



December 10, 2020 - Thursday

Key Developments

Centre releases Rs 6,000 crore of GST compensation to 23 states, three UTs

The union finance ministry has released Rs 6,000 crore as weekly instalment to 23 states and three union territories with legislature to meet the goods and services tax (GST) shortfall. While Rs 5,516.60 crore has been released to states, Rs 483.40 given to UTs. The remaining five states -- Arunachal Pradesh, Manipur, Mizoram, Nagaland and Sikkim-- do not have a gap in revenue on account of GST implementation. All states and three UTs have now opted for this special window.

The Centre will altogether borrow Rs 1.10 trillion on this account. The amount released this week was borrowed at 4.2 per cent interest rate. The Centre has so far borrowed Rs 36,000 crore on this count at an average interest rate of 4.7 per cent. Besides the special window, the states were also granted permission to further borrow from markets up to 0.5 per cent of their respective gross state domestic product. Permission to borrow an additional amount of Rs 1.06 trillion has been granted to 28 states under this provision so far.

https://www.business-standard.com/article/economy-policy/centre-releases-rs-6-000-crore-of-gst-compensation-to-23-states-three-uts-120120900984_1.html

Cabinet approves Rs 22,810 cr EPF subsidy scheme for job creation

The Cabinet on Wednesday approved a proposal to provide employees' provident fund (EPF) contribution to those hiring additional workforce for two years. This would cost the government Rs 1,584 crore in the current financial year and Rs 22,810 crore during the entire period, from 2020 to 2023. The proposal, Atmanirbhar Bharat Rojgar Yojana (ABRY), announced earlier by finance minister Nirmala Sitharman as part of stimulus package, aimed at generating 5-6 million jobs by June next year, sources said. Under the package, the union government will provide subsidy for two years in respect of new employees engaged on or after October this year and upto June 30, 2021, information and broadcasting minister Prakash Javdekar said. The government will pay employees as well as employers contribution at 12 per cent of wages each towards EPF in respect of new employees in establishments employing up to 1000 employees for two years.

https://www.business-standard.com/article/economy-policy/cabinet-approves-rs-22-810-cr-epf-subsidy-scheme-for-job-creation-120120900938_1.html

Expert panel defers decision on early approval for vaccine

Independent vaccine experts advising Indian drug regulator on Wednesday deferred a decision to give accelerated approval to any of the Covid-19 vaccine candidates even as two firms, which applied for Emergency Use Authorisation made presentation before the panel. Though three firms — the US headquartered MNC Pfizer; Pune-based Serum Institute of India (SII) making AstraZeneca-Oxford University vaccine, and the Hyderabad-based Bharat Biotech India Ltd (BBIL) — have applied for early approval for their vaccine candidates to the Drug Controller General of India (DCGI), only the two Indian firms presented their data before the Subject Expert Committee (SEC) appointed by the regulator. Pfizer may present its data at a later date.

<https://www.thehindubusinessline.com/economy/policy/expert-panel-defers-decision-on-early-approval-for-vaccine/article33292297.ece>

Centre considers easing RBI's inflation target to help growth: Report

India's government is considering recommending a looser inflation target for the central bank, allowing it to focus more on economic growth despite price pressures, according to people familiar with the matter.

A consumer-price inflation band tracked by the Reserve Bank of India may be relaxed further from the current 2%-6% range, said the people, who asked not to be identified citing rules. The government still needs to hold consultations with the central bank before finalizing a new framework sometime next year.

