



October 03, 2022 – Monday

Economy

Demand for work under MGNREGA rebounds marginally in September

Demand for work under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) rebounded marginally in September, after falling for three consecutive months, raising questions about labour market stability. Government data showed that demand for household and individual segments under the scheme was up more than 5% in September compared to August, though it was lower than a year ago. "Anticipating a dip in demand for agriculture jobs in the foreseeable future, there will be more demand for work under MGNREGA," said labour economist KR Shyam Sundar.

<https://economictimes.indiatimes.com/news/india/demand-for-work-under-mgnrega-rebounds-marginally-in-september/articleshow/94606429.cms>

Just top 20% of consumer driving demand as majority yet to recover from pandemic hit: Report

That the rich got richer during the pandemic has become more evident with research data showing just 20 per cent of the population are leading the discretionary consumption wagon as the rest are still recovering. The pandemic has not impacted affluent consumers' income levels in the country is clear from the fact that the top 20 per cent of the population account for the bulk of discretionary consumption -- 59 per cent in rural areas and 66 per cent in urban areas, Tanvee Gupta-Jain, chief economist at UBS Securities India, said in a report. Citing an in-house UBS survey (conducted in August among 1,500 higher-income consumers) results, she says more than half of the respondents have bought gold/ jewellery as planned or more in the past three months and more than half of them planning to invest in properties and buying cars/two-wheelers over the next two years.

<https://economictimes.indiatimes.com/news/economy/indicators/just-top-20-of-consumer-driving-demand-as-majority-yet-to-recover-from-pandemic-hit-report/articleshow/94598913.cms>

74% rural households receive water on 7 days, 8% once a week: Study

Eight per cent of the rural households in the country receive water only once a week, while about 74 per cent of them receive it all seven days, according to a new government study. The national study conducted by the Jal Shakti ministry released on Sunday has revealed that about four per cent of households receive water for 5-6 days in a week and 14 per cent receive at least 3-4 days in a week. Close to three-fourths of the HHs (74 per cent) received water all 7 days a week. Out of the remaining 26 per cent, 4 per cent received water for 5-6 days in a week, 14 per cent received at least 3-4 days in a week, and the balance 8 per cent received water only once a week, the study said. The average duration per day supply has been found to be three hours. Four out of five (80 per cent) households reported that their daily requirements of water are being met by the household tap connections, the study claimed.

https://www.business-standard.com/article/current-affairs/74-rural-households-receive-water-on-7-days-8-once-a-week-study-122100200743_1.html

Consumer spending in India expected to be high this festival season: Report

Coming out of the pandemic, consumers in India have expressed a strong desire to buy more discretionary products during the festive season, according to Deloitte's Global State of Consumer Tracker. Deloitte's latest analysis indicates that consumers are willing to increase spend on both travel and hotel stays. They also intend to buy either

a new or used vehicle within the next six months. "Despite concerns over inflation, the planned spending over the next four weeks will see spike across age groups in all categories," Deloitte said in a press statement. Consumers' intent to purchase clothing, electronic and home furnishing, and recreation, entertainment and leisure, indicates a positive spending pattern triggered by the upcoming festive season. "The survey findings clearly indicate that consumers plan to increase their discretionary spend by 30 per cent (on items such as recreation and entertainment, restaurants, and leisure travel) in August 2022, compared with April 2022," it said.

https://www.business-standard.com/article/economy-policy/consumer-spending-in-india-expected-to-be-high-this-festive-season-report-122100200329_1.html

Banking and Finance

FinMin to launch special campaign for financial inclusion from October 15

The Finance Ministry will run a special financial inclusion drive from October 15 to achieve saturation in respect of bank accounts and expansion of Kisan Credit Card coverage, among others. The campaign from October 15 to November 26 this year will also focus on mobile/Aadhaar seeding of existing accounts with a special focus on making small accounts normal accounts by doing full know your customer (KYC), according to a series of tweets from the Office of the Finance Minister. "To further deepen Financial Inclusion (FI) framework, @DFS_India will organise a special campaign from 15th October 2022 to 26th November 2022, which will initially be rolled out at the Gram Panchayat (GP) level in following seven districts across India-- Cuttack, Odisha, Aurangabad, Maharashtra, Pune, Maharashtra, Kakinada, AP, Kaushambi, UP, Datia, MP and Barpeta, Assam," one of the tweets said.

