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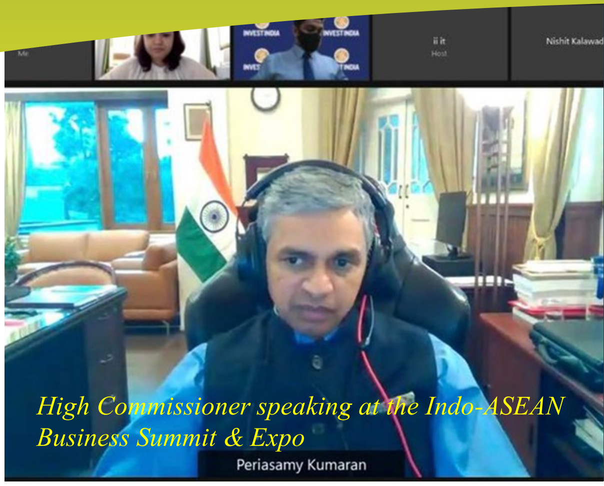
India Focus

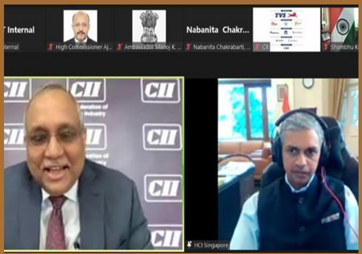


High Commissioner speaking at the Indo-ASEAN Business Summit & Expo

this issue

SIDELINES

Indo-ASEAN Business Summit and Expo



High Commissioner of India, Singapore addressed the Special Session with Indian Ambassadors and High Commissioners on 'Opportunities for Collaboration in Sunrise Sectors' on 7th October 2021 during Indo-ASEAN Business Summit and Expo (Act East Policy in the Post Covid World)

Virtual Gandhi Jayanti Celebrations

High Commissioner of India, Singapore in his keynote address at the virtual celebration of Gandhi Jayanti in collaboration with GOPIO and Global Indian International School - GIIS SMART Campus - Punggol, Singapore spoke about the ideals of the Mahatma that remains timeless and relevant.

TOP NEWS

Goyal sees potential of growing India-ASEAN bilateral trade to $200bn

Fiinews

It is possible to boost India-ASEAN bilateral trade to US$200 billion through strong collaborations and addressing the impediments on the way, Commerce and Industry Minister Piyush Goyal told a recent Indo-ASEAN Business Summit & Expo. The bilateral trade has significantly grown to US$80 billion for as now.

But Goyal was quick to point out that misuse of the trade agreement including by third parties should be discouraged and this could instil more confidence in both sides to reduce tariffs for inter-ASEAN and Indian trade.

Utilisation of digital technology, especially in the 4th industrial revolution era, can further strengthen the supply chain. “One of the areas that we must work on is to build a vibrant and resilient supply chains through deeper trade and investment in the region,” added Laotian Industry and Commerce Minister Dr Khampheng Saysompheng at the summit held 7-8 Oct 2021 by the Confederation of Indian Industry in partnership with the Ministry of External Affairs.

There must be a reduction in trade barriers such as non-tariff and technical trade barriers to ensure constant flow of goods and skilled man force across countries, he pointed out.

Cambodia is highly committed to cooperating with India and ASEAN to seize the opportunity to make an environment for sustainable development, the country’s Secretary of State, Ministry of Commerce, Chhuon Dara told the summit.

Enhancing trade efficiency through improving competitiveness by further strengthening the current trade facilitation mechanism is beneficial for trade within the region to be fast-flowing and efficient, he added.

India remains one of ASEAN’S largest trading partners, underlined Dr Awang Haji Mohd Amin Liew bin Abdullah, Brunei’s Minister of Finance and Economy.

Bilaterally, Brunei has a steady trade economic relationship with India. “In 2020, India was our 6th largest trading partner with a total trade value of over US$583 million,” he said.

The Philippines looks forward to a more strategic, and wider economic partnership with India and ASEAN, added Ramon Lopez, Secretary, Department of Trade & Industry, pointing out that FTAs and enhanced economic cooperation are important for trade progress.

Lopez also sees the potential of ASEAN and India working with other trading partners to seize business opportunities.

“We should enhance economic cooperation through capacity building and technical assistance programmes, workshops, and seminars as well as outreach activities. Making strategic decisions will support the implementation and utilisation of ASEAN India treaty area," said Dr Pwint Sann, Minister of Commerce, Myanmar.

It is important that ASEAN and India join hands in recovering from the adverse impact of the pandemic on the economy of the region, according to Dr Jerry Sambuaga, Vice Minister of Trade, Indonesia.

"We need to keep our markets open, especially for medical and healthcare products as well as other essential goods, encourage trade facilitation, digital economy, produce assistance to our MSMEs," he stressed.

With the combined population of 2 billion people and the combined GDP of US$5.6 trillion, ASEAN and India should work closely together to ensure open trade development and enhance entrepreneurial competitiveness, said Dr Sansern Samalapa, Vice Minister for Commerce, Thailand.

Both sides should seek to transform farmers into smart farmers by making digital technology an integral part of their farming operations, he added.

Both India and ASEAN are home to rapidly growing markets and have a number of emerging opportunities in common sectors of interest including manufacturing, human development, logistics and transport, retail and human development, among others. Both sides together can contribute to building and diversifying supply chains, noted T V Narendran, President, CII and CEO & Managing Director, Tata Steel Limited.

Business cooperation between India and ASEAN in areas of mutual interest such as FinTech, startups, and innovation, empowerment of youth and women and the development of MSMEs are important factors to take this multilateral connection to a higher growth trajectory, added CII Director General Chandrajit Banerjee.

India looks at close to double digit growth this year: FM Mrs. Sitharaman

IBEF: October 14, 2021

India is expected to near double-digit growth in 2021 and the country is projected to be one of the fastest-growing economies according to Finance Minister Mrs. Nirmala Sitharaman.

The minister also stressed that she expects the economic growth next year to be in the range of 7.5-8.5%, which will be continued for the next decade.

Mrs. Sitharaman said during a conversation at Harvard Kennedy School "As regards the growth of India, we are seeing at near close to double-digit growth in 2021 and this would be the highest in the world. And for 2022, on the basis of this year, growth would certainly be somewhere in the range of 8%".

She stated that while the Ministry of Finance has not done any calculation as yet about the growth number, but the World Bank, IMF and other rating agencies have all come closer to this kind of growth number for India.

She added further that some other countries in the emerging market areas will also record high growth rates.