The current mandate, set in 2016, requires the RBI to keep headline inflation at the 4% midpoint of its target range. The band -- a broad range of 400 basis points within which the central bank has sanction to operate -- is the widest in Asia, and only matched by Turkey and surpassed by Argentina. The Finance ministry is of the view that the RBI can't be saddled with a rigid inflation targeting framework, especially in situations when growth needs to be pushed, the people said.

https://www.business-standard.com/article/economy-policy/centre-considers-easing-rbi-s-inflation-target-to-help-growth-report-120120900572_1.html

RBI lays down stringent dividend distribution formulae for NBFCs

The Reserve Bank of India has said that non-banking finance companies (NBFC) with minimum 15% capital adequacy and net non-performing assets (NPA) below 6% for three years will be eligible to declare dividend from this fiscal onwards. In a graded dividend payout format released on Wednesday, the regulator said that a better managed NBFC with less than 4% net NPA can still become eligible for dividend distribution even if the minimum capital and leverage norms are not met for the previous two years. These are part of a matrix where capital adequacy, leverage ratio, adjusted net worth and net NPA set the criteria for distributing the earnings with shareholders.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-lays-down-stringer-dividend-distribution-formulae-for-nbfc/articleshow/79646529.cms>

Ease of doing business in Digital India: Cabinet approves setting up public WiFi hotspots across country

In an effort to increase ease of doing business and take another step towards Digital India, the Union Cabinet today approved the proposal for setting up public Wi-Fi networks across the length and breadth of the country. This public Wi-Fi Access Network Interface will be known as PM-WANI. The cabinet said that the move is expected to be more business-friendly and in line with efforts for ease of doing business. It further said that Covid-19 pandemic has necessitated the delivery of stable and high-speed Broadband Internet services to an increasingly large number of subscribers in the country including areas that do not have 4G mobile coverage, which can be achieved by deployment of public Wi-Fi.

It is believed that the proliferation of public Wi-Fi will not only create employment but also enhance disposable incomes in the hands of small and medium entrepreneurs, and boost the country's GDP. The government has not put any license fee for providing broadband internet services using public Wi-Fi hotspots, which is further expected to encourage its proliferation and penetration across the country.

<https://www.financialexpress.com/economy/ease-of-doing-business-in-digital-india-cabinet-approves-setting-up-public-wifi-hotspots-across-country/2146655/>

Economy

Centre may discontinue effective schemes in FY22 on account of fiscal constraints

The government may discontinue central sector (CS) schemes and centrally sponsored schemes (CSS) in the next fiscal even if they are found to be effective, owing to fiscal constraints, the finance ministry said in a memorandum on Tuesday.

<https://economictimes.indiatimes.com/news/economy/policy/centre-may-discontinue-effective-schemes-in-fy22-on-account-of-fiscal-constraints/articleshow/79647867.cms>

With little room left for govt capex, economy looks at private investments

The economy did better than expected in the second quarter of the current financial year, shrinking by 7.5 per cent against a massive 23.9 per cent in the first quarter, despite the fact that investment continued to decline in the economy. Experts want the government to spend more on capex to spur economic activities in the remaining two

quarters of the current financial year. After massively cutting its capex by 38 per cent in the second quarter, the government did raise it by 129.4 per cent in October.

https://www.business-standard.com/article/economy-policy/with-little-room-left-for-govt-capex-economy-looks-at-private-investments-120120900665_1.html

One nation, one ration card: 9 states can raise Rs 23,523 cr from markets

Nine states have implemented one nation one ration card system because of which they together got permission from the union finance ministry to borrow Rs 23,523 crore from the markets. These states include Andhra Pradesh, Gujarat, Goa, Haryana, Karnataka, Kerala, Telangana, Tripura and Uttar Pradesh. The finance ministry hopes that many more states will do so by the deadline of this calendar year end.

