

India Focus

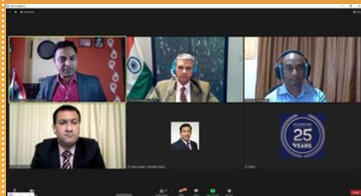
31 October 2020

SIDELINES

High Commissioner P Kumaran had an introductory call-on on Minister for Communication and Information and Minister in Charge of Trade Relations Mr. S Iswaran



High Commissioner participated in the IIT Titan Series organised by the IIT Association of Singapore on Atma Nirbhar Bharat



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High Commissioner met Emeritus Senior Minister, Mr Goh Chok Tong

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TOP NEWS

Manufacturing growth puts India among top three emerging economies

IBEF: October 27, 2020

In September, a steady recovery in the manufacturing sector helped India climb two notches to third place in the main emerging markets, wherein China and Brazil rank higher.

In the first year-on-year increase in exports in seven months, manufacturing growth reflected the highest reading in the purchasing managers' index in over eight years. India's merchandise exports rose 6% to US\$ 27.6 billion in September on a yearly basis.

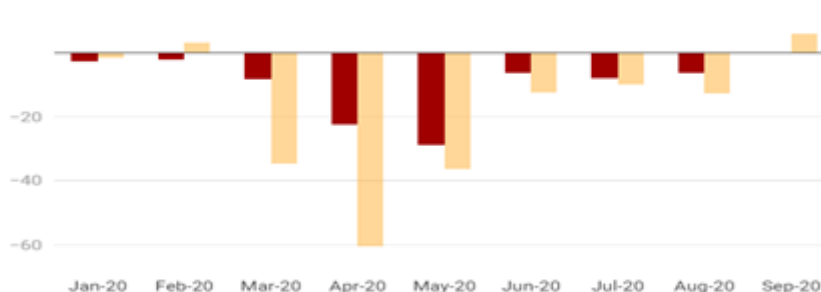
Exports last reported a year-on-year spike in February, well before Covid-19 was declared a pandemic by the World Health Organization. Exports dropped 60% in April, the first full lockdown month, but since then, the contraction has been easing.

Only China (10% growth) fared better than India among the other emerging markets that announced their export data for September. The latest available data for all other emerging markets showed that exports were still below last year's rate.

India's exports rise for the first time since March

Year-on-year change (%) in merchandise exports

■ Average growth in exports of other emerging economies* ■ Growth in India's exports



*The average export growth of the emerging economies considered in the EM tracker, excluding India. For Sep 2020, EM average is calculated only for China, Brazil and Indonesia as other countries have not reported their exports for the month yet.

Source: Bloomberg • Get the data • Created with Datawrapper

India's manufacturing PMI, which had already returned to the expansion track in August, was boosted by the increase in exports. In September, the reading increased further to 56.8, the highest since early 2012. Only Brazil, with a PMI reading of 64.9, performed better. A reading above 50 denotes expansion.

Other real activity results, such as the selling of automobiles and the loading of rail freight, also point to the recovery of economic activity in India. These changes were likely motivated by further easing of the restrictions associated with pandemics, slower spread of coronavirus, and the start of the Indian festive season.

The weekly Business Resumption Index, compiled by Nomura, the Japanese brokerage, shows that improvement has continued widely into October. But this was primarily attributed to sharply growing mobility in the workplace, one of the index's measures. The other data points have been slow, such as power demand and labour force participation.

Nomura cautioned that the change could signal only a "faux recovery" limited to festive use. The brokerage firm also fears that the progress achieved could be reversed by coronavirus picking up again during festivals.

Economists say that, meanwhile, retail inflation, a problem over the last few months, may have peaked in September. The inflation rate based on India's consumer price index, which in April broke the central bank's upper limit of 6%, rose to 7.3% in September. Only Turkey's inflation rate of over 11% was higher among emerging markets.

After December, inflation could begin to soften with a drop in vegetable prices, a reduction in supply chain disruptions, weak demand and a favourable base impact, ICICI Securities Primary Dealership said in a report.

The Reserve Bank of India, too, expects inflation to return to its target range in the ongoing quarter, and further decline to 4.5% in January-March 2021.

By the last quarter of the financial year, the RBI also expects India's economy to start reporting growth again. The deeper-than-expected contraction of GDP in the first quarter, however, could weigh down the growth rate for the full year: the RBI expects GDP to contract 9.5% in 2020-21, while the International Monetary Fund forecasts a contraction of 10.3%, the worst among EM peers. Stock market capitalization, the largest among the EM economies considered in the tracker, grew 2.5% sequentially in September. The growth came in spite of net outflows of capital during the month.

In the last few months, the positive performance of the markets can in part be attributed to increased interest among domestic investors, both retail and high-net-worth individuals (HNIs). In

the future, due to the US presidential elections and a second coronavirus wave in Europe, financial markets could experience volatility.

In September, the Indian rupee also appreciated 1.5% against the US dollar. The only two emerging market currencies in the tracker that outperformed the Indian rupee were the Mexican peso (2.4%) and the Chinese yuan (1.7%).

As the coronavirus situation in India is now improving and mobility is returning to pre-pandemic levels, the emphasis has shifted to stimulating economic recovery. Even after the festive season has ended, India's relative success against other emerging economies will depend on its ability to maintain domestic demand and the gains made against the virus.

