

Weekly Compendium of Economic and Business Developments

For the week ending 25th January 2020

PHD Research Bureau disseminated information to the members of PHD Chamber & other industry stakeholders on various economic and business developments at International, National and Sub-national arena such as India joins WEF's Reskilling Revolution initiative as Founding Member, India's growth rate estimated at 4.8% in FY2019-20 and projected at 5.8% in FY2020-21 and 6.5% in FY2021-22: IMF's World Economic Outlook Update, January 2020, Central Government Notifies National Startup Advisory Council, Launch of Paperless Licensing for Petroleum Service Stations, RBI issues directions for permitting Rupee derivatives (with settlement in foreign currency) to be traded in IFSCs, Ministry of Finance restores funding pattern to advance basis under Digital India Land Records Modernization Programme (DILRMP), and Decisions taken by the Union Cabinet, among others. The details of disseminated information during the week ending 25th January 2020 are appended.

India and World Economy

- **India joins WEF's Reskilling Revolution initiative as Founding Member**- India has joined as a founding member of the World Economic Forum's (WEF) Reskilling Revolution, an initiative to provide one billion people with better education, skills and jobs by 2030. According to WEF, almost twice as many jobs can be created as lost by the Fourth Industrial Revolution. But the world face a challenge in preparing the workforce for that. In the next two years – by 2022 – 42% of core skills required to perform existing jobs are expected to change. In addition to high-tech skills, specialized interpersonal skills will be in high demand, including skills related to sales, human resources, care and education.
- **Decisions taken by the Union Cabinet**- Cabinet approves MoU between India and Brazil for cooperation in the oil and natural gas sector. Cabinet approves MoU between India and Brazil on Cooperation in field of Geology and Mineral Resources. Cabinet approves Amendments/Extension/Repeal in Acts dealing with Goods and Services Tax, Value Added Tax and Excise Duty in view of merger of Dadra & Nagar Haveli and Daman & Diu. Cabinet approves signing of MoU between Brazil and India for bilateral cooperation in the field of early childhood. Cabinet approves MoUs among India, Tunisia and Papua New Guinea Electoral Commission for elections for cooperation in the field of electoral management and administration. Cabinet approves Extension, of tenure of the Commission constituted under Article 340 of the constitution to examine the issue of sub-categorization within Other Backward Classes in the Central List. Cabinet approves Model MoU with foreign countries for unilateral/bilateral recognition of Certificates of Competency of seafarers.
- **India's growth rate estimated at 4.8% in FY2019-20 and projected at 5.8% in FY2020-21 and 6.5% in FY2021-22: IMF's World Economic Outlook Update, January 2020**- According to International Monetary Fund's (IMF) World Economic Outlook (WEO) Update: Tentative Stabilization, Sluggish Recovery?, January 2019, global growth is projected to rise from an estimated 2.9% in 2019 to 3.3% in 2020 and 3.4% for 2021. The estimations/projections reflect a downward revision of 0.1 percentage point for 2019 and 2020 and 0.2 for 2021 compared to those in the October World Economic Outlook (WEO). The downward revision primarily reflects negative surprises to economic activity in a few emerging market economies, notably India, which led to a reassessment of growth prospects over the next two years. In a

few cases, this reassessment also reflects the impact of increased social unrest.

- **[India ranks at 76th position among 82 economies in WEF's Global Social Mobility Index 2020 rankings-](#)** The World Economic Forum's (WEF) Global Social Mobility Index 2020 shows that very few economies have the right conditions to foster social mobility and consequently income inequalities have become entrenched. On average, across key developed and developing economies, the top 10% of earners have nearly 3.5 times the income of the bottom 40%. The countries that provide their populations with most equally shared opportunities are mostly Nordic economies: Finland, Norway, Sweden, Denmark and Iceland.
- **Central Government Notifies National Startup Advisory Council-** The Central Government has notified the structure of the National Startup Advisory Council to advise the Government on measures needed to build a strong ecosystem for nurturing innovation and startups in the country to drive sustainable economic growth and generate large scale employment opportunities.
- **Launch of Paperless Licensing for Petroleum Service Stations-** The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry has launched paperless licensing process through Petroleum and Explosives Safety Organisation (PESO) for petroleum service stations (retail outlets storing and dispensing petrol/diesel for motor conveyances) under the Petroleum Rules, 2002.

