



October 21, 2020 - Wednesday

Key Developments

India receives highest ever FDI for first five months this fiscal; govt hails these measures

India received the highest ever Foreign Direct Investment (FDI) for the first five months of a financial year during April-August 2020. The total FDI inflow into India in the first five months was \$35.73 billion, according to the Ministry of Commerce and Industry. It is also 13 per cent higher than that in the same period last fiscal. The FDI equity inflow received during April- August 2020 stood at \$27.10 billion, which is also the highest ever for the first 5 months of a financial year and 16 per cent more than the same period last year.

Indian received a significant amount of foreign investments in the months when the global economic conditions were fragile and investors were concerned about the mounting uncertainties due to the coronavirus pandemic. The ministry said that the measures taken by the government on the fronts of FDI policy reforms, investment facilitation, and ease of doing business have resulted in increased FDI inflows into the country.

<https://www.financialexpress.com/economy/india-receives-highest-ever-fdi-for-first-five-months-this-fiscal-govt-hails-these-measures/2110027/>

Govt bans natural gas, coal-bed methane producers from buying own produce

The government has banned natural gas and coal-bed methane (CBM) producers from buying their own produce in the newly notified gas marketing freedom guidelines. The government on October 15 notified the Natural Gas Marketing Reforms that give producers the freedom to discover the market price of gas through a standard e-bidding process. The notification, which follows the Cabinet Committee on Economic Affairs approving gas reforms, also gives them the liberty to market or sell the gas produced to anyone including affiliates. However, the producer or any member of its gas field consortium cannot bid and buy the fuel, the notified guidelines said.

"Sale to affiliates will be allowed if affiliates participate in the open competitive process," it said. "However, the contractor or its constituents shall not be eligible to participate in the bidding process."

https://www.business-standard.com/article/economy-policy/govt-bans-natural-gas-coal-bed-methane-producers-from-buying-own-produce-120102001003_1.html

Sebi's new ICA guidelines face execution challenges, experts seek changes

The Securities and Exchange Board of India's (Sebi's) new guidelines that enable holders of listed debentures to enter inter-creditor agreements (ICAs) are facing several implementation challenges.

Industry players and legal experts have made a representation to the market regulator seeking amendments to the circular issued on October 13, which also prescribes the detailed procedure that has to be followed by debenture trustees (DTs).

One of the key clauses of the circular states that DTs can enter an ICA, or agree to a resolution plan if it is in the best interest of investors. Also, the trustee needs to obtain an approval from a majority of the investors--those holding 75 per cent of the value of outstanding debt and 60 per cent by the unitholders.

https://www.business-standard.com/article/markets/sebi-s-new-ica-guidelines-face-execution-challenges-experts-seek-changes-120102001155_1.html

Lockdown has gone but coronavirus has not, says PM Modi in appeal

India cannot afford to let its guard down against the coronavirus pandemic even though the number of cases are steadily decreasing, said Prime Minister Narendra Modi on Tuesday.

"Festivals are also upon us, but we must not forget that while the lockdown may have ended, the virus hasn't," he said in his seventh televised address to the nation since he announced nationwide restrictions

late March to slow down the spread of the coronavirus. The lockdown has since then been eased in phases from June, allowing businesses and public transport to resume.

"To give our lives some momentum, and to keep our homes running, we are slowly venturing out again. It is still very much a threat. The state that India is in right now, we should not let it go down. We must strive to improve it," he said.

https://www.business-standard.com/article/current-affairs/lockdown-has-gone-but-coronavirus-has-not-says-pm-modi-in-appeal-120102001090_1.html

Digital health ID not mandatory for accessing COVID vaccine: Health Ministry

A digital health identity under the National Digital Health Mission (NDHM) will not be mandatory to get vaccinated when immunization against COVID-19 is available, the Union Health Ministry said on Tuesday. The ambitious NDHM programme was announced by Prime Minister Narendra Modi during his Independence Day speech. As per the programme, everyone enrolled for the mission will get a Health ID that will ease access to medical services. "The NDHM, as it exists today, does not make a digital ID or health ID mandatory to receive service under the digital ecosystem that NDHM is creating. To say it would become mandatory for vaccination and those who do not have health ID's would be deprived is probably not the right interpretation," Union Health Secretary Rajesh Bhushan said at a press conference.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/digital-health-id-not-mandatory-for-accessing-covid-vaccine-health-ministry/articleshow/78774675.cms>

