



December 01, 2021 – Wednesday

Key Developments

FM says Crypto Bill will be introduced in Parliament after Cabinet nod

Finance Minister Nirmala Sitharaman on Tuesday clarified in Rajya Sabha that the government is not considering a ban on cryptocurrency advertisements and that a bill will be introduced in Parliament after Cabinet approval.

"This is a risky area and not in a complete regulatory framework. We are not considering a ban on the advertisements, but we've been taking steps to caution the public through RBI and SEBI. The guidelines of the Advertising Standards Council of India are being studied and the regulations that they have are being looked into, so that we can take a decision on how to handle it, if necessary," said Sitharaman. Government will soon introduce a Bill related to cryptocurrencies once the Cabinet clears it, she added.

https://www.business-standard.com/article/finance/not-considering-a-ban-on-cryptocurrency-ads-says-fm-in-rajya-sabha-121113000622_1.html

TRAI releases paper to discuss modalities for 5G spectrum auction

Telecom regulator TRAI on Tuesday released a detailed consultation paper to discuss modalities for auction of 5G spectrum bands, including pricing, quantum and related conditions. The Telecom Department has asked TRAI to provide recommendations on issues such as applicable reserve price, band plan, block size, quantum of spectrum to be auctioned and associated conditions for auction of spectrum in 526-698 MHz, 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 2500 MHz, 3300-3670 MHz and 24.25-28.5 GHz bands, the regulator said in a statement. "The Telecom Regulatory Authority of India (TRAI) has today released a consultation Paper on 'Auction of spectrum in the frequencies identified for International Mobile Telecommunications (IMT) / 5G," the statement added.

https://www.business-standard.com/article/pti-stories/tra-ai-releases-consultation-paper-to-discuss-pricing-modalities-for-auction-of-5g-spectrum-121113001124_1.html

Covaxin for 2-18 yrs: Centre examining Expert Committee recommendations, informs Health Ministry in Rajya Sabha

The Central government is examining the recommendation of the Subject Expert Committee (SEC) regarding the grant of market authorization of Covaxin for the age group of 2 to 18 years for restricted use in an emergency situation subject to various conditions, Ministry of Health and Family Welfare (MoHF) told Rajya Sabha on Tuesday. Union Minister of State for Health Bharati Pravin Pawar shared the information through a written reply, mentioning "this recommendation is being examined and additional information has been requested at the level of Central Drugs Standard Control Organisation (CDSCO)".

<https://economictimes.indiatimes.com/news/india/covaxin-for-2-18-yrs-centre-examining-expert-committee-recommendations-informs-union-health-ministry-in-rajya-sabha/articleshow/88012557.cms>

Economy

India's GDP grows at 8.4% in Q2FY22

India's GDP growth slowed to 8.4 per cent in the second quarter of 2021-22, mainly due to waning low base effect, but the economy has surpassed the pre-COVID level, official data showed. The GDP growth in April-June quarter this

fiscal stood at 20.1 per cent. The Indian economy had contracted by 24.4 per cent in April-June last year. The gross domestic product (GDP) had contracted by 7.4 per cent in the corresponding July-September quarter of 2020-21, according to data released by the National Statistical Office (NSO).

"The GDP growth for Q2 came a tad lower than our estimates, led by disappointment in recovery of industrial sector, mainly manufacturing. Impressive momentum of vaccination, releasing of the pent up demand mainly in services sector, nascent uptick in private investment appetite and accelerated momentum of government spending in H2FY22 will remain supportive hereon, even as elevated inflation and weak rural sentiments are emerging as risks on the horizon," Garima Kapoor of Elara Capital told Reuters.

https://www.business-standard.com/article/economy-policy/india-s-gdp-grows-8-4-in-q2fy22-121113001136_1.html

Unemployment rate at 9.3% in Jan-Mar 2021: NSO survey

Unemployment rate for all ages in urban areas rose to 9.3 per cent in January-March 2021 from 9.1 per cent in the same month of the previous year, showed a periodic labour force survey by the National Statistical Office (NSO).

Joblessness or unemployment rate (UR) is defined as the percentage of unemployed persons in the labour force. The UR for in CWS (current weekly status) in urban areas for persons of age 15 years and above was 10.3 per cent in October-December 2020, the ninth Periodic Labour Force Survey (PLFS) showed. It also showed that unemployment rate among females in urban areas (age 15 and above) rose to 11.8 per cent in January-March 2021 from 10.6 per cent a year ago. It was 13.1 per cent in October-December 2020. Among males, the UR in urban area (age 15 years and above) remained flat at 8.6 per cent in January-March 2021 compared to a year ago. It was 9.5 per cent in October-December 2020. Labour force participation rate in CWS (current weekly status) in urban areas for persons of 15 years of age and above was 47.5 per cent in January-March quarter of 2021, down from 48.1 per cent in the same period a year ago. It was 47.3 per cent in October-December 2020.