Finance

- **[RBI revises directions for lending against security of single product – Gold jewellery-](#)** In reference to paragraph 27 of Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016; and paragraph 27 of Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, RBI has decided that NBFCs can pool gold jewellery from different branches in a district and auction it at any location within the district, subject to meeting the following conditions: The first auction has failed. The NBFC shall ensure that all other requirements of the extant directions regarding auction (prior notice, reserve price, arms-length relationship, disclosures, etc.) are met.
- **[RBI revises Merchanting Trade Transactions \(MTT\) Guidelines-](#)** In reference to the Circular No.115 dated March 28, 2014 containing directions relating to merchanting trade transaction. With a view to further facilitate merchanting trade transactions, RBI has revised the existing guidelines as under: For a trade to be classified as merchanting trade, goods acquired shall not enter the Domestic Tariff Area. Considering that in some cases, the goods acquired may require certain specific processing/ value-addition, the state of goods so acquired may be allowed transformation subject to the Authorised Dealer Category (AD) bank being satisfied with the documentary evidence and bonafides of the transaction.
- **[RBI revises directions on Investment by Foreign Portfolio Investors \(FPI\) in Debt-](#)** Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified vide Notification No. FEMA. 396/2019-RB dated October 17, 2019, as amended from time to time, and the relevant directions issued there under. A reference is also invited to the A.P. (DIR Series) Circular No. 31 dated June 15, 2018 (hereinafter, Directions) read with A.P. (DIR Series) Circular No. 19 dated February 15, 2019.

- **RBI relaxes Voluntary Retention Route' (VRR) for Foreign Portfolio Investors (FPIs) investment in debt-** In reference to the Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified vide Notification No. FEMA. 396/2019-RB dated October 17, 2019, as amended from time to time, and relevant directions issued there under and Circular No. 34 dated May 24, 2019 (hereinafter Directions), the RBI has decided to made the following changes to the Directions governing investment through the Voluntary Retention Route (VRR): The investment cap is increased to Rs. 1,50,000 crores from Rs. 75,000 crores. FPIs that have been allotted investment limits under VRR may, at their discretion, transfer their investments made under the General Investment Limit to VRR. FPIs are also allowed to invest in Exchange Traded Funds that invest only in debt instruments.
- **GST Taxpayers can now file their GSTR-3B Returns in a Staggered Manner-** Considering the difficulties faced by trade and industry in the filing of returns, the government has decided to introduce several measures to ease the process. The Finance Ministry said that now GST taxpayers can file their GSTR-3B returns in a staggered manner. Presently the last date of filing GSTR-3B returns for every taxpayer is 20th of every month. From now on, the last date for filing of GSTR-3B for the taxpayers having annual turnover of Rs 5 crore and above in the previous financial year would be 20th of the month. Thus, around 8 lakh regular taxpayers would have the last date of GSTR-3B filing as 20th of every month without late fees.
- **RBI issues directions for permitting Rupee derivatives (with settlement in foreign currency) to be traded in IFSCs-** The Reserve Bank of India released directions u/s 45 W of the Reserve Bank of India Act,1934 permitting Rupee derivatives (with settlement in foreign currency) to be traded in International Financial Services Centres (IFSCs). As announced in the statement on Developmental and Regulatory Policies dated October 4, 2019, RBI has now been decided to allow Rupee derivatives (with settlement in foreign currency) to be traded in International Financial Services Centres (IFSCs), starting with Exchange Traded Currency Derivatives(ETCD).
- **Ministry of Finance restores funding pattern to advance basis under Digital India Land Records Modernization Programme (DILRMP)-** Department of Expenditure, Ministry of Finance has approved the proposal of Department of Land Resources under the Ministry of Rural Development to restore the funding pattern on advance basis for Digital India Land Records Modernization Programme (DILRMP) and also approved the certain components.

Trade

- **Global FDI stands at USD 1.4 trillion in 2019: UNCTAD-** According to UNCTAD's, Global Investment Trends Monitor, Global foreign direct investment (FDI) totaled USD 1.39 trillion in 2019, slightly less than a revised USD 1.41 trillion for 2018. But flows are still expected to rise moderately in 2020. FDI flows to developed countries remained at a historically low level, decreasing by a further 6% to an estimated USD 643 billion. FDI to the European Union (EU) fell by 15% to USD 305 billion, while flows to the United States remained stable at USD 251 billion.

