



February 08, 2021 – Monday

Key Developments

Govt may increase MGNREGA spend if need arises: MoS Anurag Thakur

The government would not hesitate to increase the spend under the Mahatma Gandhi National Rural Employment Guarantee (MGNREGA) Programme if the need arises in the future, Minister of State for Finance Anurag Singh Thakur has said. The minister emphasised that the Narendra Modi government has taken steps in the past in the interest of the poor and vulnerable rural population. Taking on the criticism by the Congress on the lowering of the MGNREGA expenditure in the Budget for 2021-22, the minister said this government has been increasing expenditure unlike them who would cut at the Revised Estimate stage. Giving an example, he said that against the Budget Estimate of Rs 60,000 crore in 2019-20, the spending was raised to Rs 71,001.81 crore under the MGNREGA head as there was an increase in demand.

https://www.business-standard.com/article/economy-policy/govt-may-increase-mgnrega-spend-if-need-arises-mos-anurag-thakur-121020700450_1.html

Confident of reducing fiscal deficit to 4.5% of GDP by FY26: Exp secy

The government is confident of lowering the fiscal deficit to 4.5 per cent of GDP by 2025-26 fiscal, considering a nominal GDP growth of 10 per cent every year, Expenditure Secretary T V Somanathan has said. India has exceeded its fiscal deficit target of 3.5 per cent in the current fiscal by a wide margin due to higher spendings to stimulate the economy amid the pandemic. The fiscal deficit -- the excess of government expenditure over its revenues -- has been pegged at 9.5 per cent of the gross domestic product (GDP) in the current fiscal ending March 31, as per the revised estimate.

For the next 2021-22 fiscal, the deficit has been pegged at 6.8 per cent of GDP, which will be further lowered to 4.5 per cent by the fiscal ending March 31, 2026.

https://www.business-standard.com/article/economy-policy/confident-of-reducing-fiscal-deficit-to-4-5-of-gdp-by-fy26-exp-secy-121020700279_1.html

Ready to resume farmer talks if they have new proposals: Piyush Goyal

Railway Minister Piyush Goyal on Sunday said the Union government was ready to resume talks with the farmers' unions if they (farmers) came out with some new proposals. Addressing a press conference in the national capital, Goyal, who is part of the government team of negotiators with farmer unions along with others, said the Modi government is sensitive towards the farmers' concerns and Prime Minister Narendra Modi and the whole government was ready to resolve the issue through dialogue.

"Prime Minister Narendra Modi has said that the government is a phone call away but someone has to call to talk or move ahead. If farmers have any objection to the laws then let us know and the government is willing to address it," he said.

https://www.business-standard.com/article/current-affairs/ready-to-resume-farmer-talks-if-they-have-new-proposals-piyush-goyal-121020700522_1.html

Economy

Higher deficit shouldn't put pressure on India's sovereign rating: DEA Secy

India's sovereign rating should not come under pressure due to surge in fiscal deficit which was mainly on account of higher expenditure to deal with the Covid-19 pandemic, said Economic Affairs Secretary Tarun Bajaj. Given the credibility of the numbers projected in the Budget, he hoped that the global rating agencies would retain India's sovereign rating at the existing levels. As per the latest Budget numbers, India's fiscal deficit is estimated to be 9.5 per cent of the GDP in the current fiscal and is expected to come down to 6.8 per cent in 2021-22 beginning April 1. As a result of the impact of the pandemic on the economy, there was moderation in tax collection and an increase in government expenditure resulting in higher borrowing of Rs 12.8 lakh crore from the market.

"I don't think that rating will be under pressure because every country across the world was impacted by the COVID-19 pandemic. This crisis was not only limited to India. Our recovery is faster than in the Western world. The Budget projects a nominal GDP growth rate of 14.5 per cent," Bajaj told PTI in an interview.

https://www.business-standard.com/article/economy-policy/higher-deficit-shouldn-t-put-pressure-on-india-s-rating-dea-secy-121020700168_1.html

FM rejects Opposition charge of 'selling family silver'; says govt wants some PSUs to do well

Rejecting the Opposition's charge of 'selling family silver', Finance Minister Nirmala Sitharaman on Sunday said the government has devised a clear strategy on divestment for the first time so that taxpayers' money is spent wisely. She also said the government wants few public sector enterprises in specified sectors to do well, so that "we can ensure that taxpayer money is spent wisely".

