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Shrinking economy fails to deter foreign investors; sees $6 billion poured into India stocks in August

Foreigners have remained net buyers even after data Monday showed India's economy shrank by a record 23.9% in the June quarter, putting in a net $231 million in the first three days of September.

India's shrinking economy is not stopping foreign investors from pouring money into the nation's stocks betting on a recovery.

International buyers plowed a net $6 billion into shares in Asia's third-largest economy in August, the most since March last year. That's as all other markets in the region excluding China suffered net withdrawals during the month.

Part of it is a bet that Indian equities will play catch-up after trailing the region's benchmark so far in 2020: the S&P BSE Sensex has underperformed the MSCI Asia Pacific Index by about 6.5 percentage points. Foreigners were also drawn to share sales by some of India's marquee financial firms — ICICI Bank Ltd., Axis Bank Ltd. and mortgage lender Housing Development Finance Corp raised a combined ($4.7 billion) last month.

"We place India at the top of the list with China for investment returns over the next 12-24 months," said Nuno Fernandes, who helps oversee more than $2 billion in emerging-market assets at GW&K Investment Management LLC in New York. "India equities represent one of the fastest growth areas in the world."

Foreigners have remained net buyers even after data Monday showed India's economy shrank by a record 23.9% in the June quarter, putting in a net $231 million in the first three days of September. Helping them look past the grim GDP data is the improvement in business activity from July after the lockdown curbs were eased.

"We need to look beyond the near term and consider companies that will benefit from the normalization of economic activity and demand," said Amit Goel, a fund manager at Fidelity International. Goel, who oversees $1.6 billion in India Focus Fund, said he bought shares of private banks, a large staples company and health-care firms in the past three months.

Still, rapidly rising virus cases have put a dampener on investor confidence. With the number nearing 4 million, India is becoming the world's new virus epicenter.

"As long as Covid-19 cases continue, localized lockdowns are likely to hinder an economic recovery," said Kristy Fong, senior investment director for Asian Equities at Aberdeen Standard Investments. Aberdeen has turned "more defensive" as it expects a "patchy rather than a V-shaped recovery," she said.

For the bulls, there remain plenty of reasons to be optimistic about Indian shares.

"The worst is behind us and we're steadily heading toward a recovery," Amit Shah, head of India equity research at BNP Paribas said in a note Thursday, citing improving auto sales, plentiful rains that will improve rural wages and the central bank's easy monetary policy. BNP expects the Sensex to end the year at 41,500, 8% higher from Friday's close.

(Financial Express, 6/9/2020)

Modi govt may take MGNREGA to cities to save virus-decimated urban livelihoods

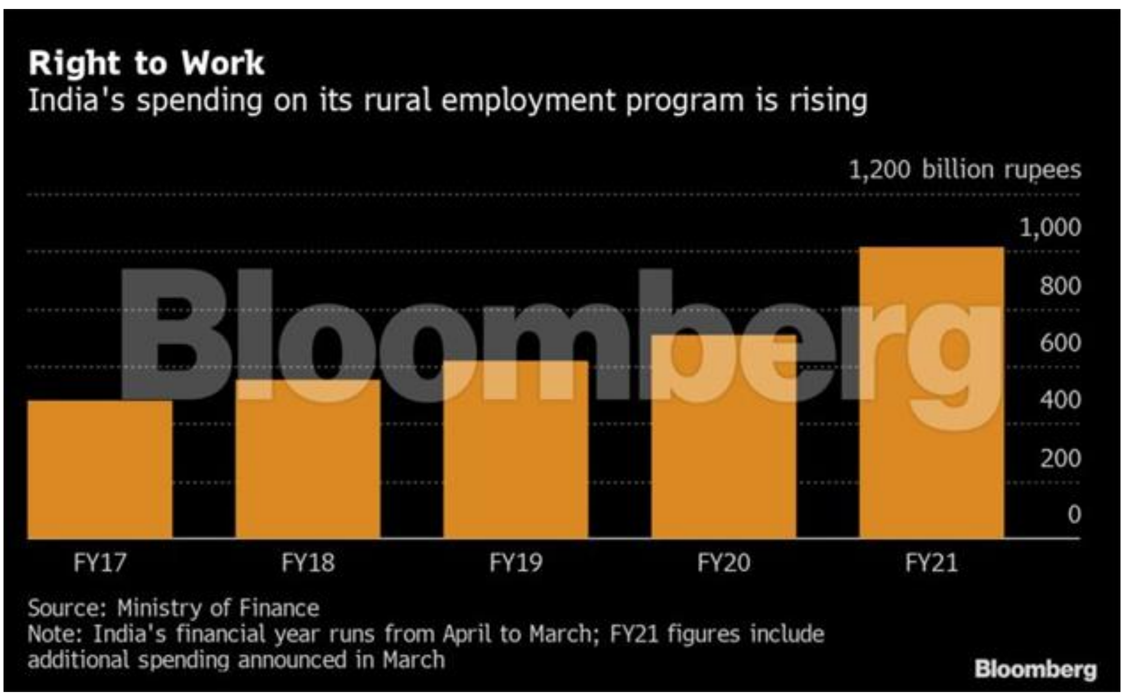
India is considering extending its flagship jobs program in villages to workers in cities left unemployed by the pandemic-induced lockdowns, a government official said.