Our Voice

The Indian economy is forecasted to grow at 5% this fiscal, its slowest pace in 11 years. The manufacturing growth is 15 year low and construction growth has slipped to nearly six year low of 3.2% in FY 20. However, there are green shoots in the economy as the Manufacturing PMI rose to 52.7 in December 2019 from 51.2 in November 2019 having hit a two-year-low in October. India's manufacturing activity improved in the last month of 2019 as a "solid rise" in factory orders boosted production growth. We are sure that reforms in corporate tax reduction, labour laws will improve the business sentiments of the formal sector, induce formal firms to expand and informal ones to formalise; at this juncture, entrepreneurs must be

encouraged to meet their financial needs such as easier and low cost access to credit is essential to encourage them for capital investments. So, full transmission of policy repo rates along with easy and collateral free finance to businesses particularly for small businesses becomes crucial for the effectiveness and fruitfulness of the reform efforts undertaken by the government.

Economy so far

- **Gig economy workers may soon have to register under GSTN-** The government is looking to get services professionals such as plumbers, electricians and beauticians listed on online platforms onto the Goods and Services Tax Network, in what could be yet another move to bring gig economy workers into the fold of the formal workforce. The Department for Promotion of Industry and Internal Trade (DPIIT) is considering making it mandatory for online marketplaces to only engage service professionals who have a GST Number or GSTIN.
- **Government may include off-budget spending for a clearer picture-** The Centre could include a host of off-budget spending and other government liabilities on its books to give a clearer picture of finances though this could raise the fiscal deficit sharply. Top government officials have held discussions on the move amid budget preparations and there is a growing view that a full picture is needed. The move will mean the fiscal deficit for FY20 could get pushed to 4.5% or higher.
- **India ranks 76th on WEF's Social Mobility Index, Denmark tops the list-** India has been ranked very low at 76th place out of 82 countries on a new Social Mobility Index compiled by the World Economic Forum (WEF), while Denmark has topped the charts. The report, released ahead of the 50th Annual Meeting of the WEF, also lists India among the five countries that stand to gain the most from a better social mobility score that seeks to measure parameters necessary for creating societies where every person has the same opportunity to fulfill his potential in life irrespective of socioeconomic background.
- **No wish for laws treating businesses with suspicion: Finance Minister** –According to Smt Nirmala Sitharaman, Hon'ble Finance Minister, government had no wish for laws which treat every business entity with suspicion. The government was working towards a desired environment in this regard and required business to work with it, she said.
- **Plan likely to give NBFCs more lending room-** The government is debating a mechanism to get credit flowing by providing support to non-banking finance companies (NBFCs) amid a growing realisation that financial sector stress has impacted demand and stalled economic recovery. The options that have been deliberated ahead of the February 1 budget include a plan akin to the Troubled Asset Relief Program (TARP). Such a programme would be run by the Reserve Bank of India (RBI) or a special purpose vehicle set up by the government
- **India may miss tax collection target for 2019-20 by nearly Rs 2.5 lakh crore: Shri Subhash Chandra Garg-** According to Shri Subhash Chandra Garg, former finance secretary, the government's tax collection is likely to fall short of its estimate by Rs 2.5 lakh crore or 1.2% of GDP in 2019-20. He called for scrapping of dividend distribution tax. Further, he said that corporate tax, excise duties and customs are likely to see negative growth in collections in 2019-20- something of the order of 8% in corporate taxes, about 5% negative growth in excise duties (Rs 2.2 lakh crore against Rs 2.31 lakh crore) and about 10% lower collection in customs duty (Rs 1.06 lakh crore against Rs 1.18 lakh crore).
- **Global investors ready with USD 3 billion kitty to enter India's credit market-** India's structured credit

market is likely to witness an investment of more than USD 3 billion in the current year as contracts get credibility with the bankruptcy law turning effective. A number of standalone credit funds, or those housed within larger global private equity funds, have viewed the current market dislocation and the steady maturing of the Indian credit markets as an incentive to invest into India in a significant way. Many global investors are looking for the first time to deploy USD 3 billion into India's credit market, especially the structured credit segment. With the new Insolvency and Bankruptcy Code (IBC), the regulatory environment and the difficulties in ensuring creditor rights in a timely manner have been addressed, attracting global investors.