<https://economictimes.indiatimes.com/news/economy/policy/finmin-to-launch-special-campaign-for-financial-inclusion-from-october-15/articleshow/94605059.cms>

Finance ministry panel mulls 'broad-based' regulations for PE/VCS

A high-level panel set up by the finance ministry to look into issues being faced by venture capital (VC) and private equity (PE) investors is examining the feasibility of introducing a "broad-based" rule for alternative investment funds (AIFs), which include PE and VC funds. Currently, AIFs do not have any broad-based regulation, requiring a large number of investor representations.

https://www.business-standard.com/article/markets/govt-appointed-panel-mulls-broad-basing-regulations-for-pes-and-vcs-122100200741_1.html

Industry

Festive sales fire up demand for consumer goods across offline, online retail

Demand for consumer products has roared back in the last ten days on festive purchases in both offline retail and ecommerce platforms, attractive deals and discounts, and an easing of inflationary pressure, executives of multiple leading brands said. Sales of smartphones, televisions, home appliances, apparel and fashion products went up 12-20% over last year's Navratri period and there has been 8-12% growth in volume sales of electronic products. The buoyant start to festive sales – which will continue till Diwali – comes after muted growth in sales for the last 6-8 months due to high inflation. The flagship online festive sales by Walmart-owned Flipkart and Amazon saw strong growth in volumes this year during the first leg which lasted till the weekend, according to industry executives.

<https://economictimes.indiatimes.com/tech/technology/consumer-goods-back-in-fashion-on-festive-push/articleshow/94605564.cms>

E-commerce sales jumped 35% over last year, better than previously expected

E-commerce sales jumped 35% year-on-year (y-o-y) during the first week of the festive season sales led by growth in the personal care and electronics segment, which reported growth of over 60% from the same period last year, Unicommerce said on Sunday. Analysts at Redseer had earlier predicted the gross merchandise value (GMV) of e-commerce companies to touch \$5.9 billion. Of this, 60% had already been achieved between September 22-25, highlighting that the festive season was even "better than anticipated" on the back of robust demand. Overall, the GMV of the companies this festive season, which is usually a series of sales between September and October, was expected to jump 28% jump y-o-y to \$11.8 billion. Of that, smartphones accounted for roughly 45% of the sales

during September 22-25, thanks to the expected rollout of 5G services in the country. Categories like fashion, too, [drove sales higher.](https://www.financialexpress.com/industry/e-commerce-sales-jumped-35-over-last-year-better-than-previously-expected/2698599/)

Production of small screen televisions dwindle as consumers shift to big screen

As the shares of large panel televisions tripled in the last five years due to the change in consumer viewing habits, the shares of small screen televisions have witnessed a significant drop. As per the market share sourced by BusinessLine from CRISIL, the small screen televisions were around 40-50 per cent in FY17 and over the last five years, the market share stands at less than 15 per cent in FY22. The dip in the share of small screen televisions can be primarily attributed to the increase in competition in the television segment that resulted in a price war leading to declining in large-scale television prices. "Combination of reduction in prices, rising incomes, increasing internet penetration, higher bandwidth availability, and rising consumption of OTT streaming have led to an increase in the share of large-sized televisions," said Pushan Sharma, Director, CRISIL Research.

<https://www.thehindubusinessline.com/companies/production-of-small-screen-televisions-dwindle-as-consumers-shift-to-big-screen/article65962534.ece>

Agriculture

Kisan drones getting a leg up as RBI asks banks to finance agri drones

In a move that can boost technology driven farming, the Reserve Bank of India (RBI) has asked banks to start financing the purchase of Kisan Drones. "RBI has advised State Level Bankers Committees across the country to encourage banks to lend for purchase of Kisan Drones," a senior RBI official told businessline. The RBI's direction to banks is in line with the Union Budget 2022-23 which said the use of 'kisan drones' would be promoted for crop assessment, digitisation of land records and spraying of insecticides and nutrients. Subsequently, National Bank for Agriculture and Rural Development (Nabard) has finalised the unit costs for Kisan Drones. The banks can use the unit costs as the basis for financing kisan drones to individuals and farmer producer organisations (FPOs) and improve access to a large number of farmers, the RBI advised banks. The unit cost of a drone can reach up to a maximum of ₹10 lakh depending on the type of the drone. The Centre and the State Governments would provide a 40 per cent subsidy per drone jointly as per the latest norms.