When asked about the sustained growth of 8%, a historical rarity, her medium and longer term vision of where that growth is going to come from, Mrs. Sitharaman emphasised that she does not think the growth of any country post-pandemic can be associated with what had happened earlier, prior to the pandemic.

"The change which the globe has seen itself tells explains the narrative that the way in which countries are setting out to plan their growth will be very different from what it was earlier," she added.

She noted that the COVID-19 pandemic is one of the reasons for the change, which is "happening from few geographical territories where public is coming out of it, looking for other places where they can do their businesses".

"Hence, the industry is the first one to come out. Investments are the first ones to come out and they are seeing for destinations where certain assumptions can be taken up - rule of law, democracy, transparent policies and assurance that they are with a broad global frame of things and that you are not an outlier, that you will not have anything to do with the global scheme of things, and it's no good for us." The minister stated all these are extraneous factors that helped India to attract industries to set businesses there.

She also indicated that India itself is a huge market.

"Today, India's demographic dividend is not a dividend without reason. It's a dividend, which has huge purchasing power ability. The middle class in India has the money to buy things," she stated, adding that the people who are relocating from other destinations to invest in India and to produce in India will have a captive market.

“The same demographic dividend also gives the country another advantage - the youth population of India today is a skilled set of youngsters skilled in various different areas, most of them in STEM,” the minister added further.

Mrs. Sitharaman stated that India will attract investments and have the purchasing power to demand the best of things from whoever creates it.

India is still best in agriculture. “The food security of several countries depend on imported food. Lots in the Middle East depend on India for their basic food materials. We will be one of the largest exporters of food and food processed materials,” she added further.

Correspondingly, labour intensive units, partly-skilled labour-intensive sectors such as textile, footwear, leather, and certain parts and components for the industry are majorly manufactured in India. “So, I see every reason to believe that this 7.5 to 8.5% growth is definitely sustainable for the next decade. These are elements that don't exist in any one country all put together. You may have one in one country, and the other in a different country. But India has it all,” the minister stated.

India expected to grow by 8.3% in 2021-22: World Bank

IBEF: October 11, 2021

Backed by an increase in public investment and incentives to boost production, the Indian economy is expected to grow 8.3% in fiscal year 2021-22, less than the previous forecast earlier this year, ahead of that the country was hit by the second wave of the COVID-19 pandemic, the World Bank stated in its latest report.

The World Bank's chief economist for the South Asia region, Mr. Hans Timmer, told PTI that if you look at the high-frequency data, you can see that the recovery has been paused due to the second wave of the COVID-19 pandemic and some experts are suggesting recovery actually declined briefly.

We project 8.3% (growth rate of the Indian economy) for this financial year, which is less than we had forecast at the beginning of the year before the health crisis caused by the second wave.

It may not sound like a big deal given the sharp downturn in the economy last year, but in my opinion, given the violent second wave and the severity of the health crisis, it's very positive news, he said.

On March 31, the World Bank stated India's real GDP growth for fiscal year 21/22 could range from 7.5 to 12.5% in its latest South Asia Economic Focus report published ahead of the annual Spring meeting of the World Bank and the International Monetary Fund (IMF).

In April-May, India battled the second wave of the deadly coronavirus pandemic, with > 300,000 new cases daily, disrupting hospitals and health systems due to lack of medical oxygen and beds.

What is remarkable and positive about this number is, according to Mr. Timmer, that the breakout was short-lived, and the economy was not as affected as the previous year.

That's how we came up with 8.3% growth, he added.

We continue to think that the situation is very insecure internally and sometimes externally. We continue to use a very wide range of possible outcomes for the Indian economy, the further we go in the current year, the less uncertainty it is.

But this range that we are using is 7.5-12.5%, we have been doing this since the pandemic started, and now you must conclude that we are at the lower end of that range, but that is totally due to the second wave in my view, Mr. Timmer added.

This has mitigated some of the effects in vulnerable areas in India. Now is the time to change course and focus on medium-term growth, he said, adding that India had already made some reforms in that direction during the crisis.

He noted that the labor and agrarian reforms are still being discussed and said that they go in a direction that the bank believes is necessary.

Parts of the economy open, where potential is untapped, he said.

Mr. Timmer said he was particularly interested in labor reforms that are trying to create funds to build social protection systems, not only for people in the formal sector, but also for informal workers and migrant workers.

We have long advocated for a more universal social protection system, he said.

India has had many short-term relief efforts, but it is not sustainable. You need to set up a robust system that covers most of India. These reforms go in that direction. At the same time, there is still a lot to do, Mr. Timmer said.

One of the main focuses of the latest World Bank report is to unlock the potential of the service sector, where it is possible to make services the engine of development in India, which is still highly regulated and highly protected from international competition.

The most recent South Asia Economic Focus, entitled 'Shifting Gears: Digitization and Services -Led Development', forecasts growth of 7.1% in the region in 2021 and 2022.

While year-on-year growth in the region remains strong, although from very low levels in 2020, the recovery has been mixed across countries and sectors.

South Asia's average annual growth is projected to be 3.4% compared to 2020-23, 3% points less than in the four years before the pandemic.

The economy of India, the largest in South Asia, is expected to grow 8.3% in fiscal year 2021-22, aided by increased public investment and incentives to stimulate production.

In Bangladesh, the ongoing recovery in exports and consumption will help drive growth rates to 6.4% in fiscal year 2021-22. In the Maldives, GDP is expected to grow 22.3% in 2021 as tourism figures recover, the bank said in a report.

The pandemic had a profound impact on the South Asian economy. Going forward, much will depend on the speed of vaccination, the possible emergence of new COVID variants and a significant slowdown in global growth dynamics, said Mr. Hartwig Schäfer, World Bank Vice President for the South Asia region.

While a short-term recovery is important, policymakers must also seize the opportunity to address deep-rooted challenges and embark on a green, resilient and inclusive development path, it said in a statement.

COVID-19 has left long-term scars on the region's economy, the effects of which may last well into the recovery.

Many countries have experienced lower investment flows, supply chain disruptions and setbacks in human capital accumulation, and significant increases in debt.

It is estimated that the pandemic left between 48 and 59 million poor people in the South Asia in 2021, it added.

India-Australia set expeditious pace for CECA negotiations

Fiinews

Commerce and Industry Minister Piyush Goyal and Minister for Trade, Tourism and Investment Dan Tehan have formally launched on 30 Sept 2021 the resumption of negotiations on the India-Australia Comprehensive Economic Cooperation Agreement (CECA).

