4th tranche of reforms under AATMANIRBHAR BHARAT ABHIYAN PACKAGE.

1. **COAL : COMMERCIAL MINING ALLOWED BASED ON PROFIT SHARING**
2. **MINERALS : COMPOSITE EXPLORATION CUM MINING CUM PRODUCTION. 500 MINING BLOCKS TO BE AUCTIONED.**
3. **DEFENCE : A LIST OF WEAPONS AND PLATFORMS WILL BE BANNED FOR IMPORT SO AS TO INCREASE INDIGENOUS PRODUCTION. FDI LIMIT UNDER AUTOMATIC ROUTE TO BE INCREASED FROM 49% TO 74%. CORPORATISATION OF ORDNANCE FACTORY BOARD TO INCREASE EFFICIENCY, ACCOUNTABILITY AND AUTONOMY. The Finance Minister said a time bound defence procurement process and faster decision making would be brought in by setting up a Project Management Unit (PMU) to support contract management, "realistic setting" of General Staff Qualitative Requirements (GSQRs) of weapons and platforms and overhauling the trial and testing procedures.**
4. **AVIATION : RESTRICTIONS ON UTILISATION OF AIRSPACE WILL BE RELAXED TO INCREASE EFFICIENCY. AS OF NOW ONLY 60% OF AIRSPACE IS UTILISED. INDIA TO BE MADE AN MRO (MAINTENANCE, REPAIR AND OPERATIONS) HUB.**
5. **POWER : POWER DEPARTMENTS/UTILITIES AND DISTRIBUTION COMPANIES IN UTs TO BE PRIVATISED.**
6. **SPACE : PRIVATISATION TO BE INTRODUCED.**
7. **ATOMIC ENERGY : RESEARCH REACTOR WILL BE SET UP IN PPP MODE TO DEVELOP MEDICAL ISOTOPE.**

1. **TASMAC shops opened in Tamil Nadu with tokens being issued for buying alcohol .**
2. **Herd masking along with washing hands and physical distancing can go a long way in fighting the pandemic.**
3. **India opposes rejoining RCEP because of Chinese.**

India and RCEP

India has dropped out of the RCEP in November 2019 in ASEAN+3 summit, because of the following reasons:
Widening Trade Deficit: India's trade deficit with the ASEAN, Korea and Japan has widened post-FTAs.
Tariff elimination due to RCEP could worsen the trade deficit, at $105.2 billion in 2018-19.
The RCEP proposes that 92% of India's goods would be tariff-free over the next 15 years. India have to slash existing tariffs on up to 90% of all goods.
Since import duties are also a source of revenue for India, it could experience a disproportionate loss of customs revenue.
India's trade deficit with China is at $53 billion, further reduction or removal of customs tariffs will lead to an influx of cheaper products from China.
Sensitive List: Most of the RCEP countries have very high tariffs on certain products sensitive to them, such as rice, footwear, dairy products and honey, which they can continue to shield through the sensitive lists.
The objections raised by India:
Base Year for Tariffs: The RCEP will result in reduction of tariffs in all member countries. Since negotiations began in 2013, the pact has proposed that the base year for reducing tariffs will be 2013. However, India wanted to change the base year applied to reduce tariffs to 2019.
India has raised customs duties on many products since 2014.
India has increased tariffs on sectors such as textiles, auto components and electronic items on average from 13% to 17%.
Auto-Trigger Mechanism: The auto-trigger mechanism is used when there is a sudden surge in imports.
It will allow to decide which products it does not want to offer the same concessions to.
Ratchet Obligations: India wants exemptions on ratchet obligations.
A ratchet mechanism means that if a country signs a trade agreement with another country and removes or reduces tariffs and quotas. It cannot go back on them and bring in more restrictive measures.
Data Localisation: As part of the RCEP, India wants all countries to have the rights to protect data.
The countries may prevent the transfer of information across borders.
Services Sector: India has demanded that the ASEAN countries should open up their services sector so that Indian professionals and workers can have easier entry into their market.
However, ASEAN countries are very sensitive about protecting this sector and have not offered much liberalisation even within the bloc to each-other.
Rules of Origin: India wants strict rules of origin to prevent Chinese goods from flooding the country through member countries that may have lower or no duty levels.
Chinese garments are making their way into India through the duty-free route under the South Asia Free Trade Pact and the Duty-Free Quota-Free window from Bangladesh.
The sectors that have shown resistance to the agreement are:
Dairy: Dairy is vital to India, given the place milk and other derivatives hold in Indian households.
New Zealand is an exporter of dairy products and will be eyeing India primarily to sell milk powder and fat products. India, one of the largest consumers of milk and milk products, has so far been self-sustainable and has sometimes produced a surplus. The entry of New Zealand could change the scenario.
Nearly, 93.4% of New Zealand's milk powder, 94.5% of its butter, and 83.6% of its cheese production got exported in 2018. India's export of milk products does not match up.
It could lead to 50 million rural people losing their jobs, which will push up the need for importing.
Automobile: RCEP could allow a "back-door entry route" for automobile parts from China.
Textile: The free import of polyester fabrics from China, Vietnam, Bangladesh and other countries, which could lead to cheaper textiles, affecting an already-hit sector.
India's trade deficit with China in the textiles and clothing sector is likely to be widened that could be detrimental for its domestic textile manufacturers.
Steel: The steel industry also has concerns regarding China, that excessive imports could harm the domestic market.
It will damage India's export competitiveness since the trade balance in the country is already skewed to a greater extent.
Agriculture: An apex body of planters of tea, coffee, rubber, cardamom and pepper said that RCEP would make things worse for the sector, which is already experiencing a downturn.
The products will be under intense competition and imports into the country will likely increase over time.

