



November 25, 2022 – Friday

Key Developments

Issuers of municipal debt securities can issue green bonds, says Sebi

Capital markets regulator Sebi on Thursday said issuers of municipal debt securities can issue green bonds in compliance with rules governing issue and listing of non-convertible securities. A green bond is like any other bond where a debt instrument is issued by an entity for raising funds from investors. The proceeds of a green bond offering are 'ear-marked' for use towards financing green projects. Sebi (Issue and Listing of Municipal Debt Securities) or ILMS rules provide the framework for issuance and listing of municipal debt securities. It also specified the continuous disclosure and compliance requirements to be complied with by issuers of Municipal Debt Securities.

https://www.business-standard.com/article/economy-policy/issuers-of-municipal-debt-securities-can-issue-green-bonds-says-sebi-122112400748_1.html

Economy

Unemployment rate dips to 7.2 pc in July-September 2022: NSO survey

Unemployment rate for persons aged 15 years and above in urban areas declined to 7.2 per cent during July-September 2022 from 9.8 per cent a year ago, the National Statistical Office (NSO) said on Thursday. Joblessness or unemployment rate is defined as the percentage of unemployed persons among the labour force. Joblessness was high in July-September 2021 mainly due to the staggering impact of Covid-related restrictions in the country. The latest data based on a periodic labour force survey, underlining a decline in the unemployment rate amid an improved labour force participation ratio, point towards a sustained economic recovery from the shadow of the pandemic.

<https://www.financialexpress.com/economy/unemployment-rate-dips-to-7-2-pc-in-july-september-2022-nso-survey/2890381/>

India to grow at 'moderately brisk rate', inflation to ease: FinMin

India is well placed to grow at a "moderately brisk rate" in the coming years on the back of macroeconomic stability, despite global monetary tightening, a finance ministry report said on Thursday. It further said inflationary pressures will ease in the coming months with the arrival of kharif crops and at the same time job opportunities will increase with improvement in business prospects. The 'Monthly Economic Review for October 2022' also cautioned that the US monetary tightening is a "future risk" which could lead to dip in stock prices, weaker currencies and higher bond yields, resulting in higher borrowing costs for many governments around the world. It said a rapid deterioration in global growth prospects, high inflation, and worsening financial conditions have increased fears of an impending global recession.

<https://www.financialexpress.com/economy/india-to-grow-at-moderately-brisk-rate-inflation-to-ease-finmin/2890170/>

We should see core inflation dipping: RBI MPC member Ashima Goyal

While core consumer price index- (CPI-) based inflation has remained stubbornly elevated, a study of some of the underlying components of the price gauge suggest that it should ease going ahead, Ashima Goyal, member of the

Monetary Policy Committee, said. "We looked at some of the underlying components of core (inflation). We find that things like transport, telecommunications were the largest components and those are coming down," Goyal told reporters at the State Bank of India Banking and Economic Conclave. "Those are linked to oil prices. If that comes down, their share coming down, then we should see core also coming down," she said. Goyal said her views were personal.

https://www.business-standard.com/article/economy-policy/we-should-see-core-inflation-coming-down-rbi-mpc-member-ashima-goyal-122112401216_1.html

Banking and Finance

It will give another level of comfort to MSME lenders: Experts on GST data access via account aggregators

The Reserve Bank of India's (RBI) decision to include the Goods and Services Tax Network (GSTN) as the latest Financial Information Provider (FIP) under the Account Aggregator (AA) framework has been hailed as a major push to further ease access to bank credit by MSMEs. GSTN is the non-profit and non-government organization that manages the entire IT system of the GST portal. Account aggregators (AAs) are a new class of non-banking financial companies (NBFCs) that offers account aggregation services — retrieving or collecting information of its customer pertaining to their financial assets or information and consolidating, organizing, presenting it to the customer (for instance a bank) or any other person as per the instructions of the customer — in exchange for a fee. The consent-based information collected is in respect of MSMEs' bank or NBFC deposits, SIPs, government securities, equity shares, bonds, mutual funds, insurance policies, exchange traded funds (ETFs), debentures, etc. With the latest announcement by RBI, GST Returns, viz. form GSTR-1 and GSTR-3B would also be available as information as GSTN joins the list of existing FIPs such as banks, NBFCs, asset management companies, depositories, insurance companies, pension funds, etc., providing related information to AAs.