The program, when approved, may be rolled out in smaller cities and initially cost about Rs 35,000 crore, 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 Rs 1 lakh crore on rural jobs program MGNREGA this year, under which workers in the hinterland can earn a guaranteed minimum daily wage of Rs 202 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 set Asia's third-largest economy on course for its deepest contraction in history.

The idea is to start with smaller towns because big-city projects typically need professional expertise, Kumar said.



The rural program involves employing people for local public-works projects such as road-building, well-digging and reforestation. It now covers more than 27 crore people and was used as a tool to provide employment to migrant workers returning from cities amid the lockdown.

That said, Covid-19 also decimated livelihoods in urban India, creating a new underclass of workers who are being pushed into poverty, according to an analysis by the London School of Economics.

More than 12.1 crore people lost jobs in April, pushing the unemployment rate to a record 23%, according to the Centre for Monitoring Indian Economy Pvt. But the jobless rate has since fallen as the economy reopened.

“A national level commitment to overcome the livelihood crisis is therefore essential for preventing urban workers from falling into poverty and for countervailing the sharp and sudden rise in inequality,” wrote Shania Bhalotia, Swati Dhingra and Fjolla Kondirolli, the authors of the report -- ‘City of dreams no more: The impact of Covid-19 on urban workers in India’ -- published by LSE’s Centre for Economic Performance.

Economic Affairs Secretary Tarun Bajaj earlier spoke of the program in an interview to Business Standard newspaper, raising expectation of a fiscal boost after a previously announced Rs 21 lakh crore support package fell short in terms of actual budget outgo.

The program would give a demand boost for the economy, said Ashima Goyal, a professor at the Indira Gandhi Institute of Development Research in Mumbai, and an adviser to Modi.

(Economic Times, 2/9/2020)

India jumps 4 places to rank among top 50 in Global Innovation Index

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Marking a major advancement amid the coronavirus pandemic, India has moved up four places to rank 48th in the Global Innovation Index (GII) 2020 report which was released on Wednesday.

Compiled by the World Intellectual Property Organisation (WIPO), Cornell University and INSEAD business school, the index assessed 131 economies.

Switzerland, Sweden, the US, the UK and the Netherlands lead the innovation ranking.

South Korea joined the top 10 for the first time while Singapore is at number 8. The top 10 is dominated by high-income countries.

While the innovation index shows year-on-year stability at the top, there is a gradual eastward shift in the locus of innovation as a group of Asian economies - notably, China, India, the Philippines and Vietnam -- have advanced considerably in the innovation ranking over the years.

India retained the highest rank in the Central and Southern Asian region, followed by Iran, said the report.

Moving up four positions since last year, India became the third most innovative lower-middle-income economy in the world.

It ranks in the top 15 in indicators such as ICT services exports, government online services, graduates in science and engineering, and R&D-intensive global companies, said the report.

