



November 05, 2021 – Friday

Economy

World is changing, India must enhance its military capabilities: PM Modi

Asserting that modern border infrastructure will enhance the country's military capabilities, Prime Minister Narendra Modi on Thursday said that in a departure from earlier times, connectivity has been established in border and coastal areas, from Ladakh to Arunachal Pradesh and from Jaisalmer to Andaman Nicobar islands.

Addressing soldiers on the occasion of Diwali at Nowsheera sector in Jammu and Kashmir's Rajouri district, Modi lauded the role played by the brigade here in the 2016 surgical strikes on terror launchpads across the LoC, and asserted that even though innumerable attempts were made after the strikes to disturb peace in the region, every time terrorism was given a befitting reply. He also asserted that India must enhance its military capabilities in line with the changing world and modes of war, and noted that modern border infrastructure has been built to augment connectivity and troop deployment.

https://www.business-standard.com/article/pti-stories/india-must-enhance-its-military-capabilities-in-line-with-changing-world-modes-of-war-pm-121110400413_1.html

Centre's excise duty cut on petrol, diesel to cost exchequer Rs 45,000 crore, says Nomura

The excise duty cuts on diesel and petrol will cost Rs 45,000 crore and lead to a 0.3 percentage point widening on the Centre's fiscal deficit, a foreign brokerage said on Thursday. Going by the overall consumption, the costs of the surprise move - which came after months of concerns over high payouts at filling stations - for the entire fiscal will come at Rs 1 lakh crore or 0.45 per cent of GDP, economists at Japanese brokerage Nomura said in a report.

For the remaining months of the ongoing FY22, the cost will come at Rs 45,000 crore, which leads to an upward review of the fiscal deficit target. The brokerage said it now expects the fiscal deficit to come at 6.5 per cent as against the earlier expectation of 6.2 per cent and underlined that it will still be lower than the budgeted 6.8 per cent target.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/centres-excise-duty-cut-on-petrol-diesel-to-cost-rs-45000-crore-to-exchequer-says-nomura/articleshow/87523850.cms>

Industry

Higher demand lifts smartphones and electronics sales 20%

Sales of smartphones and electronics grew 15-20% during the month-long period from early October to Dhanteras-Diwali from the year-earlier festive season led by higher demand for mid-to-premium products and price increases. Retailers and malls said apparel and lifestyle products sales surged to exceed 2019's pre-Covid festive season levels. Electronics and smartphones would have done even better if supplies hadn't been constrained, taking a toll on volumes, which went up in low single digits from last year's record surge. However, companies said consumer sentiment and demand were better than last year, driving higher ticket sizes, aided by improvements in income, employment stability, overall economic outlook and low Covid infection rates.

<https://economictimes.indiatimes.com/industry/services/retail/higher-demand-lifts-smartphones-and-electronics-sales-20/articleshow/87519174.cms>

Gold had a blockbuster Dhanteras this year

Gold sales have bettered pre-Covid levels this Dhanteras on Tuesday at 50 tonnes, almost 20 tonnes more than the 2019 Dhanteras on the back of widespread vaccination, fewer infections, and lower price of the yellow metal. Dhanteras had remained muted last year when local restrictions, fear of pandemic and non-availability of vaccine made most people away from stores while gold consumption on 2019 Dhanteras was about 30 tonnes, according to trade body India Bullion & Jewellers Association (IBJA) whose gold rates are used by the Reserve Bank of India to fix the price of sovereign gold bonds.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/gold-had-a-blockbuster-dhanteras-this-year/articleshow/87519261.cms>

Broadcasting sector requires light-touch regulatory regime, says IBDF president

The Indian broadcasting sector requires a "light-touch" regulatory regime for orderly growth, said K Madhavan, president of the Indian Broadcasting and Digital Foundation (IBDF). The sector is experiencing a crisis as many consumers at the top end of the pay-TV spectrum opt for video streaming services, while those at the bottom move to free-to-air platforms, resulting in a subscription revenue squeeze. Also, advertisement revenues are yet to recover from last year's Covid disruptions. Madhavan told ET a few days after his re-election that the previous year had been "very hard" and that the IBDF had "sensitised the government about the rising challenges, with both subscription and ad revenues hitting new lows."

