



November 24, 2022 – Thursday

## Economy

### **After Economic Survey in January, vision document likely in July**

Chief Economic Advisor (CEA) V Anantha Nageswaran is looking to put his stamp on his first Economic Survey, and to that end, the 2022-23 Survey, which will be released on January 31, could be followed by a similar document in July.

[https://www.business-standard.com/article/economy-policy/after-economic-survey-in-january-vision-document-likely-in-july-122112301378\\_1.html](https://www.business-standard.com/article/economy-policy/after-economic-survey-in-january-vision-document-likely-in-july-122112301378_1.html)

### **India's GDP growth may average 6.3% between 2021 and 2030: S&P report**

The S&P Global Market Intelligence on Tuesday projected India's real gross domestic product (GDP) growth to average 6.3 per cent annually between financial years 2021 and 2030, enabling it to overtake Japan and Germany to become the world's third-largest economy in nominal US dollar terms. Real income per capita is projected to achieve significant average growth of 5.3 per cent, with Indian households becoming the greatest spenders among G20 economies, the firm said in a report, assuming continued structural reforms, including trade and financial liberalisation, infrastructure and human capital investment, and labour market reform. "Progress is likely to be piecemeal: Although the current government has a parliamentary majority to pass legislation, trade unions are strong, comprise millions of members in sectors highlighted for liberalisation, and have routinely opposed policies that they claim threaten job security and increase the influence of big business," the firm, earlier known as IHS Markit, said in the report.

[https://www.business-standard.com/article/economy-policy/india-s-gdp-growth-to-average-6-3-between-2021-and-2030-s-p-report-122112301079\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-gdp-growth-to-average-6-3-between-2021-and-2030-s-p-report-122112301079_1.html)

## Banking and Finance

### **GSTN included in financial information providers list under Account Aggregator framework**

The Reserve Bank on Wednesday said the Goods and Services Tax Network (GSTN) has been included in the list of financial information providers under the Account Aggregator framework to facilitate cash flow-based lending to MSMEs. An Account Aggregator (AA) is a type of RBI-regulated entity (with an NBFC-AA license) that helps an individual securely and digitally access and share information from one financial institution they have an account with to any other regulated financial institution in the AA network. "Department of Revenue shall be the regulator of GSTN for this specific purpose and Goods and Services Tax (GST) Returns, viz. Form GSTR-1 and Form GSTR-3B, shall be the financial information," the Reserve Bank said in a circular.

<https://economictimes.indiatimes.com/news/economy/policy/gstn-included-in-financial-information-providers-list-under-account-aggregator-framework/articleshow/95720790.cms>

### **Sebi bans fresh inflows into AIF schemes making 'priority distribution'**

The Securities and Exchanges Board of India (Sebi) has asked Alternate Investment Funds (AIFs) to not accept any fresh investments in schemes that have adopted a priority distribution model, which benefits one class of investors

at the cost of others. The regulator has also prohibited such schemes from investing in a new company. According to Sebi, certain schemes of AIFs have adopted a distribution waterfall that allows disproportional sharing of losses. "It has been brought to Sebi's attention that certain schemes of AIFs have adopted a distribution waterfall in such a way, that one class of investors (other than sponsor/manager) share loss more than pro rata to their holding in the AIF vis-à-vis other classes of investors/unitholders, since the latter has priority in distribution over the former ('priority distribution model')," the regulator said in a circular on Wednesday.

[https://www.business-standard.com/article/markets/sebi-bans-fresh-inflows-in-aif-schemes-making-priority-distribution-122112301051\\_1.html](https://www.business-standard.com/article/markets/sebi-bans-fresh-inflows-in-aif-schemes-making-priority-distribution-122112301051_1.html)

#### **Tax collection to exceed Budget estimate by nearly Rs 4 trn: Revenue Secy**

India's tax collection will exceed the budget estimate by nearly Rs 4 lakh crore in the current fiscal on the back of buoyant income tax, customs duty and GST mop-up, Revenue Secretary Tarun Bajaj said on Wednesday. In an interview to PTI, he said the growth in tax revenues will continue to be higher than the GDP growth, helped by formalisation of the economy and better compliance. For this financial year ending March 2023, the tax collection target set in the Union Budget is around Rs 27.50 lakh crore. Bajaj said the direct tax collection comprising personal and corporate taxes would be close to Rs 17.50 lakh crore in the current fiscal. Mop up from indirect taxes (customs, excise and GST) would be close to Rs 14 lakh crore.