The Ministers agreed on expeditious negotiations of CECA, said the Commerce and Industry Ministry.

Both India and Australia reaffirmed commitment to conclude the CECA, including to reach an interim agreement by December 2021 to liberalise and deepen bilateral trade in goods and services, and to conclude the negotiations on a full CECA by the end of 2022.

The Joint Ministerial Commission detailed the areas that will be covered by the interim agreement consistent with Article XXIV of the General Agreement on Tariffs and Trade, including goods, services, investment, energy and resources, logistics and transport, standards, rules of origin, and sanitary and phytosanitary measures.

Also, the Ministers discussed a range of issues during the 17th India-Australia Joint Ministerial Commission meeting. Key issues included resolution of tax-related issues faced by Indian software companies in Australia, ensuring increased two-way trade and the 12th Ministerial Conference of the WTO scheduled to be held at the end of this year.

Goyal and Tehan agreed to explore government procurement. It was agreed that there would be an exchange of offers by the end of October 2021.

Looking to build on the progress made by both countries on earlier bilateral negotiations, both Ministers agreed the need for a balanced trade agreement that encourages expanded trade and investment flows to the benefit of both of our economies, and that reflects a shared commitment to the rules-based international trading system.

Reaffirming their commitment to working together, both ministers agreed to strengthen the rules-based, transparent, non-discriminatory, open, and inclusive multilateral trading system embodied by the World Trade Organization.

They also agreed to work towards an ambitious and balanced outcome at the 12th WTO Ministerial Conference (MC12) in Geneva.

India-Australia bilateral trade has exceeded AUD$24 billion last year. Major Indian exports to Australia are petroleum products, medicines, polished diamonds, gold jewellery, apparels etc, while key Australian exports to India include coal, LNG, alumina and non-monetary gold.

In services, major Indian exports relate to travel, telecom and computer, government and financial services, while Australian services exports were principally in education and personal related travel. In 2020, India was Australia's seventh-largest trading partner and sixth largest export destination, driven by coal and international education.

India-US to allow defence industries collaboration on technologies

By Fiinews

India and the US have agreed in-principle to establish the Indo-US Industrial Security Joint Working Group to align the policies and procedures expeditiously that will allow the defence industries to collaborate on cutting edge defence technologies.

The group will meet periodically, Ministry of Defence said after concluding the five-day Industrial Security Agreement (ISA) summit on 1 Oct 2021 in New Delhi.

The summit was organised to develop protocol for the exchange of classified information between the defence industries of both the nations.

The Summit was led by Designated Security Authorities (DSAs), Anurag Bajpai and David Paul Bagnati, representing India and the US delegates.

The ISA was signed in December 2019 to facilitate the exchange of classified information between the defence industries of both the countries. It was held to create a roadmap for the implementation of the ISA.

The DSAs also visited Indian defence industry in preparation for the roadmap.

India explores incentives to facilitate further UAE investments

By Fiinews

India and the UAE share a broad and deep strategic partnership, and this has helped bilateral economic ties continue to strengthen despite the challenges of the COVID-19 pandemic, Sheikh Hamed bin Zayed Al Nahyan, Co-Chair of the Joint Task Force and Member of the Executive Council of the Emirate of Abu Dhabi, said after chairing a bilateral meeting where incentives were being explored to facilitate further investments from the Emirates.

“The Joint Task Force offers an important platform for dialogue between our two countries, raising new opportunities for trade and investment, and removing bottlenecks to further cooperation,” said the Sheikh.

“Looking ahead, India and the UAE share ambitious goals to expand trade and investment activities between our countries, and the Joint Task Force will continue to play an important role in achieving these objectives,” he said.

The bilateral meeting, held 2 Oct 2021 in Dubai, explored mutually beneficial methods and incentives to facilitate further investment from UAE sovereign investment entities in key priority sectors in India. The positive steps made by the Indian government in this context were noted and both sides agreed to continue to focus on ways of providing tax incentives to certain UAE sovereign investment entities.

The meeting underlined the importance of active involvement from the UAE Special Desk within Invest India and the National Investment Promotion Agency of India in expediting the resolution of both legacy issues and current difficulties experienced by UAE companies and banks in India.

The Indian side also highlighted some longstanding issues faced by Indian investors in the UAE. Both sides agreed to continue coordination and cooperation at the highest official levels for the early resolution of these issues.

Given the importance of air transport in facilitating bilateral ties and people-to-people connections, both sides agreed that their respective civil aviation authorities should continue to work together on a priority basis, for their mutual benefit, to ensure the speedy normalisation of air transport operations between the two countries.

The meeting also reviewed the positive outcomes achieved through the work of the Joint Task Force to date, and the two sides agreed to continue exploring ways to facilitate investment in areas of mutual interest with the potential for economic growth.

The meeting reviewed progress of ongoing discussions on the India-UAE Comprehensive Economic Partnership Agreement, which will be a significant and wide-reaching step in promoting trade and investment between the two countries.

In this regard, both sides appreciated the efforts made to expedite discussions towards a well-balanced agreement that will considerably deepen bilateral economic ties and benefit the economies of both countries.

Participants at the meeting also considered ongoing efforts to amend the UAE and India’s longstanding Bilateral Investment Treaty and noted the importance of concluding the negotiation process as soon as possible.

“India and UAE have longstanding ties which have become stronger in recent times and our continued engagement even during the pandemic reflects the priority this partnership holds for both our nations,” elaborated Piyush Goyal, Co-Chair of the Joint Task Force and Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textiles.

"Our leadership accords a special place to our relationship with the UAE and our bilateral forums like the Joint Task Force provide effective mechanisms to build on our long-standing friendship.

"Given the strong growth prospects of the Indian economy, we look forward to increase in investments from the UAE in diverse sectors of India. We are sure that the world will continue to witness greater achievements in the India-UAE partnership in the future," said Goyal.

The two leaders were joined by senior officials representing relevant government authorities and various investment entities from both countries in the meeting.

The Joint Task Force was established in 2013 as a key forum for promoting economic ties between the UAE and India, which were further strengthened by the signing of the Comprehensive Strategic Partnership Agreement between the two countries in January 2017 by Indian Prime Minister Narendra Modi and His Highness Sheikh Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces.

The two sides noted the impact of the COVID-19 pandemic on global trade and investment and reiterated the importance of continuing to strengthen the deep economic ties between the two countries at the Joint Task Force meeting.

Both sides recognised the collaboration between India and UAE during this difficult period and appreciated the leadership provided by the two countries in their regions to confront the pandemic.

