



January 30, 2023 – Monday

## Economy

### **60% households expect dip in earning, seek relief in Budget 2023: Survey**

More than half of households in a survey conducted online across 309 districts expect a decline in their income by up to 25 per cent and dip in savings, and are looking for relief in the coming budget, online platform LocalCircles said on Sunday. The survey, conducted between November 25 and January 25, found that with job losses and hiring sentiment turning negative, 52 per cent respondents feel that the economic uncertainty will persist for the next 6-12 months. LocalCircles claimed that 37,000 responses were received from household consumers across 309 districts of India, comprising 64 per cent men, 36 per cent women from tier 1, tier 2 and smaller towns as well.

[https://www.business-standard.com/budget/article/60-households-expect-dip-in-earning-seek-relief-in-budget-2023-survey-123012900777\\_1.html](https://www.business-standard.com/budget/article/60-households-expect-dip-in-earning-seek-relief-in-budget-2023-survey-123012900777_1.html)

## Banking and Finance

### **Ahead of Budget, FPIs take out Rs 17K crore from equities in January**

Foreign investors have pulled out a net of over Rs 17,000 crore this month so far due to the attractiveness of the Chinese markets and the cautious stance adopted by them ahead of the Union Budget and US Federal Reserve meeting. The outflow in January came after a net inflow of Rs 11,119 crore in December and Rs 36,239 crore in November. Overall, foreign portfolio investors (FPIs) have pulled out Rs 1.21 trillion from the Indian equity markets in 2022, following aggressive rate hikes by the central banks globally, particularly the US Federal Reserve, volatile crude, rising commodity prices and the Russia-Ukraine conflict. For FPIs, 2022 was a subdued year in terms of flow and withdrawal from equities after a net investment in the preceding three years. According to the data with the depositories, FPIs have made a net withdrawal of Rs 17,023 crore this month (till January 27).

[https://www.business-standard.com/article/economy-policy/ahead-of-budget-fpis-take-out-rs-17k-crore-from-equities-in-january-123012901029\\_1.html](https://www.business-standard.com/article/economy-policy/ahead-of-budget-fpis-take-out-rs-17k-crore-from-equities-in-january-123012901029_1.html)

### **Capital gains tax should be rationalised; need simpler ITR form: Experts**

The Budget should bring in a simpler income tax return form for assesseees having only capital gains or dividend or interest income, along with simplification of the capital gains tax regime, experts said. Under the income tax law, gains arising on the transfer of capital assets -- both movable and immovable -- are charged to tax under the head 'Capital Gains'. The tax rate is different for different asset classes. Also, depending on the period of holding, the income is classified as short or long-term capital gains and taxed accordingly. With capital markets in India growing at an exponential pace and companies taking the IPO route to raise funds, there is widespread demand that the capital gains tax structure be streamlined. Deloitte India Partner Rohinton Sidhwa said the holding periods for different types of assets and the number of tax rates for different types of capital assets should be reduced to a maximum of 1-2 periods or rates (along with related surcharges).

[https://www.business-standard.com/budget/article/capital-gains-tax-should-be-rationalised-need-simpler-itr-form-experts-123012900399\\_1.html](https://www.business-standard.com/budget/article/capital-gains-tax-should-be-rationalised-need-simpler-itr-form-experts-123012900399_1.html)

## Industry

### **India Inc told to work on plan for making own spare parts**

The government has asked domestic industry for a roadmap to indigenise their component manufacturing, as it seeks to reduce dependence on imports and strengthen local production. The commerce and industry ministry has also asked import-dependent industry sectors to diversify their import sourcing away from a few countries to maintain supply chain resilience. These issues were discussed in a meeting that the ministry had with importers of components of electronics, oil, mobile phones and automobiles such as Apple, Foxconn, Tata Steel, RIL, Dell, Hyundai and Lenovo last week, where it also emphasised on manufacturing high quality products in the country.