[https://www.business-standard.com/article/economy-policy/tax-collection-to-exceed-budget-estimate-by-nearly-rs-4-trn-revenue-secy-122112301003\\_1.html](https://www.business-standard.com/article/economy-policy/tax-collection-to-exceed-budget-estimate-by-nearly-rs-4-trn-revenue-secy-122112301003_1.html)

#### **Ministries told to spot new assets for monetisation**

The Centre has asked ministries and departments to identify fresh assets that could be monetised expeditiously to bring back on track the monetisation process, which currently stands way short of the budget target for this fiscal year. Government's proceeds from asset sales were only ₹33,443 crore in the first seven months against the target of ₹1.6 lakh crore under the National Monetisation Pipeline for the fiscal year ending March. The Centre now expects its revenue from asset sales to miss the budget estimate and come in at ₹1.24 lakh crore, according to people in the know. "There are a number of ministries that have not been able to achieve the target ... they have been asked to identify additional or alternative assets to speed up the process," said a person familiar with the deliberations on the issue.

<https://economictimes.indiatimes.com/news/economy/policy/ministries-told-to-spot-new-assets-for-monetisation/articleshow/95725120.cms>

#### **Banks, capital markets crucial for infra growth: SBI chairman Dinesh Khara**

Banks, local capital markets and financial centres like GIFT City will have to play an important role if the planned \$111 trillion of infrastructure projects have to be implemented, State Bank of India (SBI) chairman Dinesh Khara said. Improving underwriting standards of banks together with a reduction in corporate leverage and better quality of information including data analytics hold banks in good stead as they play a supporting role in making India a \$40 trillion economy, Khara said at the SBI Banking & Economics Conclave. "The \$40 trillion number looks a mammoth task but looking back, it took us 50 years to become a \$1 trillion economy and we have added a trillion every fifth year. To increase the present \$3.3 trillion to \$40 trillion we will need financial resources and in a high interest rate scenario banks, capital markets and entities like GIFT City will play an important role," Khara said.

<https://economictimes.indiatimes.com/industry/banking/finance/banks-capital-markets-crucial-for-infra-growth-sbi-chairman/articleshow/95720418.cms>

#### **Centre likely to raise EPFO wage threshold**

The government is likely to soon revise the wage ceiling for the Employees' Provident Fund Organisation's (EPFO) flagship retirement saving scheme. This will increase the mandatory contribution by both employees and employers, helping workers save more for their retirement. The increase will also bring more workers under the EPFO's social security coverage. Currently, the wage ceiling for the EPFO's Employees' Provident Fund (EPF) scheme is ₹15,000 per month, which was last revised in 2014 from ₹6,500 per month. The scheme is available only to enterprises that have more than 20 workers. An expert committee will be set up shortly to determine a higher wage ceiling, which will be indexed to inflation and reviewed periodically for coverage under EPFO, a person aware of the development told ET.

<https://economictimes.indiatimes.com/news/economy/policy/centre-likely-to-raise-epfo-wage-threshold/articleshow/95723706.cms>

### **General, health insurers face a single management expense limit**

The Insurance Regulatory and Development Authority of India (IRDAI) has proposed a single management expense limit of 30% of gross premium written in a financial year in the case of general insurers and 35% for standalone health insurers. Currently, there are segmental and sub-segmental management limits for insurers. The draft IRDAI (Expenses of Management of Insurers Transacting General or Health Insurance Business) Regulations, 2022, has proposed the insertion of a single limit of 'Expenses of Management' and additional allowances towards the rural sector and government welfare-oriented schemes; also for expenses towards 'insurtech' and 'insurance awareness'. It also proposed that there should be no variable pay for managing directors, chief executive officers, whole-time directors and key management persons for the financial year in which the actual expenses exceed the projected expenses by more than 10%.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/general-health-insurers-face-a-single-management-expense-limit/articleshow/95723899.cms>

