

# *arth*NITI

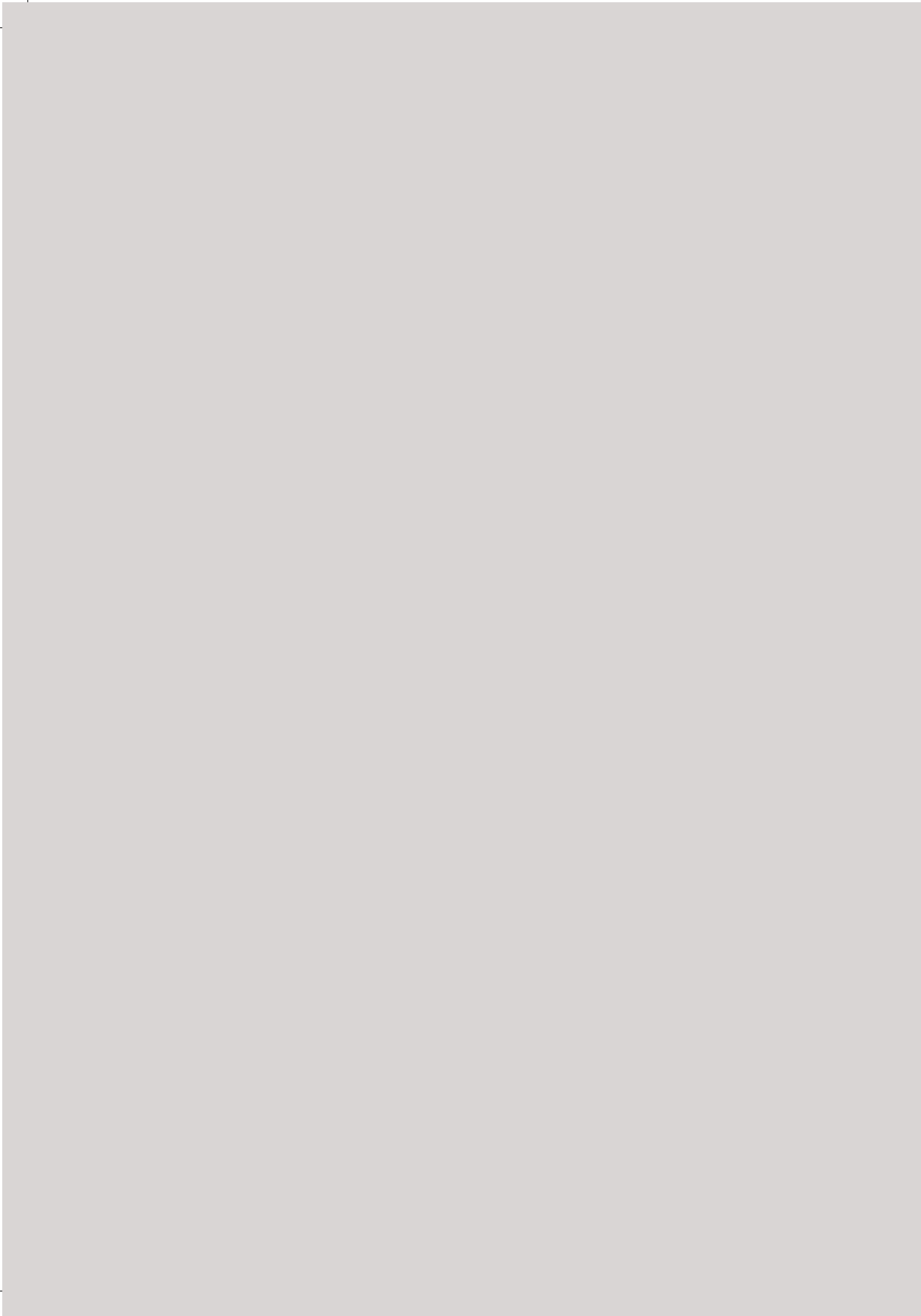
VOLUME SIX | 10 MARCH 2021

SPECIAL FEATURE | ASPIRATIONAL DISTRICTS PROGRAMME



## Team ArthNITI

Ajit Pai, Amit Kumar, Devashish Dhar, Himani Sachdeva, Indrani Dasgupta, Janak Priyani, Pankhuri Dutt, Rajeshwari Sahay, Ranbir Singh, Raag Haria, Ranveer Nagaich, Urvashi Prasad, and Vishal Tripathi



## FROM THE VICE CHAIRMAN'S DESK

Global economy has regained strength after the contraction in first half of 2020. The loss in global GDP is estimated to be -3.5% in 2020 or close to USD 3 trillion. The International Labour Organization (ILO) expects employment to decline sharply in 2020, with an estimated drop of 12.1% and 17.3% in working hours in 2QCY20 and 3QCY20, respectively, relative to 2019. This has impacted the lower rung of the society disproportionately more. The World Bank estimates that by 2021 there could be 150 million more people below the poverty line due to Covid-19 relative to the pre-pandemic estimates.

The global economy has started to recover the lost momentum. Major economies had a sharp recovery in economic activity in the second half of 2020. China's economy is even expected to post a positive GDP growth in 2020, with the December 2020 quarter already registering GDP growth of 6.5%. Prices of industrially relevant commodities like aluminium, copper and crude oil have also risen substantially since April 2020 due to better demand conditions. Gold prices, however, have moderated reflecting reduced risk aversion. In particular, crude oil prices have more than doubled since April 2020 due to both better demand and OPEC-induced supply constraints. This presents new risks for global and Indian economic recovery.

The PMI for the global economy and for many large economies, reflects conflicting signs for the growth trajectory. Global PMI has remained flat since its peak in October 2020, indicating that the fiscal stimulus given by the governments across the globe might have already run out of steam. For large economies such as Japan, France, Italy, Russia and South Africa, PMI is yet to reflect a strong recovery going forward. PMI for India, however, reflects strengthening economic recovery. PMI's latest reading came in at 57.5 for manufacturing and 55.3 for services, all reflecting upside trends in the coming months.

However, markets across the world are reflecting positive investor sentiment. This is largely on the back of increased liquidity in the markets and also due to optimism about future growth. Investors reflect increased optimism as flows into equities and bonds surged, while gold prices moderated. Markets have also rallied on the back of a weakening dollar since April 2020. Global investors appear to be bullish on

India as reflected by the FDI inflows of more than USD 58.4 billion during April 2020 and November 2020, almost 23% higher than the total FDI inflows to India during same period in 2019.

In India, we have seen strong recovery post the April 2020 and June 2020 quarters and performance on all the high-frequency indicators beat prior expectations. Gradually, the divergence between WPI and CPI inflation has also eased, due to lower mobility restrictions and reduced supply bottlenecks. Wholesale prices have now shown consistent growth for the past 6 months (2.3% y/y growth in January 2021), though consumer prices inflation has moderated in January 2021 at 4.1% from its recent peak in October 2020 of 7.6%. Industrial activity in India has seen tepid growth after a sharp recovery from lows of April 2020, signalling the need for more demand push measures. These can be best achieved by pushing short gestation infrastructure projects.

This edition of ArthNITI focuses on NITI Aayog's flagship Aspirational District Programme (ADP) and the performance of these districts. NITI Aayog has anchored this Programme in 112 most under-developed districts of the country. The overall thrust of the Programme is on convergence, peer-learning, course correction and equipping these districts with the capacity to deal with their challenges. With this programme, we have attempted to inculcate a spirit of healthy competition, guided by ground-level real-time data and developed a new standard of inclusive and sustainable development.

The FY22 budget comes as a culmination of a series of bold structural reforms announced over the past ten months. The Government has once again reiterated its commitment to giving greater space to private investment and for withdrawing from non-strategic sectors. This would ensure a sustained economic recovery going forward.

I look forward to your feedback on this edition.



Dr Rajiv Kumar,  
March 2021,  
New Delhi

# G20: The Macro Scene

## Real Sector

	% Share of World GDP, 2019	GDP Per Capita (\$), 2019	Latest GDP Growth (%)*	Inflation (y/y, %)	Industrial Output Growth (y/y,%)	Manufacturing (% of GDP <sup>^</sup> , 2019)	Manufacturing PMI
United States	24.4	65,280.7	-1.9 Q4	1.4 Jan	-1.3 Jan	11.3	59.2 Jan
China	16.3	10,261.7	6.5 Q4	-0.3 Jan	7.3 Dec	27.2	51.5 Jan
Japan	5.8	40,246.9	-1.2 Q4	1.8 Dec	-2.6 Dec	20.7	49.8 Jan
Germany	4.4	46,258.9	-2.9 Q4	1.1 Jan	2.9 Dec	19.4	57.1 Jan
India	3.3	2,104.1	0.4 Q4	4.1 Jan	1.0 Dec	13.7	57.7 Jan
United Kingdom	3.2	42,300.3	-9.6 Q3	0.7 Jan	-2.1 Dec	8.6	54.1 Jan
France	3.1	40,493.9	-4.5 Q4	0.6 Jan	-0.7 Dec	9.8	51.6 Jan
Italy	2.3	33,189.6	-5.2 Q3	0.2 Jan	1.0 Dec	14.9	55.1 Jan
Brazil	2.1	8,717.2	-3.9 Q3	4.6 Jan	8.3 Dec	9.4	56.5 Jan
Canada	2.0	46,194.7	-4.8 Q3	1.0 Jan	-	10.6	54.4 Jan
Russia	1.9	11,585.0	-3.4 Q3	5.2 Jan	-2.5 Jan	13.1	50.9 Jan
Korea, Rep.	1.9	31,762.0	-1.4 Q4	0.6 Jan	3.4 Dec	25.4	53.2 Jan
Australia	1.6	54,907.1	-4.1 Q3	0.9 Dec	-2.0 Sep	5.6	57.2 Jan
Mexico	1.4	9,863.1	-4.6 Q4	3.5 Jan	-2.1 Dec	17.3	43.0 Jan
Indonesia	1.3	4,135.6	-2.2 Q4	1.5 Jan	-	19.7	52.2 Jan
Saudi Arabia	0.9	23,139.8	-3.8 Q4	5.7 Jan	-10.0 Nov	12.5	57.1 Jan
Turkey	0.9	9,042.5	-6.7 Q3	15.0 Jan	12.1 Dec	19.0	54.4 Jan
Argentina	0.5	10,006.1	-10.2 Q3	38.5 Jan	4.9 Dec	12.8	-
South Africa	0.4	6,001.4	-6.0 Q3	2.6 Jan	-1.8 Dec	11.8	50.8 Jan
European Union	17.8	34,843.3	-4.2 Q3	0.2 Dec	-	14.9	54.7 Jan

Source: CEIC, World Bank, \*Calendar Year 2020. ^Japan (2017) & US (2018) values. PMI below 50: contraction; above 50: expansion. For KSA & RSA, PMI reported for whole economy. No new industrial production releases from Indonesia and Canada since March 2020. Data for December is from 2020.