Thanks to universities such as the Indian Institute of Technology in Bombay and Delhi and the Indian Institute of Science in Bengaluru, and its top scientific publications, India is the lower-middle-income economy with the highest innovation quality, added the report.

"As shown by China, India and Vietnam, the persistent pursuit of innovation pays off over time," said Former Dean and Professor of Management at Cornell University Soumitra Dutta. "The GII has been used by governments of those countries and others around the world to improve their innovation performance," added Dutta.

(Zee News, 3/9/2020)

India exploring to utilise Arab World's FTAs with US & EU for exports

India has pitched for elevating India-Arab economic partnership commensurate with the strategic partnership between the two sides and exploring opportunities to utilise Arab World's FTA with US and EU for Indian businesses.

"India-Arab relations are founded on strong traditional ties and deepening political understanding. Our economic relations have to be stepped up to a higher level to match the strategic partnership and strong momentum in bilateral understanding at the political level. There is huge potential in the growing Arab economies while many Arab countries have FTAs with EU and USA. Arab countries and Indian businesses can both benefit by participation in economic growth and development," Secretary (CPV&OIA) MEA Sanjay Bhattacharyya told FICCI in an address titled 'India's engagement with Arab World' on Tuesday.

He listed key elements of future endeavours between India and the Arab World. "First, Aatmanirbhar Bharat provides a vision of India's plans to become a $5 trillion economy by promoting Make in India - Make for World through integration with the global economy. The thrust in future will be on joint ventures in infrastructure and manufacturing, tapping Arab Sovereign Wealth Funds and integrating into supply chains," Bhattacharyya said, adding, "Another focus will be on innovation and start-ups, such that entrepreneurial collaborations that are future oriented. The success of Indian start-ups in IT, e-commerce, hospitality, logistics and others can leverage higher growth in India-Arab economic ties."

He suggested, "New Emerging Technologies, especially in ICT, consultancy, fin-tech, logistics, edutech, healthtech and others have enormous potential. These will promote efficiencies and leverage future growth and development. Further, cooperation between Centres of Excellence on Industrial Revolution 4.0 will stimulate continued growth. In some ways, we need to transform a segment of our economic interaction to an "ahead of the curve" partnership focused on technology collaboration, R&D and high capital intensive projects that drive future oriented growth."

High Technology cooperation, especially in defence and space has potential to be stepped up. "We have cooperation agreements in both sectors with most Arab countries. With the increased participation of private sector in these areas, the potential for cooperation is much higher. In defence sector, we can expand equipment and armament export. In space sector, there is potential for training, launch of satellites, sharing of satellite data etc," the senior diplomat recommended.

"Indian business may explore venturing into less-explored markets, which can yield great dividends. The current focus of Indian business is for trade, investment and technology exchanges with GCC, Egypt and Israel, which are the larger economies. While these can be expanded further, there is large untapped potential in other countries, for example, Iraq (hydrocarbon, construction, medical), Syria (construction, medical, education), Algeria (construction, defence), Morocco (manufacturing, FMCG, tourism), Jordan (mining, tourism), Sudan (energy, mining, medical)."

High-level exchanges between India and the Arab world have promoted deeper understanding and cooperation. This is an opportune moment for business community to develop deeper links, based on each other's national priorities and development plans. Cultural exchanges will promote goodwill among the people and facilitate economic engagement, Bhattacharyya said, adding, "With both India and the Arab region engaged in reforms and transformational changes in the economy, the strong political understanding and goodwill between the peoples provides tremendous potential to take economic engagement to a higher level."

He pointed out that the Arab region is part of India's extended neighborhood. "Just as we had a special priority for the East, today we have it for the Arab world in our Look/Act West policy, reflecting our priority and intimacy."

"One can broadly divide the 22 Arab countries and Israel into 3 groups – north of Gulf, we have Arab partners with whom we have traditional connections but this region is today facing conflict; the Gulf region, where we have strategic partnerships which is politically stable and economically prosperous; the African region along the Mediterranean with which we have deep ties, which enjoys relative stability and moderate prosperity. In a sense, the region from Oman, on the Arabian Sea, to Morocco, on the Atlantic coast, has common features and provides great opportunities."