Way Forward

Strengthen Existing Agreements: The trade and investment agreements with ASEAN, Japan and Korea, as well as its bilateral arrangements with Malaysia and Singapore must be strengthened.
Marketing Products: The marketing of Indian products to existing favourable markets, as well as other countries where India has a low export presence.
The Indian industry, which has a business in these markets, can benefit from targeted promotional strategies given that Indian products are competitive and favoured there.
Export Diversification: Increasing the exports in Africa, a rapidly growing continent which enjoys almost 9% of the export share, as well as Latin America, currently at a low 3%.
West Asia has also been an expanding market where India enjoys synergies.
The export strategy for India requires a two-pronged approach, focussing on both enhancing domestic competitiveness and undertaking targeted promotional activities.
Deeper Economic Reforms: Must be initiated particularly in factor markets of land, labour and capital.
It will provide the much-needed impetus to overall manufacturing investments.
For domestic manufacturing, lowering costs of doing business, building the right infrastructure, ensuring faster and more efficient trade facilitation at the borders, etc.
Targeted Export Promotion: Provide information on markets to their manufacturers and exporters, especially small enterprises, and assisting them with marketing efforts.
Create dedicated agencies and establish offices overseas equipped with professional marketing expertise that will undertake export promotion and to link buyers with Indian exporters in major markets across the world.
External Integration Strategy: The country needs to keep its interests on the table.
The road to further expansion of its exports to RCEP member nations is very much still open, given that India already has trade and investment agreements with 12 of them.
Utilising existing agreements better while proactively exploring new opportunities in other geographies will diversify both our markets as well as our export basket.

he Regional Comprehensive Economic Partnership (RCEP) is a mega-regional economic agreement being negotiated since 2012, between ASEAN and Free Trade Agreement (FTA) member partners.

Membership

ASEAN Members	FTA Partners
Indonesia	Australia
Malaysia	China
Philippines.	Japan
Singapore	New Zealand
	South Korea
Thailand	
Brunei	
Vietnam	
Laos	
Myanmar	
Cambodia	

Introduction:

The dual supply and demand shocks from the Covid-19 pandemic are expected to cause a global recession. In the last several weeks, global supply chains have been disrupted as workers are locked down, factories shut, and closed borders and terminals block supplies and cargo. Aggregate demand has collapsed. The pandemic threatens to usher in a phase of economic insularity, through efforts at localisation of supply chains and stricter immigration controls.

