

# NEWS TODAY

## CABINET DECISIONS TO BENEFIT FARMERS AND TRANSFORM AGRICULTURE SECTOR

• These steps are part of Atmanirbhar Bharat Abhiyaan to provide a **boost to those engaged in agriculture and allied activities.**

• **Various ordinances passed are:**

<p><b>Amendment to Essential Commodities Act</b></p>	<ul style="list-style-type: none"> <li>▶ It aims to <b>"deregulate" agricultural commodities like</b> cereals, pulses, oilseeds, onions and potatoes.</li> <li>▶ To protect the interest of consumers, in situations such as war, famine, extraordinary price rise and natural calamity, <b>agricultural foodstuff can be regulated.</b></li> <li>▶ It will <b>attract private and foreign investment</b>, especially in cold storage facilities and modernisation of food supply chain etc.</li> </ul>
<p><b>Farming Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020</b></p>	<ul style="list-style-type: none"> <li>▶ It aims at <b>creating additional trading opportunities outside APMC market yards</b> to help farmers get remunerative prices due to additional competition. This will pave the way for <b>Creating One India, One Agriculture Market.</b> <ul style="list-style-type: none"> <li>○ It will also promote barrier-free inter-state and intra-state trade and commerce.</li> </ul> </li> <li>▶ It also <b>proposes an electronic trading in transaction platform</b> for ensuring a seamless trade electronically.</li> </ul>
<p><b>Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Ordinance, 2020</b></p>	<ul style="list-style-type: none"> <li>▶ It aims at <b>facilitating contract farming</b>, where a private buyer contracts to purchase a crop at a certain price at the beginning of a season, transferring the risk of market unpredictability from the farmer to the corporate sponsor.</li> <li>▶ It allows <b>farmers to engage in direct marketing thereby eliminating intermediaries</b> resulting in full realization of price.             <ul style="list-style-type: none"> <li>○ It will empower farmers for engaging with processors, wholesalers, aggregators, exporters etc., on a level playing field.</li> </ul> </li> </ul>

## UNITED STATES TRADE REPRESENTATIVE (USTR) LAUNCHED PROBE INTO DIGITAL TAX

• USTR office has announced that it will start Section 301 investigations against India and nine other countries for imposing or considering digital service taxes that may affect American companies.

➤ Section 301 of Trade Act, 1974 allows the US to unilaterally impose tariffs or other trade restrictions on foreign countries.

• India has been targeted for announcing a 2% equalization Levy on all non-resident e-commerce companies that sell more than ₹2 crore of in-scope goods or services to Indian customers.

➤ Earlier in 2016, Equalization Levy was introduced to tax payments for digital advertisement services received by non-resident companies without a permanent establishment here, if it exceeded ₹1 lakh a year.

➤ **This tax rate is 6%.**

➤ Later in 2020-21 Budget, it was widened by including e-commerce companies. For this purpose, tax rate is 2% (plus a surcharge) and this has come into effect from April 1.

• India is likely to submit its comments to USTR against investigations as India's commitments under WTO's General Agreement on Trade in Services allow such taxes. Moreover, India's taxes do not specifically target American companies.

### THE FINE PRINT

**US's charge:** Digital services taxes being levied or considered by some countries "unfairly" target American tech companies

**Major US firms impacted:**

Google, Facebook, Twitter, Amazon

**Countries under USTR scanner:**

India, Brazil, Italy, the UK, Spain, Austria, the Czech Republic, Turkey, Indonesia

**How much tax India levies:**

6% in the form of equalisation levy on digital firms' advertising revenue. In addition, 2% tax is levied on overseas e-commerce purchases by India-based companies

## CABINET SETS UP EMPOWERED GROUP OF SECRETARIES (EGoS) AND PROJECT DEVELOPMENT CELLS (PDCs)

• It is aimed to create an investment friendly ecosystem that supports domestic investor as well as FDI.

➤ New mechanism will reinforce India's vision of becoming a US\$ 5 trillion economy by 2024-25.

• COVID-19 pandemic presents with an opportunity to attract FDI inflows into country especially from large companies which seek to diversify their investments into new geographies and mitigate risks.

### About EGoS

• Objectives of EGoS is to:

➤ Bring synergies and ensure timely clearances from different departments and Ministries.

➤ Attract investments and provide investment support and facilitation to global investors.

➤ Facilitate investments of top investors in a targeted manner, policy stability & consistency in investment environment.

➤ Evaluate investments put forward by departments. Further, departments would be given completion targets of various stages by Empowered Group.

### About PDC

• PDC is approved for development of investible projects in coordination between Central Government and State Governments.

• Objective is to:

➤ Create projects with all approvals, land available for allocation and with complete Detailed Project Reports for adoption/investment by investors.

➤ Identify issues that need to be resolved in order to attract and finalise investments and put forth these before Empowered Group.

# GOVERNMENT TO BOOST INFRASTRUCTURE IN AREAS ALONG CHINA BORDER

- Ministry of Home Affairs has decided to spend **10% funds of Border Area Development Programme (BADP)** only on border projects in **Ladakh, Arunachal Pradesh, Himachal Pradesh, Uttarakhand and Sikkim**.
  - Recent **increase in tensions along India-China border** has highlighted necessity of this.
- As per reports, Border Roads Organisation (BRO) has constructed **75% of entire length of India-China Border Roads (ICBRs)**.
  - BRO is also constructing **125 strategic bridges in different sectors** of Line of Actual Control (LAC), including Ladakh and Arunachal Pradesh.