## Financial and External Sectors

	Interest Rates		External Sector <sup>^</sup>					
	10Y Bond	Bank Lending Rate	(% of GDP, 2019)					
			LCU/\$* (%/y/y)	Current Account	Trade	Exports	Imports	Inward Revenue (\$ Bn)
USA	1.07	3.25 Jan	1	-2.3	27.5	12.2	15.3	3,640
China	3.23	4.35 Jan	6.47 (-6.5)	1.0	35.7	18.4	17.3	2,895
Japan	0.06	1.49 Jan	103.79 (-5.0)	3.6	36.8	18.5	18.3	1,232
Germany	-0.52	2.01 Dec	0.82 (-8.9)	7.1	88.1	47.0	41.1	2,081
India	5.95	8.80 Jan	73.11 (2.6)	-0.9	40.0	18.7	21.4	643
UK	0.34	1.10 Jan	0.74 (-4.1)	-3.8	64.3	31.5	32.7	1,171
France	-0.26	1.25 Dec	0.82 (-8.9)	-0.7	64.5	31.8	32.8	1,103
Italy	0.65	1.40 Dec	0.82 (-8.9)	2.9	60.1	31.6	28.5	723
Brazil	7.58	37.01 Jan	5.37 (29.4)	-2.7	29.0	14.3	14.7	293
Canada	0.88	2.45 Jan	1.27 (-2.8)	-2.0	65.0	31.6	33.3	664
Russia	6.29	6.18 Dec	74.22 (20.1)	3.8	49.1	28.3	20.8	546
Korea, Rep.	1.77	2.74 Dec	1,098.24 (-5.9)	3.7	76.7	39.8	36.9	703
Australia	1.12	6.51 Jan	1.29 (-11.3)	0.5	45.7	24.1	21.6	387
Mexico	5.22	5.30 Dec	19.94 (6.0)	-0.2	78.2	39.1	39.1	543
Indonesia	6.26	9.15 Dec	14,061.9 (2.5)	-2.7	37.3	18.4	18.9	225
Saudi Arabia	0.67	0.82 Dec	3.75 (0.0)	6.3	62.2	36.0	26.1	307
Turkey	12.57	20.26 Jan	7.40 (24.9)	1.2	61.4	31.6	29.8	246
Argentina <sup>#</sup>	50.89	56.22 Jan	88.36 (46.0)	-0.8	32.4	17.3	15.1	85
South Africa	8.74	7.00 Jan	15.14 (5.0)	-3.0	59.2	29.9	29.4	114
EU	-0.51	-	0.82 (-8.9)	-2.3	90.7	47.1	43.6	9,415

As of 31.01.2021, unless otherwise stated. Source: CEIC, World Bank, Investing.com & Trading Economics. # 7Y bond. \* - sign indicates appreciation. Inward revenue = export of goods & services+ primary income+ remittances. ^ US & Japan 2018 values. ^52 week bond yield and 3-month interbank rate.

## Commodities and Markets

Data as of 31 Jan 2021		
	Price (\$)	Price (₹)
Copper (MT)		
Iron Ore - 62% Fe (dmtu)	7,972.2	6,03,150
Aluminium (MT)	169.6	4,210
Steel (Rebar, MT)	2,003.9	1,67,450
Brent Crude Oil (bbl)	629.6	3,881.0
Coal 6,000 GCV (MT)	53.6	3,829
Natural Gas, US (MMBtu)	86.8	2,747
Natural Gas US (MMBtu)	2.66	193.9

Source: \$ Prices from World Bank Commodity Prices Pink Sheet. London Metal Exchange. Rs. Prices from MCX, CEIC. ^NMDC/CIL Price (excl taxes etc).

	31 Jan 21	31 Jan 20
DJIA	29,982.62 (4.3)	28,734.45
NASDAQ 100	12,925.38 (43.8)	8,991.51
SSE Composite	3,483.07 (26.8)	2,746.61
Nikkei 225	27,663.39 (19.2)	23,205.18
FTSE 100	6,407.50 (-12.1)	7,286.00
Hang Seng	28,283.71 (7.5)	26,312.63
STI	2,902.52 (-8.0)	3,153.73
BSE Sensex	46,285.77 (13.7)	40,723.49

Source: Yahoo Finance. % change from last year in brackets.

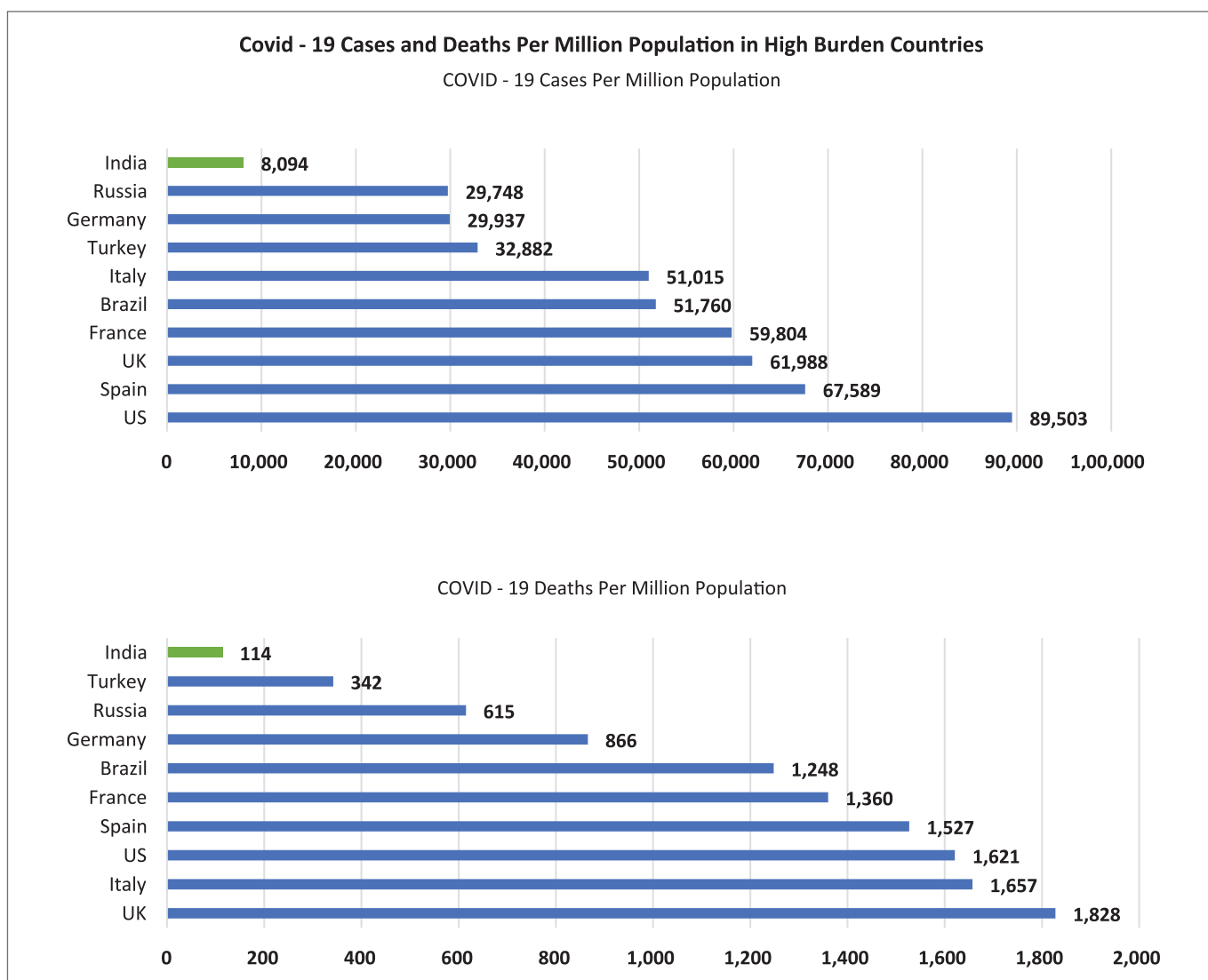
## A Year of Covid-19

From a suspicious viral infection in China in November 2019 to over 117 million cases and 2.6 million deaths across the world as of 9 March 2021, the Covid-19 pandemic has devastated health systems and economies alike.

It is noteworthy that the total burden of confirmed cases and deaths in India is among the lowest in the world despite our large population and a high population density. A year into the pandemic, India has around 11.2 million Covid cases and 158,000 deaths. In contrast, with almost an equivalent combined population, Europe (740 million) and North America (580 million) together have had 69 million Covid cases, and over 1.6 million deaths despite having

stronger health systems. As against a world average of 15,113 India has 8094 confirmed Covid cases per million population. Similarly, India is faring much better on Covid-related fatalities, with 114 confirmed deaths per million population, compared to the world average of 335.

Since September 2020, India's active Covid caseload has declined steadily, with only 1.85 lakh active cases as of 9 March 2021. Just two states currently contribute nearly 73% of the total active caseload in the country. Further, from around 1000 daily Covid deaths in September 2020, the daily death toll is currently down to less than 100. Given that India has now embarked on an ambitious vaccination drive, with a special focus on those who are more vulnerable, one can expect the daily deaths to decline further and bring us closer to normalcy relatively quickly. As of 9 March 2021, India had administered over 2.1 crore vaccine doses.



## Lockdown

While several measures such as screening passengers at airports, prohibiting large gatherings in public places, and introduction of physical distancing norms had been initiated in stages by the Central and state governments, India entered into a nationwide lockdown on 25 March 2020 when the number of Covid cases and fatalities were still very low.

According to the Oxford Covid-19 Government Response Stringency Index, India's lockdown stringency score was 100 when we had just 0.04 daily Covid-19 cases per million population on 25 March 2020. In contrast, by the time Italy's lockdown stringency score exceeded 90, the country was already witnessing 79.21 daily Covid cases per million population and 12.29 daily deaths per million population. Similarly, while the United States had 33.95 daily Covid deaths per million population on 25 March 2020, it had a relatively low lockdown stringency index score of 68.41.

As highlighted in the Economic Survey 2020–21, India's approach to tackling this global crisis has been grounded in the principle that while GDP growth will recover from the temporary shock caused by an intense lockdown, human lives that are lost cannot be brought back.

Countries that opted to go in for a delayed lockdown went on to experience excess Covid cases and deaths. As of 9 March 2021, UK had 61,988 total cases per million population, Spain 67,589, Italy 51,015, Brazil 51,760 and the US 89,503, compared to India's 8094 total cases per million population. On the same date, UK had 1828 total deaths per million population, Spain 1527, Italy 1657, Brazil 1248 and the US 1621, in contrast to India's 114 total deaths per million population. In fact, various estimates suggest that lockdown 1.0 and 2.0 averted between 14 lakh and 29 lakh cases and most importantly, 37,000 and 78,000 deaths in India.

Although the health system in some parts of India can brace itself fairly quickly to deal with a rapidly spreading pandemic—due to significant inter- and intra-state disparities—it was necessary to buy time for allowing capacity to be ramped up in other areas. India's nationwide lockdown was therefore a timely and necessary intervention for preparing the health system, delaying and eventually flattening the peak, gaining clinical management experience, as well as putting in place the necessary protocols and guidelines for adoption by states.

Crucially, the lockdown catalyzed a behavioural shift in hygiene habits. People became far more conscious about wearing face covers in public places and maintaining hand hygiene, as compared to the pre-lockdown period. This period was also utilised for fostering partnerships with the private sector, civil society and volunteer groups as well as accelerating research and development efforts.

Further, there was a significant increase in the adoption of technology during the months of the lockdown. A survey of 800 physicians conducted by Boston Consulting Group, between March–May 2020, revealed that 85% clinicians in metropolitan areas and tier-1 cities used teleconsultation and digital platforms during the lockdown. By early December 2020, over 1 million tele-consultations had taken place through *e-Sanjeevani*, MoHFW's telemedicine service, across 550 districts in India.

Cognizant of the economic hardships caused by the nationwide lockdown, curbs were progressively eased by the Central government and the decision-making power with respect to lockdowns was increasingly decentralised to states in a calibrated manner while also ensuring that the health gains were not frittered away. To address economic challenges, a package of Rs 20 lakh crore was announced by the Union Government as part of the *Aatmanirbhar Bharat Abhiyaan*. This included a slew of measures for ameliorating the hardships faced by various segments of society—such as migrant labourers, street vendors, urban poor, small businesses and salaried workers.

## Health System Preparedness

One of the key priorities of the nationwide lockdown was to boost health infrastructure and human resource capacity in various parts of the country, including through the addition of beds and ventilators in hospitals; creation of dedicated Covid hospitals, health centres and care centres; as well as designation of testing laboratories in the public and private sectors.

In the pre-Covid era, India produced virtually no Personal Protective Equipment (PPE) domestically. Now we manufacture over 450,000 kits per day. Production of ventilators and N-95 masks has also been ramped up to an extent that India has not only become self-sufficient in this regard but can also export to other countries. Further, testing capacity has been enhanced significantly, in excess of 10 lakh Covid tests per day, on average.

