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Economy

House panel approves Competition Amendment Bill with some tweaks

A parliamentary panel on Thursday approved its report on the Competition Amendment Bill 2022, with some tweaks, according to the people familiar with the matter. The report would be submitted in the Parliament in a few days, Jayant Sinha, chairman of the Parliamentary Standing Committee on Finance and Corporate Affairs, told ET. "The report has been adopted... We have proposed a series of amendments to sharpen the bill," Sinha said, adding that the panel has worked to see the objective of ease of doing business be further enhanced. Sinha, however, declined to divulge details of the proposed changes. Another person privy to the deliberations said no changes have been proposed to the deal value threshold of Rs2,000 crore for taking approval of the Competition Commission, though certain tweaks have been suggested to fine-tune it.

<https://economictimes.indiatimes.com/news/economy/policy/house-panel-approves-competition-amendment-bill-with-some-tweaks/articleshow/96093593.cms>

Centre unlikely to conduct Census before Lok Sabha elections 2024

The central government is unlikely to conduct the decadal Census before the 2024 Lok Sabha elections, expected to take place in April-May that year.

https://www.business-standard.com/article/economy-policy/centre-unlikely-to-conduct-census-before-the-lok-sabha-elections-2024-122120801146_1.html

Urbanisation set to be key with 50% population in cities by 2047: NITI CEO

NITI Aayog CEO Parameswaran Iyer on Thursday said that urbanisation is going to be the key as 50 per cent of India's population will live in urban areas by 2047. Addressing an event organised by industry body FICCI, Iyer said many states have done wonderful work in solid waste management. "Urbanisation is going to be the key. By 2047, 50 per cent of the population will live in urban areas, if you don't have basic services in urban areas, then it is going to be a big challenge," he noted. Replying to a question on issues of cleanliness of India's tourist destinations, Iyer said, "If you want to promote tourism in India aggressively, you better have clean places around, you better have better behaviour by tourists and by the locals."

https://www.business-standard.com/article/economy-policy/urbanisation-set-to-be-key-with-50-population-in-cities-by-2047-niti-ceo-122120800515_1.html

Rural India adds 4.3 million jobs in November

Rural India witnessed the addition of 4.3 million jobs in November resulting in an increase in the employment rate from 37% in October to 37.5% while urban India witnessed a marginal increase from 34.2% to 34.4%, the Centre for Monitoring Indian Economy said. According to CMIE, the index of consumer sentiments fell by 0.2% in November on the back of a 1.5% dip in urban sentiments while it increased by 0.5% in rural India. As per the CMIE, the fall in the ICS in November 2022 comes after two months of robust increases when it had risen somewhat sharply by 11.4% in the preceding two months, which were the major festive months in India.

<https://economictimes.indiatimes.com/news/economy/indicators/rural-india-adds-4-3-million-jobs-in-november/articleshow/96080747.cms>

Banking and Finance

India's Gift City may bring in variable capital companies

Specialised fund structures, that have made Singapore and Luxembourg magnets for asset managers, could soon be introduced in India at the International Financial Services Centre (IFSC) of the Gujarat International Finance Tec-City (GIFT City). On November 30, the IFSC Authority released an expert panel report on allowing variable capital companies (VCCs) at GIFT City. The nine-member panel was headed by MS Sahoo, former chairperson of the Insolvency and Bankruptcy Board of India. The report proposed introducing a draft framework to allow VCCs, which are more loosely regulated.

<https://economictimes.indiatimes.com/news/economy/finance/indias-gift-city-may-bring-in-variable-capital-companies/articleshow/96097482.cms>

RBI signs currency swap agreement with Maldives Monetary Authority

The Reserve Bank of India has signed a Currency Swap Agreement with the Maldives Monetary Authority (MMA) to enable MMA to make draws in multiple tranches up to a maximum of \$200 million from the RBI. This agreement has been signed under the SAARC Currency Swap Framework.

<https://www.thehindubusinessline.com/economy/rbi-signs-currency-swap-agreement-with-maldives-monetary-authority/article66239495.ece>

Indian banks fear fallout of ESMA rift on markets, plan to move RBI

The Reserve Bank of India (RBI) may be nudged to end the discord with European regulators as Indian banks begin to feel that a diminished role or exit of European banks from financial markets like bonds, money, foreign exchange and derivatives could hurt local institutions and impact liquidity. Several banks, along with industry bodies representing money and currency market dealers, met on Wednesday to discuss the probable fallout on financial markets if the RBI and the European Securities and Markets Authority (ESMA) fail to sort out their disagreement. ESMA has disqualified key Indian institutions which act as central counterparties (CCPs) with the Indian regulators, particularly RBI, refusing to accept their demand to inspect the CCPs like the Clearing Corporation of India (CCIL).

