



July 29, 2022 – Friday

## Economy

### **Inflation, price rise could dent India's gold demand in July-Dec: WGC**

India's gold demand in the first half of 2022 jumped 42% from a year ago but consumption in the second half could be lower than last year as higher inflation erodes disposable income, the World Gold Council (WGC) said on Thursday. Lower purchases by the world's second-biggest gold consumer could weigh on prices, which are trading near their lowest level in more than a year. But falling demand for gold imports could help narrow India's trade deficit and support an ailing rupee. "Inflation is making it difficult for people, especially in rural areas, to save more and allocate to gold," Somasundaram PR, regional chief executive officer of WGC's Indian operations, told Reuters.

<https://economictimes.indiatimes.com/news/economy/indicators/inflation-price-rise-could-dent-indias-gold-demand-in-july-dec-wgc/articleshow/93176060.cms>

### **PM Modi to chair NITI Aayog's Governing Council meeting on August 7**

Prime Minister Narendra Modi will chair NITI Aayog's Governing Council meeting on August 7, where issues related to agriculture, health and economy will be discussed, official sources said on Thursday. The Council, the apex body of NITI Aayog, includes all Chief Ministers, Lieutenant Governors of Union Territories, and several Union Ministers.

<https://www.thehindubusinessline.com/economy/pm-modi-to-chair-niti-aayogs-governing-council-meeting-on-august-7/article65692663.ece>

## Banking and Finance

### **RBI gives fresh ray of hope to payment aggregator license aspirants**

The Reserve Bank of India has opened another window for payment aggregators to seek regulatory approval as the discontinuation of those without the license could lead to disruptions in the system. The regulator added that aspirants whose license applicants were returned can continue their operations until they receive any word from it. "Keeping in view the disruption caused by the COVID-19 pandemic, and to ensure smooth functioning of the payments ecosystem, it has since been decided to allow another window to all such PAs (existing as on March 17, 2020) to apply to RBI," the regulator said in a notification on Thursday.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-gives-fresh-ray-of-hope-to-payment-aggregator-license-aspirants/articleshow/93192934.cms>

### **RBI sticks to October 1 deadline for card tokenisation**

The Reserve Bank of India on Thursday said that it would not extend the timeline for storing card data and directed all stakeholders except for card issuers and card networks to purge the customer data before October 1, 2022. Though as an interim measure it allowed merchant and payment aggregator to store card-on-file (CoF) only for guest checkout transactions for a maximum period of transaction date plus four days. "On a review of the issues involved and after detailed discussions with all stakeholders, as also keeping in view that sufficient time has elapsed since the requirements were specified, there shall be no change in the effective date of implementation of the requirements – all entities, except card issuers and card networks, shall purge the CoF data before October 1, 2022," the regulator said in a notification on its website.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-sticks-to-october-1-deadline-for-card-tokenisation/articleshow/93192534.cms>

### **Windfall tax may go up if crude prices rise: Revenue Secretary Tarun Bajaj**

The Centre will continue fortnightly review of windfall tax on locally produced crude oil, which will be increased if international crude prices go up, revenue secretary Tarun Bajaj said on Thursday. He also ruled out any additional borrowing in the current fiscal, saying the government will take care of the fiscal deficit through higher revenues and by controlling expenses. "If the rates go up or crude prices go up, then naturally the taxes would go up," Bajaj told reporters, adding that everybody is getting adjusted to this new norm. On being asked as to how long the review will continue, Bajaj said it will depend on the oil prices in the international market. "Let us see how the crude (oil) prices behave," he said. "Once the crude prices come down a bit and I think the windfall goes away, we will remove our taxes."