A three-tier care system was established across the country for managing Covid patients. Category I Covid hospitals were set up for treating severely symptomatic patients. These hospitals have fully equipped intensive care units, ventilators and beds with assured oxygen support. Category II Covid health centres were established for treating patients with moderate symptoms. To enable isolation and care for those afflicted with a mild form of the illness, Category III Covid care centres were set up by repurposing hostels, schools, hotels, stadiums and lodges.

Further, several initiatives were taken to ramp up India's surveillance, testing and contact-tracing capabilities. The Consortium for Affordable and Rapid Diagnostics (CARD) was established for bringing together scientists, laboratories and private players to enable the production of around 100 lakh rapid antibody tests. To facilitate effective contact tracing, the Government of India launched the Aarogya Setu mobile application, which allows people to assess their risk of contracting the infection based on their location and interactions with others. For creating awareness about measures for boosting immunity, the AYUSH Sanjivani mobile application was also launched as a collaborative effort between the Union Ministries of AYUSH and Electronics and Information Technology.

## Public-Private Partnerships

As emphasised by the Prime Minister, any model of good governance must exemplify the "4P" principle—people, public, private partnership. During a time of unprecedented crisis, India put this mantra into practice by galvanising the active participation of every level of government, private sector, civil society as well as citizens for tackling the Covid outbreak in the country.

The development of Aarogya Setu, setting up of CARD, expansion of Covid testing capacity as well as enhanced domestic manufacturing of PPE kits, masks and ventilators, are some of the prominent achievements that were enabled by partnerships between the government, private sector and civil society over the last several months.

Additionally, a host of innovations have emerged from start-ups during this crisis period, including robots for sanitisation of public places and delivery of food to patients in isolation wards of hospitals; low-cost, easy-to-use, portable ventilators for deployment in rural areas; applications for monitoring the health status of Covid patients in quarantine centres; as well

as telemedicine solutions offering online consultations with doctors at home.

A coalition of over 100 healthcare specialists in the private sector came together to launch Swasth, a first-of-its-kind, made in India telemedicine application that aims to deliver equitable and affordable healthcare to all Indians, by cutting across geographical and income barriers. It is an open-source platform built with inter-operability principles that comply with the Government's National Digital Health Mission. The application facilitates seamless, remote interaction between registered medical practitioners and patients through multiple modes of video and telephony. It also deploys Artificial Intelligence-based triaging to determine the care required, culminating in a digitally signed prescription and treatment advice.

Swasth has completed over 2.60 lakh Covid triages since its launch in May 2020. Further, it has partnered with leading telemedicine providers and hospitals, resulting in over 40 lakh combined teleconsultations, conducted by over 15,000 doctors over the course of a year. Along with free consultations, Swasth also provides services like home quarantine assistance; access to diagnostic laboratories and pharmacies as well as hospital bed discovery and booking assistance at a subsidised cost.

Partnerships between the government and civil society have also played a crucial role in managing the Covid outbreak in the country. The Government of India's Empowered Group 3 mobilised NGOs, international organisations and industry partners for assisting states and districts in identifying Covid hotspots and deputing volunteers; delivering essential services to the vulnerable, including the homeless, daily wage workers, migrants and urban poor families; as well as in creating awareness about disease prevention.

Civil society partnerships enabled the local administration in Aspirational Districts to ramp up isolation camps, set up control rooms, enable delivery of door-to-door food supplies, and mobilize SHGs for making masks and sanitizers, while simultaneously sustaining their livelihoods during the lockdown period. In Osmanabad district, for instance, a Covid testing centre was established by utilizing the Corporate Social Responsibility corpus. The '*Surakshit Dada-Dadi & Nana-Nani Abhiyaan*' initiative was launched by the Piramal Foundation in 25 Aspirational Districts as an outreach effort focused on protecting the health and well-being of senior citizens during the Covid period.

# 1 ON THE RADAR

Further, NITI Aayog, in partnership with Bill and Melinda Gates Foundation, Centre for Social and Behavioural Change, Ashoka University, and the Ministries of Health and Women and Child Development, launched a behaviour change campaign called 'Navigating the New Normal'. The campaign has two parts—a web portal containing resources informed by behavioural science and the use of nudge and social norms theory related to Covid-safe behavioural norms, as well as a media campaign focused on the wearing of masks.

## Vaccine

A sum of Rs 100 crore was allocated from the PM CARES Fund for supporting Indian academia, start-ups and industry to develop and produce an effective vaccine against Covid-19. Currently, about 30 vaccines are in different stages of development in India. Two vaccines in the most advanced stage of development, COVAXIN developed through an Indian Council of Medical Research-Bharat Biotech collaboration and COVISHIELD by the Serum Institute of India, have been approved for restricted use in emergency situations by the Central Drugs Standard Control Organisation (CDSCO).

Consequent to the approval granted by the CDSCO, India launched a massive vaccination drive on 16 January 2021. While it took the UK and US 18 days and 10 days, respectively, to roll out 1 million vaccine doses, India took just 5 days to achieve that threshold. In the first phase, priority was accorded to healthcare and frontline workers. The second phase is currently underway, in which people above the age of 60 and those between the ages of 45-59 years suffering from a specified comorbidity, are being covered.

Beyond meeting the needs of the domestic population, India has also supplied over 55 million Covid vaccines to 62 countries, including Maldives, Bhutan, Bangladesh, Nepal, Myanmar, Seychelles, Sri Lanka, Brazil and Morocco. Thus far, at least 92 countries have approached India for Covid vaccines, bolstering the country's credentials as the vaccine hub of the world.

## Role of NITI Aayog

NITI Aayog has played an important role in the management of the Covid-19 pandemic. NITI is co-chairing the national task force, which has systematically contributed towards the scientific and technical response to the pandemic, including guidance on the lockdown. It has issued guidelines on testing, prevention, treatment, and surveillance. NITI Aayog is chairing and has helped Empowered Group 1 in developing medical infrastructure and Covid management plan for the country.

During March–April 2020, NITI supported the Ministry of Health and Family Welfare to coordinate inter-state transportation and delivery of essentials such as medicines, medical devices as well as Covid-related emergency supplies (sanitizers, personal protective equipment, oxygen cylinders).

Further, NITI chaired a taskforce on the Covid vaccine as well as other science and technology issues that facilitated the rapid development of diagnostics, protocols for sample movement and ethical clearances, along with expediting regulatory process. NITI Aayog is also chairing the National Expert Group on Vaccine Administration for Covid-19, which is providing guidance on the selection of the vaccine candidate, procurement of the vaccine, prioritization of population groups, financial resources for procurement of vaccines, as well as the implementation and monitoring mechanisms for the vaccine roll-out.

NITI additionally chairs Empowered Group 3, which is tasked with coordinating with the private sector, civil society, and international organizations for Covid response related activities. Over 92,000 NGOs registered on the Darpan portal of NITI Aayog have been mobilised.

NITI Aayog also developed a platform to engage the private sector, a directory of Covid volunteers and a framework for scaling up Covid testing. Further, the Telemedicine Practice Guidelines issued in March 2020 by the National Medical Council and the Ministry of Health and Family Welfare, were prepared in partnership with NITI Aayog. To take note of practices for tackling Covid-19, which are grounded in our own realities, NITI also released a compendium of practices from states and union territories.

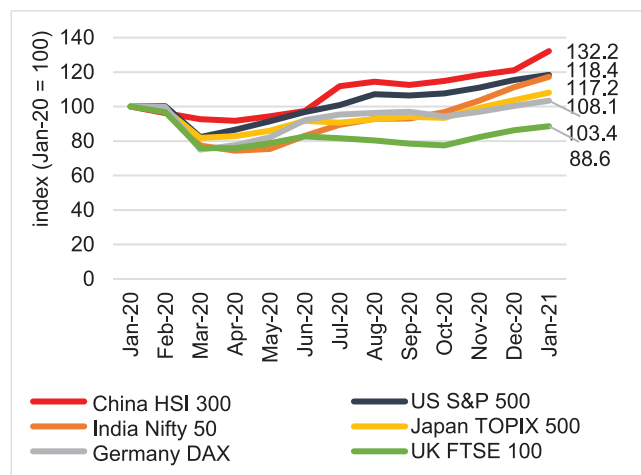


## Markets

Global financial markets have remained buoyant on the back of loose monetary conditions and ample liquidity. More recently, confidence surrounding the vaccine rollouts have further instilled optimism in the markets. Moreover, globally, central banks have pumped in more than USD 28 trillion, most of which has found its way into the financial markets.

Figure 1: Global markets

<b>US S&amp;P 500</b>	118.4	<b>UK 100 FTSE</b>	88.6	<b>China HSI 300</b>	132.2
<b>India Nifty 50</b>	117.2	<b>TPX 500</b>	108.1	<b>Germany DAX</b>	103.4



Equity markets in developed economies continued to rise with intermittent corrections. The US markets have been supported by exceptional performance of IT companies and major banks. However, mixed macro data and inflation concerns are likely to keep markets volatile. European markets remain below their pre-pandemic highs. Sentiments in the Eurozone took a turn for the worse, with Composite PMI for January declining to 47.5. Localized but frequent lockdowns

and fears of future lockdowns due to Covid-19 kept a lid on sustained gains. Recovery for the FTSE has been tepid, as the UK continues to grapple with new Covid-19 variants and infections. A nationwide lockdown till March 29 and policy uncertainties around Brexit kept the pound and markets under pressure. Japanese markets, however, continued solid recovery on the back of stronger than expected economic recovery, with the economy expanding at 12.7% at an annualized rate in Q3/latest quarter.

Emerging markets continued to scale new heights amidst easy liquidity and a depreciating dollar. EMs witnessed USD 9.4 billion worth of foreign equity inflows in January '21 alone. Of this, China attracted the majority share, attracting USD 6.2 billion, while the rest of the EMs funnelled USD 2.7 billion. Chinese markets have been supported by strong recovery in both, domestic as well as external markets, and is expected to be the only major economy with positive GDP growth in 2020. In India, a better than anticipated budget helped erase market losses in the run up to the budget. The government's plan for a fiscal-infrastructure push and a glide path for the fiscal deficit by FY26 allayed the markets concerns. Surplus liquidity, strong FII flows and record high retail participation aided BSE Sensex reach lifetime highs. The stronger than anticipated economic recovery in September 2020 quarter and manufacturing PMI reaching 57.7 in January 2021 provided further reasons to be optimistic. Strong recovery, vaccine rollouts and a depreciating dollar are likely to keep growth in emerging markets elevated.

The beginning of year 2021 has been highlighted with fears of inflation driving bond yields higher worldwide. Bond yields have inched up in India, due to increased budgeted borrowing requirement and RBI looking to tighten liquidity amidst inflation fears. Yields on the Indian 10-year G-Sec have moved up by nearly 36bps since the start of the year.

The commodity market looks to begin a new "super cycle" this year. With Brent crude rising more than 200% from its April 2020 lows, and copper up by nearly 92%, continuing to scale new highs, commodities are back in focus. Investors bet commodity demand to take off this year on the back of a depreciating dollar and a faster than expected economic rebound in the emerging markets.

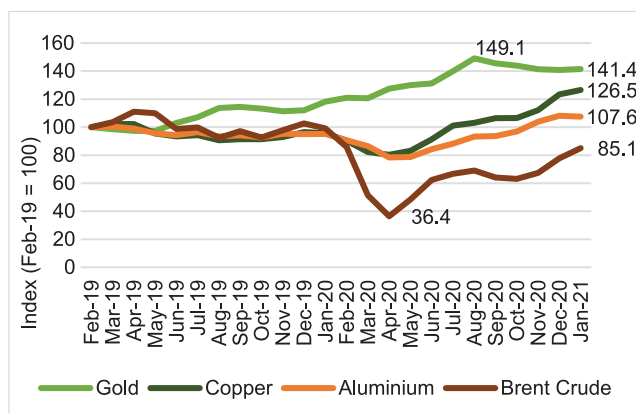
## Global Recovery Strengthens

In its January 2021 economic update, the International Monetary Fund (IMF) improved its 2020 global GDP growth estimate to -3.5% from -4.4%. The major component of this recovery in many economies is expected to be private consumption, while investment growth is estimated to be gradual (except in China). The IMF also signalled increased optimism for 2021 as it upgraded GDP growth estimate for 2021 to 5.5% from its October 2020 projection of 5.2%. The vaccine drive is underway in many large economies and economic activity is also seeing a reacceleration. Many countries are, however, seeing a surge of Covid infections, and consequent restrictions on mobility and measures to promote social distancing.