"It is not what the Opposition says about selling family silver, it's not at all," she said addressing a meeting of business people here. The finance minister added, "Family silver should be strengthened, it should be our takat (strength)... Because you've spread it so thinly, there are many of them (PSUs) that are not able to survive; and the few that can perform do not get the due attention."

<https://www.financialexpress.com/economy/fm-rejects-opposition-charge-of-selling-family-silver-says-govt-wants-some-psus-to-do-well/2189805/>

Disinvestment aimed at growth, not to plug fiscal deficit: DIPAM Secretary

As the Budget 2021 comes up with major thrust on privatisation of public sector enterprises, Disinvestment Secretary, Tuhin Kanta Pandey has said that the government's new disinvestment policy is aimed at economic growth and employment creation, rather than plugging the vast fiscal deficit. The statement coming from the top official gains significance as the government's expenditure has surged amid the pandemic while revenues have been impacted, leading to a massive fiscal deficit. In an interview with IANS, Pandey said: "Our privatisation policy is for growth and employment and not for the plugging of fiscal deficit." The government has pegged the fiscal deficit for FY21 at 9.5 per cent of the GDP.

<https://economictimes.indiatimes.com/news/economy/policy/disinvestment-aimed-at-growth-not-to-plug-fiscal-deficit-dipam-secretary/articleshow/80736283.cms>

Business confidence improves with rollout of vaccines: Think tank NCAER

The Business Confidence Index (BCI) developed by the Delhi-based economic think tank NCAER rose 29.6 per cent between second and third quarter of the current financial year on the back of rollout of COVID-19 vaccines in different countries, including India.

The proportion of respondents expecting that 'overall economic conditions will improve in the next six months' increased by 4.8 percentage points, from 29.8 per cent in 2020:Q2 to 34.6 per cent in 2021:Q3, said the NCAER's Business Expectations Survey (BES).

The proportion of respondents expecting that the 'financial position of firms will improve in the next six months' increased by 3.1 percentage points, from 27.7 per cent in 2020:Q2 to 30.8 per cent in 2021:Q3.

https://www.business-standard.com/article/economy-policy/business-confidence-improves-with-rollout-of-vaccines-think-tank-ncaer-121020700436_1.html

Ministries of defence, railways among largest buyers from GeM platform

Ministries of defence and railways and central public sector enterprises (CPSEs) are among the largest buyer organisations on the public procurement portal, GeM, a senior official said. Government e-Marketplace (GeM) portal was launched in August 2016 for online purchases of goods and services by all central government ministries, states

and departments. GeM CEO Talleen Kumar said that they are introducing a range of software functionalities to address the unique and diverse procurement needs of these large buyers.

"These steps will enable these organizations to conduct their procurement with transparency, ease and efficiency to the fullest possible extent on the GeM platform. The volume of procurement conducted by the ministries of railways and defence and CPSEs has seen a steady upward trend since it was rolled out in 2016," he told PTI.

https://www.business-standard.com/article/current-affairs/ministries-of-defence-railways-among-largest-buyers-from-gem-platform-121020700424_1.html

Healthcare delivery poised to undergo a change at all stages: Prez Kovind

The health sector's evolution calls for active involvement and participation of all stakeholders and use of innovation to bridge intent and execution, President Ram Nath Kovind said on Sunday as he noted that healthcare delivery in India is poised to undergo change at all stages. He also hoped that the world has learnt the right lessons from the COVID-19 pandemic. "Healthcare delivery in India is poised to undergo a change at all stages prevention, diagnosis and treatment. No single entity in the healthcare sector can deliver results and achieve outcomes," Kovind said.

