



October 09, 2020 - Friday

Key Developments

Airlines may soon be allowed to run 75% of pre-Covid domestic flights: Puri

Airlines may be permitted to operate maximum 75 per cent of their pre-COVID scheduled domestic flights if the passenger numbers continue to remain healthy during the next 7-10 days, Civil Aviation Minister Hardeep Singh Puri said on Thursday. The government on September 2 had said Indian airlines can operate up to 60 per cent of their pre-COVID services within the country. On June 26, the Ministry of Civil Aviation had allowed the airlines to operate a maximum of 45 per cent of their pre-COVID domestic flights. The ministry had restarted domestic passenger services from May 25, after a gap of two months due to the coronavirus-triggered lockdown. However, the airlines were allowed to operate not more than 33 per cent of their pre-COVID domestic flights at that time.

"Our internal thinking is that we will watch it for another week or 10 days....If the figures (of passengers travelling) continue to be healthy, we would open domestic civil aviation to 75 per cent of the pre-COVID levels," Puri said at a press conference on Thursday.

https://www.business-standard.com/article/current-affairs/airlines-may-soon-be-allowed-to-run-75-of-pre-covid-domestic-flights-puri-120100800957_1.html

Slowing farm reforms: Centre says open-ended purchases at minimum support prices to continue

With the furore over the new laws governing marketing of agriculture produce threatening to erode its political capital, the Narendra Modi government seems to be slowing the pace of, if not abandoning, the all-important subsequent reforms in the sector. On Wednesday, three top government officials – Union agriculture, food and textile secretaries – asserted that the policy of open-ended procurement (OEP) at minimum support prices would continue. Over the last few days, senior government functionaries have been assuring the farming community that the recent reforms won't undermine the MSP system. Expert bodies have long argued against open-ended purchases, as these distorted markets, hampered potentially remunerative exports and caused an enormous burden on the exchequer.

<https://www.financialexpress.com/economy/slowing-farm-reforms-centre-says-open-ended-purchases-at-minimum-support-prices-to-continue/2100284/>

Nabard to offer 18 months refinance to smaller NBFC, MFIs under special liquidity scheme

A four-fifth of the smaller microfinance firms will be eligible to get special refinance assistance through the Reserve Bank of India-created dedicated liquidity window. This would help them to bridge the cash flow mismatches they might have over the next 18 months. The National Bank for Agriculture & Rural Development (Nabard), which received the Rs 5000-crore dedicated fund from RBI for making the refinance facility available down the line, has just drawn up the rules. The additional special liquidity facility (ASLF) will be shared between smaller non-banking finance companies (NBFC) with asset size less than Rs 500 crore and NBFC-MFIs.

<https://economictimes.indiatimes.com/industry/banking/finance/nabard-to-offer-18-months-refinance-to-smaller-nbfc-mfis-under-special-liquidity-scheme/articleshow/78554534.cms>

RBI's stand on FDI from Mauritius to slow down PE inflows in NBFCs

The Reserve Bank of India's recent stand that finance companies cannot be set up with foreign direct investment (FDI) from Mauritius or other domains that do not meet the benchmarks laid down by Financial Action Task Force (FATF), is expected to slowdown private equity investments in the NBFC sector.

"Private equity Investments in the financial sector will see a slow down until funds slowly adopt new jurisdictions that offer similar tax benefits as Mauritius, or until Mauritius meets FATF standards for increased monitoring," said Aarti Sivanandh, partner, J Sagar Associates.

