



February 09, 2021 – Wednesday

Economy

E-way bill generation in January slips 4%

E-way bill generation for goods transportation under the goods and services tax (GST) system stood at 6.88 crore in January, down 4% from the previous month, reflecting some slack in trade due to the spread of the Omicron variant of Covid. However, the e-way bills in January were still 12.4% more compared with 6.12 crore in November. Higher e-way bills generation is reflected in higher GST revenues. Given that GST collections were Rs 1.3 lakh crore in December (November transactions), the revenues could remain robust in February as well (January transactions).

<https://www.financialexpress.com/economy/e-way-bill-generation-in-january-slips-4/2428037/>

Standing committee proposes a complete revamp of MGNREGA scheme

The standing committee on rural development has suggested a complete revamp of the Mahatma Gandhi National Rural Employment Guarantee Scheme keeping in view the changing times and emerging challenges particularly in wake of the COVID pandemic. In its critical analysis of the scheme, the committee has suggested that the number of guaranteed work days under the scheme be raised to 150 from 100, its wages be revised upwards, 60:40 wage and material ratio should be reviewed and giving free basic medical facilities to all job card holders.

<https://economictimes.indiatimes.com/news/india/standing-committee-proposes-a-complete-revamp-of-mgnrega-scheme/articleshow/89435267.cms>

Government exploring ways to levy GST on mining of cryptocurrencies

Post introduction of the new direct tax regime for virtual digital assets, the Government is exploring ways to levy Goods & Services Tax (GST) on the mining of such an asset, popularly known as cryptocurrency. The key issue here is whether to treat the mining as goods or service. According to Subhash Chandra Garg Committee that proposed specific actions to be taken in relation to virtual currencies (2019), “Mining’ means an activity aimed at creating a cryptocurrency and/or validating a transaction of cryptocurrency between the buyer and seller of cryptocurrency.” “Mining is key to VDA transaction. The Government is now thinking of how to tax such a thing. First, a call is to be taken as whether to treat mining as goods or service and then, secondly, place it accordingly in a category from the GST point of view,” a senior government official told BusinessLine. As on date, commission for facilitating buying and selling cryptocurrency attracts GST.

<https://www.thehindubusinessline.com/money-and-banking/cryptocurrency/government-exploring-ways-to-levy-gst-on-mining-of-cryptocurrencies/article64996507.ece>

Hiring in 2022 off to a good start, led by IT-Software, Retail & Telecom sectors: Naukri Index

Hiring is off to a good start in 2022, according to the Naukri JobSpeak index, which tracks job postings on the Naukri platform for different industry sectors, which recorded 41 per cent year on year growth in January 2022.

<https://www.thehindubusinessline.com/economy/hiring-in-2022-off-to-a-good-start-led-by-it-software-retail-telecom-sectors-naukri-index/article64996102.ece>

Banking and Finance

Global fintech investment tops \$210 bn in 2021, India shines: Report

Total global fintech funding (across mergers & acquisitions, private equity and venture capital) reached \$210 billion with a record 5,684 deals in 2021 -- up from \$125 billion across 3,674 deals in 2020, a new report showed on Tuesday. India once again shined on the global map, with four out of top 10 fintech deals in the Asia-Pacific region originating from the country. "It demonstrates India's increasing influence in the fintech space. Advent of digital rupee will make this space more interesting as newer models evolve around neobanks, wealthtech and insurtech," said Sanjay Doshi, Partner and Head, Financial Services Advisory, KPMG in India. According to the 'Pulse of Fintech H2'21', the fintech funding in the second half of last year accounted for \$101 billion.

https://www.business-standard.com/article/economy-policy/global-fintech-investment-tops-210-bn-in-2021-india-shines-report-122020800637_1.html

Life insurers' new premium income up 3 pc to Rs 21,957 cr in January

The new business premium income of all the life insurance companies grew 2.65 per cent to Rs 21,957 crore in January 2022, data from Irdai showed. The 24 life insurance companies had collected Rs 21,389.70 crore as the first year or the new business premium in January 2021. The country's largest and the only state-owned insurer LIC registered a decline of 1.58 per cent in new premium income at Rs 12,936.28 crore in January 2022, as against Rs 13,143.64 crore in the same month a year ago.