The beginning of 2021 saw major developments on the economic front. China's National Bureau of Statistics revealed that the second largest economy will be the only positively growing one in 2020, pegging its GDP growth for 2020 at 2.3%. China expects strong growth of 6.5% in the December 2020 quarter. The Biden administration in the US affirmed joining the WHO's Covax vaccination programme to halt the spread of Covid-19, giving a major thrust to efforts towards suppressing the disease. The Congressional Budget Office of the United States predicts that their economy will have a much sharper recovery than expected in mid-2020, but it will take several years for output to reach its full potential and for the number of employed workers to return to its pre-pandemic peak.

Global commodity prices have started to indicate a steady recovery, with gold prices moderating from its peak in August 2020. Further, prices of copper, aluminium and crude oil suggest a speedier recovery in industrial demand, which indicates strength in the global economy. Crude oil prices have doubled in the past 9 months and are expected to see further recovery as OPEC+ continues to cut production and demand is expected to recover sharply.

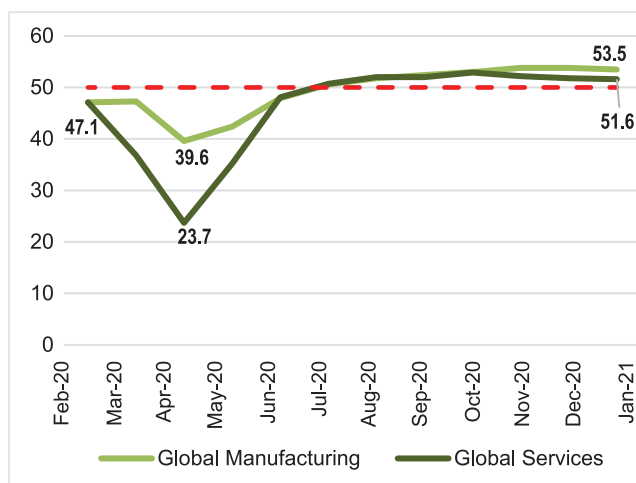
Figure 1: Global Commodity Prices (October '18 = 100)



Source: World Bank

PMI for economies like the US, UK, China, Eurozone, Germany, India and Canada has rebounded firmly into positive territory. For countries like Japan, France, Italy, Russia and South Africa it is yet to find stable ground. Global PMI, however, has now moderated for the last three months, and PMI services have fallen to 51.6 from its most recent peak of 52.9 in October 2020.

Figure 2: Global PMI



Source: IHS Markit

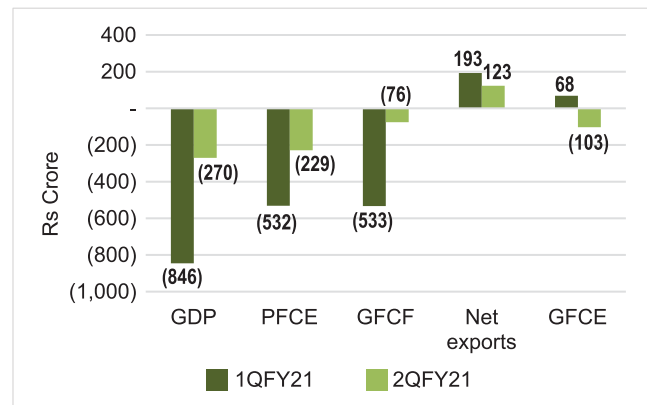
According to the IMF, the sharp uptick in global recovery is primarily because of the pent-up consumption demand and therefore might be shortlived. In its World Economic Outlook, for January 2021, it points out that major indicators of global economic performance have already started to show signs of tapering growth. With renewed lockdowns in several economies across Europe, global economic recovery, particularly services output, is expected to remain subdued going forward. The Biden administration's stance to maintain the tariffs imposed by the Trump administration on Chinese imports will likely hurt global trade and global growth.

Central governments in advanced economies and emerging markets have recently announced extended fiscal packages to support the economy. Most central banks across the globe are also expected to maintain an accommodative monetary policy to support liquidity in the market. With immense fiscal expansion and new credit lines taken by the corporate sector, both public and private sector debt is set to expand to exorbitant levels. The Institute of International Finance (IIF) estimated global debt to reach USD 277 trillion in 2020, with major debt expansion for government, followed by the non-financial and financial sectors and households. Advanced economies are expected to see a greater increase in debt relative to emerging ones, implying requirement of greater sustained growth for the former. The IIF also estimates that the four years from 2016 have been marked by one of the largest debt accumulations. With such high debt levels, the global economic system will likely become highly unstable if the impact of the virus on economic activity does not ameliorate in a few months.

## Indian Macro

The Indian economy recovered well by the first half of FY21 after the sharp decline in the June 2020 quarter as consumption and investment demand picked up sharply. In the September 2020 quarter, real GDP contracted by 7.5% y/y, significantly improving from the -23.9% y/y growth in the June 2020 quarter. Growth in Private Final Consumption Expenditure (PFCE) improved from -26.6% y/y in the June 2020 quarter to -11.3% y/y in September 2020 quarter, and that in Gross Fixed Capital Formation improved from -47.1% y/y in June 2020 quarter to -7.3% in September 2020 quarter.

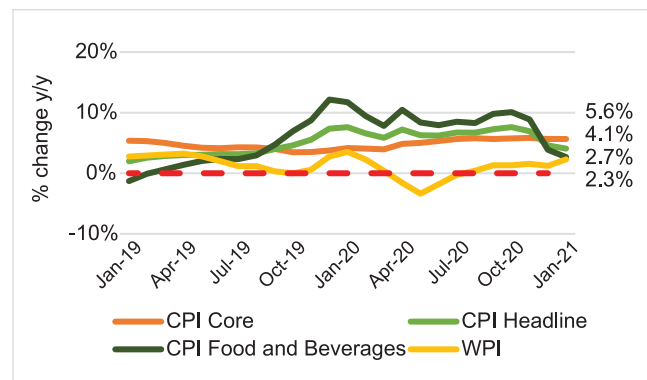
**Figure 1: Difference in real GDP and components over FY20**



(Source: MoSPI)

Consumer Price Index (CPI) grew at 4.1% y/y in January 2021, from 4.6% y/y in December' 20, moderating from the peak reached in October 2020, keeping close to the mandated policy target for the RBI. This was due to marked moderation in the Food and Beverages category, and within it particularly in Vegetables, Meat and Fish and Eggs, through the last few months. Inflation in food categories such as Oils and Fats, Spices, Milk Products and Pulses remain on the higher side.

**Figure 2: Inflation metrics**



(Source: MoSPI)

Core inflation continues to be moderate, reflecting supply bottlenecks and demand uptick for basic essentials. The Wholesale Price Index (WPI) growth has picked up from 1.2% y/y in December 2020 to 2.3% y/y in January 2021 after several months of tepid growth.

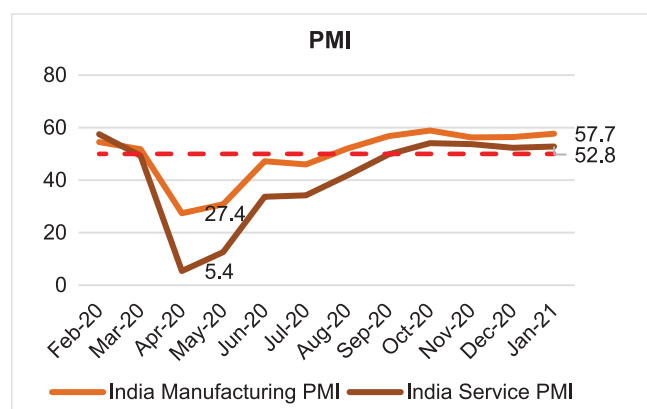
Growth of Index of Industrial Production (IIP) remains subdued. The index increased by 1.0% y/y in January 2021, following a print of -2.1% y/y in December 2020. For a more sustained recovery, India would require

# 2 THE BIG PICTURE

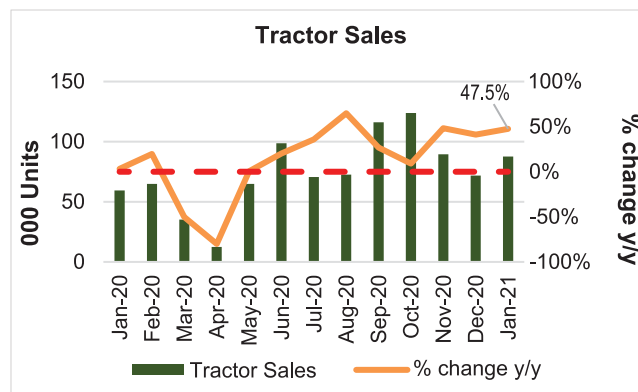
stable and stronger growth in industrial production in the coming months. India's Purchasing Managers' Index (PMI) picked up pace in January 2021, reaching 57.7 for manufacturing and 52.8 for services. This is after PMI for both manufacturing and services moderated for two months post its recent peak in October 2020. Global PMI reflects an even more worrisome picture, as it continues to moderate from the levels reached in November 2020. Global PMI services fell to 51.6 in January 2021 from its peak of 52.9 in October 2020.

According to RedSeer Consulting, the festive season sale in India for 2020 grossed a massive USD 8.3 billion between October and November 2020, almost 65% higher than last year. This could contribute to an improved December 2020 quarter performance on a y/y basis relative to expectations. However, only pent-up demand might not be enough to sustain this recovery further. The Government of India's thrust on boosting the economy by doing infrastructure investment will be crucial. The recently announced highway and road projects in the FY22 budget could help generate much needed demand in the economy. Further, the government's thrust on boosting industrial production through the PLI schemes and *Aatmanirbhar Bharat Abhiyaan* will be important contributors for bringing our industry up to scale and global competitiveness. In the FY22 budget, the Finance Minister also announced measures to ensure proper channels for infrastructure financing (through DFI and capital markets) and asset monetization.

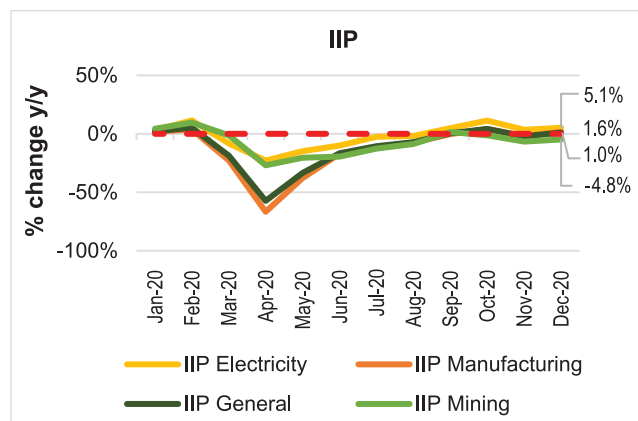
## High Frequency Indicators



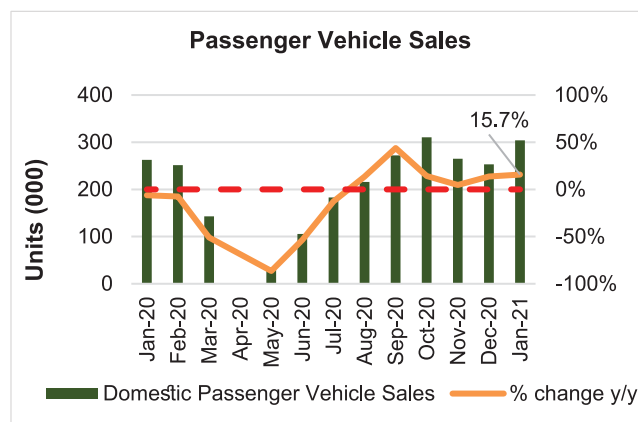
(Source: IHS Markit)