Addressing the 23rd annual convocation of the Rajiv Gandhi University of Health Sciences, he said the evolution of the sector calls for active involvement and participation of all stakeholders and use of innovation to bridge intent and execution. "Though COVID-19 seems to be one-of-a-kind health-crisis that happens rarely, a section of scientists has warned us to be prepared for similar challenges ahead.

https://www.business-standard.com/article/current-affairs/healthcare-delivery-poised-to-undergo-a-change-at-all-stages-prez-kovind-121020700232_1.html

Banking and Finance

Working with RBI to execute bank privatisation announced in Budget: FM

Finance Minister Nirmala Sitharaman on Sunday said the government will work with the Reserve Bank for execution of the bank privatisation plan announced in the budget. Speaking to reporters in the financial capital, Sitharaman also said that the government has no plan to form any bank investment company to house the government stakes in banks. In the union budget presented last week, Sitharaman had announced the privatisation of two banks as part of its disinvestment plan. Bank unions have opposed the move.

"The details are being worked out. I have made the announcement but we are working together with the RBI," she said, when asked about the proposal.

https://www.business-standard.com/article/economy-policy/working-with-rbi-to-execute-bank-privatisation-announced-in-budget-fm-121020700521_1.html

FPIs remain net buyers at Rs 12,266 cr in first 5 trading sessions of Feb

Foreign portfolio investors (FPIs) remained net buyers to the tune of Rs 12,266 crore in the Indian market in the first five trading sessions of February, as positive sentiment post-Union Budget 2021 sparked a rally in investment. As per FPI statistics available with depositories, overseas investors pumped in a net Rs 10,793 crore into equities and Rs 1,473 crore in the debt segment between February 1-5. During the period under review, the total net investment stood at Rs 12,266 crore. In the previous month, FPIs invested a net sum of Rs 14,649 crore in Indian markets.

Kotak Securities Executive Vice-President and Head (Fundamental Research) Rasmusik Oza said, "The outcome of the Union Budget has sparked a rally and led to FPI inflows. The sharp jump in capital expenditure and glide path of keeping fiscal deficit at elevated levels till 2025-26 will lead to a strong economic revival and higher earnings growth in future."

https://www.business-standard.com/article/economy-policy/fpis-remain-net-buyers-at-rs-12-266-cr-in-first-5-trading-sessions-of-feb-121020700332_1.html

Industry

LED lighting product makers to approach govt over custom duty hike on parts

Prices of LED lighting products, including bulbs, may go up by 5-10 per cent as the government is going to raise customs duty on the imported components used for their manufacturing, and the domestic makers are approaching the government to address the issue urgently.

Electric Lamp and Component Manufacturers' Association (ELCOMA) President Sumit Joshi, "The government's decision to increase tariff on inputs and parts used for manufacturing of LED lighting products will result in a price increase for locally manufactured lighting products in the short term."

It is because currently, almost all electronic components are imported from abroad due to lack of a local component ecosystem in India, said.ELCOMA said that after a hike in the customs duty from 5 to 10 per cent on the import of the components, including driver and MCPCBs used while manufacturing LED lights, prices of the locally manufactured goods will go up.

https://www.business-standard.com/article/economy-policy/led-lighting-product-makers-to-approach-govt-over-custom-duty-hike-on-parts-121020700349_1.html

Budget to help resolve payment issues of equipment makers: IEEMA

Domestic electrical equipment makers expect budget proposals, including the revival scheme for discoms, would help resolve their payment-related issues with power distributing companies. There will a number of other positive outcomes of the announcements made with respect to the power sector in the Budget, Anil Saboo, the President of the Indian Electrical & Electronics Manufacturers' Association (IEEMA) told. "We welcome the announcements made in the Budget (for power sector). These will help address several issues of our industry which include payment cycle stress. Power discoms owe about Rs 35,000 crore to our industry," Saboo told. The viability of distribution companies is a serious concern, Finance Minister Nirmala Sitharaman had said while presenting the Budget for 2021-22.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/budget-to-help-resolve-payment-issues-of-equipment-makers-ieema/articleshow/80731809.cms>