## **Industry**

### **Pre-owned segment likely to narrow value gap with new cars by FY27: Study**

India's pre-owned car market is expected to narrow the gap in value terms with new cars over the next five years. This is on account of a changing mix increasingly skewed towards utility vehicles (UVs) that command better value, reveals a latest study by OLX Autos and CRISIL Research. The value of the pre-owned car market is likely to touch Rs 4.3-4.5 trillion by 2026-27 (FY27), while that of new cars is expected to be worth Rs 6.6-6.8 trillion in the same period. The gap was more pronounced at the end of 2021-22 (FY22). It was Rs 1.8 trillion for used cars and Rs 3.3 trillion for new ones, observes the study. Over the next five years, while the compound annual growth rate in used cars in terms of unit sales is likely to be 15 per cent, it is estimated to be 20 per cent in value terms, OLX Group Chief Executive Officer Amit Kumar told Business Standard. "This is because the mix of cars coming to the market is shifting in favour of UVs. Moreover, the prices of new cars are headed north," said Kumar.

[https://www.business-standard.com/article/economy-policy/pre-owned-segment-likely-to-narrow-value-gap-with-new-cars-by-fy27-study-122112301327\\_1.html](https://www.business-standard.com/article/economy-policy/pre-owned-segment-likely-to-narrow-value-gap-with-new-cars-by-fy27-study-122112301327_1.html)

### **Online shoppers drive e-commerce in post-pandemic India**

The way India shops for fashion has changed substantially since the outbreak of the Covid-19 pandemic. Online purchase of shirts, jackets, dresses, tops, jeans, sneakers and boots now accounts for 26-50% for some of the largest fashion brands in the country, busting the myth that touch and feel are critical factors in the fashion purchase decision. Puma India's online sales account for half of its total business, while for H&M the share of online sales is 42%, for Marks and Spencer it is 25%, for Woodlands 35% and 26% for Arvind Fashions, as per company executives or the latest regulatory disclosures by these companies. This is in stark contrast to 5-10% in 2019-20, when for some brands such as Marks and Spencer it was almost zero.

<https://economictimes.indiatimes.com/industry/services/retail/online-shoppers-drive-e-commerce-in-post-pandemic-india/articleshow/95721588.cms>

## **Agriculture**

### **No action to control wheat prices yet: Food Secretary Sanjeev Chopra**

The government has ruled out any action to control wheat prices as it keeps a close watch on the price movement of the commodity. The price rise of the food grain is in tandem with the increase in the minimum support price (MSP) and general inflationary trends, said Sanjeev Chopra, secretary, the Department of Food. "Rice prices are just flat. Wheat prices have gone up by 7 percent in retail after the imposition of wheat ban in May and if we take into account the increase in minimum support price (MSP), the price rise is 4-5 per cent," he said. Chopra said that no decision has been taken yet on Open Market Sale Scheme (OMSS) of wheat to cool down the prices adding that the stock position of wheat and rice are comfortable and more than the buffer norms.

<https://economictimes.indiatimes.com/news/economy/agriculture/no-action-to-control-wheat-prices-yet-food-secretary-sanjeev-chopra/articleshow/95721122.cms>

### **Centre hikes UP fertiliser quota to over 1.7 million tonnes**

In a big boost to the farm sector in Uttar Pradesh, the Centre has hiked the state's share of potash, a major fertiliser, to 1.7 million tonnes (MT) for the current rabi sowing season. According to UP agriculture minister Surya Pratap Shahi, the central government had raised the quota of Nitrogen Phosphorus Potassium (NPK) by nearly 5.5 per cent from 1.62 MT to over 1.7 MT. As such, the state farmers would be supplied an additional 88,000 tonnes of DAP in the current rabi season. "Farmers will get ready and adequate supply of diammonium phosphate (DAP) and NPK according to their needs and demands," Shahi underlined. At present, UP has an inventory of more than 209,000 tonnes of DAP, 73,000 tonnes of NPK, and 183,000 tonnes of single super phosphate (SSP). He said 24 railway rakes carrying DAP and NPK had already left different seaports for the state and are expected to arrive within a week.