Gadkari initiates the first blasting at Zozila Tunnel; Say, with honest efforts, we can take our country forward

Press Information Bureau: October 16, 2020

Union Minister for Road Transport, Highways and MSMEs Shri Nitin Gadkari initiated the ceremonial blasting for Zozila Tunnel in J&K today through VC. He said, the tunnel will provide all-weather connectivity between Srinagar valley and Leh (Ladakh plateau) on NH-1 and will bring about an all-round economic and socio-cultural integration of Jammu & Kashmir (Now UTs of J&K and Ladakh).

The Minister said, it involves construction of a 14.15 Km long tunnel at an altitude of about 3000 m under Zozila pass, presently motorable only for 6 months in a year, on NH-1 connecting Srinagar and Leh through Dras & Kargil. It is one of the most dangerous stretch in the world to drive a vehicle & this project is also geo-strategically sensitive. He said, this will be the longest tunnel of Asia, adding that It will improve socio economic scenario in region. Shri Gadkari informed that about Rs. 4000 crore (US\$ 545.65 million) were saved with the re-designing of this tunnel. The Minister emphasized that with honest efforts, we can take our country forward at lower costs. Shri Gadkari also expressed confidence that the project, though has six years' completion schedule, will be completed before end of present Government's tenure with Prime Minister inaugurating the same.

He assured formation of committees under LG Leh and LG J&K with respective Chief Secretar-

ies and officers of MoRTH, NHIDCL, etc to oversee tunnel works and to sort out local issues. Shri Gadkari informed that seven tunnel roads are under construction in the Jammu and Kashmir region. He said, construction of the 8450-metre-long twin-tube tunnel between Qazigund and Banihal will be completed by the coming March. Thereafter, the work on 2968-metre-long 6-single tunnels road between Ramban and Banihal is due for completion in December 2021. Further, the 450-metre-long tunnel between Khilani and Kishtwar will be ready by June 2022.

The Minister further informed that DPRs have been completed for the 4.5 km long Chenani-Anantnag tunnel, the 10.2 km long tunnel at Sthan Pass at a cost of 4,600 crore (US\$ 627.49 million), the 350 crore (US\$ 47.74 million) Kakhilani Bypass tunnel, and the 10 km long tunnel between Chhatru and Anantnag at a cost of Rs. 5,400 crore (US\$ 736.62 million) and will be put to tender very soon.

In Coming Years 'AYUSH' will be accepted as Mainstream Healing System worldwide-Union Minister Shripad Naik

IBEF: October 26, 2020

Traditional Indian medicine system has been practiced for thousands of years, but later it got neglected. By the visionary leadership of Prime Minister Mr. Narendra Modi, 'AYUSH' is getting its golden days back. Mr. Narendra Modi set up an independent Ministry of AYUSH to bring Ayurveda to the world stage once again. In just five-six years since its inception, the Ministry of AYUSH has established itself globally, said Union Minister of State for AYUSH (Independent Charge) and MoS Defence Mr. Shripad Naik. He was speaking at the inauguration of Madhavbaug and Vedic Delight Ayurvedic treatment centres at Dhavali-Ponda. NRI Commissioner Adv. Narendra Sawaikar was also present on this occasion.

International Yoga Day is celebrated globally on 21st June, which is a great achievement of this ministry. Also, the Indian concept of global welfare is being realized through the Ministry of AYUSH and by the vision of the Prime Minister, said Shripad Naik. Now AYUSH is used as an alternative medicinal treatment. However, this picture will soon be going to change and traditional AYUSH medicinal treatment will be adopted globally as the mainstream medicinal treat-

ment, stated the Union Minister.

Providing better treatment at low cost to the common man is the idea behind setting up an independent AYUSH Ministry. We are now facing the global challenge of the Corona pandemic. In these testing times, we realized the importance of immunity. Ayurveda and Yoga has been accepted as an immunity booster, said Shri Naik.

Futuristic vision combined with decisiveness has provided India with a solid Startup ecosystem: Shri Pi-yush Goyal

Press Information Bureau: October 28, 2020

Union commerce and Industry Minister Shri Pi-yush Goyal today said that Futuristic vision combined with decisiveness has provided India with a solid Startup ecosystem. At the inauguration of 1st Shanghai Cooperation Organisation (SCO) Startup Forum, he said that Youth is our wealth, and in these times of vulnerability & uncertainty, they have responded with agility, adaptability & ability.

Shri Goyal said that our Startups have demonstrated their ability to convert this severe adversity into a great potential of the future. Lauding Indian Startups for demonstrating high energy & enthusiasm to give many timely & cost-effective solutions, he said "Our hunger for growth is demonstrated by the number of EdTech apps for upscaling & education which have provided free access to content for learning to millions of Indians during the COVID period. All our youngsters have created many critical applications which have helped many sectors go digital and face the problems of the pandemic with confidence & emerge successfully as we unlock economy and expand economic activity."

Shri Goyal said that Young firms in India have reacted fast & very flexibly to COVID pandemic by sharing our best practices & knowledge, engaging corporates & investors, Monetising & mobilising capital, setting up incubators, and Providing exposure & scale. He said that through these, innovative ideas of startups will get larger engagement.

