

## DAILY NEWS MONITOR: 31 AUGUST 2021

### **1. Biz activity continues to rise, now well above pre-pandemic levels: Report**

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

Business resumption activity continued its northward journey and reached a new high, much above the pre-pandemic levels for the week ended August 29, a Japanese brokerage said on 30 August. The Nomura India Business Resumption Index rose to 102.7 for the week ending 29 August from 101.3 in the prior week, as per the brokerage. The index, which compared business activity with the pre-pandemic levels of March 2020, had fallen steeply during the two waves of infections, which were accompanied by lockdowns. Nomura said the index increased by 5.6 percentage points (pp) in August 2021, after 17.1 pp in July and 15 pp in June. For the week ended August 29, Google retail and recreation and Apple driving indices rose by 0.6 pp and 10 pp, respectively, although workplace mobility surprisingly fell by 3.7 pp. Power demand rose by 0.1 per cent as compared to the previous week, while the labour participation rate inched up to 40.8 per cent from 40 per cent.

### **2. Facebook, Xiaomi want a slice of India's \$1 trillion digital loan market**

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

India's digital loan market is becoming a battleground for companies from Facebook Inc. to Xiaomi Corp., as they seek a foothold in what's set to be a \$1 trillion industry. Facebook this month said India would be the first country where it rolls out its small business loan program offering loans via a partner to firms that advertise on its platform. The loans will range from 500,000 rupees (\$6,720) to 5 million rupees with interest rates of 17%-20%, potentially without collateral. The social media giant's foray into India coincides with Xiaomi's, the Chinese maker of everything from rice cookers to gaming monitors, plans to offer loans, credit cards and insurance products in partnership with some of the nation's biggest banks and startup digital lenders, the Press Trust of India reported, citing local head Manu Jain.

### **3. India Q1 GDP preview: Strong double-digit growth expected; economy unfazed by Covid wave, base effect in play**

**Source: Financial Express ([Link](#))**

India's economy is expected to have grown in double digits during the April-June quarter of this financial year, helped by a low base of the previous year. The expected rebound in economic growth would also stand testament to the strong consumer activity, unfazed by the second wave of the covid-19 pandemic. A recent poll of 41 economists conducted by news agency Reuters indicated that the gross domestic product (GDP) rose 20 per cent in the June

quarter, compared to the record contraction of 24.4% in the same period a year ago. Meanwhile, the Reserve Bank of India's Monetary Policy Committee expects June quarter GDP growth to be at 21.4%.

#### **4. Indian Railways launches a new Toy-train safari on Darjeeling Himalayan Railway route**

**Source: Money Control ([Link](#))**

Indian Railways has decided to launch a regular Jungle Tea Toy-Train Safari from Siliguri junction to Rongtong station in West Bengal in a bid to provide a boost to the COVID-hit tourism sector. This new service has been announced by the Indian Railways' Northeast Frontier Railway (NFR) zone which operates the world-famous Darjeeling Himalayan Railway (DHR). UNESCO, in 1999 had declared the toy train on this route 'World heritage site'. This site is widely famous among foreign tourists and domestic travellers. Both heritage steam locos built between 1889 and 1927 as well as modern diesel engines are used to pull the toy trains. Due to the COVID-19 pandemic in the country, the regular toy train services were suspended around one and half years ago. Railway officials are making an attempt to revive the tourism industry.

#### **5. NITI Aayog suggests tax sops for investment in Infra Investment Trusts**

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

Niti Aayog has suggested to the government to provide tax incentives for investment in InvITs, and bring them under the IBC to attract retail as well as institutional investors to achieve the goals of the National Monetisation Pipeline scheme. The Aayog in consultation with infra line ministries has prepared and released a report on National Monetisation Pipeline (NMP) this month. "More tax-efficient and user-friendly mechanisms like allowing tax benefits in Infrastructure Investment Trust (InvITs) as eligible security to invest under Section 54EC of the Income-Tax Act, 1961, are important starting points for initiating retail participation in the instruments," the Aayog has recommended. Finance Minister Nirmala Sitharaman on August 23 had announced a Rs 6 lakh crore NMP scheme that will look to unlock value in infrastructure assets across sectors, ranging from power to road and railways.

#### **6. Tesla closer to India launch, 4 models approved**

**Source: Livemint ([Link](#))**

Tesla Inc. is closer to making its official debut in India after it received approval to make or import four models in the South Asian nation. Tesla has had its vehicles certified as being roadworthy in India, a posting on the website of the nation's ministry of road transport and highways showed. "The tests ensure the vehicle matches the requirements of the Indian

market in terms of emission and safety and road worthiness," according to the site. A Tesla fan club earlier tweeted about the development, saying the cars were probably Model 3 and Model Y variants. Gaining a foothold in the Indian car market won't be easy considering EVs account for only 1% of the nation's annual car sales and Tesla's automobiles are very expensive. Scant charging infrastructure and a lack of financing for companies wanting to develop electric cars are other reasons why India is behind in the electric shift.