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## Economy

### **Inflation has eased to manageable level; job creation, growth remain priorities: FM Nirmala Sitharaman**

Finance Minister Nirmala Sitharaman on Wednesday said the country's economic growth remains a priority for the government, as inflation has come down to a manageable level. Job creation and equitable distribution of wealth remain the other focus areas, she said at India Ideas Summit here. "Some of course are red-lettered (priorities), some may not be. Red-lettered ones would of course be jobs, equitable wealth distribution and making sure India is moving on the path of growth. "In that sense inflation is not red-lettered. I hope it doesn't surprise many of you. We have shown that in the past couple of months that we were able to bring it to a manageable level," she said at the event. According to official data, retail inflation softened to 6.71 per cent in July due to moderation in food prices but remained above the Reserve Bank's comfort level of 6 per cent for the seventh consecutive month.

<https://www.financialexpress.com/economy/inflation-has-eased-to-manageable-level-job-creation-growth-remain-priorities-fm-nirmala-sitharaman/2658227/>

### **Restricting simultaneous Mgnrega work to 20 in a Panchayat sparks row**

The rural development ministry's new guidelines which restrict the number of simultaneous works under Mahatma Gandhi National Rural Employment Guarantee Scheme (Mgnrega) to 20 have become the latest flashpoint between the Centre and Opposition-ruled states. Telangana and Kerala have objected to the rural development ministry's move to restrict the number of simultaneous or open works in a panchayat to 20. According to sources, the two states have expressed their objection in written communication to the ministry pointing out that this would reduce the number of workdays and limit the state's capacity to provide 100 days of guaranteed employment.

<https://economictimes.indiatimes.com/news/economy/policy/restricting-simultaneous-mgnrega-work-to-20-in-a-panchayat-sparks-row/articleshow/94060134.cms>

## Banking and Finance

### **Sebi mulls allowing PEs to own AMCs**

The Securities and Exchange Board of India (Sebi) is considering a proposal to allow private equity funds to own local asset management companies (AMCs), a move that will boost competition and mergers and acquisition activity in the space. The regulator is also examining whether to allow loss-making sponsors to invest in mutual fund businesses provided they fulfil the fit-and-proper criteria. This move could allow fintech companies to enter the asset management business, said analysts. If a private equity fund has a net worth of Rs 150 crore and is able to establish the ultimate beneficiary, it would be able to invest in AMCs in India, said two people familiar with the development.

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-mulls-allowing-pes-to-own-amcs/articleshow/94062149.cms>

### **Former RBI governor D Subbarao suggests 10-year road map for privatisation of all public sector banks**

Former RBI governor D Subbarao has suggested that the government should come up with a 10-year road map for privatisation of all Public Sector Banks (PSBs) as it would provide much needed predictability to stakeholders. Subbarao further said that the big bang approach to privatisation of state-owned banks is not desirable but at the

same time the issue should not be put on the back burner. “Ideally, we should have a road map, maybe over a 10 year timeframe, to privatise all PSBs. Meanwhile, Subbarao said the government should also be thinking about corporatisation of public sector banks so that they come within the umbrella of uniform RBI regulation.

<https://www.financialexpress.com/industry/banking-finance/former-rbi-governor-suggests-10-year-road-map-for-privatisation-of-all-public-sector-banks/2658682/>

#### **Non-life insurer’s gross premium jumps 4.6% in Aug**

Gross direct premium underwritten by non-life insurance companies rose 4.6 per cent on-month to ₹24,472 crore in August, as per the provisional data by the General Insurance Council. The increase was largely on account of an over three-fold jump in the revenue of specialised public insurers — Agriculture Insurance Company and ECGC Ltd. Gross written premium of these entities rose to ₹5,311 crore in August from ₹1,587 crore in July.

