



October 17, 2022 – Monday

Economy

DESH Bill: Commerce Department, Finmin yet to resolve key differences on legislation to replace SEZ Act

The Development of Enterprise and Service Hubs (DESH) legislation, set to replace the existing Special Economic Zones (SEZ) Act, is stuck as the Finance Ministry is going slow in approving two key proposals made by the Commerce Department, sources have said. “The two main proposals awaiting a green signal from the Revenue Department include allowing SEZ units to sell in the domestic tariff area (an area within the country that falls outside the zones) on payment of duties foregone on raw materials and offering a concessional corporate tax rate of 15 per cent for an extended period to all greenfield and some brownfield units in the “development hubs” that are to come up under DESH,” a person tracking the matter told businessline.

<https://www.thehindubusinessline.com/economy/desh-bill-commerce-department-finmin-yet-to-resolve-key-differences-on-legislation-to-replace-sez-act/article66017997.ece>

India to focus on multinational development banks, climate finance during G20 presidency, says Nirmala Sitharaman

India is preparing to focus on several key issues like multinational development banks, debt situation and climate change during its G20 presidency next year, Union Finance Minister Nirmala Sitharaman said. During the just concluded annual meetings of the International Monetary Fund and the World Bank, the Indian delegation, including Sitharaman, briefed finance ministers and central bank governors of G20 countries on India’s priorities as the president of the grouping of the world’s major economies. India will assume the presidency of the G20 for a year from December 1, 2022 to November 30, 2023. “In no particular order, I wish to say that we will certainly be wanting the G20 members to discuss how the multilateral development banks can better leverage the endowment that they have,” she said. “Also, think in terms of getting other sources through which their finances can improve because one, they have to be more nimble in reaching out for development funding and two, they have to better effectively deploy the resources that they have.

<https://www.financialexpress.com/economy/india-to-focus-on-multinational-development-banks-climate-finance-during-g20-presidency-says-nirmala-sitharaman/2713247/>

Banking and Finance

A big step towards 'ease of living': PM Modi opens 75 digital banking units

Prime Minister Narendra Modi on Sunday said the 75 digital banking units (DBUs) in 75 districts is a big step towards ‘ease of living’ for common citizens and will open up a whole new world of possibilities by combining financial partnerships with digital partnerships. Inaugurating the 75 DBUs virtually, Modi said the special banking system shall work to provide maximum services from minimum digital infrastructure. “It will also simplify the banking procedure while providing a robust and secure banking system. In a village, in a small town, when a person takes the services of a digital banking unit, everything from sending money to taking loans will become easy, online,” he added.

https://www.business-standard.com/article/finance/a-big-step-towards-ease-of-living-pm-modi-opens-75-digital-banking-units-122101600710_1.html

Five economic laws to be tweaked: Banking sector offences to attract stiffer penalties

The government is set to tweak provisions of five laws related to banking and insurance to raise penalties for select offences steeply. Non-disclosure of information to the agencies concerned by banks, borrowers and other entities in the financial sector will come under stiffer penalties, according to official sources. For instance, under Section 47 of the Deposit Insurance and Credit Guarantee Corporation Act, 1961, the penalty for failure by an entity to produce details of any book, account or other relevant documents will be raised to Rs 1.5 lakh for each of the offences from just Rs 2,000 now. If the non-compliance persists, an additional fine of Rs 7,500 will be slapped per day, compared with a paltry Rs 100 now.

<https://www.financialexpress.com/industry/banking-finance/five-economic-laws-to-be-tweaked-procedural-offences-in-banking-to-attract-stiffer-penalties/2713746/>

SIDBI's 59-min MSME loan scheme: Growth in loans sanctioned and disbursed drops, shows govt data

SIDBI's 59-minute loan approval scheme PSB Loans in 59 Minutes for MSMEs sanctioned 2,42,812 loans involving Rs 82,822 crores as of September 30, 2022, vis-a-vis 2,34,905 loans involving Rs 78,409 crores sanctioned as of September 30, 2021, registering a year-on-year increase of only 3.36 per cent, official data indicated. Out of the total loans sanctioned, 2,25,015 loans involving Rs 66,922 crores were disbursed till September end, up 2.75 per cent from 2,18,977 applications involving Rs 64,067 crores disbursed till September 2021, data from MSME Dashboard by Ministry of MSME revealed. Importantly, the rate of growth in loans sanctioned and disbursed under the scheme has in fact dropped from the corresponding period in 2020. FE Aspire had last year reported that a 10 per cent growth in loans sanctioned was recorded as of September 30, 2021, from 2,12,091 loan applications involving Rs 66,991 crore sanctioned till August 31, 2020. Similarly, growth in loans disbursed till September last year was 11 per cent from 1,96,473 loan applications involving Rs 54,545 crores disbursed till August end in the previous year.