In view of the challenges posed by the Covid-19 pandemic for mobilisation of financial resources, the Centre gave permission to states to borrow an additional amount of up to two per cent of their respective gross state domestic product (GSDP). However, to ensure long-term debt sustainability and prevent any adverse impact on future, a part of the additional borrowing was linked to the states carrying out reforms in the sectors critical for service delivery to the citizens.

https://www.business-standard.com/article/economy-policy/one-nation-one-ration-card-9-states-can-raise-rs-23-523-cr-from-markets-120120900460_1.html

Nomura turns positive, says India would be fastest growing economy in 2021

India could well be the fastest-growing Asian economy in calendar year 2021 (CY21) if Nomura's forecasts are to be believed. The foreign research and brokerage house expects the Indian economy – as measured by gross domestic product (GDP) – to grow at 9.9 per cent in 2021, eclipsing China (2021 GDP growth pegged at 9 per cent) and Singapore (at 7.5 per cent) during this period. Nomura has turned positive on India's cyclical outlook for 2021, and believes the country is on the cusp of a cyclical recovery. The change in stance comes after nearly two years (end-2018), when it had turned negative on India's growth. "We project GDP growth to remain in negative territory in Q1-2021 (-1.2 per cent), pick up to 32.4 per cent in Q2 on base effects, before easing to 10.2 per cent in Q3 and 4.6 per cent in Q4. Overall, we expect GDP growth to average 9.9 per cent in 2021 versus -7.1 per cent in 2020, and 11.9 per cent in FY22 (year ending March 2022) versus -8.2 per cent in FY21," wrote Sonal Varma, managing director and chief India economist at Nomura in a December 8 report titled Asia 2021 Outlook, co-authored with Aurodeep Nandi.

https://www.business-standard.com/article/economy-policy/at-9-9-gdp-growth-india-could-be-fastest-growing-asian-economy-in-2021-120120900305_1.html

India should drive growth without depending on rate cuts: Acharya

Revising up inflation bands for the central bank will hurt the poor, former Deputy Governor of RBI Viral Acharya said on Wednesday, terming the current 4 per cent midpoint on price-rise as a "reasonable target". Acharya, who quit RBI ahead of his tenure coming to an end last year, said India has to devise ways of pushing up growth in a structural manner and not by "pump-priming" measures like easy credit and easy liquidity.

<https://economictimes.indiatimes.com/news/economy/policy/india-should-drive-growth-without-depending-on-rate-cuts-acharya/articleshow/79648380.cms>

Farmers' unions reject govt proposal, say will step up protests

Farmer unions on Wednesday rejected the government's "written proposal" on recently enacted reforms to India's agriculture market, saying they will step up their protests by blocking a crucial highway on November 12.

We reject the government's proposals," LiveMint.com quoted Darshan Pal, president of Krantikari Kisan Union, as saying. "We will block Delhi-Jaipur highway by 12th December," said farmer leaders at Singhu border, where unions have camping for 14 days now in protest.

"We'll strategise in our meeting and discuss their (centre's) proposal. Farmers won't go back. It's a matter of their respect. Will the government not withdraw laws? Will there be tyranny? If the government is stubborn, so are farmers. The laws have to be withdrawn" said Rakesh Tikait, spokesperson of the Bhartiya Kisan Union, according to NDTV. The minimum support price for certain agriculture produce will not end with recently enacted reforms, the government said in a written proposal sent to farmers.

https://www.business-standard.com/article/current-affairs/farmers-unions-reject-govt-proposal-say-will-step-up-protests-120120900882_1.html

India leads the world in AI adoption amid the Covid-19 pandemic

The pandemic that hit the world a year ago crippling the lives of both individuals as well as organisations, has created a winner -- high technology adoption across the globe, with Indian organisations leading such upgrades. According to a global study by PwC India, the highest increase in use of artificial intelligence (AI) during COVID-19 times has been witnessed in India.

The study also showed that 94 per cent of the over 200 chief executives in India surveyed said they've either adopted or are planning to implement AI in their companies. While the survey for India was conducted between August and September, globally it was conducted among 670 high ranking officials in September-October.

https://www.business-standard.com/article/pti-stories/india-leads-the-world-in-ai-adoption-thanks-to-covid-19-120120900580_1.html

India may regain 'fastest-growing economy' tag in 2021; base effect, Modi govt policies to help

India may dramatically reverse the economic loss it suffered in 2020, and may regain the fastest growing economy tag in the next year. In the year 2021, India is projected to grow faster than most major economies, including European nations, developed markets, and emerging markets. While the low base effect is believed to be the biggest reason for the sharp economic recovery, Prime Minister Narendra Modi government's measures are also among the significant reasons behind the expected rebound. From a 23.9 per cent contraction in the fiscal's first quarter, the Indian economy improved to a contraction of 7.5 per cent in Q2. This has also led to increased optimism for India's growth in the subsequent quarters. In a series of forecast revisions, many credit rating agencies have raised India's growth projections.

