



December 24, 2021 – Friday

Key Developments

Centre asks states to consider imposing local curbs ahead of festive season

The Centre on Thursday has advised states and UTs to not let their guard down and maintain their preparedness for fighting Covid in view of the new variant Omicron. Union Health Secretary Rajesh Bhushan reviewed the public health preparedness of the states for fighting Covid and the Omicron variant along with progress of vaccination with Health Secretaries of states and UTs. He highlighted the trajectory of Covid and brought attention to emerging evidence on the Omicron variant of Covid driving the growing number of cases worldwide. "Bhushan reiterated that local containment measures are to be put in place by the district/local administration when either the test positivity increases beyond 10% or occupancy of oxygenated beds increases beyond 40%," said Ministry of Health and Family Welfare in a statement.

https://www.business-standard.com/article/current-affairs/centre-asks-states-to-consider-imposing-local-curbs-ahead-of-festive-season-121122300748_1.html

RBI extends card tokenisation deadline by 6 months

The Reserve Bank of India extended the card-on-file (CoF) tokenisation deadline by 6 months to to June 30, 2022. The earlier deadline was December 31, 2021. "In light of various representations received in this regard, we advise as under: a) the timeline for storing of CoF data is extended by six months, i.e., till June 30, 2022; post this, such data shall be purged; and b) in addition to tokenisation, industry stakeholders may devise alternate mechanism(s) to handle any use case (including recurring e-mandates, EMI option, etc.) or posttransaction activity (including chargeback handling, dispute resolution, reward / loyalty programme, etc.) that currently involves / requires storage of CoF data by entities other than card issuers and card networks," the central bank said in a circular. The move comes after digital payment firms, like Merchant Payments Alliance of India (MPAI) and the Alliance of Digital India Foundation (ADIF), voiced their concerns over industry readiness.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-extends-card-tokenisation-deadline-by-6-months/articleshow/88457670.cms>

Government seeks comments on proposed changes to insolvency law

The government on Thursday invited comments on various amendments proposed to the insolvency law, including to provisions related to time period for approval of resolution plans as well as avoidable transactions and wrongful trading. The amendments have been proposed by the Insolvency Law Committee (ILC). The comments have been sought till January 13, 2022. According to a communication, changes have been proposed to enable a swift admission process, streamline provisions pertaining to avoidable transactions and wrongful trading and norms relating to time period for approval of resolution plans. Besides, amendments have been suggested in connection with closure of the voluntary liquidation process and the IBC Fund.

https://economictimes.indiatimes.com/news/economy/policy/government-seeks-comments-on-proposed-changes-to-insolvency-law/articleshow/88456181.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

Govt to deregulate tariffs for PPP projects at major ports

The Shipping Ministry has announced tariff guidelines for public private participation (PPP) projects at major ports in the country. The reform initiative moves the shipping sector towards deregulation of tariffs for PPP projects at these ports, which will provide a level playing field to PPP concessionaires to compete with private ports.

<https://www.thehindubusinessline.com/economy/govt-to-deregulate-tariffs-for-ppp-projects-at-major-ports/article38021001.ece?homepage=true>

Economy

From scrapping retro tax law to record GST mop-up: 2021 for revenue dept

A record GST tax collection, an overhaul of the income tax return filing portal and the landmark move to scrap retrospective taxation have set the stage for the next level of reforms in tax administration that include bringing a framework for cryptocurrencies and rationalising the GST rate structure. With tax reforms such as faceless assessment taking roots, 2021 will go down as the year that pivoted the tax administration in a country aspiring to become the world's favourite investment destination. The task ahead is going to be a tough one as the tax department would grapple with taxing cryptocurrencies, rationalising Goods and Services Tax (GST) rates to shore up revenues and post June 2022, the scenario of how the GST revenue plays out for states without the Centre's support of compensation.

https://www.business-standard.com/article/economy-policy/from-scrapping-retro-tax-law-to-record-gst-mop-up-2021-for-revenue-dept-121122300303_1.html

Outbreak of pandemic led to an increase in number of households with no earning members: CMIE

The outbreak of pandemic has led to an increase in the number of households with no earning members making them more vulnerable to the pandemic, the Centre for Monitoring Indian Economy said. On an average 7.8% of the households did not report any member as employed from July through November 2021, after the second Covid wave, compared to 6% before the pandemic, CMIE said. This proportion, though, had risen to 11.5% in 2020 with the peak in April at 33% during the nationwide lockdown, 25% in May 2020 and 12% in June 2020.

