



December 12, 2022 – Monday

Economy

Govt could tap into NSSF for extra funds

The Centre's proposed net extra Rs 3.26 trillion spending on assorted subsidies and programmes won't lead to any additional market borrowings, even though it may have to dip into the National Small Savings Fund (NSSF) for more funds if needed, a senior government official told FE. The extra tax revenues expected over the Budget estimate (BE) and savings in various schemes, along with a higher nominal GDP growth, would help keep the fiscal deficit within the FY23BE of 6.4% of GDP, the official said. "Roughly, the Centre's spending could still be Rs 2.5-3 trillion more than the budgeted Rs 39.4 trillion for the current financial year. But, we intend to stick to the budgeted fiscal deficit as a fraction of GDP, though the absolute amount may vary (from the target) a bit," the official said.

<https://www.financialexpress.com/economy/govt-could-tap-into-nssf-for-extra-funds/2908515/>

Commerce Ministry in talks with FinMin to resolve sticky issues early

The Finance Ministry may not agree to the Commerce Ministry's proposal for extension of concessional corporate tax of 15 per cent to new SEZ units as part of the Development of Enterprises and Services Hub (DESH) Bill, 2022. But it is considering other major demands such as allowing SEZ units to sell their goods in the domestic market without the imposition of Customs duties and getting payment for services rendered there in rupees instead of foreign exchange, sources have said

<https://www.thehindubusinessline.com/economy/desh-bill-commerce-ministry-in-talks-with-finmin-to-resolve-sticky-issues-early/article66251805.ece>

Banking and Finance

Data available on crypto is misleading, says RBI Deputy Governor T Rabi Shankar

The Reserve Bank of India (RBI) Deputy Governor T Rabi Shankar on Saturday called data available on cryptocurrency misleading and said that rules relating to such digital currencies must be made based on clear understanding of what they (digital currencies) are and how they work. He also called for a single communication across the board for effective regulation of crypto. "Data is not available. Whatever data is available is misleading. And making regulations in the absence of adequate information carries a high probability of us ending up with the wrong set of prescriptions," PTI quoted T Sankar as saying at a virtual conference hosted by the International Monetary Fund (IMF) on Saturday. . The deputy governor highlighted the need for gathering "sufficient, trustworthy, and consistent information."

<https://economictimes.indiatimes.com/news/economy/finance/data-available-on-crypto-is-misleading-says-rbi-deputy-governor-t-rabi-shankar/articleshow/96148804.cms>

Crypto & taxation on agenda as G20 finance Track meets start tomorrow

A globally coordinated approach to unbacked crypto assets, advancing the international taxation agenda and reorienting international financial institutions will be the key agenda items for the G20 Finance Track meetings starting Tuesday, the finance ministry said in a statement. The first G20 Finance and Central Bank Deputies (FCBD) meeting, jointly hosted by the finance ministry and the Reserve Bank of India (RBI), is scheduled to be held during

December 13-15 in Bengaluru. The meeting of the G20 FCBD will be co-chaired by economic affairs secretary Ajay Seth and RBI deputy governor Michael D Patra, the finance ministry said in a statement, adding that it will deliberate on matters of global relevance, including infrastructure development, sustainable finance, global health, international taxation and financial sector issues. Their counterparts from G20 member countries, and from several other nations and international organisations invited by India, will participate in the meeting.

<https://economictimes.indiatimes.com/news/economy/policy/crypto-taxation-on-agenda-as-g20-finance-track-meets-start-tomorrow/articleshow/96155509.cms>

CBIC streamline procedure for export through post offices

As a part of measures to improve ease of doing business, the Central Board of Indirect Taxes and Customs (CBIC) has streamlined export through post offices. Now, the bill can be entered electronically. According to a notification by CBIC, the postal authorities will set up, operate and maintain the PBE (Postal Bill of Export) Automated System for filing of electronic declaration for the export of goods through post. An exporter who wishes to export goods through post or his/her authorised agent will be required to register on the PBE Automated System. It will validate and recognise the registered person and enable him/her to file an electronic declaration and upload supporting documents. Two forms – PBE III and PBE IV – have been prescribed out of which the first one can be used for export through e-commerce while the second one will be for others.