<https://economictimes.indiatimes.com/industry/media/entertainment/media/broadcasting-sector-requires-light-touch-regulatory-regime-says-ibdf-president/articleshow/87529100.cms>

India Inc is shaping women leaders to climb up the corporate ladder

India Inc is pushing to get more women into the workplace and in leadership roles amid an increasing thrust by boards and investors to make top management accountable for meeting diversity goals. The impetus stems from the pandemic and the resultant disruption that has underscored the need to include women in top decision-making roles.

<https://economictimes.indiatimes.com/news/company/corporate-trends/india-inc-is-shaping-women-leaders-to-climb-up-the-corporate-ladder/articleshow/87518975.cms>

Agriculture

Govt pegs jute bags demand at 46 lakh bales for next crop season

The government estimates that jute bags of 46 lakh bales would be required to pack foodgrains in the next crop season of 2022-23 but the jute industry will fall short in meeting the demand due to inadequate supply of raw jute, industry officials claimed.

In a recent meeting by the Union Consumer Affairs, Food and Public Distribution Ministry with the stakeholders to ascertain jute bag demand, an overview of the requirement of jute bags to the tune of around 46 lakh bales in the year 2022-23 but the low commitment of new jute bags by jute mills is creating a severe shortage situation, they said.

<https://www.thehindubusinessline.com/economy/agri-business/govt-pegs-jute-bags-demand-at-46-lakh-bales-for-next-crop-season/article37334647.ece>

Tackling climate change for transformation of agricultural sector in India

The 26th session of Conference of the Parties (COP 26) to the UNFCCC has sparked many conversations on climate change and how we can mitigate the impact. A paper on the perspective of Least Developed Countries, released earlier this year, cites the needs of nations most acutely threatened by climate change, and says COP 26 cannot succeed without delivering for the most vulnerable.

Agriculture is one of the most vulnerable sectors owing to its high dependence on climate and weather conditions. India is one of the largest food producers in the world, with about 68% of its 1.3 billion population directly or indirectly engaged in agriculture. Though agricultural contribution to GDP has gone down from 51% in the 1950s to

around 16%, the number of households dependant on agriculture have increased from 70 million in 1951 to 120 million in 2020. This massive dependence on agriculture makes India more vulnerable to climate change. According to the Economic Survey of 2017 – the country incurs losses to the tune of USD 9-10 billion annually due to extreme weather conditions. It is a key challenge for food security and rural livelihoods in the country.

<https://www.financialexpress.com/economy/tackling-climate-change-for-transformation-of-agricultural-sector-in-india/2363165/>

Infrastructure

Road freight rates to cool off 10-12% following diesel price cut: IFTRT

Freight rates on key trunk routes are expected to come down by 10-12 per cent over the next few days following the cut in the diesel prices, according to Indian Foundation of Transport Research and Training (IFTRT) The move will have a cascading impact on the prices of fruits, vegetables and other consumables, the prices of which are expected to come down, offering a relief from the persistent inflation. The expected fall in the truck rentals will be the first in five months. After plunging by 23-27 per cent in April and May due to the pandemic, rentals have been on a rise since June. The price of petrol on Thursday was cut by Rs 5.7-6.35 a litre across the country and diesel rates by Rs11.16-12.88 as oil companies passed on a record reduction in excise duty rates to consumers. "The freight rates are expected to come down by 10-12 per cent in the next few days," said S P Singh, senior fellow at Indian Foundation of Transport Research & Training (IFTRT), a New Delhi-based think-tank. He attributed it to fall in diesel prices and a subsequent drop in VAT rates by the state governments. In Delhi for instance, they are down by Rs 12. including the reduction in VAT. In some states the reduction is Rs 14, said Singh.

https://www.business-standard.com/article/economy-policy/road-freight-rates-to-cool-off-10-12-following-diesel-price-cut-iftrt-121110400733_1.html

