



December 29, 2020 – Tuesday

Key Developments

Businesses improving, India Inc expecting better results in 2021: FICCI and Dhruva Advisors Survey

The opening up of the economy and implementation of a broad set of measures under the Atmanirbhar Bharat package have led to a continuous improvement over time in the performance of businesses, with India Inc expecting even better results in 2021, a joint survey conducted by FICCI and Dhruva Advisors showed on Monday. According to the survey, the prospect of a vaccine for COVID-19 early next year has improved the confidence level of businesses, with almost 74 per cent of the survey participants saying that they foresee a significant positive impact on their business once the vaccine is made available. The survey conducted in December 2020 showed that COVID-19 induced travel restrictions have limited the ability of companies to undertake business operations efficiently and 74 per cent of the survey participants validated this. To overcome this challenge and maintain business operations, companies have leveraged digital tools of communication.

https://www.business-standard.com/article/companies/businesses-improving-india-inc-expecting-better-results-in-2021-survey-120122800484_1.html

Govt invites farmers for talks on Wed, says it has 'open mind' on demands

The government has called farmers for a meeting on Wednesday in Delhi to discuss three new laws liberalising India's agriculture markets, saying it had an "open mind" about their demands. The agriculture ministry invited more representatives of 40 unions for the meeting at 2pm in Vigyan Bhawan, new agencies reported. It said the government was "committed" to resolving the issues farmers had raised about the laws and minimum support price (MSP) for their produce. Tens of thousands of farmers are camping out on highways near the capital New Delhi in protest at the laws implemented by Prime Minister Narendra Modi's government that they fear will dismantle regulated agricultural markets, threaten their livelihood and benefit large companies.

"The government is also committed to finding a logical solution on all relevant issues with a clear intention and an open mind," said Taking note of the unions' offer to resume talks, said Agriculture Secretary Sanjay Aggarwal in a letter to the unions, according to PTI.

https://www.business-standard.com/article/current-affairs/govt-invites-farmers-for-talks-on-wed-says-it-has-open-mind-on-demands-120122800722_1.html

Labour Ministry to clear the air on work hours

The government will soon specify the cut-off for daily work hours, likely limiting this to eight, after which overtime starts, said people with knowledge of the matter. This is aimed at ending the misconception that the new labour laws allow a 12-hour workday, they said. The overtime wage rate is twice that of regular daily pay.

<https://economictimes.indiatimes.com/news/economy/policy/labour-min-to-clear-the-air-on-work-hours/articleshow/80001172.cms>

India's first fully indigenous pneumococcal vaccine launched

Pune-based Serum Institute of India, the largest vaccine manufacturer in the world by doses, on Monday announced the launch of India's first indigenously developed pneumococcal vaccine -- Pneumosil -- in the presence of Union Health Minister Harsh Vardhan. Pneumosil has been developed through collaboration spanning over a decade among

the Serum Institute, PATH and the Bill and Melinda Gates Foundation. This significant milestone is aimed at improving pneumococcal conjugate vaccine affordability and enabling sustainable access for low-and middle-income countries.

The vaccine will provide effective and long-lasting protection for children against pneumococcal diseases. The vaccine makes the Serum Institute the world's third supplier of pneumococcal conjugate vaccines (PCV) under the pneumococcal Advance Market Commitment (AMC), and the first developing country vaccine manufacturer to access the global PCV market.

https://www.business-standard.com/article/current-affairs/india-s-first-fully-indigenous-pneumococcal-vaccine-launched-120122800715_1.html

Auditors no longer just watchdogs: NFRA chief

Audit regulator National Financial Reporting Authority (NFRA) has urged the audit fraternity to refrain from taking shelter under the much venerated description of the auditor “being only a watchdog and not a bloodhound”. Describing this as a “serious misconception”, NFRA Chairman R Sridharan, in a speech that was to have been delivered to an ICAI event of Western India Regional Council (WIRC) but now published on the NFRA website, noted that this description needs to be “exorcised from our minds”. Sridharan was to be the chief guest at the WIRC’s regional conference on December 24 but the speech was rescheduled to December 26. However, the speech never happened as the WIRC communicated to him that it was not possible to accommodate him in the schedule. Subsequently, the NFRA uploaded the speech on its website on December 24.

