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Aatmanirbhar Bharat

A Reform Initiative

A Rs.21-trillion Stimulus to Empower India

Prime Minister Shri Narendra Modi on May 12 introduced a stimulus package worth nearly **Rs.21 trillion (US\$277 billion)**, equivalent to around **10% of India's GDP**, to aid the people worst hit by the Coronavirus (COVID-19) pandemic and open up new avenues of trade, investment, and employment in the economy.

An extensive set of reform and relief measures are being enforced as part of the stimulus package that will help boost equitable growth in post-Coronavirus India. Improved liberalisation, policy amendments, relaxed regulations, infrastructure investment, skill development, etc, will build a future-ready India.

The building of a strong and resilient nation can only happen with the active cooperation of India's global partners. To that end, the Central Government has set up an "**Empowered Group of Secretaries (EGoS) and Project Development Cells (PDCs)**" in Ministries/Departments to attract fresh investments into India.



Empowered Group of Secretaries (EGoS)



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- The EGoS and PDCs from various Ministries/Departments are parts of a proposal for enhancing investments in India.
 - EGoS and PDC is an important step in realising PM Modi's vision of a **US\$5-trillion** economy.
 - The initiative will make India a more investor-friendly destination, further smoothening investment inflows
 - This will bring synergies amid Ministries and Central/State Governments in investment/incentive policies.
 - Increased foreign participation will boost domestic industries and employment.
- determined to enforce an investment-friendly ecosystem that supports foreign participants as well as domestic investors.
 - The Government envisages ramping up diverse production in India which will help to best serve markets in the US, EU, etc.
 - The plan aims to avail opportunities from the global economy to make India among the largest players in the global value chain.

In the midst of the COVID-19 pandemic, India is presented with an opportunity to attract FDI from companies that are looking to diversify their investments into new geographies to mitigate risks. To empower such opportunities, the Government is



Empowered Group of Secretaries (EGoS)



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To provide support to foreign investors in India and to boost growth in key sectors of the economy, an EGoS will have the following leadership:

- **Cabinet Secretary** (Chairperson)
- **CEO, NitiAayog** (Member)
- **Secretary, Department for Promotion of Industry and Internal Trade** (Member Convenor)
- **Secretary, Department of Commerce** (Member)
- **Secretary, Department of Revenue** (Member)
- **Secretary, Department of Economic Affairs** (Member)
- **Secretary of Department concerned** (to be co-opted)

The team of experts will offer guidelines to foreign investors on leading opportunities in India and the economy's strengths to ensure the best experience while directing Indian participants to augment their capabilities to match the demands of the post-Coronavirus global market.

Objectives of EGoS:

- To bring in synergies and ensure timely clearances from different Departments and Ministries.
- To attract increased investments in India and provide investment facilitation to global investors.
- To facilitate investments in a targeted manner and to usher policy stability in the environment.
- To evaluate investments put forward by the departments on the basis:
 - Project creation
 - Actual investments
- Departments would be given targets for completion of various stages by the Empowered Group.

Project Development Cells (PDCs)

A Project Development Cell (PDC) has been approved to set up investable projects in coordination amid the Central Government and State Governments and thereby grow the pipeline of investible projects in India and raise FDI inflows.

The PDC will conceptualize, strategize, implement, and disseminate details with respect to investable projects.

Objectives of PDC:

- To create projects with all approvals, land available for allocation, and with complete Detailed Project Reports for adoption/investment by investors.
- To identify issues that need to be resolved in order to attract and finalise investments and put forth the concerns before the Empowered Group.

The Cell is expected to make India a more investor-friendly destination and give a fillip to the mission of building a robust economy as envisioned by the Prime Minister. This will give a boost to the socio-economic development of the nation and open up vast and diverse direct/indirect employment opportunities.



A Reboot of India's MSME Industry



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14 years after the MSME Development Act was introduced in 2006, an MSME has been redefined to boost opportunities. The Ministry of Micro, Small and Medium Enterprises (MSME) is gearing up to implement new classification for MSMEs that will open up avenues of fresh financing along with new markets for India's grassroots entrepreneurs.

