

DAILY NEWS MONITOR: 20 JULY 2022

1. RBI, govt unlikely to come with IMD-like special schemes to salvage rupee

Source: The Economic Times ([Link](#))

The RBI and the government are unlikely to come up with any special schemes like the India Millennium Deposit or the special guaranteed FCNR deposits of 2013 as the current reserves are adequate to intervene and prevent a sharp slide. The central bank has spent more than \$ 41 billion defending the currency since February, reducing import cover to single digits. Economists have voiced their concerns that capital inflows into India in a period of global risk aversion could be insufficient. The BoP is likely to go into deficit after 3 years in surplus, putting pressure on the Indian rupee to depreciate further. The rupee breached the crucial Rs 80 mark on 19 July.

2. Gautam Adani secures world's fourth richest rank on Forbes list, his wealth doubles in a year

Source: Livemint ([Link](#))

Indian billionaire Gautam Adani now holds the fourth rank on the Forbes world's richest list, surpassing Microsoft founder Bill Gates who last week said that he would be donating \$20 billion from his wealth to his non-profit. Following the donation, Bill Gates has slipped just one spot to be the fifth richest in the world, worth an estimated \$102 billion on Forbes' Real-Time Ranking of the World's Billionaires, whereas India's Gautam Adani & Family stands at fourth with net worth of over \$114 billion, as per Forbes. Bill Gates last week said he is donating \$20 billion to the Bill & Melinda Gates Foundation this month as the philanthropic behemoth plans to speed up its pace of giving. "I hope by giving more, we can mitigate some of the suffering people are facing right now and help fulfill the foundation's vision to give every person the chance to live a healthy and productive life," Gates said in a statement.

3. No GST on food items when sold loose, clarifies FM Nirmala Sitharaman

Source: Business Standard ([Link](#))

Union Finance Minister Nirmala Sitharaman on 19 July said the mass consumption items such as pulses, wheat, rice, flour, and curd will not attract the 5 per cent goods and services tax (GST) when sold loose, and not pre-packed or pre-labelled. The clarification came amid protests and widespread criticism by Opposition Members of Parliament over foisting GST on daily-use essentials and subsequent price rise. The all-powerful GST Council, chaired by the Union minister, had last month decided to impose GST on some mass consumption items to simplify the rate structure, which came into effect on Monday. In a series of tweets,

Sitharaman said this decision was much needed to plug tax leaks. It was considered at various levels by officers, group of ministers (GoM), and finally recommended by the GST Council. The decision, she said, was taken by the Council, where all states are represented, through a consensus.

4. India among Africa's top investors, bilateral trade at \$89.5bn in FY22: EAM
Source: Business Standard ([Link](#))

External Affairs Minister S. Jaishankar on 19 July said that India is among the top five countries that have invested in the African continent. "With cumulative investments at \$73.9 billion from 1996-2021, India is among the top five investors in Africa," Jaishankar said while addressing the 17th CII-EXIM Bank Conclave on India-Africa Growth Partnership. He said that India's bilateral trade with Africa has now reached \$89.5 billion in 2021-22 compared with \$56 billion the previous year. "Notably, through the Duty Free Tariff Preference (DFTP) Scheme that extends duty free access to 98.2 per cent of India's total tariff lines, India has opened its market to African countries. So far 33 LDC African nations have been entitled to get benefits under this scheme."

5. FDI in research, development increases to USD 344 mn in 2021: comm min
Source: The Economic Times ([Link](#))

Foreign direct investment (FDI) inflows in the research and development sector have increased to USD 343.64 million in 2021 against USD 55.77 million in 2020, the commerce and industry ministry said on Tuesday. FDI is permitted under a 100 per cent automatic route in the research and development (R&D) sector, subject to applicable laws/regulations, security and other conditionalities. The ministry also said that Karnataka is the top FDI equity recipient in R&D during 2021, followed by Telangana and Haryana. Singapore is the top investing country in R&D during 2021 with a 40 per cent share of the total FDI equity in R&D, followed by Germany (35 per cent) and the US (11 per cent), it added.

6. India cuts windfall tax on diesel, aviation fuel shipments
Source: Money Control ([Link](#))

India has cut a windfall tax on diesel and aviation fuel shipments by 2 rupees a liter, according to a government notification. New Delhi also cut the tax on domestically produced crude to 17,000 rupees a tonne, effective July 20. On July 1, India had imposed the windfall tax on oil producers and refiners who boosted product exports to gain from higher overseas margins.