<https://www.financialexpress.com/industry/sme/msme-fin-it-will-give-another-level-of-comfort-to-msme-lenders-experts-on-gst-data-access-via-account-aggregators/2889947/>

Credit guarantee fund on drawing board for building warehouses

India is looking at setting up a credit guarantee fund to ease flow and reduce cost of capital for creation of warehouses. The proposed fund, under the Warehousing Development and Regulatory Authority (WDRA), is aimed at getting more warehouses into the formal sector. The government has begun discussions with the industry on setting up a fund for warehousing akin to the credit guarantee fund for small and medium enterprises, said officials. Initial discussions have been held with some banks, they said.

<https://economictimes.indiatimes.com/news/economy/finance/credit-guarantee-fund-on-drawing-board-for-building-warehouses/articleshow/95749447.cms>

Exporters seek fiscal support, credit at affordable rates

Exporters on Thursday sought tax incentives for job intensive export units, cheaper credit for MSMEs and creation of an Export Development Fund. In the customary pre-budget interaction with finance minister Nirmala Sitharaman, exporters pitched for reduction in customs duty and sought government support for setting up a global Indian shipping line. "Creation of employment is the biggest challenge faced by the country...We would urge the government to provide fiscal support to units which provide additional employment in the export sector," FIEO president A Sakthivel said. He added that currently the credit rate for MSMEs is 11%-13% and it may increase further in the next few months.

<https://economictimes.indiatimes.com/news/economy/policy/budget-demand-exporters-seek-fiscal-support-credit-at-affordable-rates/articleshow/95749484.cms>

Industry

Govt doubles down on defence purchases from MSMEs

Purchase of defence-related goods and services by the Defence Ministry from MSMEs via the government's business-to-government (B2G) portal Government eMarketplace (GEM) during the eight months of the current fiscal has surpassed FY22 procurement level, according to the portal. In a tweet on Thursday, GeM announced that the gross merchandise value of Rs 15,039 crore achieved in 12 months in the last fiscal has already been done in eight months

of the current FY. "Defence buyers (are) looking forward to double their GMV this FY at this pace," the tweet read. The FY22 procurement value was more than 250 per cent from the previous year, FE Aspire had reported earlier this year.

<https://www.financialexpress.com/industry/sme/msme-eodb-govt-doubles-down-on-defence-purchases-from-msmes-buys-goods-worth-this-much-amount/2890445/>

Cement companies' operating profit margins to fall 2% in FY'23

Notwithstanding the growth in sales volume, the operating profit margins of cement companies are expected to decline by 1.60 to 2 per cent in this financial year due to sustained cost increase and the inability of cement companies to pass on the incremental cost, according to an ICRA report. The all-India cement volumes increased by 11 per cent y-o-y to 187 million tonnes in first half of this fiscal supported by continued strong demand from rural housing and pick-up of infrastructure activity, the report added.

<https://www.thehindubusinessline.com/companies/cement-companies-operating-profit-margins-to-fall-2-in-fy23/article66179052.ece>

Commercial vehicle industry to witness growth of 20-22 % in FY23

According to a report by CareEdge, medium and heavy commercial vehicles are expected to grow by 22-24 per cent, while light commercial vehicles are likely to grow by 10 - 19 per cent.

<https://www.thehindubusinessline.com/companies/commercial-vehicle-industry-to-witness-growth-of-20-22-in-fy23/article66178848.ece>

Biz travel to boost hotel industry revenue by 23 pc in FY23 over pre-Covid period: Report

The Indian hotel industry is likely to witness 23 per cent growth in revenue this fiscal over the pre-pandemic level, driven by a strong recovery in business travel and continued traction in leisure travel, according to a report. Higher average room rates (ARRs) and occupancy will help the hotel industry log a strong improvement in profitability to around 34 per cent this fiscal compared to 24 per cent in the pre-pandemic period (fiscal 2020), Crisil Ratings said in a report. Revenue, on its part, will increase 23 per cent over the pre-pandemic level, riding on a strong recovery in business travel and continued traction in leisure travel, it added. "Leisure travel had gained traction post the Delta wave last fiscal, while business travel has started picking up steadily after a much milder Omicron wave in January 2022. This has been fuelling demand in the MICE (meetings, incentives, conventions and events) segment," Crisil Ratings Senior Director Mohit Makhija said.