<https://www.financialexpress.com/economy/unemployment-rate-at-9-3-in-jan-mar-2021-nso-survey/2379340/>

Retail inflation for industrial workers rises marginally to 4.5 pc in October

Retail inflation for industrial workers rose marginally to 4.5 per cent in October as compared with 4.41 per cent in September. "Year-on-year inflation for the month stood at 4.50 per cent compared to 4.41 per cent for the previous month and 5.91 per cent during the corresponding month (October 2020) a year before," the labour ministry said in a statement. Food inflation stood at 2.20 per cent in October 2021 against 2.26 per cent in the previous month and 8.21 per cent during the corresponding month of October 2020 a year ago. The all-India CPI-IW (Consumer Price Index-Industrial Workers) for October 2021 increased 1.6 points and stood at 124.9 points. It was 123.3 points in September 2020.

https://economictimes.indiatimes.com/news/economy/indicators/retail-inflation-for-industrial-workers-rises-marginally-to-4-5-pc-in-october/articleshow/88008519.cms?utm_source=ETTopNews&utm_medium=HP&utm_campaign=TN&utm_content=23

India's April-October fiscal deficit at 36.3% of full year target

The Union government's fiscal deficit works out to be Rs 5.47 lakh crore or 36.3 per cent of the budget estimates at the end of October 2021 on the back of improvement in revenue collection, according to the data released by the Controller General of Accounts (CGA) on Tuesday. The deficit figures in the current fiscal appear better than the previous financial year when the gap between expenditure and revenue had soared to 119.7 per cent of the last year's Budget Estimates (BE) mainly on account of a jump in expenditure to deal with the COVID-19 pandemic. In absolute terms, the fiscal deficit was Rs 5,47,026 crore at the end of October, the CGA said. For the current financial year, the government expects the deficit at 6.8 per cent of GDP or Rs 15.06 lakh crore.

https://www.business-standard.com/article/economy-policy/april-october-fiscal-deficit-at-36-3-of-full-year-target-121113001022_1.html

Eight core sectors' output grows to 7.5% in October

The output of eight core sectors rose by 7.5 per cent in October on healthy performance by coal, natural gas, refinery products and cement segments, official data released on Tuesday showed. The production of eight infrastructure sectors of coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity had contracted by

0.5 per cent in October 2020, according to the data released by the commerce and industry ministry. Core sectors' growth stood at 4.5 per cent in September this year.

https://www.business-standard.com/article/economy-policy/october-core-sector-growth-at-7-5-121113001126_1.html

RBI likely to raise rates, tighten monetary policy: Goldman Sachs

India's central bank could start tightening monetary policy from next fiscal year as consumer prices rise, according to Goldman Sachs Group Inc. "Inflation is going to determine what the RBI does over the course of next year," Santanu Sengupta, senior India economist at Goldman said in an interview with Juliette Saly and Rishaad Salamat on Bloomberg TV. "Input cost increases for the manufacturers will get passed on to consumers over a period of time as the economy reopens and pricing power comes back."

Companies in India have been seeing a pressure on their margins as supply side constraints and global commodity prices increase input costs. That's seen pushing up overall inflation as some of those firms have started raising prices for customers.

https://www.business-standard.com/article/economy-policy/rbi-likely-to-raise-rates-tighten-monetary-policy-goldman-sachs-121113000538_1.html

Banking and Finance

Show bank recapitalisation in Budget as fiscally non-neutral: CAG to govt

The Comptroller and Auditor General of India (CAG) has pulled up the government for not factually showing in 2017-18 and 2018-19 Budgets that bank recapitalisation of public sector banks (PSBs) is not fiscally neutral even though it is cash neutral. In a report tabled in the Parliament, the CAG said that the government made an investment of Rs 80,000 crore in 2017-18 and of Rs 1,06,000 crore in 2018-19 for the recapitalisation of PSBs. Funds for these investments were raised by the government through issue of non-transferable special securities to the same PSBs. CAG noticed that in the expenditure budget the above mentioned expenditure on recapitalisation of the PSBs, had been netted against receipts from issue of special securities, while in the receipt budget, receipts from the securities have been netted against expenditure on recapitalisation.

https://www.business-standard.com/article/economy-policy/show-bank-recapitalisation-in-budget-as-fiscally-non-neutral-cag-to-govt-121113000440_1.html

No proposal to merge public sector general insurance companies: MoS Karad

The government on Tuesday said there is no proposal as of now to merge public sector general insurance companies. There are four general insurance companies -- New India Assurance Company, National Insurance Company Limited (NICL), United India Insurance Company Limited (UIICL) and Oriental Insurance Company Limited (OICL). In a written reply to the Rajya Sabha, Minister of State for Finance Bhagwat K Karad said there is no proposal under consideration of the government at present for merger of public sector general insurance companies.

