



January 31, 2023 – Tuesday

Economy

India to focus on bridging international skills gap

India will look up to the G20 nations to develop an international skills portal to address issues related to global skills gap while deliberating on the gig and platform economy and sustainable financing of social security when it convenes the first meeting of the Employment Working Group (EWG) from February 2-4 in Jodhpur, said officials. The labour and employment ministry, the nodal ministry for chairing EWG meeting, will hold four rounds of such discussions over the next few months before a ministerial level meeting in Indore on July 21. Efforts will be made towards building a consensus among the G20 countries on developing a framework for assessing the skill gaps and harmonisation of skills qualification across these countries to enable faster and easier labour mobility and at a reduced cost.

<https://economictimes.indiatimes.com/news/economy/policy/india-to-focus-on-bridging-international-skills-gap/articleshow/97461928.cms>

Developed world hasn't acted on \$100 bn/yr climate finance pledge, multilateral financial bodies need to be transformed: Amitabh Kant

India's G-20 sherpa Amitabh Kant on Monday said the developed world has not helped the developing countries with USD 100 billion of climate finance per year, despite committing to it way back in 2009. The former bureaucrat said multilateral financial institutions are not equipped to do the same, and there is a need to transform them. "If India has to go for climate change (action), the developed world has to give us finance which it had agreed to... We have not polluted the world, yet we will be impacted by climate change," Kant said, speaking at the inauguration of model G-20 summit at the Indian Institute of Democratic Leadership at Uttan near here. He reminded that the developed world had agreed on the principle of climate justice as part of which the finance was to be made available and the challenge before a country like India is centred around transforming into an industrialised country without impacting the planet. It can be noted that in 2009, developed countries had committed to jointly mobilise USD 100 billion per year by 2020 to help developing countries tackle the effects of climate change. It has not been met yet, leading to frequent calls for action on the pledge.

<https://www.financialexpress.com/economy/developed-world-hasnt-acted-on-100-bnyr-climate-finance-pledge-multilateral-financial-bodies-need-to-be-transformed-amitabh-kant/2964152/>

Inflation in India expected to come down to 5 pc in 2023 and 4 pc in 2024: IMF

Inflation in India is expected to come down from 6.8 percent in the current fiscal year ending March 31 to 5 percent the next fiscal, and then drop further to 4 percent in 2024, the International Monetary Fund (IMF) said on Tuesday. "Inflation in India as in other countries is expected to come down from 6.8 percent in 2022 to 5 percent in 2023 and then 4 percent coming towards the target in 2024," Daniel Leigh, Division Chief, Research Department of the IMF told reporters. "That partly reflects the central bank's actions," he added. According to the World Economic Outlook update released by the IMF on Tuesday, about 84 percent of countries are expected to have lower headline (consumer price index) inflation in 2023 than in 2022. Global inflation is set to fall from 8.8 percent in 2022 (annual average) to 6.6 percent in 2023 and 4.3 percent in 2024 -- above pre-pandemic (2017-19) levels of about 3.5 percent, it said.

<https://economictimes.indiatimes.com/news/economy/indicators/inflation-in-india-expected-to-come-down-to-5-pc-in-2023-and-4-pc-in-2024-imf/articleshow/97470336.cms>

Manufacturing, services log 8.27 per cent attrition in Q3: Report

The average attrition rate across manufacturing and services industries increased sequentially to 8.27 per cent in the October-December quarter, a report said on Monday. With a continuance of the 'Great Churn', attrition across industries witnessed a 0.46 percentage point increase from an average of 7.81 per cent in the second quarter to 8.27 per cent in the third quarter, according to TeamLease "Employment Outlook Report". The report revealed that the Information Technology industry in the services sector had higher average attrition (27.19 per cent) compared to Healthcare and Pharmaceuticals industry in the manufacturing sector (15.67 per cent).