(Source: CEIC)

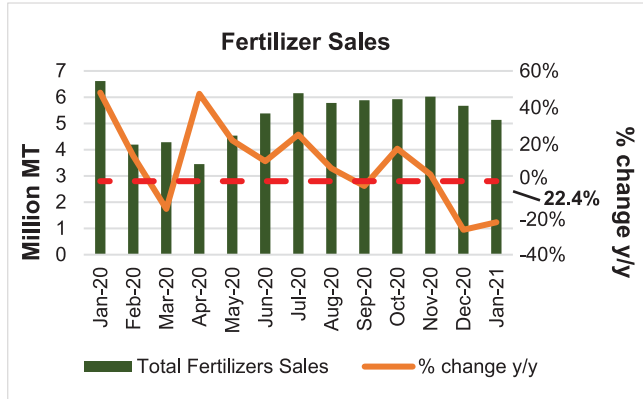


(Source: MoSPI)

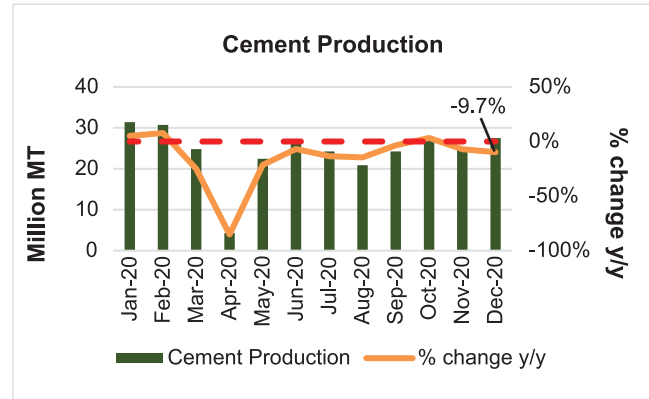


(Source: SIAM)

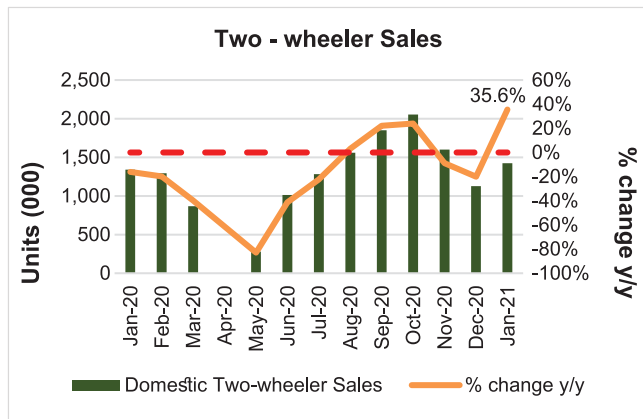
# 2 THE BIG PICTURE



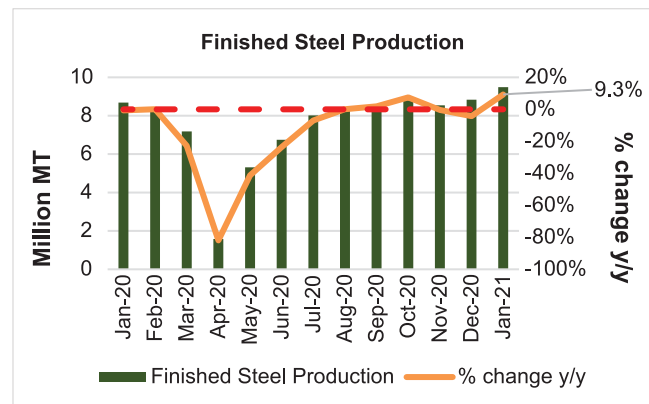
(Source: CEIC)



(Source: CEIC)

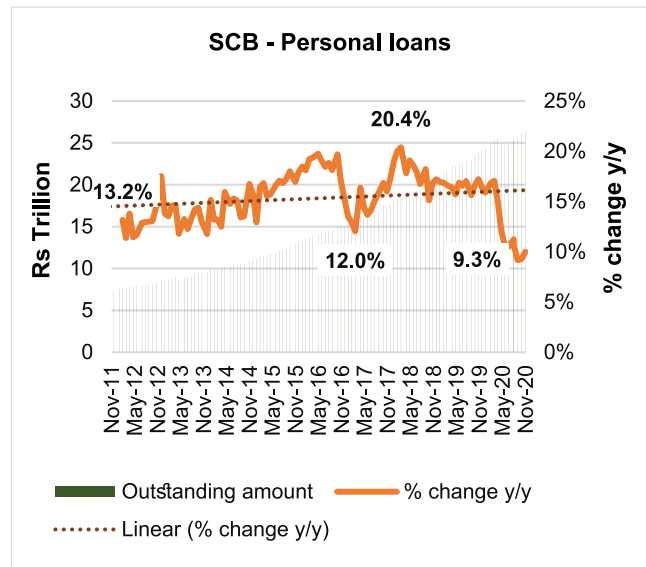
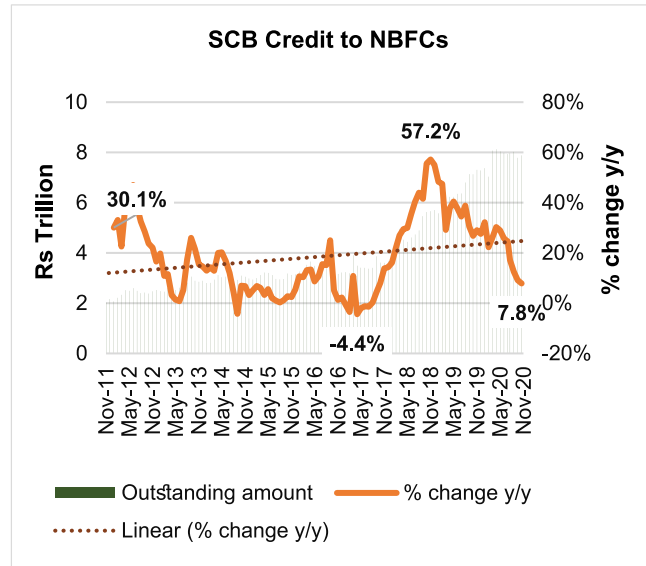
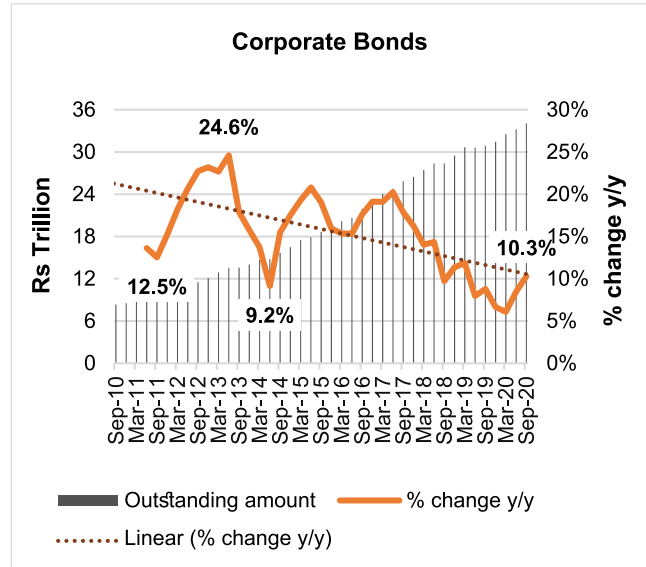
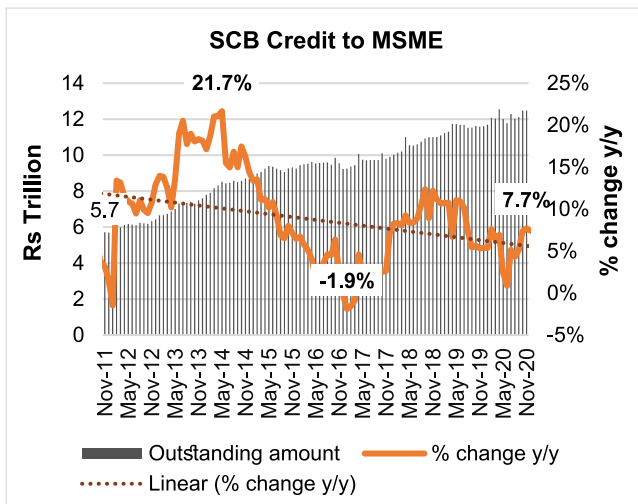
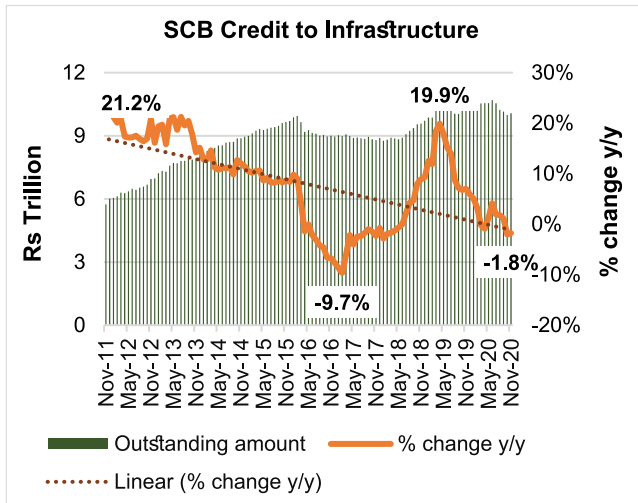
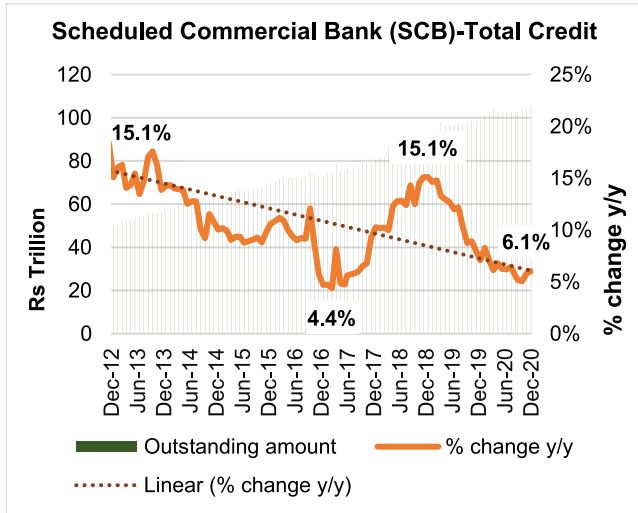