<https://www.financialexpress.com/money/life-insurers-new-premium-income-up-3-pc-to-rs-21957-cr-in-january/2428495/>

Cost of state debt soars 41 bps to 7.24 per cent

Ahead of the monetary policy announcement on Thursday wherein the MPC is likely to begin liquidity tightening with a marginal reverse repo hike, states on Tuesday had to pay a higher price to bond investors as the weighted average cut-off rate jumped by a hefty 41 basis points to 7.24 per cent. In the previous auction of State Development Loans (SDLs) last Tuesday, the cut-off was only 6.83 per cent. However, the weighted average cut-off for the 10-year state debt issuance hit a record 7.29 per cent on Tuesday. This is 8 bps higher than 7.21 per cent seen last week and the spread between the 10-year G-secs yield and SDL widened to 48 bps from 38 bps.

<https://economictimes.indiatimes.com/news/economy/finance/cost-of-state-debt-soars-41-bps-to-7-24-per-cent/articleshow/89435845.cms>

Industry

Sales of top India retailers surpass pre-Covid levels

Sales of top retailers such as Reliance Retail, Shoppers Stop, Aditya Birla Fashion & Retail (ABFRL), Avenue Supermarts, Bata and Titan surpassed pre-Covid levels in the October-December quarter, with Reliance Retail and ABFRL reporting their highest ever quarterly revenue and profit. The growth last quarter was driven by the festive and wedding seasons, top executives of these chains said in recent earnings calls. Both ecommerce and store revenue increased as compared to earlier quarters, when online sales were primarily driving the business.

<https://economictimes.indiatimes.com/industry/services/retail/sales-of-top-india-retailers-surpass-pre-covid-levels/articleshow/89434604.cms>

Cement prices likely to stay firm in Q4 after staying buoyant in January

Cement prices were buoyant in January. Analysts expect the trend to continue for the remainder of the fourth quarter given rising input costs and improving demand trend as construction activities gain momentum. This augurs well for cement companies, which have been through a period of demand uncertainty over the past few quarters due to the impact of the pandemic coupled with an extended monsoon season.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/cement/cement-prices-likely-to-stay-firm-in-q4-after-staying-buoyant-in-january/articleshow/89429017.cms>

Indian pharma set to gain in North American market

Indian drugmakers can expect some gains in the North American market in view of the upcoming pricing reforms in Canada. Canada is one of the top pharma markets in the world with federal and state governments providing for public health. According to industry reports, the market size is pegged at about \$29 billion in 2021, with 30 per cent growth. As of now, generic drug uptake in Canada is significantly less than patented medicines. "The Canadian government is all set to bring in new pricing regulations, which augur well for Indian generic players," R Uday Bhaskar, Director-General, Pharmaceutical Export Promotion Council (Pharmexcil), told BusinessLine on Tuesday.

<https://www.thehindubusinessline.com/news/indian-pharma-set-to-gain-in-north-american-market/article64996399.ece>

Diamond market is expected to be strong through the first half of 2022: Bain & Company

The diamond market is expected to be strong through the first half of 2022, supporting growth across all segments, said Bain & Company in its annual global report, "The Global Diamond Industry 2021-22." The report also adds production is expected to hit 120 plus million carats in 2022 but is unlikely to reach pre-pandemic levels within the next five years. The largest short-term threat is new coronavirus strains that might disrupt production and logistics again.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-jewellery/diamond-market-is-expected-to-be-strong-through-the-first-half-of-2022-bain-company/articleshow/89427332.cms>