In a bid to foster blockchain technology for providing various financial services, banks have put in place Indian Banks' Blockchain Infrastructure Company Private Limited (IBBIC), Karad said in another written reply.

https://www.business-standard.com/article/economy-policy/no-proposal-to-merge-public-sector-general-insurance-companies-mos-karad-121113001055_1.html

Large corporates going back to banks amidst signs of capex pick up

Another indicator that the economy is slowly getting back on track and signs of pick-up in private sector capex. After 14 months of contraction, loan growth to large corporates turned positive in October. Loans to medium sized firms and retail still continue to drive banks' loan book. Loans to large corporates rose 0.5 % (on a year-on-year basis) to Rs 22.7 lakh crore in October compared to a contraction of 1.8 % a year ago. All major segments except services including agriculture, industry and retail posted higher growth rates over previous year. Overall bank credit rose 6.9 % in October compared to 5.2 % a year ago according to the latest data on sectoral deployment of bank credit released by the Reserve Bank of India on Tuesday.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/large-corporates-going-back-to-banks-amidst-signs-of-capex-pick-up/articleshow/88012024.cms>

Industry

India's FMCG market grew 12.6% in Sept quarter led mostly by price hikes

India's fast-moving consumer goods market grew 12.6 per cent in the September ended quarter compared to the same period last year largely led by higher prices and an increase in urban consumption, NielsenIQ said in its release. However, volume growth during the quarter stood at 1.2 per cent.

In urban India, Kolkata Hyderabad, Mumbai and Pune led the growth of FMCG products as consumers increased consumption of staple items like cooking oils, tea and impulse food categories like salty snacks and confectionery. Volume drivers in the quarter were packaged rice, breakfast cereals, butter-margarines and chocolates.

https://www.business-standard.com/article/companies/india-s-fmcm-market-grew-12-6-in-sept-quarter-led-mostly-by-price-hikes-121113000968_1.html

Indian PSUs ink pact with Russian firm for supply of fertilisers in FY22

As many as 4 Indian public sector undertakings (PSUs) have inked a long-term pact with Russian firm Phos Agro for supply of five types of fertilisers including DAP in the current fiscal year, Fertiliser Minister Mansukh Mandaviya said in the Rajya Sabha on Tuesday.

Mandaviya, in his written reply to the Upper House, said efforts are being made to establish a mechanism to ensure regular and sufficient supply of Di Ammonium Phosphate (DAP) and its raw materials to India at reasonable prices from various countries like Morocco, Saudi Arabia, Russia, etc.

"An agreement of intent has been signed between four Indian PSUs and Russian company Phos Agro for supply of five types of fertilisers including DAP in 2021/2022," he said.

https://www.business-standard.com/article/companies/indian-psus-ink-pact-with-russian-firm-for-supply-of-fertilisers-in-fy22-121113001005_1.html

Companies bullish on their hiring plans this quarter, says report

Companies are bullish on their hiring plans this quarter on the back of easing of the pandemic-related restrictions and consequent e-commerce and retail sector performance, according to a report. According to TeamLease Services' Q3 hiring intent trends based on its platform data, the hiring intent for the October-December 2021 quarter stood at 41 per cent, a 3 percentage point gain over the July-September 2021 quarter.

Although the corporate workforce demand has not touched the pre-pandemic mark, the continuous quarter-on-quarter increase in hiring intent, as mapped by TeamLease Services, points to significant business realignment to adjust to digital transformation needs, the report said.

https://www.business-standard.com/article/companies/companies-bullish-on-their-hiring-plans-this-quarter-report-121113001068_1.html

Agriculture

Centre decides to set up steel silos to store 11 million tonnes of rice

The Centre has decided to set up steel silos or storages totalling 11 million tonnes (mt) that can help store rice for a longer period of 1-2 years and also avoid wastage of the cereal. "The Food Corporation of India (FCI) discussed this issue recently during a virtual conference and sent its proposals to the Food Ministry. At least 5 mt capacity to store rice will be set initially," said Munishwar Vasudeva, Managing Director of Gurugram-based Lotus Harvestec Private Ltd.