<https://www.financialexpress.com/economy/india-may-regain-fastest-growing-economy-tag-in-2021-base-effect-modi-govt-policies-to-help/2146453/>

Banking and Finance

HC seeks govt, RBI views on plea seeking regulation of Big Tech in finance

The Delhi High Court Wednesday sought response of the Centre, RBI, SEBI, IRDAI and National Payments Corporation of India (NPCI) on a PIL seeking a detailed legal framework for regulating operations of techfin companies such as Facebook, Google and Amazon in India's financial sector space. According to the petition filed by an economist, techfin entities are technology, telecommunications or e-commerce companies which have entered the financial sector to provide financial services and need to be regulated.

A bench of Chief Justice D N Patel and Justice Prateek Jalan issued notice to the ministries of finance and law as also Reserve Bank of India (RBI), NPCI, Insurance Regulatory and Development Authority of India (IRDAI), Securities and Exchange Board of India (SEBI) and the Pension Fund Regulatory and Development Authority (PFRDA) seeking their stand on the plea by Resmi P Bhaskaran.

https://www.business-standard.com/article/pti-stories/pil-for-regulating-techfin-firms-like-fb-google-amazon-hc-seeks-centre-rbi-stand-120120900541_1.html

Annual budgetary support of Rs 2,500 cr needed to support cashless payments via BHIM-UPI: Report

The government needs to provide an annual budgetary support of Rs 2,500 crore to support cashless payments through BHIM-UPI as it would result in substantial savings on handling of cash, said a report prepared by IIT-Bombay. Observing that consumers have to often pay convenience fee on payments made through digital mode, the report said, "RBI should refrain from creating an environment where, for pull payments initiated by merchants (effected by acquirer banks/payment aggregators (PAs) on behalf of merchants), the acquirer banks/PAs charge the consumers." It said that the practice of IRCTC to offer explicit discounts for accepting payments through BHIM-UPI needs to be emulated by prominent e-commerce merchants Amazon, Flipkart, Zomato, Swiggy, Airtel and Makemytrip. "This would boost BHIM-UPI volumes", the report added.

<https://www.financialexpress.com/economy/annual-budgetary-support-of-rs-2500-cr-needed-to-support-cashless-payments-via-bhim-upi-report/2146688/>

RTGS 24x7 to be launched on December 14

The Reserve Bank of India (RBI), on Wednesday, said that RTGS (real-time gross settlement) 24x7x365 will be launched with effect from 00:30 hours on December 14. The central bank, in a statement, said India will become one of the few countries in the world to operate its RTGS system round-the-clock throughout the year.

<https://www.thehindubusinessline.com/money-and-banking/rtgs-24x7-to-be-launched-on-dec-14/article33290638.ece>

Not viable to extend date of moratorium: RBI

The Reserve Bank of India (RBI), on Wednesday, told the Supreme Court that extending the date of the loan moratorium is “not viable”. Appearing before a three-Judge Bench, led by Justice Ashok Bhushan, the RBI, represented by senior advocate V.Giri, referred to clause 3 of its August 6 circular for ‘Resolution Framework for Covid-19-related Stress’ to point out that lending institutions, guided by their respective board-approved policy, would prepare viable resolution plans for eligible borrowers. But lenders would also ensure that this resolution is provided only to borrowers stressed on account of Covid-19.