RBI-regulated financial entities will have to contend with both, press note 3 and RBI's adoption of the FATF lens through which it will approve investments, Sivanandh said.

https://www.business-standard.com/article/economy-policy/rbi-s-stand-on-fdi-from-mauritius-to-slow-down-pe-inflows-in-nbfc-120100801202_1.html

Economy

More bad news: World Bank ups FY21 GDP contraction forecast for India to 9.6%

The World Bank has tripled its projection for India's gross domestic product (GDP) contraction in 2020-21 – from 3.2 per cent projected earlier to 9.6 per cent – especially in the wake of coronavirus-induced lockdowns and a decline in household income. While it sees half the households in the country as vulnerable to shocks, it says the government's recent reforms as part of its safety net programmes should help preserve its earlier gains against poverty. The projection, in the World Bank's South Asia Economic Focus, released on Thursday, is more or less in line with what other economists have also projected but a shade better than the double-digit decline forecast by many. The report adds that there is substantial uncertainty over the course and duration of the pandemic, the speed at which household and firm behaviour would adjust to the lifting of lockdowns and a possible new round of countercyclical fiscal policy.

https://www.business-standard.com/article/economy-policy/more-bad-news-world-bank-ups-fy21-gdp-contraction-forecast-for-india-to-9-6-120100800555_1.html

GST e-invoicing off to good start with over 52-lakh IRNs validated in first 6 days

e-Invoicing for large GST assesseees began on a high note with over 52 lakh counts notched up in the first six days of its launch.

<https://www.thehindubusinessline.com/economy/e-invoicing-scheme-begins-on-an-encouraging-note-with-52-lakhs-irns-being-generated-in-first-6-days/article32802662.ece>

Combined FY21 fiscal deficit of Centre, states may reach 14%: Rangarajan

The combined fiscal deficit of states and the centre during the current year may go up to 14 per cent against the mandated level of six per cent, former Reserve Bank Governor C Rangarajan said on Thursday.

Speaking at a programme organised by the ICFAI Business School here, the former Chairman of the Economic Advisory Council to the Prime Minister said banks should neither be timid nor adventurous while lending as the loans of today should not become NPAs of tomorrow. "So therefore we are essentially talking about 13.8 per cent or 14 per cent of the GDP (gross domestic product) as the overall fiscal deficit of the states and the Centre. It is obvious this is twice the mandated level. The mandated level for both the Centre and state is 6 per cent of the GDP.

https://www.business-standard.com/article/economy-policy/combined-fy21-fiscal-deficit-of-centre-states-may-reach-14-rangarajan-120100800611_1.html

The worst is behind us; India's GDP growth will turn positive in Q4, says Deepak Parekh

Asserting that the "worst is behind us", veteran banker Deepak Parekh on Thursday said India's GDP growth will be in positive territory in the fourth quarter as demand is picking up across sectors. "Based on a series of high frequency data, there is a distinct trend of sequential month-on-month improvement. There is a lot of catch up required but suffice to say that worst is behind us," he said at a virtual conference organised by the Canada-India Business Council. Citing an example, he said toll collections are back to 88 per cent of pre-COVID-19 levels, e-way bills are increasing and electricity consumption has stabilised. Parekh, the non-executive chairman of mortgage lender HDFC, said residential housing sales for this quarter have gone up by 34 per cent as people are buying ready-to-move-in apartments.

<https://economictimes.indiatimes.com/news/economy/indicators/the-worst-is-behind-us-indias-gdp-growth-will-turn-positive-in-q4-says-deepak-parekh/articleshow/78560349.cms>

Banking and Finance

RBI monetary policy outcome on Oct 9, MPC may keep repo rate unchanged as growth remains uncertain

After appointing three new external members, the Monetary Policy Committee (MPC) meet is underway and the committee would announce its observations on 9th October 2020. The August-2020 MPC decided not to change the benchmark Repo Rates and continued with the 'Accommodative' stance. While expressing concern on inflation, the MPC decided to 'maintain the stance for as long as it is necessary to revive growth'. The average Consumer Price Inflation (CPI) has been consistently remaining above the RBI target of 4% +/- 2% for over 6 months now with the Aug'20 CPI print at 6.7%. Core inflation remains stubbornly high and sticky. While the positives of a good monsoon and a bumper harvest season could moderate CPI in Sep'20, the food prices could dampen the prospects of lower inflation.