Referring to the Covid diplomacy Bhattacharyya said, "With the Arab world, we cooperated on repatriation of stranded citizens, in both directions. Vande Bharat Mission, the largest repatriation exercise, has been possible because of the active support from our Arab partners. We are happy that the return of Indian workers and professionals to the Gulf region has now begun. With return of PRs to their families and return to Gulf of professionals in healthcare, data management, oil and construction sectors and even sports professionals, the future of our cooperation in human resources looks bright. "

India provided emergency medical supplies to several Arab countries, emerging as the first provider of humanitarian assistance to Covid. Indian medical team went to Kuwait and medical and humanitarian supplies reached Lebanon soon after the tragic explosion at the Beirut port. Further, India was able to provide, during the pandemic, thousands of healthcare professionals to Saudi Arabia and hundreds to Kuwait, Bahrain and UAE to help them address the challenge of Covid. The two sides also had cooperation in Covid research and testing. "We are ready to support in vaccine availability from India, as we will be the largest producers, once the vaccine is ready," Bhattacharyya informed.

Multifaceted exchanges with strong growth characterises the nature of India's engagement with the Arab region. As it is Delhi's extended neighborhood, it has several strategic partnerships and there is positive momentum in relations with all Arab countries. Importantly, these relations are independent of relations with others and are not affected by their internal differences.

On energy security, 53 % of India's oil imports and 41% of gas imports come from the region. India has stakes in oil blocks in Iraq, Syria, Libya, UAE, Yemen and South Sudan. The nature of the partnership has evolved from mere hydrocarbon ties between buyer and seller to participation in upstream & downstream projects, joint ventures in refineries and building of strategic oil reserves.

On food security, India remains the trusted and long-term reliable source of food exports to the Gulf, with growing ties in the rest of the Arab world. The partnership has become stronger with connectivity, establishment of joint ventures and cooperation along the value chain. At the same time, India sources 60% of fertilizer and raw material imports from the Arab world, which deepens our mutual relations.

Human resource exchanges are a major element of India's bilateral cooperation with the Arab world, particularly in the Gulf. Indians are the largest expat community in Arab world with 9 million workers and professionals (30% of all expat work force). Indian expats remit around $48 billion to India from the Arab world.

Investments from Arab region is $7 billion in cumulative FDI equity flow from 2000-18, approx 2% of total FDI. However, the growth in recent years has been promising and participation of sovereign wealth funds and portfolio investments is seeing a positive trend. Key sectors of investment are power, metallurgical industries, real estate and construction, services and IT. India's total trade with Arab world of $162 billion makes it a major trading partner. Although hydrocarbons account for the bulk of the trade, the basket has diversified in recent years to include engineering goods, gems and jewellery, precious metals, food products, textiles and chemicals in our exports and gold and other products in imports.

