Crux of Indian Economy for IAS Prelims 2021 Book (July 2021 Edition)

Economy Current Affairs for the m/o July 2021

One Nation One Ration Card (ONORC) plan- implementation status (30-07-2021)

The One Nation One Ration Card (ONORC) plan, for nation-wide portability of the National Food Security Act 2013 (NFSA) benefits, is presently enabled in 33 States/UTs covering almost 86.7% NFSA population (about 69 Crore NFSA beneficiaries) in the country.

Delhi being the latest to enable the same from July 2021. Further, the Department of food and public distribution has regularly pursued with the remaining 3 States of Chhattisgarh, Assam and West Bengal to enable the ONORC at the earliest depending upon their technical readiness to implement the portability of ration cards.

Reserve Bank of India takes supervisory action on Mastercard Asia / Pacific Pte. Ltd. (14-07-2021)

RBI has imposed restrictions on Mastercard Asia / Pacific Pte. Ltd. (Mastercard) from on-boarding new domestic customers (debit, credit or prepaid) onto its card network from July 22, 2021. Notwithstanding lapse of considerable time and adequate opportunities being given, the entity has been found to be non-compliant with the directions on Storage of Payment System Data. This order will not impact existing customers of Mastercard. Mastercard shall advise all card issuing banks and non-banks to conform to these directions. The supervisory action has been taken in exercise of powers vested in RBI under Section 17 of the Payment and Settlement Systems Act, 2007 (PSS Act).

Mastercard is a Payment System Operator authorised to operate a Card Network in the country under the PSS Act.

Background

In terms of RBI circular on Storage of Payment System Data dated April 6, 2018, all System Providers were directed to ensure that within a period of six months the entire data (full end-to-end transaction details / information collected / carried / processed as part of the message / payment instruction) relating to payment systems operated by them is stored in a system only in India.

RBI cancels the licence of The Madgaum Urban Cooperative Bank Ltd., Margao, Goa (29-07-2021)

Reserve Bank of India (RBI) has, vide order dated July 27, 2021 cancelled the licence of The Madgaum Urban Co-operative Bank Limited, Margao, Goa. Consequently, the bank ceases to carry on banking business, with effect from the close of business on July 29, 2021. The Office of Registrar of Cooperative Societies, Goa has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank.

The Reserve Bank cancelled the licence of the bank as:

1. The bank does not have adequate capital and earning prospects. As such, it does not comply with the provisions of section 11(1) and section 22 (3) (d) read with section 56 of the Banking Regulation Act, 1949.
2. The bank has failed to comply with the requirements of section 22(3) (a), 22 (3) (b), 22(3)(c), 22(3) (d) and 22(3)(e) read with section 56 of the Banking Regulation Act, 1949;
3. The continuance of the bank is prejudicial to the interests of its depositors;
4. The bank with its present financial position would be unable to pay its present depositors in full; and
5. Public interest would be adversely affected if the bank is allowed to carry on its banking business any further.

Consequent to the cancellation of its licence, The Madgaum Urban Co-operative Bank Limited, Margao, Goa is prohibited from conducting the business of ‘banking’ which includes acceptance of deposits and repayment of deposits as defined in Section 5(b) read with Section 56 of the Banking Regulation Act, 1949 with immediate effect.

With the cancellation of licence and commencement of liquidation proceedings, the process of paying the depositors of The Madgaum Urban Co-operative Bank Limited, Margao, Goa as per the DICGC Act, 1961 will be set in motion. As per the data submitted by the bank, about 99% of the depositors will receive full amounts of their deposits from Deposit Insurance and Credit Guarantee Corporation (DICGC). On liquidation, every depositor would be entitled to receive deposit insurance claim amount of his/her deposits up to a monetary ceiling of ₹5,00,000/- (Rupees Five lakh only) from the DICGC subject to the provisions of the DICGC Act, 1961.

India joins OECD/G20 Inclusive Framework tax deal (02-07-2021)

Majority of the members OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (including India) adopted a high-level statement containing an outline of a consensus solution to address the tax challenges arising from the digitalisation of the economy.

The proposed solution consists of two components- Pillar One which is about reallocation of additional share of profit to the market jurisdictions and Pillar Two consisting of minimum tax and subject to tax rules.

Some significant issues including share of profit allocation and scope of subject to tax rules, remain open and need to be addressed. Further, the technical details of the proposal will be worked out in the coming months and a consensus agreement is expected by October.

The principles underlying the solution vindicates India's stand for a greater share of profits for the markets, consideration of demand side factors in profit allocation, the need to seriously address the issue of cross border profit shifting and need for subject to tax rule to stop treaty shopping.

India is in favour of a consensus solution which is simple to implement and simple to comply. At the same time, the solution should result in allocation of meaningful and sustainable revenue to market jurisdictions, particularly for developing and emerging economies. India will continue to be constructively engaged for reaching a consensus based ready to implement solution with Pillar one and Pillar two as a package by October and contribute positively for the advancement of the international tax agenda.