<https://www.thehindubusinessline.com/money-and-banking/non-life-insurers-gross-premium-jumps-46-in-aug/article65862243.ece>

#### **NPAs from MUDRA loans in Maharashtra at 16.32% till June 2022: Official data**

Nearly Rs 5,000 crore of loans or 16.32 per cent of the total bank assets in Maharashtra under the Pradhan Mantri MUDRA Yojana to help small businesses are unpaid as of June 2022, as per official data. Parbhani district in the backward Marathwada region of Maharashtra has the highest non-performing assets (NPAs) at 60.54 per cent, according to data released during the State Level Bankers Committee meeting held in Aurangabad on Monday.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/npas-from-mudra-loans-in-maharashtra-at-16-32-till-june-2022-official-data/articleshow/94044671.cms>

#### **CBDC to bring down time, cost for cross-border transactions: RBI Deputy Governor T Rabi Sankar**

Central bank digital currency (CBDC), to be launched this year, could become a tool for reducing time and cost for cross-border transactions, Reserve Bank Deputy Governor T Rabi Sankar said on Wednesday. “We have to understand that internationalization of CBDC is crucial to addressing the payments issue that bodies like G-20 and Bank for International Settlements (BIS) are dealing with now,” he said at India Ideas Summit. Observing that India has an excellent, cheap and fast domestic payments system, he said the cost of cross-border payment, however, is still high. There is a lot of scope for improvement in terms of both cost and speed, he noted. CBDC is probably the most efficient answer to this, he said, adding, for example, if India CBDC and the US CBDC systems can talk to each other, we don’t have to wait for settling transactions. “That massively takes out the settlement risk from cross border transaction that reduces time, that reduces cost. So, CBDC internationalisation is something that I’m looking forward to,” he said.

<https://www.financialexpress.com/industry/cbdc-to-bring-down-time-cost-for-cross-border-transactions-rbi-deputy-governor-t-rabi-sankar/2658546/>

### **Industry**

#### **India Inc on hybrid working model: 38% firms to expand office portfolio in next 6-18 months, says Colliers**

With India Inc heading back to the office, mostly on a hybrid basis, about 38 per cent of the organisations are planning to expand their office portfolio in the next 6-18 months, said a survey by Colliers. And the other 35 per cent are planning to retain their existing portfolios while 13 per cent look to consolidate their office spaces. Half of the total organisations planning portfolio expansion in the next 6-18 months belong to the technology sector. The survey of large, mid-sized and small firms further revealed that 63 per cent of the firms are embracing hybrid working, while 28 per cent are working all day from the office. These companies are majorly from the consulting, BFSI, and engineering sectors. Three days a week in office is the most popular hybrid working style with 26 per cent firms preferring the same. According to the survey, this hybrid pattern allows businesses to pursue business goals without hindrances while offering better work-life balance to employees. About 53 per cent of businesses said that productivity has increased since the start of remote work. “Interestingly, about one-third of the occupiers surveyed revealed that their productivity increased by 5-10 per cent with hybrid working. Offices are now evolving into centers of collaboration and innovation, with the wellbeing of employees at the core,” said Ramesh Nair, Chief Executive Officer, India and Managing Director, Market Development, Asia, Colliers. In terms of challenges, 28 per cent of the

firms feel that 'discrepancy in a workplace environment is the biggest challenge in hybrid working, followed by communication barriers and lack of collaboration'.

<https://www.financialexpress.com/industry/india-inc-on-hybrid-working-model-38-firms-to-expand-office-portfolio-in-next-6-18-months-says-colliers/2658028/>

### **Consumer durables sector revenue to rise 15-18% to cross Rs 1-lakh cr this fiscal: Report**

Despite increasing margin pressure, the consumer durables sector is likely to witness a double-digit volume growth, pushing its revenue up by 15-18 per cent to Rs 1 lakh crore this fiscal, according to a report. According to the report, a 10-13 per cent spike in demand/volume, which will be driven by both urban and rural segments — led mostly by the AC and refrigerator segments, though rural demand will come into play in the second half of the fiscal. The Crisil report said a 10-13 per cent spike in volume will boost the top-line of the sector by 15 to 18 per cent this fiscal, taking past the size of the durables industry to over Rs 1 lakh crore, which will be 3 per cent above the pre-pandemic size. However, margins are under pressure given the run-away commodity prices of inputs like copper, aluminium, steel and polypropylene, but not to the extent of last fiscal when it fell by 180-200 bps. The report, however, didn't quantify how much the margins will be hit.