- The definition of a micro manufacturing and services unit was raised to **Rs.10 million** of investment and **Rs.50 million** of turnover.
- The limit of small manufacturing and services units was raised to **Rs.100 million** of investment and **Rs.500 million** of turnover.
- The limit of a medium manufacturing and services unit was increased to **Rs.200 million** of investment and **Rs.1 billion** of turnover.
- On June 1, on industry requests, the definition of medium entities was revised to **Rs.500 million** of investment and **Rs.2.5 billion** of turnover.

- The MSME reform has also done away with the separation of manufacturing and services enterprises to serve current requirements.
- A new criterion for calculating turnover has been introduced that will exclude exports from turnover to help MSMEs export more.
- This is expected to exponentially add to exports from the country leading to more growth and economic activity and creation of jobs.

The Ministry of MSME has put in place a very strong handholding mechanism for MSMEs and new entrepreneurs in the name of Champions (www.champions.gov.in).

Barrier-free Trade in Agriculture Produce



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India's Union Cabinet on June 3 approved **The Farming Produce Trade and Commerce (Promotion/Facilitation) Ordinance, 2020** which eases restrictions in agri marketing.

Advantages

- The Ordinance will create an ecosystem where the farmers and traders will enjoy freedom of choice in agri trade.
- The Ordinance promotes inter-state and intra-state trade and commerce outside the physical markets (notified under State Agricultural Produce Marketing legislations).
- The Ordinance will open more choices for farmers, reduce marketing costs and help them in getting better prices.

- It will help farmers with surplus produce get better prices and consumers from regions with shortages, lower prices.
- The ordinance proposes electronic trading in the transaction platforms for ensuring a seamless trade electronically.
- Farmers will not be charged cess/levy on sale of produce under this Act; There will be dispute resolution mechanism.

One India, One Agriculture Market

The ordinance aims at creating additional trading opportunities outside the APMC market yards to help farmers get remunerative prices due to additional competition.

This will supplement the existing MSP procurement system which is providing stable income to farmers.

Amendment to Essential Commodities Act



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India's Union Cabinet on June 3 approved an amendment to the **Essential Commodities Act**, a historic step towards transformation of agriculture and raising farmers' income in the post-Coronavirus economy. The move will provide better economics to exporters and investors in the agri trade/infrastructure space.

Advantages

- With the amendment to Essential Commodities Act, commodities like cereals, pulses, oilseeds, edible oils, onion and potatoes will be removed from list of essential commodities, offering improved liberalisation to investors.
- The freedom to produce, hold, move, distribute, supply will lead to harnessing economies of scale and attract private/foreign investment into the agriculture sector. It will help raise investment in cold storages/supply chains.

Safeguarding Consumers' Interest

- It has been provided in the Amendment, that in situations such as war, famine, extraordinary price rise and natural calamity, such agricultural foodstuff can be regulated.
- However, the installed capacity of a value chain participant and the export demand of an exporter will remain exempted from such stock limit imposition to protect investors.
- The amendment will help farmers and consumers while bringing in price stability by creating a competitive market environment and also preventing wastage of agri-produce.

Farmers Empowered to Engage with Market



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The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Ordinance, 2020 has been approved which will balance the risks in agri activities.

Advantages

- The ordinance will empower farmers for engaging with processors, wholesalers, aggregators, wholesalers, large retailers, exporters, etc.
- It will transfer the risk of market unpredictability from the farmer to sponsor and also enable the farmer to access modern technology and better inputs.
- The Ordinance will help attract private investment in supply chains to send Indian farm produce globally. Farmers will get advice on produce/markets.
- Farmers will engage in direct marketing thereby eliminating intermediaries resulting in full realization of price. For success, farmers will have protection.
- Sale, lease or mortgage of farmers' land is prohibited, farmers' land is also protected against any recovery. Dispute resolution mechanism put in place.

Commitment to Farmer Welfare

A series of steps have been announced as part of the stimulus programme to boost the agriculture sector. These include -

- Concessional credit through Kisan Credit Cards
- Financing facility for agri-infra projects
- Pradhan Mantri Matsya Sampada Yojana to strengthen fisheries
- Vaccination against Foot & Mouth Disease and Brucellosis,
- Herbal Cultivation promotion
- Boost to beekeeping, Operation Green etc.