<https://economictimes.indiatimes.com/news/economy/policy/india-inc-told-to-work-on-plan-for-making-own-spare-parts/articleshow/97423920.cms>

### **New competition law likely to open up settlement route for cartels**

In a relief to industry, the government has accepted a parliamentary panel's recommendation on allowing cartels to opt for the settlement scheme under the Competition Amendment Bill, according to official sources. The proposed Bill seeks to introduce a clause for settlement and commitment that offers any enterprise against which an inquiry has been initiated to file an application for settlement. The Parliamentary Committee on Finance had suggested including cartels in the scope for settlement "as a pragmatic recourse to the whole process". "A settlement provision for cartels on a case-by-case basis may be for the courts to decide. It does not require emphasis that any matter, cartels or otherwise, that reaches the settlement stage, would have an anti-competitive one," the parliamentary committee's report said.

[https://www.business-standard.com/article/economy-policy/govt-agrees-to-allow-settlement-scheme-for-cartels-in-competition-bill-123012900480\\_1.html](https://www.business-standard.com/article/economy-policy/govt-agrees-to-allow-settlement-scheme-for-cartels-in-competition-bill-123012900480_1.html)

### **Defence ministry top buyer of MSME goods in 2022: GeM**

The Ministry of Defence was the top procuring ministry of goods and services from MSME sellers in the calendar year 2022, said the government's public procurement e-commerce marketplace Government eMarketplace (GeM). "At number one in procurement, the Ministry of Defence has reached an all-time high. Reaping the benefits of cost efficiency and speedy procurement, the ministry has purchased products and services worth Rs 16,747 crore in 2022 from the portal," GeM tweeted sharing the marketplace's performance last year. Financial year-wise, the defence ministry had procured Rs 15,047.98 crore worth of goods and services from MSMEs in FY22, up 250 per cent from the previous year, FE Aspire had reported last year. Moreover, purchases during April-December FY22 had already surpassed the FY22 procurement level with the gross merchandise value of Rs 15,039 crore achieved in eight months of the current FY, GeM had tweeted earlier.

<https://www.financialexpress.com/industry/sme/msme-eodb-defence-ministry-top-buyer-of-msme-goods-in-2022-gem/2963266/>

### **Indian electronics manufacturing to cross Rs 1.28 trn next fiscal: MoS IT**

Electronics manufacturing in the country 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 Rs 1.28 lakh crore. I have already said that we will see mobile phone production reaching Rs 1 lakh crore in 2023-24," Chandrasekhar said.

[https://www.business-standard.com/article/economy-policy/indian-electronics-manufacturing-to-cross-rs-1-28-trn-next-fiscal-mos-it-123012900688\\_1.html](https://www.business-standard.com/article/economy-policy/indian-electronics-manufacturing-to-cross-rs-1-28-trn-next-fiscal-mos-it-123012900688_1.html)

### **Construction gear sales rise on infra push**

Sales of construction equipment – a barometer of economic activity – are set to touch the pre-pandemic peak this financial year on the back of robust demand spurred by increased government spending on infrastructure projects. Around 100,000 construction equipment are expected to be sold in the local market by the close of 2022-23, an increase of 22-25% over the previous year, according to industry estimates. The momentum is expected to continue in the upcoming fiscal with road construction gaining pace in recent months and a pick-up in demand from the mining sector, senior industry executives told ET. While prolonged monsoons had affected road construction in the

first six months of the year, the pace of execution picked up last quarter, said Sandeep Singh, managing director of Tata Hitachi Construction Machinery.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/construction/construction-gear-sales-rise-on-infra-push/articleshow/97424278.cms>

### **CSR spend may cover skilling individuals**

The government is considering widening the scope of corporate social responsibility (CSR) spending to enable the corporates and institutions to fund skills training of individuals. The Ministry of Skills Development and Entrepreneurship has proposed the 'Gift a Skill' concept to be linked with either the Reserve Bank of India's digital currency e-Rupi or 'skill voucher' wherein individuals, corporate and institutions can sponsor skill development of another individual through skill vouchers, a senior government official said.