SIDBI takes measures to facilitate greening of MSMEs

Small Industries Development Bank of India (SIDBI) has set up a dedicated vertical with an objective to increase the resilience of MSME sector to combat the climate change and with a view to facilitate greening of MSMEs in line with the country's commitments at Conference of Parties (COP26) at Glasgow. Union Budget 2022 also provides a policy push for climate action, clean energy, Solar, e-mobility, battery, waste management, energy efficiency through Energy Service Companies (ESCOs). SIDBI brought regulators and key stakeholders (domestic and international) in a recently concluded international virtual conference on 'Greening Indian Financial System'. It partnered with Agence Francaise de Developpment (AFD) and Shakti Sustainable Energy Foundation and these knowledge series shall continue for assimilating good practices.

<https://economictimes.indiatimes.com/small-biz/sme-sector/sidbi-takes-measures-to-facilitate-greening-of-msmes/articleshow/89423250.cms>

Smartphones, automobiles supply likely to improve from second quarter of 2022

Availability of smartphones and automobiles are likely to improve as chip designers expect semiconductor supply constraints to ease from the second quarter of 2022. While availability of semiconductors for smartphones is expected to balance out over the next couple of months, those used in vehicles will see an increase in supplies toward the end of the year.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/smartphones-automobiles-supply-likely-to-improve-from-second-quarter-of-2022/articleshow/89421140.cms>

Edtech sector generated over 75,000 jobs in 5 years: IAMAI's IEC

The Internet and Mobile Association of India (IAMAI) on Tuesday shared that the Indian Edtech sector generated over 75,000 jobs over the past five years. Currently, there are over 50,000 professionals working in the Edtech ecosystem. The data was collected by IAMAI's Indian EdTech Consortium (IEC).

<https://www.thehindubusinessline.com/news/education/edtech-sector-generated-over-75000-jobs-in-5-years-iamais-iec/article64996535.ece>

Agriculture

No need for separate agriculture budget: Government says in Lok Sabha

Asserting that it is committed to farmers' interest and farming, the government on Tuesday said in Lok Sabha that there was no need to have a separate budget for agriculture. Replying to a question in the Lower House, Union Minister for Agriculture and Farmers Welfare Narendra Singh Tomar said keeping a separate budget for agriculture would neither benefit the country nor the farmers. He was replying to a question asked by DMK member T R Baalu

why the government does not consider bringing a separate budget for agriculture to address the problems of the farmers. During global recession, the DMK member said, India "withstood" because of the agriculture. "Our chief minister M K Stalin brought a separate agriculture budget in Tamil Nadu," he said.

https://www.business-standard.com/article/economy-policy/no-need-for-separate-agriculture-budget-government-says-in-lok-sabha-122020801696_1.html

Fertiliser cos to manufacture extra DAP to meet domestic need: Mandaviya

Stating that there is a "comfortable" supply of DAP fertiliser for the ongoing rabi season, Fertiliser Minister Mansukh Mandaviya on Tuesday said the Centre however has asked companies to manufacture additional quantity of DAP at no-profit-no-loss basis to meet the requirement. DAP (Di ammonium Phosphate) is the most widely consumed fertiliser after urea in the country. Domestic production of DAP reached 34.35 lakh tonne and imports were at 42.56 lakh tonne till January of the ongoing fiscal year. Mandaviya, in his written reply to the Rajya Sabha, said there is no "acute shortage" of DAP in the country. However, in between the season, some states had highlighted the shortfall of DAP particularly in a few districts.

https://www.business-standard.com/article/economy-policy/fertiliser-cos-to-manufacture-extra-dap-to-meet-domestic-need-mandaviya-122020801227_1.html

One-fifth of country's chemical pesticides' demand comes from Maharashtra

Nearly half of the country's demand for chemical pesticides in 2020-21 came from the three States— Maharashtra, Uttar Pradesh and Telangana . Almost 46.38 per cent of the demand for 70,668 tonnes of chemical pesticides was from these three States. Maharashtra contributed nearly one-fifth of the country's demand for chemical pesticides during 2020-21. While Maharashtra led the demand for chemical pesticides at 14,396 tonnes, Uttar Pradesh and Telangana followed it with 11,850 tonnes and 6,535 tonnes, respectively, during the period.