Union Cabinet approves Production-linked Incentive (PLI) Scheme for Specialty Steel (22-07-2021)

Union Cabinet, chaired by the Prime Minister, Shri Narendra Modi, approved the Production Linked Incentive (PLI) Scheme for specialty steel. The duration of the scheme will be five years from 2023-24 to 2027-28.

With a budgetary outlay of ₹6322 crores, the scheme is expected to bring in investment of approximately ₹40,000 crores and capacity addition of 25 MT for speciality steel. The scheme will give employment to about 5,25,000 people of which 68,000 will be direct employment.

Speciality steel has been chosen as the target segment because out of the production of 102 million tonnes steel in India in 2020-21, only 18 million tonnes value added steel/speciality steel was produced in the country. Apart from this out of 6.7 million tonnes of imports in the same year, approx. 4 million tonnes import was of specialty steel alone resulting in FOREX outgo of Approx. Rs. 30,000 crores. By becoming Aatmanirbhar in producing speciality steel, India will move up the steel value chain and come at par with advanced steel making countries like Korea and Japan.

It is expected that the speciality steel production will become 42 million tonnes by the end of 2026-27. This will ensure that approximately 2.5 lakh crores worth of speciality steel will be produced and consumed in the country which would otherwise have been imported. Similarly, the export of specialty steel will become around 5.5 million tonnes as against the current 1.7 million tonnes of specialty steel getting FOREX of Rs 33,000 crore.

The benefit of this scheme will accrue to both big players i.e. integrated steel plants and to the smaller players (secondary steel players)

Specialty steel is value added steel wherein normal finished steel is worked upon by way of coating, plating, heat treatment, etc to convert it into high value added steel which can be used in various strategic applications like Defence, Space, Power, apart from automobile sector, specialized capital goods etc.

The five categories of specialty steel which have been chosen in the PLI Scheme are:

Coated/Plated Steel Products

High Strength/Wear resistant Steel

Specialty Rails

Alloy Steel Products and Steel wires

Electrical Steel

Out of these product categories, it is expected that after completion of the Scheme India will start manufacturing products like API grade pipes, Head Hardened Rails, electrical steel (needed in transformers and electrical appliances) which are currently manufactured in very limited quantity or not manufactured at all.

There are 3 slabs of PLI incentives, the lowest being 4 % and highest being 12% which has been provided for electrical steel (CRGO). The PLI Scheme for specialty Scheme will ensure that the basic steel used is 'melted and poured'within the country which means that raw material (finished steel) used for making specialty steel will be made in India only, thereby ensuring that Scheme promotes end to end manufacturing within the country.

Update: Annual Report on Periodic Labour Force Survey (PLFS) –(July, 2019 – June, 2020) (23-07-2021) (Page no 301 of Crux)

Labour Force Participation Rate (LFPR), Worker Population Ratio (WPR) and Unemployment Rate (UR) (in per cent) during PLFS, 2019-20, 2018-19 and 2017-18

All-India									
Rates	Rural			Urban			Rural+Urban		
	Male	female	person	male	female	Person	male	female	person
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
PLFS 2019-20									
LFPR	56.3	24.7	40.8	57.8	18.5	38.6	56.8	22.8	40.1
WPR	53.8	24.0	39.2	54.1	16.8	35.9	53.9	21.8	38.2
UR	4.5	2.6	4.0	6.4	8.9	7.0	**5.1**	**4.2**	**4.8**
PLFS 2018-19									
LFPR	55.1	19.7	37.7	56.7	16.1	36.9	55.6	18.6	37.5
WPR	52.1	19.0	35.8	52.7	14.5	34.1	52.3	17.6	35.3
UR	5.6	3.5	5.0	7.1	9.9	7.7	**6.0**	**5.2**	**5.8**
PLFS 2017-18									
LFPR	54.9	18.2	37.0	57.0	15.9	36.8	55.5	17.5	36.9
WPR	51.7	17.5	35.0	53.0	14.2	33.9	52.1	16.5	34.7
UR	5.8	3.8	5.3	7.1	10.8	7.8	**6.2**	**5.7**	**6.1**

Gold Reserves in the Country (26-07-2021)

As per National Mineral Inventory data, the total reserves/resources of gold ore (primary) in the country have been estimated at 501.83 million tonnes as on 1.4.2015; Out of these, 17.22 million tonnes were placed under reserves category and the remaining 484.61 million tonnes under remaining resources category.

In India, largest resources of gold ore (primary) are located in Bihar (44%) followed by Rajasthan (25%), Karnataka (21%), West Bengal (3%), Andhra Pradesh (3%), Jharkhand (2 %). The remaining 2% resources of ore are located in Chhattisgarh, Madhya Pradesh, Kerala, Maharashtra and Tamil Nadu.