<https://www.thehindubusinessline.com/economy/auditors-no-longer-just-watchdogs-nfra-chief/article33432006.ece?homepage=true>

Economy

False narratives about new farm laws hurting farmers’ interests: Niti Aayog VC Rajiv Kumar

False narratives about the new farm laws are doing significant harm to the interest of farmers as well as the economy in general, Niti Aayog Vice Chairman Rajiv Kumar said on Monday and expressed his disappointment at some economists changing their stance on the new legislations. As farmers continue their protests demanding repealing of the three new laws, Kumar also emphasised that continued negotiations with protesting farmers is of course the way forward. “Any argument that these measures (the Centre’s new farm laws) will open the farmers for exploitation by large corporates is completely false because the government has assured Minimum Support Price (MSP) to all the farmers on a range of crops,” he told PTI in an interview.

<https://www.financialexpress.com/economy/false-narratives-about-new-farm-laws-hurting-farmers-interests-niti-aayog-vc-rajiv-kumar/2159060/>

4% inflation target is ideal as it matches average trend since 2014, says RBI paper

A 4% inflation target for the Indian Monetary Policy Committee is just ideal as it matches with the average trend inflation measured since 2014, a Reserve Bank of India research paper said. The real time estimate of trend inflation was around 5% till the end of 2013, while it fell steadily to 4.1% in the first quarter of 2019, before rising to breach the 6% upper tolerance limit during the last nine months due to the Covid-led disruptions.

<https://economictimes.indiatimes.com/news/economy/indicators/4-inflation-target-is-ideal-as-it-matches-average-trend-inflation-since-2014-says-rbi-paper/articleshow/79996082.cms>

35 lakh jobs gone in November, unemployment shoots up

The employment condition in India fell from the growth trajectory since the beginning of the fiscal’s third quarter. After the employment fell 20.3 per cent on-year in Q1 amid the nationwide lockdown, it recovered to a contraction of 3.5 per cent in Q2 as the economy started to recover. However, this improvement lost momentum in Q3, even as the economy showed more signs of recovery. While 50,000 jobs were lost in October, November witnessed a much higher shedding of jobs at 35 lakhs, according to CMIE’s Consumer Pyramids Household Survey. At 39.36 crore in November 2020, employment is still about 1 crore short of what it was in the March 2020 quarter.

In the first three weeks of December, more workers joined the workforce in the search of jobs. Though it led to a marginal improvement in aggregate employment compared to November, it also pushed up the unemployment rate

in the first three weeks. While the employment rate rose marginally from 37.4 per cent in November to a three-week average of 37.5 per cent, the unemployment rate shot up from 6.5 per cent to 9.5 per cent in the same duration.

<https://www.financialexpress.com/economy/35-lakh-jobs-gone-in-november-unemployment-shoots-up-economic-recovery-labour-force-market/2158855/>

Air India employees seek status quo on benefits post privatization

Air India pilots' associations has asked its members to maintain the printed weekly offs and not to change them. "You are hereby directed to maintain CMS Printed Weekly Offs and Not to change your Printed Weekly Offs. This is for your kind information and strict compliance Contract co-pilots do not come under the purview of this directive Members are advised to contact office bearers in case of any doubts or clarification", the Indian Pilots' Guild and Indian Commercial Pilots' Association said in a joint directive to Air India pilots. Earlier, the Indian Pilots' Guild and Indian Commercial Pilots Association had directed Air India pilots not to give any extension on "Flight Time", "Flight Duty Time" or "Landing" till further notice.

https://www.business-standard.com/article/companies/air-india-employees-seek-status-quo-on-benefits-post-privatisation-120122800601_1.html

Banking and Finance

Asset quality pressure on banks to moderate by FY22-end, says Icra

Asset quality pressure on banks in India is likely to moderate with net non-performing assets (NPAs) declining to 2.5 per cent by March 2022 (FY22) from an estimated 3.1 per cent in March 2021, according to rating agency Icra. The loan restructuring volume is likely to be lower at 2.5-4.5 per cent of advances than initial estimates of 5-8 per cent of advances, it added.

