



July 28, 2022 – Thursday

Economy

RBI to go for 35 basis points hike in rates at next week's monetary policy meeting: Report

The Reserve Bank of India's rate-setting panel will go for a 0.35 per cent hike in the key repo rate at its meeting next week, an American brokerage said on Wednesday. The hike will be accompanied by a change in the policy stance to "calibrated tightening", Bofa Securities said in a report published ahead of the Monetary Policy Committee (MPC) resolution which is set to be announced on August 5. Referring to policy actions since April, when RBI introduced the standing deposit facility, the brokerage said the central bank has effectively hiked rates by 1.30 per cent. "In our base case, we now see the RBI MPC hike policy repo rate by 0.35 per cent, taking it to 5.25 per cent (higher than pre-pandemic level), with stance change to calibrated tightening from withdrawal of accommodation," the report said. The brokerage expects MPC to retain its FY23 Consumer Price Inflation (CPI) and real GDP growth forecasts, at 6.7 per cent and 7.2 per cent, respectively. Last week, RBI Governor Shaktikanta Das said that headline inflation, which came at 7.04 per cent for April, is appearing to have peaked.

<https://www.financialexpress.com/economy/rbi-to-go-for-35-basis-points-hike-in-rates-at-next-weeks-monetary-policy-meeting-report/2608359/>

Family planning vision 2030 to focus on men to check population

Strategies to overcome teenage childbearing, lack of male participation in awareness programmes, migration and lack of access to contraceptives have been identified as priorities in the Centre's family planning vision document 2030 unveiled on Wednesday. "Focusing on addressing the teenage childbearing and early/child marriages remain a cause of concern for the country. From NFHS-4 to NFHS-5, India witnessed an impressive improvement in contraceptive use and unmet need, but decline in teenage childbearing was minimal - 7.9% in 2015-16 to 6.8% in 2019-21. Although modern contraceptive use among married adolescents and young women have increased, it remains low. Married adolescent girls and young women reported high unmet need for contraception," the vision document unveiled in New Delhi by minister of state for health and family welfare Bharati Pravin Pawar said.

<https://economictimes.indiatimes.com/news/india/family-planning-vision-2030-to-focus-on-men-to-check-population/articleshow/93170787.cms>

Central govt jobs: 22 crore plus applicants, 7.22 lakh recommended for appointment

A mere 0.32 per cent of the applicants for Central government jobs were hired between 2014 and 15 and 2021 and 22, showed data presented in Lok Sabha on Wednesday. Jitendra Singh, Minister of State for Personnel, Public Grievances and Pension, said in a written reply that the total number of applications received for Central government jobs since 2014 were more than 22.05 crore. However, around 7.22 lakh candidates were recommended by recruiting agencies for appointment to different Central government departments.

<https://www.thehindubusinessline.com/todays-paper/tp-economy/central-govt-jobs-22-crore-plus-applicants-722-lakh-recommended-for-appointment/article65689396.ece>

Banking and Finance

Engagement of banks' board-level management on environment issues inadequate, says RBI survey

A Reserve Bank survey has found that engagement of top management in banks on issues concerning climate risk and sustainable finance is “inadequate” and the lenders need to scale up initiatives on environmental matters. Climate risk and sustainable finance has caught the attention of regulators, national authorities and supra-national authorities across the world. The Survey on Climate Risk and Sustainable Finance conducted in January this year, covered 34 leading scheduled commercial banks, comprising 12 public sector banks, 16 private sector banks and 6 leading foreign banks in India, the RBI said in a statement on Wednesday. “The responses indicate that although banks have begun taking steps in the area of climate risk and sustainable finance, there remains a need for concerted effort and further action in this regard,” it said. As per the findings, board-level engagement on climate risk and sustainable finance is inadequate and for about a third of the banks that were surveyed, responsibility for overseeing initiatives related to climate risk and sustainability was yet to be assigned.