Shri Goyal said that India recognised some very interesting Startups in the first-ever national Startup award programme. "We provided an encouraging framework to have more Startups come up with brilliant ideas", he added. He said that Prime Minister has been at the forefront of

India's engagement with the startups. The Prime Minister Shri Narendra Modi has said, "Startups are the engines of exponential growth manifesting the power of innovation".

Lauding the initiative of SCO to include several sessions including exclusive discussions to promote women entrepreneurship, Shri Goyal said that In India, many startups have been founded by women. Shri Goyal said today's launch of the SCO startup forum is the reflection of the positive attitude of all the member states to further expand the engagement & nurture the spirit of innovation amongst our member states. He said that one of the common threads that knit the SCO member states together is the spirit of entrepreneurship. Launch of the SCO Startup Forum is the reflection of the positive attitude of all member states to nurture innovation amongst all, he added. He said that this engagement with Startups of all member states will further develop this ecosystem and encourage & expand the Startups' vision, as in this globalised world, our problems have also become planetary in scale & effect.

India receives highest ever FDI of \$35.73 billion during first 5 months of FY21

IBEF: October 21, 2020

Between April 2020 and August 2020, India received a cumulative inflow of \$35.73 billion of Foreign Direct Investment (FDI) and this is the highest ever for the first five months of a financial year, the Union Ministry of Commerce and Industry said.

The ministry said that this fiscal year's FDI inflow during April-August was 13% higher compared to the first five months of 2019-20 (\$31.60 billion).

The ministry said, "The FDI equity inflow received during April-August 2020 stood at \$27.10 billion, which is also the highest ever for the first five months of a financial year and 16% more than the same period last year".

The ministry stated that over the last six years, the overall FDI inflow increased by 55% between 2014 and 2020 compared to 2008-2014. Thus, from \$231.37 billion in 2008-14 to \$358.29 billion in 2014-20, the FDI rose.

The government said the inflow of FDI equity also increased by 57% from \$160.46 billion during 2008-14 to \$252.42 billion (2014-20).

FDIs are a major engine of economic growth and a major source of non-debt funding for India's

economic development. It has been the government's initiative to put in place an FDI policy that is encouraging and investor friendly.

The ministry said, "The intent all this while has been to make the FDI policy more investor friendly and remove the policy bottlenecks that have been hindering the investment inflows into the country. The steps taken in this direction during the last six years have borne fruit as is evident from the ever-increasing volumes of FDI inflows being received into the country".

Governments have introduced FDI reforms across different industries on the road of FDI liberalisation and simplification.

Government steps taken on the fronts of FDI policy reforms, facilitation of investment and ease of doing business have resulted in increased inflows of FDI into the nation. The following trends in India's FDI are an affirmation by global investors of its position as a preferred investment destination, the ministry stated.

India adds 2,320 MW solar capacity in COVID-19-hit January-September period

IBEF: October 28, 2020

From January to September, when the Covid pandemic disrupted the economy, India added 2,320 MW of solar energy power, official data indicates.

The bulk of the new capacity was contributed by Rajasthan, which added 360 MW, Tamil Nadu 341 MW and Maharashtra 165 MW.

Research analytics firm JMK Research had estimated about 8,000 MW of utility-scale projects this year prior to the pandemic. However, in the first nine months of 2020, only 1,400 MW worth of power was commissioned.

JMK Research stated, "Because of COVID 19, there were construction delays, restricted movement of equipment supply, and labour shortages eventually leading to project delays".

It further added, "Now, most of this delayed capacity is likely to come up in the first half of 2021".

The Ministry of New and Renewable Energy granted an extension of five months to all ongoing projects to help developers cope with the delays due to lockdowns. While stakeholders wanted a minimum of six months, after this extension was announced, no other requests have been made to the government.

Despite COVID-19, solar rooftops made some strides with a total capacity addition of 883 MW over the same span. Almost half of this power was added by Gujarat alone, adding 380 MW since January.

Favourable policy initiatives such as the Surya Urja Rooftop Yojana (which provides for a 40% and 20% subsidy for projects of 0-3 kW and 3-10 kW respectively) and the MSME policy (which allows excess energy generated by MSMEs to be sold at a fixed price to state distribution companies) have enabled Gujarat to step ahead of the other states.

Rajasthan with 150 MW and Tamil Nadu with 92 MW have installed the most solar rooftop power this year, after Gujarat.

has been the hot area for investment and will likely remain so for some time," said

The report also states that the investment in Indian start-ups is likely to pick up substantially by end of the year.

At global level, around 4,861 VC deals worth US\$ 73.2 billion took place during July–September 2020, higher than \$70 billion across 5,674 deals in the June ended quarter.

The major sector likely to attract the investment in coming period are fintech, edtech, healthtech, and biotech.



BUSINESS



MARKETS

VC investments in India more than doubled in September quarter: KPMG report

IBEF: October 23, 2020

According to Venture Pulse – a quarterly report published by KPMG Private Enterprise, the venture capital (VC) investments was robust world over, despite the pandemic-led disruptions during July-September quarter.

The VC investments In India, grew to US\$ 3.6 billion in July-September from US\$ 1.5 billion in the June quarter, supported by mega deals including the US\$ 1.3 billion raised by online retailer Flipkart.

Mr. Amarjeet Singh, partner, KPMG in India quoted that India continues to be attractive market for VC investors and there is huge demand in the edtech, healthtech and fintech segments.