<https://economictimes.indiatimes.com/industry/banking/finance/banking/indian-banks-fear-fallout-of-esma-rift-on-markets-plan-to-move-rbi/articleshow/96093841.cms>

IRDAI allows foreign investors in capital raising

In a major boost to insurance sector, the insurance regulator IRDAI has allowed foreign investors, including FPIs, to invest in preference shares and subordinated debt issued by Indian insurers, expanding their pools of capital to fund their business growth in the world's fastest growing large economy. The regulator has also now allowed the subordinated debt issued by the Indian insurers to be listed in local stock exchanges (no overseas listing allowed). In a new set of regulations around 'other forms of capital' now issued by IRDAI, the regulator has stipulated that the quantum of investments by foreign investors including FII/ foreign portfolio investors (FPIs) in these two instruments — preference shares and subordinated debt — cannot exceed the sectoral cap (specified under FEMA).

<https://www.thehindubusinessline.com/markets/irdai-opens-foreign-investors-tap-for-local-insurers-subordinate-debt-preference-shares/article66239652.ece>

Industry

Govt amends SEZ rules to allow 100% WFH for IT units in SEZs till Dec 31, 2023

The Centre has amended the Special Economic Zones (SEZs) rules allowing IT/ITES units in SEZs to permit 100 per cent of their workforce to work from home (WFH) till December 31, 2023, provided unit owners intimate the same to the Development Commissioner of the zones and continue to operate from the premises as per their letter of approval. The new rules would also apply to employees in SEZ units who are temporarily incapacitated, are travelling or are working offsite, per a notification issued by the Department of Commerce on Thursday.

<https://www.thehindubusinessline.com/economy/govt-amends-sez-rules-to-allow-100-wfh-for-it-units-in-sezs-till-dec-31-2023/article66240067.ece>

'Intermediate manufacturing holds the sweet spot for India's chemical exports'

Intermediate manufacturing holds the sweet spot for India's chemical industry to become part of the global supply chain, said Bimal Goculdas, President, Indian Chemical Council (ICC). He was delivering the keynote address at the first edition of the Industry Institutions Partnership Summit 2022, organised by the ICC Southern Region and IIT Madras. ICC is the apex national body representing 400 manufacturers across all branches of the chemical industry, including organic & inorganic chemicals, plastics & petrochemicals & petroleum refineries, fertilizers & pesticides, specialty chemicals and paints.

<https://www.thehindubusinessline.com/economy/intermediate-manufacturing-holds-the-sweet-spot-for-indias-chemical-exports/article66238619.ece>

Online grocery prices rise as brands slash discounts

Discounts on online grocery shopping are coming down with almost all e-grocery companies increasing prices in the last two months as brands have reduced offers due to inflationary pressure. E-grocery companies have raised prices by 4-6% in October and November, while quick commerce platforms have undertaken 7-9% price hike, a research report by brokerage Motilal Oswal said. B Krishna Rao, senior category head at the country's largest biscuits maker Parle Products, said brands have reduced offers due to inflationary pressure, which appears as if there is a price increase. "Overall consumer offers have come down both in modern retail and e-commerce," he said. "This will continue for a while till some input prices cool down with the exception of big days like the Republic Day sales in January."

<https://economictimes.indiatimes.com/industry/services/retail/online-grocery-prices-rise-as-brands-slash-discounts/articleshow/96093380.cms>

Agriculture

India says GM technology important for food security, import reduction

India said on Thursday it was important for it to adopt farming technologies like genetically modified (GM) crops to ensure food security and cut a reliance on imports, as it tries to boost the output of edible oils for its huge population. The environment ministry in October granted environmental clearance for indigenously developed GM mustard seeds, potentially paving the way for a commercial release of the country's first food crop in about two years. Cotton is the only GM crop now allowed for cultivation in India. "Strengthening of plant breeding programmes including the use of new genetic technologies such as GE technology is important for meeting emerging challenges in Indian agriculture and ensuring food security while reducing foreign dependency," minister of state in the environment ministry, Ashwini Kumar Choubey, told parliament, referring to genetically engineered, which is another term for GM.

https://www.business-standard.com/article/economy-policy/india-says-gm-technology-important-for-food-security-import-reduction-122120800885_1.html

Bulk tea prices seen higher amid supply hit, ICRA says

Rating agency ICRA, in its latest quarterly report on bulk tea, has highlighted that three consecutive years from 2020 to 2022 of sub-normal production, along with a higher volume of export from India are expected to result in a significant tightness in pipeline stock, which is likely to provide some support to bulk tea prices going into the new season. The economic crisis in Sri Lanka has led to a production loss in the island nation, the largest exporter of orthodox (ODX) tea globally. This has kept the supply tight in the international market in CY2022, which not only led to higher volumes of export from India but also drove the prices of ODX tea in the domestic market upward.