<https://www.financialexpress.com/industry/banking-finance/engagement-of-banks-board-level-management-on-environment-issues-inadequate-says-rbi-survey/2608487/>

Sebi again extends deadline for commencing KYC record validation by KRAs

Capital markets regulator Sebi on Wednesday extended the deadline by three months to November 1, for commencing the validation of all KYC records by KYC Registration Agencies (KRAs). This is the second time, when the Securities and Exchange Board of India (Sebi) has extended the deadline. Initially, such agencies were required to independently validate the Know your Client or KYC records of all clients by July 1, which was extended till August 1. Now once again the regulator has received requests from the KRAs to extend the timelines. "Considering the KRAs' request for extension of the timeline... it has been decided that the validation of all KYC records (new and existing) shall commence from November 1, 2022," Sebi said.

https://www.business-standard.com/article/economy-policy/sebi-again-extends-deadline-for-commencing-kyc-record-validation-by-kras-122072701094_1.html

Sebi comes out with new guidelines on settlement of running account

Capital markets regulator Sebi on Wednesday came out with new guidelines on settlement of running accounts of clients' funds lying with stock brokers, to be applicable from October 1. Under the guidelines, the settlement of the running account of funds of the client will be done by the trading member after considering the End of the day (EOD) obligation of funds as on the date of settlement across all the exchanges on the first Friday of the quarter for all the clients. The running account of funds will be settled on the first Friday of October 2022, January 2023, April 2023, July 2023, and so on for all the clients, the Securities and Exchange Board of India (Sebi) said in a circular. If the first Friday is a trading holiday, then such settlement will happen on the previous trading day.

https://www.business-standard.com/article/economy-policy/sebi-comes-out-with-new-guidelines-on-settlement-of-running-account-122072701217_1.html

ECGC launches new scheme to provide up to 90% export credit risk insurance cover for small exporters

Export credit provider Export Credit Guarantee Corporation of India (ECGC) has launched a new scheme to insure up to 90 per cent of the credit risk in export finance, supporting small exporters by encouraging banks to provide more credit for export amid global economic uncertainty. The risk cover, provided by banks under the Export Credit Insurance for Banks Whole Turnover Packaging Credit and Post Shipment (ECIB- WTPC & PS), will also enable small exporters to explore new markets and new buyers, and diversify their existing product portfolio competitively, ECGC said. “We expect the cover to play a game-changing role,” said ECGC Chairman M Senthilnathan at a press conference on Tuesday. He added, “By giving 90 per cent cover to banks, we expect more small companies to get export credit from banks, benefiting these industries greatly. We expect banks to provide more concessions. The net effect will be the benefit to exporters, involving a reduction in interest rate.”

<https://www.financialexpress.com/industry/sme/msme-exim-ecgc-launches-new-scheme-to-provide-up-to-90-export-credit-risk-insurance-cover-for-small-exporters/2608042/>

Industry

Textile companies to draw up plan to cut emissions

The government has identified textiles as a high emission intensity sector and asked the industry to prepare a roadmap for reducing emission intensity and carbon dioxide by 2030 along with the expected financial implications. India wants to achieve carbon neutrality by 2050 and keep global warming below +1.5 degrees Celsius. "The roadmap would include ways to adapt to protect communities and natural habitats, especially the ones threatened by climate change," said an official. India relies heavily on coal and natural gas for electricity and heat production and that increases the carbon footprint of each apparel product.

<https://economictimes.indiatimes.com/industry/cons-products/garments/-/textiles/textile-companies-to-draw-up-plan-to-cut-emissions/articleshow/93170701.cms>

India's auto-makers seek ₹8,000-9,000/tonne price reduction from steel mills

India's car-makers are negotiating for a ₹8,000-9,000 per tonne price reduction, over the last quarter, in automotive steel, those aware of the matter say. Auto OEMs cite sluggish demand in the auto sector, and a fall in steel prices, including reduced coking coal prices, as key reasons. The price reduction sought from mills is for deliveries due in July-September (Q2FY23). Mills, if they accept, would see the price of automotive steel or flats go down by ₹2,000-3,000 per tonne (net), on a six-month basis (April to September period). Negotiations are expected to be closed by the end of this month.

