India to New Zealand and includes 30 percent of global GDP and half of the world's people. Objections by India have dashed hopes of finalising the pact at this weekend's Association of Southeast Asian Nations (ASEAN) summit in Bangkok, where members of the 10-nation bloc have been joined by the premiers of India and China. But it said all members were "committed to sign the RCEP" next year in Vietnam, which will take over the ASEAN chair.

**2. Led by India, South Asia moving towards becoming center of global growth: IMF**

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

Led by India, South Asia is moving towards becoming center of global growth and could contribute about one-third of the world's growth by 2040, according to a latest research by the International Monetary Fund. Notably, under the IMF's geographical division of the world, South Asia does not include Afghanistan and Pakistan. For IMF, South Asia includes India, Bangladesh, Nepal, Sri Lanka, Bhutan, and Maldives. Under a substantial liberalisation scenario, supported by stepped-up efforts to improve infrastructure and successfully harness South Asia's young and large workforce, the region could contribute about one-third of global growth by 2040, argues the IMF paper 'Is South Asia Ready for take Off? A sustainable and inclusive growth agenda,' to be released in New Delhi on 4 November.

**3. PM says will further improve tax regime to attract overseas investment**

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

India is committed to further improving its people-friendly tax regime, Prime Minister Narendra Modi said, as Asia's third-largest economy seeks to attract more overseas investment to spur growth. The government has cut corporate tax rates and introduced a nationwide goods-and-services charge to integrate the nation's economy, Modi said in a speech at Aditya Bira Group's golden jubilee celebrations in Thailand on 3 November. "We want to work toward making it

even more people friendly,” he said. Attracting new investment is key to creating jobs and boosting growth in the economy, which slowed to a six-year low growth rate of 5 per cent in the quarter ended June. India is considering tax relief for individuals as it looks at measures to accelerate consumer demand. The next pulse check for the economy is due on Nov. 29, when the government will publish gross domestic product data for the July-September period. Modi aims to make India a \$5 trillion economy by 2025.

#### **4. Seamless link between North-east, Thailand to boost trade: Modi in Bangkok**

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

Reaching out to the Indian diaspora at an event organised for the purpose in Bangkok, Prime Minister Narendra Modi said plans were on the cards to establish seamless connectivity between North-East India and Thailand. He said that such a move would provide a fillip to both, India's Act East Policy, and Thailand's Act West Policy, and boost trade between the two nations, while enhancing the development of the entire region. As part of this initiative, the Prime Minister dwelt on the development of a 'Buddhist Circuit' that would connect Buddhist places of importance. Modi also spoke about making the OCI (Overseas Citizenship Of India) card more flexible and stated that one of the first steps towards this end was to permit OCI card holders to enrol for the National Pension Scheme (NPS). The Prime Minister added that 1,000 youth from Asean nations would be able to pursue post-doctoral fellowships at the Indian Institutes of Technology (IITs).

#### **5. Suspense over RCEP deal continues as India comes up with fresh demands**

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

Southeast Asian leaders, worried by the US-China trade war, pushed for a deal on what could be the world's largest trade bloc on 3 November as officials worked behind the scenes to try to salvage progress following new demands from India. Hopes of finalising the Asia-wide Regional Comprehensive Economic Partnership (RCEP), which is backed by China, have been thrown into doubt at the summit of the Association of Southeast Asian Nations (ASEAN) in Bangkok, Thailand. Indian Prime Minister Narendra Modi did not even mention the RCEP deal in opening remarks at a meeting with Southeast Asian leaders and instead spoke only of reviewing the existing trade agreement between ASEAN and India. "This will help not only further strengthen our economic relations, but our trade will also be more balanced," Modi said.

## **6. India “Guest of Honour Country” at China’s import expo; to pitch pharma, IT, agri exports**

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

India will be one of the “Guest of Honour Country” at China’s second International Import Expo (CIIE) to be opened at Shanghai on November 5 where it plans to make a strong pitch for exports of its Pharma, IT and agricultural products among others. An Indian business delegation headed by Commerce Secretary, Anup Wadhawan, would take part in the import expo which is aimed at enabling countries from the world over to showcase products to enhance their export to China. In this year’s expo to be inaugurated by Chinese President Xi Jinping, India is among the 15 Guest Countries of Honour. The others are Cambodia, the Czech Republic, France, Greece, Italy, Jamaica, Jordan, Kazakhstan, Malaysia, Peru, Russia, Thailand, Uzbekistan, and Zambia. A number of European leaders – including French President Emmanuel Macron and incoming EU trade commissioner Phil Hogan would take part in the expo which would be held from November 5 to 10 for businessmen. Later it would be open for public till November 20.

## **7. Govt suggests 9-hour working day, but avoids fixing a minimum wage in draft rule**

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

The Indian government has suggested a nine-hour normal working day in its draft wage code rules, but has stayed away from fixing a national minimum wage. The draft reiterates most of the old rules except suggesting three geographical classifications for deciding wages in future. “The number of hours which shall constitute a normal working day...shall be of nine hours,” said the draft rules now up for public comments. However, the draft rule creates ambiguity while underlining that eight hours of daily work will be calculated for 26 days of work in a month for fixing monthly salary, an existing rule for decades. “Some factories are already pushing people to do nine-hour normal workday. What these wage code rule is trying to achieve is institutionalise it for all. We have opposed the wage code and we shall oppose the rule because they are not talking about workers welfare,” said A.K. Padmanabhan, vice president of Centre for Indian Trade Union.

## **8. FinMin plans next tranches of CPSE, Bharat 22 ETFs in fourth quarter**

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

The finance ministry is likely to come out with the next tranches of CPSE and Bharat-22 exchange-traded funds (ETF) in the previous quarter of the current financial year in its efforts to meet ambitious disinvestment target of over Rs 1 lakh crore. Based on the realisation of the

disinvestment process in the three quarters, the decision on the next tranches of the ETFs would be taken during the January-March quarter, sources said. Accordingly, the quantum will be fixed as to how much to raise through the ETF mode to meet the target set for the current financial year, the sources added. The CPSE ETF was launched for the first time in March 2014. Thereafter, five tranches were offered in January 2017, March 2017, November 2018, March 2019, and July 2019. The ETF invests in 11 public sector companies, including ONGC, Coal India, Indian Oil Corporation, Oil India, GAIL, Engineers India Ltd and Container Corporation of India.