India takes up with Pakistan denial of overflight clearance for Srinagar-Sharjah flight

India has taken up with Pakistan through diplomatic channels regarding Islamabad's denial of overflight clearance for the newly launched Srinagar-Sharjah flight. Pakistani authorities had granted overflight clearance to GoFirst flights to operate the Srinagar - Sharjah sector on 23rd, 24th, 26th and 28th of October, sources told ET. Subsequently, Pakistan put the clearance for the same flight on hold for the period October 31 to November 30, 2021. "This matter was promptly taken up with Pakistan through diplomatic channels and we have requested Pakistan to grant overflight clearance for this flight in the larger interest of the common people who have booked tickets on this route," sources said.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/india-takes-up-with-pakistan-denial-of-overflight-clearance-for-srinagar-sharjah-flight/articleshow/87527928.cms>

Telecom

DoT forms innovation group for 6G technology

The Department of Telecommunications (DoT) has formed a technology innovation group on the next frontier, the sixth generation (6G), hoping to take the lead in the development of the technology globally. Telecom secretary K Rajaraman will head the initiative as chairperson and the forum aims to create vision and objectives as well as develop a roadmap for research and development (R&D), pre-standardisation, development of applications and products, and action plans for 6G technology.

"India should endeavour to take a lead in 6G space. This will require a collaborative effort from the government, industry and the telecom service providers, academic and research institutions to identify the area of work and build synergy to innovate, create Intellectual Property Rights (IPR), standardise, contribute to global standards, create regulations, run pilots, and manufacture, test and supply at a global scale," the department's memorandum dated November 1, 2021 said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-forms-innovation-group-for-6g-technology/articleshow/87529095.cms>

DoT gets legal opinion to settle disputes out of court

The Department of Telecommunications (DoT) has received legal opinion that it has the power to settle cases such as those over one-time spectrum charges (OTSC) out of court, a person familiar with the matter said. "The legal opinion has thrown the ball in the DoT's court, saying that it is well within DoT's administrative powers to settle the case outside court," the person told ET. However, DoT has previously received sums from various telcos toward OTSC. The department is now studying what bearing out-of-court settlements may have on these amounts it has already received from telecom companies.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-gets-legal-opinion-to-settle-disputes-out-of-court/articleshow/87518898.cms>

Energy

Fitch Solutions says new climate target poses upside risks to outlook for renewable growth

Fitch Solutions on Thursday said the new climate targets announced at the COP26 summit by Prime minister Narendra Modi pose an upside risk to its outlook for renewable growth in the country. With the new targets, it expected to see attempts to alleviate the issues regarding supply chains, manufacturing and project development that have long plagued renewable proliferation.

"The market's rapidly growing need for electricity will keep the market highly reliant on coal power, posing challenges to the country's decarbonisation plans," it said. "Hydrogen will offer a unique pathway to decarbonisation in the power and wider energy sectors as the market seeks to cut one billion tonnes of carbon dioxide emissions." At the 2021 Climate Change Conference, also known as COP26, Modi outlined a net zero emissions target by 2070 for India. "As the fourth-largest carbon-emitting market globally, India has lagged behind much of the world's leading power markets including China and the US who have outlined a net zero target by 2060 and 2050 respectively," Fitch Solutions said.

<https://www.financialexpress.com/industry/fitch-solutions-says-new-climate-target-poses-upside-risks-to-outlook-for-renewable-growth/2363172/>

States

Assam reduces VAT on petrol, diesel by Rs 7 per litre

Assam has reduced value-added tax (VAT) on petrol and diesel by Rs 7 per litre. Assam chief minister Himanta Biswa Sarma tweeted, "Heartening to learn Central Govt decision to reduce excise duty on petrol and diesel. In consonance with the decision of Honble PM @narendramodi, I am pleased to announce that Assam Govt will also reduce VAT on petrol and diesel each by Rs 7/- with immediate effect @nsitharaman."