Economy

Facing revenue constraints, Centre looks at PSUs for higher dividends

As the revenues earned by the Central government have dried up, it wants cash-rich public sector undertakings (PSUs) to declare higher dividends this year to reward its shareholders during the ongoing Covid-19 pandemic. Official sources said PSUs with stock prices higher than the book value and having sufficient cash funds will be asked to shell out higher dividends in Financial Year (FY)-2021. With the Central government being the largest shareholder in PSUs, higher dividends would help it to fill its coffers at a time when revenue is constrained due to a fall in economic activity during the Covid-19 pandemic and expenditure has risen sharply. Dividends from non-financial PSUs have been budgeted at Rs 65,747 crore in FY-2021.

https://economictimes.indiatimes.com/news/economy/finance/facing-revenue-constraints-centre-looks-at-psus-for-higher-dividends/articleshow/78766246.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

Govt working on letting Air India bidders decide on debt, says DIPAM Secy

In a bid to resurrect Air India privatisation, the government is planning to give flexibility to potential investors to decide on the humongous debt with the national carrier, a top official has said.

The flexibility to potential investors on the quantum of the Rs 60,074 crore debt that they want to absorb will replace the current condition of the buyer taking over more than a third of the debt and transferring the rest to a special purpose vehicle, Department of Investment and Public Asset Management (DIPAM) Secretary Tuhin Kanta Pandey said.

The potential investors in Air India have given feedback that due to the uncertainty created by COVID-19 in the aviation sector the debt should not be fixed at the Expression of Interest (EoI) stage, he added.

https://www.business-standard.com/article/companies/govt-working-on-letting-air-india-bidders-decide-on-debt-says-dipam-secy-120102000788_1.html

Income Tax survey to be conducted only after nod from high-ranked officers, says CBDT

Income tax surveys to collect information for scrutiny assessment will be undertaken by the tax deducted at source (TDS) directorate only after approval from principal chief commissioner or chief commissioner level officer, the Central Board of Direct Taxes (CBDT) has said. The CBDT has issued directions to the officers that where any survey action is required by officers of "Central Charge" (involving search/ seizure), international charge, NeAC (National e-Assessment Centre)/ NFAC (National Faceless Assessment Centre), the same shall have to be first approved by a collegium comprising high-ranked officers. Pursuant to 'The Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020', the apex direct tax body CBDT has issued an internal order on exercising the power of survey by tax officers under Section 133A of the I-T Act. In an I-T survey, tax officers visit business premises of the taxpayer to gather information by way of examination of books of accounts, data stored electronically and also access e-mail communication.

<https://economictimes.indiatimes.com/news/economy/policy/income-tax-survey-to-be-conducted-only-after-nod-from-high-ranked-officers-says-cbdt/articleshow/78771306.cms>

Months after barrage of job losses, green shoots in hiring appear among MSMEs, startups

The Covid pandemic brought with itself a barrage of job losses and layoffs particularly among Indian startup and small business ecosystem. As businesses were taken off guard, the growth plans for 2020 went into a tizzy that eventually boiled down to surviving the period, particularly the lockdown, on a shoestring budget. This inadvertently had a cascading effect on jobs as many businesses not just pulled the plug on hiring but also had to let go part of their employee strength to save on manpower cost and redirect that money into operations to remain afloat. "There has been an overall decline of around 40-50 per cent in pre-Covid number of people employed among many startups and small businesses. While the exact number would largely differ based on the business type, its size, and geography it operates in but since Covid had an all-encompassing effect on businesses of all shapes and sizes, the layoffs have been quite significant among emerging businesses," a startup and small business consultant told Financial Express Online.

<https://www.financialexpress.com/industry/sme/msme-skill-months-after-barrage-of-job-losses-green-shoots-in-hiring-appear-among-msmes-startups/2110122/>

Spending intent likely to be below average this Diwali: Survey

Even as brands are betting big on Diwali to light up their sales, a survey has shown below-average spending propensity among urban Indians this festive season with nearly 50 per cent respondents agreeing of being careful about their finances.

The survey, conducted by market research firm YouGov, factored into weighted impact of 10 factors including increase in gross household income, increase or decrease in household expenses, their intent to spend this Diwali season. It found only 15 per cent of the respondents with an increase in their gross household incomes.