<https://www.financialexpress.com/industry/consumer-durables-sector-revenue-to-rise-15-18-to-cross-rs-1-lakh-cr-this-fiscal-report/2658628/>

### **Etailers ask sellers to prepare for September-end big festive sales**

Ecommerce firms like Amazon India and Flipkart have conveyed to their sellers to prepare for the upcoming festive season sale which is likely to take place in the third week of September, according to people in the know of the matter. Several brands, sellers, and ecommerce executives told ET they expect a noteworthy change in consumer sentiments potentially resulting in 30-40% higher sales during the Diwali sales this year compared to last year. This comes on the back of relatively muted sales clocked by these online retailer players due to inflationary pressures as well as offline stores opening up fully with Covid cases falling.

<https://economictimes.indiatimes.com/tech/technology/etailers-ask-sellers-to-prepare-for-september-end-big-festive-sales/articleshow/94059133.cms>

## **Agriculture**

### **Govt to offload about 50,000 tonnes of onions from buffer stock**

The government will offload about 50,000 tonnes of onions from its buffer stocks to a few cities like Delhi and Guwahati, where retail prices are a little higher than the all-India average rates. To stabilise onion prices, the Centre is maintaining a buffer stock of 2.5 lakh tonnes of onion. Sources said that the department of consumer affairs will sell 50,000 tonnes of onions to cities like Delhi and Guwahati from its buffer stocks. There are many cities where prices are higher than the all-India average rates, they added. The all-India average prices of onions stood at Rs 26 per kg on Tuesday.

<https://economictimes.indiatimes.com/news/economy/agriculture/govt-to-offload-about-50000-tonnes-of-onions-from-buffer-stock/articleshow/94057753.cms>

## **Infrastructure**

### **Union Cabinet approves policy on long-term leasing of Railways' land**

The Union Cabinet on Wednesday approved a policy for long-term leasing of railway land for the PM Gati Shakti programme, which the government said will help set up 300 cargo terminals and generate 1.25 lakh jobs. The new policy will help provide land lease for a longer period of up to 35 years as against five years at present, Union Minister Anurag Thakur told the media after the cabinet meeting. With an employment generation potential of about 1.25 lakh jobs, the policy will also bring more revenue to the Railways; 300 cargo terminals will be developed in five years. The new policy will enable the integrated development of infrastructure and more cargo terminals. It has also cut down land lease fee from 6 percent to 1.5 percent, the railways said in a statement.

[https://www.business-standard.com/article/economy-policy/union-cabinet-approves-policy-on-long-term-leasing-of-railways-land-122090700801\\_1.html](https://www.business-standard.com/article/economy-policy/union-cabinet-approves-policy-on-long-term-leasing-of-railways-land-122090700801_1.html)

## Telecom

### Telecom industry set to cross the Rs 10 lakh crores landmark: report

The telecom industry is set to cross the Rs 10 lakh crores landmark in 2023 and by 2025 is expected to cross Rs 13 lakh crores with 5G services expected to go live by the end of 2022 and scaling to several cities and towns of the country in 2023 and beyond, as per a report by tech consultancy Techarc. The report titled, "India Smartphone – Big Picture 2025" outlines the outlook, key trends and challenges that are expected to be faced by the smartphone industry in India and is based on the analyses done by Techarc along with interactions done with the ecosystem leadership representing the smartphone OEMs, channel partners, component suppliers and other key enablers of the smartphone industry in India.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/telecom-industry-set-to-cross-the-rs-10-lakh-crores-landmark-report/articleshow/94055962.cms>

### Tech body wants Centre to formalise rules for internet shutdowns

The Internet and Mobile Association of India (IAMAI) has asked the government to consider adopting federal oversight over internet shutdowns occurring across the country. Responding to the consultation process by the Department of Telecommunications(DoT) on the "need for a new legal framework for governing the telecommunications sector of India," the tech industry body noted that temporary internet shutdowns must be only done through a standard operating procedure and approved by the DoT. This appeal comes at a time when India is the leading country in the number of internet disruption incidents and frequency shutdowns.