<https://www.thehindubusinessline.com/economy/agri-business/one-fifth-of-countrys-chemical-pesticides-demand-comes-from-maharashtra/article64996308.ece>

Infrastructure

Railway Board forms panel to examine budgetary allocation, merger of funds

The Railway Board has formed a committee to take a relook at the budgetary fund allocation in an attempt to minimise overlaps of fund purpose. In an order issued earlier this month, the Railway Board decided to constitute a committee to 'examine feasibility of merging funds operated by Railways, including few connected issues/aspects.' In addition to other responsibilities, this committee has been tasked with examining the feasibility of merging existing Railway Funds, keeping in view the relevance and need.

https://www.business-standard.com/article/economy-policy/railway-board-forms-panel-to-examine-budgetary-allocation-merger-of-funds-122020801750_1.html

Domestic air passenger traffic falls 43% to 6.4 mn in January: Icra

Domestic air passenger traffic plunged around 43 per cent month-on-month at 64 lakh in January 2022 as the third wave of the pandemic and the resultant restrictions by state governments kept flyers away from air travel, Icra said on Tuesday. The domestic passenger volume in December 2021 was recorded at 112 lakh. The rating agency said it is expecting the recovery process to remain subdued during March quarter and that the jet fuel prices continue to be a drag on the sector. The passenger traffic declined 17 per cent last month over 77 lakh passengers transported by domestic airlines on local routes in January 2021, Icra said.

https://www.business-standard.com/article/companies/domestic-air-passenger-traffic-falls-43-to-6-4-mn-in-january-icra-122020801389_1.html

Telecom

Telecom Minister urges for deployment of products designed, made in India

Telecom Minister Ashwini Vaishnaw on Tuesday made an aggressive pitch for adoption of products that are designed and made in India, citing better quality and costs, as he affirmed the government's firm resolve to improving ease of doing business and reducing regulations in the sector. The minister also urged global players to consider developing

more partnerships with Indian entrepreneurs, companies, manufacturers, startups and developers. Speaking at the inaugural session of 'India - Telecom 2022', the minister noted that the comprehensive semiconductor programme, launched recently, has got a "good response". Listing out India's rapid strides in ushering in new-age technologies, he said the 5G network is in its final stages of development.

https://www.business-standard.com/article/economy-policy/telecom-minister-urges-for-deployment-of-products-designed-made-in-india-122020800993_1.html

Trai Chief terms 5G spectrum auction consultation paper as watershed

TRAI Chairman P D Vaghela on Tuesday termed the consultation paper on 5G spectrum auction as "watershed in history of telecom" as the regulator embarked on the last phase of industry-wide deliberation through open house discussions, ahead of finalising its views on crucial aspects such as pricing of radio waves. The government expects Telecom Regulatory Authority of India (TRAI) to give its recommendations on 5G spectrum, by March. The spectrum auctions will be conducted in 2022, to facilitate the roll out of 5G mobile services within 2022-23, by private telecom providers. As the country gears up for the mega auction, the industry has made an aggressive pitch for lowering of spectrum pricing.

https://www.business-standard.com/article/economy-policy/trai-chief-terms-5g-spectrum-auction-consultation-paper-as-watershed-122020800598_1.html

Energy

India's first biomass-based hydrogen plant coming up in Madhya Pradesh

The country's first commercial-scale biomass-based hydrogen plant is coming up in the Khandwa district of Madhya Pradesh. The plant will produce a tonne of hydrogen per day, from 30 tonnes of biomass feedstock. It will also produce biochar and methane. The plant is being put up by a joint venture of Watomo Energies Ltd and Biezel Green Energy with an investment of ₹24 crore. Watomo Energies, headquartered in Mirzapur, Uttar Pradesh; Biezel Green is a company promoted by Prof Preetam Singh, who teaches at the IIT BHU. Biezel Green is the technology partner.