Cabinet approves Nutrient Based Subsidy (NBS) rates for Phosphatic & Potassic (P&K) Fertilisers for the year 2021-22 (16-06-2021)

The Cabinet Committee on Economic Affairs, chaired by Prime Minister Shri Narendra Modi has approved the proposal of the Department of Fertilizers for fixation of Nutrient Based Subsidy Rates for P&K Fertilizers for the year 2021-22 (till the present season).The approved rates for NBS effective from the date of notification shall be as under:

Per Kg Subsidy rates (in Rs.)

N (Nitrogen)- 18.789

P (Phosphorus)- 45.323

K (Potash)- 10.116

S (Sulphur) – 2.374

Government of India is making available fertilizers, namely Urea and 22 grades of P&K fertilizers (including DAP) to farmers at subsidized prices through fertilizer manufacturers/ importers. The subsidy on P&K fertilizers is being governed by NBS Scheme w.e.f. 01.04.2010. In accordance to its farmer friendly approach, the Government is committed to ensure the availability of P&K fertilizers to the farmers at affordable prices. The subsidy is released to fertilizer companies as per NBS rates so that they can make available fertilizers to farmers at affordable price

Reserve Bank of India announces Digital Payments Index (RBI-DPI) for March 2021 (28-07-2021)

The Reserve Bank had earlier announced construction of a composite Reserve Bank of India – Digital Payments Index (RBI-DPI) with March 2018 as base to capture the extent of digitisation of payments across the country.

The RBI-DPI index has demonstrated significant growth in the index representing the rapid adoption and deepening of digital payments across the country in recent years. The index series since its inception is as under:

Period	RBI- DPI Index
March 2018 (Base)	100
March 2019	153.47
September 2019	173.49
March 2020	207.84
September 2020	217.74
March 2021	270.59

Allocation under Mahatma Gandhi National Rural Employment Guarantee Act (27-07-2021)

The Government of India has allocated Rs. 73,000 crore at Budget Estimate stage for current financial year 2021-22 for Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) which is an increase of Rs. 11,500 crore as compared to Budget Estimate for the financial year 2020-21.

Mahatma Gandhi National Rural Employment Guarantee Act provides for livelihood security by providing at least one hundred days of guaranteed wage employment in every financial year to every rural household whose adult members volunteer to do unskilled manual work.

During previous financial year 2020-21, 11.19 crore persons were provided employment and more than 389.23 crore person-days were generated.

Mahatma Gandhi NREGS aims to strengthen the livelihood resource base of the rural households while creating productive assets. The Act also mandates expenditure of 60% for creation of assets directly related to agriculture and allied activities through development of land, water and trees.

Mahatma Gandhi NREGS is a demand driven wage employment programme. Hence, no State/UT-wise financial allocation is made.

India emerges as 5th largest forex reserves holder in the world with $608.99 billion as on June 25, 2021 (19-07-2021)

With India's forex reserves at $608.99 billion as on June 25, 2021 stood, India has emerged as the fifth largest foreign exchange reserves holder in the world after China, Japan, Switzerland and Russia.

This was stated by Minister of State for Finance Shri Pankaj Chaudhary in a written reply to a question in the Lok Sabha today.

The Minister stated that India's foreign exchange reserves position is comfortable in terms of import cover of more than 18 months and provides cushion against unforeseen external shocks. Government and RBI are closely monitoring the emerging external position calibrating policies or regulations to support robust macroeconomic growth.

Whether the reserve funds are adequate to meet the international payment obligations, the Minister said that the ratio of **forex reserves to total external debt stood at 101.2 per cent and short-term external debt to forex reserves stood at 17.5 per cent as at end-March 2021**. The ratio of volatile capital flows (including cumulative portfolio inflows and outstanding short-term debt) to reserves was 67.0 per cent at end-December 2020. India is comfortable in most of the external sector vulnerability indicators

Speaking on the international currencies in our forex reserve, the Minister said the foreign currency assets, constituting more than 90 per cent of India's forex reserves, are maintained as a multi-currency portfolio comprising major currencies, such as, US dollar, Euro, Pound sterling, Japanese yen, etc.

Giving more details, the Minister said that RBI takes regular steps for diversification of forex reserves by scaling up operations in forex swap and repo markets, acquisition of gold and exploring new markets/products, while adhering to safety and liquidity standards. Variation in India's forex reserves is primarily the outcome of RBI's intervention in the foreign exchange market to smoothen exchange rate volatility, valuation changes due to movement of US dollar against other international currencies in the reserve basket, movement in gold prices, interest earnings from deployment of foreign currency assets and inflow of aid receipts.

The Minister further stated that a current account deficit, accompanied by increasing foreign exchange reserves, reflects a surplus on the balance of payments i.e., the magnitude of the net capital inflows exceeds the volume of the current account deficit.

In 2020-21, India's balance of payments recorded surplus in both current account and capital account which contributed to the increase in foreign exchange reserves during the year.

Besides exports and imports of goods and services, the overall stability of the external sector depends on other components of balance of payments including remittances (transfers), income in the current account, the size of net capital flows and external debt. India is comfortable in most of these external sector vulnerability indicators, the Minister said.