<https://www.thehindubusinessline.com/economy/cbic-streamline-procedure-for-export-through-post-offices/article66251322.ece>

Industry

CNG-powered vehicles increase share in car sales to 10%

Notwithstanding the increasing compressed natural gas (CNG) prices, sales of passenger cars powered by CNG have been seeing a steady increase and now account for about 10% of total car sales in the country, up from 8% in January. Lower cost of operation compared to cars run on diesel and petrol, new launches, and higher cash incentives are powering the rising demand for CNG vehicles, experts said. "The running cost of CNG at ₹2.5 to ₹2.60 per km, is less than half of ₹5.30 to ₹5.45 per km for petrol and diesel-driven vehicles," said Shashank Srivastava, senior executive director at the country's largest carmaker Maruti Suzuki, which has the largest portfolio of CNG cars in the country. "As geopolitical situation eases, it is likely that prices of CNG will fall, which can further increase the running cost advantage of CNG cars over petrol and diesel cars," Srivastava said.

<https://economictimes.indiatimes.com/industry/auto/auto-news/cng-run-car-sales-share-rises-to-10-despite-escalating-costs/articleshow/96138240.cms>

Appliance makers expect robust growth from heating products this winter

Appliance makers are expecting a high double-digit growth in sales of heating products such as geysers and room heaters on hopes of a good winter and are ramping up production capacity to meet the demand. The manufacturers are seeking to cash in on the onset of winter with new-tech products like Internet of Things (IoT)-enabled geysers, besides tankless water heaters and a range of premium room heaters with oil-filled radiators. Besides, the makers are offering convenience, durability, and aesthetics with upgraded appliances in different sub-categories ranging from mass to premium. Crompton Greaves Consumer Electricals Ltd (CGCEL) is looking at 20 per cent growth in both instant and storage water heaters over last year. It "is looking at over 70 per cent growth in room heaters over last year," said CGCEL Vice President - Appliances Anand Kumar N.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/appliance-makers-expect-robust-growth-from-heating-products-this-winter/articleshow/96145165.cms>

Convenience food, premium packs countering FMCG slide

Demand for beverages, convenience foods, snacking and premium personal care products has surged significantly from a year ago, bucking the trend in the overall fast-moving consumer goods (FMCG) market, which has fallen. The movement is similar to that of lifestyle products in the consumer durables segment, where demand for mass-priced merchandise is under pressure due to inflation and growth is largely driven by the premium range. "The context started during Covid and India having a tough pandemic - the appreciation of packaged food improved a lot and it

has now catapulted," said Kalpesh R Parmar, country general manager, Mars Wrigley India. "So, when one wants small moments of happiness, the consumer opts for a packaged snack, either biscuit or chocolate and chips."

<https://economictimes.indiatimes.com/industry/cons-products/fmCG/convenience-food-premium-packs-counterering-fmCG-slide/articleshow/96159075.cms>

Agriculture

High-density cotton takes shape; promises to increase yields by 30-50%

In a bid to beat stagnancy and improve yields in cotton, farmers in Telangana have successfully completed an experiment with the high-density planting system (HDPS), which promises to increase yields by 30 to 50 per cent. Scientists from Prof. Jayashankar Telangana State Agricultural University (PJTSAU) and the State Agricultural Ministry have taken up HDPS demonstrations in farmers' fields in about 3,642 hectares across 26 districts in Telangana.

<https://www.thehindubusinessline.com/economy/agri-business/high-density-cotton-takes-shape-promises-to-increase-yields-by-30-50/article66251365.ece>

APEDA to make NOC for organic farmers simpler, experts want more

The Agricultural and Processed Food Products Export Development Authority (APEDA) has proposed to allow farmers to apply online to seek a no objection certificate (NOC) if they want to change certification agencies for organic produce. However, experts see the move as not addressing the core issue of making a farmer's "hasslefree and timebound" transition from one agency to another. The issue has been pending since last year, when it was found in Madhya Pradesh that fictitious organic produce growers' groups got listed in the internal control system (ICS) mechanism under the National Programme for Organic Production (NPOP). Later, APEDA suspended some certification companies, while some other firms announced the discontinuation of certification in commodities such as cotton and soyabean.