<https://www.thehindubusinessline.com/news/national/indias-first-biomass-based-hydrogen-plant-coming-up-in-mp/article64997164.ece>

Power requirement estimated to be 1,650.59 billion units in FY23

Power requirement in the country is estimated to be 1,650.59 billion units in 2022-23 while it was 1,141.94 billion units till January of the ongoing fiscal year, Parliament was informed on Tuesday. In financial year 2020-21, power requirement was 1,275.53 billion units (BU), Power Minister R K Singh said in a written reply to the Rajya Sabha.

The minister also informed the House that the peak power demand was 2,03,014 MW till January 2021-22 and it is estimated to touch 2,38,899 MW in the next financial year. The minister provided the information as per estimates of the 19th Electric Power Survey (EPS).

<https://economictimes.indiatimes.com/industry/energy/power/power-requirement-estimated-to-be-1650-59-billion-units-in-fy23/articleshow/89430901.cms>

States

Gujarat eyes 8-fold rise in exports to Rs 25k cr with new IT policy

On the back of a new five-year Information Technology and enabled services (IT/ITeS) policy, the Gujarat Government is eyeing an eight-fold rise in IT exports from the state by the end of the policy tenure. Aimed at promoting new small and medium units, along with some big projects, the policy looks to grow the current exports of roughly Rs 3,100 crore to Rs 25,000 crore in the next five years. According to Vijay Nehra, Secretary, Department of Science & Technology, Gujarat government, the new policy has been developed on the capital expenditure (capex) and operations expenditure (opex) model. "We are adopting a Capex-Opex Model, to provide a simplified and flexible approach towards the industry. So that they can plan the expenditure and turnaround the viability concerns," said Nehra.

https://www.business-standard.com/article/economy-policy/gujarat-eyes-8-fold-rise-in-exports-to-rs-25k-cr-with-new-it-policy-122020801552_1.html

K'taka CM urges Centre to extend GST compensation period upto 2024-25

Karnataka Chief Minister Basavaraj Bommai on Monday requested the Centre to extend the GST compensation for a period up to 2024-25. Bommai presented the request when he called on Union Finance minister Nirmala Sitharaman in New Delhi on Monday. "The period of GST compensation, being paid by the Union government, is set to end in March 2022. But the states are facing a resource crunch due to the COVID-19 impact. In this background, the Union government should extend the GST compensation time limit up to 2024-25 to help the states," said Bommai. "The Union government had provided GST compensation for the last two years through loans. The same gesture should continue for three more years and the loans could be repaid through a collection of GST Cess," he added.

https://www.business-standard.com/article/economy-policy/k-taka-cm-urges-centre-to-extend-gst-compensation-period-upto-2024-25-122020800069_1.html

Maharashtra hopes to persuade Amazon, Uber, others to go electric faster

Maharashtra will offer companies like Amazon.com Inc and Uber new incentives to electrify their delivery fleets ahead of a 2025 target for cleaner air, its environment minister told Reuters. One of India's richest states and home to the financial hub of Mumbai, Maharashtra is an important market for e-commerce, ride-hailing and food delivery companies. Last year, it set a target for such companies to electrify 25% of their fleet by 2025. Now it wants to bring the target forward by offering companies higher incentives for bulk purchase of electric vehicles (EVs), the state minister, Aaditya Thackeray, told Reuters in an interview.