NTPC to set up India's single largest solar park at Rann of Kutch (13-07-2021)

NTPC Renewable Energy Ltd , a 100% subsidiary of NTPC, has received the go-ahead from Ministry of New and Renewable Energy (MNRE) to set up 4750 MW renewable energy park at Rann of Kutch in Khavada, Gujarat. This will be India's largest solar park to be built by the largest power producer of the country.

NTPC REL has plans to generate green hydrogen on a commercial scale from this park.

Recently, NTPC became first energy company in energy domain in India to declare its Energy Compact goals as part of UN High-level Dialogue on Energy (HLDE). As a part of its green energy portfolio augmentation, NTPC has set a target to install 60 GW of renewable energy capacity by 2032. Currently, the state owned power major has an installed capacity of 66 GW across 70 power projects with an additional 18 GW under construction.

Recently, NTPC has also commissioned India's largest Floating Solar of 10 MW (ac) on the reservoir of Simhadri Thermal Power Plant, Vishakhapatnam, Andhra Pradesh. An additional 15 MW (ac) would be commissioned by August 2021.

Further, a 100 MW Floating Solar Project on the reservoir of Ramagundam Thermal Power Plant, Telangana is in the advanced stage of implementation.

Additionally, NTPC RE Ltd. has recently signed an MoU with UT, Ladakh and Ladakh Autonomous Hill Development Council (LAHDC) to set up **country's first Green Hydrogen Mobility Project**. This is also in line with the Prime Minister's vision of a 'carbon neutral' Ladakh. The signing of the MoU was also marked with the inauguration of NTPC's first solar installations in Leh in form of solar trees and a solar car port.

NTPC has planned to ply 5 hydrogen buses, to start with, in the region and the company will be setting up a solar plant and a green hydrogen generation unit in Leh towards this end. This will put Leh as the first city in the country to implement a green hydrogen based mobility project. This would be zero emission mobility in true sense.

NTPC REL, the subsidiary was incorporated on 07.10.2020 to accelerate the RE business of NTPC.

NTPC is pioneering Green Hydrogen Initiatives in India. Transition to a hydrogen economy will not only reduce India's import dependency on hydrocarbon fuels but also provide clean air to its citizens, reduce GHG emissions in absolute terms and fulfil India's Atmanirbhar Bharat vision.

Government of India recently announced the National Hydrogen Mission in the Union Budget 2021 for making a hydrogen roadmap for the country.

Total Trade :: Top countries (2020-21)

Values in Rs Crore

Rank	Country	Export	Import	Total Trade	Trade Balance
1.	CHINA P RP	157,201.57	482,495.80	**639,697.37**	**-325,294.23**
2.	U S A	381,834.41	213,642.04	595,476.46	**168,192.37**
3.	U ARAB EMTS	123,449.53	196,350.54	319,800.07	-72,901.00
4.	HONG KONG	75,201.31	112,218.27	187,419.58	-37,016.96
5.	SAUDI ARAB	43,358.87	119,758.62	163,117.49	-76,399.75
6.	SINGAPORE	64,381.94	98,219.70	162,601.64	-33,837.75
7.	GERMANY	60,111.94	96,892.39	157,004.33	-36,780.46
8.	SWITZERLAND	9,340.48	133,868.27	143,208.75	**-124,527.79**
9.	INDONESIA	37,156.68	92,325.28	129,481.96	-55,168.61
10.	KOREA RP	34,682.34	94,476.01	129,158.35	-59,793.66
11.	IRAQ	11,105.18	105,655.26	116,760.45	-94,550.08
12.	JAPAN	32,817.44	80,818.99	113,636.43	-48,001.55
13.	MALAYSIA	44,970.76	61,905.56	106,876.31	-16,934.80
14.	U K	60,251.91	36,611.49	96,863.39	23,640.42
15.	AUSTRALIA	29,925.68	60,970.79	90,896.47	-31,045.11
16.	BELGIUM	38,682.75	51,246.57	89,929.32	-12,563.81
17.	SOUTH AFRICA	29,075.07	55,785.85	84,860.92	-26,710.78
18.	VIETNAM SOC REP	37,034.86	45,253.75	82,288.61	-8,218.89
19.	BANGLADESH PR	67,215.13	7,894.40	75,109.53	59,320.72
20.	THAILAND	31,300.61	42,002.23	73,302.84	-10,701.62
21.	NETHERLAND	47,858.26	24,518.30	72,376.56	23,339.96
22.	QATAR	9,504.03	58,662.66	68,166.69	-49,158.63
23.	FRANCE	35,348.89	30,939.46	66,288.35	4,409.43
24.	NIGERIA	23,152.97	41,994.60	65,147.56	-18,841.63
25.	ITALY	34,992.34	28,497.16	63,489.50	6,495.18
	Total of Top countries	***1,519,954.95***	***2,373,003.98***	***3,892,958.93***	***-853,049.03***
	India's Total	**2,154,339.23**	**2,909,936.53**	**5,064,262.32**	**-755,597.30**
	% Share of Top countries	*70.55*	*81.55*	*76.87*	*112.90*

China is the largest trading partner of India. India has largest trade deficit with China and trade surplus with USA.