India faces $100bn funding gap in 104 Tier 2 cities

By Fiinews

VC Circle estimates that the real estate funding gap in India is at US$100 billion, most of it being in the 104 Tier 2 cities, representing 75% of the country's aggregate GDP, noted the United Arab Emirates-headquartered LandOrc, which is tokenizing lending to the real estate industry and redefining the industry.

But the real estate activity in the Tier 2 and 3 cities are experiencing the highest growth rate, especially in the smaller scaled projects, said LandOrc, which is focusing specifically on this segment by tapping into alternate funding available from the large capital base within Decentralised Finance (DeFi) and crypto assets of US$2.2 trillion, globally.

Offering lending with an average deal size of US$150,000 per project and with tenures of less than six months to fill the funding gap in Tier 2 and Tier 3 cities. The low value, high volume and fast turnaround of projects offers risk mitigation to lenders. Ensuring a high debt scenario for a single property developer like Evergrande is unlikely to happen. Additionally the lending is secured against a land collateral, held via a Non Fungible Token (NFT) on the blockchain, explained LandOrc in a release on 13 Oct 2021 out of Dubai.

The transparency and speed of a blockchain based approval system ensures that the property developers are able to access lending at a faster time frame and the cost of capital is lower than what is available locally. Thus LandOrc is enabling the reduction of the cost of housing and providing a growth driver to the real estate industry.

The LandOrc team on-ground has deep experience in real estate and finance to ensure that the lending process is done within local regulatory frameworks and is scalable over time.

This tokenization of lending allows for global investors to participate from the comfort of home to achieve up to 20% APR (annual percentage returns) on the LandOrc platform.

The real estate industry globally has been facing a funding gap despite all the governmental quantitative easing efforts during the pandemic. Most of the benefits from the easing have been targeting end consumers and individuals and not the businesses. This has further accentuated the funding gap already faced by real estate developers prior to the pandemic, said LandOrc.

Based on an expected APR of up to 20% the LandOrc utility token LORC is expected to grow by three times based on independent analysts using dividend discount model.

LORC tokens have high liquidity and offer secondary market exposure having been already listed on Uniswap and with upcoming listing in large centralised exchanges like Coinsbit and Bitforex scheduled in October, and few more in upcoming months.

Air India privatization sends out clear message to markets and global investors

By Fiinews

The successful privatization of Air India marks a momentous event and sends out a clear message to the markets and global investors that the present government has the political will to bite the reform bullet, Chandrajit Banerjee, Director General, Confederation of Indian Industry, said of the 8 Oct 2021 announced privatisation of the national carrier after more than two decades of divestment attempts by the central government.

"It indeed marks a watershed event for the policy discourse on disinvestment and privatization in India," said CII in a release on 11 Oct 2021.

"The move also amply demonstrates the trust which the government reposes in private sector by bringing them centre stage with its bold privatization program," added Banerjee.

With taxpayers contributing over Rs.1.1 lakh crore to support the loss-making behemoth since 2009-10, Air India's privatization is expected to release funds to support government's spending efforts in sectors which require concerted hand holding.

"Air India's successful sell-off, albeit after multiple efforts, will infuse a fresh vigour to the ambitious plan of disinvestment and privatisation of public sector enterprises," said Banerjee.

It will help to embolden confidence in government's capacity to close transactions and thus encourage bidding in future sales. This impetus was much required as the government is lagging in its disinvestment plans with only around 5% of the annual target laid out in the Union Budget met so far till August 2021.

After Air India, the government has lined up other Public Sector Enterprises (PSEs) for strategic sale including BPCL, CONCOR and Shipping Corporation of India. The recent announcement on asset monetisation will further bolster the government's resource raising ability.

"In order to capitalize on the optimism and positive buzz created by Air India sale, the government could now look at fast-tracking its efforts of privatization in the banking space, which would set the direction in an area where reforms have been long overdue," said Banerjee.

This is much needed for greater efficiency and scale in banking and the time is right for moving ahead with privatization of identified two public sector banks, he further added.

One of the critical building blocks which set up the template for a successful privatization policy was the move to delineate PSEs into strategic and non-strategic sectors in the Union Budget 2021-22. This was one of the main recommendations enunciated in a CII Report (The Rise of the Elephant: Enhancing Competitiveness of Central Public sector Enterprises) on PSEs published in 2019.

Apart from this, another important aspect of the government's disinvestment policy includes setting up a special purpose vehicle (SPV) for monetising land and giving incentives to states for carrying out similar disinvestment of state PSEs. In this regard, "it may be useful for the government to monitor and publish the sales that are taking place through SPVs for monetizing land for ensuring transparency in deals and generating greater interest from bidders", said Banerjee.

"Air India's sale marks clearly a turning point for the implementation of reforms in India. Kudos to the team that has implemented this," Banerjee said, applauding the decision in favour of profit-and-growth-oriented private sector dominant businesses and industries in the country.

India set to achieve 450 GW renewable energy installed capacity by 2030: Ministry of New and Renewable Energy (MNRE) Invites global stakeholders to invest in India's RE sector

Press Information Bureau: October 12, 2021

The Ministry of New & Renewable Energy (MNRE) in partnership with FICCI, organised a series of events, from October 6th-8th, 2021 during the Climate and Biodiversity Week at Expo 2020 Dubai. The events covered the themes of India's Renewable Energy Achievements and Ambitions, Emerging Areas and Opportunities for Renewable Energy in India, and also focussed events anchored by the Solar Energy Corporation of India (SECI) and Indian Renewable Energy Development Agency (IREDA). An event on the theme of One Sun One World One Grid (OSOWOG) was also organised by International Solar Alliance promoting interconnective across borders to harness solar energy without intermittency.

Addressing the MNRE-FICCI – SECI event, Mr. R.K. Singh, Minister of Power, New and Renewable Energy, emphasized that the world is on the cusp of transformation, and immediate corrective steps are needed to mitigate climate change. He highlighted that energy transition needs to be the first step in this direction.

He said that India is already ahead of what we pledged in our Nationally Determined Contributions (NDCs) saying that, "Already 39% of our installed capacity is from non-fossil based sources. By 2022 we will reach our target of 40%."

Highlighting that transmission is a challenge and getting it into place is work in progress, he said, "We are launching the Green Corridor Phase 2 and we are generally expanding transmission to put in place systems for renewable power evacuation from sites where irradiation is high, or wind speed is high."