<https://www.financialexpress.com/industry/spending-intent-likely-to-be-below-average-this-diwali-survey/2110125/>

Retail inflation eases marginally to 6.25% for farm, rural workers in Sept

The retail inflation for farm workers and rural labourers eased only marginally to 6.25 per cent and 6.1 per cent, respectively in September as food prices remained high. The retail inflation for farm workers and rural labourers is measured in terms of Consumer Price Index-Agricultural Labourers (CPI-AL) and Consumer Price Index-Rural Labourers (CPI-RL). Point-to-point rate of inflation based on CPI-AL and CPI-RL decreased to 6.25 per cent and 6.10 per cent in September from 6.32 per cent and 6.28 per cent, respectively in August, a labour ministry statement said. The rise in index varied from state to state. In case of agricultural labourers, it recorded an increase of 1-23 points in 20 states, it said.

https://www.business-standard.com/article/economy-policy/retail-inflation-eases-marginally-to-6-25-for-farm-rural-workers-in-sept-120102000852_1.html

Weekly economic indicators: Revival in activity shows signs of slackening

A number of high-frequency weekly economic indicators seemed to have taken a pause last week after some strong gains earlier this month. Power generation, goods carried by trains and urban emission numbers were weaker than in the recent past. Business Standard tracks these and other numbers, including traffic congestion and location data as a way of getting a more current picture of the economy ahead of macroeconomic numbers, which are often released with a lag. The location data comes after a gap and is as of October 13.

https://www.business-standard.com/article/economy-policy/weekly-economic-indicators-revival-in-activity-shows-signs-of-slackening-120102000325_1.html

Crores of Indians locked out of ration card system that provides cheap food; starvation deaths haunt poor

Government warehouses brim with more than 70 million metric tons of grains, or almost 15% of global stockpiles, and the nation's wheat and rice harvests have surged to records. Still, like millions of other Indians, Nafisa has never gotten any of the subsidized food promised by Prime Minister Narendra Modi's administration. Her 5-year-old son, Salman, doesn't even bother asking for food anymore, because he knows there's no point.

Governments across the world have failed to prevent a hunger crisis that is reaching monumental proportions. Globally, as many as 132 million more people than previously projected by the United Nations could go hungry in 2020. The total increase for this year could be more than triple any this century, even at a time of ample food supplies, as the pandemic sharpens the world's deep inequalities.

<https://www.financialexpress.com/economy/crores-of-indians-locked-out-of-ration-card-system-that-provides-cheap-food-starvation-deaths-haunt-poor/2109647/>

Banking and Finance

Centre may ease expenditure limits for ministries in Jan-March quarter

The last three months (January-March) of 2020-21 may see some relaxation in expenditure curbs imposed due to the pandemic by the Finance Ministry. Positive trend in GST collection makes room for provisions.

<https://www.thehindubusinessline.com/economy/centre-may-ease-expenditure-limits-for-ministries-in-jan-march-quarter/article32900934.ece?homepage=true>

EPFO records 10.05 lakh new enrolments in August

Net new enrolments with retirement fund body EPFO rose to 10.05 lakh in August from 7.48 lakh in July 2020, according to its latest payroll data, providing a perspective on employment in the formal sector amid the coronavirus pandemic.

<https://www.thehindubusinessline.com/economy/epfo-records-1005-lakh-new-enrolments-in-august/article32902136.ece>

Industry

Sales of manufacturing cos contracted 41.1 percent in Q1

Aggregate sales of private sector manufacturing companies recorded a sharp contraction of 41.1 per cent year-on-year in the first quarter of 2020-21, reflecting the impact of the pandemic induced lockdown, said an RBI analysis on Tuesday. The data on the performance of the private corporate sector during the first quarter of 2020-21 has been drawn from abridged quarterly financial results of 2,5361 listed non-government non-financial (NGNF) companies, the RBI said. "Aggregate sales of 1,619 manufacturing companies recorded a sharp contraction of 41.1 per cent (Y-o-Y) in Q1:2020-21 following 15.6 per cent decline in Q4:2019-20 reflecting the impact of the pandemic induced lockdown," it said. The contraction was broad-based and varied across industries - only pharmaceutical companies recorded higher sales on both annual and sequential (Q-o-Q) basis.

<https://economictimes.indiatimes.com/news/company/corporate-trends/sales-of-manufacturing-cos-contracted-41-1-percent-in-q1/articleshow/78773422.cms>

Uptick in passenger vehicle sales to raise aftermarket demand: ACMA

The uptick in the passenger vehicles segment, coupled with car parc of second-hand vehicles, on account of increased use of personal cars is expected to lead to a rise in aftermarket demand, according to automobile component makers' body ACMA.