<https://economictimes.indiatimes.com/industry/services/hotels-/restaurants/biz-travel-to-boost-hotel-industry-revenue-by-23-pc-in-fy23-over-pre-covid-period-report/articleshow/95744667.cms>

Agriculture

India's first private agri mandi set to come up with world-class infrastructure

A 100-acre dedicated market space integrated with world-class infrastructure, services from banking to storage, processing, and packaging under one roof, options for offline and online trading, legalisation of field trade, and ownership of farmers. These are some of the planned features of the private agriculture market initiated by Sahyadri Farmer Producer Company (FPC). The FPC has bagged a license, the first in the country, to set up a private agricultural mandi (market) at Dindori, in Nashik district. The market will come up over the next three months at a cost of ₹25 crore.

<https://www.thehindubusinessline.com/economy/agri-business/sahyadri-fpc-to-set-up-private-agri-mandi-in-nashik/article66177676.ece>

Energy

Coal output in Apr-Oct jumps 18% to 448 million tonnes; govt eyes stock enhancement, transport efficiency

India's total coal production during April-October 2022, stands at 448 million tonnes, registering an 18 per cent jump as compared to the same period last year, the Ministry of Coal reported on Thursday. The jump in production is in line with the efforts of the Ministry to enhance coal stock, as well as increase efficiency of the transportation of coal. Coal India Limited (CIL) also reported a 17 per cent on-year increase in production. Based on the set course, the coal

ministry is eyeing 45 crore tonnes of stock with the Thermal Power Plants (TPP) by the end of the current fiscal year. "The Ministry of Coal is planning to build stock at domestic coal-based plants to the tune of 30 million tonnes by the end of November, 2022. It has plans to keep building the stock so that by the end of 31st March, 2023, Thermal Power Plants (TPP) stock will go up to 45 million tonnes," the ministry said in a statement. The first seven months of 2022 saw a 9 per cent growth in the average rakes per day availability, which is acting as oil to the mechanism of transporting higher quantities of coal to the myriad power plants in the country.

<https://www.financialexpress.com/industry/coal-output-in-apr-oct-jumps-18-to-448-million-tonnes-govt-eyes-stock-enhancement-transport-efficiency/2889931/>

LNG storage planned at major ports at ₹20,000 crore investment

India is preparing a roadmap for setting up floating storage facilities for liquefied natural gas (LNG) at all its major ports, a senior government official aware of the matter said. "A plan is in the works ... It would be finalised by the fiscal year-end," the official told ET. The project is estimated to cost ₹20,000 crore in total and will be open for private sector participation, the official said. India has 12 major ports, of which Cochin (Kerala) and Kandla (Gujarat) already have accessible LNG storage facilities. The proposed LNG terminals will provide refuelling facilities for ships, as well as help serve India's increasing demand for the gas from the industry and for city-gas distribution.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/lng-storage-planned-at-major-ports-at-20000-crore-investment/articleshow/95750257.cms>

Telecom

Indian telecom gear firms get mandate from Railways for 5G trial between Palwal-Mathura

A group of Indian telecom gear makers have received a mandate from Indian Railways to set up a 5G-based mobile communication network on a trial basis between Palwal and Mathura stations, a senior official of industry body VoICE said on Thursday. The Voice of Indian Communication Technology Enterprises (VoICE) Director General R K Bhatnagar told PTI that the association members will use the premium 700 megahertz spectrum band that is available with Indian Railways to deploy 5G technology. "Indian Railways has asked VoICE for setting up a 5G-based mobile communication network on the Palwal-Mathura sector of (82 km) Indian Railways in a consortium mode on 700 MHz band as Proof of Concept. Implementation target is 9 to 12 months," Bhatnagar said. VoICE members include companies such as Himachal Futuristic Communications Ltd, Telecommunications Consultants India, Signaltron, Lekha Wireless, Coral Telecom, Sparsh, Astrome, Dyotis etc.

<https://www.financialexpress.com/infrastructure/railways/indian-telecom-gear-firms-get-mandate-from-railways-for-5g-trial-between-palwal-mathura/2890417/>

India aiming to help develop 6G standards: DoT secretary

India is aiming to be a part of the global 6G standards development process and expects that the recently unveiled research & development fund will support early-stage startups working on these technologies, a top government official said. "We are in a situation where 6G standards are not there. So, we are trying to be part of the standards-making process," Department of Telecommunications (DoT) secretary K Rajaraman told ET.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/india-aiming-to-help-develop-6g-standards-dot-secretary/articleshow/95749440.cms>