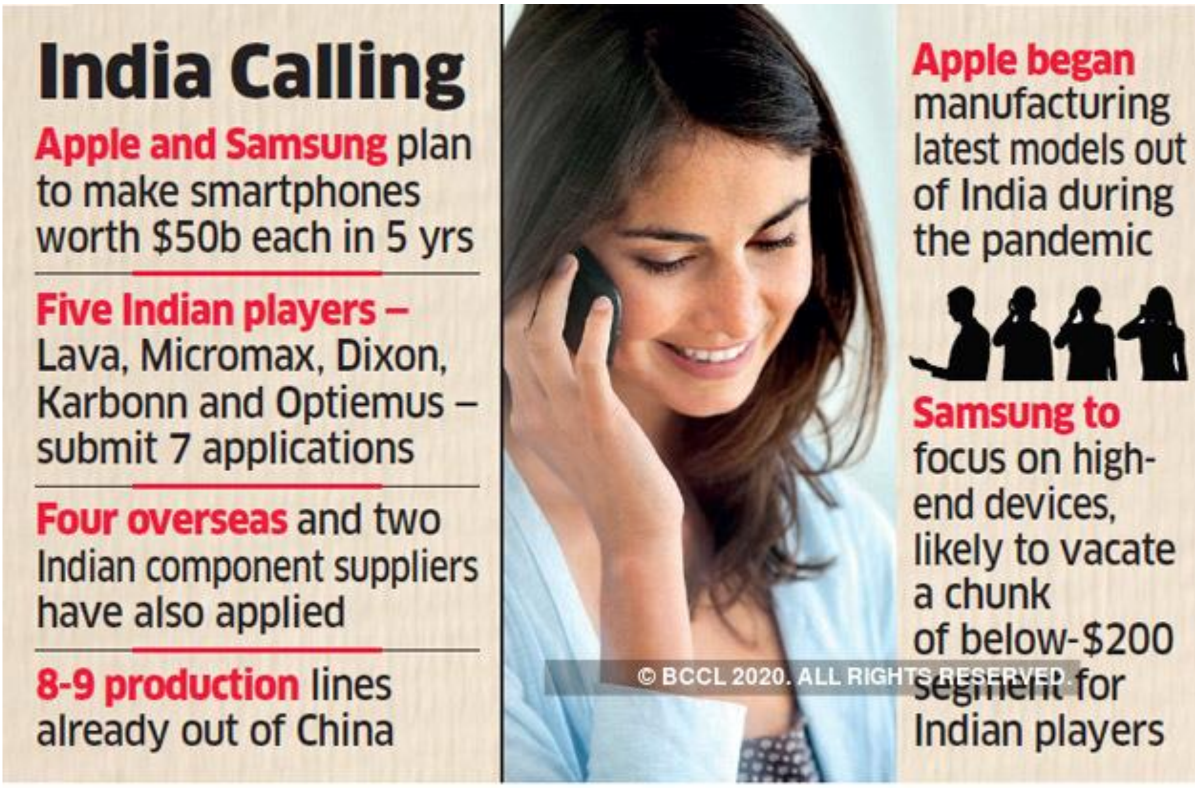
(Economic Times, 23/9/2020)

Govt panel clears $100-billion mobile export proposals from global manufacturers

Applications by iPhone contract makers Foxconn, Pegatron and Wistron as well as Samsung, Karbonn, Lava and Dixon to export mobile phones worth around $100 billion from India have been cleared by the empowered group, said people with knowledge of the matter.

"The empowered committee has approved all applications estimated to export around $100 billion (Rs 7.3 lakh crore) worth mobile phones under the production linked incentive scheme (PLI) and all the applications will be placed before the cabinet probably this week," a senior government official told ET.

Members of the empowered committee include the Niti Aayog CEO along with the secretaries of economic affairs, expenditure, revenue, the Ministry of Electronics and Information Technology (MeitY), Department for Promotion of Industry and Internal Trade (DPIIT) and Directorate General of Foreign Trade (DGFT). Five of the applicants are overseas ones, seven are Indian and another six are in the components manufacturing scheme, officials said.



Apple's contract manufacturers and Samsung have submitted production estimates of phones worth $50 billion each in the next five years, according to the applications, said people with knowledge of the matter. Exports will be slightly lower in each case.

Scheme was Notified in April

"The extraordinary response to the PLI shows enormous trust of the global community in India's manufacturing capability and leadership of Prime Minister Narendra Modi," Communications & IT minister Ravi Shankar Prasad told ET.

The PLI scheme, which aims to make India a manufacturing hub for smartphones, was notified in April. Apple's contract manufacturers started producing its latest handset models, the iPhone 11 and iPhone SE, shortly after that in India. The scheme is aimed at attracting manufacturers looking to move out of China amid Sino-US trade tensions, and even looks to draw companies from manufacturing hubs such as Vietnam. While Foxconn and Wistron already have plants running in India, Pegatron — Apple's second-largest contract manufacturer — is looking to set up its factory and is talking to states such as Uttar Pradesh, Tamil Nadu, Karnataka and Andhra Pradesh.

Meanwhile, Samsung, which now exports phones worth about $2.5 billion from India, is all set to ramp up its production to handsets worth $50 billion in the next five years. Of this, $40 billion will comprise devices with a factory price of more than $200.