There is a widespread belief that nothing will ever be the same after the coronavirus pandemic, with society, the role of government and the economy changing forever. Some predict we will see a society that shows more solidarity and a new economic model that works for all, and perhaps a greater spirit of international cooperation, for example on climate change.
But increasingly the sharp falls in output are beginning to resemble the beginning of the Great Depression rather than a short recession. The epidemiological evidence suggests that it could be up to two years, rather than a few weeks or months, before all of the severe restrictions on economic activity can be lifted.
The lessons of history suggest that a substantial economic recovery will require global economic cooperation. Continuing to put up barriers to protect national economies, as happened in the 1930s, could turn a national recession into an even longer-lasting global depression in our highly integrated world economy.
The scope of globalization:

Since 1950, economic globalisation has transformed the world economy, contributing mightily to rising living standards but proceeding unevenly with many countries and individuals losing out. Globalisation's scope extends from trade in goods and services to international migration of labour and, more recently, to finance. Each has involved international agreement (in the case of trade) or a consensus that reducing barriers to immigration and global investment will benefit all. Underpinning support for globalisation was a strong belief that international economic cooperation would reduce the chance of another war in the aftermath of the devastation of World War II. And the world's leading economic power, the US, saw the opening up of the world economy as the key to economic growth that would counter the appeal of Communism.
Globalisation produced both winners and losers. The economic miracle of European recovery in the 1950s and 1960s was followed by economic miracles in a number of Far Eastern countries, from Japan to Korea and China by the 1990s, raising the standard of living of urban residents to near-Western levels.

The boom reduced global poverty by a billion, mainly in China and India. Globalisation seemed to have conquered the world.
But since 2000, the political impetus for increasing global economic integration has slowed, as concerns about its effect on inequality have grown. Global trade talks started in 2000 failed to produce an agreement and the costs as well as benefits of financial globalisation became evident in the 2008 financial crisis.
While the pace of globalisation may have slowed and political support for it has weakened, our world is more connected than ever. For American farmers and car manufacturers, China is their biggest market. Britain's role as a global financial centre is the linchpin of its economy. Developing countries such as Bangladesh and Vietnam are increasingly dependent on clothing exports. And remittances from migrants are vital to the economy of many poor countries, from the Philippines to Nepal to Central America.
The sharp slowdown in the two world's biggest economic zones, the US and the EU, will reverberate throughout the global economy and probably have its biggest effect on poor countries.

Impact in Asia Pacific and India:

COVID-19 crisis is a challenge never seen before and it is going to be a bigger shock for the world economy than the global financial crisis which was only driven by a demand shock.
This entails a demand and supply shock and it is still unfolding. It is now clear that many economies are going to shrink — developed countries as well as many in the Asia Pacific region that are highly dependent on tourism and commodities trading will also shrink.

Commodity prices are at their lowest in the last 10 years.
For India, however, there is a slight silver lining because of low oil and commodity prices as we are net importers and, also, since the government is not allowing a full pass-through of the lower global prices, it means that there is some fiscal space through commodity price reduction.
Still, the disruption in work, especially in MSMEs that are the backbone of manufacturing, trading and services, is very serious. This is a very large shock to the world economy and many things will change after we come out of it
Challenges for Self Reliance:

Electrical equipment such as smartphones and computers are a key part of India's import bill. The value addition in India's electronics industry is limited to mostly assembly, while the country depends on imports to access most of the primary and critical components used to make them, including printed circuit boards (PCBs).
For instance, around 88 per cent of the components used by the mobile handsets industry are imported from countries like China.
Over 60 per cent of the country's medical devices are imported as well. Other products heavily imported into the country are cells and modules used by the country's solar power industry
India's pharmaceutical industry is capable of making finished formulations, and also has domestic manufacturers of several key ingredients used to make them. However, the industry also imports some key ingredients for antibiotics and vitamins currently not manufactured in India. The country is currently trying to encourage domestic firms to make these key ingredients, known as fermentation-based APIs. However, this may take a few years.
India imported around Rs 249 billion worth of key ingredients, including fermentation-based ingredients, in FY19, and this accounted for approximately 40 per cent of the overall domestic consumption, according to CII.
Medical devices like ventilators also rely on imports of several crucial components like solenoid valves and pressure sensors.
Some auto manufacturers depend on imports for various components, while the country's electric vehicles industry is dependent, "to a large extent" on Chinese imports for chemicals used to make cathodes and battery cells.
Local dyestuff units in India are also heavily dependent on imports of several raw materials, while specialty chemicals for textiles like denim are also imported.
For instance, when China initiated its lockdown of Wuhan earlier this year during the COVID-19 pandemic, nearly 20 per cent of India's dyes and dyestuff industry production was hit due to a disruption in raw material.
Issues with scaling up production in import dependent sectors:

