

Daily News Monitor: 2 September 2020

1. India, Australia and Japan to form pact on supply-chain resilience

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

A new initiative to establish greater supply-chain resilience in trade and investment between India, Australia and Japan was announced on 1 September. The arrangement will, in the long term, act as a counterweight to current and proposed trading arrangements in the Asia-Pacific region, senior officials said. This includes the proposed Regional Comprehensive Economic Partnership pact being discussed by both Australia and Japan. During 2019, the cumulative GDP of the nations was \$9.3 trillion while cumulative merchandise goods trade and services trade were \$2.7 trillion and \$0.9 trillion respectively.

2. Draft e-commerce policy: DPIIT to work on inter-ministerial inputs

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

The Department for Promotion of Industry and Internal Trade (DPIIT) is not yet ready to put up the second draft of the national e-commerce policy for public consultation as it has received some suggestions for changes and additions from different Ministries and Departments which it will attempt to incorporate, a government official said. “The DPIIT recently gave a presentation to a group of Ministers, Secretaries and senior officials from key Ministries on the draft e-commerce policy it had prepared. A number of suggestions on the scope of the policy and various nuances such as the role of the regulator and protection of consumer data were made by the participants. The DPIIT will now have to work on it,” the official said.

3. Centre, state finmin officials thrash out GST compensation gaps

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

Senior central government officials held a meeting on 1 September with finance secretaries of states to clarify the two borrowing options given to them to make up for the goods and services tax (GST) compensation shortfall, Business Standard has learnt. The states were informed that if they take the option of borrowing Rs 97,000 crore under a special window, they will still get Rs 2.35 trillion minus Rs 97,000 crore from the compensation cess. The states were also told that in case of the second option of borrowing Rs 2.35 trillion through state development loans, the states will be given an unconditional borrowing room of 0.5 per cent over and above the borrowing limit increase given to them earlier. The meeting, held

through video conference, was not attended by the political leadership of the Centre or any of the states.

4. India ready to sign limited trade deal with US anytime, says Piyush Goyal

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

Most issues preventing a limited trade deal between India and the United States have resolved, said Commerce and Industry Minister Piyush Goyal on 1 September, adding an agreement could be signed anytime the political situation in the US allows it. Goyal said it is up to the US to move ahead, as he addressed the US-India Strategic Partnership Forum (USISPF). The US has signed a mini deal with the European Union to resolve trade spats, but it is yet to respond to India's suggestion. A deal will make the two nations resilient, trusted partners in an interconnected world, he said, stressing that both countries believe in free and fair trade and the US is India's largest trading partner.

5. Labour ministry to table three labour codes in upcoming Parliament session: Santosh Gangwar

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

Labour and employment minister Santosh Gangwar, on 1 September, said his ministry will table three labour codes in the upcoming Parliament session. These will include the Occupational Safety, Health and Working Conditions Code, 2019, Code on Social Security 2019 and the Industrial Relations Code 2019. The Parliament session will commence on September 14.. "In the upcoming session of the parliament, we will be introducing three other bills for discussion," Gangwar said while addressing a Ficci webinar on the Future of Private Security Industry.

6. Indian govt plans extending world's biggest jobs program to cities

Source: Livemint ([Link](#))

India is considering extending its flagship jobs program in villages to workers in cities left unemployed by the pandemic-induced lockdowns, a government official said. The program, when approved, may be rolled out in smaller cities and initially cost about 350 billion rupees (\$4.8 billion), said Sanjay Kumar, a joint secretary in the Ministry of Housing and Urban Affairs. "The government has been considering this idea since last year," he said. "The pandemic gave a push to this discussion." Prime Minister Narendra Modi's government is already spending more than 1 trillion rupees on a rural jobs program this year, under which workers in the hinterland can earn a guaranteed minimum daily wage of 202 rupees for at least 100 days a year. An urban version of the plan will soften the blow on citizens most

affected by the coronavirus fallout, which has set Asia's third-largest economy on course for its deepest contraction in history.

7. New Vande Bharat trains likely to have up to 75% local components

Source: Livemint ([Link](#))

The government is likely to mandate 75% local content in the upcoming tender to supply 44 Vande Bharat train sets, in line with the new public procurement policy set by the Department for Promotion of Industry and Internal Trade (DPIIT). The last tender was cancelled on 21 August as some of the bidders revealed some details of financial offers while submitting technical bids. The scrapped tender had allowed indigenous content of 50%. "The tender is ready. We are waiting to hear from DPIIT. Local component is likely to be increased up to 75%," the official cited above said on condition of anonymity. The DPIIT's revised public procurement order was issued on 4 June to encourage domestic manufacturing.

8. PM Modi to address leadership summit of US India Strategic and Partnership Forum

Source: Livemint ([Link](#))

Prime Minister Narendra Modi will deliver key note address to the third leadership summit of US India Strategic and Partnership Forum (USISPF) on Thursday, organisers announced on 2 September. "We are honored that Prime Minister Modi has taken time to address USISPF annual event. It signifies importance of US-India relations in the current challenging environment," USISPF president Mukesh Aghi said. "It is a win-win partnership mutually dependent geo-politically, trade, culturally, diplomatically and scientifically. Aggressive and assertive China provides further opportunity for both nations to collaborate and ensure international rule of law prevails," he said after USISPF announced Modi's address to the summit.

9. India among large emerging market sovereigns to have highest debt burden by 2021: Moody's

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

Moody's Investors Service on 2 September said India will be among the large emerging market sovereigns to have highest debt burden by 2021. The coronavirus pandemic-induced deterioration in growth and fiscal dynamics will leave most large emerging market sovereigns with higher debt burdens over the next few years, it said. We expect government debt in the large emerging market sovereigns to rise by almost 10 percentage points of GDP on average by the end of 2021 from 2019 levels, driven primarily by wider primary deficits, although some are likely to see higher interest payments contributing to higher debt, Moody's said.