“Samsung exporting $2.5 billion out of India — of this, 97% was in the below $200 segment. By putting this floor price of $200 for eligibility in the PLI scheme, we have incentivised them to make high-value phones in the country and now they will be vacating this space of less than Rs 15,000 factory price for Indian players to occupy,” said the first official cited above. “This is an important stage as it will ensure that Indian players are able to climb up the learning curve and start making world-class smartphones to compete globally.”

The five global applicants are Samsung, two units of Foxconn, Wistron and Pegatron. The domestic ones are Lava, Dixon, Micromax, Padget Electronics, Sojo, Karbonn and Optiemus. According to government data, 22 companies had applied for the Rs 41,000-crore PLI scheme.

(Economic Times, 7/9/2020)

India’s role is imperative in diversification of global supply chains & Berlin's strategy: German Envoy

The current global challenges across the spectrum cannot be solved without India and therefore Delhi plays a critical role in Germany’s newly released Indo-Pacific strategy that aims at diversifying supply chains without being dependent on just one source, German Ambassador to India Walter Lindner told ET.

“Germany has a policy for Africa and policy for Latin America. However, we did not have any policy for Indo-Pacific region as a whole. This region houses world's 33 mega cities, a young and dynamic population and sea lanes of communication that are responsible for a significant part of the global trade. It was time that Berlin adopted a strategy for the region,” Lindner told ET in an exclusive interaction days after Berlin released its Indo-Pacific strategy.

This was Lindner’s maiden in person interview since the outbreak of Covid. “The region has three nuclear powers. Any attempts to alter rule of law has implications. Whatever happens in the region impacts Europe and it impacts Germany. Therefore, strengthening the rule of law to ensure free and transparent trade is essential,” the envoy noted in a thin veiled reference to Beijing’s attempts to dominate world order.

“The Covid situation made it clear that supply chains cannot be dominated by anyone. There must be a diversification of supply chains. Germany favours diversification of supply chains and India plays a critical role in that. No global challenges in today’s world can be solved without India’s participation,” noted Lindner, who had in the past served as the Foreign Secretary.

Pointing out that the German Indo-Pacific strategy is not anti-China the envoy, however, was of the opinion that there cannot be hegemon and what is needed is a “multipolar system of equals”. Germany, as Europe’s biggest economy, favours supply chains which are diversified and sustainable, Lindner pointed out.

The Indo-Pacific strategy was released last week by German Foreign Ministry. Berlin’s strategy also suggested opening dialogue with institutions where India plays a key role -- Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation and Indian Ocean Rim Association -- in the areas of business and maritime safety, as well as disaster risk management.

“As an internationally active trading nation and proponent of a rules-based international order, Germany – embedded in the European Union – has a great interest in participating in Asia’s growth dynamics and in being involved in shaping the Indo-Pacific region, as well as in upholding global norms in regional structures,” suggested the strategy outlining Germany’s key principle for the region.

The strategy also contains veiled but firm criticism of Chinese actions in the South China Sea and its fallout on global trade in what mirrors India’s position on the issue. “More than 90 percent of the world’s foreign trade is conducted by sea, a large part of which via the Indian and Pacific Oceans. Up to 25 percent of the world’s maritime trade passes through the Strait of Malacca. More than 2000 ships per day transport goods between the Indian Ocean and the South China Sea via this bottleneck. A disruption to these maritime trade routes and thus to the supply chains to and from Europe would have serious consequences for the prosperity and supply of our population,” the strategy pointed out.

“In the Indo-Pacific region, too, it is not the law of the strong that must prevail, but the strength of the law. This also applies to the shipping routes through the Indian Ocean and the Pacific. The UN Convention on the Law of the Sea as a comprehensive maritime regulatory and cooperation framework and the freedoms of navigation enshrined therein are universal. Germany is prepared to promote the enforcement of rules and norms in the region.”

Millions of jobs in Germany depend on these trade and investment relations. In view of this great potential, Germany has a vital interest in open markets in the region, according to the strategy. “The federal government firmly believes that rules-based free trade enhances prosperity on both sides.”

Berlin stated it supports a substantive and legally binding Code of Conduct between China and the ASEAN members-states for the South China Sea (SCS) region. It is no secret that Chinese action in the SCS including artificial island building has not only rattled some ASEAN countries but several other countries whose trade passes through the region.