<https://www.thehindubusinessline.com/economy/indias-auto-makers-seek-8000-9000tonne-price-reduction-from-steel-mills/article65685888.ece>

'Boron' comes to rescue of steel cos hit by export levy

At a time when a new 15% export duty on steel has brought sale of the alloy overseas under pressure, one exception has come to the rescue of Indian steel mills in the form of boron, a brownish dark powder that makes steel harder and, more importantly, brings it out of the purview of the new levy. The exports of electrical steel, which includes boron-added alloy steel, grew eightfold year on year to about 1,40,000 tonnes during the fiscal first quarter ended June, as per data from SteelMint. By one estimate, about 1,30,000 tonnes of these exports happened in June, following the levy of the new export duty from May 22. This compares to the overall steel exports of 6,40,000 tonnes in June. "If there are customers who are willing to accept some amount of boron in the steel, then for such customers prices remain competitive and not have this extra levy of 15%," said TV Narendran, managing director and chief executive of Tata Steel. "So that's how some of the exports have happened."

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/boron-comes-to-rescue-of-steel-cos-hit-by-export-levy/articleshow/93171126.cms>

Govt mulls changes in pricing structure to determine average selling price of bauxite

The government is considering changes in the pricing structure to ascertain the Average Selling Price (ASP) of metallurgical grade bauxite in order to attract private players in the sector. At present, states are not able to auction the existing bauxite mines as companies find the selling price of the mineral unviable. The change in calculation would be made through amendment in the mining law and the mines ministry has invited suggestions for the same, according to an official note. A number of companies and industry associations have sought to revise the conversion factor to obtain the ASP for metallurgical grade bauxite.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/govt-mulls-changes-in-pricing-structure-to-determine-average-selling-price-of-bauxite/articleshow/93165289.cms>

Largest tender for 8,000 electric state buses on cards

In a bid to accelerate the shift toward clean mobility in public transport systems, the government is looking at floating its largest ever tender for procuring nearly 8,000 electric buses for state transport undertakings (STUs) across the country. This is the second such tender being mooted by the government to encourage STUs to replace ageing, polluting diesel buses with electric ones. Earlier this year, Convergence Energy Services Ltd (CESL) - the state-run company handling the acquisition of EVs for central and state government departments - floated a tender to procure 5,580 electric buses. The tender was valued at about Rs 5,500 crore. Tata Motors won the majority of the contracts to supply about 5,000 buses under the scheme. CESL has begun deploying 5,450 electric buses across five cities - Delhi, Kolkata, Bengaluru, Surat and Hyderabad.

<https://economictimes.indiatimes.com/industry/auto/lcv-hcv/largest-tender-for-8000-electric-state-buses-on-cards/articleshow/93154517.cms>

EV industry may create 50 mn indirect jobs by 2030: IVCA-EY-Induslaw report

Electric vehicle (EV) sales in India are expected to cross 9 million units by 2027 and the industry is seen creating more than 10 million direct and 50 million indirect jobs by 2030, says an IVCA-EY-Induslaw report. The EV industry attracted \$6 billion in investment in 2021. This could grow to \$20 billion by 2030. In a sign that the EV market is drawing the attention of private equity/venture capital investors in India, such investments are estimated to grow from \$181 million to \$1,718 million during the same period – an annual growth rate of 849%. “This (PE/VC investment) has reached about \$666 million in 2022 so far,” said Rajat Tandon, president of the Indian Private Equity and Venture Capital Association (IVCA). Many new and first-time investors are joining the bandwagon. However, experts feel that there is a need for the government and larger investor community to come together and work towards more sustainable solutions.

https://www.business-standard.com/article/economy-policy/ev-industry-may-create-50-mn-indirect-jobs-by-2030-ivca-ey-induslaw-report-122072701279_1.html

Agriculture

Domestic cotton prices reduced from peak: Textiles Ministry

Domestic cotton price has been reduced from its peak of ₹1,03,000 in May 2022 to ₹86,400 per candy now, as per the Textiles Ministry. “Yarn prices, which were ruling in the range of ₹400-440 per kg, in the month of April and May 2022, have also been reduced by ₹35-40 per kg in the month of July 2022,” a released issued by the Textile Ministry based on the Parliament reply stated.