Through PM KISAN, over **95.4 million** farming families (as on first June 2020) have benefited and an amount of **Rs.195.2 billion** has been disbursed so far during the lockdown period.

Pan-India Real-Time Power Market



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The Government of India has launched a pan-India real-time market for electricity, placing the Indian electricity market amongst a league of a few countries that have real-time markets.

- The real-time market is an market platform to enable buyers, sellers to meet energy needs closer to real-time operation.
- A real-time market will bring flexibility to provide balance while ensuring optimal utilization of surplus capacity in the system.
- The system will help manage diversity in India's demand pattern with organized market at national level, improving power supply.

- The real-time market would be for every 30 mins in a day based on double-sided closed auction with a uniform price.
- The concept of "Gate Closure" has been introduced for desired firmness in schedules during the market hours.
- Buyers/Sellers shall have the option of placing buy/sell bids for each 15-minute time block.

The proposed real-time market would provide an alternate for Discoms to access larger markets at competitive prices.

On the other hand, generators would benefit from participating in the real-time market with their un-requisitioned capacity.

A mechanism has been provided for generators having long-term contracts in the market to share net gains with the Discoms.

The real-time market would mitigate challenges in the grid due to variable nature of renewable energy, ensuring better integration.

This will improve portfolio management by utilities with efficient power procurement/scheduling/despach/imbalance handling.

Skill Mapping of Returning Indians



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With the aim of making the best of skilled Indians returning to India amid the ongoing pandemic, the Government has launched **SWADES (Skilled Workers Arrival Database for Employment Support)** to conduct a skill mapping exercise of the returning citizens under the Vande Bharat Mission.

- The joint initiative of the Ministry of Skill Development & Entrepreneurship, the Ministry of Civil Aviation, and the Ministry of External Affairs aims to create a database of qualified citizens
- Based on skill sets and experience, the database will be utilised to fulfill the need of employers in India; MSDE's unit National Skill Development Corp (NSDC) is implementing the project.
- The collected information will be shared with companies for suitable placement opportunities in the country. The returning citizens are required to fill up an online **SWADES Skills Card**.

- The card will facilitate a system to provide returning Indians with suitable employment through discussions with stakeholders, including Governments, Industry Associations, and Employers.
- Efforts are being made to make sure that all returning citizens are aware of the SWADES initiative and its benefits via digital/physical signages as well as through Embassy communications.

Returnees can fill up an online form on www.nsdcindia.org/swades to know more about the program. The online **SWADES Skill Form** has garnered around **7,000 registrations** between May 30 - June 3.

Hundreds of thousands of citizens have registered at the various Indian missions requesting to return to the country and so far, more than **57,000 people** have already returned to the country.

Relaxation in Visa, Travel Restrictions



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The Government of India has considered the matter of relaxing visa, travel restrictions for certain groups of foreign nationals who need to come to India. It has been decided to permit the following categories of foreign nationals to come to India:

- **Foreign businessmen** coming to India on a Business visa (other than on B-3 visa for sports) in non-scheduled commercial/chartered flights.
 - **Foreign healthcare professionals, health researchers, engineers, and technicians** for technical work at Indian health sector facilities, including laboratories and factories. (This is subject to a letter of invitation from a recognized and registered healthcare facility, registered pharmaceutical company, or an accredited University in India.)
 - **Foreign engineering, managerial, design, or other specialists** traveling to India on behalf of foreign businesses located in India. This includes all manufacturing units, design units, software, and IT units as well as financial sector companies (Banking and NBFC firms).
- **Foreign Technical specialists and engineers** traveling for installation, repair and maintenance of foreign-origin machinery/equipment facilities in India, on the invitation of a registered Indian entity. (These could be for equipment installation, or is under warranty, or for after-sales servicing or repair on commercial terms.)

→ The above categories of foreign nationals would have to obtain a fresh Business visa or Employment visa, as applicable, from the Indian Missions/ Posts abroad.

→ Foreign nationals holding a valid long term multiple entry Business visa [other than B-3 visa for sports] issued by the Indian Missions/Posts abroad would have to get the Business visa re-validated from the Indian Mission/Post concerned.

→ Such foreign nationals would not be permitted to travel to India on the strength of any electronic visa obtained earlier.

For more information: [Link](#)

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