<https://www.thehindubusinessline.com/economy/agri-business/kisan-drones-getting-a-leg-up-as-rbi-asks-banks-to-finance-agri-drones/article65962861.ece>

Infrastructure

Housing sales up 87% in Jan-Sep in 7 cities; breach CY19 figure: Anarock

Housing sales rose 87 per cent in January-September across seven cities to 2,72,709 units and breached the transactions clocked in entire 2019 pre-COVID year on strong demand, according to Anarock. Sales stood at 1,45,651 units in the January-September period of 2021. Property consultant Anarock, which is one of the leading housing brokerage firms, tracks primary sales of seven major cities -- Delhi-NCR, Mumbai Metropolitan Region (MMR), Chennai, Kolkata, Bengaluru, Hyderabad and Pune. As per the data, housing sales in these seven cities increased to 2,72,709 units during January-September this year from 1,45,651 units in the corresponding period of the previous year. The January-September figure of this calendar year is higher than the 2,61,358 units sold during entire 2019. Sales plunged to 1,38,344 units in 2020 due to the adverse impact of the COVID-19 induced lockdowns.

https://www.business-standard.com/article/companies/housing-sales-up-87-in-jan-sep-in-7-cities-breach-cy19-figure-anarock-122100200358_1.html

Energy

City gas discoms fear spike in natgas prices will hurt margins, expansion plans

A more than 40% increase in natural gas prices this month, the steepest hike ever, has city gas distribution (CGD) companies worried. Officials from the companies said price increases will impact sales volume and even the pace of

expansion. The companies, according to officials, are in a fix about whether to pass on the cost to consumers or absorb it. Adani Total Gas has increased CNG prices to Rs 86.90 per kg in Ahmedabad from October 1. "Any further increase will reduce attractiveness of gas vis-a-vis alternate fuels and will dampen the economic incentive for conversion to gas, adversely affecting the growth of the CGD sector," said a Mahanagar Gas Ltd's (MGL) spokesperson in an emailed response.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/mumbai-gas-discoms-fear-spike-in-natgas-prices-will-hurt-margins-expansion-plans/articleshow/94606279.cms>

Government tender for 3,500 electric powertrain vehicles soon

The Centre is looking at replacing the government fleet of petrol and diesel cars with electric powertrain vehicles, and the exercise will commence with the issue of a tender to procure 3,500 EV units shortly. Convergence Energy Services (CESL), the state-run company that handles the acquisition of EVs for central and state government departments, said the size of the program could expand as more and more electric vehicles are launched by automakers at the affordable end of the market. Central and state governments have a combined fleet of about 600,000 petrol and diesel cars. "Additionally, there is an opportunity to increase penetration of electric vehicles in the fleet segment. Given the usage patterns and economics, fleet is one area where EV 4W sales can take off with more options being introduced in the mass market", said Acharya.

<https://economictimes.indiatimes.com/industry/renewables/green-option-government-tender-for-3500-electric-powertrain-vehicles-soon/articleshow/94606480.cms>

Telecom

Govt to set up 100 5G labs in country: Ashwini Vaishnaw

The government plans to set up 100 labs for 5G technology across India and at least 12 of them will be used to train students and conduct experiments, Telecom Minister Ashwini Vaishnaw said on Sunday. The minister also asked companies participating in the Indian Mobile Congress to provide their input for the new telecom bill through which the government aims to simplify licensing regime. "We are going to set up 100 5G labs across the country. I request the telecom industry to come together and convert at least 12 of these 100 labs into telecom incubators to train students and do experiments.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/govt-to-set-up-100-5g-labs-in-country-ashwini-vaishnaw/articleshow/94605334.cms>

Top telcos want govt to revisit net neutrality rules to reap 5G benefits

Top telcos Reliance Jio and Bharti Airtel want policymakers to revisit the net neutrality rules to best utilise 5G technology that offers features like slicing of a network and offering dedicated and differential experience to an enterprise, which may fall foul of equal-Internet-for-all rules. "Net neutrality is very critical. Having said that, there has to be certain flexibility 5G brings such as network slicing, URLLC and the ability to do latency sensitive services. India needs to figure a way out to make sure that India is flexible in its approach to net neutrality," said Mathew Oommen, president at Reliance Jio.

<https://economictimes.indiatimes.com/industry/telecom/top-telcos-want-govt-to-revisit-net-neutrality-rules-to-reap-5g-benefits/articleshow/94606341.cms>

Healthcare

Government to launch national tele-mental health programme, toll-free helpline number soon

The government is preparing to launch a national tele-mental health programme and a toll-free helpline number soon, reported PTI. This is likely to enable wider access to mental health assistance across the country. The national tele-mental health programme (NTMHP) was first announced by Union Finance Minister Nirmala Sitharaman in the Union Budget 2022-23. "The pandemic has accentuated mental health problems in people of all ages. To better the access to quality mental health counselling and care services, a 'National Tele-Mental Health Programme' will be launched," she had said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/government-to-launch-national-tele-mental-health-prog-toll-free-helpline-number-soon/articleshow/94595741.cms>

External

India's spice exports see uptick as supply-chain bottlenecks ease, Covid pandemic wanes

Spice exports from the country, which has dropped by close to 5 per cent in the first five months of FY23, has been on an uptick as the pandemic waned in the global markets and shipping problem has eased. Buoyed by the rise in demand, the trade has kept a target of \$4.5 billion exports in FY23 from \$4.13 billion in FY22 – 9 per cent jump from last year. “The export market had slowed down in the first five months of FY23. But now it has started picking up and we are bullish that this trend will continue over the remaining period of the fiscal year,” said Ramkumar Menon, chairman of the Kochi-based World Spice Organisation (WSO).