<https://economictimes.indiatimes.com/news/company/corporate-trends/csr-spend-may-cover-skilling-individuals/articleshow/97423955.cms>

## **Agriculture**

### **Govt should hike assistance under PM-KISAN, give tax sops for agritech startups: Industry**

The government should in this year's Budget enhance cash assistance given to farmers under the PM-KISAN scheme from the current Rs 6,000 per year for purchase of crop inputs, provide tax incentives to agritech startups and cut import duties on agrochemicals, according to industry experts. There is also need to announce some incentives to farmers as well as agritech startups for faster adoption of technologies, like artificial intelligence, precision farming and drones, in Indian agriculture sector, they added. Edible oil industry body SEA has demanded that a national mission should be launched to increase oilseeds production and reduce imports of cooking oils. "There is urgent need to launch the 'National Mission on Edible Oils' with adequate financial support to boost the oilseeds production," Solvent Extractors' Association of India (SEA) President Ajay Jhunjhunwala said.

<https://www.financialexpress.com/budget/govt-should-hike-assistance-under-pm-kisan-give-tax-sops-for-agritech-startups-industry-2963327/>

### **Rain threatens cane supply, forcing Indian sugar mills to close early**

Sugar mills in India's top producing state Maharashtra are set to stop cane crushing 45 to 60 days earlier than last year as heavy rain has curtailed sugar cane availability, a senior state government official told Reuters on Friday. The western state of Maharashtra, which accounts for more than a third of the country's sugar output, could produce 12.8 million tonnes of sugar in the 2022/23 marketing year that began on Oct. 1, down from an earlier forecast of 13.8 million tonnes, Maharashtra's sugar commissioner Shekhar Gaikwad said.

<https://economictimes.indiatimes.com/news/economy/agriculture/rain-threatens-cane-supply-forcing-indian-sugar-mills-to-close-early/articleshow/97428929.cms>

### **Food ministry issues guidelines for open market sale of rice by FCI**

Following the government decision to sell 3 million tonne (MT) of wheat in the open market from the Food Corporation of India (FCI) stock commencing February 1, the food ministry has issued guidelines for initiating open market sale scheme (OMSS) of rice to states, private traders and entities engaged in ethanol production. While the food ministry will soon decide on the quantity of rice to be sold in the open market from FCI stocks, the guidelines have fixed rice prices for various categories of purchasers which would be valid for the current year.

<https://www.financialexpress.com/economy/food-ministry-issues-guidelines-for-open-market-sale-of-rice-by-fci/2963376/>

## **Infrastructure**

### **Rural road construction far behind target in April-Sept: NSO data**

At a time when the government is pushing for higher capex, the length of rural roads constructed under the Pradhan Mantri Gram Sadak Yojana (PMGSY) has again fallen short of its target. For instance, only 41 per cent of the target for April-September of FY23 could be completed during the stipulated period. According to data released by the

National Statistical Office (NSO) of its latest Twenty Point Programme (TPP) progress report, only 9,753 km of roads could be constructed in the first six months of FY23.

[https://www.business-standard.com/article/economy-policy/rural-road-construction-under-pmgsy-falls-short-of-target-shows-nso-data-123012900700\\_1.html](https://www.business-standard.com/article/economy-policy/rural-road-construction-under-pmgsy-falls-short-of-target-shows-nso-data-123012900700_1.html)

### **High street rentals in top 8 cities soar up to 50% in 2022**

Rentals at high-street locations in the country's top eight cities surged up to 50% in 2022 even as shopping malls saw a 10% year-on-year average rent increase, an analysis by commercial real estate consultants Cushman & Wakefield showed. Despite this, retailers rushed to open stores at both high streets and malls last year amid a revival in offline retail sales. Bengaluru saw the highest increase in rentals in 2022 backed by strong demand but low availability of quality space. In Bengaluru, retail hubs such as Brigade Road, Commercial Street and Vittal Mallya Road in central Bengaluru, Indiranagar in the east, and Koramangala, HSR Layout and Jayanagar in south Bengaluru have reported high growth.

