



September 21, 2022 – Wednesday

Economy

Retail inflation for farm, rural workers rise in August

Retail inflation for farm and rural workers increased to 6.94 per cent and 7.26 per cent, respectively, in August mainly due to higher prices of certain food items. In July, retail inflation for farm and rural workers stood at 6.60 per cent and 6.82 per cent respectively, a labour ministry statement said. Food inflation stood at 6.16 per cent and 6.21 per cent for agricultural labourers (CPI-AL) and rural labourers (CPI-RL) respectively, in August 2022 compared to 5.38 per cent & 5.44 per cent respectively in July 2022 and 2.13 per cent & 2.32 per cent respectively during the corresponding month of the previous year. The All-India CPI-AL and CPI-RL for August 2022 increased by 9 points each to stand at 1,140 and 1,152 points, respectively. The CPI-AL was 1,131 points in July 2022, while CPI-RL was 1143 points in the month. The major contribution towards the rise in general index of Agricultural Labourers and Rural Labourers came from food group to the extent of 7.74 & 7.36 points respectively mainly due to increase in prices of rice, Wheat-Atta, Bajra, Maize, Pulses, Milk, Onion, Chillies Green/Dry, Turmeric whole, mixed spices, Vegetables & Fruits, Gur, etc.

<https://www.financialexpress.com/economy/retail-inflation-for-farm-rural-workers-rise-in-august/2678980/>

Raising capex, filling vacancies top PM's agenda for Ministries

Stepping up capital expenditure, taking up remedial action based on CAG reports as well as filling up all vacancies on a priority basis are some of the key areas that Prime Minister Narendra Modi wants government Ministries and departments to focus on. These issues are understood to have been highlighted at a recent meeting of the Council of Ministers earlier this month on September 7. Cabinet Secretary Rajiv Gauba has now written to all Secretaries stating that the Prime Minister has emphasised upon these eight issues. In the letter, Gauba has asked them to initiate immediate action. Each Ministry and department should regularly monitor capital expenditure, take steps to ensure that the pace of capex is stepped up and full utilisation of the budgetary allocation is achieved, the letter has said. "Ministries and Departments to meticulously study the CAG Reports, take remedial actions and undertake systemic improvements," it has further said.

<https://www.thehindubusinessline.com/economy/step-up-capex-action-on-cag-reports-fill-vacancies-on-top-priority-pms-eight-point-agenda-for-govt-ministries/article65913716.ece>

India to grow at over 7 per cent in FY23, says CEA V Anantha Nageswaran

Chief economic advisor V Anantha Nageswaran on Tuesday said Indian economy will grow at over 7 per cent, down from above 8 per cent of growth rate projected in January. He, however, said that the economic momentum and the animal spirits are "unmistakable". "India's own growth rates have come off the projections made in January down to about 7-plus per cent for the current financial year," Nageswaran said speaking at Global Fintech Fest event here. He said the world is still undergoing the aftereffects of Covid pandemic and the ongoing war in Europe triggered by Russia's invasion of Ukraine, suggesting that these factors are hurting growth. The economic survey released before the annual budget in January this year has estimated FY23 growth to come at 8-8.5 per cent. The RBI has estimated the GDP to grow at 7.2 per cent, but some analysts have said that there will be a downward revision of the estimate soon.

<https://www.financialexpress.com/economy/india-to-grow-at-over-7-per-cent-in-fy23-says-cea-v-anantha-nageswaran/2677574/>

India's robust growth momentum may create macro stability challenges for economy

Despite the slowdown and recession threat looming over the world, Barclays believes that India's economy stands out as an outlier, benefiting from enhanced food security, deleveraged private sector balance sheets, and more room to use fiscal tools to offset the relative price shocks faced in terms of weaker exchange rates, high inflation, and rising interest rates. "We are comfortable with our baseline view of India's growth slowing from 7.0% in FY 22-23 to 6.5% in FY 23-24, given strong consumption and continued fiscal support," Barclays said in its report adding that India's domestic dynamics are strong enough to drive growth of at least 6% for the next two years. Analysts at Barclays, however, believe that a potentially faster growth path amid a deteriorating global backdrop, elevated interest rates and still high commodity prices, would bring the risks of a wider current account deficit, a stickier fiscal deficit profile, and inflation running higher than average over the cycle. "Alongside, policy buffers in the form of fiscal room and foreign reserves are much smaller than they were at the beginning of the Russia-Ukraine conflict, thus reducing policy space to continue with the same level of policy of intervention," they said.