States

Maharashtra: Steel manufacturers seek restoration of electricity subsidy

The Steel Manufacturers Association of Maharashtra (SMAM) on Thursday sought restoration of power subsidies first given by the Devendra Fadnavis government in 2019 to boost the ailing sector in some parts of the state. In 2019, the then BJP-led government had started supply of power at Rs 5 per unit for steel units in Marathwada, Vidarbha and Khandesh, but this relief was withdrawn on June 23 this year, SMAM president Yogesh Mandhani said. "This scrapping of subsidy led to a drastic fall in industrial growth and production. Now, neighbouring states like Chhattisgarh and Madhya Pradesh provide electricity at Rs 5.25 per unit, while it is Rs 8 per unit in Maharashtra," he said. "Due to this, 36 steel units have shut down, and 10 units have shifted base to Madhya Pradesh, Chhattisgarh

and Gujarat. We want the Eknath Shinde-Fadnavis government to bring back this subsidy to give a boost to the ailing sector," he claimed.

<https://www.financialexpress.com/industry/maharashtra-steel-manufacturers-seek-restoration-of-electricity-subsidy/2890260/>

External

SEA urges govt to hike refined palm oil import duty to 20pc to save local refiners

Edible oil industry body SEA has written to the Union food minister Piyush Goyal to increase import duty on refined palm oil to 20 per cent from the current 12.5 per cent in order to protect domestic refiners. The Solvent Extractors' Association of India (SEA) pointed out that the duty difference between crude palm oil (CPO) and refined palm oil is only 7.5 per cent, resulting in higher imports of refined palm oil and lower capacity utilisation of the domestic refining industry. "The low duty difference of 7.5 per cent is a boon for Indonesian and Malaysia refiners. The duty difference between CPO and refined palmolein/palm oil needs to be increased from the current 7.5 per cent to at least 15 per cent.

<https://www.financialexpress.com/market/commodities/sea-urges-govt-to-hike-refined-palm-oil-import-duty-to-20pc-to-save-local-refiners/2890321/>

Global uncertainty could have implications on India's exports: Piyush Goyal

Commerce and Industry Minister Piyush Goyal on Thursday said the ongoing global uncertainty and recessionary trends could have some implications on India's exports. He, however, said that services exports have huge potential for growth. Given the global situation, India is still the bright spot in the world, the minister said. In times of uncertainty and when there is talk about recession at the world level, it is natural that there would have some consequences for India and there is a possibility of some weakness in our exports as well, he said at the Times Now Summit 2022.

https://www.business-standard.com/article/economy-policy/global-uncertainty-could-have-implications-on-india-s-exports-piyush-goyal-122112401211_1.html

India's engineering goods exports to China, US, EU decline sharply in October

India's engineering goods exports to China fell 64 per cent y-o-y in October 2022 while shipments to the EU declined 23 per cent as the overall exports of engineering products from the country declined for the fourth consecutive month.

<https://www.thehindubusinessline.com/economy/indias-engineering-goods-exports-to-china-us-eu-decline-sharply-in-october/article66178882.ece>

Exporters demand fiscal support, credit at affordable rates in next Budget

Exporters on Thursday demanded measures such as creation of a fund and credit at affordable rates in the forthcoming Budget to boost the exports and create jobs. In a pre-budget meeting with Finance Minister Nirmala Sitharaman, Federation of Indian Export Organisations (FIEO) said depreciation of the rupee against the US dollar is affecting exports' competitiveness and due to that the sector requires more support. "Creation of employment is the biggest challenge faced by the country....We would urge the government to provide fiscal support to units who provide additional employment in the export sector. Such a scheme will also help workers move from informal employment to formal employment," the federation said.

https://www.business-standard.com/article/economy-policy/exporters-demand-fiscal-support-credit-at-affordable-rates-in-next-budget-122112400647_1.html

Indian importers urge govt to increase duty difference between CPO and palmolein to 15%

Stakeholders from edible oil industry have urged the Centre to increase the duty difference between crude palm oil (CPO) and RBD palmolein to at least 15 per cent from the existing 7.5 per cent, for better capacity utilisation within the country and to support the domestic refining industry. In a memorandum submitted to Piyush Goyal, Union Minister of Consumer Affairs and Food and Public Distribution, and Commerce and Industry, the Solvent Extractors' Association (SEA) of India and the Asian Palm Oil Alliance (APOA), have said the current import duty difference

between CPO and refined oil of 7.5 per cent encourages import of refined palmolein into the country as opposed to CPO.

<https://www.thehindubusinessline.com/economy/agri-business/indian-importers-urge-govt-to-increase-duty-difference-between-cpo-and-palmolein-to-15/article66178433.ece>