<https://economictimes.indiatimes.com/industry/energy/oil-gas/windfall-tax-may-go-up-if-crude-prices-rise-revenue-secretary-tarun-bajaj/articleshow/93195684.cms>

### **SEBI keen on ring-fencing PE, VC schemes**

The capital market regulator wants schemes of private equity (PE) and venture capital (VC) funds to be ring-fenced from each other so that any stress and liabilities in one pool of money do not spill over into another. Wealthy foreign investors, offshore institutions and some non-resident Indians who bet on various local stories chased by these alternative investment funds (AIFs) - the regulatory term for PE and VC houses - prefer a 'bankruptcy remote' arrangement that segregates multiple fund schemes from each other. The Securities and Exchange Board of India (Sebi) officials broached the subject in a meeting of the Alternative Investment Policy Advisory Committee which has members comprising fund industry officials and senior experts, a person familiar with the discussions told ET. The panel was formed by Sebi in 2015 under Infosys founder NR Narayana Murthy.

<https://economictimes.indiatimes.com/news/economy/finance/sebi-keen-on-ring-fencing-pe-vc-schemes/articleshow/93197807.cms>

### **Irdai changes key rules for insurers**

The Insurance Regulatory and Development Authority (Irdai) has made important changes to rules governing sales, investments and commissions charged by insurance companies as part of the ongoing deregulation agenda. The changes were passed at the regulator's board meeting earlier this week and are likely to be implemented by the end of the quarter, two people familiar with the decisions said. Among the decisions is allowing banks to sell insurance policies of up to nine insurance companies, the biggest distribution reform since the regulator allowed corporate agents like banks to sell policies from three insurance companies as part of the open architecture policy implemented since April 2016. The Irdai minutes are likely to be finalised in the next few days and changes are likely to be implemented in September.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/irdai-changes-key-rules-for-insurers/articleshow/93195878.cms>

### **Neobanking market to surge three times to USD 11.65 billion by FY25: Report**

The country's neobanking market is expected to witness over three-fold jump to reach USD 11.65 billion (about Rs 92,000 crore) by FY25, a report said on Thursday. Due to the sheer scale of the Indian market, there is a substantial opportunity for neobanking to create value for a large segment of customers, all while leveraging the large talent pool available to create high quality technology driven banking products, Grant Thornton Bharat said in a report. The neobanking market is well positioned to capitalise on the growing digital economics and achieve rapid growth due to the very dynamic local market with significant upside in terms of the revenue generation potential, it said. The Indian neobanking market was valued at USD 3.42 billion as of FY22 and is expected to grow at a three-year Compound Annual Growth Rate (CAGR) of 50.5 per cent to reach USD 11.65 billion by FY25. Neobanks can be defined as branchless digital banks interacting directly with customers and providing them a seamless banking experience. Neobanks are curating customised financial services products delivering them completely online either through strategic partnerships or creating their own products after approvals from concerned regulators.

<https://www.financialexpress.com/industry/banking-finance/neobanking-market-to-surge-three-times-to-usd-11-65-billion-by-fy25-report/2609870/>

## Industry

### **MSME sector's share in India's GDP drops from over 30%: Govt data**

The share of 6.3-crore strong micro, small and medium enterprise (MSME) sector in the country's gross domestic product (GDP) dropped from 30.50 per cent during the financial year 2018-19 and FY20 to 26.83 per cent during the first year of the Covid pandemic 2020-21, official data showed. MSMEs' share in the GDP had earlier increased from 29.25 per cent in FY17 to 29.69 per cent in FY18. While the data for the previous financial year 2021-22 wasn't shared by Minister of State for MSMEs Bhanu Pratap Singh Verma in his written reply to the question on the contribution of the MSME sector to GDP in the Lok Sabha on Thursday, the drop in FY21 assumed significance as the government has been looking to boost MSME sector's overall performance in the coming years.

<https://www.financialexpress.com/industry/sme/msme-eodb-msme-sectors-share-in-indias-gdp-drops-from-over-30-govt-data/2609856/>

### **Car companies rev up on chip supplies, July dispatches to hit a record**

India's passenger vehicle industry is set to post its best ever monthly dispatches from factories in July, as improving chip supply helps them accelerate delivery of cars and SUVs to some 700,000 waiting customers. According to several industry executives and experts, passenger vehicle dispatches in July are estimated at around 350,000 units, valued at around ₹25,000 crore. It is a significantly high number for what usually is a lean month. The previous peak of 334,000 units was recorded in October of 2020. In the past five years, automakers billed between 200,000 and 299,000 units in July, with the highest in 2017. Supplies in the Indian car market had for almost a year been unable to meet increasing demand for personal mobility, creating a large backlog. Automakers had to cut down on production due to a shortage of semiconductors.