<https://www.financialexpress.com/industry/sme/msme-fin-sidbis-59-min-msme-loan-scheme-growth-in-loans-sanctioned-and-disbursed-drops-shows-govt-data/2713425/>

Industry

Festive sales bring cheers to industry, hike in DA & Productivity-Linked Bonus act as catalyst

The ongoing festive season sales has brought cheers to the consumer goods industry with early trends from all channels indicating robust sales and traders' body CAIT expecting up to Rs 2.5 lakh crore infusion into the market through sales and service. Sales of products such as TV, home appliances, FMCG food and non-food, apparel etc from offline and e-commerce channels have recorded almost 8-10 per cent volume growth over the last year's festive season and consumers are willing to spend despite inflationary concerns. Festive season sales start from Onam, covers Durga Puja, Dusshera and ends with Diwali. Encouraged by early signs, traders' body CAIT expects an "infusion of about Rs 2.5 lakh crore in the markets by way of shopping and sale of goods and usage of service" during Diwali festive season.

<https://economictimes.indiatimes.com/news/economy/indicators/festive-sales-bring-cheers-to-industry-hike-in-da-productivity-linked-bonus-act-as-catalyst/articleshow/94894862.cms>

Centre to simplify Patent Law: Piyush Goyal

The Centre is going to amend the Patent Law to make it simple, said Piyush Goyal, Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, and Textiles on Sunday. All those who have got patents, write in with your experience and all the difficulties that you have gone through while getting a patent.

<https://www.thehindubusinessline.com/companies/centre-to-simplify-patent-law-piyush-goyal/article66017897.ece>

Govt considering proposals for extending Rs 35,000 cr PLI scheme to more sectors

The government is considering proposals to extend Rs 35,000 crore PLI scheme to different sectors such as leather, bicycle, some vaccine materials, and certain telecom products with an aim to boost domestic manufacturing and create jobs, an official said. PLI (production linked incentive) benefits are also being considered for toys, some chemicals and shipping containers. "The proposals are at discussion stage. Inter-ministerial talks are going on to extend PLI benefits to all these different sectors as there has been demand from industry and certain departments," the official said.

<https://www.financialexpress.com/industry/govt-considering-proposals-for-extending-rs-35000-cr-qli-scheme-to-more-sectors/2713426/>

Offline traders keen to sell online if e-commerce policy is implemented: CAIT

If e-commerce policy and related rules in Consumer Protection Act are notified and implemented, the offline traders are keen to have their shop on e-commerce platforms besides having business activities at their physical outlets, said traders' body CAIT on Sunday based on a survey. The online survey conducted by its research arm CAIT Research & Trade Development Society in over 40 cities among more than 5,000 traders and trade associations from September 25 to October 3, 2022, noted that 92 per cent of traders believed big e-commerce companies are killing their business by their monopolistic terms and flouting policies and laws. Moreover, 80 per cent of traders believed that mandatory GST registration for doing business on e-commerce is a big hurdle. The government in June this year had announced waiving the mandatory registration for businesses supplying goods intra-state via e-commerce with turnover up to Rs 40 lakh. The government however is yet to notify the changes.

<https://www.financialexpress.com/industry/sme/msme-eodb-offline-traders-keen-to-sell-online-if-e-commerce-policy-is-implemented-cait/2713546/>

Industry calls for district-level strategy for hospitality and tourism sector

Emphasising on the need to chart out a district-level strategy for MSME associated with the hospitality, tourism and travel sector, industry body CHATT believes that the government has made impressive plans for the sector but there is a lacking in the implementation. 'The Confederation of Hospitality Technology and Tourism Industry' (CHATT) also says that online platforms have played a crucial role in giving wide recognition to budget hotels, homestays and BNB (Bed and breakfast) in the travel, tourism and hospitality sector. This can help the government reach out to these businessmen and overcome their difficulties. CHATT's general secretary Anwar Shirpurwala told PTI on Sunday that the government has made comprehensive plans for the hospitality, tourism and travel sectors. These include various subsidies, financial assistance for licensing and cluster construction, and many concessions, but a large section of the unorganized section associated with this sector i.e. budget hotel, homestay and lodge operators which are in millions are not aware of them. Apart from this, being in the unorganized sector, they do not get the benefit of any training or capacity-building programme to upgrade their business.