<https://www.thehindubusinessline.com/money-and-banking/not-viable-to-extend-date-of-moratorium-rbi/article33290088.ece>

Rise in Indian auto-loan arrears to lag economic slowdown: Fitch Ratings

Auto loan delinquencies could be on a rise as per a forecast by Fitch Ratings. The rating agency expects 90 plus days past due arrears of Indian auto-loan securitisations to rise by 1.25 to 1.5 times from pre-pandemic levels in 2021, due to the lagged effect of macroeconomic stress. All segments of borrowers have benefited from an option to delay payments for six months. While the loan moratorium lifted at the start of September, most lenders saw improved collection rates.

<https://economictimes.indiatimes.com/industry/auto/auto-news/rise-in-indian-auto-loan-arrears-to-lag-economic-slowdown-fitch-ratings/articleshow/79642462.cms>

After health and life, now a standardised personal accident insurance cover in the work by IRDAI

India’s insurance regulator has floated draft guidelines for a standardized personal accident cover on Wednesday aimed at simplifying the product constraints for mass adoption, following similar moves to standardize both life and health insurance products in 2020. “The insurance market is having a wide variety of personal accident insurance products,” said IRDAI the exposure guidelines. “Therefore, with the objective of having a standard product with common coverage and policy wordings across the industry, the Authority has decided to mandate all general and health insurers to offer the standard personal accident insurance product,” the insurance regulator added.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/after-health-and-life-now-a-standardised-personal-accident-insurance-cover-in-the-work-by-irdai/articleshow/79645887.cms>

Sebi puts in place mechanism to ease e-voting process

Markets regulator Sebi on Wednesday came out with a mechanism to make the e-voting process more secure, convenient and simple for shareholders. To increase the efficiency of the voting process, it has been decided to enable e-voting for all demat account holders by way of a single login credential through their demat accounts and websites of depositories, Sebi said in a circular. Demat account holders would be able to cast their votes without having to register again with the e-voting service providers (ESPs), thereby not only facilitating seamless authentication but also enhancing ease and convenience of participating in the e-voting process.

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-puts-in-place-mechanism-to-ease-e-voting-process/articleshow/79648434.cms>

Industry

Income from distribution rights is not royalty: ITAT

In what could provide clarity for several companies, the Delhi bench of Income Tax Appellate Tribunal (ITAT) has ruled that income generated from distribution rights cannot be treated as royalty. As per the details of the case a US based company had provided exclusive distribution rights to an Indian company. The Indian company could generate revenues on the back of these elusive rights towards advertising.

<https://economictimes.indiatimes.com/news/economy/policy/income-from-distribution-rights-is-not-royalty-itat/articleshow/79643704.cms>

Limited scrutiny by tax department could result in a detailed transfer pricing investigation

In what could be a significant tax implication for several companies, the tax department can convert a limited scrutiny exercise into a detailed investigation if the tax official has followed proper procedure, as per a recent tax ruling. This could mean that if a tax official suspects that certain transactions need further scrutiny it could refer them to a separate department such as transfer pricing. This was ruled by a high court following a writ petition filed by Transsys Solutions.

<https://economictimes.indiatimes.com/news/economy/policy/limited-scrutiny-by-tax-department-could-result-in-a-detailed-transfer-pricing-investigation/articleshow/79642573.cms>

Exim Bank, SIDBI to set up investment fund to provide loan support to SMEs

Export-Import Bank of India (Exim Bank) and Small Industries Development Bank of India (SIDBI) plan to jointly set up an Alternative Investment Fund (AIF) to provide equity and loan support to small and medium enterprises (SMEs), which could emerge as rising stars in the export firmament. The AIF is being floated to give effect to a scheme, announced in FY21 Union Budget, to be jointly anchored by the aforementioned government-owned financial institutions to extend support to SMEs in sectors such as pharmaceuticals, auto components and others for technology upgradation, research and development, and business strategy, among others.