To accelerate India's transition to a digital economy, Google had announced a US\$ 10 billion fund in July 2020.

Jio Platforms received major investment from Google (US\$4.5 billion) and Facebook's (US\$5.7 billion), and it have also made its own investments in Q3, including the acquisition of online pharmacy Netmeds in August.

India's edtech sector has undertaken four of the largest deals during the quarter. It includes Byju's (US\$ 500 million), Unacademy (US\$ 150 million), Eruditus Executive Education (US\$ 113million), and Vedantu (US\$ 100 million).

Mr. Nitish Poddar, partner and national leader – private equity, KPMG in India stated that edtech

IBEF: October 23, 2020

India is gearing to emerge as the world's sixth-largest OTT (over-the-top streaming) market by 2024. The market is expected to grow at a CAGR of 28.6% over the next four years to touch revenues of US\$ 2.9 billion.

According to the Media and Entertainment Outlook 2020, a report by, PricewaterhouseCoopers, OTT video, along with Internet advertising, video games and e-sports and music, radio and podcasts are the top four segments expected to see revenue growth in the country over the next four years.

The report highlights that while changing consumer behaviour may impact traditional sectors like cinema and print adversely, digital E&M (entertainment and media) spending, including OTT subscriptions and mobile data allowance, is being increasingly regarded as a utility and therefore, a non-discretionary expense. India's total M&E revenue, however, is expected to grow at a robust rate of 10.1% to reach US\$ 55 billion by 2024. Overall, though, global M&E revenues will contract by 5.6% in 2020 over 2019.

Rajib Basu, Partner, Entertainment and Media, PwC India has highlighted that while the Covid-19 pandemic has brought the growth of the M&E industry to a screeching halt, the impact of the pandemic has not been felt equally across sectors, while movie theatres and live events, for instance, have taken a hit, Covid has proven a boon for OTT.

Further, the massive investments made by OTT services like Netflix, Amazon, Disney+ Hotstar and others in originals as well as acquired content

will help subscription video-on-demand make up 93% of the total OTT revenue (as compared to 87% globally), increasing at a CAGR of 30.7% between 2019-2024, from US\$ 708 million in 2019 to US\$ 2.7 billion. The new at-home environment has led to the rise of new direct-to-consumer apps, local 'bite-sized' entertainment platforms and user-generated content formats, the report says.

Meanwhile, as the Covid-19 pandemic has resulted in a seven-month shutdown of movie theatres and several producers have taken their films directly to digital platforms, OTT has seen obvious gains at the expense of cinemas. In 2018, SVoD revenues were a third of India's total box office revenue but the shift of eyeballs to digital platforms in the medium to long term will ensure India's movie box office falls by 2.6% over the next four years as SVoD grows by 30.7%. In fact, the report says 2020 presents a key tipping point as SVoD revenue overtakes theatrical earnings, which Basu admitted may have been a function of theatres remaining shut for most of the year.

Gaurav Gandhi, director and country general manager, Amazon Prime Video India had admitted in an earlier interview to Mint that the Covid-19 pandemic has led to a steady increase in subscriptions and engagement.

"There was a need for fresh content, and we were able to provide that wholesome experience within the comfort of people's homes," Gandhi had said. The strategy of quick premieres of films and consistent availability of new shows is important, OTT executives say, but so is the quality of content. The presumption is people will take time to go back to theatres even as they begin to reopen, but it is important for web content to also be clutter breaking.

"All entities that only believe in quantity will have to introspect. There will be a problem of plenty if platforms are simply churning out content without making sure they have a unique bouquet to offer," Neeraj Roy, founder and CEO, Hungama Digital Media said.

The report says that while Covid has impacted overall advertiser confidence with segments like print losing advertising by 1.5%, Internet has emerged relatively unscathed, estimated to grow at a CAGR of 21.7% between 2019-2024. In fact, India is now the sixth-largest Internet ad market in the Asia Pacific and mobile will continue to be the primary driver of revenue due to increased data affordability, new mobile-first formats, and strategic targeting of consumers. Music

and podcasts are other big gainers, with advertising for them estimated to rise by 20%. The TV advertising model, meanwhile, continues to be impacted by the ongoing shift in consumer habits though it is estimated to grow by 2.1% by 2024 too.

Gaming and sports that capitalize on the need to bring live experiences into the home in personalized and engaging ways, are also set to benefit from the pandemic. India's gaming market is expected to touch US\$ 3.2 billion in 2024, increasing at a CAGR of 18.8% with e-sports alone growing at 33%.

Fuelled by the uptake of music streaming brands and people turning to motivational, spiritual, fun and fitness content during the lockdown, India's has emerged as the third largest podcast listening market in the world after China and the US, with 57.6 million monthly listeners. Further, the segment is expected to touch revenues of US\$1.7 billion in 2024, increasing at a CAGR of 13.5%. India will also see strong increase at 30.4% CAGR in its monthly podcast listener base over the next five years, supported by the entry of foreign players and original content on topics including news, society and culture, the report says.

India may see US\$ 206 billion investment in oil and gas in next 8-10 years

IBEF: October 26, 2020

Indian oil and natural gas sector is likely to witness an investment of US\$ 206 billion during the next eight to ten years.