Nitin Gadkari suggests way to boost khadi, village industries turnover; seeks research-led tech changes

MSME Minister Nitin Gadkari has called for research-based technology changes by small businesses focusing on rural areas for lasting and transformative impact at the village level. Addressing a workshop at the Mahatma Gandhi International Hindi University at Wardha in Maharashtra, the Minister noted that Khadi and Village Industries (KVI) generate Rs 88,000 crore turnover on an annual basis. However, this can be enhanced if "policy is flexible, and innovative, and is aimed at improving the lives of people living in villages," Gadkari added. KVIs' FY20 turnover stood at Rs 88,887 crore including Rs 4211.26 crore share of the Khadi industry. However, Village Industries had the lion's share of Rs 84,675.39 crore. Gadkari had last year targeted Rs 5 lakh crore turnover for KVIs in five years.

<https://www.financialexpress.com/industry/sme/msme-eodb-nitin-gadkari-suggests-way-to-boost-khadi-village-industries-turnover-seeks-research-led-tech-changes/2189867/>

Agriculture

IIHR develops chilli hybrids resistant to leaf curl virus

After carrying out research for almost a decade, scientists at the ICAR- Indian Institute of Horticulture Research (IIHR), Bengaluru have developed chilli hybrids that are resistant to the leaf curl virus (LCV) disease, a major problem for the growers across the country. Leaf curl virus disease is the most destructive disease face by chilli growers in terms of incidence and yield loss. The LCV transmitted by the whiteflies and in the affected plants causes the leaf to get curled and rolled resulting in stunted growth.

<https://www.thehindubusinessline.com/economy/agri-business/iihr-develops-chilli-hybrids-resistant-to-leaf-curl-virus/article33775536.ece>

Infrastructure

PM Modi dedicates slew of infra projects to nation in West Bengal's Haldia

The government is focusing on expanding pipeline network and reducing natural gas prices to help turn India into a gas-based economy, Prime Minister Narendra Modi said after inaugurating a clutch of oil and gas projects in West Bengal on Sunday. "India today needs a gas-based economy," Modi said, adding that the development of a national gas grid would contribute towards that. Reforms in the petroleum sector in recent years have helped India become one of the biggest gas consumers in Asia, he added. Modi inaugurated the 347-km Dobhi-Durgapur stretch of the Jagdishpur-Haldia natural gas pipeline. The stretch built at a cost of Rs 2,443 crore will help supply gas to industries, homes, and vehicles in several districts in West Bengal and Jharkhand.

<https://economictimes.indiatimes.com/news/economy/infrastructure/pm-modi-dedicates-slew-of-infra-projects-to-nation-in-west-bengals-haldia/articleshow/80736365.cms>

Govt eyeing 1,000 routes under UDAN from 100 underserved airports: Puri

Union Civil Aviation Minister Hardeep Singh Puri on Sunday said his ministry has set a target of operationalising 100 unserved and underserved airports and starting at least 1,000 air routes under the UDAN scheme. He also said that privatisation is required in the field of aviation as it is not the government's specialisation to run airports. Addressing a press conference at the BJP's state office Kushabhau Thakre Parisar here over the Union Budget 2021-22, Puri also said that domestic flight services from Bilaspur town in Chhattisgarh will begin from March 1 under the regional connectivity scheme.

"My ministry has set a target to operationalise 100 unserved and underserved airports and start at least 1,000 air routes under the UDAN scheme," he said.

https://www.business-standard.com/article/pti-stories/govt-targets-1-000-routes-under-udan-scheme-puri-121020700573_1.html

Centre asks Kerala to start acquiring land for Rs 64,000 cr rail project

The Union finance ministry has finally approved the revised debt-fund raising plan for the Rs 64,000-crore semi-high speed rail project connecting Kerala capital Thiruvananthapuram with its northern tip Kasaragod, a top state government official has said.

The Japanese development agency JICA had earlier committed to fund Rs 33,700 crore which was approved by the Union finance ministry as well in 2019 but later JICA massively curtailed its exposure, following which the Union finance ministry asked us to submit a revised debt raising plan which was sent shortly.