Icra said in a statement that moratorium on loan repayments is over, though the Supreme Court directive on asset classification is awaited. In this backdrop, the Gross NPAs are likely to rise to 10.1-10.6 per cent by March 2021 from 7.9 per cent in September 2020. The Net NPAs would also move up to 3.1-3.2 respectively by March 2021 from 2.2 per cent as of September 2020 on elevated credit provisions during H2FY21 as well.

https://www.business-standard.com/article/finance/asset-quality-pressure-on-banks-to-moderate-by-end-fy22-says-icra-120122800628_1.html

Finance Ministry releases weekly instalment of Rs 6,000 cr to meet GST shortfall

The Finance Ministry on Monday released the ninth instalment of Rs 6,000 crore to the states to meet GST compensation shortfall, taking the total amount of fund released to Rs 54,000 crore. The Centre had set up a special borrowing window in October 2020 to meet the estimated shortfall of Rs 1.10 lakh crore in revenue arising on account of implementation of GST. The Ministry of Finance in a statement said it has released the ninth weekly instalment of Rs 6,000 crore to the states to meet the GST compensation shortfall. Out of this, an amount of Rs 5,516.60 crore has been released to 23 states and an amount of Rs 483.40 crore has been released to the three Union Territories (UT) with Legislative Assembly (Delhi, Jammu & Kashmir & Puducherry) who are members of the GST Council.

<https://economictimes.indiatimes.com/news/economy/finance/finance-ministry-releases-weekly-instalment-of-rs-6000-cr-to-meet-gst-shortfall/articleshow/79995820.cms>

Industry

Logistics sector waits for Govt instructions

As India looks to distribute Covid-19 vaccine soon, several logistics companies including TCI Express, OM Logistics, MuDiTa are readying to start transporting the vaccine. The government will be the main distributor for the Covid-19 vaccine, as per early indications. MuDiTa Express Cargo, a company that has distributed pulse polio vaccine at minus 20 degrees Celsius for 15 years; and has a tie-up with SpiceJet, expects use of reusable "blast chillers" instead of dry ice (used for oral polio vaccine). The roll-out will be in large volumes, making it difficult to make available large quantity of dry ice in short time, said Amit Gulati, Director, MuDiTa Express Cargo.

<https://www.thehindubusinessline.com/news/national/logistics-sector-waits-for-govt-instructions/article33438117.ece?homepage=true>

Commercial vehicle sales may take longer to recover than expected: Ind-Ra

Commercial vehicle sales in India could take longer to recover than expected despite improving macro-economic indicators, according to India Ratings and Research (Ind-Ra). The light commercial vehicles (LCVs) segment has started to recover as they provide last mile connectivity and because of increased e-commerce activities but medium and heavy commercial vehicle (MHCV) sales are unlikely to recover before the fourth quarter of 2021-22, it said. The ratings agency reiterated that MHCV sales could decline by 35-45 per cent year-on-year (y-o-y) in FY21, though the decline in LCV sales is likely to be contained within 20-25 per cent.

"In FY22, the industry could see sales growth in double digits, especially due to the low base of FY20-FY21," it said in a statement. Stating that there is excess system capacity and reduced lower fleet utilisation, Ind-Ra said during April-September 2020, CV sales volumes declined 56 per cent y-o-y, with a steeper decline of 76 per cent recorded in MHCVs.

https://www.business-standard.com/article/economy-policy/commercial-vehicle-sales-may-take-longer-to-recover-than-expected-ind-ra-120122800370_1.html

Inventory inching up relative to sales across sectors, FMCG less affected

Companies had more inventory lying with them than before relative to their sales at the end of the first half of a year marked by pandemic-related challenges. Inventory as a percentage of sales rose to 10.03 per cent compared to 9.36 per cent in September 2019 and 9.09 per cent in September 2018. There has been a rising trend in recent years.