<https://economictimes.indiatimes.com/news/economy/indicators/manufacturing-services-log-8-27-per-cent-attrition-in-q3-report/articleshow/97455089.cms>

Banking and Finance

Gold loan NBFCs seek 'priority' sector status

Gold loan non-banking finance companies (NBFCs) have sought 'priority' sector status for eligible gold loans, including microloans, loans to farmers and micro businesses in the upcoming budget as taking a gold loan against household jewellery is one of the most important funding sources for MSMEs, small businesses, individual and women borrowers. "Many farmers, small business owners/shopkeepers also resort to gold loans to meet their working capital needs," said George Alexander Muthoot, managing director of Muthoot Finance. "Gold loan NBFCs serve the underserved segment or the bottom of the pyramid as this segment frequently borrows less than ₹50,000 and the tenure of these loans is also typically for less than 12 months."

<https://economictimes.indiatimes.com/industry/banking/finance/banking/gold-loan-nbfc-see-priority-sector-status/articleshow/97462243.cms>

Taxman asks companies to reverse credit claimed on IPO expenses

More than 150 companies that have raised funds through initial public offering (IPO) since July 2017 are now staring at additional goods and services tax (GST) liability. Tax authorities have started issuing notices to these companies, asking them to reverse credit claimed on expenses for listing of the shares, people aware of the matter said. The authorities argue that listing of shares is equivalent to trading of securities, which is an exempted service as per the GST provisions, hence tax credit claimed by the companies should be reversed.

<https://economictimes.indiatimes.com/news/economy/finance/taxman-asks-companies-to-reverse-credit-claimed-on-ipo-expenses/articleshow/97461386.cms>

Industry

FSSAI to tighten front-of-the-pack labelling norms

India's food safety regulator is in talks with companies to include a "cautionary warning" on the amount of added salt, sugar and fat in the front labelling of packaged foods, alongside the proposed star rating system, to help consumers make informed choices, said a senior official. The Food Safety and Standards Authority of India (FSSAI) is in the process of framing rules for front-of pack nutrition labelling (FOPL) of packaged foods. Its draft guidelines, issued in September, propose star ratings for food quality, among other measures.

<https://economictimes.indiatimes.com/industry/cons-products/food/fssai-to-tighten-front-of-the-pack-labelling-norms/articleshow/97462699.cms>

Small business spending on data privacy up 17% in 2022, higher than medium, large firms: Cisco study

As data privacy continues to increase in importance for organizations around the world and those they serve, privacy spending despite a difficult economic environment in 2022 did not decrease, in fact in some cases, grew last year, said technology company Cisco in its latest 2023 Data Privacy Benchmark Study on Monday. The most significant growth from 2021 to 2022 occurred at smaller organizations with spending at organizations with 50-249 employees increasing by more than 17 per cent to \$2 million from \$1.7 million, the global study said with responses from more than 4,700 security professionals from 26 geographies including India, Australia, Canada, China, France, Germany,

Japan, Saudi Arabia, Singapore, South Korea, the UK, the US, etc. At medium enterprises with 500-999 employees, spending rose by more than 13 per cent to \$2.6 million in 2022 from \$2.3 million in 2021 while spending at larger organizations remained relatively unchanged after steep increases from 2019 to 2020, the report added. The average spending was \$2.7 million, up significantly from \$1.2 million just three years ago.

<https://www.financialexpress.com/industry/sme/msme-tech-small-businesses-spending-on-data-privacy-up-17-in-2022-higher-than-medium-large-firms-cisco/2964138/>

Hotels see room for strong growth on surge in travel

Hoteliers in India expect the last few months of the current fiscal to end on a strong footing, with weddings and corporate travel continuing to drive demand. January has shown “accelerated” demand for both leisure and corporate travel across India, and corporate travel is peaking in the major metros and tier-two and three markets, with strong demand coming in from pharma, automotive, financial services, and IT sectors, said Zubin Saxena, managing director and vice president of operations for South Asia at Radisson Hotel Group.