<https://economictimes.indiatimes.com/news/economy/indicators/outbreak-of-pandemic-led-to-an-increase-in-number-of-households-with-no-earning-members-cmie/articleshow/88451284.cms>

AMEP index dips in Nov as economic recovery loses steam

Acuité Ratings & Research said its proprietary, AMEP (Acuité Macroeconomic Performance) index, fell to 111 in November 2021 from a post-Covid peak of 124.9 in October 2021, showing a loss in the momentum of economic recovery as the pent up and festive consumption demand dropped in intensity. The credit rating agency observed that after expansion in two consecutive months, the AMEP index fell, indicating a loss in momentum of economic recovery in November.

<https://www.thehindubusinessline.com/economy/amep-index-dips-in-nov-as-economic-recovery-loses-steam/article38020973.ece?homepage=true>

Banking and Finance

India needs \$1 trillion more in loans to become \$5-trillion economy, says SBI Chairman Khara

India's ambitious goal to become a \$5-trillion economy could be fulfilled with additional \$1 trillion debt, to match developed market trends, SBI Chairman Dinesh Kumar Khara said on Thursday. "Considering the fact that we have an ambition to grow to a \$5 trillion economy, in my mind, the debt and GDP ratio needs to improve. If we look at developed markets, that (debt to GDP ratio) is around 200%... So I think there is a huge scope for banks to contribute to the country's journey to be a \$5 trillion economy," Dinesh Kumar Khara, Chairman, State Bank of India, said in an interview to ET Now. The Indian economy is currently sized at \$3 trillion, in which the loan book size from the banking system stands at \$1.6 trillion, Khara said, adding that he expects the loan book size to go up to \$2.6 trillion for a \$5 trillion economy.

<https://www.financialexpress.com/industry/banking-finance/india-needs-1-trillion-more-in-loans-to-become-5-trillion-economy-says-sbi-chairman-khara/2388158/>

ECLGS: Govt's credit guarantee scheme crosses Rs 3 lakh cr mark in loans sanctioned to MSMEs

The Rs-4.5-lakh-crore Emergency Credit Line Guarantee Scheme (ECLGS) announced last year by the government to support MSMEs and other businesses with their operational liabilities post Covid has sanctioned loans amounting to Rs 3.09 lakh crore as of December 10, 2021, according to the data by National Credit Guarantee Trustee Company (NCGTC). The guarantee coverage by NCGTC is provided to member lending institutions with respect to the credit given by them to MSMEs whose total credit outstanding across all lenders and days past due as of February 29, 2020, is up to Rs 50 crore and up to 60 days respectively. The latest data on ECLGS sanctions was shared by MoS Finance Ministry Bhagwat Karad in a written reply to a question in Rajya Sabha. The sanctioned amount till December 10 was up from Rs 2.86 lakh crore loan sanctioned as of September 24, 2021, as per a Finance Ministry's statement in September.

<https://www.financialexpress.com/industry/sme/msme-fin-eclgs-msme-credit-guarantee-scheme-crosses-rs-3-lakh-cr-mark-in-loans-sanctioned/2387813/>

Industry

Govt issues advisory to citizens urging caution against ed-tech companies

Government on Thursday issued an advisory to citizens regarding use of caution against ed-tech companies. "Given the pervasive impact of technology in education, many ed-tech companies have started offering courses, tutorials, coaching for competitive exams, etc. in an online mode. In this background, the parents, students and all stakeholders in school education have to be careful while deciding on opting for online content and coaching being offered by a host of Ed-tech companies. The decision has to be well considered with several Do's and Don'ts. "Most importantly, the offer of free services that are promised by some companies has to be carefully evaluated. It has come to the notice of the Department of School Education and Literacy that some ed-tech companies are luring parents in the garb of offering free services and getting the Electronic Fund Transfer (EFT) mandate signed or activating the Auto-debit feature, especially targeting the vulnerable families," said Ministry of Education in a statement.