<https://economictimes.indiatimes.com/industry/services/property/-cstruction/high-street-rentals-in-top-8-cities-soar-up-to-50-in-2022/articleshow/97424741.cms>

### **Realtors reduce supply of affordable houses due to increase in input cost**

Sharp increase in raw material prices has forced real estate developers to reduce the supply of affordable houses as its share in launches has dipped by half, according to consultants and developers. Affordable housing represented only 20% of the 3.58 lakh units launched in the top seven cities in 2022, down from 40% of the 1.95 lakh units launched in 2018. "The size of units that qualify for various affordable housing benefits is currently 60 square metres on carpet area. While this is appropriate, the uniform price band of up to ₹45 lakh for affordable housing is not aligned with the market realities of most major cities," said Anuj Puri, Chairman - ANAROCK Group.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/construction/realtors-reduce-supply-of-affordable-houses-due-to-increase-in-input-cost/articleshow/97424415.cms>

## **Energy**

### **Oil Ministry accepts recommendations for pricing natural gas at 10% of crude**

The oil ministry has accepted the key recommendations of the Kirit Parikh committee on domestic natural gas pricing and begun consultations with other ministries before it sends a proposal to the Cabinet. The oil ministry's proposal, based on the panel's recommendations, includes pricing domestic natural gas at 10% of the crude oil price, with a floor of \$4 and ceiling of \$6.5 per mmBtu, according to people familiar with the matter. At present, domestic gas, which follows the so-called administered price mechanism (APM), is priced in line with the average rates at international gas hubs.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/oil-ministry-for-pricing-natural-gas-at-10-of-crude/articleshow/97423931.cms>

### **PowerMin asks utilities to not retire old thermal units till 2030**

Central Electricity Authority (CEA), the technical arm of the Ministry of Power, has asked power generation utilities to not retire any thermal power plant till 2030. The notice cites union power minister R K Singh who in a recent meeting hosted by CEA, advised to not retire any thermal units and called for carrying out renovation and modernisation (R&M) to extend the life of these units. This is in consideration with expected demand scenarios and availability of capacity in the near future. "It may be noted that about 15-16 Gw of new thermal capacity is expected by December 2023. Therefore it is advised to all power utilities not to retire any thermal units till 2030 and ensure the availability after carrying out R&M activities, if required," said the note by the CEA.

[https://www.business-standard.com/article/economy-policy/powermin-asks-utilities-to-not-retire-old-thermal-units-till-2030-123012900705\\_1.html](https://www.business-standard.com/article/economy-policy/powermin-asks-utilities-to-not-retire-old-thermal-units-till-2030-123012900705_1.html)

## **External**

### **Netherlands emerging as key export destination for India amid jump in shipments of petro products**

The Netherlands has emerged as India's third largest exports destination after the US and UAE during April-December this fiscal on account of a surge in shipment of goods such as petroleum products, electronic items, chemicals, and aluminium goods. India's trade surplus with the Netherlands has also increased from USD 1.5 billion in 2017 to USD 12.3 billion in 2022. The Netherlands has taken over major destinations such as the UK, Hong Kong, Bangladesh and Germany, according to data of the commerce ministry. India's exports to the Netherlands rose by about 69 per cent to USD 13.67 billion during April-December 2022 as against USD 8.10 billion in the same period previous year, the data showed.

<https://www.financialexpress.com/economy/netherlands-emerging-as-key-export-destination-for-india-amid-jump-in-shipments-of-petro-products/2963032/>

### **G20 International Financial Architecture Working Group meeting on Monday**

The first G20 International Financial Architecture Working Group meeting will start on Monday, where participants will discuss ways to enhance stability and cohesion of the global financial architecture and how to make it fit to address the global challenges of the 21st century. The meeting will also focus on exploring ways to provide maximum support to poor and vulnerable countries, Anu P Mathai, economic advisor, department of Economic Affairs, told the media here on Sunday. Around 100 delegates from the G20 countries, invitee countries and international organisations will be participating in the two-day meeting.

[https://www.business-standard.com/article/economy-policy/g20-international-financial-architecture-working-group-meeting-on-monday-123012900695\\_1.html](https://www.business-standard.com/article/economy-policy/g20-international-financial-architecture-working-group-meeting-on-monday-123012900695_1.html)