<https://economictimes.indiatimes.com/news/india/assam-reduces-vat-on-petrol-diesel-by-rs-7-per-litre/articleshow/87524001.cms>

Gujarat joins other states to cut VAT on petrol, diesel

Joining other States in slashing the Value Added Tax (VAT) on auto fuels, Gujarat has announced a ₹7 per litre reduction on Diesel and Petrol each.

This, along with the Centre's announcement of cutting the levy on petrol and diesel would give a total relief of ₹12 and ₹17 per litre in petrol and diesel respectively to the consumers.

<https://www.thehindubusinessline.com/news/national/gujarat-joins-other-states-to-cut-vat-on-petrol-diesel/article37334593.ece?homepage=true>

Diwali: Delhi's air quality on brink of turning 'severe' by midnight

With the share of stubble burning in Delhi's pollution rising to 25 per cent on Diwali, the highest this season so far, authorities have said that the air quality in the city may turn "severe" by midnight and shoot up rapidly by Friday morning if firecrackers are burnt. The PM2.5 pollution in the capital may enter the "severe" zone by midnight even if there is 50 per cent of firecrackers emissions as compared to last year, said Gufran Beig, the founder project director of SAFAR.

The PM2.5 pollution will shoot up rapidly by Friday early morning with the AQI even crossing the 500-mark, he said. According to the Central Pollution Control Board's data, the capital's 24-hour average air quality index (AQI) stood at 382 on Thursday, up from 314 on Wednesday. It was 303 on Tuesday and 281 on Monday.

https://www.business-standard.com/article/current-affairs/diwali-delhi-s-air-quality-on-brink-of-turning-severe-by-midnight-121110400767_1.html

Healthcare

Bharat Biotech's Covaxin took less time for EUL than several other vaccines: WHO

Bharat Biotech's Covaxin has taken less time than several other vaccines, World Health Organisation (WHO) said, clearing the air on criticism that the UN health agency took a longer time to grant Emergency Use Listing (EUL) to Covaxin as compared to the other Covid-19 vaccines. "WHO has a technical advisory group made up of independent experts who assess COVID19 vaccines. The process relies on manufacturers to provide a range of data, and this can take time. The Covaxin process has unfolded similarly to other vaccines," Gabby Stern, WHO's director of communications tweeted.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/bharat-biotechs-covaxin-took-less-time-for-eul-than-several-other-vaccines-who/articleshow/87524103.cms>

External

USTR Tai, Commerce Minister Goyal to take 'comprehensive look' at bilateral trade ties

US Trade Representative Katherine Tai and Union Commerce and Industry Minister Piyush Goyal have agreed to take a "comprehensive look" at ways to expand the bilateral trade ties and also shared perspectives on how to reach "meaningful outcomes" at the upcoming WTO Ministerial Conference. The virtual meeting between Tai and Goyal took place on Wednesday, ahead of Tai's two-day visit to India from November 22. "Ambassador Tai and Minister Goyal looked forward to their upcoming meetings in New Delhi (November 22-23), and agreed to take a comprehensive look at ways to expand the bilateral trade relationship and ensure the future success of the U.S.-India Trade Policy Forum," according to a statement from the Office of the USTR after the meeting.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/ustr-tai-commerce-minister-goyal-to-take-comprehensive-look-at-bilateral-trade-ties/articleshow/87524694.cms>

India, Indonesia and Philippines join coal transition programme

India, Indonesia and the Philippines will join South Africa as the first recipients of a multibillion dollar pilot programme aimed at accelerating their transition from coal power to clean energy, the Climate Investment Funds (CIF) said on Thursday. The four countries account for 15% of global emissions related to coal, the dirtiest fossil fuel. Cutting their emissions more quickly will help the global effort for net zero carbon emissions by 2050, a key goal of the ongoing United Nations COP26 climate summit in Glasgow, Scotland.

<https://economictimes.indiatimes.com/industry/energy/power/india-indonesia-and-philippines-join-coal-transition-programme/articleshow/87526452.cms>

COP26: 'End of coal is in sight' as more than 70 nations join new pact

UN conference host Britain said 77 countries had pledged to phase out coal, dirtiest of the fossil fuels that drive global warming, as a study showed the carbon dioxide they release into the atmosphere had rebounded to near pre-pandemic levels.