<https://economictimes.indiatimes.com/industry/auto/cars-uvs/car-companies-rev-up-on-chip-supplies-july-dispatches-to-hit-a-record/articleshow/93196123.cms>

### **RAMP scheme: Govt sets up committee for steering its Rs 6,000-cr scheme headed by MSME Secretary**

Minister of State for MSMEs Bhanu Pratap Singh Verma on Thursday said the MSME Ministry has set up a committee for the recently launched World Bank-assisted central government programme Raising and Accelerating MSME Performance (RAMP) for MSMEs. The newly formed committee is headed by the ministry's Secretary (BB Swain) with representation from allied ministries and departments for steering the RAMP scheme, Verma informed Parliament. According to a World Bank statement in June 2021, 5.55 lakh MSMEs will be targeted for improving their growth. To achieve the target in five years, Verma said the ministry has prepared an 'action plan'.

<https://www.financialexpress.com/industry/sme/msme-eodb-ramp-scheme-govt-sets-up-committee-for-steering-its-rs-6000-cr-scheme-headed-by-msme-secretary/2609482/>

### **No proposal to include toy industry under PLI scheme, says Centre**

The government has no proposal currently to include the toy industry under Production Linked Incentive (PLI) scheme, Union Minister of State for Commerce and Industry Som Prakash informed Parliament in reply to a question on whether it was planning to include the domestic toy industry under the special incentive scheme. The Government had launched Production Linked Incentive (PLI) schemes in 14 sectors which will make Indian manufacturers globally competitive, attract investments, enhance exports, integrate India into the global supply chain and reduce dependency on imports. The government has been providing all-around support to the domestic toy industry to make them more competitive.

<https://economictimes.indiatimes.com/news/economy/policy/no-proposal-to-include-toy-industry-under-pli-scheme-says-centre/articleshow/93182167.cms>

### **Indian construction equipment industry's Q1 FY23 sales decline**

The Indian Construction Equipment industry has reported a 14% quarter-on-quarter (QoQ) decline in sales in the first quarter of the current financial year. It sold an aggregate of 23,037 units in Q1 FY23 as compared to 26,910 units sold in the previous quarter. "While this decline comes on a higher year-end base, given that sales generally pick up in the last quarter of a financial year, the decline was also a result of the slowdown witnessed in the highway construction activity from Q4 of FY22", Indian Construction Equipment Manufacturers Association (ICEMA)

President, Dimitrov Krishnan said in a statement. Though the Q-o-Q sales were down, a comparison with the same period of the previous financial year shows a 59 per cent increase in sales in Q1 FY23. The growth however has been registered on a lower base as India was going through the second wave of COVID-19, leading to muted sales during Q1 FY22, Krishnan, who is also the Managing Director of Volvo CE India, added.

<https://www.thehindubusinessline.com/companies/indian-construction-equipment-industrys-q1-fy23-sales-decline/article65694327.ece>

#### **FMCG companies see strong growth in premium items: Kantar report**

The premium segment in the FMCG sector grew across segments during last financial year, according to a report by Kantar. But the growth was less when compared to that in the previous year. The report mentioned three ways through which brands pushed premium products – “natural”, “small packs”, and “specialisation”. The report noted that categories like face creams, bar soaps, and tea have found a way to grow in the natural premium segment. The report also said that small packs helped premium segments grow because aspirational buyers were willing to explore and try new brands. Kantar’s report noted that even though growth in the premium segment has slowed down during FY22 over FY21, there were opportunities for premium brands. It pointed out that there are consumers who are not compromising on purchasing premium brands despite market fluctuations and if reached with the right offering, there is a chance to upgrade the buyers even from the bottom of the pyramid.