<https://economictimes.indiatimes.com/industry/services/hotels/-/restaurants/hotels-see-room-for-strong-growth-on-surge-in-travel/articleshow/97463029.cms>

Infrastructure

Affordable housing demand down to 26% in 2022: Sector expects on budget

While the affordable housing segment, the backbone of the housing sector, has witnessed a poor performance, the country's residential real estate sector looks to Budget 2023-24 to boost the country's flagging affordable housing segment. ANAROCK's Consumer Sentiment Survey finds that in 2022, demand for affordable housing has sunk precariously. In 2018, nearly 39 per cent property seekers in the top seven Indian cities were keen on affordable homes priced within Rs 40 lakh. This demand shrunk to its lowest levels in 2022, with just 26 per cent property seekers looking to buy in this budget segment. There is significant unsold affordable stock across the top seven cities. Of nearly 6.30 lakh unsold units in the top seven cities by 2022-end, affordable housing accounted for over 27 per cent. Demand has remained low for this segment since the pandemic, and the government needs to revitalise it on a priority basis. The upcoming budget presents an opportunity to do so.

https://www.business-standard.com/article/economy-policy/affordable-housing-demand-down-to-26-in-2022-sector-expects-on-budget-123013000382_1.html

Energy

New coal blending order to raise discoms' cost by Rs 11,000 crore in first half of FY24: Report

The government directive mandating power producers to increase blending of imported coal to 6 per cent of their requirement until September will add up to Rs 11,000 crore towards power purchase cost for distribution companies, a report said. At the present blending rate of 5.4 per cent applicable this fiscal, the distribution companies or discoms will incur an additional Rs 42,000 crore on their power purchase bills this fiscal as this has pushed up the variable cost of power procurement for utilities by Rs 0.226 per unit. The new directive issued on January 9 will see discoms shelling out an additional Rs 11,000 crore in their power purchase bills during the first half of the next fiscal. Now the government wants thermal power plants or gencos to increase the imported coal blending to 6 per cent, Crisil Market Intelligence & Analytics said in a note on Monday.

<https://economictimes.indiatimes.com/industry/energy/power/new-coal-blending-order-to-raise-discoms-cost-by-rs-11000-crore-in-first-half-of-fy24-report/articleshow/97455528.cms>

Telecom

TRAI seeks vies on Regulating Converged Digital Technologies, Services

The Telecom Regulatory Authority of India (Trai) has sought industry suggestions on the legal, regulatory, licensing and spectrum management framework to deal with convergence of carriage of broadcasting services and telecommunication services. “Digital connectivity, which is used to provide telecom and internet services, has also acquired capabilities to provide services which were provided by the broadcasting services,” Trai said in a

consultation paper released Monday evening. The paper was titled 'Regulating Converged Digital Technologies and Services – Enabling Convergence of Carriage of Broadcasting and Telecommunication services'.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/trai-seeks-vies-on-regulating-converged-digital-technologies-services/articleshow/97453594.cms>

Mobile data consumption set to rise 10-15% sequentially in June quarter, says analysts

The telecom sector is set to see a 10%-15% sequential jump in data consumption in the June quarter, FY24, on the back of a likely surge in digital viewership as the upcoming Indian Premier League (IPL) cricket tournament—starting March 20—will be live-streamed for free on the JioCinema platform, which will also be available on-the-go on all mobile networks, say analysts. They added that the estimated surge in mobile data usage during the IPL is also likely to hasten 5G adoption and boost appetite for mobile internet services in rural India where television penetration is relatively modest.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/mobile-data-consumption-set-to-rise-10-15-sequentially-in-june-quarter-says-analysts/articleshow/97431001.cms>

5G infra to cost Rs 3 trn in next 4-5 yrs amid elevated debt levels: Icra

India currently has around 35 per cent of its towers fiberised for 5G and the backhaul infrastructure will cost a whopping Rs 3 lakh crore over the next 4-5 years, rating agency ICRA said on Monday. The full-scale 5G deployment across the country will entail densification of the network and, thereby, sizable investments in fiberisation. However, the debt levels for the industry continue to remain high and the same further increased post the conclusion of the last round of auctions. The industry is expected to close the year with a debt of around Rs 6.3 lakh crore (as on March 31, 2023).

https://www.business-standard.com/article/economy-policy/5g-infra-to-cost-rs-3-trn-in-next-4-5-yrs-amid-elevated-debt-levels-icra-123013001026_1.html

States

WB govt to set up a 200-acre textile park in its Paschim Bardhaman district

The government of West Bengal is planning to set up a 200-acre textile park, as per a report by the Press Trust of India (PTI) that cited a senior official. The state is currently in the process of identifying the land to establish the textile park in Paschim Medinipur district's Salboni, at Durgapur and Asansol in Paschim Bardhaman district of the state, it added. "The identification process for the land to set up the proposed Textile Park is underway. Hopefully, we will soon zero in on it," a bureaucrat informed PTI. The decision for the textile park came after a workshop on 'Expanding opportunities in the Textiles sector of West Bengal' organised by the state department of MSME and Textiles on Saturday. The department will also set up dyeing facilities and designing centres at Phulia and Shantipur in Nadia district to support the weavers and exporters in the state, it added.