- **Interim dividend issue may come up in next RBI's board meeting-** The issue of interim dividend may come up for discussion in the next Reserve Bank board meeting as the government struggles to meet its ambitious fiscal deficit target of 3.3% amid revenue shortfall. Government finances have come under pressure due to moderation in revenue collection and a slew of measures taken to lift growth from over six-year-low of 4.5% in the second quarter of the current fiscal.
- **No dearth of money, plan to spend Rs five lakh crore on infrastructure-** According to Shri Nitin Gadkari, Hon'ble Union Minister for Road Transport and Highways, his ministry planned to spend Rs 5 lakh crore on infrastructure development this year. He mentioned that in the last five years, ministry has awarded contracts worth Rs 17 lakh crore. This year, it is planning to touch Rs five lakh crore mark in spending on infrastructure development.
- **Government considering specific excise duty on ATF-** With no sight of including jet fuel in Goods and Services Tax (GST) in near future, the government is considering levying specific rate of excise duty on aviation turbine fuel (ATF) in place of current ad valorem rates to insulate its prices from cascading effect in times of volatile prices. ATF presently is chargeable at 11 per cent ad valorem rate of excise duty. Concessional rate of 2 per cent is applicable for ATF sold under Regional Connectivity Scheme.
- **National database of workers in informal sector in the works-** The government is set to do a count of rickshaw pullers, street-side vendors and hawkers, and other unorganised workforce, in its first effort to create a national database of an estimated 450 million informal sector workers and provide them universal social security coverage. As part of this survey, informal sector workers would be asked about their occupation, monthly incomes and days of employment, and their profiles would be seeded with Aadhaar to deliver the benefits.
- **Supreme Court forms committee to draft mediation law, will send to government-** The Supreme Court has, through a unique step, set up a panel to firm up a draft legislation to give legal sanctity to disputes settled through mediation, which would then be sent to the government as a suggestion from the apex court. The panel, to be headed by mediator Shri Niranjana Bhat, will recommend a code of conduct for mediators, who are legal experts.
- **Sebi may raise trading margins in commodities-** The Securities and Exchange Board of India (Sebi) has been reviewing the margining framework in the commodity derivatives segment. The focus (of margin review) will likely be on narrow commodities as prices of these could be more susceptible to manipulation than broad commodities like say wheat, soyabean, gold and silver, etc.
- **Urea may come under NBS before direct cash transfer-** The government is likely to fix nutrient-based subsidy (NBS) rate for urea before rolling out the direct cash transfer (DCT) of urea subsidy to farmers' accounts. The subsidy will not be universal for farmers across the country and will be based on soil health and size of the landholding. Tenant farmers would also be eligible to get the subsidy on production of valid

tenancy documents.

- **Defence Acquisition Council approves several procurement proposals to boost 'Make in India'**- The Defence Acquisition Council (DAC), headed by Shri Rajnath Singh, Hon'ble Defence Minister, held a meeting to consider a number of new and ongoing proposals for procuring critically needed platforms and equipment for the Armed Forces. To promote indigenisation, the DAC accorded approval for procurement of equipment worth over Rs 5,100 crore from indigenous sources. These include sophisticated Electronic Warfare Systems for the Army designed by Defence Research and Development Organisation (DRDO) and manufactured locally by the Indian industry. These systems will be used in deserts and plains and will provide comprehensive Electronic Support and Counter Measure capabilities to the field formations in both communication and other aspects of Electronic Warfare.
- **Central Government Notifies National Startup Advisory Council-** The Central Government has notified the structure of the National Startup Advisory Council to advise the Government on measures needed to build a strong ecosystem for nurturing innovation and startups in the country to drive sustainable economic growth and generate large scale employment opportunities. The Council will suggest measures to foster a culture of innovation amongst citizens and students in particular, promote innovation in all sectors of economy across the country, including semi-urban and rural areas, support creative and innovative ideas through incubation and research and development to transform them into valuable products, processes or solutions to improve productivity and efficiency and create an environment of absorption of innovation in industry.
- **Bankruptcy board set to tackle group insolvency-** India's bankruptcy regulator is seeking to amend rules to make the Insolvency and Bankruptcy Code (IBC) suitable for handling group insolvency, underscoring the problem of indebtedness at the group level. A panel on group insolvency has submitted its report to the Insolvency and Bankruptcy Board of India (IBBI), proposing reforms in the legal framework to address group insolvency. The report has recommended that the definition of 'group' be specific, and it may include holding, subsidiary and associate companies.
- **ESIC payroll data shows over 19 lakh additions in November-** The payroll data of the Employees' State Insurance Corporation (ESIC) for November showed 19.6 lakh new additions in the month, providing some evidence of a pickup in economic activity. The net addition to the ESIC, after excluding those who ceased paying their contribution during the month, was 6.97 lakh, the highest for any month in the current fiscal year.
- **One-fifth taxpayers file return on last day despite tech glitches: GSTN-** GST Network (GSTN) in a statement said that 1.3 million GSTR-3B returns, about one-fifth of total such returns, were filed on the last day on January 20 despite some technical glitches. This month's return filing data to date shows that the GSTN return filing system was working within its expected limits, which is evident by the fact that till January 14, a total of 2.46 million GSTR-3B were filed.
- **Irdai decides to defer implementation of IndAS in insurance sector-** The Insurance Regulatory and Development Authority of India (Irdai) has decided to defer the implementation of IndAS (Indian Accounting Standards) in the insurance sector until the International Accounting Standards Board (IASB) issues final amendment to International Financial Reporting Standard 17 (IFRS 17). The regulator had planned to implement IndAS 117, which is an equivalent of IFRS 17, and IndAS 109 from April 1 onwards, but the IASB decided to amend IFRS 17.

