

## Weekly Compendium of Economic and Business Developments

(Period ending August 14, 2020)

Research Bureau disseminated information to the members of PHD Chamber & other industry stakeholders on economic and business developments at International, National and Sub-national arena such as WPI inflation, CPI, June 2020 IIP growth, India's Foreign Trade July 2020, launch of platform for Transparent Taxation by Hon'ble Minister of India, launch of financing facility of Rs. 1 Lakh Crore under Agriculture Infrastructure Fund, launch of Dashboard for the National Infrastructure Pipeline by Hon'ble Finance Minister, launch of Naval Innovation and Organisation (NIO) by Hon'ble Raksha Mantri, RBI notifies implementation of System-Based Asset Lending in UCBs, amendment in Export Policy of Basmati & Non-Basmati Rice and in import policy of various commodities, among others. The details of disseminated information during the week ending 14th August 2020 are provided below.

### India and World Economy

- Hon'ble Prime Minister launches platform for Transparent Taxation - Honouring the Honest**- Shri Narendra Modi, Honble Prime Minister, has launched a platform for 'Transparent Taxation - Honouring the Honest' today through video conferencing. Speaking on the occasion he said that the process of Structural Reforms in the country has reached new heights today. The Hon'ble Prime Minister said that the platform of Transparent Taxation - Honouring the Honest, has been launched to meet the requirements of the 21st century taxation system. He elaborated that the platform has major reforms like Faceless Assessment, Faceless Appeal and Taxpayers Charter.
- WPI inflation stands at around (-) 0.6% in July 2020**- The WPI inflation stands at around (-) 0.6% in July 2020 as compared to (-)1.8% in June 2020, (-)3.4% in May 2020, (-)1.6% in April 2020, 0.4% in March 2020 and 2.3% in February 2020. The increase in WPI inflation in the month of July 2020 is attributed to increase in the prices of Vegetables, whose inflation edged up to 8.2% in July 2020 as compared to (-) 9.2% in June 2020; Crude Petroleum, whose inflation rate rose to (-)25.6% in July 2020 against (-)41.5% in June 2020; and rise in inflation of Petrol to around (-)13.9% in July 2020 from (-)23% in June 2020.
- CPI inflation rises to 6.9% in July 2020**- The CPI for July 2020 rises to 6.9%. The inflation rate for rural and urban areas for July 2020 (provisional) are 7.04% and 6.84%, respectively. The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation is releasing Consumer Price Index (CPI) on Base 2012=100 for Rural, Urban and Combined for the month of July 2020 (Provisional) in this press note. The corresponding Consumer Food Price Index (CFPI) for all India Rural, Urban and Combined are also being released.
- June 2020 IIP growth stands at around (-)17%**- Growth in industry output, as measured in terms of IIP, for the month of June 2020 stands at (-)17% as compared to (-)34% in May 2020. In view of the preventive

measures and announcement of nation-wide lockdown by the Government to contain spread of COVID-19 pandemic, a large number of the industrial sector establishments were not operating from the end of March, 2020 onwards. This has had an impact on the items being produced by the establishments during the period of lockdown. With the lifting of restrictions in the subsequent periods, industrial activity is resuming. The Index for the month of June 2020 stands at 107.8 as compared to 53.6 and 89.5 for April 2020 and May 2020. The growth in the three sectors mining, manufacturing and electricity in June 2020 stands at around (-)20%, (-)17% and (-)10% respectively over June 2019. Primary goods growth stands at around (-)15%, capital goods growth stands at (-)37%, intermediate goods growth stands at (-)25%, infrastructure/construction goods growth stands at (-)21%, consumer durables stands at (-)36% and consumer non-durables growth stands at 14% during June 2020 as compared to the previous year.