It was 8.93 per cent in September 2017 (see chart 1). The analysis is based on average inventory and net sales over the trailing 12 months for 326 firms with continuous data over the period under consideration.

https://www.business-standard.com/article/companies/inventory-inching-up-relative-to-sales-across-sectors-fmcmg-less-affected-120122800774_1.html

Covid-hit retailers look at 2021 with cautious optimism, says survey

Covid-hit retailers are looking at the upcoming year 2021 with cautious optimism, shows a survey by the Retailers Association of India (RAI). The Retail Business Survey indicated a steady month-on-month recovery for retail businesses across India, with sales in November 2020 being 13 per cent short of the sales during the corresponding period last year. This recovery came on the back of festive shopping. In November 2020, consumer durables and electronics category continued to recover with sales at 12 per cent (Y-o-Y) and food and grocery category have started to indicate sales growth at 5 per cent (Y-o-Y), while the apparel and clothing segment is still reeling under pressure with nearly (-)12 per cent (Y-o-Y) behind pre-pandemic sales.

https://www.business-standard.com/article/companies/covid-hit-retailers-look-at-2021-with-cautious-optimism-says-survey-120122800338_1.html

India's mining sector to witness reforms, flurry of activities in 2021

The country's mining sector will see "hectic activities" in the new year with the central government's approvals for pending mining reforms expected in January itself and efforts continuing to bolster overall mineral output. The reforms will pave the way for auctioning of at least 500 mineral blocks, Mines Secretary Anil Kumar Jain told PTI and emphasised that calendar year 2021 will be a "bridge year between the past and the future". On account of market forces, there is a fluctuation in steel prices but the COVID-19 pandemic did not impact the country's mineral production this year, he noted. While many sectors had to bear the brunt of the pandemic-induced lockdown, Jain said India has "registered in iron ore some of the best export numbers in the last seven-eight months as compared to previous years".

<https://www.financialexpress.com/economy/indias-mining-sector-to-witness-reforms-flurry-of-activities-in-2021/2158874/>

Covid-19 impact: Online jewellery sales gain traction in smaller towns

Due to the Covid-19 pandemic, an increasing number of customers from smaller towns are getting comfortable in buying jewellery online. This is a big change in the buying pattern, with customers in cities like Ranchi,

Visakhapatnam, Nagpur and Agra using technology to buy jewellery online, said Avnish Anand, co-founder & Business Head, CaratLane, a Chennai-based omni-channel jeweller and a Tanishq 'partnership' brand.

<https://www.thehindubusinessline.com/companies/covid-19-impact-online-jewellery-sales-gain-traction-in-smaller-towns/article33437605.ece>

Agriculture

Modi flags off 100th 'Kisan Rail', says govt will continue to work to strengthen farmers

Prime Minister Narendra Modi asserted on Monday that his government has undertaken historic reforms in the farm sector to boost agriculture and strengthen farmers. Flagging off the 100th "Kisan Rail" from Sangola in Maharashtra to Shalimar in West Bengal via video-conferencing, Modi said his government's policies are clear and intentions transparent in reforming the agriculture sector.

<https://economictimes.indiatimes.com/industry/transportation/railways/modi-flags-off-100th-kisan-rail/articleshow/79992659.cms>

Govt procures paddy worth Rs 86,243 crore this kharif season so far at MSP

The government's paddy procurement has increased 25 per cent so far in the ongoing kharif marketing season to 456.79 lakh tonnes, valuing Rs 86,242.83 crore. In an official statement, the food ministry said the government continues to procure Kharif 2020-21 crops at MSP (minimum support price) from farmers. Paddy procurement for Kharif 2020-21 is continuing smoothly in Punjab, Haryana, Uttar Pradesh, Telangana, Uttarakhand, Tamil Nadu, Chandigarh, Jammu & Kashmir, Kerala, Gujarat, Andhra Pradesh, Chhattisgarh, Odisha, Madhya Pradesh, Maharashtra, Bihar, Jharkhand and West Bengal. Food Corporation of India (FCI) and other state agencies have procured 456.79 lakh tonnes of paddy till December 27 as against 366.19 lakh tonnes in the corresponding period previous year.