<https://www.thehindubusinessline.com/economy/agri-business/centre-decides-to-set-up-steel-silos-to-store-11-million-tonnes-of-rice/article37768248.ece?homepage=true>

Commercial farming to be at par with industry in water-use

The government is set to reconsider putting water-guzzling commercial farming at par with industry as far as water use prioritisation is concerned under the Draft National Water Policy after the free food grain distribution becomes a successful scheme with 93-94 per cent off-take.

Under the draft policy, drinking water is at the top priority followed by agriculture. However, a distinction has been made on water-intensive commercial farming with a recommendation that "it must progressively adopt water-saving technologies."

<https://www.thehindubusinessline.com/economy/agri-business/commercial-farming-to-be-at-par-with-industry-in-water-use/article37774913.ece>

Infrastructure

Real estate companies urge government to raise the criteria of affordable houses to ₹65 lakh

Real estate companies have urged the government to increase the criteria for affordable houses to ₹65 lakh from ₹45 lakh with the overall cost of cement and other construction materials going up substantially.

While the recent Covid resurgence has posed challenges, the rising vaccinations, low home loan rates and developer incentives have been driving steady growth in housing demand, especially for affordable and mid-segment projects. According to the recent JLL India report, new launches have increased by 38 per cent till September to 93,873 units compared to last year.

<https://www.thehindubusinessline.com/news/real-estate-companies-have-urged-the-government-to-increase-the-criteria-for-affordable-houses-to-65-lakh/article37764634.ece>

Telecom

India to have 500 mn 5G subscriptions, average traffic per smartphone to touch 50 GB/month by 2027-end: Ericsson

5G is on track to become the dominant mobile access technology in terms of subscriptions globally by 2027 with 5G representing around 39 per cent of mobile subscriptions or 500 million users at the end of 2027 in India, telecom gear maker Ericsson said on Tuesday.

5G is expected to account for around 50 per cent of all mobile subscriptions at a global level – covering 75 per cent of the world's population and carrying 62 per cent of the global smartphone traffic by the same time period. Sharing the insights from its latest Mobility Report, Patrik Cerwall, Executive Editor of Ericsson Mobility Report, said there has been a 300-fold increase in mobile data traffic since 2011 – the year in which the report was first published.

"5G will become the fastest deployed mobile generation to date... enhanced with an updated estimate of close to 660 million 5G subscriptions by the end of this year. The increase is due to stronger than expected demand in China and North America, driven partly by decreasing prices of 5G devices," he said.

<https://www.financialexpress.com/industry/technology/india-to-have-500-mn-5g-subscriptions-average-traffic-per-smartphone-to-touch-50-gb-month-by-2027-end-ericsson/2379261/>

Tariff hikes, relief package could free up Rs 1.5-1.8 lakh cr for telcos to invest in 5G: Crisil

The recent rise in tariffs and the deferred payment option given by the government could free up between Rs 1.5 lakh crore and Rs 1.8 lakh crore for the Indian telcos to invest in 5G technology while also improving their ratings, according to a report by CRISIL. The report said that an estimated 20% hike in the average revenue per user per month (ARPU), coupled with ongoing customer upgrades, could lift the operating profit, or Ebitda, of the Indian telecom sector by 40% over fiscal 2021 to Rs 1 lakh crore in fiscal 2023. The report comes after all three telcos raised tariffs by around 20-25%, last being Reliance Jio Infocomm. The tariff hikes came a few months after the government mid-September announced a mega telecom package enabling telcos to push their AGR dues and spectrum dues to the government by four years.

https://economictimes.indiatimes.com/industry/telecom/telecom-news/tariff-hikes-relief-package-could-free-up-rs1-5-1-8-lakh-cr-for-telcos-to-invest-in-5g-crisil/articleshow/88002276.cms?utm_source=ETTopNews&utm_medium=HP&utm_campaign=TN&utm_content=23

Energy

Solar projects of 107 GW either installed or under implementation: Minister

Solar energy generation projects totalling 107.46 GW are either installed or under various stages of implementation or tendering, Parliament was informed on Tuesday. India had set a target of having 100 GW of solar energy by 2022. "... a total of 107.46 GW solar energy capacity has either been installed or under various stages of implementation or tendering," Power and New & Renewable Energy R K Singh said in a written reply to the Rajya Sabha. The minister

informed the House that a total of 46.25 GW of grid connected solar energy capacity has been installed in the country as of October 31, 2021. Further, a total of 36.65 GW capacity is under various stages of implementation and 24.56 GW capacity has been tendered.