NDA Exam 2017

Which one among the following countries is the largest trading partner of India in external trade for the year 2015-2016 ?
(a) United States of America (b) United Kingdom (c) United Arab Emirates (d) **China**

Export :: Region-wise

Values in Rs. Lacs

S.No.	Region	2019-2020	%Share	2020-2021	%Share	%Growth
1.	**North America**	**42,203,298.84**	**19.0117**	**42,657,560.33**	**19.8008**	1.08
2.	NE Asia	27,387,464.27	12.3375	31,213,694.56	**14.4888**	**13.97**
3.	EU Countries	31,865,538.19	14.3548	30,587,907.65	**14.1983**	-4.01
4.	ASEAN	22,337,944.66	10.0628	23,328,748.11	10.8287	4.44
5.	West Asia- GCC	28,666,232.45	12.9136	20,544,869.96	9.5365	-28.33
6.	South Asia	15,546,961.37	7.0036	15,812,164.33	7.3397	1.71
7.	Other European Countries	9,842,436.82	4.4338	9,093,483.32	4.2210	-7.61
8.	Latin America	7,131,102.92	3.2124	7,467,037.49	3.4660	4.71
9.	West Africa	5,797,251.81	2.6115	6,979,638.17	3.2398	20.40
10.	Other West Asia	7,541,085.43	3.3971	5,712,910.53	2.6518	-24.24
11.	East Africa	4,699,141.49	2.1169	4,282,102.65	1.9877	-8.87
12.	North Africa	3,853,738.01	1.7360	3,557,270.95	1.6512	-7.69
13.	East Asia (Oceania)	2,378,464.09	1.0715	3,453,518.81	1.6031	45.20
14.	Southern African Customs Union (SACU)	3,127,021.24	1.4087	3,120,284.68	1.4484	-0.22
15.	Other CIS Countries	2,639,232.19	1.1889	2,516,815.25	1.1683	-4.64
16.	Other South African Countries	2,032,152.01	0.9154	1,432,800.69	0.6651	-29.49
17.	European Free Trade Associatipn (EFTA)	1,158,153.22	0.5217	1,183,505.03	0.5494	2.19
18.	Central Africa	1,031,906.69	0.4649	1,138,196.22	0.5283	10.30
19.	Unspecified	2,413,887.10	1.0874	864,458.26	0.4013	-64.19
20.	CARs Countries	332,405.29	0.1497	486,957.29	0.2260	46.50
	India's Total Export	**221,985,418.10**		**215,433,924.30**		**-2.95**

India has the maximum share of **Exports** to North America (US, Canada & Maxico) then NE Asia and EU Countries.

NDA-2015
Which one of the following continents accounts for the maximum share in exports from India?
(a) Asia (b) Europe (c) Africa (d) **North America**

Import :: Region-wise

Values in Rs. Lacs

S.No.	Region	2019-2020	%Share	2020-2021	%Share	%Growth
1.	**NE Asia**	**80,916,548.38**	**24.0755**	**80,004,179.26**	**27.4934**	-1.13
2.	West Asia- GCC	57,041,727.32	16.9719	44,012,296.80	**15.1248**	-22.84
3.	ASEAN	39,196,592.76	11.6623	35,059,070.37	**12.0481**	-10.56
4.	EU Countries	31,878,723.42	9.4850	28,841,343.72	9.9113	-9.53
5.	North America	31,122,829.06	9.2601	25,469,525.84	8.7526	-18.16
6.	European Free Trade Associatipn (EFTA)	12,379,719.93	3.6834	13,888,235.96	4.7727	12.19
7.	Other West Asia	19,744,452.84	5.8747	13,097,279.53	4.5009	-33.67
8.	Latin America	12,104,041.83	3.6014	9,234,049.67	3.1733	-23.71
9.	West Africa	12,196,388.82	3.6288	8,676,871.44	2.9818	-28.86
10.	East Asia (Oceania)	7,357,365.05	2.1891	6,499,448.08	2.2335	-11.66
11.	Other CIS Countries	6,798,288.01	2.0227	6,166,601.07	2.1192	-9.29
12.	Southern African Customs Union (SACU)	5,504,369.51	1.6377	5,977,717.58	2.0542	8.60
13.	Other European Countries	6,302,355.09	1.8752	4,766,644.74	1.6381	-24.37
14.	North Africa	3,926,872.91	1.1684	3,185,059.07	1.0945	-18.89
15.	South Asia	2,720,324.53	0.8094	2,443,848.75	0.8398	-10.16
16.	Other South African Countries	3,782,624.26	1.1255	1,957,613.81	0.6727	-48.25
17.	East Africa	1,020,937.73	0.3038	944,745.15	0.3247	-7.46
18.	CARs Countries	1,654,689.89	0.4923	615,226.33	0.2114	-62.82
19.	Central Africa	266,800.72	0.0794	83,364.26	0.0286	-68.75
20.	Unspecified	179,793.53	0.0535	70,548.08	0.0242	-60.76
	India's Total Import	**336,095,445.61**		**290,993,669.53**		**-13.42**

India has the maximum share of **imports** from North East Asia (China, Taiwan, Hong kong, Japan, North Korea, South Korea, Macao, Mangolia) then West Asia-GCC.