<https://www.thehindubusinessline.com/money-and-banking/exim-bank-sidbi-to-set-up-investment-fund-to-provide-loan-support-to-smes/article33289432.ece>

Selling few iron ore blocks infrequently creates artificial deficit: Jindal

Iron ore is a strength for India but at a particular cost, Jindal Steel & Power chairman, Naveen Jindal, said on Wednesday, alluding to the unsustainable premiums quoted for the Odisha auctions earlier this year.

“If a few blocks are auctioned at a time then there is too much competition and an artificial scarcity is created. People end up paying a huge premium and then they become unsustainable,” he explained. The high premiums quoted for Odisha iron ore mines auctioned in February and March have made them unviable. Bidders had paid a huge premium, the average being 106 per cent. As a result, only five out of 19 blocks auctioned are operational.

https://www.business-standard.com/article/companies/auctioning-few-blocks-at-a-time-creating-artificial-shortage-naveen-jindal-120120900961_1.html

Sales of MHCVs to grow in double-digits in 2021

Sales of medium and heavy commercial vehicles (MHCVs) in the local market are expected to grow in strong double digits next year as construction and mining activities gain pace, Daimler India Commercial Vehicles managing director Satyakam Arya said. Industry estimates sales of MHCVs to increase 50-80% in 2021, albeit on a low base, on the back of a revival in economic activities. Sales are set to more than halve to 102,000-103,000 units in 2020. The segment had registered the highest sales on record at 380,000 units in 2018.

<https://economictimes.indiatimes.com/industry/auto/auto-news/sales-of-mhcvs-to-grow-in-double-digits-in-2021/articleshow/79644756.cms>

Agriculture

Milk procurement prices defy trend to hold steady in this peak flush season

India's milk market is showing a very different trend in the peak flush season this year. Bang in between the peak flush season, when milk supplies are usually higher than normal, procurement prices have started heading north. This is a deviation from the usual trend, because common economics show that when supplies go up prices go down if demand remains stable. Before we explain this phenomenon, let's take a quick look at the price scenario.

https://www.business-standard.com/article/economy-policy/milk-procurement-prices-defy-trend-to-hold-steady-in-this-peak-flush-season-120120900601_1.html

Infrastructure

Nepal agrees to fast-track rail connection from Kathmandu to India

The contest between India and China for strategic influence in the Himalayas has escalated with authorities in Nepal agreeing to fast-track a rail connection from their capital Kathmandu to the Indian mainland. The decision follows China's energetic effort to link the Nepalese capital with Tibet.

Analysts say that India's initiative has strong security connotations. By connecting Nepal with India along tracks which are of a different gauge, New Delhi has prevented China to bring its railway, and in the worst-case scenario, its troops and equipment, close to the Indian border. Chinese rail tracks follow standard gauge, which are of 1,435 mm wide. On the contrary, Indian broad-gauge tracks have width of 1,676 mm.

https://www.business-standard.com/article/current-affairs/nepal-agrees-to-fast-track-rail-connection-from-kathmandu-to-india-120120900429_1.html

Govt approves submarine optical fibre cable connectivity between Kochi and Lakshadweep Islands

The government on Wednesday approved provision of submarine optical fibre cable connectivity between Kochi and Lakshadweep Islands, entailing a cost of Rs 1,072 crore. The project, approved by the Union Cabinet, entails provision of a direct communication link through a dedicated submarine Optical Fibre Cable (OFC) between Kochi and 11 islands of Lakshadweep — Kavaratti, Kalpeni, Agati, Amini, Androth, Minicoy, Bangaram, Bitra, Chetlat, Kiltan and Kadmat. "The estimated cost of implementation is about Rs 1,072 crore including operational expenses for 5 years. The project would be funded by Universal Service Obligation Fund," an official release said. The project is expected to be completed by May 2023.