<https://www.financialexpress.com/industry/industry-calls-for-district-level-strategy-for-hospitality-and-tourism-sector/2713541/>

IT cos headed for lower attrition in coming quarters as global macro woes tame high churn, say analysts

Fears of global recession and spate of layoffs in the start up space are expected to have a sobering effect on high attrition levels in Indian IT industry over the next 2-3 quarters, say market watchers as majority of large tech companies talked of easing of supply side pressures in September quarter. Infosys, whose high levels of attrition had alarmed analysts at one point, reported lower attrition of 27.1 per cent in just-concluded quarter, compared to 28.4 per cent in June quarter. For Wipro, the attrition came down to 23 per cent in Q2FY23, from 23.3 per cent in the previous sequential quarter. The attrition rates for HCL Tech had been rising since quarter ended September 2021 (15.7 per cent in Q2FY22), but it plateaued at 23.8 per cent in Q2 FY23, holding on to the same levels as June quarter (Q1FY23).

<https://www.financialexpress.com/industry/it-cos-headed-for-lower-attrition-in-coming-quarters-as-global-macro-woes-tame-high-churn-say-analysts/2713682/>

'Salary in certain sectors to reach pre-pandemic level by fiscal-end'

Salary level in certain sectors are expected to be restored to the pre-pandemic mark by the end of this financial year aided by the recovery in economic activities, according to TeamLease HRTech CEO Sumit Sabharwal said. Hit by the pandemic, organisations across sectors resorted to pay cuts and layoffs to reduce their labour costs, Sabharwal told PTI. "After analysis of data from our client base, we found that the workers in the formal sector witnessed a 3.6 per cent wage cut while informal workers experienced a much sharper fall at 22.6 per cent. The pandemic has shown us the importance of the format sector in the economy," he noted. He said, as normalcy returned and the economy gradually recovered companies began giving increments that helped in narrowing the salary gap to the 2019 level.

https://www.business-standard.com/article/economy-policy/salary-in-certain-sectors-to-reach-pre-pandemic-level-by-fiscal-end-122101600519_1.html

Many India Inc majors may be Net-Zero by 2050

From investments in improving operational sustainability through higher efficiency and responsible sourcing of materials to enhancing disclosures, top Indian companies are raising their sustainability quotient, but a lot more effort is needed to meet the net-zero targets set for the country. Several Indian corporate houses have set decarbonisation targets internally to become carbon neutral by 2050 or before. These include Vedanta, Aditya Birla Group, JSW Group, Adani Transmission, Mahindra & Mahindra, and Dalmia Cement, among others. Reliance Industries, the most valuable company in India by market capitalisation, has set a target of net-zero by 2035.

<https://economictimes.indiatimes.com/industry/renewables/many-india-inc-majors-may-be-net-zero-by-2050/articleshow/94902337.cms>

Infrastructure

Office space leasing activity up 66% YoY in Jan-Sept of 2022: CBRE report

The office sector in India witnessed a gross absorption of 42.1 million sq ft during the first nine months of 2022, registering a growth of 66 per cent YoY. Supply, on the other hand, grew by 4 per cent to 35.6 million sq ft, according to a CBRE report. According to the report, Bengaluru, Delhi-NCR and Chennai led the space absorption, together accounting for 62 per cent of the total transaction activity in the first 9 months(9M) of 2022. Bengaluru, followed by Mumbai and Delhi-NCR, led two-thirds of the transaction activity in the third quarter(Q3). However, absorption in the first nine months of 2022 was led by Bengaluru, Delhi-NCR and Chennai, accounting for over two-thirds of the space take-up. After a record show in the second quarter, leasing activity moderated by 30 per cent, reaching 12.7 million sq ft in Q3 of 2022. However, space take-up in 9M 2022 rose 66 per cent on an annual basis to 42.1 million sq ft.

https://www.business-standard.com/article/companies/office-space-leasing-activity-up-66-yoy-in-jan-sept-of-2022-cbre-report-122101600678_1.html

1st indigenously manufactured aluminium freight train rake inducted in Rlys

Lighter than its predecessors, but with more freight carrying capacity, the railways first indigenously manufactured aluminium goods train rake was flagged off from Bhubaneswar in Odisha on Sunday. Manufactured in collaboration with Besco Limited Wagon Division and aluminium major Hindalco, it also has a lower carbon footprint for every 100 kg of weight reduction in wagons, the railways said. The lifetime carbon saving is eight to 10 tonnes and this means, savings of more than 14,500 tonnes of carbon for a single rake, it said. Flagged off by Railway Minister Ashwini Vaishnaw, the rake is 180 tonnes lighter than existing steel rakes, resulting in increased speed and lower power consumption for the same distance, the national transporter said. It can carry 180 tonnes extra payload per trip over conventional rakes and being corrosion resistant, will reduce maintenance costs, it said, adding that fully lock bolted construction was used to built these wagons with no welding on the superstructure.

https://www.business-standard.com/article/current-affairs/1st-indigenously-manufactured-aluminium-freight-train-rake-inducted-in-rlys-122101600451_1.html

PE investments in retail real estate down 63 pc to USD 303 million in January-September: Knight Frank

Private equity investments in retail real estate space fell 63 per cent to USD 303 million during January-September as investors were concerned about possible impact of high inflation on consumption, according to Knight Frank. The private equity investments in retail stood at USD 817 million in the corresponding period of the last year. "Investors avoided the retail sector due to concerns about the potential negative effects a high inflation environment would have on the sector," real estate consultant Knight Frank India said in a report "Trends in Private Equity Investments in India (9Month 2022). However, the consultant felt that the retail sector would continue to observe capital commitments from investment platforms that remain bullish on its growth prospects.