<https://economictimes.indiatimes.com/news/economy/agriculture/bulk-tea-prices-seen-higher-amid-supply-hit-icra-says/articleshow/96085582.cms>

Infrastructure

Railway projects worth Rs 7.33 trillion being executed

Indian Railways is in various stages of planning and execution of 452 projects with a total length of 49,323 km costing approximately Rs 7.33 trillion. These include 183 new lines, 42 gauge conversions and 227 doublings. Of 49,323 km, 11,518 km length has been commissioned and an expenditure of about Rs 2.35 trillion has been incurred up to March

2022, railways minister Ashwini Vaishnaw informed Lok Sabha on Wednesday. Railway has reviewed all the projects based on last mile connectivity, missing links, traffic potential on the project, capacity enhancement, availability of land, forest/wild-life clearance etc. and based on the review, railway projects have been prioritized. Presently, the railway's focus is on the completion of capacity enhancement projects, last mile connectivity projects, national projects and gauge conversion projects, he said.

<https://www.financialexpress.com/infrastructure/railways/railway-projects-worth-rs-7-33-trillion-being-executed/2904988/>

Construction of 4,766 kms of national highways completed till Nov; target for FY23 is 12,200 kms

The Ministry of Road Transport and Highways (MoRTH) has set a target of constructing 12,200 kilometres of national highways during 2022-23, against which 4,766 kilometres have been constructed till November, 2022, Parliament was informed on Thursday. The road transport and highways minister Nitin Gadkari in a written reply to the Lok Sabha said under Bharatmala Pariyojana, apart from development of highways/ expressways in the country, which facilitate logistic efficiency to India economy, 35 Multi Modal Logistics Parks (MMLPs) are to be developed. These MMLPs would act as major cargo consolidation and distribution hubs, Gadkari added. According to him, under Bharatmala Pariyojana 191 points of congestion were identified on the entire network. Gadkari said of the 191 choke points, de-congestion projects have already been completed in 56 congestion points and de-congestion projects are under implementation in 83 congestion points.

<https://economictimes.indiatimes.com/news/economy/infrastructure/construction-of-4766-kms-of-national-highways-completed-till-nov-target-for-fy23-is-12200-kms/articleshow/96089290.cms>

Energy

India unveils Rs 2.2 trillion plan to upgrade grid for clean power

India unveiled a 2.44 trillion rupee (\$29.6 billion) plan to build transmission lines to connect renewable generation, as it aims to nearly triple its clean-power capacity by 2030. The project will connect solar plants in the sun-drenched deserts of Rajasthan and Gujarat and wind farms in Tamil Nadu to the national network, the power ministry said in a statement. It will help boost India's inter-regional transmission capacity from 112 gigawatts to 150 gigawatts by the end of the decade. A lack of transmission lines has held back renewable electricity in India. As the nation embarks on its path to net zero by 2070, it needs to address this shortfall so that clean power can flow to urban and industrial hubs that are often far from generation sources.

https://www.business-standard.com/article/economy-policy/india-unveils-rs-2-2-trillion-plan-to-upgrade-grid-for-clean-power-122120800650_1.html

Power deficit declines to 0.1% in October from 2% in April this year

Power deficit or gap between electricity required and supplied has fallen from two per cent in April this year to 0.1 per cent, Parliament was informed on Thursday. "The gap between energy requirement and energy supplied has been reduced from two per cent to 0.1 per cent between the month of April, 2022 and October, 2022," Power Minister R K Singh stated in a written reply to Lok Sabha. The data showed that the deficit was 2,752 million units (units) in April this year which came down to 124 MU in October, 2022.

https://www.business-standard.com/article/economy-policy/power-deficit-declines-to-0-1-in-october-from-2-in-april-this-year-122120800865_1.html

Government extends Rooftop Solar Programme till March 2026

The government on Thursday asked consumers not to pay any additional charge for solar installations as the 'Rooftop Solar Programme' has been extended till March 31, 2026. The programme has been extended till 31.03.2026 and therefore, subsidy under the programme will be available until the target under the programme is achieved, Ministry of New and Renewable Energy (MNRE) said in a statement. "All residential consumers are hereby advised not to pay any additional charges to any vendor on account of fee for application on the National Portal or any additional charges for net-metering/testing which are not prescribed by the respective distribution company," it said. In case any such charges are demanded by any vendor/agency/person, the same can be reported to the ministry through email rts-mnre@gov.in, it said.