<https://www.financialexpress.com/economy/indias-robust-growth-momentum-may-create-macro-stability-challenges-for-economy/2677473/>

Banking and Finance

Working to create a single KYC for financial sector: FM

Finance Minister Nirmala Sitharaman on Tuesday said that work is in progress to create a common KYC (Know Your Customer) for financial transaction. "There is a central repository which takes care of central KYC. We are also now working in such a way that once you have given your KYC, it can be applicable at various institutions at various times for various requirements that you may have. And you may not have to do it each time, even if the businesses that you're engaged in are slightly different," Sitharaman said while addressing FICCI Leads 2022 event here. Sitharaman further stated that the future of finance will be driven more and more through banking and related services and account aggregators would play a crucial role in it. "Account aggregator system has been adopted by 21 banks including public sector banks," she added.

<https://www.thehindubusinessline.com/economy/work-in-progress-on-single-kyc-for-financial-sectors-says-fm/article65914199.ece>

Bankruptcy Board, IBBI, amends regulations to reduce delays in insolvency process

Aiming to reduce delays and realise better value, the Insolvency and Bankruptcy Board of India (IBBI) has notified the IBBI (Liquidation Process) (Second Amendment) Regulations 2022 (Amendment Liquidation Regulations), and IBBI (Voluntary Liquidation Process) (Second Amendment) Regulations 2022 (Amendment Voluntary Liquidation Regulations). The amendments would ensure better participation of stakeholders and streamline the liquidation process to reduce delays, they added. Post the modifications, the Committee of Creditors (CoC) constituted during the Corporate Insolvency Resolution Process (CIRP) would function as Stakeholders Consultation Committee (SCC) during the first 60 days.

<https://economictimes.indiatimes.com/news/economy/policy/bankruptcy-board-amends-regulations-to-reduce-delays-in-insolvency-process/articleshow/94332978.cms>

EPFO adds 1.8 mn subscribers in July, posts 24% YoY rise, shows data

Retirement fund body EPFO added 18.23 lakh new subscribers in July 2022, registering a 24.48 per cent rise as compared to the year-ago period, according to official data. The provisional payroll data of Employees' Provident Fund Organisation (EPFO) released on Tuesday highlighted that of the total new members added in July, around 10.58 lakh members have come under the social security cover of EPFO for the first time, a labour ministry statement said. The data of new members joining EPFO has shown a growing trend since April 2022, it said. Out of 10.58 lakh new members added, approximately 57.69 per cent are in the age group of 18-25 years. This shows that first-time job seekers are joining the organised sector workforce in large numbers following their education and new jobs in the organised sector are largely going to the youth of the country.

https://www.business-standard.com/article/pf/epfo-adds-1-8-mn-subscribers-in-july-posts-24-yoy-rise-shows-data-122092000983_1.html

Industry

Working on PLI schemes for more sectors: Piyush Goyal

The government is working to extend incentives under the production-linked incentive (PLI) scheme to more sectors, commerce and industry minister Piyush Goyal said Tuesday. "We came up with PLI for 14 sectors apart from semiconductors... We are willing to go the extra mile in other sectors. We are working on a few PLI schemes already," Goyal said at a Ficci conference. The government has announced PLI schemes for 14 sectors, including white goods, textiles and auto components. Talking about his recent visit to Saudi Arabia, the minister said there is huge potential to increase cooperation in areas like fintech, education, infrastructure, renewable energy, e-commerce, e-gaming and health. Saudi Arabia wants Indian educational institutes to set up campuses there, and expand dual degrees, he added.