<https://economictimes.indiatimes.com/news/economy/agriculture/govt-procures-paddy-worth-rs-86243-crore-this-kharif-season-so-far-at-msp/articleshow/79995271.cms>

Mills in Maharashtra crush 375 lakh MT cane; produce 351 lakh quintal sugar

The sugarcane crushing season in Maharashtra has gathered momentum. Sugar mills have crushed 375.71 lakh metric tonnes (MT) of sugarcane to produce 351.98 lakh quintal sugar by December 25, 2020. Mills in Kolhapur division crushed the maximum (86.11 lakh MT) sugarcane, followed by Pune division (83.84 lakh MT) to produce 93.84 lakh quintal and 82.4Mills in Maharashtra crush 375 lakh MT cane; produce 351 lakh quintal sugar 4 lakh quintal sugar respectively.

<https://www.thehindubusinessline.com/economy/agri-business/mills-in-maharashtra-crush-375-lakh-mt-cane-produce-351-lakh-quintal-sugar/article33435965.ece>

CCI requests farmers to bring cotton crop in phased manner

Facing farmers' anger over a daily ceiling for cotton procurement, the Cotton Corporation of India (CCI) on Monday tried to pacify them with an assurance to continue procurement while requesting them to bring their crops in a "phased manner". In an official appeal to farmers on Monday, the CCI management requested the district administration and Agricultural Produce Market Committee (APMCs) to regulate kapas (raw cotton) arrivals in market yards in such a way that fair average quality (FAQ) grade of kapas brought by farmers can be sold, weighed and billed on the same day so that farmers need not stand in long queues and face difficulty in selling their produce.

<https://www.thehindubusinessline.com/news/cci-requests-farmers-to-bring-cotton-crop-in-phased-manner/article33437792.ece>

Busting basmati fraud the scientific way

Fraudsters who mix cheaper long-grained rice with prized basmati to make profit, beware! Scientists have a way to expose such adulteration in future. A team of researchers from India and the UK have developed not just one, but two devices that can detect adulteration in basmati sold in markets. While one of the tests can be done using a hand-held device and thus faster, the other is a lab-based one, but 100 per cent accurate, the researchers led by Christopher Elliott, a professor at the Institute for Global Food Security at Queen's University Belfast in Northern Ireland reported last week in a scientific journal, Talanta.

<https://www.thehindubusinessline.com/news/science/busting-basmati-fraud-the-scientific-way/article33437720.ece?homepage=true>

Infrastructure

Freight corridor among key infra projects set to be inaugurated

The government has lined up a list of high-value and high-impact infrastructure projects for inauguration in the next one month starting Tuesday. While PM Modi will inaugurate a portion of the dedicated freight corridor on Tuesday, he will launch six light house construction technology projects in six cities on January 1. Sources said the other events would include laying the foundation stone of India's longest bridge over water, Dhubri-Phulbari bridge on Brahmaputra, and a couple of greenfield roads, including Amritsar-Jamnagar and Delhi-Amritsar-Katra expressways.

<https://economictimes.indiatimes.com/news/economy/infrastructure/freight-corridor-among-key-infra-projects-set-to-be-inaugurated/articleshow/79986306.cms>

NHAI updates FASTag application to provide balance status to users

The National Highways Authority of India (NHAI) on Monday said it has updated the FASTag app to add a new feature to provide balance status to users. "With FASTag becoming mandatory on toll plazas from 1st January 2021 and to ensure its smooth implementation, NHAI has updated its Mobile App My FASTag App' with a new feature to Check Balance Status' by simply entering the vehicle number," NHAI said in a statement.