"We were expecting to see some rebound," said the study's lead author Pierre Friedlingstein, a climate modelling researcher at the University of Exeter. "What surprised us was the intensity and rapidity of the rebound." Alok Sharma, British president of the COP26 conference in Glasgow, said the two-week meeting was on its way to gradually ending use of the world's most widely used fuel — for which demand is set to hit a new record this year. He said on Thursday 77 countries had signed a pledge to phase out coal-fuelled power plants — which produce more than 35 per cent of the world's electricity — and stop building new ones. "Today I think we can say that the end of coal is in sight," Sharma told the conference.

https://www.business-standard.com/article/international/cop26-end-of-coal-is-in-sight-as-more-than-70-nations-join-new-pact-121110500009_1.html

Satellites could help track if nations keep their carbon pledges

Under the 2015 Paris Agreement to limit global warming, nations must measure and report progress toward their pledged reductions in emissions. They regularly submit greenhouse gas inventories, detailing emission sources as well as removals, or sinks, of the gases. These are then reviewed by technical experts. One new project, Climate Trace, which former US Vice President Al Gore described at an event alongside the COP26 summit in Glasgow, uses artificial intelligence and machine learning to analyse satellite imagery and sensor data to come up with what it says are accurate emissions estimates in near-real time.

But Nasa researchers and colleagues Wednesday reported what they called a milestone toward a different goal: measuring the actual changes in carbon dioxide concentrations in the atmosphere. The researchers said that by plugging satellite measurements of CO2 into an Earth-systems model, they were able to detect small reductions in atmospheric concentration of the gas over the United States and other areas that were a result of coronavirus lockdowns in early 2020.

https://www.business-standard.com/article/international/satellites-could-help-track-if-nations-keep-their-carbon-pledges-121110401032_1.html

UN: World food prices hit new peak; wheat harvests a factor

World food prices are the highest since July 2011, reflecting in part reduced wheat harvests by major exporters and higher palm oil prices, the United Nations' food agency said Thursday. The Rome-based Food and Agriculture Organization (FAO) said international prices of its basket of food commodities rose by 3% in October, for a third straight month of increases. Reduced harvests by big exporters like Canada, Russia and the United States helped drive up wheat prices by 5%, while the Vegetable Oil Price Index soared by 9.6% in October, hitting an all-time high. Migrant worker shortages in Malaysia were a factor in that increase, FAO said. Italy, a major exporter as well as consumer of pasta, fears that product's prices could soar in time for year-end holidays. Italy imports about 40% of its durum wheat, with Canada its principle supplier, to help produce its pasta.

<https://www.financialexpress.com/economy/un-world-food-prices-hit-new-peak-wheat-harvests-a-factor/2363264/>

Gold prices firm after Fed decides to taper without rate hikes

Gold prices inched higher on Thursday, after hitting a three-week low in the previous session, as investors took solace in the U.S. Federal Reserve's plan to start tapering its stimulus without hiking rates for the time being. Spot gold XAU= rose 0.4% to \$1,776.99 per ounce by 0847 GMT, after touching its lowest since Oct. 13 on Wednesday. U.S. gold futures GCv1 gained 0.7% to \$1,775.60. In a widely expected move, the Fed said it would start trimming its monthly asset purchases in November with plans to end them by mid-2022. The central bank signalled it would stay patient before raising interest rates as it held onto its belief that inflation would be "transitory" and awaited more signs of job growth. "Given the Fed's view that inflation could persist until about mid-2022 and some signs from the labour market of full employment as evidenced by wage growth, it's not going to take much for the Fed to accelerate tapering, weighing on gold," said Stephen Innes, managing partner at SPI Asset Management.

https://www.business-standard.com/article/markets/gold-prices-firm-after-fed-decides-to-taper-without-rate-hikes-121110400572_1.html

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