<https://www.thehindubusinessline.com/info-tech/tech-body-wants-centre-to-formalise-rules-for-internet-shutdowns/article65861732.ece>

## States

### UP CM Yogi Adityanath announces new measures to provide relief to farmers

Taking note of less than average rainfall in more than 80% of the state, UP CM Yogi Adityanath on Wednesday announced a slew of measures to provide temporary relief to the farmers grappling with drought-like conditions. The CM also called for a survey of all the 75 districts of the state to assess the status of drought. In a high-level meeting regarding the status of monsoon on Wednesday, the CM noted that 62 out of 75 districts in the state received less than average rainfall this year for which farmers need to be extended aid for.

<https://economictimes.indiatimes.com/news/india/up-cm-yogi-adityanath-announces-new-measures-to-provide-relief-to-farmers/articleshow/94059086.cms>

### In fiscal 2020–21, Mizoram's GSDP increased by 15.62%: CAG Report

In fiscal 2020–21, Mizoram's Gross State Domestic Product (GSDP) increased by 15.62 percent, according to a research from India's Comptroller and Auditor General (CAG). The state's GSDP at current prices increased at a pace ranging from 12.76% to 15.62% between 2016 and 21 according to the report that Chief Minister Zoramthang submitted to the assembly on Wednesday. According to the report, the GSDP for the 2020–21 fiscal year increased by 15.62% to Rs 29,076 crore from Rs 25,149 crore (in 2019–20). The primary sector's growth rate in the GSDP has significantly decreased over the five-year period from 2016–2017 to 2020–2021, falling from 18.16% in 2016–17 to 11.15% in 2020–21, while the growth in the secondary sector has stayed more-or-less consistent, based on the report.

<https://economictimes.indiatimes.com/news/economy/indicators/in-fiscal-202021-mizorams-gsdp-increased-by-15-62-cag-report/articleshow/94058886.cms>

### Kochi Metro Rail project's 2nd phase gets a nod from Centre, 11km stretch to cost Rs 1,957 crore

The Union Cabinet gave its nod for the construction of the second phase of Kochi Metro Rail project, which will travel through 11 stations covering a distance of over 11 kilometers. According to a central government statement preparatory work on the project, including the widening of the road near the airport, is progressing well. The project has been commissioned on an estimated cost of Rs 1,957 crore. The first phase of the project, which started in Aluva and ended at Petta, is fully operational since December 2014. The second phase, which was commissioned in 2017

by then Chief Minister Pinarayi Vijayan in the presence of Union Minister Hardeep Singh Puri will be taken up from the JLN Stadium to Infopark, and will also pass Kakkanad.

<https://www.financialexpress.com/infrastructure/kochi-metro-rail-projects-2nd-phase-get-a-nod-from-centre-11km-stretch-to-cost-rs-1957-crore/2658738/>

## Healthcare

### **New Covid Jabs may not be primary dose in drive**

The health ministry may not include the new Covid-19 vaccines as primary doses in the nation's vaccination drive given that a large majority of the population has already received the first two shots, people in the know told ET. The country's first mRNA Covid-19 vaccine is awaiting a nod from the ministry for inclusion in the vaccination drive. The vaccine was approved by the Drugs Controller General of India (DCGI) in June. A government official said the addressable market would now be in booster shots, since most of the people eligible for Covid-19 vaccines have already received both the doses.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/new-covid-jabs-may-not-be-primary-dose-in-drive/articleshow/94060275.cms>

## External

### **New Foreign Trade Policy to focus on IT-enablement, e-commerce, R&D, export hubs**

The new Foreign Trade Policy (FTP), which will come with a vision statement that will set the road-map for future export growth, is set to be announced by the month-end, but a decision on its duration—whether full-term, mid-term or even shorter—is yet to be taken, sources tracking the matter have said. “This time the FTP will be about trade facilitation, reducing costs, IT-enablement, promotion of e-commerce and pushing district export hubs. For the first time, it will also have a vision statement. But a decision has yet to be taken on its duration and the final call will be political,” the source told BusinessLine.