<https://www.financialexpress.com/economy/rbi-monetary-policy-outcome-on-oct-9-mpc-may-keep-repo-rate-unchanged-as-growth-remains-uncertain/2100754/>

Banks sanction Rs 1.87 trn to 5.07 mn MSMEs under credit guarantee scheme

The Finance Ministry on Thursday said banks have sanctioned loans of about Rs 1,87,579 crore to 50.7 lakh business units under the Rs 3-lakh crore Emergency Credit Line Guarantee Scheme (ECLGS) for the MSME sector impacted by slowdown caused by the coronavirus pandemic.

Of this, about 27 lakh MSME units received cumulative disbursement of Rs 1,36,140 crore till October 5. The scheme is the biggest fiscal component of the Rs 20-lakh crore Aatmanirbhar Bharat Abhiyan package announced by Finance Minister Nirmala Sitharaman in May to mitigate the distress caused by lockdown due to COVID-19 by providing credit to different sectors, especially micro, small and medium enterprises (MSMEs).

https://www.business-standard.com/article/finance/banks-sanction-rs-1-87-trn-to-5-07-mn-msmes-under-credit-guarantee-scheme-120100800887_1.html

Bank credit rises 5.15 per cent in fortnight ended Sept 25

Bank credit grew by 5.15 per cent to Rs 102.72 lakh crore, and deposits rose by 10.51 per cent to Rs 142.64 lakh crore in the fortnight ended September 25, according to RBI data.

<https://www.thehindubusinessline.com/money-and-banking/bank-credit-rises-515-per-cent-in-fortnight-ended-sept-25/article32806309.ece>

Life insurers see 16% growth in new business premiums in September quarter

After witnessing a huge year-on-year slump in new business premiums during the April-June quarter of this year, life insurers – 24 in total – have seen a turnaround in the September quarter (Q2). This has mainly been on account of new business premium rising almost 16 per cent in Q2, indicating a revival, in line with the pick-up in economic activities, show data released by the Life Insurance Council.

In Q2, Indian insurers netted new business premiums (NBP) to the tune of Rs 75,392 crore, with state-owned insurance behemoth Life Insurance Corporation (LIC) seeing a rise of almost 14 per cent to Rs 51,488 crore. NBP of private insurers rose by about 20 per cent to Rs 23,904.2 crore. NBP is the premium acquired from new policies for a particular year.

https://www.business-standard.com/article/finance/life-insurers-see-16-growth-in-new-business-premiums-in-september-quarter-120100800582_1.html

Outflow from equity MF schemes continue for third month in a row

The outflow from equity schemes of mutual funds continued for the third month in a row in September amid sharp volatility in the capital market.

<https://www.thehindubusinessline.com/markets/outflow-from-equity-mf-schemes-continue-for-third-month-in-a-row/article32803301.ece?homepage=true>

Industry

Tourism industry seeks reduction in GST rate, tax benefits to revive sector

Key stakeholders of the country's travel and tourism industry on Thursday put forward a proposal to the government that included a bunch of measures required to revive the beleaguered sector. Led by policy advocacy body Federation of Associations in Indian Tourism & Hospitality (FAITH), a group of major

hospitality industry associations have demanded a reduction in goods and services tax (GST) rate, tax benefits and a dedicated fund for the sector.

According to them, the Covid-19 pandemic has wreaked havoc on the travel, tourism and hospitality industry, resulting in a loss of Rs 15 trillion and putting up to 40 million jobs at risk. With travel restrictions continuing in several places and travellers shying away from tours, a revival is still out of sight.

https://www.business-standard.com/article/economy-policy/tourism-industry-seeks-reduction-in-gst-rate-tax-benefits-to-revive-sector-120100801223_1.html