<https://www.financialexpress.com/economy/govt-approves-submarine-optical-fibre-cable-connectivity-between-kochi-and-lakshadweep-islands/2146659/>

India to launch air bubble with Nepal days after Foreign Secretary's Kathmandu visit

India, after the Maldives and Bangladesh, is launching a travel bubble with Nepal to promote people to people ties within days of Foreign Secretary's visit to Kathmandu. The issue of reopening of flights figured when Foreign Secretary Harsh Vardhan Shringla met PM KP Sharma Oli. It is understood that Oli was positive towards reopening flights given strong connection between people of the two countries.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/india-to-launch-air-bubble-with-nepal-days-after-foreign-secretarys-kathmandu-visit/articleshow/79648170.cms>

New Indo-Bangladesh cross border direct rail service to come up soon

India and its next door neighbour Bangladesh are going to have a new cross border railway service soon. The link via Indian state West Bengal's northern part is expected to re-strengthen social as well as trade and commerce relationship between the two countries those used to be a single entity till 1947.

<https://economictimes.indiatimes.com/industry/transportation/railways/new-indo-bangladesh-cross-border-direct-rail-service-to-come-up-soon/articleshow/79646609.cms>

Telecom

Need to expedite implementation of new telecom policy, lower 5G reserve price: DoT official

There is a need to bring in affordable pricing for the fifth-generation or 5G airwaves, as a part of the Centre's policy initiatives, a senior Department of Telecommunications (DoT) official Wednesday said, adding that there was a need to expedite the implementation of national policy unveiled in 2018. "The policy initiatives required from the government for 5G must include ensuring spectrum availability at affordable prices, lower reserve price, and uniform Right-of-Way policy for fiberisation. Thus, there exists several new opportunities, and the future is bright and exciting," Bharat Kumar Jog, Member - Services at DoT said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/need-to-expedite-implementation-of-new-telecom-policy-lower-5g-reserve-price-dot-official/articleshow/79642025.cms>

Energy

India only market in A-Pac with negative power sector outlook: Moody's

Stabilising or improving cash flows amid power demand recovery, the gradual pace of regulatory change and manageable transition to a low carbon economy underpin Moody's Investors Service's stable outlook for the Asia Pacific power sector in 2021.

"Our outlook for the A-Pac power sector is stable for 2021 as it has been since 2009. While the sector faced challenges this year as a result of the pandemic, they have been manageable overall and we expect broadly supportive business conditions across the region as economies recover," said Boris Kan, Moody's Vice President and Senior Credit Officer.

"We do see some challenges in India's power sector and, to a lesser extent, unregulated utilities in Australia, China and Japan driven by evolving operating conditions," said Kan on Wednesday.

https://www.business-standard.com/article/economy-policy/india-only-market-in-a-pac-with-negative-power-sector-outlook-moody-s-120120900368_1.html

Clean energy is critical; important for India to get into cutting-age technology: Amitabh Kant

Niti Aayog CEO Amitabh Kant on Wednesday said clean energy is critical for India and it is important for the country to get into cutting-age technology. Addressing a virtual book launch event organised by the Observer Research Foundation, Kant said India in the long run must become a manufacturer of solar products in India. "Clean energy, powered by clean technology, is critical for India. We need to get into a whole range of clean energy deployments... It is very important for India to get into cutting-age technology," he said.

<https://economictimes.indiatimes.com/industry/energy/power/clean-energy-is-critical-important-for-india-to-get-into-cutting-age-tech-amitabh-kant/articleshow/79645943.cms>

Healthcare

Media report about proposal of emergency use from Serum Institute, Bharat Biotech being rejected is fake: Health Ministry

The Ministry of Health & Family Welfare has said that the media report about the rejection of Bharat Biotech and Serum Institute's emergency use authorisation of vaccine is fake. The statement was issued shortly after a couple of media outlets claimed that proposals of Bharat Biotech and Serum institute were not cleared over 'inadequate safety and efficacy data.' An expert committee of the Central Drugs Standard Control Organisation (CDSCO) had met earlier in the day to review the emergency use authorisation proposal of COVID-19 vaccine by the Hyderabad-headquartered Bharat Biotech and the Pune's Serum Institute of India. US-based Pfizer Inc. too has applied for the emergency use authorisation.