<https://economictimes.indiatimes.com/news/economy/policy/working-on-pli-schemes-for-more-sectors-piyush-goyal/articleshow/94334404.cms>

Apparel, accessories, home textiles likely in Textile PLI 2.0

The second edition of the production-linked incentive (PLI) scheme for textiles is likely to offer incentives for manufacturing of garments and home textiles such as blankets and bed spreads, and textile accessories like lace, button, and zippers. The textiles ministry is considering three investment thresholds of ₹15 crore, ₹30 crore and ₹45 crore, with do-able turnover as the criteria for incentives that would range between 8% and 10% under the ₹4,200 crore scheme. It is also likely to add a minimum number of stitching and sewing machines as another benchmark to avail the sops. "The scheme will attract investment and reduce the import dependence in textile accessories," said an official, adding that such value addition sectors are labour-intensive that require low investment but have a high potential to create jobs.

<https://economictimes.indiatimes.com/industry/cons-products/garments-/textiles/apparel-accessories-home-textiles-likely-in-textile-pli-2-0/articleshow/94336141.cms>

FSSAI releases draft regulations for front-of-the-pack labelling for packaged food industry

The Food Safety and Standards Authority of India (FSSAI) on Tuesday released draft regulations for the front-of-the-pack nutritional labelling (FOPNL) for packaged food companies, which has been the subject of intense discussions among stakeholders. The draft regulations propose to bring in five star ratings to give consumers more information about the nutritional profile of the packaged food products and make better choices. Once finalised, these ratings will be displayed on the front labels of the packed food products in close proximity to the brand names. The draft regulations states, higher number of stars will indicate that the food products are better positioned to provide for the daily nutrient needs of consumers. The regulator has now sought views of stakeholders and added that compliance with the regulations, once notified, will be voluntary in nature for four years.

<https://www.thehindubusinessline.com/economy/fssai-releases-draft-regulations-for-front-of-the-pack-labelling-for-packaged-food-industry/article65914936.ece>

India to see smartphone sales worth Rs 61k cr this festive season: Report

India is likely to witness record sales of smartphones this festive season, at around \$7.7 billion (over \$61,000 crore), and 1 out of every 3 smartphones sold during the festive season will be 5G enabled, a report showed on Tuesday. E-commerce channels are expected to capture 61 per cent of the overall sales, down from 66 per cent last year, according to Counterpoint Research. The smartphone retail average selling price (ASP) during the festive season will grow 12 per cent to reach its highest ever at \$242, although the unit sales may decline by 9 per cent (on-year). India's smartphone market is entering this festive season with the highest ever channel inventory of over 10 weeks, the report noted.

https://www.business-standard.com/article/technology/india-to-see-smartphone-sales-worth-rs-61k-cr-this-festive-season-report-122092000893_1.html

Tourism sector to contribute USD 250 billion to GDP by 2030: Centre

The Centre on Tuesday said the country's tourism sector will strive to recover to the pre-pandemic level by mid-2024 and contribute USD 250 billion to the country's GDP by 2030. The government also said the country intends to achieve USD 1 trillion through the sector -- the worst affected sector during the pandemic -- by 2047. This was announced at the end of the three-day national conference of tourism here, which saw the participation of tourism ministers from various states, and governors and administrators from Union territories, besides senior central government officials. Delivering the concluding remarks, Union Tourism Minister G Kishan Reddy urged all states to share and adopt best practices to boost the sector. "States must organise such conferences at the state level with district officers of different departments and stakeholders to improve and promote tourism destinations," he said.
<https://economictimes.indiatimes.com/news/economy/indicators/tourism-sector-to-contribute-usd-250-billion-to-gdp-by-2030-centre/articleshow/94334362.cms>

Large panel TVs share expected to cross 50 by FY2027, says Crisil

Share of large-sized panel televisions (40-inch and above) has tripled to over 40 per cent of the overall market in the past five years, and is expected to cross 50 per cent by 2027, said a report from Crisil. This is led by a combination of tailwinds such as "reduction in prices, rising incomes, increasing internet penetration, higher bandwidth availability" and shift in viewing habits expanding segment as rising consumption of Over-The-Top (OTT) streaming, it said. "With the tailwinds continuing, the share should cross the 50 per cent mark by fiscal 2027," the report said. The report further stated that the pandemic has changed family viewing habits and the rise in fibre-to-the-home services will further improve broadband services, thereby aiding the adoption of larger panel Televisions (TVs).
<https://economictimes.indiatimes.com/industry/cons-products/electronics/large-panel-tvs-share-expected-to-cross-50-by-fy2027-says-crisil/articleshow/94330980.cms>