Mr. Singh also said that intermittency of renewable power is another challenge for the entire world highlighting that battery storage per unit currently is high and needs to come down. He added that Government is coming out with bids for battery storage.

There is a Production Linked Incentive for battery storage already in place and demand needs to be encouraged to bring down the prices of storage, Mr. Singh added.

Speaking on the opportunities for green hydrogen in India, Mr. Singh said, "MNRE will work out with bids for electrolysers and that mandates for green hydrogen consumption in refining, fertilizer, piped natural gas."

Mr. Singh also said that SECI has had promising growth and is expected to continue this momentum as new and emerging areas in the clean energy space are set for a boom and stated his vision of SECI becoming an energy conglomerate of the new world. India has embarked on an exciting journey and is treading where no one has ventured before, and SECI will continue to work towards meeting the ambition of 450 GW by 2030.

Mr. Bhagwanth Khuba, Minister of State, New and Renewable Energy, Chemicals and Fertilizers, Government of India said on the first day of the event, that the energy sector is set to undergo a drastic transformation across the globe and the future belongs to the renewable energy. "This is going to be a collective effort and our energy transition will be inclusive and equitable so that no one is left behind. We welcome all our partners to come and invest in India and join us in this incredible journey," he added.

He further said that in view of the 175 GW installed RE capacity by 2022 announced in 2015 by the Mr. Prime Minister Narendra Modi, India surpassed the 100 GW milestone (excluding large hydro) in 2021. He also added that as of now India has only tapped a fraction of the vast potential for renewable energy and, therefore, India has raised the target to 450 GW RE installed capacity by 2030.

Inviting global stakeholders, on day two of the events, Mr. Khuba reiterated the benefits of investing in India's RE sector and highlighted that ensuring Ease of Doing Business has been India's utmost priority. "We have established dedicated Project Development Cell (PDC) and FDI Cell in all ministries for handholding and facilitating domestic and foreign investors. 100% FDI is also permitted through direct automatic route," he emphasized.

Giving the Keynote Address on the theme of Renewable Energy in India: Emerging Areas and Opportunities, Mr. Khuba added that India is set to tap into more than 70 Gigawatt of off-shore wind potential. "India now has decided to ramp up its solar module manufacturing capacity. The Government of India has recently launched the Production Linked Incentive scheme for the manufacture of High Efficiency Solar PV Modules. We expect to add 10 Gigawatt of solar PV manufacturing capacity over the next five years", he said.

He further added, "Green hydrogen is going to play an important role in decarbonizing our economy especially in the hard-to-decarbonise sectors. India is developing the National Green Hydrogen Energy Mission to scale up green hydrogen production and utilization across multiple sectors." India is targeting initially approximately 1 million tonnes annual green hydrogen production by 2030, he said.

Mr. Khuba said that India's ambitious target of 450 GW opens up investment opportunities to the tune of USD 221 billion by 2030. This will be a long-term investment into sustainable development for our future generations, he added. "I invite partner countries and business leaders of the world to come and join us in this unprecedented journey we are undertaking", said Mr. Khuba.

Mr. Indu Shekhar Chaturvedi, Secretary, Ministry of New and Renewable Energy, Government of India said that the current RE capacity additions in India are a result of favourable public policy to a large extent and the private sector has played a key role in achieving this.

He further stated that the government is making policy ecosystem more favourable to the RE sector

On the topic of the general investment climate in India's RE sector and new and emerging areas of opportunities for investors, Mr. Chaturvedi said that MNRE is making continuous efforts towards ease of business reforms and issues are addressed on a regular basis. These include a set of robust RE bidding guidelines, dispute resolution mechanism, among others due to which the sector has seen investment of about USD 70 billion in the last about seven years.

Mr. Chaturvedi listed three new areas of emerging opportunities for investors – green hydrogen, off-shore wind, and solar PV manufacturing. Mandatory purchase obligations are intended to increase use of green hydrogen in sectors like fertilizers, petroleum refining, and city gas distribution.

He said that in off-shore wind Government support and investments from domestic and foreign players will be required over the next few years. Mr. Chaturvedi also said that bids of about 55 GW capacity have been received under the PLI Scheme for Solar Module manufaturing. A large amount of this investment will be directed towards the production of polysilicon modules and wafer-ingots.

India retains 3rd position in RE investment attractiveness index

IBEF: October 14, 2021

According to EY, India has retained the third rank in the Renewable Energy Country Attractiveness Index.

India stayed at the third position in the 58th edition of EY's Renewable Energy Country Attractiveness Index' (RECAI), which classifies the world's top 40 markets on the attractiveness of their renewable energy investment and deployment opportunities.

With the environment, social and governance (ESG) measures surging to the top of the agenda for companies and investors, RECAI also features that corporate power purchase agreements (PPAs) are evolving as a key driver of clean energy growth, it added. A new PPA Index - presented in this edition of RECAI - concentrates on the attractiveness of renewable power procurement and ranks the growth capability of a nation's corporate PPA market. India was ranked sixth among the top 30 PPA markets.

India's flourishing renewable energy market conditions, comprehensive policy decisions, investment and technology advancements focusing on self-reliant supply chains have driven the clean energy transition to new levels, the statement added.

The EY report exposes that the drive to incorporate increasing volumes of variable resources is set to put grid infrastructure under substantial pressure, and the investment needed to upgrade and expand energy transmission infrastructure across the world will be a key challenge.

Mr. Somesh Kumar, Partner and National Leader, Power & Utilities, EY India, stated, "In August 2021, India observed a watershed moment in tackling the climate crisis. The total installed renewable energy capacity (excluding large hydro) crossed the milestone of 100 GW".

According to the study, the US, China and India remain to retain the top three rankings and Indonesia is a new entrant to the RECAI.

The US maintained its top position on RECAI and is expected to hold its place as new initiatives are being announced under President Mr. Joe Biden. China and India remain unaffected in the ranking at second and third position, respectively, as satisfactory regulatory and investment conditions continue in these markets.

The top-performing countries have held their ground in this most recent issue with no movement into or out of the top eight. France (fourth position, up by one) and the UK (fifth position, down by one), while Germany (sixth position, up by one) has is ahead of Australia (seventh position, down by one) after its onshore wind market had a productive first half of 2021, with 971 MW added, marking a 62% rise from the first half of 2020, it stated. Also, under the limelight are policy support and notable government auction rounds for Greece, Spain, Taiwan and the UK. The Philippines (27th position, up by four) has moved up the ranking with an implied target of achieving 35% renewable energy by 2030, while also setting out its offshore wind road map.