- **No plan to raise overall import duties on foreign alcohol, says government-** According to the government, there is no proposal to raise overall import duties on foreign alcohol. This statement came days after news broke that the government plans to limit the purchase of alcohol at airport duty-free shops. The commerce department has reportedly suggested to the Ministry of Finance that the upcoming Budget prohibit purchase of cigarette cartons at duty-free shops. The move is to crack down on the import of non-essential items, but large-scale import duty hikes are not planned at the moment. Instead, the government is going ahead with a move to place restrictions on 371 items ranging from toys, plastic goods, sports items and furniture, after they were categorised as “non-essential”.
- **RBI issues directions for permitting Rupee derivatives (with settlement in foreign currency) to be traded in IFSCs-** The Reserve Bank of India released directions u/s 45 W of the Reserve Bank of India Act,1934 permitting Rupee derivatives (with settlement in foreign currency) to be traded in International Financial Services Centres (IFSCs). The salient features of these Directions are: currency derivatives in any currency pair involving the Rupee or otherwise are permitted on recognised stock exchanges set up in IFSCs; contracts in the Rupee shall be settled in a currency other than the Indian Rupee; any person resident outside India may undertake these derivative contracts.
- **New Singapore treaty harsher than GAAR, may impact FPI flows into India-** Singapore might lose some of its allure for various foreign portfolio investors as a preferred destination to route their investments into India. With the Multi-Lateral Agreement (MLI) between the two countries set to come into force from April 1, fund managers in Singapore, who invest in India, could face a stiffer task of convincing local tax authorities that they have not set up shop in the island nation to avail the tax benefits. While the government has already implemented the General Anti-Avoidance Rules (GAAR) to curb tax avoidance, MLI comes with much stricter provisions and is believed to override GAAR, according to experts.
- **Lower PF contribution may be allowed for select class of workers-** According to a senior government official, lower contribution rule under Provident Fund (PF) will not apply to all. It will not be universal and will be permitted for certain class of workers, such as working woman, a professional with disabilities or a young working male in the age bracket of 25-35 years. People in these classes may be allowed to lower their contribution towards the provident fund kitty by 2-3%.
- **Agencies may need court order to trace social media messages-** The upcoming regulations to monitor social media content will require law enforcement agencies to obtain a court order before they can direct internet platforms to trace messages back to the originator. The new rules, which will change the way social media companies monitor and take down content on the request of law enforcement agencies, are expected to be finalised by the end of the current month.
- **Now the GST Taxpayers can file their GSTR-3B Returns in a Staggered Manner-** Considering the difficulties faced by trade and industry in filing of returns, the government has decided to introduce several measures to ease the process. The Finance Ministry today said that now GST taxpayers can file their GSTR-3B returns in a staggered manner. Presently the last date of filing GSTR-3B returns for every taxpayer is 20th of every month. From now on, the last date for filing of GSTR-3B for the taxpayers having annual turnover of Rs 5 crore and above in the previous financial year would be 20th of the month. Thus, around 8 lakh regular taxpayers would have the last date of GSTR-3B filing as 20th of every month without late fees.
- **Government mulls mediation to solve tax issues with companies-** The government may adopt a mediation mechanism that will help companies determine their future tax liabilities and even settle

disputes. The concept, which is widely prevalent overseas, is being discussed amid preparations for the February 1 budget. Mediation will allow taxpayers to get a fix on how much they need to pay and avoid disputes. This will bring down litigation substantially.