[https://www.business-standard.com/article/companies/fmcg-companies-see-strong-growth-in-premium-items-kantar-report-122072801354\\_1.html](https://www.business-standard.com/article/companies/fmcg-companies-see-strong-growth-in-premium-items-kantar-report-122072801354_1.html)

### **Agriculture**

#### **Govt launches 11th agricultural census 2021-22; to use smartphones, tablets for data collection**

Agriculture Minister Narendra Singh Tomar on Thursday launched the eleventh agricultural census to collect data on various parameters, including operational holdings. For the first time, the data will be collected through smartphones and tablets. The fieldwork of the Eleventh Agricultural Census (2021-22) will start in August 2022, the agriculture ministry said in a statement. "Agriculture Census is conducted every 5 years, which is being undertaken now after a delay due to corona pandemic," it added. The ministry is implementing an agriculture census scheme from 1970-71. The tenth edition of the census was conducted with the reference year 2015-16.

<https://economictimes.indiatimes.com/news/economy/agriculture/govt-launches-11th-agricultural-census-2021-22-to-use-smartphones-tablets-for-data-collection/articleshow/93191522.cms>

#### **Surplus govt land identified for building wheat silos on PPP model at 33 locations in 4 states: Food Min**

The Food Ministry on Thursday said surplus government land has been identified for building wheat silos in public-private partnership mode at 33 locations in Punjab, Madhya Pradesh, Uttar Pradesh and Gujarat. Construction of modern storage facilities like wheat silos is to be built on public-private partnership mode under a new 'hub and spoke' model. The ministry aims to create a 111.12 lakh tonne capacity of silos at 249 locations across the country. The proposed silos will operate under DBFOT (Design, Build, Fund, Own and Transfer) at FCI's land and DBFOO (Design, Build, Fund, Own and Operate) on the land of concessionaire/other agency modes, through implementing agency Food Corporation of India (FCI).

<https://economictimes.indiatimes.com/news/economy/agriculture/surplus-govt-land-identified-for-building-wheat-silos-on-ppp-model-at-33-locations-in-4-states-food-min/articleshow/93191870.cms>

### **Infrastructure**

#### **Work on India's first vertical lift railway sea bridge is in progress, 64 girders launched**

Currently, Indian Railways is working on the country's first vertical lift bridge which will connect Rameswaram in the Arabian Sea to mainland India. The bridge will help the railways to operate trains at higher speed, carry more weight and increase the volume of traffic between Pamban and Rameswaram. It will also allow the ships and streamers to pass through without any obstacles. Today, Indian Railways has given an update on the same. Indian Railways has tweeted some photographs of the new Pamban Bridge and informed that the construction work of India's first vertical lift railway sea bridge, the New Pamban Bridge is going on in full swing at Rameswaram in Tamil Nadu. The work on the substructure has been completed and 65 out of 99 girders have been launched.

<https://www.financialexpress.com/infrastructure/indian-railways-work-on-indias-first-vertical-lift-railway-sea-bridge-is-in-progress-64-girders-launched/2609853/>

## Energy

### India's power deficit slips from 2 pc in April to 0.6 pc in June

Power deficit came down from 2 per cent in April to 0.4 per cent in May and 0.6 per cent in June despite significant rise in demand of electricity, Parliament was informed on Thursday. In a written reply to the Lok Sabha, Power Minister R K Singh said electricity supplied grew 12.8 per cent in April 2022, as compared to the year-ago month, across India. Power requirement, on the other hand grew 14.7 per cent in April on all-India basis, resulting in a deficit of 2 per cent. "The gap between energy requirement and energy supplied had been reduced considerably...to 0.4 per cent and 0.6 per cent during the months of May 2022 and June 2022 respectively, despite the significant increase in energy requirement during these months as compared to the corresponding months of May 2021 and June 2021," he said.