This new feature will help both highway user and toll operator to check tag balance status on real-time basis and eliminate the problem of dispute on tag balance. In addition to this, the authority has reduced the refresh time limit of blacklisted tags from existing 10 minutes to 3 minutes, to expedite update of the status in the ETC (electronic toll collection) system and show the current status in the app for seamless passage.

https://www.business-standard.com/article/current-affairs/nhai-updates-fastag-application-to-provide-balance-status-to-users-120122800812_1.html

Coal India to construct 21 railway sidings at cost of Rs 3,370 crore

State-owned Coal India Ltd (CIL) on Monday said it is constructing 21 railway sidings at an estimated investment of Rs 3,370 crore in four of its subsidiaries, an effort towards strengthening its rail infrastructure. These railway sidings would be commissioned by FY'24. CIL currently has around 152 rail sidings and the tally would go up to 173 by 2024, CIL said in a statement. CIL underpinning for a cleaner environment in coal transportation has placed increased impetus on rail evacuation and would gradually migrate away from the road movement of the dry fuel, it added. Reduced road transportation of coal would depress the dust pollution and save on the diesel costs, the statement said.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/coal-india-to-construct-21-railway-sidings-at-cost-of-rs-3370-crore/articleshow/79992996.cms>

MNCs' office space leasing for R&D base in India rose five-fold in 2014-19 period: Report

Gross office space leasing by multi national companies to set up R&D centres across major Indian cities stood at 14.13 million sq ft in 2019, a nearly five-fold jump from 2014, as the country remains an attractive destination for global outsourcing, according to Cushman & Wakefield. The property consultant has recently released its report titled 'Global Capability Centers -- Making India the Cradle of Global R&D' that analyses the Indian 'Global Capability Centers (GCC)' industry, its evolution over the years and key growth drivers. During 2014, only 3.15 million sq ft of gross office space was leased by captive or GCCs, contributing 8 per cent of the overall gross leasing. The number, however, jumped to 14.13 million sq ft during 2019.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/mncs-office-space-leasing-for-rd-base-in-india-rose-five-fold-in-2014-19-period-report/articleshow/79991923.cms>

Telecom

COAI says telecom industry financially stressed; seeks govt support

The telecom industry, which facilitated wide-spread digital adoption during the pandemic, continues to be financially stressed and seeks government support on issues like liquidity, rationalisation of levies, AGR and spectrum pricing, according to COAI. The Cellular Operators' Association of India (COAI), in its outlook for 2021, said 5G launch is expected in the later part of the year. The technology is poised to open up a plethora of possibilities in the context of business models, better education, healthcare, smart cities, smart manufacturing, and intelligent logistics, S P Kochhar, Director General of COAI said in a statement.

https://www.business-standard.com/article/economy-policy/coai-says-telecom-industry-financially-stressed-seeks-govt-support-120122800610_1.html

Energy

Power sector limping back to normal; ensuring 24x7 power supply, discoms' financial health key challenges

Limping back to normal after bearing the brunt of the pandemic this year, the power sector needs a slew of reforms, especially implementation of consumer rules to achieve the government's ambitious target of 24x7 electricity supply for all in 2021, and also steps to improve the financial health of discoms. The most important task before the government will be to deal with the sickness of power distribution utilities (discoms), which are cash-strapped and unable to pay the electricity generation firms (gencos) for ensuring 24x7 power supply for all. There has been a cascading effect of the pandemic on power demand and revenue collection of discoms, a scenario that has aggravated the stress on the already troubled gencos. There has been an issue with cash flow and finance of gencos due to delay in payments by discoms.

<https://www.financialexpress.com/economy/power-sector-limping-back-to-normal-ensuring-24x7-power-supply-discoms-financial-health-key-challenges/2158861/>

States

Karnataka cabinet okays contentious anti-cow slaughter ordinance

The Karnataka cabinet on Monday decided to promulgate an ordinance to give effect to the contentious anti-cow slaughter bill that is yet to be approved by the legislative council. Once it comes into effect, there will be a blanket prohibition of slaughter of cows in the state. However, slaughter houses will continue to function and beef consumption will not be prohibited with respect to buffalo meat.