(Economic Times, 10/9/2020)

FTA talks with Russia, US, EU on, trade policy not planned around one nation: Piyush Goyal

Commerce and industry minister Piyush Goyal on Thursday said India is engaging to sign free trade agreements (FTA) with the US, EU, Russia and the UK even as it reviews all its old trade pacts to bring symmetry.

Goyal said India will “gain significantly” from its limited trade deal with the US.

“Even if we don’t do the deal, our exports have increased to the US…GSP withdrawal has not significantly impacted our exports,” he said, adding that India's exports to US are growing very rapidly in the last 2-3 months and the deal is “almost finalised”.

Restoration of duty concessions under GSP or Generalized System of Preferences are India’s key demand in its trade deal negotiations with the US.

“However, due to Covid-19, the US was not as much focussed on government functioning. So, we will wait. I have left it to the US. India is ready to sign tomorrow. We have given them a balanced offer,” Goyal said at an event organised by IIFT.

Emphasising that a deal has to be a win-win for both sides, the minister said India will always protect the interest of its agriculture, diary, MSME sectors, domestic local industry, and do a balanced deal.

“And that is why we didn't sign RCEP (Regional Comprehensive Economic Partnership) because it was not balanced in fair way”

“We are working to give a renewed focus to FTAs with the developed world. If other countries want access to the market of 130 crore Indians then they will have to give us equal access to their market. India is not going to be a patient receiver of unfair trade practices. We will take hard but smart decisions,” he said.

The commerce and industry ministry is meeting export promotion councils on Friday as it reviews the India-Korea CEPA and New Delhi’s trade deficit with the east Asian country.

China focus

On being asked about India's policies towards China on various sectors such as toys, solar, auto and TVs, he said: “Let's not focus only on one country. When we are looking at foreign trade, India's future, let's not plan everything around one country…There is no anti-one country tariff”.

Explaining that domestic industry will take some time to pick up, he said: “There are many practices in that country which we don’t…we don’t have price controls or hidden subsidies.”

India’s exports to China in the first quarter of FY21 rose 32.93% on year to $5.53 billion while imports shrank 36.16% on year to $11.02 billion.

His statement comes in the wake of the government erecting barriers to curb imports especially those from China through higher duties, quality control orders, limits in government contracts, technical regulations, port restrictions and stricter checking of imports, among others.

“India has shown its capability to withstand any pressure and the same goes for trade,” he said, adding that India’s exports grew 13% on year in the September 1-7 period.

On India restricting toy imports, Goyal said it could have pitfalls such as a rise in prices in the short run but the country is looking at anchor investors, clusters and toys that are relevant to India to boost domestic industry.

“We are looking to attract 1-2 FAB facilities to come to India…This will also help enhance our solar capacity,” he said, adding that the centre is in talks with states to reduce power costs, and deregulate and make it easier to start a business. Vietnam, he acknowledged, has a deregulated environment and trade pacts with the EU and RCEP, which are aiding the relocation of companies in China to that country.

A phased manufacturing plan for TV components is also in the works.

(Economic Times 11/9/2020)

India needs to copy China better if it wants to be the next manufacturing powerhouse

If India only reforms when under pressure, then now should be a moment for big changes: Gross domestic product contracted nearly 24% in the second quarter, more than any other large economy;

tens of millions have lost jobs in the formal and informal sectors; and the country is adding over 85,000 confirmed coronavirus cases each day. There's an obvious place for the government to start, too: fixing India's failed special economic zones.

China, of course, pioneered the idea of testing politically difficult economic and legal reforms in a few such areas before rolling them out more widely. The experiment proved wildly successful. Shenzhen, one of the mainland's first SEZs, grew from a population of 310,000 and a GDP of $160 million in 1981 to a population of 12.5 million, a GDP of $388 billion and per capita income in excess of $30,000 by 2019 — surely the fastest-ever increase in human prosperity.

The model is even more appealing in a messy democracy such as India, where vested interests and a risk-averse bureaucracy have stymied previous attempts at radical economic reforms. Not surprisingly, the country is home to 238 such zones.