- **MoD notifies list of 101 items for import embargo on beyond given timelines to boost indigenisation of defence production-** The Department of Military Affairs (DMA), Ministry of Defence (MoD) has prepared a list of 101 items for which there would be an embargo on the import beyond the timeline indicated against them. The cue for this has been taken the Hon'ble Prime Minister Shri Narendra Modi's address to the Nation on May 12, 2020, giving a clarion call for a self-reliant India based on the five pillars, i.e., Economy, Infrastructure, System, Demography & Demand and announcement of a special economic package for Self-Reliant India named 'Atmanirbhar Bharat'.
- **Hon'ble Prime Minister Shri Narendra Modi has launched financing facility of Rs. 1 Lakh Crore under Agriculture Infrastructure Fund-** Hon'ble Prime Minister Shri Narendra Modi has launched a new Central Sector Scheme of financing facility under the Agriculture Infrastructure Fund of Rs. 1 Lakh Crore. The scheme will support farmers, PACS, FPOs, Agri-entrepreneurs, etc. in building community farming assets and post-harvest agriculture infrastructure. These assets will enable farmers to get greater value for their produce as they will be able to store and sell at higher prices, reduce wastage, and increase processing and value addition.
- **Hon'ble Finance Minister launches an Online Dashboard for the National Infrastructure Pipeline-** Smt. Nirmala Sitharaman, Hon'ble Union Minister for Finance & Corporate Affairs, has inaugurated the National Infrastructure Pipeline (NIP) Online Dashboard through video conferencing. The online dashboard is envisaged as a one stop solution for all stakeholders looking for information on infrastructure projects in New India. The dashboard is being hosted on the India Investment Grid (IIG) ([www.indiainvestmentgrid.gov.in](http://www.indiainvestmentgrid.gov.in)). IIG is an interactive and dynamic online platform that showcases updated & real-time investment opportunities in the country.
- **Hon'ble Prime Minister Shri Narendra Modi launches submarine cable connectivity to Andaman & Nicobar Islands (CANI)-** The Hon'ble Prime Minister Shri Narendra Modi has launched and dedicated to the nation, the submarine Optical Fibre Cable (OFC) connecting Andaman & Nicobar Islands to the mainland through video conferencing. The foundation stone for this project was laid by the Hon'ble Prime Minister on 30th December 2018 at Port Blair. He said that the connectivity would now enable endless opportunities in the islands. The laying of the 2300 Kms submarine cable and completing it before the set target is very praise worthy. He said that the Government is committed to provide modern facilities to every citizen and every sector so that there can be a better ease of living.
- **Price Monitoring and Resource Unit set up in Karnataka under the aegis of National Pharmaceutical Pricing Authority-** A Price Monitoring and Resource Unit (PMRU) has been set up in Karnataka under the aegis of National Pharmaceutical Pricing Authority (NPPA), Department of Pharmaceuticals, Ministry of Chemicals and

Fertilizers, Government of India. PMRU will function at the State level under the direct supervision of the State Drug Controller for increasing outreach of NPPA. PMRUs are societies registered under the Societies Registration Act having its own Memorandum of Association/ Bye laws. The Board of Governors of PMRU includes the representatives from Central Government and State Government concerned and other stakeholders.

- **Hon'ble Raksha Mantri Launches Naval Innovation and Indigenisation Organisation (NIIO)**- Shri Rajnath Singh, Hon'ble Raksha Mantri has launched the Naval Innovation and Indigenisation Organisation (NIIO) through an online webinar. The NIIO puts in place dedicated structures for the end users to interact with academia and industry towards fostering innovation and indigenisation for self-reliance in defence in keeping with the vision of Atmanirbhar Bharat. The NIIO is a three-tiered organisation. Naval Technology Acceleration Council (N-TAC) will bring together the twin aspects of innovation and indigenisation and provide apex level directives. A working group under the N-TAC will implement the projects. A Technology Development Acceleration Cell (TDAC) has also been created for induction of emerging disruptive technology in an accelerated time frame.
- **Hon'ble Union Minister of Agriculture & Farmers' Welfare launches Krishi Megh**- Shri Narendra Singh Tomar, Hon'ble Union Minister of Agriculture & Farmers' Welfare, virtually launched the Krishi Megh (National Agricultural Research & Education System -Cloud Infrastructure and Services) along with the KVC ALUNET (Krishi Vishwavidyalaya Chhatr Alumni Network) and Online Accreditation System for Higher Agricultural Educational Institutions (HEI). The Hon'ble Union Minister emphasized that the Government of India-World Bank funded National Agricultural Higher Education Project is designed for strengthening the national agricultural education system in the country with the overall objective to provide more relevant and high-quality education to the agricultural university students that is in tune with the New Education Policy - 2020.