<https://economictimes.indiatimes.com/industry/renewables/government-extends-rooftop-solar-programme-till-march-2026/articleshow/96091604.cms>

Telecom

Telecom industry aiming to hire staff laid off by Big Tech firms

The Indian telecom eco-system could absorb up to 30% of the workforce laid off at the big tech firms and who chose to return to India. These include employees across technical and service profiles, say staffing experts. Companies like Meta, Amazon, Twitter, Microsoft and Stripe among many others have laid off employees and rationalised their employee base. According to estimates by TeamLease, over 62,000 employees have received the pink slip in 2022, including layoffs announced by Amazon over the past week.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/telecom-industry-aiming-to-hire-staff-laid-off-by-big-tech-firms/articleshow/96080485.cms>

States

ADB approves \$780 mn loan to expand Chennai's metro rail network

The Asian Development Bank (ADB) on Thursday approved financing of \$780 million to build new lines for Chennai's metro rail and improve the network's connectivity with bus and feeder services. The project will construct 10.1 km of an elevated section between Sholinganallur to State Industries Promotion Corporation, including nine metro stations and system components; 10 km of the underground section between Lighthouse and Meenakshi College including 9 stations; and 31 km of system components, such as electrical, mechanical, power, and telecommunication infrastructure, between Chennai Mofussil Bus Terminus to Okkiyam Thoraipakkam. The stations will be disaster- and climate-resilient and responsive to the needs of the elderly, women, children, and the differently abled.

https://www.business-standard.com/article/economy-policy/adb-approves-780-million-loan-to-expand-rail-network-in-chennai-122120800940_1.html

Rajasthan govt implements new rural tourism scheme, promises jobs

The Rajasthan government has started a rural tourism scheme, offering concessions to prospective investors. "According to the policy, the state government will promote tourism units that showcase rural life, art, culture, and heritage," a senior tourism department said. Local people in rural areas are expected to get employment through this scheme, called Rajasthan Rural Tourism Scheme. Various sops are being offered under it. There will be concession in stamp duty. In the beginning 25 per cent stamp duty will be payable, but after the start of the tourism unit and on submitting the certificate, the amount will be reimbursed.

https://www.business-standard.com/article/economy-policy/rajasthan-govt-implements-new-rural-tourism-scheme-promises-jobs-122120801304_1.html

External

Free trade agreement with Australia to create level-playing field for Indian home textile exporters: Report

Even as there is a slowdown in demand for Indian garments in the US and Europe, free trade agreement (FTA) with Australia is likely to provide a level-playing field for home textile exporters in 2022-23, according to a report. The build-up of inventories on account of the cut on discretionary expenditure and reallocation of expenses to services have reduced imports into the key US market, according to a India Ratings and Research (Ind-Ra) report. Consequently, the home textile segment continued to experience a demand slowdown, whereas other segments of cotton, apparel and man-made spinning continue to benefit from the China+1 sourcing and continuing US ban on the use of cotton from Xinjiang, China. However, given the discretionary nature of textile products, Ind-Ra expects the slowing demand in Europe, the US and other parts of the world to have an impact on textile exports. In addition, the report stated that small yarn players facing cotton availability issues are likely to get impacted.

<https://www.financialexpress.com/economy/span-stylefont-family-arial-font-size-13-3333px-font-weight-400-white-space-normal-data-rich-text-format-boundarytruefree-trade-agreement-with-australia-to-create-level-playing-field-for-indian-home-t/2906841/>

Inclusion of iron and steel products in RoDTEP scheme will expand global presence: Jyotiraditya Scindia

The government's move to include iron and steel products under the tax refund scheme — RoDTEP — will help Indian steel players to expand global footprint, Union minister Jyotiraditya Scindia said on Thursday. The move follows removal of export duty on steel products to nil effective November 19, 2022, the steel minister said terming it a "progressive decision". The government on Wednesday extended export benefits under the tax refund scheme to products of iron and steel along with chemicals, pharmaceuticals for a specified period with a view to boost shipments of these goods, amidst exports growth recording a contraction of 16.65 per cent in October.

<https://www.financialexpress.com/economy/inclusion-of-iron-and-steel-products-in-rodtep-scheme-will-expand-global-presence-jyotiraditya-scindia/2906605/>