

Daily Economic News Summary: 5 November 2019

**1. India decides to opt out of RCEP, says key concerns not addressed**

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

India won't join the Regional Comprehensive Economic Partnership (RCEP) because concerns about getting swamped by imports under the agreement putting its domestic industry and agriculture at risk haven't been assuaged. The RCEP, which includes China and the Association of Southeast Asian Nations (Asean), aims to cover about a third of the world economy and half its population. "The present form of the RCEP Agreement does not fully reflect the basic spirit and the agreed guiding principles of RCEP," Prime Minister Narendra Modi said in his address at the RCEP summit in Bangkok, according to a tweet by official broadcaster Prasar Bharati. "It also does not address satisfactorily India's outstanding issues and concerns. In such a situation, it is not possible for India to join RCEP Agreement."

**2. RCEP: India has a year to be part of trade deal but chances dim**

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

India will have a year to be part of the Regional Comprehensive Economic Partnership but chances of it joining the grouping are dim as India has significant outstanding issues which are unlikely to be resolved within the stipulated time. "We welcomed the report presented by ministers on the outcomes of the RCEP negotiations. We noted 15 RCEP participating countries have concluded text-based negotiations for all 20 chapters and essentially all their market access issues and tasked legascrubbing by them to commence for signing in 2020. India has significant outstanding issues which remain unresolved. All RCEP participating countries will work together to resolve these outstanding issues in a mutually satisfactory way. India's final decision will depend on satisfactory resolution of these issues," said a joint statement after the RCEP summit in Bangkok on 4 November.

**3. India among most vulnerable to climate change; poor air quality threatens economic development**

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

The poor air quality across India's major cities is hurting more than the health of the people it is putting the country's future sustainable growth and development at risk. A new report alludes to

India's weak condition, putting the nation at 80th position in climate change, high populism, high protectionism, and other disruptive forces. Among the major economies, India and Vietnam are the most vulnerable countries, being low and middle-income economies with high temperatures, reliance on agriculture, a high population, and limited resources to adapt, shows the New Economy Drivers and Disrupters Report, published by Bloomberg. The report ranks 114 countries on their vulnerability to evolving concerns such as climate change. The report uses benchmarks such as populism, protectionism, and climate change, to measure economic competitiveness. India outperforms most economies on traditional drivers of development, such as infrastructure and investments. But, there is a barrier to rapid development. The report finds that India is even more exposed to new challenges such as climate, than China. The late developers will have a more difficult time catching up.

#### **4. MSMEs attract 85% industry credit in September; monthly growth turns positive for 1st time in FY20**

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

Overall credit growth has picked up rapid pace beginning September 2019 jumping by Rs 1.08 lakh crore, courtesy, Housing, NBFC and lately MSME sector. Monthly growth in credit to industry has turned positive for the month of September in the current financial year by Rs 9,700 crore out of which Rs 8,200 is attributable to the MSME sector with a 6.2 per cent year-on-year growth though down from 9.5 per cent in September 2018, according to an SBI report. The credit flow in April this year to MSMEs stood negative at Rs 1,200 crore. Overall "credit growth has picked up rapid pace beginning September 2019 jumping by Rs 1.08 lakh crore, courtesy, Housing, NBFC and lately MSME," SBI Ecwrap report said.

#### **5. India opts out of RCEP: Axe on Chinese imports, trade deal with US likely**

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

Further curbs on Chinese imports and a trade deal with the United States may follow India's move to pull out of the Regional Comprehensive Economic Partnership (RCEP). China figured prominently in New Delhi's move on 4 November to pull out of the pact after 7 years of back and forth negotiations. India said on 4 November that a lack of assurance on safeguards to protect the domestic industry from dumping by China and no credible promise by Beijing to allow market access to Indian goods were reasons it was quitting the pact. As a result, the government will double down on its efforts to curb imports from China, which were more than \$70 billion in

2018-19, senior officials in the know said. "Presence of significant amounts of major non-tariff barriers that are publicly known and China's unwillingness to remove them were major hindrances towards a treaty," a trade expert said. India had also feared that rules of origin would continue to be flouted by Chinese producers, who ship high-value goods such as mobile phones and electronics through Vietnam and other Asean nations, to dodge relatively higher tariffs.

#### **6. FM Sitharaman unveils two IT initiatives for faster customs clearance**

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

Finance Minister Nirmala Sitharaman on 4 November unveiled two new information technology initiatives for improved monitoring of clearance of the imported goods and making it easier for international passengers to arrive in India. These two initiatives are ICEDASH and ATITHI. ICEDASH is an ease of doing business monitoring dashboard of the customs department, helping public see the daily clearance times of import cargo at various ports and airports. ATITHI is a mobile app for international travelers to file the customs declaration in advance.

#### **7. Government to come up with e-commerce platform for real estate sector**

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

The central government will come up with an e-commerce platform for real estate sector, union housing and urban affairs minister Hardeep Singh Puri said. "I had a discussion with CREDAI and NAREDCO and very soon we will come up with the e-commerce platform for real estate sector," said Puri in the first National RERA conclave in Lucknow on 4 November. CREDAI ( Confederation of Real Estate Developers Association of India) and NAREDCO (National Real Estate Development Council ) are the two main national body of real estate developers. The objective of e-commerce platform is to bring transparency in the sector and offer only certified projects.

#### **8. India lags behind Nepal, Pak in mobile internet speed in September 2019: Ookla**

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

India ranked behind its neighbours Sri Lanka, Pakistan and Nepal at 128th spot in mobile broadband speed for September 2019, according to a report by broadband speed analysis firm Ookla. The country, however, was far ahead of its South Asian neighbours at 72nd place in fixed-line broadband speed during the reported month. Ookla's Speedtest Global Index found global average download speed of 29.5 megabit per second and upload speed of 11.34 mbps. South Korea topped the global chart with download speed of 95.11 mbps and upload speed of

17.55 mbps in mobile network. It found download speed of 11.18 mbps and upload speed of 4.38 mbps in India. Sri Lanka led the South Asian countries at 81st spot in mobile network with a download speed of 22.53 mbps and upload speed of 10.59 mbps. Pakistan was ranked 112th with a download speed of 14.38 mbps and upload speed of 10.32 mbps. Nepal was ranked 119th.