The automotive industry is shifting gears as it witnesses an uptick in vehicle consumption in the second quarter of the current financial year, the Automotive Component Manufacturers Association of India (ACMA) said in a release.

ACMA also announced that the 5th edition of its four-day international trade fair for the aftermarket and service industry, "Automechanika" will now be held at New Delhi's Pragati Maidan from April 22 next year in association with Messe Frankfurt India.

https://www.business-standard.com/article/companies/uptick-in-passenger-vehicle-sales-to-raise-aftermarket-demand-acma-120102001031_1.html

Ore shortage hits Indian steel companies, industry bodies seek ban on exports

The Indian steel sector is facing an acute shortage of iron ore, a significant raw material in the steelmaking process, due to lease ownership changes at home and a rise in exports - especially to China. The Indian Steel Association, representing both secondary and primary steelmakers, has joined other trade groups in seeking the intervention of the commerce ministry and the PMO. "We would like to bring to your notice that the Indian steel industry is facing an unprecedented shortage of iron ore availability. Production of iron ore across major producing states in the country has been recording a steady drop," ISA's secretary general Bhaskar Chatterjee said in a recent letter.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/ore-shortage-hits-indian-steel-companies-industry-bodies-seek-ban-on-exports/articleshow/78761573.cms>

Agriculture

Government procures 98.19 lakh ton paddy at MSP for Rs 18,540 crore

State-owned FCI and state procurement agencies have bought 98.19 lakh tonnes of paddy till Monday for Rs 18,540 crore. "Paddy procurement for Kharif 2020-21 is progressing at a fast pace in the procuring states/UTs of Punjab, Haryana, UP, TN, Uttarakhand, Chandigarh, J&K and Kerala with purchase of over

98.19 lakh tonnes of paddy up to October 19 from 8.54 lakh farmers valuing Rs 18,539.86 crore at MSP (Minimum Support Price) rate of Rs 18,880 per tonne," an official statement said. Paddy Procurement during corresponding period of Kharif Marketing Season (KMS) 2019-20 was 80.20 lakh tonnes. Procurement in the current season exceeds 22.43 per cent than the previous season, it added.

<https://economictimes.indiatimes.com/news/economy/agriculture/government-procures-98-19-lakh-ton-paddy-at-msp-for-rs-18540-crore/articleshow/78771533.cms>

Rain delays Maharashtra cane crushing season: Sugar Factories Federation chairman

Heavy rains recently in several parts of Maharashtra's cane belt will result in a delay in crushing by sugar factories, a senior functionary of a federation of these units said on Tuesday. Maharashtra State Cooperative Sugar Factories Federation chairman Jayprakash Dandegaonkar told PTI rains had not damaged the cane crop much but had hit roads and other infrastructure around factories heavily which would cause the delay. "Cane crushing will begin after some normalcy returns. Cane crushing was permitted from October 15 but only 25-30 of the 100 cooperative and 90 private factories managed to begin on this date. By the first week of November, all factories will be ready for crushing," Dandegaonkar said.

<https://economictimes.indiatimes.com/news/economy/agriculture/rain-delays-maharashtra-cane-crushing-season-sugar-factories-federation-chairman/articleshow/78768691.cms>

Infrastructure

InvITs to acquire over Rs 4 trillion of infra assets in five years: Icra

Infrastructure Investment Trusts (InvITs) are likely to acquire infrastructure assets worth over Rs 4 lakh crore in the next five years as the market matures, a domestic ratings agency said on Tuesday. At present, there are six InvITs which have raised over Rs 27,600 crore from investors, while a seventh entity is in advanced stage of raising Rs 25,200 crore, Icra said. The total value of assets under these seven InvITs is estimated at Rs 1.3 lakh crore and InvITs are likely to gain significant traction in the next few years, it said. An InvIT is like a mutual fund, which enables direct investment of small amounts of money from individual/institutional investors in infrastructure projects to earn a portion of the income as return. "Over the next four to five years, InvITs have the potential to acquire infrastructure assets worth Rs 4 lakh crore, of which Rs. 1.5 lakh crore could come from the unit capital raised from investors," the agency said.

https://www.business-standard.com/article/economy-policy/invits-to-acquire-over-rs-4-trillion-of-infra-assets-in-five-years-icra-120102001030_1.html

Gadkari lays foundation stone of first multi-modal logistic park in Assam

Union Minister Nitin Gadkari on Tuesday laid the foundation stone of the Rs 694 crore multi-modal logistic park in Assam and said that it would serve as the growth engine for the state's economic development. The work on the first phase of the Rs 694 crore project at Jogighopa on 317-acre land will begin next month by the National Highways and Infrastructure Development Corporation Ltd (NHIDCL) and will be completed by 2023, the Road Transport, Highways and MSME Minister said.