With Prime Minister Mr. Narendra Modi addressing the top global executives at the India Energy Forum by CERA Week on Monday, it is expected he would further entice companies to promote an oil and gas self-reliant India. This when the domestic fuel market is recovering from the pandemic-driven decline.

The three-day India Energy Forum will be participated by Mr. Dan Brouillette (US Secretary of Energy), Prince Abdulaziz (Minister of Energy of Saudi Arabia) and Sultan Ahmed Al Jaber (CEO of Abu Dhabi National Oil Company). This event will also see participation from industry players such as Mr. Igor Sechin (Chairman, Rosneft, Russia); Mr. Bernard Looney (CEO BP Plc, UK); Mr. Patrick Pouyanné (Chairman & CEO, Total S.A., France); Mr. Olivier Le Peuch (CEO, Schlumberger, USA); Mr. Mukesh Ambani

(Chairman & MD, Reliance Industries) and Mr. Mohammad Sanusi Barkindo (Secretary General, Opec).

A government official said that such global meets are important when the country is expected to have large investment in this decade. The investments include US\$ 67 billion in gas infrastructure -- LNG capacity increase, pipelines and CGD networks. Multiple global players such as Total, Exxon Mobil and Shell have shown their interests in this field. The companies such as Reliance-BP, ONGC and Oil India, exploration and production scenario would see investment of around US\$ 59 billion. On the other hand, downstream segment, including marketing, refinery expansions and new refinery plans like Vizag, Barmer, Paradip and Ratnagiri may see another US\$ 80 billion investments too in the sector.

During the first fortnight of October 2020, the Petrol demand was up by 1.5%; Diesel by 8.79% and LPG by 6.93% compared to October 1-15 period of 2019. The ATF demand is 57% short of last year which means there is a recovery of 43%. With increased focus on clean energy in recent years in India, the share of renewable in electricity capacity has significantly gone up now to 22% from around 10% in 2014-15. The ethanol blending percentage has increased from 0.67% in 2012-13 to now close to 6%.

NITI Aayog & AWS Launch Frontier Technologies Cloud Innovation Center in India

IBEF: October 20, 2020

To address societal challenges through digital innovation, NITI Aayog today announced the establishment of a Frontier Technologies Cloud Innovation Center (CIC) with Amazon Web Services (AWS)—the first of its kind in India.

This CIC is part of the AWS CIC Global Program, which provides an opportunity for government agencies, non-profits, and educational institutions, to come together on pressing challenges, apply design thinking, test new ideas, and access the technology expertise of AWS.

“We are seeing public sector organizations around the world use cloud technology to innovate in a fast and agile manner, address problems at scale, and transform public services for citizens,” said Mr. Max Peterson, Vice President, International Sales, Worldwide Public Sector, Amazon Web

Services, Inc. “Our Cloud Innovation Centers program is designed to be a catalyst for innovation in public sector, by bringing together technology experts to address challenges. We are excited to collaborate with NITI Aayog and support its public-sector mission in India.”

“We are delighted to collaborate with AWS in this endeavour. The NITI Aayog Frontier Technologies CIC will be a great enabler to budding innovators and start-ups, and help in piloting state-of-the-art, cloud-centric digital innovations by leveraging emerging technologies such as AI, IOT, robotics, blockchain, etc. It is also aligned to the Prime Minister’s vision of an Aatmanirbhar Bharat, as well that of NITI Aayog and Atal Innovation Mission,” said AIM (Atal Innovation Mission) Mission Director Mr. R. Ramanan.

“The NITI Aayog Frontier Technologies Cloud Innovation Center will enable government stakeholders, start-ups, and local organizations in India to innovate and create new approaches to solving problems,” said Ms. Anna Roy, Senior Adviser, NITI Aayog “Through the AWS CIC program, we now have the opportunity to experiment with the latest technology, and access world-class expertise that will help us advance citizen services, and better understand how frontier technologies can address the unique needs of our country,” she added.

The NITI Aayog Frontier Technologies CIC addresses a core mission: to identify and deploy leading-edge technologies to drive continuous innovation in delivering citizen services. The center will identify and prioritize projects as well as collaborate with local leaders, including subject matter experts at the state and district levels, to solve critical challenges. Local enterprises, start-ups, researchers, and universities in India can experiment and build prototypes on AWS Cloud.

“With AWS Cloud, public sector organizations get the power of the broadest and deepest cloud services to accelerate their missions and make the world a better place,” said Mr. Rahul Sharma, Regional Head, AISPL Public Sector, AWS India and South Asia. “We are deeply committed to help public sector organizations in India achieve transformational economic and societal impact and look forward to sharing our global experiences to accelerate digital innovation in the country.” The NITI Aayog Frontier Technologies CIC joins a global network of AWS public sector cloud innovation centers across Australia, Bahrain,

Canada, France, Germany, South Korea, and United States. For more information about the Amazon Web Services Cloud Innovation Centers Program, visit <https://aws.amazon.com/government-education/cloud-innovation-centers/>. Amazon Internet Services Private Limited (AISPL) undertakes the resale and marketing of AWS Cloud services in India.