https://www.business-standard.com/article/economy-policy/solar-projects-of-107-gw-either-installed-or-under-implementation-minister-121113000991_1.html

Solar sector to report highest-ever annual new capacity addition in 2021

The renewable energy sector is likely to end 2021 with record new capacity additions by solar sector and a strong revival in wind power segment. New capacity addition in the solar power segment has is 10.19 GW (including utility scale, rooftop and off grid systems) for the period January-October 2021. Solar sector's previous highest capacity addition in a calendar year was 9.6 GW in 2017.

"2021 is going to witness the highest ever solar installations in India to date. Projects that got delayed because of the Covid situation are now getting commissioned and the next two quarters are going to witness huge capacity additions," Jyoti Gulia, founder, JMK Research and Analysis, told BusinessLine.

<https://www.thehindubusinessline.com/companies/solar-sector-to-report-highest-ever-annual-new-capacity-addition-in-2021/article37774123.ece>

Coal India to infuse Rs 19,650 cr to strengthen rail infrastructure

State-owned Coal India Ltd on Tuesday said it will invest an estimated Rs 19,650 crore to strengthen its rail infrastructure. The move will increase coal evacuation capacity of the PSU through rail mode by an additional 330 million tonnes per annum (MTPA) by FY2023-24 when the production is expected to scale up significantly. The upcoming projects, some of which are already operational, would help CIL despatch increased volumes of coal through rail, above the existing capacity, from its greenfield and brownfield mining areas, Coal India (CIL) said in a statement. The coal mining behemoth is constructing three important railway lines from its own funds, on deposit basis, in CCL and MCL at an estimated capital of Rs 7,994 crore having 170 MTPA coal transportation capacity.

https://www.business-standard.com/article/companies/coal-india-to-infuse-rs-19-650-cr-to-strengthen-rail-infrastructure-121113000883_1.html

Healthcare

Centre extends door-to-door vaccination campaign till December 31

The door-to-door COVID-19 vaccination campaign 'Har Ghar Dastak' has been extended till December 31 with a focus on 100 percent first dose coverage and completing the backlog of second dose vaccination, the Union Health Ministry said on Tuesday. Union Health Secretary Rajesh Bhushan chaired a high-level virtual meeting with states and UTs to review COVID-19 public health response measures and preparedness amid cases of potentially more contagious Omicron variant of COVID19 being reported across various countries. Noting the critical role of vaccination as a powerful defence against COVID-19, the 'Har Ghar Dastak' vaccination campaign has been extended till 31st December with a focus on 100 percent first dose coverage, and completing the backlog of second dose vaccination, the Ministry said in a statement after the meeting.

<https://economictimes.indiatimes.com/news/india/centre-extends-door-to-door-vaccination-campaign-till-december-31/articleshow/88005152.cms>

External

Latin America opens doors to Indian basmati rice for first time ever

A new front has been opened for the export of basmati rice as Latin America (LatAM) has opened doors to Indian basmati rice for the first time. The LatAm countries have sent import enquiries to Indian basmati exporters who said consignments will leave Indian ports in December. This new market has come as a relief to Indian exporters as they have lost a major market, Iran, due to payment issues. "Earlier Latin American countries were dependent on supply of rice from the US. But now they have turned their eyes to India and are placing orders with our rice exporters," said Vinod Kaul, executive director, All India Rice Exporters Association.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/latin-america-opens-doors-to-indian-basmati-rice-for-first-time-ever/articleshow/88011154.cms>

Parliamentary Panel suggests commerce ministry to resolve issues hindering signing of FTAs with leading trade partners

The commerce ministry should resolve issues that are hindering signing of free trade agreements (FTAs) with India's leading trade partners including the US and European Union and enter into such pacts that are beneficial for the country, according to a report of a parliamentary panel.

The Department Related Parliamentary Standing Committee On Commerce in its report 'Augmenting Infrastructure Facilities to Boost Exports' said FTAs should be signed while balancing the interest of the domestic market and exporters. Indian exporters are at a disadvantage in the US and European markets while competing with other exporting countries due to absence of FTAs with the US and EU countries, it said adding there are issues that need to be addressed in negotiating free trade agreements with these regions in view of the concerns expressed by some domestic sectors.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/parliamentary-panel-suggests-commerce-ministry-to-resolve-issues-hindering-signing-of-ftas-with-leading-trade-partners/articleshow/88009926.cms>



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