- **Government issues quality control orders on various steel items-** In a move to curb imports of certain substandard steel items and cables, the government has issued quality control orders for these products. The Department for Promotion of Industry and Internal Trade (DPIIT) has come out with two separate orders as per which these products will have to conform to the specified standards and bear the standard mark under a license from the Bureau of Indian Standards (BIS). Both the orders will come into force with effect from August 1, 2020.
- **Banned cryptocurrency to uphold integrity of banking system: RBI-** The Reserve Bank of India defended in the Supreme Court its 2018 circular directing banks to desist from dealing in any transactions involving cryptocurrencies, insisting that it had always been consistent in its opposition to allowing any other payments systems and undermining the integrity of the banking system. The central bank, argued that though there was no formal ban on cryptocurrencies under any law in existence in India, it had consistently been warning all those dealing with virtual currencies of the risks inherent in them.
- **Hon'ble Prime Minister reviews 9 delayed projects worth Rs 24,000 crore-** Hon'ble Prime Minister Shri Narendra Modi recently reviewed the progress made in nine delayed projects spread across as many states at the first meeting of 'Pragati' this year. These projects, worth over Rs 24,000 crore, are spread over Odisha, Telangana, Maharashtra, Jharkhand, Bihar, Karnataka, Andhra Pradesh, Kerala and Uttar Pradesh. These include three from Railways, five from the Road Transport and Highways and one from the Petroleum and Natural Gas ministry.
- **Shri Nitin Gadkari to review 500 stuck, delayed projects worth Rs 3 trillion-** Shri Nitin Gadkari, Hon'ble Minister of Road Transport and Highways, will review 500 road projects worth Rs 3 trillion, with a view to fast-track highway projects in a meeting to be held soon. The progress of about 500 projects will be taken up during the meeting. These projects involve a cost of about Rs 3 trillion. Besides, various stakeholders, including about 600 developers, bankers and officials from various wings, including the National Highways Authority of India, will also be present.
- **Fund paucity halts repair of PMGSY roads-** Two decades after the NDA-1 under Atal Bihari Vajpayee launched the Prime Minister Gram Sadak Yojana (PMGSY) to provide all-weather roads to India's villages, the NDA-2 is looking at a road maintenance crisis in the flagship mission. While more than 5.5 lakh km of road network has been laid connecting 1,58,980 habitations under the PMGSY so far, reduced funding to the scheme since 2015 has begun to tell on the road condition. The situation is pressing as 70% PMGSY roads are now out of the defect liability period (DLP) that requires the contractor to maintain and repair roads for five years after construction. While states are responsible for road maintenance, decreased central funding since 2015 and Panchayat-level fund devolvement have pushed the road repair work to a low priority agenda in several states.
- **Maintaining database: National Business Register on anvil-** India will come out with a National Statistical Business Register that will have data on all business enterprises in the country collated based on the results of the ongoing seventh economic census. The register will have a district-wise list of all business enterprises and establishments engaged in production or distribution of goods or services, and it will be updated regularly using data from Goods and Services Tax Network, databases of Employees' State Insurance Corporation, Employees' Provident Fund Organisation, and those with the Ministry of

Corporate Affairs.