"This multi-modal park will serve as a growth engine for Assam's economic development. It would provide direct and indirect employment to about 20 lakh people," Gadkari said laying the virtual foundation stone of the project under Bharatmala Pariyojna.

https://www.business-standard.com/article/economy-policy/gadkari-lays-foundation-stone-of-first-multi-modal-logistic-park-in-assam-120102000891_1.html

RLDA to undertake redevelopment of the Ahmedabad railway station

Rail Land Development Authority (RLDA) has invited online bids to seek Consultancy services for undertaking Feasibility Study, Detailed Master Planning, Urban Designing, and Engineering & Preparation of Detailed Project Report (DPR) for the Integrated Re-development of Ahmedabad Railway Station*. The objective of the re-development is to upgrade it in line with requirements over time without diluting historical significance, besides providing state-of-the-art passenger amenities. Ahmedabad Railway Station also house two Minarets as remnants of Sidi Bashir Mosque that are deemed as a Heritage structure. The station handles an average footfall of around 52,843 commuters daily*. For the records, Ahmedabad is also proposed to be developed as a Smart City by the government and has been declared as India's first UNESCO World Heritage City. According to RLDA the redeveloped station will be equipped with amenities such as segregation of arrival and departure, excellent road connectivity with multi-modal transport integration, security and surveillance systems and many more.

<https://economictimes.indiatimes.com/industry/transportation/railways/rlda-to-undertake-redevelopment-of-the-ahmedabad-railway-station/articleshow/78768645.cms>

Energy

Why power sector direly needs bold reforms, favourable regulatory environment

The energy sector in India is at the crossroads and is saddled with crisis for quite some time now — ranging from payment delays by the already cash-strapped Discoms, insolvency of larger generation capacities, exasperating regulatory and policy inconsistency, to lack of on-ground implementation. The COVID 19 pandemic and the nation-wide lockdown to contain its proliferation has, in turn, set off an unprecedented blow to the already moribund power sector. During the lockdown period between March and May 2020, electricity demand had drastically plummeted (20-22% in the first 10 days of the lockdown). With everything shut, the consumption of electricity by industrial and commercial establishments as well as the railways has seen a huge drop. Besides, as these consumers cross-subsidize domestic and agricultural consumers, the loss in revenue terms has been more pronounced.

<https://www.financialexpress.com/industry/why-power-sector-direly-needs-bold-reforms-and-favourable-regulatory-environment-discoms-electricity/2110089/>

Discoms' outstanding dues to power gencos rise 37 per cent in August

Power producers' total dues owed by distribution firms rose over 37 per cent year-on-year to ₹1.33 lakh crore in August 2020, reflecting stress in the sector.

<https://www.thehindubusinessline.com/economy/discoms-outstanding-dues-to-power-gencos-rise-37-per-cent-in-august/article32826144.ece>

States

UP govt to float asset-based lending arm to ease working capital for SMBs

The Uttar Pradesh government is planning to float an asset-based lending (ABL) arm to provide cheap finances to enterprises, amid the working capital crunch being faced by small and medium businesses in the covid-19 pandemic.

The state will set up a joint venture (JV) between UP Industrial Consultants Limited (UPICO) and UP Laghu Udyog Nigam Limited. The new lending entity, to be supported by the National Small Industries Corporation (NSIC), will offer loans at attractive rates to the small and medium enterprises. ABL or asset-based financing is the business of offering credit, which is secured by collateral by way of inventory, receivables, equipment or other property owned by the borrower.

https://www.business-standard.com/article/economy-policy/up-govt-to-float-asset-based-lending-arm-to-ease-working-capital-for-smbs-120102001018_1.html

Healthcare

Centre considering removing plasma therapy from COVID-19 clinical management protocol

The Centre is considering to remove convalescent plasma therapy from the national clinical management protocol for COVID-19, a top ICMR official said on Tuesday. Presently, the use of off-label convalescent plasma for treating COVID-19 patients in the moderate stage of the illness is allowed under "investigational therapies". However, a randomised controlled trial, led by the Indian Council of Medical Research (ICMR), on 464 patients in 39 hospitals in 25 districts across 14 states and UTs has shown that plasma therapy does not reduce mortality or prevent progression of COVID-19 from moderate to severe. At a press conference, ICR Director General Balaram Bhargava said, "We have had discussions in the national taskforce and we are in discussion with the joint monitoring group that this (convalescent plasma therapy) may be deleted from the national guidelines. The discussion is ongoing and more or less we are reaching towards that."