Passenger vehicle retail sales rise 10% in September: FADA

Automobile dealers' body FADA on Thursday said passenger vehicle (PV) retail sales in September witnessed year-on-year increase of 9.81 per cent to 1,95,665 units, amid shift in customer preference for personal mobility over public transport. According to the Federation of Automobile Dealers Associations (FADA), which collected vehicle registration data from 1,254 out of the 1,461 regional transport offices (RTOs), PV sales stood at 1,78,189 units in September 2019. Two-wheeler sales, however, declined 12.62 per cent to 10,16,977 units last month, as compared to 11,63,918 units in September 2019. Commercial vehicle sales also declined 33.65 per cent to 39,600 units, as compared to 59,683 units a year ago. Similarly, three-wheeler sales fell 58.86 per cent to 24,060 units last month, as against 58,485 units in the year-ago period. Tractor sales grew by 80.39 per cent to 68,564 units last month, as compared to 38,008 units in the same month last year.

<https://economictimes.indiatimes.com/industry/auto/auto-news/passenger-vehicle-retail-sales-rise-10-in-september-fada/articleshow/78550213.cms>

Auto component makers performance likely to remain subdued in September quarter: Icra

The performance of auto component makers is expected to remain subdued in the September quarter this fiscal over the year-ago period, but may witness significant improvement on a sequential basis, rating agency Icra said on Thursday. For 2020-21, it expects the revenue of auto ancillaries, except tyre segment, to drop by 16-20 per cent following the double-digit decline during FY2020. Tyre manufacturers, according to the release, are expected to perform better, with revenue decline likely to be in the high single-digit. The auto component industry was already impacted by muted demand in FY2020, with the industry witnessing 16 months of decline in volumes pre-COVID and was aggravated following the pandemic, the release said. However, going forward, the industry is expected to register strong growth in FY2022, which will result in improved profitability and coverage indicators for most vendors, Icra said.

<https://economictimes.indiatimes.com/industry/auto/auto-components/auto-component-makers-likely-to-remain-subdued-in-september-quarter-icra/articleshow/78555101.cms>

Handset makers cleared for PLI benefits seek clarity over targets, time frame

Mobile phone makers approved by the government for receiving production-based incentives are still in a bind over targets set by the government and the stipulated time to achieve those targets. The government on Tuesday approved the applications of 16 electronics companies including 10 mobile phone manufacturers for rewards under the product-linked incentive (PLI) scheme - an announcement which was delayed by two months. "We have not yet received any official communication from the government regarding targets and the beginning date of the Scheme which was earlier notified as August 1, 2020," said Sudhir Hasija, Chairman of UTL Neolyncs, the maker of Karbonn mobiles.

<https://economictimes.indiatimes.com/tech/hardware/handset-makers-cleared-for-pli-benefits-seek-clarity-over-targets-time-frame/articleshow/78553575.cms>

Completion rates for projects in India fall to precipitously low levels: Data

Depleted demand and uncertainty over return of some form of normalcy will continue to dent the capacity-expansion investment projects initiated by the private sector, the Centre for Monitoring Indian Economy said. This is contrary to many economic indicators which have shown a substantial albeit incomplete recovery in the second quarter, it said. Data from CMIE's CapEx service that tracks the initiation, implementation and completion of capacity-expanding projects shows the completion rates for projects in India has fallen to precipitously low levels ranging between 0.2-0.28% in the first two quarters of the current fiscal compared to average rate of completion of over 1% in the recent past.

<https://economictimes.indiatimes.com/news/economy/indicators/completion-rates-for-projects-in-india-fall-to-precipitously-low-levels-data/articleshow/78551238.cms>

One-third of vulnerable medium, emerging companies may not get restructuring benefits: Ind-Ra

India Ratings and Research on Thursday said a third of the mid and emerging corporates (MEC) having turnover of under Rs 750 crore rated by it could be ineligible for restructuring loans despite being "vulnerable". A weak cash flow recovery and stretched liquidity among such corporates which are rated below BBB can result in significant haircuts for lenders, it warned. The RBI had last month adopted recommendations of the K V Kamath committee on one-time restructuring. The norms stress on looking at every case separately rather than having a blanket loan recast because of past experiences. "On an overall basis, 62 per cent of the issuers (47 per cent by total debt) qualify for all the ratios recommended by K V Kamath committee financial guidelines for restructuring based on the FY19 balance sheet...Over one-third.. do not qualify for all ratios," the ratings agency said.