In a letter to chief minister Pinarayi Vijayan, dated January 5, Union finance minister Nirmala Sitharaman asked Kerala Rail Development Corporation (K-Rail), the nodal implementation agency, to expedite land acquisition for the most ambitious project of the state till date after obtaining necessary clearances, according to the official.

https://www.business-standard.com/article/economy-policy/centre-asks-kerala-to-start-acquiring-land-for-rs-64-000-cr-rail-project-121020700475_1.html

Energy

Around 200MW power supply to national grid cut from major plants due to Avalanche

Around 200 MW of power supply to the national grid was affected due to avalanche in Uttarakhand as local administration shut down two plants, Tehri and Koteshwar, as a precautionary measure. The hydro power plants in the affected area are mostly under-construction or fall in small hydro project category which are of up to 25MW. These small hydro projects are mainly state owned. Earlier in the day, a glacier broke off in Joshimath in Uttarakhand's Chamoli district which caused a massive flood in the Dhaulti Ganga river and endangered lives of people living along its banks. It is reported that massive destruction is feared and many people were missing after the disaster.

<https://economictimes.indiatimes.com/industry/energy/power/around-200mw-power-supply-to-national-grid-cut-from-major-plants-due-to-avalanche/articleshow/80737642.cms>

Power demand remains higher in 1st week, crosses record peak of Feb'20

India's peak power demand met or the highest supply in a day has remained higher in the first week of February till Friday and surpassed the record high supply of 176.38 GW for February last year, indicating robust growth in electricity consumption in the country. According to the power ministry data, peak power demand met was recorded at 187.71GW on February 1, 188.15 GW on February 2; 188.11 GW on February 3; 183.81GW on February 4 and 184.34GW on February 5. The peak power demand met in this month so far is higher than the monthly record power demand met of 176.38GW for February 2020. Experts opined that the data clearly indicates all likelihood of high electricity consumption growth in the month of February this year.

https://www.business-standard.com/article/economy-policy/power-demand-remains-higher-in-1st-week-crosses-record-peak-of-feb-20-121020700192_1.html

Petrol and diesel prices remain unchanged for second consecutive day

Retail fuel prices remained unchanged for the second consecutive day on Sunday, with petrol selling at Rs 86.95 per litre in the national capital. In Mumbai, Kolkata and Chennai, petrol was sold at Rs 93.49, Rs 89.39 and Rs 88.30 per litre respectively. Diesel prices also remained unchanged on Sunday. Prices of the fuel in Delhi, Mumbai, Kolkata and Chennai were Rs 77.13, Rs 83.99, Rs 82.33 and Rs 80.71 respectively.

Petrol and diesel prices have largely been elevated amid reviving crude oil prices. The benchmark Brent crude oil is currently around \$59 per barrel.

https://www.business-standard.com/article/current-affairs/petrol-and-diesel-prices-remain-unchanged-for-second-consecutive-day-121020700225_1.html

States

Uttarakhand Chamoli Dhauliganga Flood: 150 feared dead; Two C-130J Super Hercules with 3 companies of NDRF sent to Dehradun

A breaking of Nanda Devi glacier at Joshimath in Uttarakhand's Chamoli district triggered a massive flood in Dhauli Ganga. The avalanche triggered by glacier break-off damaged the Rishi Ganga Power Project. ITBP officials say that more than 150 labourers working in a power project are feared dead or missing.

State Disaster Response Force DIG Ridhim Aggarwal said that more than 150 labourers working at the Rishi Ganga Power Project may have been directly affected. "Representatives of the power project have told me that they are not being able to contact around 150 of their workmen at the project site," she said. The waters in the Dhauli Ganga, a tributary of the Ganga, is flowing two to three metres above normal. Several districts, including Pauri, Tehri, Rudrapur, Haridwar and Dehradun, are likely to be affected and have been put on high alert.