Cabinet approves the Atal Mission for Rejuvenation and Urban Transformation - AMRUT 2.0 till 2025-26

Press Information Bureau: October 13, 2021

Union Cabinet, chaired by the Prime Minister Mr. Narendra Modi, approved the Atal Mission for Rejuvenation and Urban Transformation 2.0 (AMRUT 2.0) till 2025-26, as a step towards AatmaNirbhar Bharat and with aim of making the cities 'water secure' and 'self-sustainable' through circular economy of water. The cabinet understands that providing reliable and affordable water supply and sanitation services to urban households is a national priority. This will be achieved by providing functional tap connections to all households, undertaking water source conservation/ augmentation, rejuvenation of water bodies and wells, recycle/re-use of treated used water and rainwater harvesting. The project shall lead to ease of living by providing piped water supply and sewerage / septage facility to urban households.

Atal Mission for Rejuvenation and Urban Transformation (AMRUT), first focused national water Mission was launched in June 2015 to facilitate ease of living to citizens in 500 cities by providing tap connections and sewer connections. So far, 1.1 crore household tap connections and 85 lakh sewer/ septage connections have been provided. 6,000 MLD sewage treatment capacity is being developed, of which 1,210 MLD capacity is already created, with provision for reuse of 907 MLD treated sewage. 1,820 parks with area of 3,600 acre have been developed, while another 1,800 acres of area is under greening. So far, 1,700 flooding points have been eliminated.

Taking forward the remarkable strides made under AMRUT, AMRUT 2.0, targets universal coverage of water supply by providing household tap connections in all 4,378 statutory towns. 100% coverage of household sewerage/ septage management in 500 AMRUT cities is other objective. Mission targets to provide 2.68 crore tap connections and 2.64 crore sewer/ septage connections to achieve the intended outcomes.

Total indicative outlay for AMRUT 2.0 is Rs. 2,77,000 crore including central share of Rs.76,760 crore for five years from FY 2021-22 to FY 2025-26.

Mission will be monitored on a robust technology based portal. The projects will be geo-tagged. There will be an endeavor to make it a paper-less Mission. Cities will assess their water sources, consumption, future requirement and water losses through a city water balance plan. Based on this, city water action plans will be prepared which will be summed up as State Water Action Plan and will be approved by the Ministry of Housing and Urban affairs. The funds for the projects will be shared by Centre, State and ULBs. Central funds will be released to the States in three tranches based on allocation to the State as per State Water Action Plan.

Other key features of AMRUT 2.0 (U) include Pey Jal Survekshan which will encourage competition among cities for benchmarking urban water services. Mission will also encourage mobilization of market finance by mandating implementation of 10% of worth of projects in cities with population above ten lakh through Public Private Participation. Mission will also bring in the leading technologies in water sector in world through technology sub-Mission. Entrepreneurs/ start-ups will be encouraged in water eco-system. Information Education and Communication (IEC) campaign will be undertaken to spread awareness among masses about water conservation.

Mission has a reform agenda focussed towards financial health and water security of ULBs. Meeting 20% of water demand through recycled water, reducing non-revenue water to less than 20% and rejuvenation of water bodies are major water related reforms. Reforms on property tax, user charges and enhancing credit worthiness of ULBs are other important reforms. ULBs will be rewarded with incentive on accomplishing the reforms.

BANKING/FINANCE

New auto debit rules of RBI set to kick in from today

IBEF: October 01, 2021

With the Reserve Bank of India's (RBI) extended deadline expired, there will be no automatic recurring payments for various services such as recharge and utility bills, as the additional factor of authentication (AFA) will become mandatory.

On December 4, the RBI issued a directive to all banks, including RRBs, NBFCs, and payment gateways, stating that the processing of recurring transactions (domestic or cross-border) using cards, Prepaid Payment Instruments (PPIs), or the Unified Payments Interface (UPI) under non-AFA arrangements/practices would be discontinued after March 31, 2021.

RBI announced this step is to improve the safety and security of card transactions as part of risk mitigation measures.

However, due to the lack of preparedness of some players, the RBI has extended the deadline for regular payments, including as utility bills, phone recharges, DTH, and OTT, till September 30.

Banks would be obliged to notify customers in advance of recurring payment due dates, and transactions will be carried out only after the consumer has given his or her consent. As a result, the transaction would not be automated, but rather would take place following the customer's authentication.

According to the new standards, banks must offer consumers a one-time password for recurring payments over Rs. 5,000 (US$ 67.32).

The new restrictions have been communicated to most banks' clients, including State Bank of India (SBI). According to RBI rules on e-Mandate on cards, HDFC Bank will refuse non-compliant recurring transactions on your Credit/Debit Card at merchant online or app from October 1, 2021, according to a bulk message sent to consumers.

"Alternate Solution: Retry regular payment on Merchant Web/App authenticated via OTP or Pay via AutoPay in BillPay on our NetBanking for your Electricity/Water/Gas/Landline/Postpaid mobile/Broadband/Insurance billers," the statement added. The Reserve Bank of India (RBI) published a framework for processing e-mandates on recurring online transactions in August 2019.

The framework, which was initially limited to cards and wallets, was extended in January 2020 to include Unified Payments Interface (UPI) transactions.

The need of the AFA, according to the RBI, has made digital payments in India safe and secure, with the framework's primary goal being to safeguard customers from fraudulent transactions while also improving user convenience.

The framework required the use of AFA during registration and the first transaction (with a relaxation for subsequent transactions up to a limit of Rs. 2,000 (US$ 26.93), which has since been increased to Rs. 5,000 (US$ 67.32)), as well as pre-transaction notification, the ability to withdraw the mandate, and other features to improve customer convenience and safety when using recurring online payments.

BUSINESS

Heavyweight investors return to the Indian retail sector

Fiinews

Considering that the long-term future of organized retail in India looks secure, investments continue to flow into the segment with a US$733 investment platform for retail-led mixed-used assets launched in June 2021 and US$1.5 billion in March 2021.

In June 2021, a partnership of GIC, a Singapore sovereign wealth fund, and Phoenix Mills Ltd of Mumbai established the US$733 million investment platform for retail-led mixed-used assets in India, Pankaj Renjhen, COO and joint Managing Director of ANAROCK Retail, said in a report on assessment of recovery expected in the retail sector and mall-based assets on 4 Oct 2021.

The Phoenix-GIC commitment followed another international investor Blackstone which formed a US$1.5 billion partnership in March 2021 with Prestige Group for retail and commercial assets' acquisition in India.