The manufacture of some of the key products that India imports such as semiconductors, displays and other very capital intensive electrical equipment may not be possible soon as manufacturing these requires large, stable sources of clean water and electricity.
They also need a high degree of policy certainty as these require high upfront investments. Indian firms can however begin producing less sophisticated components if certain policy measures are taken
The Indian industry faces much higher costs in inputs such as electricity and much higher logistics costs.
Conclusion:

We have the capacity of becoming the manufacturing hub for our own country and not to become export dependence. A key issue holding back manufacturing in the country and a lack of flexibility in labour laws, high costs and low availability of land, high cost of electricity, expensive credit and too many taxes. Some states including UP and Madhya Pradesh have relaxed some labour laws with Karnataka likely to follow suit.

Agricultural pricing and marketing policy in India continued to be guided by state intervention in procurement, and distribution of farm produce, thanks to Nehruvian Socialism. Most states have Agricultural Produce Marketing Committee (APMC) Acts, to regulate, control, and monopolise the functioning of markets. The original idea behind setting up of APMCs was to protect farmers from wily, middlemen, ensuring competitive prices to farmers and optimising farm incomes from agrarian produce. Empirical evidence suggests that APMCs have however, fallen prey to the very vices they were supposed to mend and this made for a strong case for institutional reform.

APMC Acts empower state governments to demarcate their geographical region into various ‘notified market areas’, headed by a market committee for each market area. Over time these committees became authoritarian, leading to a monopolistic structure, antithetical to the cause of welfare of the farming community. APMC Acts typically declare the purchase, sale, storage, and processing of agricultural produce outside the yard set up by the "Market Committee", unlawful.

Furthermore, given that local traders, and politicians are often members of the "Market Committee", there is a direct conflict of interest in allowing new participants and fostering competition. The outdated legal framework was not in consonance with the letter and spirit of APMC Acts, in as much as it negatively impacted the ability of the farmers, to sell their produce at the best available price. APMCs have kept the market highly controlled, resulting in the emergence of multiple levels of intermediaries. On an average, there are 5-6 intermediaries between the primary producer and the consumer. The total mark-up in the chain was accordingly estimated to be 60-75 percent. It consequently follows that primary producers were estimated to receive only 20-25 percent of the consumer price. Moreover, multiple handling by different intermediaries resulted in wastage of around 15-25 percent of the economic value.

Over a period of time, some states have relaxed some provisions, by allowing traders to buy directly from the farmers.Attention may be drawn to the 2016 decision of the Fadnavis government of Maharashtra, to delist fruits, and vegetables from the purview of APMC Acts, which led to an increase in income realisation for farmers, who now chose to sell at the farm-gate.

However, despite repeated requests from the centre, most states simply paid lip service to the cause of APMC reforms. A case in point is Section 12 of the Andhra Pradesh (Agricultural Produce and Livestock) Markets Act, 1966, which provides that even when traders and farmers do not use any APMC infrastructure, the "Market Committee" is empowered to levy fees on its sale.

It was recommended by the "National Farmers Commission" (2004), that a regulated market should be available to farmers within a radius of about 80 sq/km. However, most APMC "mandis" on an average are available at a radius of 487 sq/km. For most farmers, selling at APMC "mandis" has therefore, entailed increased transaction cost in terms of transportation & loading expenses, market fees, weight charges, entry tax, etc.Every crisis is an opportunity, and the present one emerging from the outbreak of the Coronavirus pandemic is one such. On 14 May, the government announced agri-reforms, with the most significant one being the decision to dismantle and defang the APMC structure in its current form. The government will pass a central law that will provide “adequate choices” to farmers to sell produce at attractive prices, barrier-free inter-state trade, and framework for e-trading of agricultural produce, will be crystallised too.

Right now, farmers’ sale choice is restricted, as they can sell only to those with APMC licences. This resulted in the hindrance of free flow of agricultural produce and fragmentation of markets and supply chain.Additionally, such restrictions on sales were not there for any other industrial produce entity and hence why should only the farming community be treated in a discriminatory manner---this argument has been the guiding ethos behind this progressive move of bringing in a new, facilitative legal framework.