<https://www.financialexpress.com/india-news/chamoli-glacier-break-live-avalanche-flood-alaknanda-dhaultiganga-rishi-ganga-power-project-damaged-itbp-rescue-images-videos/2189737/>

Pact signed to establish India's first geothermal field development project in Leh

A historic tripartite agreement for establishing India's first-ever geothermal field development project here has been signed, with Ladakh Lieutenant Governor R K Mathur terming it a step towards achieving the goal of carbon-neutral Ladakh. The pact was signed between Union Territory Administration Ladakh, Ladakh Autonomous Hill Development Council (LAHDC)-Leh and Oil and Natural Gas Corporation (ONGC) Energy Centre in presence of Mathur and MP Jamyang Tsering Namgyal on the sidelines of the first developmental conclave here on Saturday, an official spokesperson said. Ladakh Power Development Department Administrative Secretary Ravinder Kumar and LAHDC Chief Executive Officer Sachin Kumar Vaishya signed the memorandum of understanding (MoU) with ONGC Energy Centre.

<https://economictimes.indiatimes.com/industry/energy/power/pact-signed-to-establish-indias-first-geothermal-field-development-project-in-leh/articleshow/80734545.cms>

Karnataka to introduce single window system to clear mining projects

The Karnataka government has planned to introduce a single window clearance system to expedite applications related to mining related proposals. The system will ensure ease-of-doing business in the mines department and infuse confidence among investors, mines and geology minister Murugesha R Nirani said. Speaking to reporters after consulting stakeholders on Sunday, the minister said: "We want the departments to go to their (investors) doorstep rather than them waiting to get permission for many years. The only solution to reduce the harassment that investors face to get permits from departments is through establishing a single window agency under the department."

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/karnataka-to-introduce-single-window-system-to-clear-mining-projects/articleshow/80738071.cms>

Healthcare

COVID-19: India now 3rd topmost country to give highest doses of vaccine

India has become the third topmost country in the world in terms of the number of COVID-19 vaccine doses administered, the Union Health Ministry said on Sunday. Only the United States and the United Kingdom remain ahead of India. The ministry said 12 states in India have vaccinated more than 2 lakh beneficiaries each. Uttar Pradesh alone accounts for 6,73,542 of all vaccinated beneficiaries. Till February 7, 8 am, a total of 57.75 lakh

beneficiaries have received the vaccine under the countrywide COVID-19 vaccination exercise. The cumulative vaccination coverage includes 53,04,546 healthcare workers and 4,70,776 frontline workers, the ministry said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/covid-19-india-now-3rd-topmost-country-to-give-highest-doses-of-vaccine/articleshow/80734127.cms>

External

India's coal import rises by 15% in December

The country's coal import rose by 15.1 per cent to 23.63 million tonnes (MT) in December 2020 compared to 20.52 MT in the year-ago month. Non-coking coal imports were at 15.63 MT in December this fiscal against 14.21 MT in the same month last fiscal. Coking coal imports were at 5.36 MT against 4.47 MT in December 2019-20, according to provisional data compiled by mjunction services. However, the country's coal import dropped by 13.5 per cent to 160.79 MT in the April-December period of the ongoing fiscal compared to 185.88 MT in the same period last fiscal. "India's coal and coke imports during April-December 2020 through major and non-major ports are estimated to have decreased by 13.5 per cent over the same period last year," mjunction services said.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/indias-coal-import-rises-by-15-in-december/articleshow/80732087.cms>

Garment exporters fear losing premium market

The Budget's announcement on increasing customs duty on cotton may cast a shadow on India's advantage in premium/ high-end garment exports to the world, according to cotton stakeholders. This, according to the trade sources, is primarily due to the additional cost for imported cotton — mainly the extra-long-staple (ELS) — used in making high-value-added textiles and garments, which are exported globally under premium labels. ELS quality of Giza Cotton is imported from Egypt, while Pima Cotton is sourced from the US. The cotton stakeholders also expressed concerns about losing international market, especially US and Europe, to neighbouring competitors Bangladesh and Pakistan as well as Vietnam.

<https://www.thehindubusinessline.com/economy/agri-business/garment-exporters-fear-losing-premium-market/article33775523.ece?homepage=true>

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