

Cabinet Nod to Revamped PSE Privatisation Policy

OPENING UP Policy aims to keep not more than 4 central public sector enterprises in strategic sectors and open up all other sectors for privatisation

Our Bureau

New Delhi: The Cabinet Committee of Economic Affairs has cleared the public sector enterprises (PSE) policy, said sources aware of the development, on Wednesday.

The government had first mooted an overhauled PSE policy in the Aatmanirbhar Bharat Abhiyan mid last year, which aims to keep not more than four central public sector enterprises in strategic sectors and open up all other sectors for privatisation.

After several consultations with ministries, about 18 strategic sectors have been identified for disinvestment purposes including coal, crude oil, power, steel, telecom, atomic energy and defence, sources said.

Under the manufacturing sector, steel, fertiliser, atomic energy, petroleum refining and marketing, defence, ship building and power generation have

been identified as critical sectors requiring large presence of PSUs. In the rest of the sectors, the government will eventually move out clearing roads for private participation.

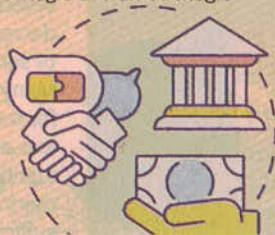
The government had earlier proposed disinvestment in all other commercial entities except development and regulatory bodies, trusts, not for profit companies, refinancing institutions and companies formed under acts of Parliament. Similarly, railways, ports that undertake commercial operations with development mandate will also not fall under the disinvestment agenda, sources added.

Services like power transmission, gas transportation, space, telecom, information and technology, infrastructure finance companies, banking and insurance companies and development of airports, ports and highways have also been categorised as strategic

Clearing Decks

CABINET APPROVES PSE POLICY

Policy to designate sectors as strategic or non-strategic



sectors for PSU presence.

According to the Public Sector Enterprise Survey 2018-19, which is the latest available, there are in all 257 central PSEs (CPSEs) of which 184 were profit-making enterprises. Of these, there are 43 CPSEs in techni-

POLICY CONTOURS

At least 1 & maximum 4 PSUs in strategic sectors

No govt presence in non-strategic sectors

18 SECTORS IDENTIFIED AS STRATEGIC

Others to be opened up for privatisation

Remaining PSEs to be privatised/ merged/ brought under holding cos

Strategic sectors to be notified

KEY STRATEGIC SECTORS:

Crude oil, power, steel, telecom, banking, atomic energy and defence

OTHER DECISIONS

CCEA approves MSP increase for Copra

Up to 3.76% Hike in Copra MSP Cleared

New Delhi: The Union Cabinet on Wednesday approved a 2.91% to 3.76% hike in the minimum support price (MSP) of copra for the 2021 season. The MSP of fair average quality milling copra has been increased by ₹375 to ₹10,335 a quintal while that of ball copra has been increased by ₹300 to ₹10,600 a quintal for this season. This is less than the hike announced last season. —Our Bureau

spending on key policy initiatives to battle Covid-19 pandemic affected economy, several economists have noted.

For the financial year ending March 31, 2021, the government had set a disinvestment target of Rs 2.1 lakh crore, of which Rs 1.2 lakh crore is expected from strategic divestments.

The government is pursuing the privatisation of state-run companies such as BPCL, Container Corporation of India, Shipping Corporation of India, Air India and public listing of the largest insurer LIC of India, but it appears unlikely that the reported disinvestment in most of the above entities would be achievable within this fiscal.

“With less than three months left in this fiscal, the disinvestment inflows are unlikely to cross Rs 0.4 trillion in FY2021 in our view,” ICRA has said in a report.

cal consultancy services, 36 in heavy and medium engineering sector, and 23 in transport and logistics, as per EY.

Department of economic affairs secretary Tarun Bajaj had said recently that the PSE policy would be

more “ambitious” than anticipated and will bring about a paradigm change in the government working.

Having a robust disinvestment policy would be critical for the government at a time when it needs resources to bridge the fiscal gap and for