## Finance

- **SEBI notifies Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015 – Amendment**- This is in reference to SEBI (IFSC) Guidelines 2015 which were notified by SEBI on March 27, 2015 and SEBI Circular SEBI/HO/CIR/P/2017/85 dated July 27, 2017. In order to further streamline the operations at IFSC, based on co stations held with the stakeholders, it has been decided to amend clause 4 (2) of SEBI (IFSC) Guidelines, 2015.
- **RBI notifies implementation of System-Based Asset Classification in UCBs**- This is in reference to the Master Circular DCBR.BPD. (PCB) MC No.12/09.14.000/2015-16 dated July 1, 2015 containing consolidated instructions on income recognition, asset classification, provisioning and other related matters. In order to improve the efficiency, transparency and integrity of the asset classification process, Reserve Bank of India (RBI) has decided to implement system-based asset classification in urban co-operative banks (UCBs).
- **RBI notifies the reviewed guidelines for Core Investment Companies**- In reference to the report of the Working Group (WG) to Review the Regulatory and Supervisory Framework for Core Investment Companies (CICs), constituted under the Chairmanship of Shri Tapan Ray, Hon'ble former Secretary, Ministry of Corporate Affairs, Government of India. The report of the WG was placed in public domain in November 2018 seeking comments from the stakeholders. Based on the recommendations of the WG and inputs received from stakeholders, it has been decided to revise the guidelines applicable for Core Investment Companies.

- **Ministry of Corporate Affairs releases the Report of the Committee on Business Responsibility Reporting-** Shri Rajesh Verma, Hon'ble Secretary, Ministry of Corporate Affairs (MCA) has released the 'Report of the Committee on Business Responsibility Reporting (BRR)'. Shri Rajesh Verma, appreciated the efforts of the committee in proposing such a robust reporting framework and said that MCA will work closely with SEBI for its implementation. Indian companies are aspiring to have global foothold and thus they cannot ignore the emerging trend of Corporate Governance i.e. Responsible Business. He urged the professional institutes and business associations to carry out the advocacy campaign for BRSR and capacity building of their respective members.

## Trade

- **Merchandise exports and imports grew by (-) 10% and (-) 28% respectively in July 2020-** Exports in July 2020 were USD 24 billion, as compared to USD 26 billion in July 2019, exhibiting a negative growth of (-) 10 per cent. Imports in July 2020 were USD 29 billion, which is a decline of (-) 28 per cent lower in Dollar terms over imports of USD 40 billion in July 2019. Exports of services in June 2020 were USD 17 billion registering a negative growth of (-) 8 per cent in dollar terms, vis-à-vis June 2019 while imports of services in June 2020 were USD 10 billion registering a negative growth of (-) 15 per cent in dollar terms, vis-à-vis June 2019. The trade deficit for July 2020 was estimated at USD 5 billion as against the deficit of USD 13 billion in July 2019, which is a decline of (-) 64 percent. The trade balance in Services (i.e. Net Services export) for June 2020 is USD 7 billion. Taking merchandise and services together, overall trade surplus for April-July 2020-21 is estimated at USD 14 billion as compared to the deficit of USD 33 billion in April-July 2019-20.
- **Shri Piyush Goyal asks the traders to undertake customer awareness drive to promote Make in India Goods-** The Hon'ble Union Minister of Commerce and Industry & Railways, Shri Piyush Goyal has exhorted the traders community to fully contribute towards the Aatamnirbhar Bharat campaign. Speaking to the traders' fraternity on the occasion of the National traders' day through virtual interaction, he said that they should undertake Customer Awareness drive to make people buy make in India goods. He added that Trading community will benefit a lot from the AatamNirbhar Bharat campaign, as good quality products made in India will usher in economies of scale, thereby lowering prices, and also making our products competitive in the international markets. He also assured the fraternity that National Traders Welfare Board will be soon constituted.
- **Government announces amendment in Export Policy of Basmati & Non-Basmati Rice-** The Directorate General of Foreign Trade (DGFT) has amended the Policy condition of Sl. no. 55 & 57, Chapter 10 Schedule 2, ITC (HS). The Notification No. 41/2015-2020 dated 9th January 2020 is amended to the extent that export of Rice (Basmati and Non-Basmati) to EU member states and other European Countries namely Iceland, Liechtenstein, Norway and Switzerland only will require Certificate of Inspection from EIA/EIC. Export to remaining European countries (except Iceland, Liechtenstein, Norway and Switzerland) will require Certificate of Inspection by Export Inspection Council / Export Inspection Agency for export from 1st January, 2021. For details, you may please access the detailed circular released by Directorate General of Foreign Trade (DGFT) for your kind reference: <https://content.dgft.gov.in/Website/dgftprod/97dd6bc7-3a23-431a-ba2f-41b7045e2d44/Noti%2024%20Eng.pdf>
- **Government announces amendment in import policy of various Chemicals-** The Directorate General of Foreign Trade (DGFT) has amended the Import Policy conditions under Chapters 29, 38 and 39 of ITC (HS) 2017 Schedule-I. A new import policy condition is added wherein an importer shall for each import consignment, submit a copy of the Bill of Entry within 30 days to the Ozone Cell, Ministry of Environment,