<https://www.financialexpress.com/industry/sme/msme-eodb-wb-govt-to-set-up-a-200-acre-textile-park-in-its-paschim-bardhaman-district/2964501/>

External

Electronics export from India to cross Rs 1.28 lakh crore next fiscal: MoS IT Rajeev Chandrasekhar

Electronics export from India is expected to cross Rs 1.28 lakh crore in the next financial year, Minister of State for Electronics and IT Rajeev Chandrasekhar has said. The minister, in an interview with PTI, said the government is now going to broaden and widen the electronics manufacturing ecosystem with a new production-linked incentive scheme for hearable-wearable, IT hardware and component makers. "Electronics manufacturing as a whole, we see next year that we will at least do exports worth Rs 1.28 lakh crore. I have already said that we will see mobile phone exports reaching Rs 1 lakh crore in 2023-24," Chandrasekhar said. There has been a focus on mobile phones because it is the fastest-growing segment in electronics across the world, he added.

<https://www.financialexpress.com/industry/electronics-export-from-india-to-cross-rs-1-28-lakh-crore-next-fiscal-mos-it-rajeev-chandrasekhar/2963946/>

India plans measures to curb Chinese imports as trade gap concerns mount: Sources

India is considering a number of tariffs and non-tariff steps to cut imports of non-essential consumer and electronic goods, including from China, as trade imbalances concern policymakers, two government officials and an industry source said. As many as 18 key government ministries, led by the trade ministry, met last week to firm up steps first aimed at cutting imports from China, which accounts for nearly a third of India's trade deficit, said the three sources who declined to be named. India has been trying to reduce its trade deficit with China since 2020, when border tensions flared along a contested frontier, but with little success as the country is a key and cheap supplier of goods including active pharmaceutical ingredients, electrical equipment and several chemicals.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-plans-measures-to-curb-chinese-imports-as-trade-gap-concerns-mount-sources/articleshow/97451831.cms>

Steel cos seek import duty hike to counter dumping

The domestic steel industry has requested the government to increase the basic customs duty on steel imports and levy an additional 25% safeguard duty on the alloy in the upcoming Union budget to counter dumping of steel from countries such as Japan, South Korea, China and Russia into the Indian market. The import duty on finished steel products was slashed to 7.5% in the budget for 2021-22. The Indian Steel Association (ISA), a lobby for domestic steelmakers, has written to the finance minister, requesting to restore the duty to 12.5% for flat steel products and increase it to 10% for long products.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/steel-cos-see-import-duty-hike-to-counter-dumping/articleshow/97461454.cms>

Export of Indian leather and footwear to be \$6 billion this fiscal

The Indian leather and footwear sector estimates exports of nearly \$6 billion in the current fiscal as against \$5 billion in the previous year as there is a good growth momentum, according to Sanjay Leekha, Chairman, Council for Leather Exports. "Our target is to reach around \$14 billion exports by 2030," he told news persons while announcing the 36th India International Leather Fair will be held in Chennai from February 1 to 3. Exports of leather, leather products and footwear have registered a 'substantial' growth this fiscal, reaching \$4.25 billion during April to December. With a huge growing global market, the opportunity is good for the industry. Buyers are looking at an alternative to China and India is well positioned to capitalise on this opportunity. "Buyers are looking at India as a major and reliable supplier of value added products," he said. "In the last two years, the industry suffered huge losses due to the Covid pandemic. However, we bounced back strongly and achieved the pre-Covid levels. We will do better than the government's target," he added.

<https://www.thehindubusinessline.com/economy/export-of-indian-leather-and-footwear-to-be-6-billion-this-fiscal/article66450464.ece>