- **Renewable energy: Government's proposed bundling scheme to aid power companies-** The power industry feels that the ministry of new and renewable energy's (MNRE's) proposed scheme to supply round-the-clock (RTC) power from wind and solar plants would also be beneficial to stressed thermal power plants, which are stranded due to lack of power purchase agreements (PPAs). The scheme is seen to provide relief to the bankers as it would provide opportunity for stressed thermal assets to find buyers for their power, thereby reducing the quantum of non-performing assets. The proposed scheme proposes to sell renewable energy and thermal power together in a 'bundle' so that buyers can get the assurance of receiving firm uninterrupted electricity supply.
- **Cabinet clears decks for more seafarer jobs-** The Cabinet has approved the model memorandum of understanding (MoU) for unilateral or bilateral recognition of certificates of competency of seafarers, which will help Indian seafarers find opportunities on ships under the flag of other countries.
- **India joins WEF's Reskilling Revolution initiative as Founding Member-** India has joined as a founding member of the World Economic Forum's (WEF) Reskilling Revolution, an initiative to provide one billion people with better education, skills and jobs by 2030. According to WEF, almost twice as many jobs can be created as lost by the Fourth Industrial Revolution. But the world face a challenge in preparing the workforce for that. The goal of the Reskilling Revolution platform is to build social cohesion and ensure people have pathways to social mobility. The platform will provide better metrics, better coordination between business initiatives and ensure there are accelerated delivery mechanisms to get to the goal, before 2030. The founding countries joining the initiative are Brazil, France, India, Pakistan, the Russian Federation, the United Arab Emirates and the United States.
- **Monthly Production Report for December, 2019-** Crude oil production during December, 2019 was 2650.8 TMT which is 10.8% lower than target and 7.39% lower when compared with December 2018. Cumulative crude oil production during April-December, 2019 was 24375 TMT which is 6.0% and 6.0% lower than target for the period and production during corresponding period of last year respectively. Natural gas production during December, 2019 was 2640 MMSCM which is 11.1% lower than the monthly target and 7.87% lower when compared with December, 2018. Cumulative natural gas production during April-December, 2019 was 23850 MMSCM which is 6.9% and 3.2% lower than target for the period and production during corresponding period of last year respectively. Refinery production during December, 2019 was 20829 TMT which is 1.% higher than the target for the month and 0.9% lower when compared with December, 2018. Cumulative production during April-December, 2019 was 190384 TMT which is 0.9% higher than the target for the period but 1.2% lower than production during corresponding period of last year respectively.

Markets So Far

| Indicators | Yearly | | | Monthly | | | Daily | | |
|-------------------------|--------|-------|--------|---------|--------|--------|-------------|-------------|-------------|
| | 2017 | 2018 | 2019 | Oct 19 | Nov 19 | Dec 19 | (21-1-2020) | (22-1-2020) | (23-1-2020) |
| BSE SENSEX | 34057 | 36068 | 41253* | 40129 | 40,793 | 41253* | 41324 | 41115 | 41386 |
| GOLD (10 GRMS) | 28966 | 30600 | 34813 | 38246 | 38125 | 38084 | 39851 | 39912 | 39872 |
| CRUDE OIL (1 BBL) | 3317 | 4437 | 4007.8 | 3850.2 | 4074 | 4241 | 4159 | 4156 | 4040 |
| EXCHANGE RATE (INR/USD) | 65 | 68 | 70.4 | 71.05 | 71.45 | 71.3 | 71.2 | 71.19 | 71.3 |

Source: PHD Research Bureau, PHDCCI, compiled from BSE, MCX and Bloomberg, RBI (*denotes value as on 31st December 2019)

PHD Research Bureau Subscription Opportunities

- **PHD Research Bureau Subscription Opportunities:** PHD Research Bureau; the research arm of the PHD Chamber of Commerce and Industry was established in 2010 with the objective to review the economic situation and policy developments at sub-national, national and international levels and comment on them in order to update the members from time to time, to present suitable memoranda to the Government as and when required, to prepare State Profiles and to conduct thematic research studies on various socio-economic and business developments. Subscribers of PHD Research Bureau would receive daily updates on various international, national and sub-national business and economic developments, monthly newsletters related to international, national and sub-national economy, forex markets and trade and investments, analytical information on various developments, etc.

Warm Regards,

Dr S P Sharma

Chief Economist

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: spsharma@phdcci.in

Website: www.phdcci.in

Follow us on



"Towards Inclusive & Prosperous New India"



PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801-04, 49545454, 49545400
Fax : +91-11-2685 5450, 49545451 • E-mail : phdcci@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP001947

Connect with us:



COPYRIGHT: All rights reserved. No part of this publication/Release may be reproduced, distributed, or transmitted in any form or by any means, without the prior written permission of the publisher. For permission requests, write to the publisher.

DISCLAIMER: This message and its attachments contain confidential information. If you are not the intended recipient, you are strictly prohibited to disclose, copy, distribute or take any action in reliance on the contents of this information. E-mail transmission cannot be guaranteed to be secure or error-free, as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this message, which arise as a result of e-mail transmission. If verification is required please request a hard-copy version.