Risk mitigation for farmers, assured returns, quality and standardisation shall form an integral part of the new framework, to enable farmers in engaging with processors, aggregators, large retailers, exporters etc., in a fair and transparent manner.

To cite an example, in December 2019, due to late monsoons and thereafter heavy rainfalls in Maharashtra and Karnataka, onion prices surged to anywhere between Rs 100-200 per kg at the retail level and between Rs 5500-14000 per quintal, in the wholesale markets.While customers at retail outlets paid hefty premiums for this routine kitchen staple, the onion growing farmers were left high and dry as their profits were skimmed off by commission agents and middlemen.

There was a shortfall in onion production of barely 15.8 lakh tonnes last year. Also, the kharif acreage had dipped from 2.97 lakh hectares in the preceding year to 2.58 lakh hectares in 2019. Yet, despite only a marginal fall in acerage, retail inflation in December 2019 hit 7.35 percent, largely on account of soaring onion prices.While the Modi government in the last six years has done a commendable job in reining in food inflation, with the average retail inflation in the last two years being less than 3.5 percent, the December 2019 spike was a reminder of how vegetable prices can shoot up, due to a skewed APMC structure which can create artificial scarcity, to benefit a few traders and hoarders.

Besides defanging the outdated APMC model, the Centre also decided to amend the jaded "Essential Commodities (EC) Act". Till now, under the Act, the government directs agencies for maintenance of stock limits of essentials, so that prices of these commodities can be regulated, but that is all set to change, post the announcement to amend this Act, which has also been very arbitrary, as the law empowered the government to include or exclude items, when “deemed necessary”, in an ad-hoc manner.

The new amendments will ensure deregulation of prices for foodstuff including cereals, edible oils, oilseeds, pulses, onions, and potatoes. The move is aimed at providing better price realisation to farmers and to attract investments in the farm sector.This 1955 Act imposed restrictions on the food economy by limiting food quantities which traders can buy from farmers and hold as stocks. The amendments to "The EC Act" will essentially mean that henceforth, the prices of staple agricultural produce will now be governed by market forces and government intervention will only be done in emergency situations. Post the amendment, stock limits would be imposed under very very exceptional circumstances only, like say, national calamities or famine.

Traders have consistently argued that if they cannot buy or hold sufficient quantities of grains for a certain profit margin, they would not buy out surpluses that farmers were looking to sell. This was in fact, identified as one of the key reasons, why farm incomes have taken a hit, even during years of bumper harvest.It may be recalled that India had a record food grain production of 277.49 million tonnes in 2017-18, followed by yet another bumper crop, totalling production of 281.37 million tonnes, in 2018-19.
In the commodities' market, "The Essential Commodities Act" was mainly used to target black-marketeers and hoarders and rein in prices of items, deemed essential under the Act by, forcing traders to release stocks. The law came in handy during the 1980s when hoarding or the unscrupulous trade practice of holding on to food stocks to artificially raise prices, used to be rampant. The law is still used to crack down on inflationary spells in food items, mainly by disallowing wholesalers and retailers from storing food items beyond stipulated quantities, which has been counter productive. Food inflation has largely been under check under the Modi government.In fact, food deflation and not food inflation, has been the benign trend in the last 2-3 years. The objective of opting for such an amendment is therefore, simple---why impose stock controls when there is a glut in production?Cereals, edible oils, oilseeds, pulses, potatoes and onions will be deregulated, under the new provisions.

Also, often, agencies used provisions of "The EC Act",to unfairly usurp unmitigated powers. However, the new amendments are in consonance with Prime Minister Narendra Modi's aim of doubling farm incomes, boosting agri-trade and strengthening the food supply chain. The proposed rationalisation of "The EC Act", is a case of "Minimum Government,Maximum Governance"

Apart from dismantling the monopolistic APMC structure of over 6900 odd APMCs that were abetting trade cartelisation and defanging "The Essential Commodities Act",which in its current form had been preventing fresh investments into the agricultural sector, the third significant and structural agri-reform announced on 14th May 2020 ,is, to bring in legal provisions for farmers to engage with processors, aggregators, large retailers and exporters. This will give a fillip to contract farming.The inbuilt advantage of this is that, farmers will benefit from risk mitigation, assured returns and standardisation of quality.These decisions will help bring long-term investments, world-class agri-assets and infrastructure, that will benefit small farmers.Importantly, this will also pave the way for agri-entrepreneurship.