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/centre-considering-removing-plasma-therapy-from-covid-19-clinical-management-protocol/articleshow/78773736.cms>

Pandemic to shave off 40% operating profit of private hospitals: Report

The pandemic will eat up around 40 per cent of the operational profit of private hospitals this fiscal, as billing has plunged drastically due to the virus outbreak and the resultant proclivity of people to avoid hospitals for non-emergency situations, says a report.

The Crisil report released on Tuesday, however, noted that a large number of pandemic cases, which though is low-margin, will get these hospitals an additional revenue to the tune of 15-20 per cent. Further, with the relaxation in lockdown and travel restrictions, footfalls have started improving from July, helping bed-occupancy levels.

https://www.business-standard.com/article/companies/pandemic-to-shave-off-40-operating-profit-of-private-hospitals-report-120102000634_1.html

Harsh Vardhan launches website for information on clinical trial of CSIR ushered repurposed drugs

Union Science and Technology Minister Harsh Vardhan on Tuesday launched an online portal that provides information about CSIR ushered repurposed drugs and their current stage of trials. The Council for Scientific and Industrial Research (CSIR) has been exploring multiple combination clinical trials of antivirals with host-directed therapies for a potential treatment of COVID-19 since the beginning of the pandemic. It has been working with the AYUSH Ministry for clinical trials of AYUSH drugs and has undertaken safety and efficacy trials of prophylactics and therapeutics based on individual plant-based compounds. Apart from information about CSIR repurposed drugs, the website -- CuRED -- also provides details about clinical trials of diagnostics and devices in which the scientific body is involved.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/harsh-varadhan-launches-website-for-information-on-clinical-trial-of-csir-usher-repurposed-drugs/articleshow/78766960.cms>

External

India mulls trade talks with Taiwan as both spar with China; investment in tech, electronics on cards

Support is growing within India's government to formally start talks on a trade deal with Taiwan as both democracies see relations with China deteriorate. Taiwan has sought trade talks with India for several years, but Prime Minister Narendra Modi's government has been reluctant to move ahead because it would involve a messy fight with China once any pact is registered at the World Trade Organization, according to a senior Indian government official who asked not be named, citing rules for speaking with the media.

Yet over the past few months, the hawks in India who want to start trade talks are getting the upper hand, the official said. A trade deal with Taiwan would help India's goal of seeking greater investments in technology and electronics, the official said, adding that it's unclear when a final decision would be made on whether to start talks.

<https://www.financialexpress.com/economy/india-mulls-trade-talks-with-taiwan-as-both-spar-with-china-investment-in-tech-electronics-on-cards/2109669/>

WTO members discuss proposal of India, South Africa for easing IP rules for COVID-19

As many as 40 members of the Geneva-based World Trade Organization (WTO) have discussed a proposal submitted by India and South Africa for relaxing certain provisions in intellectual property (IP) agreement with a view to contain the COVID-19 pandemic. Earlier this month, India and South Africa have submitted a proposal suggesting a waiver for all WTO members on the implementation, application and enforcement of certain provisions of the TRIPS Agreement in relation to the prevention, containment or treatment of COVID-19. The Agreement on Trade-Related Aspects of Intellectual Property Rights or TRIPS Agreement came into effect in January 1995. It is a multilateral agreement on intellectual property rights such as copyright, industrial designs, patents and protection of undisclosed information or trade secrets. According to the WTO statement issued on Tuesday, the proponents of the proposal argued the relaxations would avoid barriers to the timely access to affordable medical products, including vaccines and medicines, or to scaling-up of research, development, manufacturing and supply of essential medical products.

<https://www.financialexpress.com/economy/wto-members-discuss-proposal-of-india-south-africa-for-easing-ip-rules-for-covid-19/2110337/>