<https://www.financialexpress.com/market/pe-investments-in-retail-real-estate-down-63-pc-to-usd-303-million-in-january-september-knight-frank/2713472/>

Energy

Coal is going to be back again as gas becoming unaffordable: Finance Minister Nirmala Sitharaman

Given the global energy crisis, Finance Minister Nirmala Sitharaman has said that coal is going to be back again as gas has become unaffordable. Sitharaman, who attended the annual meetings of the International Monetary Fund and the World Bank, said the western world has seen countries moving to coal. "The Western world has seen countries moving to coal. Austria has already said, and today...they are going back to coal," Sitharaman told a group of reporters from India during an interaction on Saturday. Russia has sharply curtailed natural gas shipments to Europe in retaliation for sanctions that the West put in place after its invasion of Ukraine. In late April, Russia cut off gas supplies to Bulgaria and Poland after they refused Moscow's demand to pay for the deliveries in rubles, Russia's currency. Responding to a question on her remarks earlier, the finance minister referred to another news item about an old thermal power plant in the United Kingdom being refurbished to generate electricity.

<https://www.financialexpress.com/economy/coal-is-going-to-be-back-again-as-gas-becoming-unaffordable-finance-minister-nirmala-sitharaman/2713380/>

Fuel sales soar 22%-26% in Oct on festive season demand: Industry data

India's fuel sales soared in the first half of October with an across-the-board surge in transportation fuel demand on the back of the economic activity picking up as festival season kicked in, preliminary industry data showed. Petrol and diesel sales jumped 22-26 per cent year-on-year while also rising month-on-month in the first half of October. Petrol sales soared 22.7 per cent to 1.28 million tonne during October 1-15 when compared to 1.05 million tonne of consumption in the same period last year. Sales were 31 per cent higher than COVID-marred first half of October 2020 and 33.4 per cent more than pre-pandemic October 1-15, 2019. Demand was 1.3 per cent higher than the first half of September 2022. Diesel, the most used fuel in the country, posted a near 27 per cent rise in sales in the first fortnight of October to 3.08 million tonne when compared to the same period last year. Consumption was up 16 per cent over October 1-15, 2020 and 26.6 per cent higher than pre-COVID 2019. The fuel, which had seen a near 5 per cent drop in sales in August before a rebound in the following month, saw demand rise 6.9 per cent month-on-month.

https://www.business-standard.com/article/markets/fuel-sales-soar-22-26-in-oct-on-festive-season-demand-industry-data-122101600409_1.html

External

Global branding push for 400 items to boost exports

Around 400 products, including Banarasi Zardozi, Gir Kesar Mango, Firozabad Glass, Kancheepuram Silk, Kangra Paintings and Araku Valley Arabica Coffee, are set to get a global branding push as India seeks to promote them globally to boost their exports. The Department for Promotion of Industry and Internal Trade (DPIIT) plans to hold roadshows, car shows, product demonstrations and free product trials for products tagged with Geographical Indications (GI), as part of the plan. "This is a part of a larger plan to explore the export potential of GI products," a government official told ET. As of July, 420 products were granted GI registration, of which around 150 GI-tagged products are agricultural and food products, and almost 240 are handicrafts and handloom.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/global-branding-push-for-400-items-to-boost-exports/articleshow/94901861.cms>

India's passenger vehicle exports up 2% in Q2; Maruti Suzuki leads

Passenger vehicle exports from India increased 2 per cent in the second quarter, with Maruti Suzuki India leading the segment with dispatches of over 1.31 lakh units, as per the latest data by Society of Indian Automobile Manufacturers. The total passenger vehicle (PV) exports stood at 1,60,590 units in the July-September period as compared with 1,57,551 units in the same period a year ago. Passenger car shipments saw a 5 per cent dip at 97,300 units while utility vehicle exports rose 16 per cent at 63,016 units during the period under review, data by the Society of Indian Automobile Manufacturers (SIAM) showed.

<https://economictimes.indiatimes.com/industry/auto/auto-news/indias-passenger-vehicle-exports-up-2-in-q2-maruti-suzuki-leads/articleshow/94892385.cms>