<https://www.thehindubusinessline.com/economy/agri-business/apeda-to-make-noc-for-organic-farmers-simpler-experts-want-more/article66251388.ece>

Infrastructure

Delhi-Mumbai expressway to be almost complete in December: Nitin Gadkari

Union Road Transport Minister Nitin Gadkari on Saturday said five greenfield access control expressways are coming up and one of them between Delhi and Mumbai would be almost ready in December. He said the distance between the financial capital and the national capital would be covered in 12 hours once the expressway becomes operational. "The expressway between Delhi and Mumbai would be almost complete in December. With this, the distance between the two cities can be covered in 12 hours", he said while addressing a function after inaugurating a 2.82-km-long tunnel road between Rewa and Sidhi worth Rs 1,004 crore. He also inaugurated and laid the foundation stones of seven road projects worth Rs 2443.89 crore.

<https://economictimes.indiatimes.com/news/economy/infrastructure/delhi-mumbai-expressway-to-be-almost-complete-in-december-nitin-gadkari/articleshow/96135639.cms>

Indian aviation market has significant opportunities but taxation always an issue: IATA chief

The Indian civil aviation market has exciting and significant opportunities but taxation has always been an issue which also makes the industry less competitive, according to IATA chief Willie Walsh. The International Air Transport Association (IATA) is a global grouping that represents around 300 airlines, including those from India, and its members account for nearly 83 per cent of the global air traffic. India is seeing a "much stronger recovery" than the Asia Pacific region in general but there could be challenges in terms of getting new aircraft and spare parts, as per IATA. "The market in India... The opportunity in India has to be considered to be very significant. There are issues in India not unique to aviation but the regulatory regime and bureaucracy can hinder the pace (of growth)," Walsh said during an interaction with reporters from the Asia Pacific region earlier this week here.

<https://www.financialexpress.com/industry/indian-aviation-market-has-significant-opportunities-but-taxation-always-an-issue-iata-chief/2909073/>

Energy

Power deficit in November falls to 0.2 per cent from 2 per cent in April

Power deficit, or the gap between electricity required and supplied, has witnessed a downfall to 0.2 per cent in November from 2 per cent in April this year. However, on a monthly basis, the number has increased from 0.1 per cent (124 million units) in October 2022 in October. The government data showed that the deficit was 2,752 million units (MU) in April this year, which came down to 199 MU in November 2022.

<https://economictimes.indiatimes.com/industry/energy/power/power-deficit-in-november-falls-to-0-2-per-cent-from-2-per-cent-in-april/articleshow/96145788.cms>

Govt will make efforts to meet 230-Gw peak demand in April 2023: Power secy

The government will take all possible measures to meet the 230 gigawatt (GW) single-day peak demand expected in April 2023, according to Power Secretary Alok Kumar. On Wednesday, Power Minister R K Singh presided over a meeting to review the preparation to meet the high electricity demand expected in April next year. On the outcome of the meeting, the secretary told PTI there are two parameters on which the government will work. Firstly, it will ensure there should be enough power generation capacity, and for that companies have been directed to carry out maintenance work of their plants so there is no issue at that time, he said. According to Kumar, the demand in April next year could be as high as 230 GW. As per official figures, the maximum all-India power demand met at 2:51 pm on April 26, 2022 was 201.066 GW.

https://www.business-standard.com/article/economy-policy/govt-will-make-efforts-to-meet-230-gw-demand-in-april-23-power-secretary-122121100222_1.html

Telecom

Trai releases consultation paper on data communication services between aircraft, ground stations

The Telecom Regulatory Authority of India (Trai) released a consultation paper on 'Data Communication Services between Aircraft and Ground Stations provided by Organisations other than Airports Authority of India', here on Saturday. Comments on the issues raised in the consultation paper are invited from stakeholders by January 9, 2023, and counter comments by January 23, 2023. According to a statement from the ministry of communications, the department of telecommunication (DoT), through its letter dated on April 12, 2022, had stated that (very high frequency) VHF data link services consist of the data for tracking the aircraft for the safety of flights. The ministry of communications has made frequency assignments to Societe Internationale de TelecommunicationsAeronautique (SITA) and Bird Consultancy Services (BCS) to operate VHF data communication link between aircraft and ground stations.