Forest and Climate Change, New Delhi. For details, you may please access the detailed circular released by Directorate General of Foreign Trade (DGFT) for your kind reference: <https://content.dgft.gov.in/Website/dgftprod/eebdf38b-1844-4bc8-85a8-a0f765cd7ec8/Notification%20No%2026%20dated%2011%208%202020%20English.pdf>

- **Trade costs in the time of Global Pandemic-** As per WTO, travel and transport costs account for as much as a third of trade costs depending on the sector. Pandemic-related travel restrictions are therefore likely to affect trade costs for as long as they remain in place. Trade policy barriers and regulatory differences are estimated to account for at least 10% of trade costs in all sectors. While COVID-19 has motivated both trade-restricting and import-facilitating changes in tariffs and regulatory practices, these measures have so far affected only a small subset of products. Many of the changes in trade costs can be expected to revert once the pandemic is brought under control, however, some effects may persist.

## Our Voice

**PHD Chamber lauds 'Transparent Taxation - Honouring the Honest' launched by Prime Minister Shri Narendra Modi Ji-** PHD Chamber participated in the launch of platform for "Transparent Taxation - Honoring the Honest" by Hon'ble Prime Minister Shri Narendra Modi ji. The Transparent Taxation platform has been launched by the Hon'ble Prime Minister with big reforms such as faceless assessment, faceless appeal, and taxpayers' charter. The Faceless assessment and taxpayer charter starts from 13<sup>th</sup> August 2020 while the faceless appeal will begin from 25th September 2020. The Prime Minister's vision that the honest taxpayers play an important role in national development and it is important to cut the discretion and rather focus on policy-driven governance is highly appreciable. The effort is to make tax system seamless, painless and faceless. Taxpayer Charter outlining right and responsibility is an important development. The faceless assessment scheme will usher a paradigm shift in a way tax proceedings are carried out. It will curb the harassment of taxpayers and reduce human discretion in the assessment and scrutiny of tax returns that in turn could help eliminate possibilities of corruption.

The anonymous nature of the process will discourage high-pitched assessments and lead to objective, fair and just assessment orders, which can be finalised in a very short time. The system will ensure uniformity of approach and uniform application of law-making, and make the assessment process more efficient and friendly for the taxpayer. The various reforms carried out by CBDT on direct Taxes in the recent years including the last year's reduction in Corporate Tax rates from 30 percent to 22 percent and for new manufacturing units to 15 percent are very encouraging. Further, the abolition of Dividend distribution Tax is also appreciable. The several initiatives have been taken by the CBDT for bringing in efficiency and transparency in the functioning of the IT Department, which will act as a big boost for the economy.