Agriculture

DPIIT planning multi-media campaign to promote GI products

The commerce and industry ministry is planning a multi-media campaign to promote over 400 GI (Geographical Indication) products such as Darjeeling Tea, Chanderi Fabric, Mysore Silk, and Kashmir Walnut Wood Carving. "The Department for Promotion of Industry and Internal Trade (DPIIT) intends to empanel one or more audio-visual agencies to carry out various multi-media campaigns, production of advertising and promotional materials on a regular ongoing basis," said the department's notice inviting request for proposal. The agency will also support the department in scaling up the GI campaign through manifold interventions, considered important for building a strong GI ecosystem, it said. DPIIT, under the ministry, is looking to empanel reputed audio-visual agencies for GI promotion campaign.
<https://economictimes.indiatimes.com/news/economy/agriculture/dpiit-planning-multi-media-campaign-to-promote-gi-products/articleshow/94319122.cms>

Centre to cap State procurement fees at 2%, may save ₹4,000 cr

The Centre is planning to put a cap on total charges fixed by States over an above the minimum support price (MSP), which may bring down its expenditure on procurement incidentals by ₹4,000 crore, after coming up with a fixed charge as arhtiya commission from earlier flexible rates (in per cent). The Centre is estimated to have spent about ₹14,000 crore on procuring 102.61 million tonnes (mt) of rice and wheat during 2021-22 only to pay arhtiya commission, market fees and other levies, fixed by the States. Local levies paid by the Centre made up 4.33 per cent of the economic cost of rice, estimated at ₹35.97/kg in 2021-22. Similarly, they comprised 4.41 per cent share in wheat cost of ₹24.99/kg.
<https://www.thehindubusinessline.com/economy/agri-business/centre-to-cap-on-state-procurement-fees-at-2-may-save-4000-cr/article65914593.ece>

Infrastructure

Three roads will be offered through InVIT for fund raising: Nitin Gadkari

Three roads will be offered for fund raising through the Infrastructure Investment Trust (InVIT) of the National Highways Authority of India (NHAI) according to Transport Minister Nitin Gadkari. Speaking at the JPMorgan India Investor Summit, he said that a good response is expected for the same. "We (NHAI) are going to approach the

capital market. I am trying to get the investment from 'small people', credit cooperative societies, urban cooperative banks in the country," Gadkari said. He said that this is the first time that the centre is trying something on these lines. In August this year, Gadkari said that NHA is going to the capital markets next month. He said that there will be an investment limit of Rs 10 lakh per retail investor, with an assured return of 7-8%.

<https://economictimes.indiatimes.com/news/economy/policy/three-roads-will-be-offered-through-invite-for-fund-raising-nitin-gadkari/articleshow/94333792.cms>

Energy

Consultations on windfall tax an ongoing process: Oil Ministry

Consultations between finance, petroleum and other ministries are carried out on an ongoing basis to inform successive reviews of the windfall tax, the oil ministry said in a statement. The government had imposed a windfall tax, or special additional excise duty (SAED), of ₹23,250 per tonne on locally-produced crude oil on July 1 and has since reviewed the quantum every fortnight. The current windfall tax on crude is ₹10,500 per tonne. "From time to time, the government has received representations and requests for clarifications in respect of modalities of levy, rates, determination of liability, etc. These necessitate consultations as well as exchange of information between different ministries of government including the ministry of finance and ministry of petroleum and natural gas," the oil ministry said, dismissing a report that it had asked the finance ministry for a review. "Such consultations are an on-going process and are used to inform successive reviews."