[https://www.business-standard.com/article/economy-policy/agri-booster-centre-hikes-up-fertiliser-quota-to-over-1-7-million-tonnes-122112301172\\_1.html](https://www.business-standard.com/article/economy-policy/agri-booster-centre-hikes-up-fertiliser-quota-to-over-1-7-million-tonnes-122112301172_1.html)

## **Infrastructure**

### **Railways eyes Rs 94k cr coal connecting projects as part of Energy Corridor**

The Ministry of Railways, as part of its ambitious energy corridor programme, is likely to sanction 107 coal-connectivity projects worth Rs 94,153 crore soon, multiple senior officials working on the plan told Business Standard.

[https://www.business-standard.com/article/economy-policy/railways-eyes-rs-94k-cr-coal-connecting-projects-as-part-of-energy-corridor-122112301096\\_1.html](https://www.business-standard.com/article/economy-policy/railways-eyes-rs-94k-cr-coal-connecting-projects-as-part-of-energy-corridor-122112301096_1.html)

## **Energy**

### **Solar capacity addition falls marginally in Jul-Sep to 2.7 GW: Report**

Solar capacity installations in India fell marginally by around 3 per cent to 2.7 gigawatt (GW) during July-September 2022, according to Mercom India Research. There were 2.8 GW installations during the same period in 2021, the research firm said in its report on Wednesday. However, the 10 GW of solar installations during the first nine months (9M) of 2022 were 35 per cent higher than the 7.4 GW installed in the January-September period last year, the report titled 'Q3 2022 India Solar Market Update' said. India's cumulative installed solar capacity stands at 60 GW as of September end. "With over 10 GW of solar added in the first three quarters of 2022, the Indian solar market will surpass last year's installations and is headed towards its best year. However, domestic supply and demand mismatch could hold the sector back in the short term. Until there is a clear resolution in Rajasthan, delays will continue to impede large-scale projects," said Raj Prabhu, CEO of Mercom Capital Group.

[https://www.business-standard.com/article/economy-policy/solar-capacity-addition-falls-marginally-in-jul-sep-to-2-7-gw-report-122112301086\\_1.html](https://www.business-standard.com/article/economy-policy/solar-capacity-addition-falls-marginally-in-jul-sep-to-2-7-gw-report-122112301086_1.html)

## **Telecom**

### **Telcos' AGR grows 18 per cent to Rs 60,530 crore in April-June 2022; govt collection up 19 per cent**

Telecom service providers' adjusted gross revenue grew 17.91 per cent on a year-over-year basis to Rs 60,530 crore in April-June 2022 with Jio leading in terms of revenue share, telecom regulator Trai said in a report on Wednesday. The adjusted gross revenue (AGR) of telecom service providers was Rs 51,335 crore in June 2021 quarter, according to the performance indicator report for quarter ended June 2022 released by the Telecom Regulatory Authority of India (Trai). The government collects its share of revenue from telecom service providers based on their AGR. Among pan-India mobile service providers, Jio made the highest contribution of Rs 21,515.88 crore with year-on-year (YoY) growth of 20.58 per cent to the AGR.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/telcos-agr-grows-18-per-cent-to-rs-60530-crore-in-april-june-2022-govt-collection-up-19-per-cent/articleshow/95722239.cms>

## **External**

### **India identifies five priority issues for its G20 presidency**

India has identified five priority issues-growth and prosperity, resilient global value chains, MSMEs, logistics, and WTO reform-under its G20 presidency from December 1, 2022 to November 30, 2023. The commerce and industry ministry, which is the nodal agency for the G20 Trade and Investment Working Group (TIWG), is likely to propose a common digital platform for ease of cross-border trade, a legal aid system for developing countries for dispute settlement in WTO, ways to eliminate distortionary non-tariff measures for developing countries and LDCs, and a framework to address crucial issues at the WTO in clearly defined circumstances like the Covid-19 pandemic. "Issues are evolving and we want a good outcome in G20," said an official.