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-spice-exports-see-uptick-as-supply-chain-bottlenecks-ease-covid-pandemic-wanes/articleshow/94604863.cms>

Indian coffee exporters worried as orders from Europe, US slow down

The economic slowdown in Europe and the United States is making Indian coffee exporters jittery, as buyers in these geographies are seen delaying the orders for the new cropping season. Exporters are seeing thin order books for the year ahead, even as the harvest of new arabicas is set to begin over the next few weeks. “The economic condition in Europe and the US is a concern. Europe is India’s main market. We are already seeing the impact of the slow transmission of the European and the US problems as the arabica shipments are down and the robusta shipments are up with buyers looking for less pricey coffees,” said Ramesh Rajah, President, Coffee Exporters Association. Arabica shipments were down by 15 per cent at 37,617 tonnes during January-September 2022, as compared to 44,218 tonnes in the same period last year. Robusta exports were up 19 per cent at 1.86 lakh tonnes for the said period, as compared to 1.56 lakh tonnes in the same period last year.

<https://www.thehindubusinessline.com/economy/agri-business/indian-coffee-exporters-worried-as-orders-from-europe-us-slow-down/article65962335.ece>

India, Oman to sign pact on digital finance & payments

In a significant step to expand strategic ties with Oman, New Delhi and Muscat will soon sign of an agreement between National Payments Corporation of India (NPCI) and Central Bank of Oman (CBO) for cooperation in digital finance and payments. The landmark agreement will facilitate the use of RuPay cards and the UPI platform in Oman and collaboration for seamless digital remittances, benefitting Indian workers and professionals. This will be signed during Minister of State for External Affairs V Muraleedharan Muscat visit on Monday-Tuesday. This will be his second visit to Oman and the first high level visit from India to Oman in the post-pandemic phase. He last visited Oman in December 2020 in the middle of the Covid-19 pandemic.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-oman-to-sign-pact-on-digital-finance-payments/articleshow/94603903.cms>

Food ministry extends concessional import duties on edible oils till March 2023

The food ministry in its latest announcement on Sunday said that concessional import duties on specified edible oils will be in place till March 2023. This decision was taken on August 31, 2022 by the Central Board of Indirect Taxes and Customs (CBIC) in order to boost domestic supply and keeping retail prices under control. "The concessional customs duty on edible oil import has been extended by another 6 months, which means that the new deadline will now be March 2023," reported PTI citing the statement by food ministry.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/food-ministry-extends-concessional-import-duties-on-edible-oils-till-march-2023/articleshow/94599084.cms>

Govt may cut 2022-23 sugar export quota by 29%

The government will likely cut the sugar export quota by 29% for the new marketing year that started on October 1 to keep domestic supplies steady, a top source told FE. It could cap sugar exports at just eight million tonne in 2022-23, compared with estimated despatches of 11.2 million tonne in the recently concluded marketing year, he added.

“The exportable surplus for 2022-23 is going to be to the tune of eight million tonne. The food ministry will soon take a call on whether to put the entire amount under the open general licence,” he said.

<https://www.financialexpress.com/economy/govt-may-cut-2022-23-sugar-export-quota-by-29/2698486/>

GST exemption on export transportation charges ends; rate of 5% and 18% to be applied

Transportation service by vessel/aircraft for export of goods will be taxable with effect from October 1 as the government has decided not to extend exemption beyond September 30. Experts advise exporters to rework their strategy in terms of seeking refunds and pricing of products. Now, service charges for transportation by a vessel of the export consignment will attract IGST (Integrated Goods & Services Tax) at 5 per cent with some restrictions on the input tax credit (ITC). In the case of transportation by aircraft, the rate of IGST will be 18 per cent but with ITC. However, there will not be IGST on the transportation of import consignment. GST is levied on the date of invoice. So, even if goods has been transported on or before September 30, 2022, but the invoice has been issued on or after October 1, 2022, then IGST will be levied. Transporter will issue the invoice to the exporter, who is sending the consignment.

<https://www.thehindubusinessline.com/economy/logistics/igst-exemption-on-export-transportation-charges-ends-rate-of-5-and-18-to-be-applied/article65961917.ece>