"The anti-cow slaughter law is not new. We have had it for decades. Previously, there was a ban on slaughter of cows until the age of 13. We have extended it with an intention that older cows should not be left out. Since the prohibition does not extend to buffaloes, there is no ban on beef consumption," Law and Parliamentary Affairs Minister J C Madhuswamy said.

https://www.business-standard.com/article/current-affairs/karnataka-cabinet-okays-contentious-anti-cow-slaughter-ordinance-120122800800_1.html

External

Brexit to benefit select Indian firms, but only in the long-run: Analysts

The United Kingdom (UK) and the European Union (EU) last week struck a historic Brexit deal that cheered global markets, including investors back home. Though most analysts remain bullish on the prospects of companies that do business with the region, but caution that the benefit, if any, will be visible only over the long-term.

The UK and the EU have been in complex negotiations since March to try to keep their trade in goods flowing from January 1, 2021. The deal announced on Thursday means that this goods trade – roughly half of the \$900 billion of annual EU-UK commerce - will remain free of tariffs and quotas. Analysts believe that since the Brexit vote was first cast in 2016, the companies have had enough time to diversify their operations across the globe, in order to avoid being impacted by the tug of war that continued between the UK and EU.

https://www.business-standard.com/article/markets/brexit-to-benefit-select-indian-firms-but-only-in-the-long-run-analysts-120122800444_1.html

Govt may extend MEIS for exporters as RoDTEP rates still being fixed

The Centre may decide to extend the popular Merchandise Export from India Scheme (MEIS) for exporters by another three months, till the end of this fiscal, as the new Remission of Duties or Taxes on Export Products (RoDTEP) scheme is not yet ready for all sectors. "The rates under the new RoDTEP scheme are being worked out for a handful of products at a time. Since it is a labourious process, it is taking time. The government is therefore, weighing the option of extending the MEIS scheme till the end of the on-going fiscal so that the RoDTEP committee has some more time to work out the rates," an industry official tracking the development told BusinessLine.

<https://www.thehindubusinessline.com/economy/govt-may-extend-meis-for-exporters-as-rodtep-rates-still-being-fixed/article33436093.ece>

Export subsidy to expand margins of sugar mills, says Crisil

The Centre's export subsidy for the October-September sugar season 2020-21 (SS21) will help sustain the commodity's exports at almost last year's level, Crisil Ratings said on Monday. Recently, the Cabinet Committee on Economic Affairs approved export subsidy of Rs 3,500 crore for up to 6 million tonne - around Rs 5.8 per kg - for SS21. This subsidy together with stable domestic demand, higher contribution from ethanol due to higher cane diversion for ethanol production, and increased ethanol prices, will lead to a 100-200 basis points (bps) increase in the operating margin of sugar mills to 10.5-11.5 per cent this fiscal, the agency said. These factors will also keep inventory levels for mills almost flattish in SS21, despite sugar production increasing to 30-31 million tonne from 27 million tonne in SS20, a study of 24 Crisil-rated players indicates said.

https://www.business-standard.com/article/economy-policy/export-subsidy-to-expand-margins-of-sugar-mills-says-crisil-120122800709_1.html

Bangladesh reduces import duty on rice to 25%

The New Year is all set to bring in good news for India's rice exporters as Bangladesh has reduced import duty on rice to 25% from 62.5%. This will pave the way for Indian rice exporters, particularly from West Bengal, to export non-basmati rice to the country and fetch better prices for the grain. Bangladesh is expected to import about 500,000 tonnes of non-basmati rice in this financial year, said Vinod Kaul, executive director, All India Rice Exporters Association.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/bangladesh-reduces-import-duty-on-rice-to-25/articleshow/79993755.cms>

Myanmar after Bangladesh to procure COVID-19 vaccines from India

Myanmar has decided to purchase the Covid-19 vaccine developed by the Serum Institute of India (SII), becoming the second country in the neighbourhood after Bangladesh to do so, as part of efforts to reduce its dependence on China. India's high commissioner to Myanmar, Saurabh Kumar, met Myanmar's health minister U Myint Htwe last week to discuss the issue of purchase of vaccines from SII, said people aware of the matter.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/myanmar-after-bangladesh-to-procure-covid-19-vaccines-from-india/articleshow/79986300.cms>