Similarly, adding momentum to the big number investments was Indian heavyweight Reliance Retail which raised Rs.47,265 crore by selling a 10.09% stake to global investors such as Silver Lake Partners, KKR, ADIA and others.

"A Pan-India comparison of retail mall supply additions planned for 2021 depicts more than double growth over the previous year," said Renjhen, expecting new pan-India retail mall supply of 4.5 million sq ft of new mall supply in 2021 across Indian cities, more than double of 2020 (approx. 2.1 mn sq. ft.).

"The Indian economy is likely to regain its growth trajectory as the COVID-19 effect recedes."

The Indian retail sector is witnessing accelerated organization. As per industry estimates, organized retail is growing at a 20-25% CAGR per year, and the comeback of new retail mall supply bodes well for the sector.

Overall, there are good times are ahead for Indian retail real estate after a subdued slowdown inorganically cast by the COVID-19 outbreak, according to Renjhen.

With the second COVID-19 wave receding gradually and the vaccination drive picking up pace, consumer confidence is once again heading

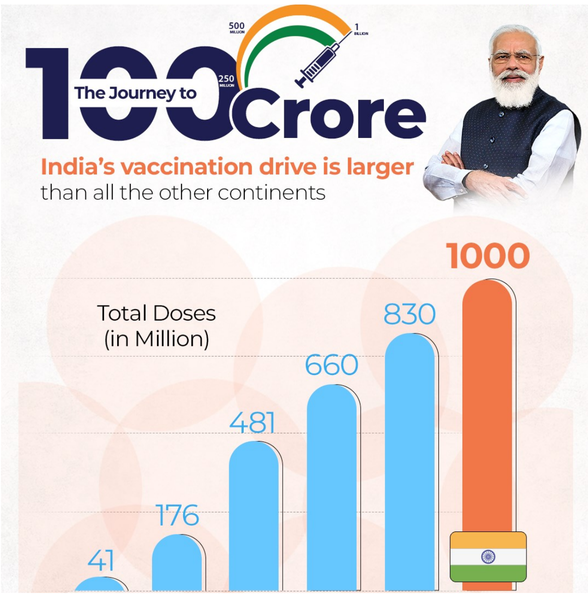
northwards. Due to a substantial improvement in the general economic situation and employment scenario outlook, the future expectations index (FEI) of RBI's latest Consumer Confidence Survey returned into the optimistic territory, said the ANAROCK report.
Organized retail penetration in India is less than 10% compared to the developed nations such as the US and UK at 85% and 80%, respectively.
Per capita organized retail space in India is approx. 2 sq. ft per person compared to the US at 23 sq. ft. per person and Dubai at 16 sq. ft. per person.
The ANAROCK report also recalled the big drop in retail sector in 2020, hit hard by COVID-19.
To say that COVID-19 cast a shadow on the Indian retail sector is an understatement, and any hopes for a swift comeback in 2020 fell flat. New mall completions – a lead indicator of the sector's prospects – were phenomenal in 2019, with around 8.5 Mn sq. ft. added across the top 7 cities. This was a staggering 73% growth over the previous year.
However, with complete and then intermittent lockdowns laying a serious jinx on the sector from March 2020, consumers were under house arrest and buying only essentials via ecommerce portals. Also, construction took a major hit during the lockdowns. There were severe supply constraints as well as a shortage of semi-skilled and unskilled construction workers.
As a result, new mall completions in 2020 dropped by 75% over the previous year, clocking in at approx. 2.1 Mn sq. ft, according to the report.

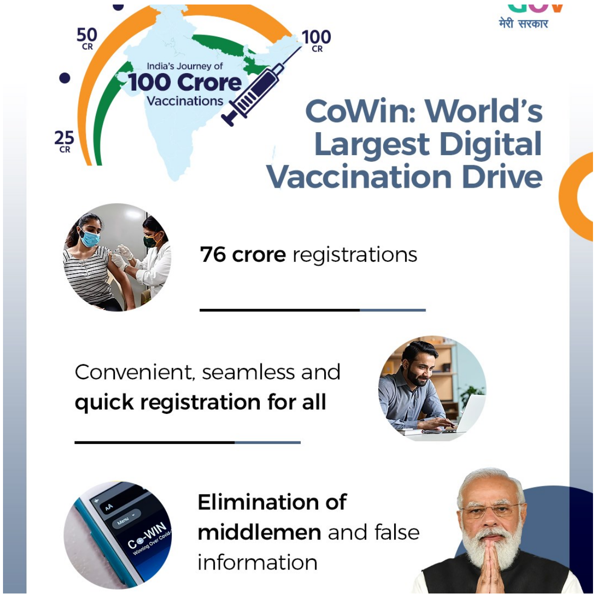
India has a great future in diversification of global supply chain