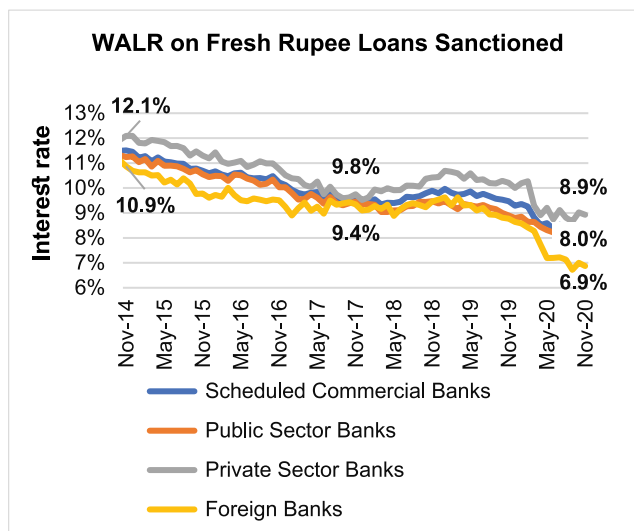
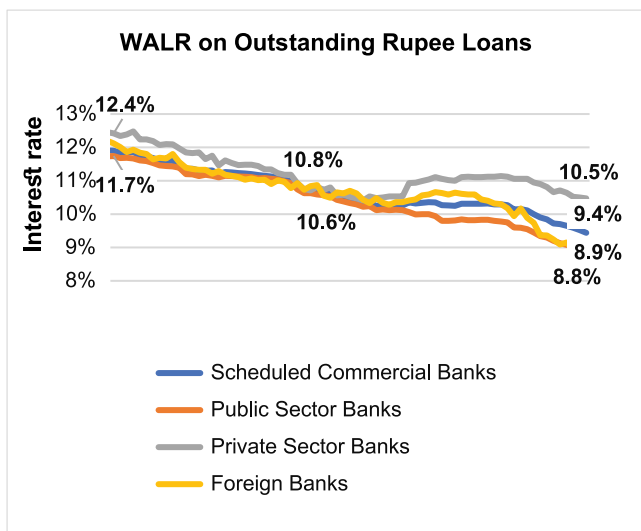
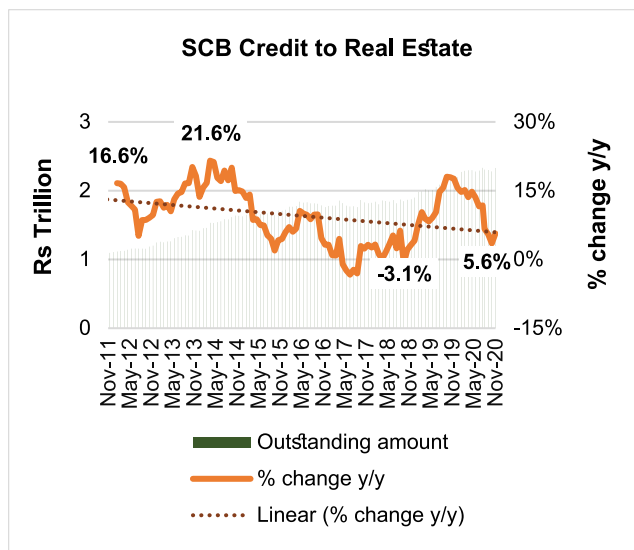
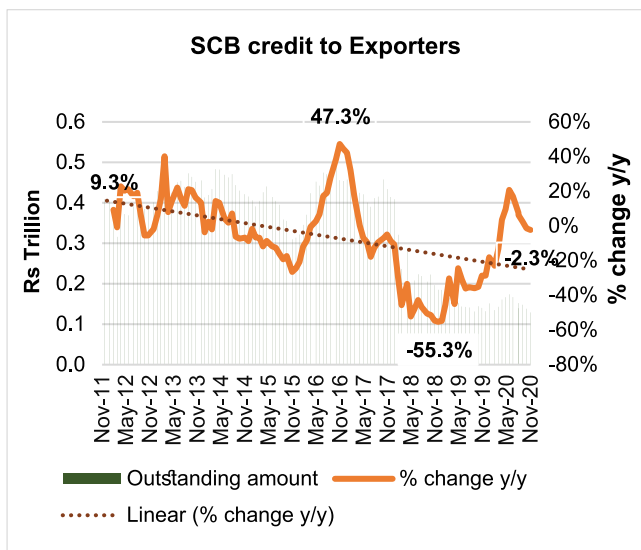
(Source: SIAM)



(Source: CEIC)

## Indian Credit Scenario





# 4 STATES OF THE NATION

## Tourism Sector Buckles Up

According to the Ministry of Tourism’s annual report of 2020, the tourism industry in India contributed to 5.06% of the GDP and 12.2% employment in 2017. India’s rich history and varied landscape, along with regional diversity, makes it a popular destination for domestic and international tourists. From snow-capped mountains in the north and east, to the salt and sandy deserts in the west, to the backwaters in the south, India offers a lot to explore. In addition, each state has its unique local cuisine and culture that is linked with the history of the region.

In his speech during Independence Day 2019, the Prime Minister had encouraged all Indians to visit at least 15 domestic destinations by 2022. The “Dekho Apna Desh” campaign was accordingly launched in January 2020 to create awareness about tourist spots among Indians. According to the 2020 Indian Tourism Statistics at a glance, Uttar Pradesh and Tamil Nadu had the largest number of tourist visits in 2019. While Uttar Pradesh was the most popular destination among domestic tourists, Tamil Nadu attracted the largest number of foreign tourists followed by Maharashtra, Uttar Pradesh, and Delhi. Other popular states were Tamil Nadu, Andhra Pradesh, Karnataka and Maharashtra. In FY20, the sector was badly disrupted due to the Covid-19 pandemic. Globally, the tourism sector, along with the closely associated travel sector, was among the worst hit during the lockdown. Despite

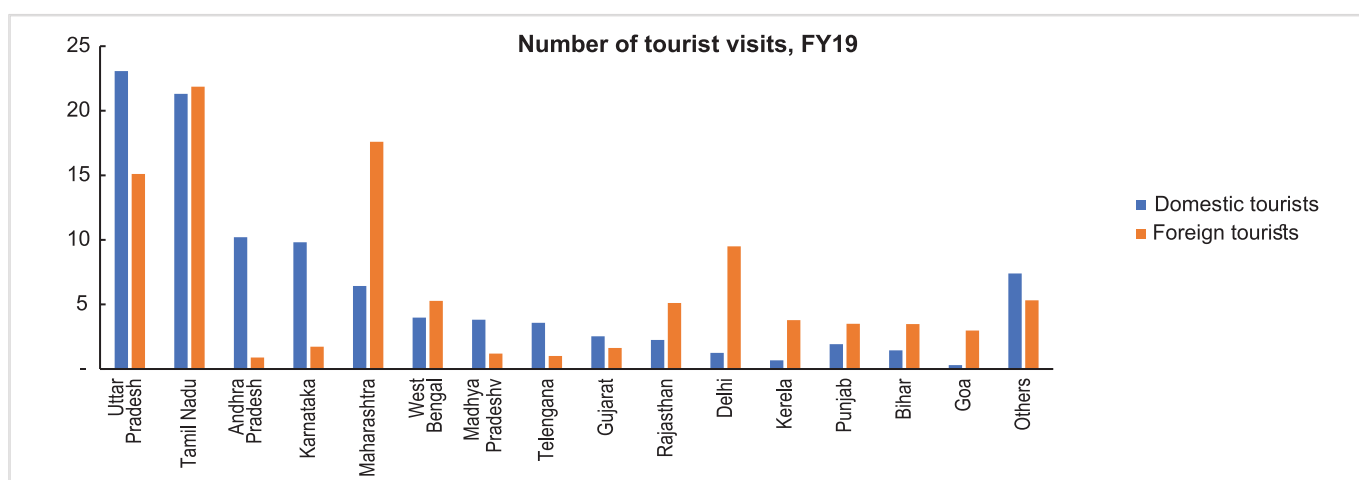
these circumstances, the Indian government spent Rs 25 crore on promoting domestic tourism in FY20. As lockdown rules ease and domestic flights and trains return back to normal service, pent up demand is likely to drive the industry’s recovery and mostly through domestic tourism.

Indian states can easily be mapped according to different forms of tourism experience that they offer. The next section discusses some popular tourism categories and the states that cater to those sub-sectors.

### Heritage/Historical tourism

Some people travel to explore the history and heritage of a place. India has been ruled by different dynasties and has been home to people from different parts of the world that had different cities and states as their base. As a result, Indian states have inherited a rich heritage tourism sector.

Agra in Uttar Pradesh has the Taj Mahal, Agra Fort, and Fatehpur Sikri close by, which attract both domestic and foreign tourists. Delhi is dotted with monuments from the Lodi Dynasty to the Mughal era. The Red Fort, Qutub Minar, Humayun’s Tomb are some few monuments around which the city thrives. Tamil Nadu has five world heritage sites identified and certified by Unesco that include the Chola temples, monuments of Mahabalipuram, and the Nilgiri Mountain Railways. Tamil Nadu is also home to the temple town of Madurai, which has the historic Meenakshi temple. Hampi, an ancient village in Karnataka, is known for its temples from the Vijayanagara Empire. Maharashtra and Goa have several forts. The ones in Maharashtra were built under Chhatrapati Shivaji Maharaj and other rulers



Source: ITS at a glance, 2020.



and peshwas of the Maratha empire. The Goan forts are a legacy of the Portuguese rule in India. Similarly, Rajasthan has several forts and palaces that were built by Rajput kings and chieftains. West Bengal has the Victoria Memorial and several other monuments and buildings that were built when Kolkata was the capital of the British Empire.

## Religious tourism

From Vaishno Devi in Jammu and Kashmir to Tirupati Temple in the Chittoor District of Andhra Pradesh, the religious tourism sector boasts of a regular flow of devotees. Varanasi in Uttar Pradesh is not only among the oldest cities of the world but also a very important religious site for the Hindus. Bodhi Gaya, in Bihar, is among the most important Buddhist pilgrimage sites. It attracts both Indian and foreign tourists annually. Ajmer Sharif in Rajasthan, Haji Ali Dargah in Maharashtra, and the Tomb of Salim Chisti in Uttar Pradesh are popular pilgrimage sites for Muslims. Similarly, the Golden Temple in Amritsar, Punjab, Jain Temples in Dwarka, in Mount Abu, Rajasthan, and Basilica of Bom Jesus are among some of the most popular sites for religious tourism among Sikhs, Jains and Christians.

## Medical tourism

High quality of medical treatment at low costs has made India a popular destination for medical tourism. According to market reports, the Indian medical tourism sector was likely to reach the value of \$7-8 billion by 2020. According to reports, most medical tourists to India are from low-income countries like Afghanistan and Bangladesh, followed by Russia and other central Asian states. The market for western medication is already mature, with a range of private hospitals

catering to this segment, along with public hospitals. In addition, the Ministry of AYUSH, established in 2014, is responsible for creating awareness about traditional methods of treatment like Ayurveda, Yoga, Unani and Siddha. Chennai, Mumbai, Delhi, Bengaluru, and Ahmedabad are among the top cities that attract medical tourists.

## Luxury tourism

This sector has the highest value add among other tourism sub-sectors. States like Rajasthan, Kerala, and Goa are paving the path. From luxurious forts and palaces that cater to the bustling wedding industry, to the reserve forests in Ranthambore that offer luxurious safari trips, Rajasthan attracts both domestic and foreign tourists. The backwaters of Kerala and the beaches of Goa are other popular destinations for luxury vacations.

## Adventure tourism

This is a niche but growing sector in India that attracts visitors mostly to the states in the north-eastern part of India or to other Himalayan states. Adventure activities in the Himalayan states range from treks and caving to rock climbing, river rafting, etc. Kerala hosts the annual snake boat race, the Western Ghats are popular for moonlight treks, and the Nilgiri Hills attract several backpacking tourists.

Indian states offer a number of reasons to travel domestically. All states are well-connected through different modes of transport like roads, railways and airports. When it comes to tourism, Incredible India indeed has a lot to offer.

## Championing Change in Aspirational Districts

In his seminal philosophical work, *The Republic*, Plato famously wrote, “Our need will be the real creator,” emphasising that necessity is indeed the mother of invention. However, the extension of this approach to the theory of economic development has been widely contested. Post World War II, the consensus among developmental economists crystallised around the notion that removal of impediments to development is what would unleash economic growth. This found expression in the importance accorded by developing countries to the ease-of-doing business. Reduction in economic uncertainty, through removal of bureaucratic red tape, simplification of rules, infusion of adequate funds and a well-planned strategy, is largely accepted as the hallmark of rapid economic growth.

On the other hand, another school of thought, pioneered by Albert O. Hirschman, stresses on the nobility of dealing with economic anxieties rather than “exiting” them. He emphasized that more than infusion of large resources, developing countries required training in dealing with difficult economic and policy decisions. The argument derives sustenance from the idea that making mistakes and learning from them is as important, if not more, than avoiding them. In his essays, Hirschman often drew strength from Nietzsche’s famous maxim, “That which does not destroy me, makes me stronger.” Thus, constantly having to deal with uncomfortable facts and figures provides a fertile breeding ground for such training and should be embraced by policymakers through greater decentralization of decision-making power. This model incentivises creation of structures wherein puzzling outcomes are exposed through data collection and stakeholders are compelled to deconstruct those findings.