<https://www.thehindubusinessline.com/economy/domestic-cotton-prices-reduced-from-peak-textiles-ministry/article65690225.ece>

Infrastructure

Registration to be must for 3rd-party agri warehouses

The central government plans to make it mandatory for third-party warehouses that stock agricultural commodities to register with Warehousing Development Authority by amending the Warehousing (Development & Regulations) Act (WDRA). The proposed amendment will encourage scientific warehousing ecosystems, thus helping farmers store their produce in scientific godowns, an official aware of the development told ET. It will also make it compulsory for warehouse operators to issue digitised negotiable warehouse receipts (NWR), making the system more transparent. “Lending institutions like banks will have access to NWR repositories, thereby increasing ease of lending,” said the person cited above. “Farmers can pledge to get bank loans against their agri produce kept in warehouses.”

<https://economictimes.indiatimes.com/infrastructure/govt-proposes-higher-penalties-for-violations-under-warehousing-development-regulation-law/articleshow/93165266.cms>

Housing prices rise up to 15% in June quarter

Average housing price rose up to 15 per cent during April-June period across 9 major cities, with Chennai witnessing the highest appreciation of 15 per cent, according to data analytic firm PropEquity. The weighted average price rose by 15 per cent in Chennai to ₹6,744 per square feet in the June quarter from ₹5,855 per square feet in the year-ago period. Gurugram and Hyderabad witnessed 12 per cent increase in prices to ₹11,517 per square feet and ₹6,472 per square feet, respectively. The average prices in Noida rose 9 per cent to ₹7,411 per square feet from ₹6,791 per square feet, while the prices in Bengaluru were up 8 per cent to ₹6,196 per square feet from ₹5,760 per square feet. Housing prices in Mumbai, Thane, and Pune increased by 3 per cent.

<https://www.thehindubusinessline.com/news/real-estate/housing-prices-rise-up-to-15-annually-in-june-quarter/article65688998.ece>

Energy

Power generation capacity to hit 820GW by 2030; over 500GW from non-fossil fuel sources: R K Singh

Union Power and New & Renewable Energy Minister R K Singh on Wednesday said the country's electricity generation capacity will reach 820GW by 2030, including over 500GW from non-fossil fuel sources. In his message at the launch of a report of The Energy Resource Institute (TERI), Singh said: "By 2030, the total capacity for power production would be about 820GW. Out of that, more than 500GW will be non-fossil." Pointing out that India has already started adding storage capacity to renewable energy, the minister said the government has come out with one of the largest bids on storage and is trying to bring down the storage cost by adding volume.

<https://economictimes.indiatimes.com/industry/renewables/power-generation-capacity-to-hit-820gw-by-2030-over-500gw-from-non-fossil-fuel-sources-r-k-singh/articleshow/93161517.cms>

AIPEF seeks PM intervention on Power Min directive on coal imports by states for thermal plants

All India Power Engineers Federation has sought Prime Minister Narendra Modi's intervention to direct the power ministry to withdraw its directions to states to expedite coal imports for thermal power plants. All India Power Engineers Federation (AIPEF) in a letter sent to the Prime Minister has stressed that the Ministry of Power must be directed to withdraw its orders and directives to the states/state gencos, forcing them to expedite coal imports that were not required/justified in the wake of the coal ministry's reply in Parliament on July 25, an AIPEF statement said. AIPEF has said that in this context now the extra cost of imported coal must be borne by the power ministry.

<https://economictimes.indiatimes.com/industry/energy/power/aipenf-seeks-pm-intervention-on-power-min-directive-on-coal-imports-by-states-for-thermal-plants/articleshow/93143967.cms>

Telecom

Cabinet tops up BSNL with ₹1.64 lakh cr revival package

The Centre on Wednesday approved yet another revival package for State-owned Bharat Sanchar Nigam Ltd (BSNL) after 2019— this time to the tune of a whopping ₹1.64-lakh crore, to be utilised over the next four years. The measures focus on fresh capital for upgrading services, allocating spectrum, de-stressing its balance sheet and augmenting its fiber network by merging Bharat Broadband Nigam Ltd (BBNL) with BSNL.