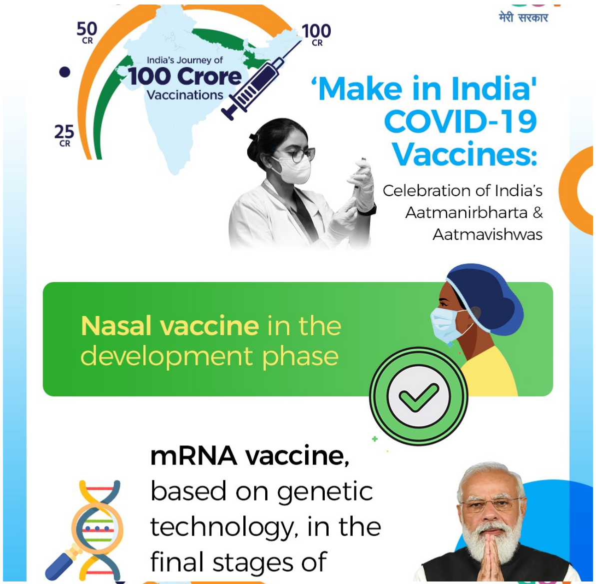
Fiinews

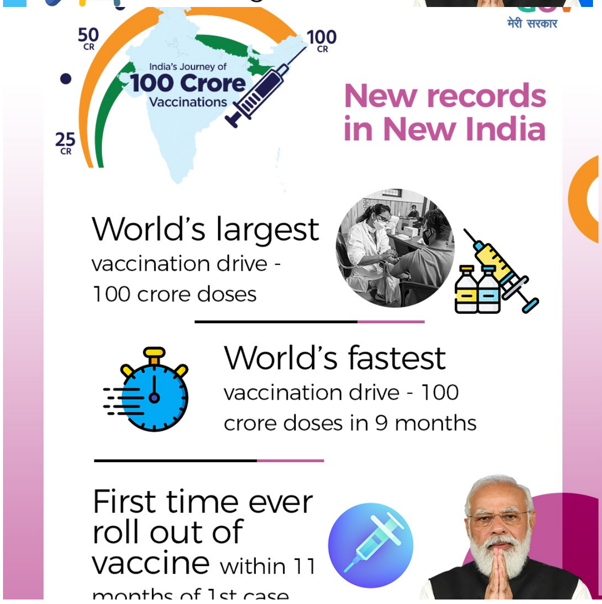
India has a great future in supply chain diversification at global level, Peter Rimmele, Resident Representative to India, Konrad-Adenauer-Stiftung (KAS), told the PHD Chamber's 116th Annual Session on 1 Oct 2021.
While noting the need of supply chain diversification at the global level, he also highlighted the Indo-German relations for cooperation in potential sector for robust growth.
India has the potential to supply largest volume and velocity of data which can benefit countries around the world, added Atantr Dasgupta, Director, South West Asia and Head, Samsung HME.
Data can fuel the economy and so inclusiveness is needed on that front too, he told the session.
Dasgupta also raised the issue of India's limited budget on health care, pointing out that the country's spending on health sector is quite low.
"There is huge gap in health care infrastructure, so there is need for strong technological intervention in the building resilient infrastructure for inclusive growth," he said at the virtual session on 'India's Resilience: Converting Recession to Rebound' which was organized by the PHD Chamber of Commerce and Industry (PHDCCI).
The session also heard views of experts on the Indian economy.
Though the economy is showing signs of recovery, yet there is a wide gap that is building up between the rich and poor as a direct result of the pandemic, noted Dr. D Subbarao, renowned Economist and Former Governor of the Reserve Bank of India.
This rising inequality need to be rectified by adequate measures. Therefore, he said, that in the short term, "we need to focus on exports and government spending while for long term we need all four factors for GDP — consumption, investment, government spending and exports to come together".
To attain a higher growth and sustainability in the long term, he suggested expanding the government spending to create more jobs and increase the consumption.
Sanjeev Sanyal, Principal Economic Advisor, explained how during the peak of COVID-19, the Indian government emphasised on mobilising available resources.
The business sector has received various incentive packages to keep operations stable through the lockdown, added Sanyal, highlighting the series of mid-size packages supporting businesses.
Despite being adversely affected by the outbreak of the pandemic, significant parts of the economy continued doing reasonably well, he observed.

Transforming India: *All Sectors*









FORTHCOMING EVENTS >>>> *INDIA*

I. ASIA ECONOMIC DIALOGUE 2022

Date & Venue: 23rd, 24th, 25th February 2022

Organizer: Ministry of External Affairs (MEA) and Pune International Centre (PIC)

Contact: **https://aed.puneinternationalcentre.org**

Details: AED 2022 will also see more Fireside Chats with heads of state, industry leaders, and chiefs of international agencies. The event will be spread over 3 days and will include 12 sessions on various sub-topics in the post-pandemic context such as, international cooperation, prospects for firm -level growth, the coming digital world, protecting livelihoods and enhancing incomes, and even a panel discussion with young entrepreneurs from different on ‘Form Ideas to IPOs’.

Notifications

Securities and Exchange Board of India

Circular on investments by AIFs incorporated in IFSC

https://www.sebi.gov.in/legal/circulars/aug-2019/circular-on-investments-by-aifs-incorporated-in-ifsc_43867.html

Guidelines for Liquidity Enhancement Scheme (LES) in Commodity Derivatives Contracts

https://www.sebi.gov.in/legal/circulars/jul-2019/guidelines-for-liquidity-enhancement-scheme-les-in-commodity-derivatives-contracts_43699.html

Ministry of Corporate Affairs

Companies Amendment Rules, 2018

http://www.mca.gov.in/Ministry/pdf/CompaniesXBRL0803rule_15032018.pdf

Reserve Bank of India

Change in Bank Rate

https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11705&Mode=0

Priority Sector Lending (PSL) – Classification of Exports under priority Sector

https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11692&Mode=0

Expanding and Deepening of Digital Payments Ecosystem

https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11707&Mode=0

Department of Industrial Policy & Promotion

Industrial Policy Statement 1991

https://dipp.gov.in/sites/default/files/IndustrialPolicyStatement_1991_15July2019.pdf

Consolidated FDI Policy Circular of 2017

http://dipp.nic.in/sites/default/files/CFPC_2017_FINAL_RELEASED_28.8.17_0.pdf

ISRO Planning "Next Generation" Astronomy Satellite, Says Top Space Agency Official

PTI, Updated: October 02, 2021

The Indian Space Research Organisation is exploring the possibility of developing a next-generation astronomy satellite, a top official from the space agency has indicated.

ISRO's first mission dedicated for the purpose of astronomy, AstroSat, launched on September 28, 2015 with its design life of five years. It is still functional.

"It (AstroSat) is expected to last some more years", AS Kiran Kumar who as the then Chairman of ISRO led the mission team, and is presently serving as the chair of the top science committee at the space agency, told news agency Press Trust of India. "We can expect some more results to come which will be path-breaking".

Asked about the possibility of ISRO launching AstroSat-2, he said: "Not AstroSat-2. Next generation...thinking is going on...depending on how planning happens...follow-on to this (AstroSat) in a different manner are being looked at".

According to ISRO officials, data from AstroSat is widely utilised for the study of various fields of astronomy, from galactic to inter-galactic and from users from all over the world.

FAQs on Foreign Investments In India

The fortnightly FAQs will broadly cover the following areas

- ***I. Foreign Direct Investment***
- ***II. Foreign Technology Collaboration Agreement***
- ***III. Foreign Portfolio Investment***
- ***IV. Investment in Government Securities and Corporate debt***
- ***V. Foreign Venture Capital Investment***
- ***VI. Investment by QFIs***

III. Foreign Portfolio Investment

Q. What is meant by Late Submission Fee (LSF)?

Answer: For the transactions undertaken on or after November 7, 2017, in case of reporting delays, the person/ entity responsible for filing the reports as provided in Part IV of the Master Direction on Reporting shall be liable for payment of Late Submission Fee (LSF). The payment of LSF is an additional option for regularising reporting delays without undergoing the compounding procedure.

Source: RBI

For Feedback & Comments, please contact:
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URL : www.hcisingapore.gov.in