## Economy so far

- **Shri Rajnath Singh launches modernization/ up-gradation of facilities and new infrastructure creation of Defence PSUs and OFB-** Shri Rajnath Singh, Hon'ble Defence Minister, has launched the initiatives of a number of modernisation and up-gradation of facilities as also new infrastructure creation by Defence PSUs and OFB, through digital link here today, as part of the Atma Nirbhar Week celebration of the Ministry of Defence. Raksha Mantri said that they will take more steps towards, Indigenisation, investment in defence infrastructure and expansion in defence manufacturing capability. These steps will create big opportunities for the Indian defence industry.
- **Ministry of Corporate Affairs releases the Report of the Committee on Business Responsibility Reporting-**

Shri Rajesh Verma, Secretary, Ministry of Corporate Affairs (MCA) released the Report of the Committee on Business Responsibility Reporting (BRR). While releasing the report, Shri Rajesh Verma, appreciated the efforts of the committee in proposing such a robust reporting framework and said that MCA will work closely with SEBI for its implementation. He also emphasised the fact that Indian companies are aspiring to have global foothold and thus they cannot ignore the emerging trend of Corporate Governance i.e. Responsible Business. He also urged the professional institutes and business associations to carry out the advocacy campaign for BRSR and capacity building of their respective members. Highlighting the data and trends on Environmental, Social and Governance (ESG) investing globally, Shri Amarjeet Singh, Executive Director, SEBI said that due to increasing trends of ESG investing, the demand for non-financial reporting is also growing and in this respect the BRSR framework will set the stage for sustainable investing.

- **Hon'ble Prime Minister monitoring Niti project to ensure credit for bottom of pyramid borrowers-** Millions of daily wage workers, small farmers and beneficiaries of various government welfare schemes may soon get access to organised credit through a project that is being directly monitored by the Hon'ble Prime Minister Shri Narendra Modi's office. The government has commissioned Niti Aayog to lead the development of the digital network which would involve banks, fintech companies and fiduciary intermediaries working in tandem to underwrite small ticket loans to bottom-of-the-pyramid borrowers through the existing direct benefit transfer (DBT) infrastructure.
- **Central government releases grants worth Rs 6,195 crore to 14 states-** The government released Rs 6,195.1 crore to 14 states on the previous day as the fifth equated monthly instalment of the post devolution revenue deficit grant. This would provide them additional resources during the Corona crisis. The grant was recommended by the 15th Finance Commission, and the Centre has issued equal instalments of the grant to states since April.
- **Balance of payments to be very, very strong this year, green shoots visible in economy: Shri Piyush Goyal-** According to Shri Piyush Goyal, Hon'ble Commerce and Industry Minister, India's balance of payments this year is going to be very very strong on the back of significant improvement in exports and a fall in imports. He said that good green shoots are visible in the economy and exports have shown a good turnaround.
- **With an eye on China, Government mulls duty hike on textiles, cameras, laptops-** The government is considering increasing customs duty on close to 20 product segments including laptops, cameras, textiles and aluminum goods, while placing some steel items under import licensing, as part of its latest move to restrict imports from China. The issue is now before the Ministry of Finance, which had earlier spurned the proposal from the commerce and industry ministry.
- **RBI remains net purchaser of US dollar in June, buys USD 9.8 billion-** Reserve Bank of India (RBI) remained net purchaser of the US currency for the second consecutive month in June after it bought USD 9.8 billion of greenback on a net basis, according to RBI data. During the reporting month, the RBI had bought USD 14.8 billion from the spot market while it sold USD 5.03 billion, RBI data showed. In May, the RBI had bought USD 4.6 billion and sold USD 300 million in the spot market. It had net purchased USD 4.3 billion in May. In April, the central bank had sold USD 1.1 billion on a net basis. The RBI was a net purchaser of the greenback at USD 2.4 billion in June 2019.
- **India announces USD 500 million assistance for major connectivity project in Maldives-** India will fund the implementation of a major connectivity project in Maldives through a USD 400 million line of credit and USD 100 million grant. The 6.7 km Greater Male Connectivity Project (GMCP) will be the largest civilian

infrastructure project in Maldives, connecting Male with three neighbouring islands - Villingili, Gulhifahu and Thilafushi.