<https://www.financialexpress.com/lifestyle/health/media-report-about-proposal-of-emergency-use-from-serum-institute-bharat-biotech-being-rejected-is-fake-health-ministry/2146660/>

External

India's weapons procurement from US jumps to \$3.4 billion in 2020

India's weapons procurement from the United States jumped from a meagre USD 6.2 million to a whopping USD 3.4 billion in the final year of the Donald Trump's administration, according to official data. As per the data released by the Defense Security Cooperation Agency (DSCA), the jump in the sale of American weapons to India comes at a time when sale of weapons from the US to other countries has dipped to USD 50.8 billion in 2020 from USD 55.7 billion in 2019. In 2019, the sale of US weapons to foreign countries was USD 55.7 billion. In 2017, it was USD 41.9 billion, it said. Major buyers of American weapons in 2020 were India (USD 3.4 billion up from USD 6.2 million in fiscal year 2019), Morocco (USD 4.5 billion up from USD 12.4 million), Poland (USD 4.7 billion up from USD 673 million), Singapore (USD 1.3 billion up from USD 137 million), Taiwan (USD 11.8 billion up from USD 876 million), and the United Arab Emirates (USD 3.6 billion up from USD 1.1 billion), the data showed. Several countries reported a drop in purchase of weapons from the US.

https://www.business-standard.com/article/international/india-s-weapons-procurement-from-us-jumps-to-3-4-billion-in-2020-120120900273_1.html

Japan relaxes inspection norm for Black Tiger shrimps exports from India

In a relief to seafood exporters, Japan has done away with the inspection of Indian Black Tiger shrimps after the export consignments were found totally free from any residue of synthetic anti-bacterial drug furazolidone. Black Tiger shrimp, commonly known as the giant tiger prawn or Asian Tiger shrimp, is a key segment of India's marine products export basket.

<https://economictimes.indiatimes.com/news/economy/agriculture/japan-relaxes-inspection-norm-for-black-tiger-shrimps-exports-from-india/articleshow/79647509.cms>

Course of edible oil imports to depend on pandemic situation

India's import of edible oil in the oil year that started last month will depend on how the pandemic situation evolves in the coming months. Imports will either be lesser by 3% compared with the 2019-20 oil year or may go up by 5.3%, depending on when India comes out of the outbreak of Covid-19, traders and industry executives said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/course-of-edible-oil-imports-to-depend-on-pandemic-situation/articleshow/79645707.cms>

Soyameal exports set to rise on improved parity in global markets

Amid the recent rally in the international prices, exporting soyameal from India has once again become competitive, thereby improving the export prospects as against last year. As per SOPA's latest estimates released on Wednesday, soyameal exports for the oil year 2020-21 (October 2020-September 2021) is likely to be about 14 lakh tonnes (lt) as against 6.46 lakh tonnes in the same period last year. Exports for October-November have more than doubled to 3.25 lt (1.46 lt) the main destinations being Belgium, France and Iran.

<https://www.thehindubusinessline.com/economy/agri-business/soyameal-exports-set-to-rise-on-improved-parity-in-global-markets/article33291528.ece>

Powered by GI tag, J&K launches Kashmiri saffron in UAE market

With an aim to promote Kashmiri saffron, which recently received the geographical indication tag, in the Middle East, the Jammu and Kashmir government for the first time launched the spice in the UAE market. A geographical indication (GI) is a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin. Saffron produced in Kashmir was given the GI tag in July with the objective to put the Valley's brand on the global map. Jammu and Kashmir's Principal Secretary (Agriculture) Navin K Choudhary launched the Kashmiri saffron on Tuesday at the UAE-India Food Security Summit 2020.

<https://economictimes.indiatimes.com/news/economy/agriculture/powered-by-gi-tag-jk-launches-kashmiri-saffron-in-uae-market/articleshow/79639196.cms>