

## Daily Economic News Summary: 5 September 2018

### **1. RCEP Talks: India Manages Major Breakthrough**

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

India will have a time-frame of over 20 years to eliminate tariff on key items from China, Australia and New Zealand with which it doesn't have a free trade agreement, members of the 16-nation Regional Comprehensive Economic Partnership (RCEP) agreed last week in Singapore, marking major progress in talks. Such a move is aimed at addressing concerns by domestic industry that has been opposing the RCEP pact on fears of dumping of cheaper products by China. Importantly, the members also agreed to include the free movement of skilled professionals in the pact on services under RCEP, acceding to another demand by India, sources said on 4 September.

### **2. Make In India: Lockheed Martin To Make Wings For F-16 Jet In India With Local Partner Tata Advanced Systems**

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

Lockheed Martin will build wings for its F-16 combat plane in India with its local partner, Tata Advanced Systems Limited, an executive at the US Company said on 4 September. Lockheed is bidding for a contract - estimated at more than \$15 billion - to supply the Indian air force with 114 combat planes, which must be all manufactured locally under Prime Minister Narendra Modi's flagship Make in India programme. However, Vivek Lall, vice president of strategy and business development at Lockheed, said the proposed Indian production of the F-16 wings would not be contingent upon the company winning the order for the planes. "Producing F-16 wings in India will strengthen Lockheed Martin's strategic partnership with Tata and support Make in India," the company said in a statement.

### **3. Government Notifies New Annual Return Form For GST**

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

The government has notified a new return form for goods and services tax (GST) that will have to be filed for the full year. The normal taxpayers will need to file GSTR-9 return form while composition taxpayers will have GSTR-9A. The last date for filing the annual return form for 2017-18 is December 31. GST, which subsumed multiple central and state taxes such as value-

added tax, entry tax, octroi, purchase tax, excise duty, services tax, countervailing duty, was rolled out from July 1, 2017. Taxpayers were from the beginning required to file an annual return besides the monthly and quarterly returns, but the annual format was not notified following compliance and IT issues.

#### **4. Indian Army Finally Gets 'Eyes In The Sky'; Indo-Israeli Firm Bags Order**

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

With Cyient Solutions and Systems (CSS) on 4 September announcing its first ever sale of SpyLite mini unmanned aerial systems (mini-UAS) to the military, the Indian Army has begun acquiring the urgently needed surveillance capability of being able to look down at a combat zone from the sky. CSS is a Hyderabad-based joint venture between Indian company Cyient and the well-reputed Israeli defence firm BlueBird Aero Systems. It was incorporated in April. Neither the military nor CSS is divulging how many SpyLite UAS the army has bought, or the price paid. N J Joseph, who heads CSS, is only willing to reveal that this was a competitive procurement, and that SpyLite was the only UAS that met all the army's requirements and passed the demanding trials at altitudes above 5,000 metres.

#### **5. RCEP Trade Negotiations Will Not Be Over By 2018, Says Suresh Prabhu**

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

Negotiations on the proposed Regional Comprehensive Economic Partnership (RCEP) will not be over by the end of this year as had earlier been announced. This is because discussions on tariff reduction remain unfinished and member nations differ on trade in services, investment and other issues. However, RCEP nations have decided to set tariff reduction goals through "bilateral pairing", meaning extensive one-on-one consultations. "RCEP negotiations will not end this year. This has been agreed upon at the level of leaders. They will continue in 2019 and we will have opportunities to work on all issues," Commerce and Industry Minister Suresh Prabhu told reporters on 4 September.

## **6. Increase In September Sugar Quota Raises Pressure On Prices**

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

Increase in monthly sugar release quota of the country by over 14% to 20 lakh tonnes for the month of September has led to decline in sugar prices by about 2%. Exporters expect that the millers, who have been sitting on huge sugar stocks, may begin to export the sweetener as price margin between domestic and export prices reduces slightly. The sugar mills who have exported sugar under Minimum Indicative Export Quota (MIEQa), allocated either directly or by way of trading export quota to third parties may also sell additional quantity of sugar equivalent to actual export during 2017-18 sugar season till August 2018 or their MIEQ, whichever is less, excluding the additional quantity of sugar already sold in the month of August 2018 on this account.

## **7. Aeris, Hello Tractor Team Up For Rent-A-Tractor Service**

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

IT firm Aeris has teamed up with Hello Tractor, a tractor hire services firm in Africa, to launch Uber-like service for tractors in India and the Asean region. The tie-up between the two companies has been bringing on-demand farm mechanised equipment services to small farmers in Nigeria and other African countries since 2014. According to Rishi Mohan Bhatnagar, President of Aeris India, they would be able to launch the pay-as-you-use model for small holding farmers in eastern UP and Bihar within the next two to three months. However, he said, they haven't yet decided on the hire prices to be charged from the farmers.

## **8. Suresh Prabhu Launches Mobile Apps For Coffee Growers**

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

Commerce and Industry Minister Suresh Prabhu 4 September launched two mobile apps for coffee sector which would help farmers increase production and improve quality. The two apps are India coffee field force app and Coffee KrishiTharanga - digital mobile extension services for coffee stakeholders. "Use of technology will help coffee farmers increase production and productivity," Prabhu said at a function here. The Coffee KrishiTharanga services would provide information and services to increase productivity, profitability, and environmental sustainability. Coffee is cultivated in India in about 4.54 lakh hectares by 3.66 lakh coffee farmers. Its cultivation is mainly confined to Karnataka (54 per cent), Kerala (19 per cent) and Tamil Nadu (8 per cent).

**9. Qatar Airways awaits clarity on FDI before India venture**

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

Qatar Airways will wait for another 12 months to see if the rules relating to foreign direct investment (FDI) in airlines become more favourable, only then will the airline launch a subsidiary in the country, group CEO Al Baker said on 4 September. He termed the current FDI rules in the aviation sector as “ambiguous”. “What we are given to understand is that a foreign airline cannot own 100% but a foreigner can. I don’t know what is the difference between a foreigner and an airline,” he said. Al Baker said the airline would be interested in Air India but only with a reliable Indian partner. “We would be interested in Air India if we had a strong partner. We need to have a very strong partner and take the airline without the baggage. Debt is not a big problem because it can be restructured.