

## Daily Economic News Summary: 6 September 2018

### **1. Indo-US 2+2 Talks: Upcoming Dialogue Will Help Realise \$500-Bn Bilateral Trade Target By 2025, Claims American Industry Lobby**

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

The US Chamber of Commerce on 4 September said the upcoming '2+2 dialogue' between India and the US will deepen trade ties and help achieve the \$500-billion bilateral trade volume target by 2025. Secretary of State Mike Pompeo and Defence Secretary Jim Mattis from the US will be holding the first 2+2 dialogue with defence minister Nirmala Sitharaman and external affairs minister Sushma Swaraj on 6 September. "You can't do defence without economic strength and the 2+2 will set the groundwork for something that will not only improve our defence ties but will clearly take us towards the \$500 billion (target)," said Thomas J Donohue, president and chief executive officer, US Chamber of Commerce.

### **2. 'This Is Just The Beginning,' Say Protestors After Bringing A Sea Of Red To Delhi**

**Source: The Wire ([Link](#))**

On September 5, more than one lakh workers and peasant marched from the Ramlila Maidan to Parliament Street in New Delhi, protesting against what they called the apathy of the government in addressing issues faced by them. The protestors, brought together by affiliates of the Communist Party of India (Marxist) – the All India Agricultural Workers Union (AIAWU), the Centre of Indian Trade Unions (CITU) and the All India Kisan Sabha (AIKS) – had travelled from 23 states across the country. The peasants' and workers' march brought large parts of Delhi to a grinding halt. The Delhi traffic police had issued an advisory suggesting that people avoid certain areas of central Delhi through which the protestors were supposed to march. In its advisory, the police mentioned that the march is expected to involve between 20,000 and 25,000 people. However, in reality, the number was at least six times more and the arrangements made by the police to manage traffic went for a toss.

### **3. Centre May Allow Private Players To Tap Its E-Market Platform Gem**

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

The government is open to allowing the private sector to source goods and services through the Government e-Market (GeM) portal run by the Commerce Ministry once the required infrastructure is in place, Commerce Minister Suresh Prabhu said. “We will also allow the private sector to buy (using the platform). If volumes increase, the government would gain. However, a proper verification process has to be in place. Here, we guarantee payment within 10 days to sellers. We have to put a system in place to ensure that the private sector can also meet these requirements,” the Minister said talking to reporters at the launch of the National Mission on GeM for increasing awareness and accelerating its use by major Central Ministries, States and their agencies.

### **4. India, US To Begin Trade Talks Today**

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

A series of meetings between senior trade officials from India and the US are lined up in the next few weeks as the two countries try to iron out their trade differences, even as the ‘two plus two’ dialogue will focus on diplomatic and security issues. Gilbert Kaplan, US under-secretary of commerce for international trade, is meeting commerce and industry minister Suresh Prabhu on 5 September and commerce secretary Anup Wadhawan later. “This is an official level intersessional meeting of the commercial dialogue,” said an official in the know of details.

### **5. India Proposes Stricter Country Of Origin Norms In RCEP Pact**

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

India has mooted stricter rules of origin in the Regional Comprehensive Economic Partnership (RCEP) trade agreement to prevent Chinese goods from indirectly flooding the country. Rules of origin are the criteria needed to determine the source country of a product, based on which they get tariff concessions or are subjected to duties. India has said the last country from which a product is exported should do the highest value addition with the help of indigenous inputs. Globally, the average threshold on domestic content is 40-60% for getting originating status to a product. The need for strict rules of origin comes in the wake of India having a trade deficit with as many as 10

member countries of the RCEP, including China, South Korea and Australia and which has increased in 2017-18 with seven countries.

#### **6. ‘Govt Making Favourable Policies For Auto Sector’**

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

In what seems a U-turn in the context of what he said last year about bulldozing petrol/diesel vehicles from the roads, the Transport and Highways Minister Nitin Gadkari on 5 September said the government is making favourable policies for all. He said the government wants to reduce imports, increase exports and promote use of biofuels such as bioethanol, bio-CNG, biodiesel and second generation biofuels, for which the automotive industry has come together to reduce carbon footprint. Addressing the inaugural session of the 58th AGM of Automotive Component Manufacturers Association of India (ACMA) here, Gadkari said, “Innovation, entrepreneurship, technology and research are important for us for transforming waste to wealth and reduce pollution.”

#### **7. Customs Cooperation Pact May Conclude By 2019: BIMSTEC Secretary General**

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

Seven-membered regional grouping BIMSTEC on 5 September expressed hope that the customs cooperation agreement, which is a trade facilitation initiative, among the member nations will be finalised by 2019. The grouping is also expected to conclude the agreement on trade in goods by 2020. BIMSTEC countries are negotiating six constituent agreements and one protocol agreement, a part of the FTA of this bloc. These constituent agreements are in trade in goods, trade in services, mutual assistance in customs matter, dispute settlement procedures, rules of origin, among others. They had also expressed their satisfaction with the progress of negotiation on the agreement on trade in goods and the agreement on customs cooperation

#### **8. Govt Makes Jan Dhan Yojana Scheme Open-Ended With More Incentives**

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

The government on 4 September decided to make the Pradhan Mantri Jan Dhan Yojana (PMJDY) an open-ended scheme and added more incentives to encourage people to open bank accounts. The flagship financial inclusion scheme was launched in August 2014 for a period of four years. In

view of the "runaway success" of the scheme, now it has been decided to make it open-ended with more incentives, Finance Minister Arun Jaitley told reporters after the Union Cabinet meeting. The free accident insurance cover for those opening Jan Dhan accounts after August 28 too has been doubled to Rs 2 lakh. There will be no conditions attached for over-draft of up to Rs 2,000. Also, the upper age limit for availing the facility has been hiked to 65 from the earlier 60 years.

### **9. New Industrial Policy To Help Link Industry With Global Supply Chains:**

**Suresh Prabhu**

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

The proposed new industrial policy, to be released soon, would help link domestic industry with the global supply chain, Commerce and Industry Minister Suresh Prabhu on 5 September said. He said that the auto component industry has successfully used this linkage to promote the sector's growth. "We are coming out soon with the new industrial policy. We are giving final touches to it. It has many components. One key element is how do you link industry with global supply chains," he said here. The new policy will replace the industrial policy of 1991, which was prepared in the backdrop of balance of payment crisis.