<https://www.financialexpress.com/economy/indias-power-deficit-slips-from-2-pc-in-april-to-0-6-pc-in-june/2609657/>

## Telecom

### Day 3 of 5G spectrum auction closes at ₹1,49,623 crore with the 16th round

The telecom spectrum auction for 5G technology continued for the third day on Thursday, totalling 16 rounds (four rounds on the first day, five rounds on Wednesday) with not much change in the bidding amount of ₹1,49,623 crore, across all bands. This is marginally higher than the ₹1,49,454 crore-worth of bids received at the end of the ninth round on Wednesday, the second day of the auction. On the first day of the auction on Tuesday, the government saw bidding of around ₹1.45 lakh crore. The government has put a total of 72 GHz (gigahertz) of radiowaves worth ₹4.3 lakh crore up for bid.

<https://www.thehindubusinessline.com/info-tech/5g-spectrum-auctions-enter-day-3-10th-round-of-bidding-underway/article65692652.ece>

## States

### Chhattisgarh gets investment proposals worth more than Rs 90,000 crore

Mineral-rich Chhattisgarh has received, as part of its industrial policy, investment proposals worth more than Rs 90,000 crore in the past three and a half years. A spokesperson for the Chhattisgarh commerce and industries department said during this period, 178 deals had been inked for setting up units in the state. These will create 110,300 jobs, the spokesperson added. According to officials, the state received capital investments of Rs 4,126 crore for establishing new units. By May this, production started in 11 units with capital investments of Rs 1,385 crore. The units on stream had provided jobs to nearly 2,000 people, officials said. The remaining proposals, worth Rs 2,741 crore, are in the works and would take shape soon, officials said. "The industry-friendly policy of the government of Chhattisgarh has created an environment for the establishment of new industries and business in the state," a senior official of the department said.

[https://www.business-standard.com/article/economy-policy/chhattisgarh-gets-investment-proposals-worth-more-than-rs-90-000-crore-122072801243\\_1.html](https://www.business-standard.com/article/economy-policy/chhattisgarh-gets-investment-proposals-worth-more-than-rs-90-000-crore-122072801243_1.html)

## External

### Manufacturing sector gets \$21 bn FDI in FY22, increases by 76% YoY

The manufacturing sector attracted foreign direct investments worth USD 21.34 billion in 2021-22, an increase of 76 per cent year-on-year, the commerce ministry said on Thursday. It said the government has implemented several reforms under the FDI policy regime across sectors such as insurance, defence, telecom, financial services, pharmaceuticals, retail trading, and e-commerce. Singapore (27.01 per cent) and the US (17.94 per cent) have emerged as the top two investors during 2021-22 in India. These were followed by Mauritius (15.98 per cent), the Netherlands (7.86 per cent) and Switzerland (7.31 per cent). "FDI equity inflows in the manufacturing sectors have

increased by 76 per cent in FY 2021-22 (USD 21.34 billion) compared to previous FY 2020-21 (USD 12.09 billion)," it added. The ministry said that despite the ongoing pandemic and global developments, India received the "highest" annual FDI inflows of USD 84.83 billion in 2021-22.

[https://www.business-standard.com/article/economy-policy/manufacturing-sector-gets-21-bn-fdi-in-fy22-increases-by-76-yoy-122072800583\\_1.html](https://www.business-standard.com/article/economy-policy/manufacturing-sector-gets-21-bn-fdi-in-fy22-increases-by-76-yoy-122072800583_1.html)

#### **India got highest aid for trade from developed countries in 2020**

India received the highest aid for trade in 2020 at \$2.7 billion from developed countries even as the receipts declined during the pandemic year compared to \$3.9 billion received in 2019. The World Trade Organisation-led aid for trade flows is particularly meant for the least developed economies. It consists of official development support to build supply-side capacity and trade-related infrastructure to enable such countries to participate in international trade. Bangladesh was the second largest recipient of the aid, followed by Egypt, Ethiopia, Kenya, Vietnam, Pakistan, Morocco, Myanmar and Indonesia, among others. Institutions such as the World Bank, European Union Institutions, Asian Development Bank, and developed countries such as Japan, United States, Germany, France are among the top donors for the aid. According to a joint Aid for Trade at a Glance 2022 report issued by the WTO and the Organisation for Economic Cooperation and Development (OECD) aid for trade commitments increased by 18 per cent during 2020, reaching an all-time high of \$64.6 billion. The total disbursement during 2020 was \$48.7 billion, which translates to India getting 4 per cent of the disbursements. Trade experts, however, said that while reports show that India—a developing country—