https://www.business-standard.com/article/economy-policy/govt-issues-advisory-to-citizens-urging-caution-against-ed-tech-companies-121122300872_1.html

Pharma, healthcare industry looks to sustain momentum in 2022

Having proved its prowess to the world during the challenging times of the pandemic by supplying 60 per cent of the global COVID-19 vaccine requirements, the Indian pharma and healthcare industry is looking to build on the experience of the last two years, strengthen the partnership with the government and sustain the momentum in 2022. Organisation of Pharmaceutical Producers of India (OPPI) Director-General K G Ananthakrishnan told PTI that it is crucial for the industry to further build momentum towards the gains secured over the course of the pandemic which will help it carve a niche in the global pharma value chain.

https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/pharma-healthcare-industry-looks-to-sustain-momentum-in-2022/articleshow/88446921.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

Hallmarking to push growth for India's top jewellers by over 20% in 2022

Gold and jewellery hallmarking became mandatory from June 16 this year. Hallmarking is expected to push up growth for India's top gold and jewellery companies, including Tanishq, Malabar Gold & Diamonds, and Senco Gold & Diamonds, by more than 20% next year. Gold and jewellery hallmarking became mandatory from June 16 this year. Rating agency ICRA and some of the organised players in the sector said consumers are shifting towards hallmarked jewellery as they believe such products get more attention on purity. According to the rating agency, the industry is estimated to record a strong growth of around 35% in CY2021, albeit on a smaller base, with the demand for jewellery exceeding pre-pandemic levels in the recent months.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/hallmarking-to-push-growth-for-indias-top-jewellers-by-over-20-in-2022/articleshow/88456268.cms>

Hospitality industry on alert mode amid threat from Omicron variant

The Indian hospitality industry, battered by the pandemic, is on alert mode but not panicking yet in the face of the Omicron variant threatening to derail prospects of winter holiday season business, according to industry players. With states imposing restrictions on gatherings for Christmas and New Year celebrations, hoteliers and restaurant operators are, however, staring at possible booking cancellations even as they hope for some support from the government like what the UK government has done for the industry there.

Federation of Associations in Indian Tourism and Hospitality (FAITH) Consulting CEO Aashish Gupta said there is uncertainty within the industry about the impact of the Omicron variant with different inputs coming in from different places regarding its severity and speed of spread.

<https://www.financialexpress.com/lifestyle/travel-tourism/hospitality-industry-on-alert-mode-amid-omicron-threat/2388178/>

Govt has directed carmakers to introduce flex-fuel engines: Gadkari

Union Minister Nitin Gadkari on Thursday said the government has issued an advisory to carmakers to introduce flexible-fuel engines in vehicles. Addressing an event, Gadkari also said the government is working to encourage the use of green and alternative fuels. "Yesterday, I signed a file on flex-fuel engines (to advise carmakers to manufacture flex-fuel engines). We have given them (carmakers) six months (to introduce flex-fuel engines in vehicles that can run on more than one fuel)," he said. Flex-fuel, or flexible fuel, is an alternative fuel made of a combination of gasoline and methanol or ethanol. The road transport and highways minister said companies like TVS Motors and Bajaj Auto have already started producing flex-fuel engines for their two- and three-wheelers.

https://www.business-standard.com/article/economy-policy/govt-has-directed-carmakers-to-introduce-flex-fuel-engines-gadkari-121122300800_1.html