<https://www.thehindubusinessline.com/economy/new-ftp-to-focus-on-it-enablement-e-commerce-rd-export-hubs/article65862488.ece>

### **Demand slowdown, global uncertainties impacting India's exports**

Subdued demand from developed countries and blocs like the US and EU is impacting exports of key sectors including engineering, gems and jewellery and may have implications on India's exports in case the global situation does not improve in coming months. Global inflation, Russia-Ukraine war, simmering China-Taiwan crisis and supply disruptions are hurting economic growth worldwide, leading to poor demand, experts say. The world merchandise trade volume is expected to grow 3 per cent in 2022 against the earlier forecast of 4.7 per cent, mainly due to the ongoing war between Russia and Ukraine, according to the World Trade Organization forecast, released in April. Organisation for Economic Cooperation and Development (OECD), a grouping of developed nations, has stated that G-20 merchandise trade growth has slowed markedly in value terms in second quarter of 2022 (April-June).

<https://www.financialexpress.com/economy/demand-slowdown-global-uncertainties-impacting-indias-exports/2658018/>

### **India's current account deficit to rise to 3.5% of GDP in FY23 on slowing global growth, says Nomura**

Both export and import growth in India moderated in the month of August. The fall remained more pronounced in exports, leading to the trade deficit staying elevated at \$28.7 billion, down from \$30 billion reported in July. So far in this financial year, the average monthly trade deficit has been around \$26 billion. While moderating commodity prices and the uneven pace of growth recovery will affect import growth in coming months, analysts at Nomura believe that slowing global growth is likely to weigh further on India's exports, and lead to persistently elevated trade deficits. The research firm raised its FY23 current account deficit forecast for India to 3.5% of GDP from 3.3% projected earlier. This is more than double of 1.2% recorded in the previous fiscal. According to analysts at Nomura, despite the fall in both export and import growth, the deceleration in the former has been far more pronounced. The Nomura India Normalisation Index (NINI) for trade – that excludes base and seasonal effects – shows that export growth has fallen from a peak of around 48% above its pre-pandemic level (APPL) in June to around 26% in August. In contrast, imports have fallen from 78% APPL to 60% over the same period. High monthly trade deficits are

increasingly becoming the norm rather than exception, according to the research firm. While the moderation in commodity prices, and the uneven pace of the recovery will weigh on imports, analysts suspect that overall demand will remain sticky.

<https://www.financialexpress.com/economy/indias-current-account-deficit-to-rise-to-3-5-of-gdp-in-fy23-on-slowing-global-growth-says-nomura/2658009/>

#### **RBI, FinMin ask banks, trade bodies to push cross-border rupee trade**

Reserve Bank and the finance ministry on Wednesday asked top management of banks and representative of trade bodies to push exports and import transactions in rupee. It was stressed during a meeting that banks should connect with their foreign counterparts for opening special rupee vostro accounts to facilitate cross-border trade in Indian currency rather than popular mode dollar, sources said. Trade associations and their foreign trading partners should explore opportunities to make use of the framework, sources added. The meeting, which saw participation from various stakeholders, including officials of external affairs and commerce ministries, Indian Banks' Association, urged embassies abroad to promote the mechanism through diplomatic channels.

[https://www.business-standard.com/article/economy-policy/rbi-finmin-ask-banks-trade-bodies-to-push-cross-border-rupee-trade-122090701253\\_1.html](https://www.business-standard.com/article/economy-policy/rbi-finmin-ask-banks-trade-bodies-to-push-cross-border-rupee-trade-122090701253_1.html)