USTR Annual Special 301 report on Intellectual Property Protection-- India remains on the Priority Watch List (30-04-2021)

The Special 301 Report identifies trading partners that do not adequately or effectively protect and enforce intellectual property (IP) rights or otherwise deny market access to U.S. innovators and creators that rely on protection of their IP rights.

Trading partners that currently present the most significant concerns regarding IP rights are placed on the Priority Watch List or Watch List. USTR identified 32 countries for these lists in the Special 301 Report:

Argentina, Chile, China, **India**, Indonesia, Russia, Saudi Arabia, Ukraine and Venezuela are on the Priority Watch List.

Algeria, Barbados, Bolivia, Brazil, Canada, Colombia, Dominican Republic, Ecuador, Egypt, Guatemala, Kuwait, Lebanon, Mexico, Pakistan, Paraguay, Peru, Romania, Thailand, Trinidad & Tobago, Turkey, Turkmenistan, Uzbekistan, and Vietnam are on the Watch List.

These trading partners will be the subject of increased bilateral engagement with USTR to address IP concerns.

Over the coming weeks, USTR will review the developments against the benchmarks established in the Special 301 action plans for those countries. For countries failing to address U.S. concerns, USTR will take appropriate actions, which may include enforcement actions under Section 301 of the Trade Act or pursuant to World Trade Organization (WTO) or other trade agreement dispute settlement procedures.

USTR view on India

Over the past year, India has remained inconsistent in its progress on intellectual property (IP) protection and enforcement. While India's enforcement of IP in the online sphere has gradually improved, a lack of concrete benefits for innovators and creators persists, which continues to undermine their efforts.

Patent issues continue to be of particular concern in India as long-standing issues remain for innovative industries. The potential threat of patent revocations, lack of presumption of patent validity, and the narrow patentability criteria under the India Patents Act burden companies across different sectors. Moreover, patent applicants continue to confront costly and time-consuming pre- and post-grant oppositions, long waiting periods to receive patent approval, and excessive reporting requirements. Stakeholders continue to express concerns over vagueness in the interpretation of the India Patents Act

Stakeholders continue to raise concerns with the lack of an effective system for protecting against the unfair commercial use, and unauthorized disclosure, of undisclosed test or other data generated to obtain marketing approval for **pharmaceutical and agricultural chemical products**

US has objection on the provision of section 3(d) of the Indian Patent Act 1970.

Section 3(d) does not allow patent to be granted to inventions involving new forms of a known substance unless it differs significantly in properties with regard to efficacy. Thus, the Indian Patent Act does not allow ever greening of patents. This is a cause of concern to the US pharma companies.

Government creates a new Ministry of Co-operation (06-07-2021)

In a historic move, a separate 'Ministry of Co-operation' has been created by the Modi Government for realizing the vision of 'Sahkar se Samriddhi'.

This ministry will provide a separate administrative, legal and policy framework for strengthening the cooperative movement in the country.

It will help deepen Co-operatives as a true people based movement reaching upto the grassroots.

In our country, a Co-operative based economic development model is very relevant where each member works with a spirit of responsibility.

The Ministry will work to streamline processes for 'Ease of doing business' for co-operatives and enable development of Multi-State Co-operatives (MSCS).

The Central Government has signaled its deep commitment to community based developmental partnership. Creation of a separate Ministry for Co-operation also fulfils the budget announcement made by the Finance Minister.

Total Power Generation from non-fossil fuel sources reaches 39% of total installed capacity (27-07-2021)

Government of India had set a target of 1,75,000 MW installed capacity from renewable sources by the year 2022 which includes 1,00,000 MW from Solar, 60,000 MW from Wind, 10,000 MW from Biomass and 5000 MW from Small Hydro.

As on 30.06.2021, the total capacity of Renewable Energy installed: under installation and under tied was 96.95 GW. This does not include large Hydro, which is also renewable.

As on 30.06.2021, the total power generation capacity installed from non-fossil fuel sources was 150.06 GW; which is 39% of the total installed capacity. Therefore, India is well in its way to achieving, and surpassing its nationally determined contribution (NDC) target which was 40% capacity by non fossil-fuel sources by 2030.

Nationally Determined Contributions (NDCs) are at the heart of the Paris Agreement which requires each country to outline and communicate their post-2020 climate actions.