Infrastructure

Indian aviation industry was able to breathe a little easier in 2021

The Indian aviation industry was able to breathe a little easier in 2021 as domestic flight operations reached their pre-pandemic levels even though international services continued to remain curtailed due to Covid-related travel restrictions. Air India's sale to the Tata Group and arrival of Rakesh Jhunjhunwala-backed new airline Akasa Air in 2021 are likely to introduce more competition and change the dynamics of the Indian aviation sector in the coming years. While the Ministry of Civil Aviation (MoCA) removed all capacity restriction on scheduled domestic flights on October 18, the lower and upper limits on domestic air fares continue to remain in place. Both -- capacity restriction and fare limits -- were imposed by the MoCA from May 25, 2020, when scheduled domestic flights resumed after a two-month-long suspension due to COVID-19.

https://www.business-standard.com/article/economy-policy/indian-aviation-industry-was-able-to-breathe-a-little-easier-in-2021-121122300590_1.html

Indian Railways earns over Rs 100 crores from these five passenger trains

Indian Railways earns over Rs 100 crores from five passenger trains! Despite the Covid crisis, the West Central Railway zone has displayed noteworthy performance in terms of passenger revenue. According to a press release issued by the zonal railway, in a period of eight months, the West Central Railway zone has collected a whopping amount of Rs 100.03 crore from five passenger train services- Jabalpur – Nizamuddin Gondwana Express, Rewa – Anand Vihar Express, Jabalpur – Howrah Shaktipunj Express, Jabalpur – Durg Amarkantak Express, and Jabalpur – Somnath Express.

https://www.financialexpress.com/infrastructure/indian-railways-earns-over-rs-100-crores-from-these-five-passenger-trains/2387880/?doing_wp_cron=1640263972.7498049736022949218750

A new expressway link to be constructed to connect Delhi, Lucknow: Gadkari

Union Minister Nitin Gadkari on Thursday said a new expressway link will be constructed to connect Delhi and Lucknow, which is expected to reduce commute time between the two cities to three and a half hours. Gadkari further said that the groundbreaking ceremony of the proposed new expressway link will be held in the next 10-12 days in the presence of Uttar Pradesh Chief Minister Yogi Adityanath.

<https://economictimes.indiatimes.com/news/economy/infrastructure/a-new-expressway-link-to-be-constructed-to-connect-delhi-lucknow-gadkari/articleshow/88457641.cms>

Telecom

Trai extends submissions deadlines for 5G spectrum pricing, Ease of Doing Biz papers

The Telecom Regulatory Authority of India (Trai) has extended the deadlines for stakeholder comments and counter-comments on two key discussion papers following requests from stakeholders. The first paper relates to setting base prices of spectrum bands earmarked for 5G services and the second is on ways to simplify the approvals processes for companies operating in the telecoms and broadcast segments.

https://economictimes.indiatimes.com/industry/telecom/telecom-policy/trai-extends-submissions-deadlines-for-5g-spectrum-pricing-ease-of-doing-biz-papers/articleshow/88456881.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

TRAI pushes for more of local devices in broadcasting sector

In line with the government's Make in India push, the Telecom Regulatory Authority of India (TRAI) has floated a consultation paper to increase the share of locally manufactured equipment and devices in the broadcasting distribution sector. It has sought stakeholder views on promoting local manufacturing in the TV broadcasting sector on its suo moto consultation paper, including whether a PLI scheme is needed. This includes equipment used for transmission of broadcast of channels such as head-end, back haul transmission as well as devices for consumer premises equipment such as Set-top-box.

<https://www.thehindubusinessline.com/economy/trai-pushes-for-more-of-local-devices-in-broadcasting-sector/article38021039.ece?homepage=true>

Energy

Govt signs 140 mn euro loan agreement with KfW for energy sector reforms in Madhya Pradesh

The Government of India (GoI) and the German development bank KfW on Thursday signed agreements for a Euro 140 million reduced interest loan and Euro 2 million grant for an energy reform programme in Madhya Pradesh. The project will contribute to a more stable, secure and climate and environmentally friendly energy supply in India by upgrading and strengthening distribution networks in Madhya Pradesh, the finance ministry said in a statement. It will contribute to an effective, technically and economically efficient as well as socially and ecologically sustainable energy supply, it added. The project comprises two components -- implementation of smart meters and Advanced Metering Infrastructure (AMI); and separation of agriculture and non-agriculture feeders.