<https://economictimes.indiatimes.com/news/economy/policy/india-identifies-five-priority-issues-for-its-g20-presidency/articleshow/95723630.cms>

### **India, GCC to launch free trade pact negotiations on Thursday**

India and the Gulf Cooperation Council (GCC) will announce the launch of negotiations for a free trade agreement on Thursday, which aims at promoting two-way commerce and investments between the regions, an official said. GCC is a union of six countries in the Gulf region -- Saudi Arabia, the UAE, Qatar, Kuwait, Oman and Bahrain. "GCC officials will be here for the announcement," the official said. India has already implemented a free trade pact with the UAE in May this year.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-gcc-to-launch-free-trade-pact-negotiations-on-thursday/articleshow/95706987.cms>

### **India-Australia trade pact to help boost garment exports: AEPC**

Implementation of the free trade agreement between India and Australia will help boost garment exports, AEPC said on Wednesday. The agreement was approved by the Australian Parliament on Wednesday, paving the way for its rollout. Apparel Export Promotion Council (AEPC) Chairman Naren Goenka said the duty-free access for the sector to Australia under the trade pact will bring domestic exporters at par with global competitors and make local products competitive. "This will also provide a good opportunity for the Australian companies to embrace China plus one policy," he said. Recently, an AEPC delegation participated in the International Sourcing Expo in Australia. Goenka said that the Australian companies are eagerly waiting to forge stronger ties and source garment and textiles products from India and this deal will be a shot in the arm for them.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-australia-trade-pact-to-help-boost-garment-exports-aepc/articleshow/95719427.cms>

### **FDI equity inflows fall 24% YoY in Q2**

Foreign direct investment (FDI) equity inflows into India fell nearly a quarter to \$10.3 billion in the September quarter from \$13.6 billion a year earlier, data released by the Department for Promotion of Industry and Internal Trade (DPIIT) showed. Sequentially, inflows were down 37% from June quarter, as global uncertainty dampened appetite for investments. Total FDI inflows - including fresh FDI equity inflows, reinvested earnings and other capital - contracted 16% to \$16.6 billion in Q2 from \$19.8 billion a year ago. In the first half of FY23, FDI equity inflows shrank 14% to \$26.91 billion from \$31.5 billion a year earlier while total inflows were 8.8% lower at \$39.09 billion in the April-September period from \$42.86 billion in the year earlier.

<https://economictimes.indiatimes.com/markets/stocks/news/fdi-equity-inflows-fall-24-yoy-in-q2/articleshow/95726312.cms>

### **India likely to extend sugar exports by 2-4 mn tonnes this season, says ISMA**

The Indian Sugar Mills Association (ISMA) on Wednesday said India is likely to extend the limit of sugar exports by 2-4 million tonnes in the 2022-23 season. The move will leave total exports at 8-10 million tonnes and below last year's level. India, which is the world's biggest sugar producer and the second biggest exporter after Brazil, exported over 11 million tonnes of sugar in the October-September season of 2021-22. The government earlier this month approved a first tranche of exports for 2022/23 at 6 million tonnes in a move that helped cap recent upward pressure on benchmark ICE sugar prices. "Definitely there will be a second tranche ... between 2-4 million tonnes, depending on production," Reuters quoted Aditya Jhunjunwala, president of ISMA, as saying on the sidelines of the International Sugar Organisation seminar in London.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-likely-to-extend-sugar-exports-this-season-by-2-4-mn-tonnes-says-isma/articleshow/95719914.cms>

**India's cotton exports stall as farmers delay sales hoping for higher prices**

Indian traders are struggling to export cotton despite higher production as farmers are delaying sale of their harvest hoping for higher prices in coming months, industry officials told Reuters. The limited supplies are keeping local prices significantly above the global benchmark, making overseas sales unviable from the world's biggest producer of the fibre. "Harvesting of the new crop started last month, but many farmers are not willing to sell. They are holding crop hoping prices would rise like the last season," said Atul Ganatra, president of the Cotton Association of India (CAI).

<https://economictimes.indiatimes.com/news/economy/agriculture/indias-cotton-exports-stall-as-farmers-delay-sales-hoping-for-higher-prices/articleshow/95715036.cms>