<https://economictimes.indiatimes.com/news/economy/policy/one-third-of-vulnerable-medium-emerging-companies-may-not-get-restructuring-benefits-ind-ra/articleshow/78556491.cms>

Consumption of non-ferrous metals to dip 3-8% in 2020 due to Covid-19: Icra

Consumption of non-ferrous metals like copper and aluminium would contract significantly this year due to the COVID-19 pandemic, rating agency Icra said on Thursday.

The pandemic has severely impacted the global automobile, construction and electrical machinery industries, which together contributes 75-85 per cent to the global non-ferrous metal demand, Icra said in a statement.

"Consequently, Icra expects that in the current calendar year, consumption of these metals would contract significantly, ranging from 3-4 per cent for copper and zinc; and up to 8 per cent for aluminium on a Y-o-Y basis," it said. However, prices of these three non-ferrous metals have strengthened sharply in the last five months.

https://www.business-standard.com/article/markets/consumption-of-non-ferrous-metals-to-dip-3-8-in-2020-due-to-covid-19-icra-120100801142_1.html

Agriculture

Centre to soon launch one-stop agri data infrastructure

The government will soon create a common data infrastructure of all farmers in the country, gleaning data collected for various schemes such as PM Fasal Bima Yojana (PMFBY), PM-Kisan and soil health cards, and integrating them with land records, said Ashish Bhutani, Joint Secretary at the Agriculture Ministry, on Thursday.

<https://www.thehindubusinessline.com/economy/agri-business/centre-to-soon-launch-one-stop-agri-data-infrastructure/article32806258.ece>

Infrastructure

Ministry of Highways nearly doubles fund allocation for highways development programme in North East

The government on Thursday said it has nearly doubled fund allocation for Special Accelerated Road Development Programme in North Eastern Areas (SARDP-NE) in the current fiscal to Rs 760 crore. A sum of Rs 390 crore expenditure was envisaged to be incurred from National Investment Fund for the region during 2020-21. The Ministry of Road Transport and Highways (MoRTH) in a statement said it has enhanced the allocation of funds for expenditure under SARDP-NE related works during the current financial year and under the revised allocation, almost double the amount originally allocated has been allowed. "Against the earlier Rs 390 crore expenditure envisaged to be incurred from the National Investment Fund during 2020-21, a sum of Rs 760 crore has been set aside for the same period. Of this, Rs 300 crore is specifically marked for the Arunachal Pradesh package," the statement said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/ministry-of-highways-nearly-doubles-fund-allocation-for-highways-development-programme-in-north-east/articleshow/78553780.cms>

Covid: Housing sales down 43%, office space leasing fall 70% in July-Sept

India's top eight cities have witnessed 70 per cent fall in gross office space leasing and 43 per cent dip in housing sales during July-September quarter compared with the year-ago period on lower demand amid COVID-19 pandemic, Knight Frank India said on Thursday.

However, housing sales jumped over three fold and office space leasing rose 81 per cent compared with the April-June quarter, which was severely impacted due to the nationwide lockdown to curb coronavirus disease.

"Numbers are encouraging for the July-September quarter. But we are not out of the woods yet," Knight Frank India CMD Shishir Baijal told reporters through a video press conference. "Bounce back in the July-September quarter is very promising. Pipeline in commercial leasing is promising," he said.

https://www.business-standard.com/article/economy-policy/covid-housing-sales-down-43-office-space-leasing-fall-70-in-july-sept-120100800890_1.html

33 housing projects worth Rs 4,197 cr accorded final approval under SWAMIH

A total of 33 housing projects with an investment of Rs 4,197 crore have been accorded final approval under the Special Window for Affordable and Mid-Income Housing (SWAMIH) fund which will lead to the completion of 25,048 home units, Finance Minister Nirmala Sitharaman said on Thursday.

