

Economy This Week (7th Sep to 13th Sep 2020)

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1. Draft electricity rules released (BL 11/9/20)

- The Centre has released the draft Electricity (Rights of Consumers) Rules 2020. With this, consumers may soon get the right to a minimum standard of service for the supply of electricity.
- The onus of maintaining the minimum standard will be on the power distribution companies (discoms).
- Discoms will have to create a portal and an app to accept the applications from the consumers who wish to use renewable energy.
- Discoms will have to display measures to access commonly sought services and provide an online resolution for those services:
 - Procedure for grant of new connection
 - Temporary connection
 - Shifting of meter or service line
 - Change in consumer category
 - Enhancement or reduction of load
- Safety of meter - if it is installed within the premises then the consumer is responsible and if it is outside the premises then the discom will be responsible for its safety.
- If the meter is burnt or defective then the discom has to replace that within 24 hrs or 72 hrs in urban and rural areas respectively.

2. PM launches Matsya Sampada Yojana (IE 11/9/20)

- The objective of the scheme is to double the exports of fish in three-four years.
- It has been launched in 21 states and over ₹ 20000 Cr will be spent in the next 4 to 5 years.
- This is the first time such a comprehensive plan has been announced to promote fisheries.
- Under the new scheme, new infrastructure would be provided, new and modern equipment would be provided.
- This is expected to boost production of milk, fish and honey paving the way for blue, white and sweet revolutions.
- PM also launched other initiatives for fisheries, dairy and animal husbandry including e-GOPALA app (provides information related to cattle care, from productivity to its health, etc.). The app will also enable cattle owners to buy and sell animals. Read more about e-Gopala App in [PIB dated 9 Sep 2020](#).

3. Economic slowdown and EPFO earnings (TH 13/9/20)

- The Central Board of Trustees (CBT - apex decision making body under EPFO) had recommended a payout of 8.5% in March and recently has stated that the payout would comprise 8.15% interest based on income from debt instruments and the balance 0.35% would be credited from the sale of a part of its investments in Exchange Traded Funds (ETF) subject to their redemption by December 31.
- The EPFO uses its corpus to invest in debt and equity instruments. Since equities carry the risk of volatility, the investments in this are capped at 15%. Based on its earnings, in March the CBT announces the payout and is notified by the Ministry of Labour.
- The equity disinvestment was put on hold as the market was experiencing uncertainty and it was decided to be held once the markets recovered.
- Since it is yet to be conducted the debt component earnings of ₹ 58000 Cr which are already in hand are being used to make a payout of 8.15%.

4. Mixed messaging (TH 7/9/20)

- Recently, the PM has pitched India as an investment destination that could also serve as a manufacturing hub.
- This seems to be aimed at American investors who are in the middle of a trade situation between the US and China.
- However, the issue is that on the one side, the government wants to attract foreign investment and on the other, it has been promoting self-reliance through Atmanirbhar Bharat.
- It has been seen that foreign investors prioritize policy stability and barrier-free access to international trade.
- Under the self-reliance regime, the government (ministries) has been asking many of the companies and sectors to replace imports with made in India substitutes and it is very hard to imagine a foreign company willing to source its capital goods from the domestic market.

5. Kamath Panel - restructuring of loans (BL 8/9/20)

- RBI has specified five key financial parameters that lenders must consider before finalising resolution plans for eligible borrowers in 26 sectors.
- The parameters considered such as leverage, debts service, liquidity are recommendations of the Expert Committee headed by K V Kamath.
- As per the RBI guidelines, only those borrowers classified as standard and with arrears of less than 30 days as of 1st March 2020 are eligible for resolution.

6. Centre to prioritise sectors for implementation (BL 10/9/20)

- The Centre is in the process of identifying the key sectors for priority implementation of Remission of Duties or Taxes on Export Product (RoDTEP).
- The RoDTEP will be available for all the export products, but the process of data collection and fixing the rates is a time-consuming process. Hence some key sectors would be identified for early introduction.
- The Centre plans to withdraw the MEIS scheme, which has been ruled to be violative of [WTO](#) norms and in its place the RoDTEP would be introduced.
- The Government has already replaced the MEIS with another scheme - Rebate of State and Central Taxes and Levies on Exports of Garments (RoSCTL) - as textile was the first sector to be declared

ineligible under the MEIS. Since the RoSCTL is compatible with WTO, there is no urgency to replace it.