India is one of the largest manufacturers and exporters of generic medicines across the world: Shri DV Sadananda Gowda

Press Information Bureau: October 16, 2020

Union Minister for Chemicals and Fertilizers Shri DV Sadananda Gowda has said India is one of the largest manufacturers and exporters of generic medicines across the world. During initial phase, he said, HCQ and Azithromycin was identified as one of medicines under treatment protocol for covid-19 in emergency cases. Referring to India supplying these medicines to more than 120 countries across the world; he underlined that India thereby earned the reputation of reliable supplier of medicines.

Shri Gowda informed that India is the only country with largest number of US-FDA compliant Pharma plants (more than 262 including APIs) outside of USA with exports \$ 20 billion worth of pharma products to various countries including high standards complying countries like US and Europe.

Addressing the virtual Latin America & Caribbean session on 'Reimagining Distances', during LEADS 2020, organised by FICCI late last evening Shri Gowda said that Indian pharma sector can grow to \$ 65 billion industry by 2024. "We have recently launched schemes for development of seven mega parks—three bulk drug parks and four medical devices parks across country. New manufacturers will be eligible for Production Linked Incentive (PLI) Scheme under which they will be eligible for financial incentives on basis of their sales for first 5-6 years," Shri Gowda said.

The Minister further emphasised that this is a very- very good time to invest and set up manufacturing base in India in pharma sector. "One can enter India market through Joint Ventures also. The advantage is that you can get access to big markets like domestic Indian market, US, Japan, EU and South East Asia through India as

far as pharma sector is concerned. Anybody can contact my office if they are interested in Indian pharma sector, we will provide all possible facilitation and hand holding," he stressed.

Shri Gowda also said that the market size of Chemicals & Petrochemicals sector in India is around 165 billion dollars. The size is expected to grow up to 300 billion dollars by 2025. This presents a huge opportunity in Chemical sector India. For example, to meet the growing demand India will need 5 crackers by 2025 and additional 14 by 2040. These crackers alone will require cumulative investment of 65 billion dollar. To attract foreign participation, he said, Government of India is revisiting policies for chemical and petrochemical sector. "We are thinking to extend financial incentive based on sales like what is being extended in our pharmaceutical sector. We are also tweaking our policies to strengthen our chemical industrial cluster which we call as PCPIRs and plastic parks. Together, these supportive Government policies will offer one of the best environments to do business in India as far as chemicals & petrochemical sector is concerned," Shri Gowda said.

The Minister added that fertiliser sector is also an attractive sector in India. There is huge demand for fertilisers by our farmers every year. However, domestic production is itself is not enough to meet requirements of fertilisers. We are large importers of urea, & P & K fertilisers. For example, in 2018-19, India imported 7.5 million ton of urea, 6.6 million ton of DAP, 3 million ton of MOP and 0.5 million ton of NPK fertilizer.

"I am told that Latin American and Caribbean countries are also net importers of chemical fertilisers. Instead of competing in market as buyers, we should be cooperating for making supply chains more efficient so that adequate quantity can be sourced at competitive prices," he added.

Shri Gowda stressed that there is a need for collaboration for development of alternative fertilisers for example nano fertilisers, which can reduce our requirement/ usage of fertilisers, and hence dependence on imports. I would welcome any feedback on my proposal for joint R & D collaboration for development of alternate fertilisers.

"We would welcome any proposal in these sectors and extend all possible handholding in India wherever it will be required, he assured," he added.



Start up Funding

- Agritech Startup Origo Raises INR 35 Cr From Northern Arc Capital, Other Investors. The company plans to use the funds to improve agri processes, warehousing, and accessibility to lakhs of Indian farmers who are in dire need of tech-enabled services in the country. While Origo Commodities India has raised INR 15 Cr from Northern Arc to expand its Trade Finance, Origo Finance raised INR 20 Cr for the development of micro lending avenues and agri supply chain financing. Earlier, Origo had raised INR 48.5 Cr from Switzerland-based responsAbility, the Netherlands-based Oikocredit's Indian subsidiary Maanaveeya, and IndusInd Bank
- BetterPlace, a Bengaluru-based lifecycle management startup for the blue-collar workforce, is looking to raise the funds from Jungle Ventures, Unitus Ventures, VH Capital and 3one4 Capital. BetterPlace last raised funds in 2018 for is \$3 Mn-worth Series A round
- 3one4 Capital, Unitus and VH Capital are existing investors in the BetterPlace
- Razorpay has entered the unicorn club after raising \$100 Mn this week
- Zomato has raised INR 380 Cr or \$52 Mn from US-based Kora Investments
- Nearly \$251.5 Mn was invested across 22 Indian startups this week

Other Development

India to have 100 unicorns by 2025 despite covid impact: TiE report

IBEF: October 15, 2020

According to a study titled 'Covid-19 and the Antifragility of the Indian Startup Ecosystem,' India is on its way to having 100 unicorns by 2025, considering the effects that the covid-19 pandemic has had on the Indian start-up ecosystem.

To put it in perspective, four Indian startups, Postman, Nykaa, Unacademy and Razorpay, have

become unicorns amid covid-19, despite being jolted by the pandemic, and the nation is on track to have 8 unicorns in 2020, almost the same number of additions as in 2019.

The study launched by TiE-Delhi, a global non-profit organisation supporting entrepreneurship in collaboration with Zinnov, a global management and strategy consulting company, revealed that total funding fell by 50% compared to pre-covid levels during the lockdown. As a result, around 40% of start-ups have been adversely affected and 15% have been forced to discontinue operations.