"SWAMIH is working at a fast pace to provide relief to homeowners," she tweeted. "Overall, 123 projects have been now sanctioned including final approval to 33 projects with an investment of Rs 12,079 crore that will target to provide relief to 81,308 homeowners." SWAMIH Investment Fund has been formed to complete construction of stalled, RERA-registered affordable and mid-income category housing projects which are stuck due to paucity of funds. In November 2019, the Union Cabinet had cleared a proposal to set it up.

https://www.business-standard.com/article/economy-policy/33-housing-projects-worth-rs-4-197-cr-accorded-final-approval-under-swamih-120100800734_1.html

Foreign airlines' flights will not be allowed at expense of Indian airlines: Aviation Minister

Civil Aviation Minister Hardeep Singh Puri on Thursday said the time has come to send a loud and clear message that foreign airlines' flights will not be allowed at the expense of Indian airlines. On September 28, Lufthansa had to cancel its flights between India and Germany from September 30 to October 20 as the DGCA withdrew permission for them saying there are restriction on Indians who want to travel to Germany and this puts "Indian carriers at a significant disadvantage resulting in inequitable distribution of traffic in favour of Lufthansa." During a press conference, Puri said, "The issue is not about allowing foreign carriers in or not. We are all for foreign carriers operating here. Make no mistake. But I think the time has come for the message to go out loud and clear that it will not be done at the expense of the Indian carriers."

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/foreign-airlines-flights-will-not-be-allowed-at-expense-of-indian-airlines-aviation-minister/articleshow/78553180.cms>

Telecom

5G rollout: India yet to take final call on allowing Chinese vendors, says Niti Aayog CEO

India is yet to take a final call on allowing Chinese companies to participate in the 5G network rollout, Niti Aayog CEO Amitabh Kant said on Thursday, adding that security will be a "major concern" in 5G. To grow at a higher rate, India must leapfrog technologically by embracing both 5G and artificial intelligence (AI), Kant said while addressing the 'Raise 2020' virtual summit. "My personal view is that we will go all out for 5G, but security will be a very, very major concern in 5G. "... I think all the leading players are there (for 5G trials in India), including Chinese companies are there. So let them do the testing. The final word on this is still to be taken," he said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/5g-rollout-india-yet-to-take-final-call-on-allowing-chinese-vendors-says-niti-aayog-ceo/articleshow/78557935.cms>

Payout blues: Telcos expected to speed-dial ARPU improvement, raise tariffs, says Icra

The telecom tariff hike is imminent as service providers need to make sizeable payouts on statutory dues, spectrum buys, regular revenue share obligations and auction instalments, making ARPU expansion critical, Icra Ratings said on Thursday. Pointing to the sector's debt levels and the pressing need for companies to bring it down, Icra said that given the "precarious position" of the balance sheet of the industry, "India is likely to give a miss to the 5G call for some time". Further, it said that despite some easing of competitive intensity, it is still some time to go before the tough competition recedes. This is because it is unclear whether the next round of tariff hikes would be across the industry or limited only to telcos facing adjusted gross revenue (AGR) payment.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/payout-blues-telcos-expected-to-speed-dial-arp-u-improvement-raise-tariffs-says-icra/articleshow/78556955.cms>

Tech firms, telcos urge DoT to carefully scrutinize Huawei plan to overhaul internet protocols

Tech companies and mobile operators have cautioned the telecom department not to implement in a hurry a proposal from China's Huawei to overhaul existing protocols and systems governing internet operations in India in the run-up to 5G deployments. The Broadband India Forum (BIF), which represents Google, Microsoft, Facebook, Qualcomm, Intel, Hughes and Amazon, among others, has urged the Department of Telecommunications (DoT) to run a close check on all associated data privacy and data security risks, regulatory concerns, cost implications and internet infrastructure governance issues before taking a firm view on Huawei's proposal.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/tech-firms-telcos-urge-dot-to-carefully-scrutinize-huawei-plan-to-overhaul-internet-protocols/articleshow/78555447.cms>