<https://economictimes.indiatimes.com/industry/renewables/maharashtra-hopes-to-persuade-amazon-uber-others-to-go-electric-faster/articleshow/89426231.cms>

Healthcare

ICMR has collected over Rs 171 crore as royalty from Covaxin's sales: Govt

The Indian Council of Medical Research (ICMR) has received a royalty of Rs 171.74 crore till January 31 from Bharat Biotech from sales of Covaxin, Rajya Sabha was told Tuesday. The ICMR has spent around Rs 35 crore in research and development of covid vaccine Covaxin. Funds with ICMR are utilized for health research activities including emerging research priorities and research capacity building, Minister of State for Health Bharati Pravin Pawar said in a written reply.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/icmr-has-collected-over-rs-171-crore-as-royalty-from-covaxins-sales-govt/articleshow/89432993.cms>

External

Dubai and India's financial regulators seek closer cooperation

Dubai's financial regulator and India's International Financial Services Centre Authority (IFSCA) have signed a memorandum of understanding to increase supervision, enforcement and oversight on companies with presence in both jurisdictions. The agreement between the Dubai Financial Services Authority and IFSCA will also help in the exchange of information relating to financial crime such as money laundering, terrorism financing, arms proliferation financing or targeted financial sanctions, DFSA said on its website Tuesday. The UAE, home to the Middle East financial hub Dubai, has worked over the last few years to overcome a perception it is a hot spot for illicit money. Last year, the UAE government created an Executive Office for Anti-Money Laundering and Counter Terrorism Financing, while Dubai also set up a money laundering court.

DFSA said the two authorities will work closely to foster the development of the financial sector, it said.

https://www.business-standard.com/article/economy-policy/dubai-and-india-s-financial-regulators-seek-closer-cooperation-122020800777_1.html

Millets export from India to increase exponentially in coming years: Govt

Export of millets from India is set to increase exponentially in the coming years on increased demands from new markets, the Ministry of Commerce and Industry said on Tuesday. "With demand for nutria-cereals rising steadily globally, the Department of Commerce expects millets export to increase exponentially in the coming years as Indian

exporters find new markets abroad," the ministry said in a statement. India is the fifth largest exporter of millets in the world, according to 2020 data, with exports continuously increasing at around 3 per cent CAGR in the last five years ending with 2020. In 2020-21, India exported millets worth \$26.97 million against \$28.5 million in 2019-20. World export of millet has increased from \$380 million in 2019 to \$402.7 million in 2020.

https://www.business-standard.com/article/economy-policy/millets-export-from-india-to-increase-exponentially-in-coming-years-govt-122020801624_1.html

Textile Ministry wants garments included in early harvest programme of India-UK FTA

The Textile Ministry is keen to get garments and made-ups included in the early harvest programme being worked out between India and the UK as a precursor to a full-fledged Free Trade Agreement (FTA), government officials have said. "We have conveyed to the Commerce Ministry that it should focus on getting garments included in the early harvest programme being negotiated with the UK. There is a huge opportunity to be reaped for our industry in the UK market. On the other hand, our import of textile items from the UK is very low and the local industry does not feel threatened if duties are lowered on our side as well," an official tracking the matter told BusinessLine.

<https://www.thehindubusinessline.com/economy/textile-ministry-wants-garments-included-in-early-harvest-programme-of-india-uk-fta/article64997366.ece>

Australian trade minister to visit India on February 10 for FTA talks

Australian trade minister Dan Tehan will visit India on February 10 to hold talks with commerce & industry minister Piyush Goyal for an interim trade deal that is at an advanced stage of fruition, sources told FE. In December, both the countries decided to expedite the pace of negotiations for the early-harvest deal, which will be followed up with a broader free trade agreement (FTA). The FTA will cover a broad range of areas, including goods, services, investments, government procurement, logistics, standards and rules of origin. Goyal has been striving to get duty concession for Indian products in critical sectors, including agriculture and textiles, and greater market access in pharmaceuticals.

<https://www.financialexpress.com/economy/australian-trade-minister-to-visit-india-on-february-10-for-fta-talks/2428019/>