Daily News Monitor: 10 November 2020

1. 15th FC submits report to President, keeps tax devolution to states at 41%
Source: Business Standard (Link)

The 15th Finance Commission (FC) has recommended that the states be given 41 per cent of the divisible tax pool of the Centre during the period 2021-22 to 2025-26, sources said. The 15th FC, led by former revenue secretary and parliamentarian N K Singh, submitted its final report to President Ram Nath Kovind on Monday. It had also recommended the same percentage of devolution in its interim report for 2020-21. The 14th FC had recommended 42 per cent tax devolution to the states. This was 10 percentage points higher than what was suggested by the previous FC. The 15th FC recommended 41 per cent devolution to accommodate the funds for Jammu and Kashmir and Ladakh, which were carved out as Union Territories by Parliament last year.

2. India's Essar, Brazilian firms consider bid for Petrobras' refinery
Source: Business Standard (Link)

Brazil's Petroleo Brasileiro SA is set to receive binding offers on Dec. 10 for its Rio Grande do Sul state refinery Refap, with Indian conglomerate Essar Group and local firms Raizen and Ultrapar Participacoes SA among its potential bidders, people familiar with the negotiations said. All three companies have been pre-qualified for the binding phase for Refap refinery, also known as Alberto Pasqualini, the sources added, declining to be named as the details are confidential. Petrobras, as Brazil's state-controlled producer is known, will also receive offers on the same day for its Parana state refinery - Presidente Getulio Vargas, or Repar - as part of a rebidding sale process. In September, both Raizen and Ultrapar delivered bids that were too similar in value.

3. Govt invites foreign investment in India's strategic petroleum reserves
Source: Business Standard (Link)

India has invited global firms to invest in its strategic petroleum reserves (SPRs) as the nation's energy consumption growth would be fastest among large economies in coming decades, oil minister Dharmendra Pradhan told a conference on Monday. India's share in global energy consumption is set to rise from 7% to 12% in 2050, Pradhan told the ADIPEC conference. The nation, the world's third-biggest oil consumer and importer, earlier this year filled its three SPRs in southern India with 5.33 million tonnes of oil when prices were low. To attract private investment in its SPRs, India recently allowed Abu Dhabi National Oil Co (ADNOC) to reexport some of its oil stored in Mangalore SPR, mirroring a model adopted by South Korea and Japan.

4. Indiamart posts big jump in Q2 net profit
Source: Livemint (Link)

B2B e-commerce firm Indiamart Intermesh has posted nearly eight-fold jump in its consolidated net profit at ₹70 crore for the second quarter ended September 30, 2020. The company had reported a net profit of ₹9 crore in the corresponding period a year ago. The revenue from operations of the company increased by 4% to ₹163 crore during the reported quarter from ₹157 crore it recorded in the corresponding quarter of 2019-20. The results were announced after market hours on Monday. Indiamart Intermesh shares were trading 2.7% lower in early trade today at ₹4,881 on BSE. Indiamart shares had run up sharply from its March lows of ₹1,641.20.

5. Delhi may have to redraw trade ties after Joe Biden's win in US election
Source: Financial Express (Link)

Joseph R Biden's election as the 46th American President brightens the prospect of his country's re-entry into the ambitious Trans-Pacific Partnership (TPP) trade deal with 11 others, which was negotiated by the Obama regime and rejected by Donald Trump, to counter China, analysts told FE. Any such move (even if the US joins an amended TPP to suit its current realities) will pile up pressure on India to try and join either the TPP or another mega deal to ward off its damaging impact, at a time when New Delhi has turned away from the Beijing-dominated RCEP talks. Under the TPP, the US had originally proposed to offer duty-free market access in products, including garments, to competitors like Vietnam. At the very least, it may prompt India to expedite its plan to hammer out trade deals with the US, the UK, the EU, Australia and others.

6. India sits on extra $320 billion growth potential in 11 key manufacturing areas: McKinsey
Source: Financial Express (Link)

Eleven manufacturing value chains in India have strong potential to operate in international markets, boosting India's power and providing long-term employment and skill pathways to several Indians. With relevant reforms and complementary actions by manufacturing companies, it is estimated that these 11 manufacturing value chains can generate about $320 billion more in gross value added within the next seven years, said a McKinsey report. About 80 percent of that GVA potential resides in six value chains which are chemical products and petrochemicals; agriculture and food processing; electronics and semiconductors; capital goods and machine tools; iron ore and steel; and automotive components and vehicles.