https://m.economictimes.com/industry/telecom/telecom-news/trai-releases-consultation-paper-on-data-communication-services-between-aircraft-ground-stations/articleshow/96150011.cms?_oref=cook

States

AP fast tracks work on new ports

Andhra Pradesh, with a coastline of 974 km, is fast tracking its port (non-major port) development. The work on the upcoming four new ports in Andhra Pradesh involving an investment of about ₹12,000 crore is in full-swing, according to a senior official of Andhra Pradesh Maritime Board (APMB). "We expect the four new ports of Ramayapatnam, Bhavanapadu, Kakinada Gateway port and Machilipatnam to be operational by the end of 2024. This will give a major boost to the social and economic development of the State," Ravindranath Reddy, Deputy Chief Executive Office, APMB, said.

<https://www.thehindubusinessline.com/economy/logistics/ap-fast-tracks-work-on-new-ports/article66251236.ece>

UP government banks on 'surya kiran' to empower marginalised, reduce pollution

Uttar Pradesh has devised an innovative way of linking empowering marginalised communities in the state with the objective of fulfilling its renewable energy production target and bringing down pollution levels. Last month, the Cabinet cleared a new solar policy which includes a feature to give 100% subsidy to farmers belonging to the ultra-marginalised Musahar and Vantangiya communities and from Scheduled Tribes for setting up solar power pumps

for running tubewells and other agricultural purposes. Farmers not belonging to such communities will be given a 90% subsidy.

<https://economictimes.indiatimes.com/news/india/up-government-banks-on-surya-kiran-to-empower-marginalised-reduce-pollution/articleshow/96155750.cms>

External

Sixth round of India-UK free trade agreement talks to begin from Dec 12

The sixth round of negotiations between senior officials of India and the UK for a proposed free trade agreement (FTA) will begin here on Monday with an aim to conclude the talks at the earliest, an official said. The negotiations are happening after a brief gap due to recent political developments in the UK. The last round of talks was held on July 29. "The sixth round of talks are starting from December 12," the official said. Trade in goods, including passenger vehicles, is one of the areas under the negotiations, which started on January 13, 2022.

https://www.business-standard.com/article/economy-policy/sixth-round-of-india-uk-free-trade-agreement-talks-to-begin-from-dec-12-122121100214_1.html

Government asks trade bodies, banks to explore opportunities for trade in rupee with more countries

The government has asked trade bodies and banks to explore opportunities for trade in rupee with more countries after having facilitated rupee trade with Russia, Mauritius and Sri Lanka. The Indian banks have already opened special vostro rupee accounts (SVRA) with banks of these three nations, operationalising the rupee trade arrangement. SBI Mauritius Ltd and People's Bank of Sri Lanka opened an SVRA with State Bank of India (SBI). In addition, Bank of Ceylon opened an account in its Indian subsidiary in Chennai recently.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/government-asks-trade-bodies-banks-to-explore-opportunities-for-trade-in-rupee-with-more-countries/articleshow/96147790.cms>

Smartphone shipments in 2023 to remain flat amid global slowdown: Report

Smartphone shipments are to remain flat in 2023 amid a global slowdown, as it is expected to continue underperforming through the first half of the year and start rising only from the third quarter of the year, a new report has shown. According to Counterpoint Research, the global smartphone market will see 2 per cent (year-on-year) growth in 2023. Smartphone shipments for 2022 lowered to 1.24 billion units on economic headwinds from the previous forecast. "Persistent inflation, expectations of future interest rate hikes, souring corporate earnings, China's stalled economy, the protracted Ukraine-Russia war, political turmoil in Europe, and a sweeping new set of export controls on China from the US, all contributes to the downward adjustment of the smartphone market forecast," said Peter Richardson, Vice President at Counterpoint Research.

https://www.business-standard.com/article/economy-policy/smartphone-shipments-in-2023-to-remain-flat-amid-global-slowdown-report-122121100366_1.html