

**Daily Economic News Summary: 27 December 2019**

**1. India set to cross 100-GW renewable energy capacity mark in 2020**

**Source: Business Standard ([Link](#))**

India is set to cross the 100-Gw renewable energy capacity mark in 2020 and can make rapid strides towards the ambitious 175 Gw clean energy target by 2022 provided the government keeps a close eye on key issues and deals with those well in time. The government, however, needs to promote storage to ensure 24x7 clean energy supply as coal fired thermal power still remains the base load in the country. Presently, the issues hampering growth of renewables in India are lack of interest of financial institution to fund renewable energy projects, safeguard duty on imported solar panels, ambiguity over goods and services tax (GST) on solar equipment and low investor sentiment due to delayed or non-payment by discoms to clean energy developers.

**2. National Productivity Council to assess performance of power loom sector schemes**

**Source: Money Control ([Link](#))**

The National Productivity Council will undertake an evaluation study to assess the performance of four power loom sector schemes for a period from April 2017 to March 2020, to help the Centre make improvements in future schemes to achieve better outcomes for the sector by identifying existing gaps. "The study would focus on detailed field-level interactions with central agencies involved in implementation of the projects and various stakeholders. Field study would be conducted through structured questionnaire/checklists at the cluster level on a pan-India basis," the Office of the Textile Commissioner has said.

**3. Agri goods can fetch India additional \$97 bn in exports: FAO**

**Source: Money Control ([Link](#))**

Select agri and agri-based commodities like meat, milk and fruits, among others, present export opportunity worth over \$97 billion (about Rs 6.9 lakh crore) for India, as per data from the Food & Agriculture Organisation. India's export share in agri items such as bananas, oranges, chicken, meat, and milk products like cheese and butter milk is miniscule at present, the data showed. The country's share in the global market for 19 commodities was a miniscule 1.5 per cent, or around

\$1.5 billion (about Rs 10,650 crore), in 2017 against a potential of \$97 billion, the World Trade Centre said in a statement on 26 December quoting the FAO data released recently. While global market for meat and chicken is a whopping \$20.6 billion, the country's export share is only 4.04 per cent of this.

#### **4. Government proposes BS VI emission norms for quadricycles from April 2020**

**Source: The Economic Times ([Link](#))**

The government has proposed to make BS VI emission norms mandatory for quadricycles from April 1, 2020, an official said. "The Road Transport and Highways Ministry in a draft notification has proposed amendment of Rule 115 to mandate the next level emission norms for quadricycles. The BS VI emission norms for quadricycle are being proposed with effect from 1st April 2020," an official told. Currently, quadricycles are covered under Bharat Stage IV emission norms. The BS VI emission norms are in line with European standards. Various testing, including those related to durability, would be as per Europe quadricycle norms, the official said.

#### **5. Nirmala Sitharaman to meet heads of PSBs tomorrow, likely to discuss credit flow to MSMEs**

**Source: Financial Express ([Link](#))**

Finance minister Nirmala Sitharaman is expected to meet the heads of the public sector banks on December 28 to discuss the credit flow to micro, small and medium enterprises (MSMEs) and the status of IBC cases, banking sources told FE. The government wants to review the progress following various steps taken by it in recent past. In September, Sitharaman asked banks not to declare stressed MSME loans as NPAs till March 2020. This meeting is taking place at a time when banks have been referring unresolved stressed companies to the National Company Law Tribunal (NCLT). Lenders are reeling under pressure to adhere to the provisioning timelines for resolution of stressed assets. According to the June 7 circular, the banks have to make an additional provisioning of 20% if the resolution plan is not implemented within six months, and another 15% if resolution plan is not implemented within a year, taking the burden of additional provisioning to 35%.

#### **6. FASTag recharge can now be done using BHIM UPI**

**Source: Financial Express ([Link](#))**

The National Payments Corporation of India (NPCI) on 26 December launched the option to recharge NETC FASTag using BHIM UPI. Any BHIM UPI-enabled mobile app would now give

vehicle owners the opportunity to recharge their FASTags on the go and avoid queues at toll plazas, NPCI said in a statement. FASTag was made mandatory on national highways throughout the country from December 15. The tag enables automatic deduction of toll charges from the prepaid or savings account linked to it by using radio frequency identification (RFID) technology, while the vehicle is in motion. Praveena Rai, chief operating officer, NPCI said, “Consumer experience with NETC FASTag is our primary focus. We are pleased to announce the NETC FASTag recharge option through BHIM UPI. We believe that this facility would give them a smooth, secure and transparent toll payments experience just by using any of the UPI enabled mobile applications.”

### **7. Amazon, Flipkart, other e-commerce portals to lose market share to these online retail startups**

**Source: Financial Express ([Link](#))**

The share of vertical platforms (startups engaged in the retail of goods of the particular market) is likely to go up by around 10 per cent between 2019 and 2022 in the online retail market in terms of the gross merchandise value (GMV). Sectors particularly pharma, furniture, groceries, baby care, beauty and personal care are some of the key markets where startups have a strong play vis-a-vis horizontal platforms, according to a report. India’s horizontal marketplaces include Amazon, Flipkart, Snapdeal, ShopClues etc. Nykaa, FirstCry, Grofers, PepperFry are some of the leading platforms in their respective markets competing with Walmart-owned Flipkart and Amazon India that sells almost every consumer good under the sun. Indian e-retail market’s GMV stood at around \$30.8 billion in 2019 and is likely to grow to \$67.7 billion by 2022 wherein the share of big and small or emerging verticals will scale up from around 20 per cent to 30 per cent, a report by consulting firm RedSeer said on 26 December. This also indicates a fall of 10 per cent market share from 80 per cent (\$24.64 billion) in 2019 to 70 per cent (\$47.39 billion) in 2022 by GMV for horizontal players.

### **8. India’s sugar may dominate global market; output set to bounce back in FY 2020-21 from 3-year low**

**Source: Financial Express ([Link](#))**

India may roil the global sugar market again as prospects for next year’s cane crop have brightened due to brimming reservoirs. Bountiful monsoon rains this year have led to above average water levels in reservoirs, which will in turn boost the amount of sugar cane that’s planted, according to industry and Indian government officials. Sugar output in the country is

expected to bounce back in 2020-21 from an estimated three-year low this year, they said. “The only thing that can stop cane plantings in India is the hand of God,” said Rahil Shaikh, managing director of trading company Meir Commodities India Pvt. “Other than that, cane will be the king and will be ruling the country for a long time.” Bumper crops from India, which vies with Brazil as the world’s top producer, have been blamed for causing a global sugar glut, leading to two years of more than 20% declines in world sugar prices. While the market has recovered in 2019, partly on crop setbacks in India, sentiment may worsen again if the country returns to record output.