The third largest start-up ecosystem in the world was jolted by the multi-dimensional pandemic and the effect was extreme during the lockdown period from March to June 2020. However, the rate of recovery, both in demand and in investor sentiment, was faster than anticipated as the economy opened.

Mr. Rajan Anandan, President, TiE Delhi-NCR said, "Although the immediate impact of the lockdowns on the Indian startup ecosystem was severe, we have been amazed to witness how quickly Indian founders have acted to reimagine their businesses. What has been most impressive is how many startups have reduced burn and improved their unit economics very rapidly".

According to the report, the transition to digital consumption has provided the requisite tailwind for sectors such as education, healthcare and trade, while several negatively impacted sectors such as travel, hospitality and mobility are now on a recovery path. For example, 75% of start-ups are recovering post lockdown gradually, but steadily. About 30% of startups have pivoted to new alternative revenue stream markets, while more than 55% of startups focus on profitability.

In addition, during the quarter ended in September 2020, deal activity, both in terms of overall investments and the number of specific funded startups, has recovered to pre-covid levels. Furthermore, by the end of 2020, the start-up ecosystem is expected to have 7-7.5 direct jobs and 26-28 indirect jobs in total, further cementing its recovery.

Mr. Anandan added, "Investor sentiment has also recovered quickly, and we expect the Indian unicorn club to steadily expand through 2020 and 2021. Although COVID-19 has been a major setback for the ecosystem, we believe that the changes that the pandemic has brought on will make our ecosystem much stronger, across every dimension".

The ecosystem's antifragility is exemplified by the courageous reaction of entrepreneurs and the ecosystem, to the confusion brought on by the pandemic, by introducing new business models in line with changing consumer needs and market conditions.

The study demonstrates the spectrum of effects on the different sectors and discusses the measures taken by entrepreneurs to reinvent their business models to minimise the impact of covid-19. Factors that reflect the revival of the ecosystem include the pickup of M&A and seed operations, as well as late-stage funding. The Indian start-up ecosystem showed positive signs of recovery in Q3: funding returned to 98% of Q1 levels, investor sentiments became positive, ticket sizes increased, the number of start-ups raising their first investment round also returned to Q1 levels, ensuring that the start-up ecosystem bounced back, with the expectation of becoming healthier and more vibrant.

Mr. Pari Natarajan, CEO, Zinnov said, "By being nimble and rapidly responding to different challenges, looking at them as an opportunity, the Indian startup ecosystem has displayed its anti-fragile nature. Despite the trying times, and the death of many startups, the ecosystem has played a key role in employment generation and is expected to create ~15-16 Lakhs direct jobs by 2025. There is clear evidence that India's future is about technology, policy, innovation, and entrepreneurship".



SIDELINES

High Commissioner spoke about the life and legacy of Dr A P. J Abdul Kalam at the Abdul Kalam Vision Society of Singapore during an event organised on the occasion of the 89th birthday of the former President of India.



Transforming India: All Sectors

“PREVENTIVE VIGILANCE IS BETTER THAN PUNITIVE VIGILANCE”

PM Modi at National Conference on Vigilance & Anti Corruption

- Corruption across generations is a major hurdle in the progress of the country
- Strong & timely action against corruption increases people's trust & sends a message that it is difficult for the corrupt to escape
- He quoted Kautilya's saying that those who try to utilize govt's money for public good, should be appointed to important posts
- Govt's priority has been to provide better technology, capacity building, latest infrastructure & equipment to agencies related to vigilance for

Bonanza for Consumers

Revitalising Centre Capital Expenditure, Stimulating Demand

Financial Boost to the Economy

- ₹25,000 crore additional budget for Capital Expenditure
- Will be provided for roads, defence infrastructure, water supply, urban development & domestically produced capital equipment
- Allocations will be made in forthcoming Revised Estimate discussions

Towards Achieving National Nutrition Security

PM Modi Dedicates 17 New Biofortified Varieties of 8 Crops to the Nation (1/2)

- These biofortified crops will have up to 3-fold increase in nutritional value, will transform normal Indian thali into nutri-thali
- These varieties have been developed by utilizing the local landraces & farmer's varieties
- These crops are rich in essential nutrients like iron, zinc, calcium, protein, lysine, tryptophan, vit A&C, anthocyanin, oleic acid & linoleic acid
- These crops have reduced anti-nutritional factors like erucic acid, trypsin inhibitor, etc. that affect human growth & development

#SahiPoshanDeshRoshan

Bonanza for Consumers

Revitalising States Capital Expenditure, Stimulating Demand (1/2)

- Special interest free 50-year loans to States for capital expenditure for ₹12,000 crore
- ₹2,500 crore for North Eastern and Hill States
 - ₹1,600 crore for North East
 - ₹900 crore for Uttarakhand & Himachal
- ₹7,500 crore for other states, in proportion to share in Finance Commission devolution
 - 50% initially
 - Balance after use of first instalment

Bonanza for Consumers

Revitalising States Capital Expenditure, Stimulating Demand (2/2)

- ₹2,000 crore for states which meet at least 3 out of 4 reforms given in AatmaNirbhar fiscal deficit package
- To be used for new or ongoing capital projects needing funds and/or settling contractors'/suppliers' bills on such projects
- To be spent by 31st March 2021
- This funding will be over and above all other additional borrowing ceilings given to states
- Bullet repayment after 50 years, no