## EXTRA ATTENTION

The government has decided to boost infrastructure along the 3,488 km border with China

**₹78.4 CRORE FUNDING:** The amount will be spent on projects in villages in Ladakh, Arunachal Pradesh, Himachal Pradesh, Uttarakhand and Sikkim



**PROJECTS THAT CAN BE FUNDED:** Roads, bridges, culverts, mini stadiums, community health centres, primary schools and hostels, apart from supply of medical equipment to hospitals

### WHO WILL CHOOSE THE PROJECT?

The border guarding forces will play a key role in choosing the project

## About BADP

- BADP was introduced in 1986-87 for ensuring **balanced development of border areas through development of infrastructure and promotion of a sense of security** among border population.
- It provides for essential infrastructure through **convergence of Border Area Development Scheme/other Central/State/UT/Local Schemes** especially in six thematic areas:
  - Basic Infrastructure, Health Infrastructure, Education, Agriculture & Water Resources, Financial Inclusion and Skill Development.
- Initially, it was implemented in **Western Border States** and over the years was expanded to **16 States and two UTs**.
- Implementation of **BADP is on participatory and decentralized basis** through Panchayati Raj institutions, Autonomous Councils and local bodies.

# INDIAN ENERGY EXCHANGE (IEX) LAUNCHES ITS REAL-TIME ELECTRICITY MARKET (RTM) PLATFORM

- RTM went live at **IEX and Power Exchange India Limited (PXIL)**.
  - Currently, IEX and PXIL are two power exchanges serving as optional, electronic, nationwide platforms for trading of Electricity.
- RTM is an **organized market platform to enable buyers and sellers pan-India** to meet their energy requirement closer to real time of operation.
- Mechanism:**
  - Under RTM, auctions will be held 48 times a day in which **generators and purchasers of electricity will engage**.
  - IEX/PXIL will clear bids and will then provide results to National Load Dispatch Centre, which (along with State Load Dispatch Centres) routes electricity from various supply sources to consumption points.
  - NLDC would then deliver electricity.
- Benefits:**
  - Better utilization of renewable energy** which is prone to fluctuations in generation.
  - Enable system operators to **enhance overall grid security** and discipline.
  - It will help **DISCOMS to forecast and schedule green energy** in an effective way, thus, supporting **national green energy aspirations**.
  - It would lead to **cost optimization of power purchase** and serving the consumers with reliable supply
  - Will **manage diversity in demand pattern in country** with an organized market at national level.

## ALSO IN NEWS

<p><b>The Great Reset</b></p>	<ul style="list-style-type: none"> <li>It will be the <b>theme of the World Economic Forum's unique twin summit</b> in January 2021.</li> <li>The 51st summit will be <b>both in-person and virtual</b>, connecting key global governmental and business leaders in Davos with a global multi-stakeholder network in 400 cities around the world.</li> <li><b>WEF defined Great Reset</b> as commitment to jointly and urgently build the foundations of an economic and social system for a more fair, sustainable and resilient future.</li> </ul>
<p><b>Pharmacopoeia Commission for Indian Medicine &amp; Homoeopathy (PCIM&amp;H)</b></p>	<ul style="list-style-type: none"> <li>Cabinet has approved <b>re-establishment of PCIM&amp;H as Subordinate Office</b> under <b>Ministry of AYUSH (MoA)</b> by <b>merging into it Pharmacopoeia Laboratory for Indian Medicine and Homoeopathic Pharmacopoeia Laboratory</b>.</li> <li>PCIM&amp;H is an autonomous body under aegis of MoA established since 2010.</li> <li>Merger is aimed at <b>optimizing use of infrastructural facilities, technical manpower and financial resources</b> of three organizations for <b>enhancing standardization outcomes of Ayurveda, Siddha, Unani and Homoeopathy drugs</b> towards their effective regulation and quality control.</li> </ul>
<p><b>SWADES (Skilled Workers Arrival Database for Employment Support)</b></p>	<ul style="list-style-type: none"> <li>It is an initiative to <b>conduct a skill mapping exercise of returning citizens</b> under Vande Bharat Mission.</li> <li>It aims to <b>create a database of qualified citizens</b> based on their skill sets and experience to tap into and <b>fulfil demand of Indian and foreign companies</b>.</li> <li>It is a joint initiative of Ministry of Skill Development &amp; Entrepreneurship, Ministry of Civil Aviation and Ministry of External Affairs.</li> </ul>
<p><b>Cabinet approves MoU between India and Bhutan on Cooperation in areas of Environment</b></p>	<ul style="list-style-type: none"> <li>It will <b>enable establishment and promotion</b> of closer and long-term cooperation in environment protection and management of natural resources.</li> <li>It covers following areas of environment: Air; Waste; Chemical Management; Climate Change.</li> <li>It will <b>facilitate exchange of experiences</b>, best practices and technical knowhow through both public and private sectors.</li> </ul>

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