Other key highlights of announcements made on 14 May are summarised below:

Financing facility of Rs 1,00,000 core will be provided via an Agri-Infrastructure fund, for funding agricultural infrastructure projects including cold chain and post harvest management structures, in the vicinity of farm gates.
Rs 10,000 crore has been allotted for formalisation of Micro Food Enterprises (MFEs),which will help 2 lakh MFEs, farmer producer organisations (FPOs),self help groups (SHGs) and cooperatives, in technical upgradation, improved incomes, better health and safety standards and integration with retail markets, using a "Cluster Based" approach.
Rs 20,000 crore for fisherman through Pradhan Mantri Matsya Sampada Yojana (PMMSY) to fulfill critical gaps in fisheries' value chain and for integrated sustainable inclusive development of marine and inland fisheries, has been provided for Out of this, Rs 11,000 crore is meant for marine, inland fisheries and acquaculture and Rs 9,000 crore is meant for infrastructure like fishing harbours, cold chain, markets etc. This fund infusion is likely to help in additional fish production of 70 lakh tonnes over 5 years and give employment to over 55 lakh persons.
A total outlay of Rs 13,343 crore for National Animal Disease Control programme was announced.
Animal Husbandry Infrastructure Development Fund of Rs 15,000 crore is being created for supporting private investments in dairy processing and value addition and cattle feed infrastructure.
Rs 4,000 crore has been earmarked for the promotion of herbal cultivation which will bring in an additional 10 lakh hectares of land under cultivation in the next two years, including a corridor to be developed on both sides of river Ganga.
Rs 500 crore for beekeeping initiatives in the rural areas, to benefit 2 lakh Bee keepers.
Rs 500 crore for "Operation Green", to prevent the wastage of agricultural produce due to disruption of supply chains, during the lockdown, has been provided for. This will be extended for the next six months from crops like tomatoes, potatoes and onions to all fruits and vegetables. This involves 50% subsidy each, for transportation and storage, too.

Other than this, e-NAM,a pan-India electronic trading portal which networks the existing APMC mandis to create a national market for agricultural commodities, on the lines of "One Nation,One Market", has been integrating farmers and farm markets, since 2016.In the last four years, e-NAM has registered a user base of 1.66 crore farmers, 1.31 lakh traders, 73,151 commission agents and 1,012 farmers producers organisations (FPOs).

As on 14 May, farmers have transacted over Rs 1 lakh crore on the eNAM platform with a trade volume of 3.43 crore tonnes of commodities and 38.16 lakh bamboo and coconuts. Presently, 150 commodities, including foodgrain, oilseeds, fibres, fruits and vegetables, are traded on e-NAM.This online trading platform provides a single window service for all mandi related information and services, including commodity arrivals, quality assaying, competitive bid offers and electronic payment settlement directly into farmers accounts.This online digital market aims at reducing transaction costs, bridging information asymmetries, and helping expansion of market access for farmers and other stakeholders.

In Budget 2020, announcement for formation of 10,000 Farmer Producer Organisations (FPOs) was made, so that farmers have easy access to institutional finance.FPOs are largely those clusters or groups of farmers who are being brought together, so that credit and other assistance can be extended to them and their marketing issues are also addressed with a clear objective of making the farmers and producers, earn the money that they should.

Acknowledging a more than proportionate dependence on rural life and agriculture, the government has also emphasised the immediate need for taking up water management and water-related stress points, in the last few years.There is a need for farmers to contribute in solar energy generation, participation in wind energy, installing solar panels on their farms, etc and also to become an "Urjadaata" from "Annadata". India provides roughly USD 200 billion agriculture credit every year to small and marginal farmers.

The reforms will enable agri traction whereby farmers will anchor the value chain, which in turn will augment the funding of the supply chain, aided by technology interventions that would bolster financial inclusion and rural financing efforts.NABARD's largest SHG-Bank Linkage Programme benefiting millions of rural women that is moving to a digital platform, is a move which will revolutionise the lending to women SHGs.