It could be argued that India’s approach towards economic development, especially towards its under-developed pockets, is emblematic of a continuing transition where both these schools have been fiddled with, both at the federal and provincial levels. The Industrial Policy Resolution adopted by the Parliament in 1956 aimed at setting up public sector units in backward regions of the country as it was believed that the provision of infrastructure can boost regional

development. In those days, imbalanced development was recognised as a direct outcome of colonial rule wherein the concentration of industries in selected regions by the British deprived the left-out areas of financial support required to industrialise, create wealth and improve the socio-economic profile of its residents. The concept of “balanced regional development” was first mooted in the Third Five Year Plan (1961–66) and exhorted State governments to take steps to identify the backward areas through a sound methodology.

As a consequence of this mandate, at the provincial level, various State governments encouraged collection of data on several key socio-economic parameters and creation of composite indexes of backwardness. The Government of Gujarat took many pioneering steps by identifying the backward blocks in the State for targeted actions (Dr IG Patel Committee, 1983). These were some of the early shoots of the concepts of “data-driven governance” and “evidence-based policymaking” in India, which have increasingly gained prominence in our academic discourse today. Taking this approach a step further, the Cowlagi Committee in 2004 further refined the identification of backward blocks in Gujarat by including a wider range of indicators and embedding the spirit of convergence in the design of the Programme. At the Central level too, the Tenth Five Year Plan (2002–07) embraced the theory of “balanced regional development”, with 2007 marking the inception of the Backward Region Grant Fund, which supported 250 districts with untied funds.

Learning from all these experiences, for the past three years, NITI Aayog has anchored the Aspirational Districts Programme (ADP) in 112 most under-developed districts of the country. Using a three-pronged approach (or the 3 Cs) of promoting “Convergence, Collaboration and Competition”, the ADP is a synthesis of the two approaches towards development—provision of bare necessities and ample opportunities to the deprived as conservatives like Milton Friedman argued for and, at the same time, exposition of fissures in the socio-economic fabric of each district through robust data that creates incentives of local administration to creatively respond to their own peculiar challenges, as Hirschman had professed. This amalgamated overture towards correcting regional imbalances and ensuring social progress of the marginalized is in many ways a novel experiment.

A key component of the Aspirational Districts Programme is the emphasis on data-driven governance and evidence-based policy at the district level. By engaging in regular monitoring of data points, and using the same for ranking the districts, the

# 5 POLICY AND PROGRAMME

Programme has engendered a data-driven approach towards governance at the district level, and efforts are being made to percolate it further down at the block and panchayat levels as well. The first two years of ADP were focused on improving the efficiency, frequency, and efficacy of data-driven interventions at the central ministerial levels, and supporting the districts with insights, analysis, and other kinds of assistance. Now that this strategy has borne some positive results in terms of net improvement in indicators across all thematic focus areas, NITI Aayog is moving forward in enabling the district administration to undertake similar activities at their end to improve blocks and panchayats. To this end, the “Champions of Change” digital platform provides the Aspirational Districts administration with self-service analytics tools that require zero-coding skills but enable rich graphing and data analysis straight from a web-browser environment.

Concomitantly, the design of ADP also ensures that the well-articulated warnings of many economists, which caution against making data the “be-all and end-all” of all policy formulation, do not go unheeded. Nobel laureate Lars Peter Hansen has persuasively argued that data does not speak for itself and relies on interpretation through statistical models to convey any meaningful insight. Modelling of data is inherently a subjective exercise and at best, characterises one of many possible ways of making sense of that data. In ADP’s framework, the monthly capturing of a district’s performance of 49 key performance indicators, across five sectors, helps the districts to systematically align their development priorities. But at the same time, the inclusion of all possible stakeholders in a

district’s upliftment (which includes Central and State governments, district administration, development partners, civil society et al) within the framework of the Programme ensures that the vision for development remains egalitarian and inclusive. Involvement of multiple stakeholders guards against the myopic tendency of devising policy interventions solely on the basis on data insights but rather through a holistic lens carved out of the accumulated knowledge and experience of every stakeholder.

Thus, the Aspirational Districts Programme and the manner of its implementation falls in the Goldilocks Zone wherein the delicate balance between the importance of data and lived human experiences is maintained. As all the data collected under the Programme is available in the public domain, it provides the fodder on which various kinds of models can feed and churn out new insights, which are useful to improve the incisiveness and efficacy of policy interventions. Independent evaluation studies have strongly supported the impact of this development model and have also attested to its potential to serve as a template for other developing countries. The overall thrust of the Programme is on peer-learning, course correction and equipping these districts with the tenacity to deal with their challenges. After three years of implementation, the results of this approach exemplified by ADP have been promising as almost all Aspirational Districts have shown significant improvement in critical gap areas. Convergence of resources and efforts, in a spirit of healthy competition and guided by quality data, is emerging as the new gold standard of inclusive and sustainable development.

## Indian Economy to Grow by 10% in FY22: S&P

S&P Global in its recent update for the Indian economy projected a 10% y/y growth in FY22. It mentioned that consistently good agriculture performance, flattened coronavirus infection curve and government spending have all supported economic recovery.

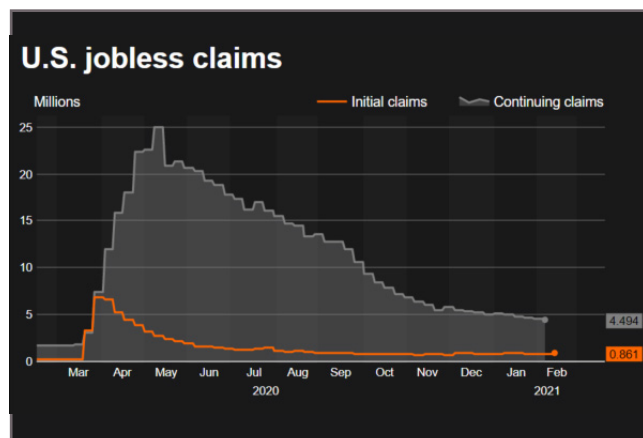
**Read more:**

<https://www.cnbc.com/2021/02/16/india-economic-recovery-fiscal-2022-sp-global-ratings.html>

## US Unemployment Scenario Remains Grim

The number of people filing for unemployment benefits for the first time increased unexpectedly last week, raising concerns about the economic recovery. Job growth remains tepid for the second month, despite declining Covid-19 infections.

**Figure 1: Rate of Employment Recovery Is Slowing**



Source: Refinitiv Datastream – Routes graphic/Stephen Clup 18/02/21

**Read more:**

<https://www.reuters.com/article/us-usa-economy/u-s-weekly-jobless-claims-unexpectedly-rise-idUSKBN2A11UL>

## Slowing Chinese Investment May Impact Global Growth

China continues to be a major driving force for the global economy on the trade front and as a buyer of commodities. However, economic activity and demand created by Chinese infrastructure and other types of construction in advanced and emerging economies are waning.

**Read more:**

<https://www.scmp.com/comment/opinion/article/3121485/chinas-overseas-investment-falling-just-when-global-economy-needs>

## Biden Restores Tariffs on China Imposed by Trump

The new United States administration has decided to keep the tariffs imposed on Chinese imports by the Trump administration. However, it has announced it will evaluate how to proceed after a thorough review.

**Read more:**

<https://www.scmp.com/economy/china-economy/article/3122289/us-china-trade-war-trumps-trade-tariffs-remain-moment-beijing>

## India to Emerge 3rd Largest Energy Consumer by 2030: IEA

The International Energy Agency (IEA) projected India's oil demand to grow to 8.7 million barrels per day (mbpd) in 2040 from about 5.4 mbpd in 2019, accounting for more than 25% of global growth. It also expects that India will overtake the European Union as the third largest energy consumer by 2030.

**Read more:**

<https://www.bloombergquint.com/business/india-to-overtake-eu-as-world-s-third-largest-energy-consumer-by-2030-iea>

## Gujarat Launches ODPS-2.0 to Promote Transparency in Governance

ODPS-2.0 aims to work towards good governance along with transparency. The state government plans to facilitate the process of providing online approvals for industrial development projects. The objective is to develop online systems by making maximum use of technology in departments such as housing, revenue and urban development.

### Read More

<https://techobserver.in/2020/12/05/egov-gujarat-cm-vijay-rupani-launches-online-development-permission-system-2-0/>

## Maharashtra Releases Renewable Energy Policy

Maharashtra released the Renewable Energy Policy, with the target to add 17,385 MW renewable energy capacity by 2025. This will include 12,930 MW of solar capacity, 2,500 MW of wind capacity, 1,550 MW of bagasse and waste capacity, 380 MW of small hydroelectric and 25 MW of new technologies.

### Read More

<https://energy.economictimes.indiatimes.com/news/renewable/maharashtra-to-add-17385-mw-renewable-energy-capacity-by-2025/79654370>

## Bhopal Declared Best 'Smart City' of India

The Ministry of Housing and Urban Affairs declared Bhopal as the best 'Smart City', as part of its Smart City Mission. Ahmedabad was ranked second, followed by Surat and Indore at the third and fourth positions, respectively.

### Read More

<https://www.freepressjournal.in/bhopal/madhya-pradesh-bhopal-smart-city-ranked-1st-in-smart-city-mission-of-goi>

## West Bengal Launches Duare Sarkar Outreach Scheme

The West Bengal government has launched a massive outreach programme called 'Duare Sarkar' to make

its schemes more accessible to citizens. As a part of *Duare Sarkar*, as many as 11 schemes of the state government—including Swastha Sathi, Khadya Sathi, Jai Johar and Kanyashree schemes—will be made available to beneficiaries at their doorsteps.

### Read more

<https://timesofindia.indiatimes.com/india/bengal-govt-kicks-off-massive-duare-sarkar-outreach-campaign-ahead-of-assembly-polls/articleshow/79507804.cms>

## India's First Blockchain-Enabled Trading Platform for Rooftop Solar Power in UP

The Uttar Pradesh Power Corporation (UPPCL), Madhyanchal Vidyut Vitran Nigam Limited (MVVNL) and the Uttar Pradesh New and Renewable Energy Development Agency (UPNEDA) are hosting a first-of-its-kind pilot project on energy generated from solar rooftop systems installed atop Lucknow buildings.

### Read More

<https://mercomindia.com/uttar-pradesh-blockchain-rooftop-solar-trading/>

## Andhra Pradesh Introduces New Tourism Policy

The Andhra Pradesh government introduced a new tourism policy to make the state a premier world-class destination. The objective is to build robust tourism infrastructure and promote responsible tourism practices among all stakeholders.

### Read more

<https://www.hindustantimes.com/travel/ap-government-comes-up-with-new-tourism-policy/story-MYPJXa0qhctgAeeML44ACO.html>

## Jharkhand Govt to Promote State as Eco-Tourism Destination

The Jharkhand government has decided to utilize its existing infrastructure at popular forests and waterbodies, with the aim to promote the state as an eco-tourism destination. For this purpose, the state tourism department is working under two policies, namely, the Swadesh Yojana and the Retreat Tourism policy.

## Read More

<https://indianexpress.com/article/north-east-india/tripura/tripura-best-performing-state-under-pmay-urban-in-the-northeast-7123678/>

## Tripura Emerges as Best-Performing State in Implementing PMAY(U)

Tripura has emerged as the best-performing state in the implementation of the Pradhan Mantri Awas Yojana (Urban), under the North-Eastern and Hilly States category.

## Read More

<https://indianexpress.com/article/north-east-india/tripura/tripura-best-performing-state-under-pmay-urban-in-the-northeast-7123678/>

## 14 States Okay Centre's Single Window System

As many as 14 states—Telangana, Andhra Pradesh, Gujarat, Maharashtra, Odisha, Uttar Pradesh, Uttarakhand, Punjab, Assam, Tamil Nadu, Himachal Pradesh, Madhya Pradesh, Goa and Karnataka—have given their consent to be part of the Centre's single window clearance platform and the investment clearance cell to provide all requisite clearances to investors at one point. The exercise has been undertaken by DPIIT, which plans to launch the technology-driven clearance system by 15 April 2021.