Under the NDC's, India has committed to have 40% of the total installed capacity from renewables by 2030 and also to reduce its emissions by 33-35 % from 2005 levels.

India has set a target of 450 GW of Renewable Energy capacity by 2030.

Further, against the targeted emission reduction of 33-35 % by 2030, India has already achieved emission reduction of 28% over 2005 levels and at this pace, it is all set to exceed its NDC commitments before 2030.

Finance Minister Smt Nirmala Sitharaman and Finance Minister of Bhutan Mr Lyonpo Namgay Tshering jointly launch BHIM–UPI in Bhutan (13-07-2021)

This launch fulfils the commitment made by the two countries during the Hon'ble Prime Minister of India's State visit to Bhutan in 2019. Following that visit, India and Bhutan have already enabled inter-operability in acceptance of Rupay cards in each other's countries in two phases – acceptance of Rupay cards issued in India at Bhutan based terminals in the first phase, and vice versa in the second phase.

With today's launch of BHIM-UPI in Bhutan, the payment infrastructures of the two countries are seamlessly connected and will benefit a large number of tourists and businessmen from India who travel to Bhutan each year. This will enhance the ease of living and ease of travelling through cashless transactions at the touch of a button.

Bhutan is the first country to adopt UPI standards for its QR deployment, and the first country in our immediate neighbourhood (overall second country after Singapore) to accept mobile based payments through the BHIM App.

Bhutan also became the only country to both issue & accept RuPay cards as well as accept BHIM UPI.

Unified Payments Interface (UPI) is an instant real-time payment system, allowing users to transfer money on a real-time basis, across multiple bank accounts without revealing details of one's bank account to the other party. The simple, safe, cost-effective mobile-based payments system has become one of the most prominent forms of digital payments. In 2020, UPI enabled commerce worth USD 457 Billion, which is equivalent to approximately 15% of India's GDP.

Two more commercial-cum-strategic facilities of 6.5 MMT storage capacity to be established under phase-2 of SPR Programme (26-07-2021)

Under Phase I of strategic petroleum reserves (SPR) programme, Government of India, through its Special Purpose Vehicle, Indian Strategic Petroleum Reserve Limited (ISPRL) a wholly owned subsidiary of Oil Industry Development Board (OIDB) under the Ministry of Petroleum & Natural Gas, has established petroleum storage facilities with total capacity of 5.33 Million Metric Tonnes (MMT) at 3 locations, namely (i) Vishakhapatnam (1.33 MMT), (ii) Mangaluru (1.5 MMT) and (iii) Padur in Karnataka (2.5 MMT), and all the storage facilities have been filled with crude oil.

The petroleum reserves established under Phase I are strategic in nature and the crude oil stored in these reserves will be used during an oil shortage event, as and when declared so by Government of India.

As per the consumption pattern of 2019-20, the total capacity is estimated to provide for about 9.5 days of crude oil requirement.

In addition, Oil Marketing Companies (OMCs) in the country have storage facilities for crude oil and petroleum products for 64.5 days, thus the current total national capacity for storage of crude oil and petroleum products currently is 74 days.

Under Phase II of the petroleum reserve programme, Government has given approval in July 2021 for establishing two additional commercial-cum-strategic facilities with total storage capacity of 6.5 MMT underground storages at Chandikhol in Odisha (4 MMT) and Padur (2.5 MMT) on PPP mode.

As per the consumption pattern of 2019-20, 6.5 MMT SPR capacity is estimated to provide for about additional 12 days of India's crude oil requirement.

The crude oil storages are constructed in underground rock caverns and are located on the East and West coast of India. Crude oil from these caverns can be supplied to the Indian Refineries either through pipelines or through a combination of pipelines and coastal movement. Underground rock caverns are considered as the safest means of storing hydrocarbons.

Dr. K.P. Krishnan headed Expert Committee on Variable Capital Company submits its report to the International Financial Services Centres Authority (IFSCA) (01-06-2021)

International Financial Services Centres Authority constituted a Committee of Experts to examine the feasibility of the Variable Capital Company ('VCC') in India to examine the suitability of the Variable Capital Company as a vehicle for fund management in the International Financial Services Centre in India.

The IFSCA set up this Committee to explore the potential for allowing another legal structure – popularly known as a variable capital company (VCC) – as **an additional option through which asset managers could pool the investors' funds.** The VCC structure dispenses with some of the key limitations of companies and LLPs and provides for higher regulatory standards than those applicable to trusts.

Fund management activities are an important pillar of the overall financial services ecosystem. In line with the mandate given to the Committee, it examined the relevance and adaptability of the VCC for the IFSC in India or alternative structures to attract fund business in the IFSC. Conventionally, pooling of funds in India is undertaken through three types of entities, namely, limited liability companies governed under the Companies Act, 2013; limited liability partnerships under the Limited Liability Partnership Act; and trusts governed under the Indian Trusts Act, 1882.