[https://www.business-standard.com/article/economy-policy/as-credit-demand-grows-banks-may-soon-be-scrambling-for-deposits-122072800637\\_1.html](https://www.business-standard.com/article/economy-policy/as-credit-demand-grows-banks-may-soon-be-scrambling-for-deposits-122072800637_1.html)

#### **India-UAE-France hold their maiden trilateral meet**

India-UAE-France on Thursday held their maiden trilateral meet to explore potential cooperation in the Indo-Pacific region including in maritime security, blue economy and regional connectivity and food & energy security. The three sides exchanged perspectives on the Indo-Pacific region and explored the potential areas of trilateral cooperation including Maritime Security, Humanitarian Assistance and Disaster Relief (HADR), Blue Economy, Regional Connectivity, Cooperation in Multilateral Fora, Energy and Food Security, Innovation and Startups, Supply Chain Resilience and Cultural and People-to-People Cooperation, officials said, adding, they also discussed the next steps to be taken for furthering trilateral cooperation in the Indo-Pacific region.

<https://economictimes.indiatimes.com/news/india/india-uae-france-hold-their-maiden-trilateral-meet/articleshow/93194890.cms>

#### **Cooperation in digital payments, space, agri, pharma sectors to boost India-Uzbekistan ties: Piyush Goyal**

Increasing cooperation in seven emerging areas like digital payments, space, agri, dairy and pharma between India and Uzbekistan will help boost economic ties, commerce and industry minister Piyush Goyal said on Wednesday. The other areas include gems and jewellery, and MSME (Micro Small and Medium Enterprises). The minister also said that both the nations should explore ways to improve connectivity for facilitating trade. Bilateral trade has increased from USD 247 million in 2019-20 to USD 342 million in 2021-22. Goyal said this while addressing the 13th session of India-Uzbekistan Inter Governmental Commission (IGC) here.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/cooperation-in-digital-payments-space-agri-pharma-sectors-to-boost-india-uzbekistan-ties-piyush-goyal/articleshow/93193913.cms>

#### **Probe into bid to evade duty on China polyester yarn imports**

India has initiated a probe into the alleged circumvention of anti-dumping duty imposed on high tenacity polyester yarn (HTPY) originating from China, based on an application filed by Reliance Industries Ltd. "The authority hereby initiates an anti-circumvention investigation...to consider extension of existing anti-dumping duty on imports," the Directorate General of Trade Remedies (DGTR) said in a notification. It said the application for initiating the probe has been filed by Reliance Industries (RIL), a major producer of HTPY in India. The application is supported by Wellknown Polyesters Ltd, DGTR said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/probe-into-bid-to-evade-duty-on-china-polyester-yarn-imports/articleshow/93195662.cms>

### **Centre likely to allow 1.2 MT additional sugar exports this season**

The Centre is expected to allow an additional 1.2 million tonnes (MT) of sugar exports in the 2021-22 season, which will end in September, over and above the 10 MT already fixed, due to higher-than-anticipated domestic production. Sources said a high-powered panel of officials approved the additional quota of exports during a meeting held a few days back. "This extra quota will be good enough to absorb the surplus production and still leave around 6-6.8 MT of sugar as closing stocks, which is roughly three-four months of consumption," a senior industry official said. A formal announcement regarding this is expected soon, the official said. Sugar production in the current year (2021-22) is now estimated to be over 36 MT, against the expectation of 35 MT.

[https://www.business-standard.com/article/economy-policy/centre-likely-to-allow-1-2-mt-additional-sugar-exports-this-season-122072800440\\_1.html](https://www.business-standard.com/article/economy-policy/centre-likely-to-allow-1-2-mt-additional-sugar-exports-this-season-122072800440_1.html)