Energy

Power consumption shows double digit growth during Oct first week as demand rises

Power consumption in the country recorded double digit growth in the first week of October at 25.95 billion units (BU) amid buoyancy in industrial and commercial activities. According to the power ministry data, power consumption grew by 13.65 per cent during October 1 to 7 to 25.95 BU, up from 22.83 BU in the same period last year. Power consumption in the month of October last year stood at 97.84 BU. Thus, the extrapolation of one week data indicates that power consumption is likely to witness year-on-year growth this month. Experts said, power consumption has started showing an increase as commercial and industrial demand improved with easing of lockdown restrictions and is likely to improve further in the coming months.

<https://www.financialexpress.com/economy/power-consumption-shows-double-digit-growth-during-oct-first-week-as-demand-rises/2100930/>

NTPC incorporates subsidiary for renewable energy business

State-owned NTPC on Thursday said it has incorporated a subsidiary for its renewable energy business. "NTPC Ltd has incorporated a wholly-owned subsidiary, in the name of NTPC Renewable Energy Ltd with the Registrar of Companies, NCT of Delhi & Haryana on October 7, 2020, to undertake renewable energy business," a BSE filing said.

In August, NTPC had received approval from Niti Aayog and the Department of Investment and Public Asset Management to set up a wholly-owned company for its renewable energy business. The creation of the new subsidiary comes at a time when NTPC is targeting generation of nearly 30 per cent or 39 GW of its overall power capacity from renewable energy sources by 2032.

<https://economictimes.indiatimes.com/industry/energy/power/ntpc-incorporates-subsi-dary-for-renewable-energy-business/articleshow/78554325.cms>

States

Karnataka proposes to offer 20% subsidy on installation of EV charging stations

The Karnataka government has proposed a subsidy of 20% or Rs 10 lakh, whichever is higher, to individuals willing to set up public charging stations for electric vehicles. An EV charging station costs between Rs 30 lakh and Rs 40 lakh. An official aware of the matter said the subsidy is likely to encourage people to invest in installation of EV charging stations, a step towards building the EV infrastructure that state capital Bengaluru lacks. "We have decided to offer a subsidy of 20% to any individual who comes forward to develop charging stations. The proposal on subsidy will be sent to the government for approval," an officer in the state's commerce and industries department told ET.

<https://economictimes.indiatimes.com/news/economy/infrastructure/20-subsidy-for-charging-infrastructure-likely-in-karnataka/articleshow/78545486.cms>

Healthcare

Centre to map out cold chain storage facilities in preparation for COVID-19 vaccine delivery

With the likelihood of a vaccine against coronavirus being available within months, the government has begun a massive exercise to map out cold chain storage facilities to ensure the vaccine is delivered quickly across the country. A national expert group is talking to public and private sector entities in the pharmaceutical sector, food processing industry and agro businesses as well as food delivery start-ups such as Swiggy and Zomato to identify cold storages or fridges at the taluka level that can stock and distribute the vaccine, sources with direct knowledge of the discussions said. A draft scheme for the vaccine distribution is likely to be released around the middle of next week, they said. At least one domestic and three foreign vaccines are likely to be available to India in the coming months.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/centre-to-map-out-cold-chain-storage-facilities-in-preparation-for-covid-19-vaccine-delivery/articleshow/78552669.cms>

External

Robust demand for Indian agri products in US pushing exports: TPCI

Increasing demand for India's agricultural products like rice, spices and essential oils is helping domestic traders to boost shipments to the US, TPCI said on Thursday. Trade Promotion Council of India (TPCI) said these exports in July grew by 15 per cent. "There is a surge in demand of Indian rice, spices and vegetables, including essential oils, soybean meal, cake and some extracts for medical use," TPCI Chairman Mohit Singla said in a statement.