<https://economictimes.indiatimes.com/industry/energy/oil-gas/consultations-on-windfall-tax-an-ongoing-process-oil-ministry/articleshow/94336102.cms>

With 3 months to go, renewable sector is 59 GW short of the 2022 target

With less than four months to the deadline of the 2022 renewable capacity addition target, India stares at an installation gap of about 59 GW, in which the solar segment alone accounts for about 39 GW. In 2015, the Indian government had set an ambitious capacity addition target of 175 GW (excluding the large hydro category) to be achieved by the end of 2022 by the renewable energy sector. The capacity addition to be achieved by the solar segment was pegged at 100 GW, while the wind power segment was expected to have a total capacity of 60 GW. Targets fixed for biomass power and small hydro sector were 10 GW and 5 GW respectively. In 2015, the solar segment had an installed capacity of about 4 GW. However, the segment started adding new capacity at a faster pace supported by several favourable factors. Wind also maintained its momentum, but it started reporting a slowdown in capacity addition since the advent of the auction regime in 2017. Last year, the solar segment had overtaken wind in overall capacity.

<https://www.thehindubusinessline.com/markets/commodities/with-3-months-to-go-renewable-sector-is-59-gw-short-of-the-2022-target/article65914568.ece>

Telecom

New telecom Bill to ease stressed assets resolution

The proposed Indian Telecommunication Bill 2022 will usher in a slew of reforms including a separate set of rules to deal with insolvency for stressed telecom assets, easier merger and acquisition norms, and empowering the Centre to waive off dues of financially stressed operators. According to top officials, the new Bill will put spectrum ownership in the hands of the government in case of a telecom operator goes through bankruptcy. This is being done to remove all ambiguity under the existing rules under the Insolvency and Bankruptcy Code.

<https://www.thehindubusinessline.com/info-tech/indian-telecommunication-bill-2022-paves-a-clear-path-for-insolvency-cases-stressed-telecom-assets/article65914478.ece>

Healthcare

Centre notifies new Medical Device Rules to smoothen licensing procedure

The Union government has notified the Medical Devices Rules on Tuesday as Medical Devices (Amendment) Rules, 2022. The Rules made provisions for all class A medical device manufacturers to register themselves through an identified online portal established for the purpose. Class A medical devices are those with low-to-moderate risk to

the patient or user (like surgical dressings). All class A and class B manufacturers are required to transition to the licensing regime by October 1. Several manufacturers are awaiting audits from the government licensing authorities. Online registration with self declaration would make this transition process easier. The manufacturer has to give an undertaking stating that the proposed device is class A medical device — non-sterile and/or non-measuring. This was a long-standing demand from the medical devices industry.

https://www.business-standard.com/article/economy-policy/centre-notifies-medical-device-amendment-rules-2022-122092001053_1.html

External

Stranded rice shipments to be reviewed

The Directorate General of Foreign Trade (DGFT) has sought details of the rice stranded at ports for which Indian exporters had entered into agreements with global buyers before the government imposed a 20% export duty on September 9. Nearly 1 million tonnes of rice is stuck at the ports and container freight stations following the government's decision, which came as a sudden blow to the rice trade. Exporters are concerned over the stranded consignments and have urged DGFT to allow the shipments to move to their destinations.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/stranded-rice-shipments-to-be-reviewed/articleshow/94336013.cms>

G20 trade ministerial: WTO reforms, supply chains may dominate agenda

Commerce and Industry Minister Piyush Goyal is set to attend the three-day Group of 20 (G20) nations' trade, investment, and industry ministerial, which begins on Wednesday in Bali, Indonesia. Member nations are expected to thrash out key trade issues related to market access, building sustainable supply chains, reform of the World Trade Organization (WTO), among others. There could also be discussions on industry's responses to pandemics, digital trade, and sustainable investment for global economic recovery. The meeting takes place at a time when the world is yet to fully recover from the Covid-19 pandemic's shock and is staring at recession, thanks in part to the geopolitical tensions triggered after the Russian invasion of Ukraine. On the sidelines of the ministerial, India will try to woo its trading partners to negotiate free trade agreements (FTAs) fast, people aware of the matter said.

https://www.business-standard.com/article/economy-policy/g20-trade-ministerial-wto-reforms-supply-chains-may-dominate-agenda-122092001085_1.html