- **Andhra announces new industrial policy with key fiscal incentives, also offers support services-** Andhra Pradesh, on the previous day, announced a new industrial development policy which seeks to offer fiscal incentives and interventions across infrastructure, ease of doing business, skill development, and business enablement, apart from setting up a multi-faceted capability center to offer support services to the units. In a statement, the government has said that the new multi-faceted capability center to be set up in the state titled 'YSR AP One' will seek to offer support services to the new units on par with advanced countries. The specialized services include entrepreneurship facilitation, sales support and MSME (micro, small and medium enterprises) revitalization.
- **Shri Nitin Gadkari calls for global investment in highways, MSME sectors to spur economic growth-** Hon'ble Union minister Shri Nitin Gadkari has called for increased investment by international institutions and bodies in the Indian Highways and MSME sectors. Highlighting road safety measures taken by the country, he also said that the objective is to set out to achieve zero road fatalities by 2030. He added that automobile and micro, small and medium enterprises are the two growth engines of the country's economy.
- **Covid-19 impact: ILO calls for global policy response to protect employment prospects for youth-** The International Labour Organisation has called for urgent, large-scale and targeted policy responses from governments across the globe to protect a whole generation of young people from having their employment prospects permanently scarred by the crisis as it fears the pandemic would have a devastating effect on the education and training of young people and their work. The measures include re-integrating into the labour market those who have lost their jobs or who have experienced a reduction in working hours, ensuring youth access to unemployment insurance benefits, and measures to boost their mental health - from psychosocial support to sports activities.
- **Shri Nitin Gadkari calls for global investment in highways, MSME sectors to spur economic growth-** Hon'ble Union minister Shri Nitin Gadkari has called for increased investment by international institutions and bodies in the Indian Highways and MSME sectors. Highlighting road safety measures taken by the country, he also said that the objective is to set out to achieve zero road fatalities by 2030. He added that automobile and micro, small and medium enterprises are the two growth engines of the country's economy.
- **Government to make purchase of bio-fertilisers compulsory with urea to reduce use of chemicals-** The Government is likely to make purchase of bio-fertiliser compulsory for every bag of urea a farmer buys to promote organic nutrients and slash the use of chemical fertilisers. A task force constituted for promoting balanced and sustainable use of chemical fertilisers has suggested bundling bio-fertiliser with urea bags. It has also asked government to promote drip-fertigation technique in which fertiliser is incorporated within the irrigation water by the drip system. It conserves 30-40% nutrients and cut down water use by 50%.
- **PM SVANidhi: Government receives over 5 lakh loan applications from street vendors-** The Government has received over five lakh applications under the 'PM SVANidhi' scheme which aims to provide street vendors loans of up to Rs 10,000 to restart their business post the COVID-19 lockdown. The Union Housing and Urban Affairs Ministry said the PM Street Vendor's AtmaNirbhar Nidhi scheme has generated considerable enthusiasm among the street.
- **Labour ministry to soon relax eligibility conditions for those awaiting unemployment benefits-** The labour

ministry will soon move a proposal to significantly relax the eligibility criteria for availing unemployment benefits under the Employees' State Insurance Corporation scheme besides enhancing the quantum of benefits to 50% of last drawn wages and double the support period to six months. It will also propose to do away with the condition that the benefit can be availed only once in a lifetime and enhance the tenure of benefit.