He said that food and agri products of India have been seeing a sustained surge in demand during the pandemic. Singla noted that the supportive domestic ecosystem created by a policy push will further see Indian agri and food products surge in demand globally. "Global trade shows signs of a rebound from COVID-19 as per the WTO latest estimate. The performance of the trade for the year to date exceeded expectations due to a surge in June and July as the lockdowns were eased and economic activity accelerated," he added.

<https://www.financialexpress.com/economy/robust-demand-for-indian-agri-products-in-us-pushing-exports-tpci/2101051/>

Piyush Goyal rolls out red carpet for American investors, woos US businesses with low corporate tax, reforms

Commerce and industry minister Piyush Goyal has called upon American businesses to look at India as their next investment destination. Addressing a Summit on global financial and investment leadership on Wednesday, he said the bilateral trade target of USD 500 billion in the next five years is "eminently doable. We are moving from red-tape to red-carpet. We are moving out of the shackles of the past into a more open and liberal foreign investment destination," he said. The bilateral trade between the two countries grew from USD 126 billion in 2017 to USD 145 billion in 2019. Wooing American investors, the minister said India is looking at logistics reform to bring down the cost of logistics and doing several tax reforms.

<https://www.financialexpress.com/economy/piyush-goyal-rolls-out-red-carpet-for-american-investors-woos-us-businesses-with-low-corporate-tax-reforms/2100723/>

Basmati rice exporters from India are renegotiating with importers from Australia, Canada and the US

Basmati rice exporters from India are renegotiating with importers from Australia, Canada, the US and western Europe the new contracts to be signed by mid-October after a overseas cargo rates climbed about 50% over the past one month. Freight rates have gone up from \$1200 to \$1800 per tonne. However, exporters say that even if they renegotiate with importers, they will not be able to recover the entire price hike in cargo. Also, the prices of the common variety of basmati rice, Pusa 1121, have fallen about a fifth compared to last year after shipments to Iran were halted because of non-payment of dues by the importers concerned. "Earlier, containers were coming from China and we were facing no problem. But since imports from China have come down, availability of containers has has dwindled and we have to pay huge sums to shipping lines for exports," said Gautam Miglani, owner of LRNK, a Haryana-based basmati rice exporter.

<https://economictimes.indiatimes.com/news/economy/agriculture/basmati-rice-exporters-from-india-are-renegotiating-with-importers-from-australia-canada-the-us-and-western-europe/articleshow/78554733.cms>

India's edible oil imports in 2019/20 seen falling to 13.5 million tonnes amid pandemic

India's edible oil imports in 2019/2020 is seen falling to 13.5 million tonnes versus 14.9 million tonnes a year ago due to the COVID-19 outbreak, the Solvent Extractors Association (SEA) of India said on Thursday. The nation's production of rapeseed mustard could rise to 10 million tonnes in 2021, SEA President Atul Chaturvedi said during a webinar. Rapeseed is the main winter-sown oilseed crop in India.

<https://economictimes.indiatimes.com/industry/cons-products/food/indias-edible-oil-imports-in-2019/20-seen-falling-to-13-5-million-tonnes-amid-pandemic/articleshow/78552350.cms>

Unemployment, infectious diseases emerge as top challenges for business leaders: WEF survey

'Unemployment' is the main concern for business executives globally, followed by 'infectious diseases' that progressed by 28 spots to emerge as the second-most recurring risk, according to the World Economic Forum's (WEF) interactive map on 'Regional Risks for Doing Business 2020'. Fiscal crisis the top concern in 2019 came in third among the top risks cited by business leaders globally. 'Infectious diseases' progressed by 28 spots, appearing in the top-10 risks in all regions except South Asia, in a year where the COVID-19 pandemic dominated global health concerns. The survey pulls 30 risks, including terrorist attacks, extreme weather events and state collapse or crisis. Surveyed regions include East Asia and the Pacific, Eurasia, Europe, Latin America and the Caribbean, Middle East and North Africa, North America, South Asia, sub-Saharan Africa.

<https://www.financialexpress.com/economy/unemployment-infectious-diseases-emerge-as-top-challenges-for-business-leaders-wef-survey/2100992/>