The Committee assessed the features of a VCC or its equivalent, in other jurisdictions such as the UK, Singapore, Ireland and Luxembourg. The Committee recommended the adoption of a VCC-like legal structure for the purpose of conducting fund management activity in IFSCs

The Committee recognized that the legal framework governing entities that undertake fund management should provide for certainty and clarity to investors, effective segregation and ring fencing of different pools of asset, the ability to issue different classes of shares, alterations to the funds' capital structure without regulatory approvals and the freedom to choose the appropriate accounting standards applicable to funds with different characteristics, the ability to wind up quickly.

Cabinet approves modifications in Central Sector Scheme of financing facility under 'Agriculture Infrastructure Fund' (08-07-2021)

The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi today gave its approval to the following modifications in Central Sector Scheme of Financing Facility under 'Agriculture Infrastructure Fund':

- Eligibility has now been extended to State Agencies/APMCs, National & State Federations of Cooperatives, Federations of Farmers Producers Organizations (FPOs) and Federations of Self Help Groups (SHGs).

- At present Interest subvention for a loan upto Rs. 2 crore in one location is eligible under the scheme. In case, one eligible entity puts up projects in different locations then all such projects will be now be eligible for interest subvention for loan upto Rs. 2 crore. However, for a private sector entity there will be a limit of a maximum of 25 such projects. This limitation of 25 projects will not be applicable to state agencies, national and state federations of cooperatives, federations of FPOs and federation of SHGs. Location will mean physical boundary of a village or town having a distinct LGD (Local Government Directory) code. Each of such projects should be in a location having a separate LGD code.

- For APMCs, interest subvention for a loan upto Rs. 2 crore will be provided for each project of different infrastructure types e.g. cold storage, sorting, grading and assaying units, silos, et within the same market yard.

- The power has been delegated to Hon'ble Minister of Agriculture & Farmers Welfare to make necessary changes with regard to addition or deletion of beneficiary in such a manner so that basic spirit of the scheme is not altere

- The period of financial facility has been extended from 4 to 6 years upto 2025-26 and overall period of the scheme has been extended from 10 to 13 upto 2032-33.

The modifications in the Scheme will help to achieve a multiplier effect in generating investments while ensuring that the benefits reach small and marginal farmers. APMC markets are setup to provide market linkages and create an ecosystem of post-harvest public infrastructure open to all farmers.

Fortification of rice

Fortification is the practice of deliberately increasing the content of an essential micronutrient, i.e. vitamins and minerals (including trace elements) in a food, so as to improve the nutritional quality of the food supply and provide a public health benefit with minimal risk to health.

Rice is cultivated in many parts of the world, as it grows in diverse climates. Industrial fortification of rice with vitamins and minerals has been practised for many years in several countries throughout the world, where rice is a staple consumed regularly in the preparation of many common local dishes. Micronutrient deficiencies of public health significance are widespread in most countries consuming high levels of rice; thus rice fortification has the potential to help aid vulnerable populations that are currently not reached by wheat or maize flour fortification programmes. However, rice production is often done domestically or locally which could make reaching all those in need with mass fortification programs challenging.

Rice can be fortified by adding a micronutrient powder to the rice that adheres to the grains or spraying of the surface of ordinary rice grains in several layers with a vitamin and mineral mix to form a protective coating. Rice can also be extruded and shaped into partially precooked grain-like structures resembling rice grains, which can then be blended with natural polished rice. Rice kernels can be fortified with several micronutrients, such as iron, folic acid and other B-complex vitamins, vitamin A and zinc.

Government of India had approved a Sponsored Pilot Scheme on "**Fortification of Rice & its Distribution under Public Distribution System**" for a period of 3 years beginning in 2019-20 with total outlay of Rs 174.64 Crore.

To address anemia and micro-nutrient deficiency in the country, Centre has expedited capacity of the fortification of rice to increase from 15,000 MT to 3.5 lakh MT by incentivising and creating awareness among rice millers.

Fortification of rice is a cost-effective and complementary strategy to increase vitamin and mineral content in diets and a step towards nutritional security and to fight anemia and malnutrition in the country. This strategy has a proven track record across many geographies in the world. It may be noted that in India, 58.5% of young children aged 6-59 months, 53% of women within the reproductive age group and 22.7% of all men aged 15-49 years of age suffer from anemia (Source: National Family Health Survey (NFHS) – IV (2015-16).

Miscellaneous

1. From 2nd July, 2021, the Government has included Retail and Wholesale Trades as MSMEs for the limited purpose of Priority Sector Lending.

2. India has scored 90.32% in United Nation's Economic and Social Commission for Asia Pacific's (UNESCAP) latest Global Survey on Digital and Sustainable Trade Facilitation. The Survey hails this as a remarkable jump from 78.49% in 2019. This Survey is conducted every two years. India has achieved a 100% score for the Transparency index.

3. India ranked 10th in Global Cybersecurity Index (GCI), an initiative of the International Telecommunication Union (ITU) the UN specialized agency for ICTs. (US ranked 1st) (01-07-2021)