In the last 2 months of the lockdown, over 3 crore farmers with agricultural loans of Rs 4.22 lakh crore availed the benefit of 3 month loan moratorium. Rs 2 lakh crore worth of concessional credit boost to 2.5 crore marginal farmers through "Kisan Credit Card" scheme, is underway. Fishermen and animal husbandry workers will also be included in this credit card drive, which will help over 2.5 crore marginal farmers to become 'self-reliant' or 'Aatmnirbhar.'

During the lockdown period, minimum support price (MSP) purchases of more than Rs 74,300 crore were made as part of additional steps.Funds' transfer worth Rs 18,700 crore has been done under "PM KISAN" and "PM Fasal Bima Yojana" claims worth Rs 6,400 crore, released in the past two months.

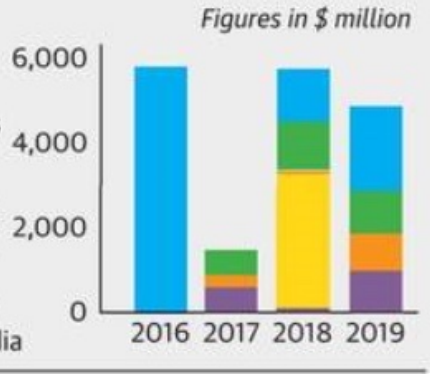
A new scheme has been launched for interest subvention at the rate of 2% per annum to dairy cooperatives for 2020-21, aimed at unlocking Rs 5,000 crore of additional liquidity, to benefit 2 crore dairy farmers.An emergency working capital funding line of Rs 30000 crore to NABARD, over and above the existing Rs 90,000 crore, will ensure refinancing and credit needs of the rural economy are duly fulfilled.

China's economic footprint in India

Chinese investment in India increased from $1.6 billion in 2014 to $8 billion in 2017 according to a Brookings India report. The investments span a range of sectors with a significant share in the start-up space

INVESTMENT VALUE

The chart depicts the estimated value of China's investments in India since 2016 across various sectors such as infrastructure, consumer goods, energy, real estate and automobiles. The chart includes both actual and planned investments. Data sourced from Brookings India



The Government of India has made its approval for Foreign Direct Investment (FDI) by neighbouring countries mandatory.

This revised FDI policy aims to curb opportunistic takeovers/acquisitions of Indian companies due to the current Covid-19 pandemic.

Key Points

FDI in India: FDI is allowed under two modes - either through the automatic route, for which companies don't need government approval, or through the government route, for which companies need a go-ahead from the centre.

According to the new FDI policy:

An entity of a country, which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the Government route.

A transfer of ownership in an FDI deal that benefits any country that shares a border with India will also need government approval.

India shares land borders with Pakistan, Afghanistan, China, Nepal, Bhutan, Bangladesh and Myanmar.

Investors from countries not covered by the new policy only have to inform the RBI after a transaction rather than asking for prior permission from the relevant government department.

Impact

The earlier FDI policy was limited to allowing only Bangladesh and Pakistan via the government route in all sectors. The revised rule has now brought companies from China under the government route filter.

China's footprint in the Indian business space has been expanding rapidly, especially since 2014.

Chinese investment in India

The net Chinese investment in India, which was $1.6 billion in 2014, shot up five-folds to at least $8 billion (Rs 60,800 crore) in the next three years — with a noticeable shift from state-driven to market-driven investment from the Chinese private sector.

Official figures underestimate the amount of investment: They neither account for all Chinese companies' acquisitions of stakes in the technology sector nor investments from China routed through third-party countries, such as Singapore.

For instance, a $ 504-million investment from the Singapore arm of the mobile firm Xiaomi would not figure in official statistics because of how investments are measured.

It has been seen that the Chinese firms have escaped the kind of scrutiny in India that their investments have attracted in the West despite several high-profile investments and acquisitions.

Another concern is that there is no clear separation between the Chinese state and private business. They work closely in pursuing many goals

Foreign Direct Investment

FDI is an investment from a party in one country into a business or corporation in another country with the intention of establishing a lasting interest.

Lasting interest differentiates FDI from foreign portfolio investments, where investors passively hold securities from a foreign country.

Foreign direct investment can be made by expanding one's business into a foreign country or by becoming the owner of a company in another country.