

Daily News Monitor: 28 August 2020

1. India-ASEAN can resolve differences, take trade to \$300 billion: Piyush Goyal

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

Commerce and industry minister Piyush Goyal on 27 August said India-ASEAN trade can reach \$300 billion and the two can resolve their differences by addressing concerns of all nations and businesses. “India and ASEAN have not been able to harness the full trade potential, for various reasons, but now is the time to open matrix to expand trade, address concerns of all nations and businesses, and resolve the differences,” he said at the ASEAN-India Business Council virtual meet. India’s merchandise trade with the 10-member ASEAN or Association of Southeast Asian Nations in FY20 was \$86.86 billion. “He extended India’s friendship and partnership to ASEAN through businesses, so that together both the partners are able to succeed, secure future, work together, attain prosperity, and achieve a target of \$300 billion trade,” the commerce and industry ministry said in a statement quoting Goyal.

2. Centre gives states two options to meet GST compensation cess shortfall

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

The Centre on 27 August offered two options to states to compensate them amid inadequate cess collections under the goods and services tax (GST) regime. One was an offer of a special window to states, in consultation with the Reserve Bank of India (RBI), to the tune of Rs 95,000 crore at a reasonable interest rate. The other was for states to borrow Rs 2.35 trillion from the market, with the RBI as a facilitator. However, the burden of repayment will not be on states. The timeline for cess imposed on sin and luxury goods will be extended beyond June 30, 2022 (up to which states are Constitutionally guaranteed compensation), to help service the debt. Finance Minister Nirmala Sitharaman told the media that the Centre would facilitate the borrowing, by talking to the RBI. This is to ensure individual states do not rush to the market and raise bond yields.

3. PM Narendra Modi urges industry to play a larger role in defence

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

In an unscheduled appearance at a Ministry of Defence (MoD) webinar that even caught Defence Minister Rajnath Singh by surprise, Prime Minister Narendra Modi delivered an 18-minute speech on 27 August, talking up the government’s “self reliant India” policy in defence and urging private industry to play a larger role. “For many years, India has been the world’s biggest importer of defence equipment,” said Modi, blaming it on the failure of

earlier governments. This, he said, was changing, repeatedly invoking the confidence of a “New India”. “When India got Independence, it had enormous capability as a defence producer. At that time, there was a defence production ecosystem that had been established more than a century earlier,” said Modi.

4. Government allows more benefits under Jan Dhan Yojana

Source: Livemint ([Link](#))

To create a social security net for the poor, the government will offer its life and accident insurance schemes--PM Jeevan Jyoti Bima Yojana (PMJJBY) and PM Surakhsha Bima Yojana (PMSBY)--to eligible Jan Dhan account holders. These government-backed insurance schemes were announced in 2015. The announcement, made by the finance ministry on Friday, comes with the completion of six years of National Democratic Alliance government’s flagship scheme Jan Dhan Yojana. The scheme was primarily launched to provide banking services to all households but it also played a crucial role in the success of other welfare schemes, including direct benefit transfer (DBT), disbursement of financial assistance during covid-19. PMJJBY is available to people in the age group of 18 to 50 years having a bank account. The risk coverage under this scheme is for ₹2 Lakh, at a premium of ₹330 per annum in case of a death of the insured.

5. GMR group to list airport business, raise Rs 5,000 crore via securities

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

India’s largest airport operator, GMR, has decided to separately list its airport business. The company’s board on Thursday passed a proposal that will see the holding company, GMR Infrastructure, demerge into airport and non-airport entities. The board also approved fundraising of up to Rs 5,000 crore through issuing securities. Sources said the company was in talks with investment banks to launch a qualified institutional placement (QIP) before the end of this calendar year. According to the restructuring process, the non-airport business, comprising energy, urban infrastructure, and EPC services, will be moved to GMR Power and Urban Infra Ltd (GPUIL) as a going concern. GMR Infrastructure Ltd (GIL) will turn into a pure-play airport-owning company.

6. Modi-Abe talks to focus on promoting Japanese investments in India, improving infra

Source: The Hindu, Business Line ([Link](#))

Looking out to shift some of its investments from China, Japanese Prime Minister Shinzo Abe is likely to discuss options to help the 200-odd investment projects from his country facing delays in India due to Covid-19 disruptions in his video conference with Prime Minister

Narendra Modi proposed next month. The focus of the India-Japan Summit, which may take place around September 10, will also be on strengthening digital partnership between the two countries, removing hurdles identified by Japanese companies in India — including inadequate infrastructure — cooperation to tackle Covid-19 contingencies and bringing down the bilateral trade deficit suffered by India.