<https://economictimes.indiatimes.com/industry/energy/power/govt-signs-140-mn-euro-loan-agreement-with-kfw-for-energy-sector-reforms-in-madhya-pradesh/articleshow/88459127.cms>

Fuel rates remain unchanged on Thursday; petrol in Mumbai at Rs 109.98

Oil marketing companies on Thursday kept the prices of diesel and petrol unchanged across major Indian cities. Notably, fuel prices have been steady for the past 50 days now. Accordingly, diesel and petrol prices in Delhi stood at Rs 86.67 per litre and Rs 95.41 per litre on Tuesday, respectively. In the financial capital Mumbai, the rates were unchanged at Rs 94.14 and Rs 109.98. Prices also remained static in Kolkata at Rs 89.79 and Rs 104.67. In Chennai too, they remained untouched at Rs 91.43 and Rs 101.40.

https://www.business-standard.com/article/economy-policy/fuel-rates-remain-unchanged-on-thursday-petrol-in-mumbai-at-rs-109-98-121122300358_1.html

IOC to invest Rs 9,028 crore for setting up a new crude oil pipeline

Indian Oil Corporation (IOC) will set up a new crude oil pipeline that will run from Mundra in Gujarat to Panipat in Haryana and will have a capacity of 17.5 million tonnes per annum (mmtpa). A company statement IOC would build nine crude oil tanks of 60,000 kilolitres each at Mundra, increasing its operational and storage requirements in the country. The total estimated cost of the project is Rs 9,028 crore. The investment proposal was approved by the Indian Oil Board, at its meeting held on December 20. IOC said it is implementing a project for capacity expansion of

Panipat refinery from 15 MMTPA to 25 MMTPA along with the installation of Polypropylene Unit and Catalytic Dewaxing Unit with targeted completion in the second quarter of financial year 2024-25.

https://www.business-standard.com/article/companies/ioc-to-invest-rs-9-028-crore-for-setting-up-a-new-crude-oil-pipeline-121122300894_1.html

States

Delhi govt taking several measures to tackle possible third Covid wave

Procurement of equipment, ramping up the oxygen storage capacity and adding buffer stocks of medicines are some of the steps being taken by the Delhi government to tackle a possible third wave of COVID-19. Chief Minister Arvind Kejriwal reviewed the pandemic situation and the threat posed by the Omicron variant of the coronavirus in the national capital at a meeting with his cabinet colleagues and senior officials on Thursday. According to official data, the bed occupancy rate is low with 8,825 of the 9,035 dedicated COVID-19 beds lying vacant in the city hospitals, while 97.55 per cent of the 8,424 oxygenated beds are also lying vacant.

<https://economictimes.indiatimes.com/news/india/delhi-govt-taking-several-measures-to-tackle-possible-third-covid-wave/articleshow/88459462.cms>

COVID-19: Night curfew back in Madhya Pradesh

Amid growing concern over the new coronavirus variant Omicron, the Madhya Pradesh government on Thursday imposed a night curfew in the state from 11 pm to 5 am as a precautionary measure and advised people to strictly follow COVID-19 protocols. The curfew comes into force from Thursday night. Madhya Pradesh has so far not reported any case of Omicron, classified as a 'variant of concern' by the WHO. "In view of the rapid spread of the Omicron virus in the world, it is the right time for all to remain alert on the issue.

<https://economictimes.indiatimes.com/news/india/covid-19-night-curfew-back-in-madhya-pradesh/articleshow/88459389.cms>

Healthcare

DCGI seeks more data from SII over its application seeking emergency authorisation for Covovax

The Drugs Controller General of India (DCGI) has raised queries and sought more data from Serum Institute of India over its application seeking emergency authorisation for Covid vaccine Covovax, official sources said on Thursday. Serum Institute of India (SII) had sent an application to the DCGI in October for the grant of market authorisation of Covovax for restricted use in emergency situations. "Noting that the vaccine is technology transfer of Novavax vaccine, DCGI has sought to know the approval status of the application with regulatory authorities in the country of origin, that is the USA.