The results have been underwhelming, however, for several reasons. For one thing, there are simply too many SEZs. Indian state capacity is already limited. Asking the government to provide even a basic suite of services in so many places is futile. (India is running into similar problems in trying to develop a multitude of "smart cities.") China's experiment began with just four such zones in Shenzhen, Shantou, Xiamen and Zhuhai. India should do the same.

Moreover, whereas the Shenzhen agglomeration alone sprawls across 2,000 square kilometers, all of India's SEZs put together occupy less than 500 square kilometers. Larger zones benefit from several spillover effects: They attract clusters of businesses, encourage knowledge transfers from foreign to domestic companies, and spread employment, infrastructure and development to neighboring regions. India's zones are too small to do the same.

Most important, the supposed "reforms" India has implemented in its SEZs have been anything but. They've largely centered around concessions to favored businesses — tax sops and cheap real estate — rather than a fundamental reset of India's convoluted and restrictive rules for doing business. If low taxes were all that mattered for attracting investment, any poor country could entice global manufacturers by slashing taxes. Clearly, good governance and strong rule of law matter a great deal more to such businesses.

The government, which is reportedly mulling a $23 billion package of incentives to attract global manufacturers to India, wisely sees an opportunity. The pandemic has exposed the fragility of critical global supply chains. No country wants to concentrate risks in any one jurisdiction, especially given rising trade and geopolitical tensions between China and the West.

To lure manufacturers away from the mainland, though, India is going to have to convince them that they'll be able to operate just as easily and efficiently as they can in China. A few big zones should be located either near deepwater ports or around large airports. They can be greenfield or brownfield sites, depending on whether the focus is on manufacturing or services. The latter could exploit underutilized public lands, such as the eastern waterfront of Mumbai. Of course, they all need to offer reliable water and power, affordable housing, and excellent transport connectivity.

Above all, these zones must provide the kind of governance and clarity that's in short supply across the rest of India. Local administrators must be empowered to make radical changes to labor laws, for instance. Fast-track courts to resolve disputes are critical, as is eliminating most restrictions on foreign investment. The point is not just to make production cheaper, but also to create a fundamentally different atmosphere for doing business than companies would find elsewhere on the subcontinent.

Of course, success will create its own political headaches, as a few regions get richer than others. But compared to the alternative — a future in which India never embeds itself fully into global supply chains and can't create the millions of salaried jobs its young and growing population demands — that's a problem the government should welcome.

(Economic Times, 26/9/2020)

India, Denmark ink pact to increase cooperation on IPRs

India and Denmark on Saturday inked a Memorandum of Understanding (MoU) to increase cooperation in the area of intellectual property rights (IPRs) by exchanging best practices and collaborating in training programmes.

The two sides will draw up a biennial work plan to implement the MoU which will include detailed planning for carrying out cooperation activities, including scope of action, the Commerce and Industry Ministry said in a statement.

The MoU aims to increase IP cooperation between the two countries by way of exchange of best practices, experiences and knowledge on IP awareness among authorities, businesses and research and educational institutions, and collaboration in training programmes, exchange of experts, technical exchanges and outreach activities.

Both the sides would also exchange information and best practices on processes for disposal of applications for patents, trademarks, industrial designs and Geographical Indications, as also for protection, enforcement and use of IP rights.

Besides, the MoU is aimed at enhancing cooperation in development of automation and implementation of modernisation projects, new documentation and information systems in IP and procedures for management of IP, and understanding ways to protect traditional knowledge.

"This MoU will go a long way in fostering the cooperation between India and Denmark, and provide opportunities to both countries to learn from the experience of each other, especially in terms of best practices followed in the other country," the statement said.

Department for Promotion of Industry and Internal Trade (DPIIT) Secretary Guruprasad Mohapatra and Freddy Svane, Ambassador of Denmark, conducted the formal signing ceremony.

The MoU was signed between DPIIT and Danish Patent and Trademark Office, Ministry of Industry, Business and Financial Affairs, Kingdom of Denmark, it added.

(Economic Times, 27/9/2020)