## Read More

<https://www.thehindubusinessline.com/economy/14-states-onboard-dpiits-single-window-system/article33454757.ece>

## 15th FC Keeps Transfer to States from Divisible Tax Pool to 41% for 5 Years

The 15th Finance Commission (FC) has kept the transfer to states from the divisible tax pool to 41% from 2021–26. States' share at 41% of the divisible pool comes to Rs 42.2 trillion for the period of 2021–26, while the total grants have been pegged at Rs 10.3 trillion. This will make aggregate transfers to states at Rs 52.5 trillion, roughly at 50% of the total divisible pool in the next five years.

## Read More

[https://www.business-standard.com/article/finance/fifteen-finance-commission-submits-report-on-tax-devolution-to-prez-kovind-120110900585\\_1.html](https://www.business-standard.com/article/finance/fifteen-finance-commission-submits-report-on-tax-devolution-to-prez-kovind-120110900585_1.html)

## Kerala Knowledge Mission Launched

The state government has launched the Kerala Knowledge Mission with the aim to transform Kerala into a knowledge economy. Job aspirants and educated unemployed youth can register at [www.knowledgmission.kerala.gov.in](http://www.knowledgmission.kerala.gov.in), which will act as a digital workforce management system.

## Read More

<https://www.newindianexpress.com/cities/thiruvananthapuram/2021/feb/10/kerala-knowledge-mission-launched-2261914.html>

## Karnataka to Create 1 Mn Jobs by 2025

The Karnataka government has decided to create one million jobs in the state by 2025 under the Karnataka Digital Economy Mission, by attracting more investments in the information technology sector. Under this initiative, the state government plans to focus on improving connectivity even to remote parts of the state, providing round-the-clock electricity and reducing rural–urban divide by establishing the much-needed infrastructure.

## Read More

[https://www.business-standard.com/article/current-affairs/karnataka-to-create-1-million-jobs-in-it-and-related-sector-by-2025-121020901776\\_1.html](https://www.business-standard.com/article/current-affairs/karnataka-to-create-1-million-jobs-in-it-and-related-sector-by-2025-121020901776_1.html)

## Bihar to Introduce Policy for Setting up Ethanol Plants

The Bihar government has decided to come up with an incentive policy to attract investment for setting up ethanol plants over the next one month, with easy availability of land and raw materials. The policy is aimed at attracting investment for the production of ethanol from molasses, sugarcane, maize and cereals.

## Read More

<https://www.hindustantimes.com/india-news/bihar-to-unveil-ethanol-production-incentive-policy-soon-to-woo-big-investors-101613549650808>

## NITI Aayog, RMI Release Report on EV Financing

NITI Aayog and Rocky Mountain Institute India on 9 March 2021 released a new report 'Mobilizing Electric Vehicle Financing in India', which highlights the role of finance in India's transition to electric vehicles (EVs). The report analyses that the transition will require a cumulative capital investment of USD 266 billion (Rs 19.7 lakh crore) in EVs, charging infrastructure, and batteries over the next decade. It also identifies a market size of USD 50 billion (Rs 3.7 lakh crore) for the financing of EVs in 2030—about 80% of the current size of India's retail vehicle finance industry, worth USD 60 billion (Rs 4.5 lakh crore) today.



## National Workshop on Asset Monetization with States and UTs

NITI Aayog, along with the Department of Economic Affairs (DEA), organized a national-level virtual workshop on asset monetization on 9 March 2021. Chaired by Hon'ble Finance Minister Nirmala Sitharaman, the workshop engaged with the Chief Secretaries of States and Administrators of Union Territories. Over 300 participants, including respective State and UT secretaries for transport, power, public works department, attended the workshop. The workshop elaborated on the strategic context of core and non-core asset monetization, along with detailed discussions on the need for and modality of such monetization by public sector entities, and the experiences of public and private sector entities in the space.

## NITI Aayog Organizes 6th Governing Council Meeting

The sixth meeting of the Governing Council of NITI Aayog was held on 20 February 2021 under the

chairmanship of the Hon'ble Prime Minister and attended by 26 Chief Ministers, 3 Lieutenant Governors and 2 Administrators, apart from Union Ministers, who are Ex-Officio Members, and Special Invitees. NITI Aayog Vice Chairman, Members and CEO, Principal Secretary to the PM and other senior officers from PMO; Cabinet Secretary; and Chief Secretaries of States/ Union Territories also participated in the meeting.



## I-ACE Hackathon 2021 Successfully Concludes

India–Australia Circular Economy (I-ACE) Hackathon, 2021, organized by AIM and Australia's Commonwealth Scientific and Industrial Research Organization, successfully concluded on 19 February 2021. Eight deserving innovations were declared the winning entries. As many as 72 teams, comprising students and startups/MSMEs, from both India and Australia participated in the Hackathon. A virtual valedictory session was held, with the Prime Ministers of both the nations congratulating the winners.



## India Innovation Index 2020 Launched

NITI Aayog, along with the Institute for Competitiveness, released the second edition of the India Innovation Index in a virtual event on 20 January 2021. In the 'Major States' category, Karnataka continued to occupy the top position. Overall, Delhi retained its first rank; under the 'North-Eastern/Hill States' category, Himachal Pradesh moved up from the second position to emerge as the top ranker this year.

## NITI Aayog Releases Report on FSSM in Urban Areas

NITI Aayog released a book on faecal sludge and septage management (FSSM) in urban areas on 19 January 2021. Jointly developed with the National Faecal Sludge and Septage Management Alliance, the book presents 27 case studies across 10 states and various service and business models adopted by Indian cities while implementing FSSM initiatives. The book was released by NITI Aayog CEO Amitabh Kant, MoHUA Secretary Durga Shankar Mishra, and NITI Aayog Additional Secretary Dr K. Rajeswara Rao in a virtual event.

## ISRO to Adopt 100 Atal Tinkering Laboratories

Atal Innovation Mission and Indian Space Research Organization (ISRO) announced on 11 January 2021 that the latter will be adopting 100 Atal Tinkering Labs across the country to promote school education in the fields of STEM, space education and space technology. AIM had earlier collaborated with ISRO for the Aatmanirbhar Bharat ARISE-ANIC Initiative, along with four other ministries, to spur applied research and innovation in Indian MSMEs and startups.

## PM Interacts with Leading Economists

On 8 January 2021, the Hon'ble Prime Minister met with various senior economists and industry leaders, in a meeting organized by NITI Aayog, to discuss priorities for India in a post-Covid world, which would be instructive in key policy considerations for the Union Budget 2021–22.

## 'Vision 2035: Public Health Surveillance in India' Report Released

Vision 2035: Public Health Surveillance in India, a white paper, was released by NITI Aayog Vice Chairman Dr Rajiv Kumar; Member (Health) Dr Vinod K. Paul; CEO Amitabh Kant; and Additional Secretary Dr Rakesh Sarwal on 14 December 2020. The report is a continuation of the work on health systems' strengthening. Public health surveillance is an important function that cuts across primary, secondary, and tertiary levels of care. Surveillance is 'Information for Action'.

## NITI & Patna High Court Initiate Drive on ODR

On 8 December 2020, NITI Aayog in association with the Patna High Court organized an inaugural meeting in a broader engagement on efficient and affordable access to justice for all, through the interplay of technology, law and innovation in the post-pandemic world. ODR is the resolution of disputes, particularly small- and medium-value cases, using digital technology and techniques of alternate dispute resolution, such as negotiation, mediation, and arbitration.

## NITI Aayog Releases Compendium on Covid-19 Practices

NITI Aayog released a compendium of practices from states and union territories on 25 November 2020, which mentions various initiatives undertaken by states, districts, and cities in India for containing and managing the Covid-19 outbreak. The practices in the compendium have been disaggregated under six sections: (i) public health and clinical response (ii) governance mechanisms (iii) digital health (iv) integrated model (v) welfare of migrants and other vulnerable groups (vi) other practices.

## AIM–Sirius Innovation Programme 3.0 Finale Concludes

Drawing inspiration from India's Aatmanirbhar Bharat and Russia's Big Challenges, this year's edition was



focused on developing technological solutions (web-based and mobile applications) to address grassroots problems of India and Russia.

## **Cabinet Approves PLI Scheme for 10 Sectors**

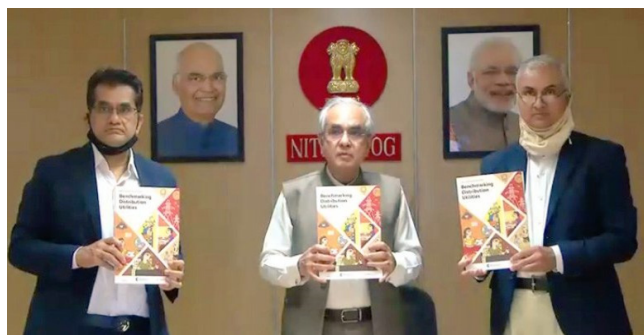
The Union Cabinet gave its approval to introduce the Production-Linked Incentive (PLI) scheme in 10 key sectors on 11 November 2020. The PLI scheme will make Indian manufacturers globally competitive, attract investment in the areas of core competency and cutting-edge technology, ensure efficiencies, create economies of scale, enhance exports and make India an integral part of the global supply chain.

## **NITI Aayog, QCI Launch Infra Framework Initiative**

NITI Aayog and Quality Council of India launched the 'National Programme and Project Management Policy Framework' on 29 October 2020, envisaged to bring about radical reforms in the way infrastructure projects are executed in India. Union Ministers Nitin Gadkari and Piyush Goyal, CEO Amitabh Kant, QCI Chairman Adil Zainulbhai, and other officials participated in the event.

## **Report Benchmarking Discoms Launched**

NITI Aayog, Ministry of Power, Rockefeller Foundation, and Smart Power India launched the 'Electricity Access in India and Benchmarking Distribution Utilities' report on 28 October 2020. Based on a primary survey conducted across 10 states—representing about 65% of the total rural population of India and with a sample size of more than 25,000—the report assesses 25 distribution utilities.



## **NITI Aayog, AWS Launch Frontier Technologies Cloud Innovation Centre**

To address societal challenges through digital innovation, NITI Aayog on 19 October 2020 announced the establishment of a Frontier Technologies Cloud Innovation Centre (CIC) with Amazon Web Services (AWS)—the first of its kind in India. The centre will identify and prioritize projects as well as collaborate with local leaders, including subject matter experts at the state and district levels, to solve critical challenges. Local enterprises, start-ups, researchers, and universities in India can experiment and build prototypes on AWS Cloud.

## **AIM Collaborates with CGI to Promote Innovation in Schools**

AIM signed a Statement of Intent (SOI) with CGI India on 13 October 2020 to further rev up innovation in schools across the country. CGI has agreed to adopt 100 schools with ATLs across Bengaluru, Chennai, Hyderabad and Mumbai to promote and train students. CGI volunteers will coach and mentor ATL students to enhance their technical literacy and provide immersive learning experiences in using STEM tools. CGI will also conduct training workshops for teachers at select schools on topics such as design thinking, computational thinking, robotics and coding.

## **NITI Aayog Announces Governing Structure of India Energy Modelling Forum**

Further to the constitution of the India Energy Modelling Forum (IEMF)—jointly launched by NITI Aayog and United States Agency for International Development (USAID) under the US–India Strategic Energy Partnership—on 2 July 2020, NITI Aayog announced its governing structure on 8 October 2020. Part of the Sustainable Growth pillar of the US–India Strategic Energy Partnership (SEP), IEMF aims to engage Indian researchers, knowledge partners, think tanks and national and international government agencies and departments for modelling and long-term energy planning.

## **India PV Edge 2020 Symposium Held**

On 6 October 2020, a global symposium, 'India PV Edge 2020', was organized by NITI Aayog, MNRE,

and Invest India. The event brought together cutting-edge technology providers, equipment makers, and champion PV companies to present their technologies to the Indian industry. Around 60 prominent Indian and global CEOs attended the event.

---





**NITI Aayog**

NITI Aayog  
Sansad Marg, New Delhi-110001