https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/dcgi-seeks-more-data-from-sii-over-its-application-seeking-emergency-authorisation-for-covovax/articleshow/88456836.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

External

FIEO aims at \$460-475 billion exports next fiscal year amid Covid woes

The Federation of Indian Export Organisations (FIEO) on Thursday said taking a conservative approach, it will aim for USD 460-475 billion exports in the next fiscal year due to emergence of new variants of coronavirus and the existing supply side challenges. During 2021-22, exports are expected to reach USD 400 billion, FIEO President A Sakthivel said. He said the spectacular increase in global trade by about 22 per cent, buoyed by high prices of commodities, as witnessed in 2021 will not be there to provide the tailwind to India's exports. Much will also depend on whether the world would be able to contain COVID-19 through massive vaccination across the globe and be able to create the required vaccine manufacturing capacity.

https://www.business-standard.com/article/economy-policy/fieo-aims-at-460-475-billion-exports-next-fiscal-year-amid-covid-woes-121122300619_1.html

Goyal, Australian trade minister holds talk to expedite FTA negotiations

Commerce and Industry Minister Piyush Goyal and his Australian counterpart Dan Tehan have held talks on December 21 to expedite talks for the proposed free trade agreement, which aimed at enhancing economic ties between the countries. "The ministers appreciated the progress made in various rounds of talks between the chief negotiators of both sides and discussed the way forward for an early conclusion of interim agreement," the commerce ministry said in a statement on Thursday. Both sides also directed the officials to speed up the negotiations to pave the way for a comprehensive agreement, which is officially dubbed as Comprehensive Economic Cooperation Agreement (CECA).

https://www.business-standard.com/article/economy-policy/goyal-australian-trade-minister-holds-talk-to-expedite-fta-negotiations-121122300582_1.html

Shringla emphasises India seeks to see Myanmar's return to democracy

Foreign Secretary Harsh Vardhan Shringla has raised matters relating to India's security and emphasised New Delhi's interest in seeing Myanmar's return to democracy at earliest as he called on the Chairman, State Administrative Council and other senior representatives in the country. Shringla is here on a two-day working visit, in the first such high-level outreach from India after Myanmar's military deposed the democratically-elected government of Aung San Suu Kyi in a coup on February 1. The powerful State Administration Council (SAC) is headed by General Min Aung Hlaing, who seized power in February. According to the Ministry of External Affairs (MEA), Foreign Secretary Shringla called on the Chairman, SAC and other senior representatives and held meetings with members of civil society and political parties, including the National League for Democracy.

https://www.business-standard.com/article/current-affairs/shringla-emphasises-india-seeks-to-see-myanmar-s-return-to-democracy-121122300556_1.html

Coffee exports may hit record 4 lakh tonnes in 2021

India's coffee exports for the calendar year 2021 are inching closer to the 4-lakh tonne mark, a record high. Exporters attribute the record shipments to the carry forward contracts from last year that witnessed muted demand on account of the Covid-19 pandemic.

<https://www.thehindubusinessline.com/economy/agri-business/coffee-exports-may-hit-record-4-lakh-tonnes-in-2021/article38022704.ece>

Miscellaneous

India successfully conducts second flight-test of 'Pralay' missile

India successfully conducted the second flight-test of indigenously made conventional surface-to-surface missile 'Pralay' from Dr APJ Abdul Kalam Island off the coast of Odisha on Thursday, government said in a press release. This was the first time that two flight-tests of a ballistic missile were successfully conducted on two consecutive days. The test was conducted by India's Defence Research and Development Organisation (DRDO). The missile won't be part of India's nuclear deterrent, the DRDO officials told Business Standard on Wednesday. It is powered by conventional solid fuel, and its payload is designed to carry only a conventional warhead. It has a range of 150-500 kilometres and can be launched from a mobile launcher, govt sources told Business Standard.

https://www.business-standard.com/article/current-affairs/india-successfully-conducts-second-flight-test-of-pralay-missile-121122300537_1.html



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