- **India imposes provisional anti-dumping duty on black toner from China, Malaysia, Chinese Taipei-** India has imposed anti-dumping duty on black toner in powder form, used in printers and photocopiers, imported from China, Malaysia and Chinese Taipei for six months to guard domestic players. The duty was imposed following recommendation by Commerce Ministry's investigation arm Directorate General of Trade Remedies (DGTR). The duty imposed is in the range of USD 196 per tonne to USD 1,686 per tonne.
- **Ministry of Labour could widen scope of gratuity to include contract, seasonal, gig workers-** The Ministry of Labour may widen the scope of gratuity to include contract workers, gig workers, seasonal workers and fixed-term employees by reducing the threshold on the minimum work requirement of five years to be eligible for it and reducing the component of gratuity for different categories of workers. The various options being considered include gratuity at the rate of seven days' wages for each season for seasonal employees and gratuity at the rate of 15 days' wages or such number of days as may be notified by the government for every completed year of service in excess of six months for daily or monthly wage earners and contract workers.
- **India attractive proposition for UK businesses exploring alternative to China: UKIBC:** With the UK forging a new trading relationship with the world into 2021 and India establishing itself as a major global player, India is a key priority for trade and investment of the UK government and businesses, the UKIBC Group CEO stressed. The bilateral trade between the two countries stood at USD 15.5 billion in 2019-20 as against USD 16.87 billion in the previous fiscal.
- **Banks may not have to pay service tax for facilitating international trade:** Indian banks will not have to pay goods and services tax (GST) on reverse charge mechanism for facilitating trade for exporters or importers through foreign banks, if a recent ruling by an appellate tribunal is to go by. The case may act as a precedent for other service tax and GST cases, where banks may be held liable to pay tax on reverse charge for merely being facilitators for exporters or importers.
- **FDI powers to RBI may cut processing time sharply, to improve ease of doing business:** The central government gave the RBI the powers to administer the FDI regime, which include allowing the central bank to interpret various rules and grant exemptions pertaining to FDI. The change could cut down the processing time for FDI applications to 5-6 weeks compared to 3-4 months currently.
- **Government will have to increase import duty to boost local manufacturing:** Hon'ble Union Minister Shri Nitin Gadkari has said that the government will consider increasing duties on sectors heavily dependent on imports in a bid to encourage domestic production, particularly by small industries. Because unless we meet what China is producing in volume, our costs will not come down. This is why we have to see that we increase the duty and encourage Indian manufacturers. When production happens in bulk, we can naturally make it competitive, he said.
- **North Eastern Development Finance Corporation Ltd announces new Interest Rate Structure:** NEDFi added that the new Interest Rate Structure will be called External Benchmark Rate (EBR) and henceforth, all new

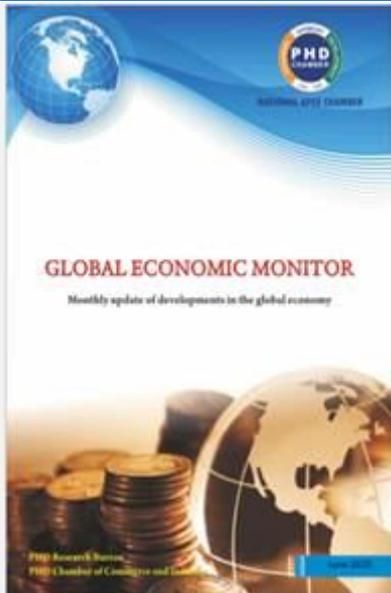
loans above Rs.100 lakh sanctioned by the Corporation will be linked to EBR. Presently the EBR, linked with SBI's 1-year MCLR is 7% and a spread of 0 to 6% shall be charged over and above the EBR depending on the credit rating as well as other viability parameters of the project.

- **UP clocks 97% of last year's revenue in July, signals stabilising of finances after 3-month hit due to Covid-**  
The state collected revenue worth Rs 10,675 crore in July this year, against a collection of Rs 10,926.36 crore in the same month last year, reflecting a drop of only 2.3% in an adverse economic environment created due to halting of non-essential economic activities during the months that the country saw a complete lockdown.

## Newsletters

PHD Research Bureau released newsletter on Global Economic Monitor for month of August 2020 that provides latest updates on global macroeconomic indicators including growth, inflation, trade, financial markets, policy developments, among others.

### [Global Economic Monitor for the month of August 2020](#)



## Markets So Far

Indicators	Yearly			Monthly			Daily		
	2017	2018	2019	May 20	Jun 20	Jul 20	Aug 12, 20	Aug 13, 20	Aug 14, 20
BSE SENSEX	34057	36068	41253	32424	34915	37606	38369	38369	37877
GOLD (10 GRMS)	28966	30600	34813	40989	47048	49913	53758	52441	52688
CRUDE OIL (1 BBL)	3317	4437	4007.8	2113	2895	3054	3180	3163	3122
EXCHANGE RATE (INR/USD)	65	68	70.4	75.65	75.74	75.0*	74.82	74.84	74.90

Source: PHD Research Bureau, PHDCCI, compiled from BSE, MCX and Bloomberg, RBI (\* data pertains to average of July 2020 till 27th July 2020)

Warm Regards,  
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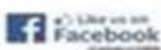


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