“INDIA HAS ZERO TOLERANCE APPROACH TO CORRUPTION”

PM Modi at National Conference on Vigilance & Anti Corruption

- Many legal reforms like laws against Black money, Benami properties & Fugitive Economic Offenders Act were undertaken to strengthen the vigilance system
- India is among the few countries in the world where a face-less tax assessment system has been implemented
- India is among those few countries where technology is being used more and more to prevent corruption
- Owing to DBT alone more than ₹1.7 lakh crore are being saved from

FORTHCOMING EVENTS >>>> INDIA

I. NAMASTE BHARAT**Date:** 29 October – 7 November 2020**Venue:** Virtual Platform , www.namastebharat.world**Organizer:** De Ideaz Pte Ltd (<https://namastebharat.world/faq/>)

Details: De Ideaz, has been hosting an annual exhibition in Singapore since the last 10 years for the MSME sector in India. The exhibition is organized with the support of Singapore Press Holdings. Each year, around 150 Indian exhibitors have been participating in the event, which is very popular in Singapore and draws customers from other Southeast Asian countries. From India, FIEO has been participating in the event, with the support of Ministry of Commerce. Due to the recent pandemic, this year the exhibition named “ Namaste Bharat” is being organized on a virtual platform to create a much larger global engagement. Namaste Bharat, the biggest global online L2G (Local to Global) exhibition aims to create an ecommerce ecosystem for MSME, cottage industries, artisans and rural-urban women entrepreneurs to build a sustainable livelihood by promoting "Made in India" products globally. The Federation of The Federation of Indian Export Organisations (FIEO) is the nodal agency in India. The Australian Indian Business and Trade Foundation, Gulf Maharashtra Business Forum, UK-USA business chambers and other prominent organisations are supporting the event.

II. 6TH INDIA FARM2FORK VIRTUAL EXHIBITION**Date:** 4 — 6 November 2020**Venue:** Virtual Event**Contact:** mallika.verma@phdcci.in , PHD Chamber of Commerce and Industry

Details: The virtual Farm 2 Fork will provide opportunities to Agribusiness companies and Food Businesses to showcase their products, processes, services and innovative technologies. India ranks in top producers of Milk, Fruits, Vegetables, Meat, Spices, Tea, Fish, etc., but the percentage in global trade is not significant. Further the yields and processing levels are low, hence generating need for new technologies and processes. Therefore, the chamber is inviting technology solution providers to participate as Exhibitor, Panelist and showcase the products to Indian agriculture and food processing units and discuss business and trade prospects.

III. GLOBAL VIRTUAL HEALTHCARE & HYGIENE EXPO 2020**Date:** 23-26 November 2020**Venue:** Virtual Expo**Organizer:** Federation of Indian Chambers of Commerce and Industry**Contact:** <https://vhhe.in>

Details: Global Virtual Healthcare & Hygiene Expo 2020 (G-VHHE) is being organized with the aim of generating foreign investments and promoting exports from India. It is India's largest Virtual Exhibition & Conference on Healthcare and Hygiene Sector. Over 100 domestic and international exhibitors will display their brands, products, services, and credentials digitally on their booth (through corporate videos, brochures, and catalogues), prefix meetings with registered visitors from over 100 countries across the globe, and meet them through text/video chat 24x7 during the Expo.

The exhibitors and visitors will get immersive experience of participation, will reach out to their target audience seamlessly, without traveling, and from the comfort of their office or home through laptop, tab, or mobile device with internet connectivity. Webinars and Live Sessions during the Expo will help communicating simultaneously to larger buyer groups.

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

BrahMos Supersonic Cruise Missile Successfully Test Fired from Indian Navy's Stealth Destroyer, INS Chennai

Press Information Bureau:

BrahMos, the supersonic cruise missile was successfully test fired today from Indian Navy's indigenously -built stealth destroyer INS Chennai, hitting a target in the Arabian Sea. The missile hit the target successfully with pin-point accuracy after performing high-level and extremely complex manoeuvres.

BrahMos as 'prime strike weapon' will ensure the warship's invincibility by engaging naval surface targets at long ranges, thus making the destroyer another lethal platform of Indian Navy. The highly versatile BrahMos has been jointly designed, developed and produced by India and Russia.

Raksha Mantri Shri Rajnath Singh congratulated DRDO, BrahMos and Indian Navy for the successful launch.

Secretary DDR&D & Chairman DRDO Dr G Satheesh Reddy, congratulated the scientists and all personnel of DRDO, BrahMos, Indian Navy and industry for the successful feat. He stated that BrahMos missiles will add to the capabilities of Indian Armed Forces in many

Issue No 290, 31 October 2020

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: Whether the percentage of foreign investment should be calculated at the time of issuance of Employee Stock Options (ESOP) or vesting stage or exercising stage?

Answer: Foreign investment percentage has to be calculated on a fully diluted basis i.e. at the time of issuance of Employee Stock Options.

Q: Whom to approach for clarifications if any required, related to Schedule 5 to FEMA 2002?

Answer: Financial Markets Regulation Department, RBI.

Source: RBI

For Feedback & Comments, please contact:

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URL : www.hcisingapore.gov.in