<https://www.thehindubusinessline.com/info-tech/cabinet-approves-164-lakh-crore-revival-package-for-bsnl/article65690384.ece>

States

Gujarat announces Semiconductor Policy to attract new investments

The chief minister of Gujarat, Bhupendra Patel, on Wednesday announced the Gujarat Semiconductor Policy. The dedicate policy is likely to attract new investment in the semiconductor sector by offering incentives and subsidies to start operations in the state. Under the policy, the state government will set up 'Dholera Semicon City' near Ahmedabad where eligible projects will be given subsidy for setting up manufacturing units, stated a press release.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/gujarat-announces-semiconductor-policy-to-attract-new-investments/articleshow/93160929.cms>

UP to introduce One Tehsil One Product (OTOP) after its successful One District One Product (ODOP) scheme

Hyperlocal seems to be the mantra for Yogi Adityanath-led Uttar Pradesh government. After the launch of One District One Product (ODOP), the state government is working to introduce One Tehsil One Product (OTOP) scheme to promote Micro Small and Medium Enterprises (MSMEs). According to the report by Newsroom Odisha, the Chief Minister has directed the district administrations to identify and list the unique products in each tehsil across 75 districts of Uttar Pradesh. OTOP will be an extension of the ODOP and the focus will be to promote the micro, small and medium enterprises (MSME) sector in the state. Similar to ODOP, products selected under OTOP will also be supported through marketing and promotion within and outside India. Moreover, the assistance by the state government will extend to packaging, designing, finance and upskilling of artisans.

<https://www.financialexpress.com/industry/sme/msme-eodb-up-to-introduce-one-tehsil-one-product-otop-after-its-successful-one-district-one-product-odop-scheme/2608285/>

TN rolls out 'Chief Minister's Breakfast Scheme'

The Tamil Nadu government will implement the 'Chief Minister's Breakfast Scheme' at 1,545 government primary schools to benefit 1.14 lakh children in classes 1 to 5. This is claimed to be the first of its kind initiative in India to ensure nutrition. A government order issued by Chief Secretary V Irai Anbu on Wednesday says that the scheme will be implemented this current fiscal year at a cost of ₹33.56 crore.

<https://www.thehindubusinessline.com/news/tn-rolls-out-chief-ministers-breakfast-scheme/article65690344.ece>

Healthcare

Govt set to launch 'heal in India' plan

The Union health ministry is giving final touches to a new initiative - heal in India and heal by India - a new portal which is likely to be announced by the prime minister (PM) on August 15. The new portal aims to give impetus to medical tourism. Developed under the Ayushman Bharat Digital Mission, the portal will have a repository of healthcare professionals, hospitals services to help overseas patients seeking medical help in India. "India is the pharmacy of the world. The new initiative aims to make India the medical hub of the world," said a senior government official on the condition of anonymity. The government plans to facilitate medical help for overseas patients by providing the support required for them in India.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/govt-set-to-launch-heal-in-india-plan/articleshow/93171352.cms>

ICMR Invites Eols for Vax Development

The Indian Council of Medical Research (ICMR), the country's top health research centre, on Wednesday invited expressions of interest (Eols) from vaccine manufacturers to develop vaccines against Monkeypox. It has also invited Eols from makers of diagnostic kits. The last date to respond to the invitation is August 10. India has so far reported four cases of the viral infection.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/monkeypox-icmr-invites-eois-for-vax-development/articleshow/93171293.cms>

21-day isolation, keeping lesions fully covered: Centre's guidelines for monkeypox patients

The Centre today announced comprehensive guidelines for monkeypox patients and their contacts. A 21-day isolation, wearing masks, following hand hygiene, keeping lesions fully covered and waiting for those to fully heal are among the guidelines. The national capital has reported one confirmed case of monkeypox, taking the total number of such patients in the country to four. The missive also states that health workers who have unprotected exposure to monkeypox patients or possibly contaminated materials need not be excluded from duty if asymptomatic but should undergo surveillance for symptoms for 21 days.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/21-day-isolation-keeping-lesions-fully-covered-centres-guidelines-for-monkeypox-patients/articleshow/93165981.cms>

External

New UK parliamentary panel to promote trade, investment ties with India

A new cross-party UK parliamentary panel has been created to promote trade, investment and people-to-people ties with India, backed up by British Indian think tank 1928 Institute. The India (Trade and Investment) All Party Parliamentary Group (APPG) was formally registered last week as part of celebrations of the 75th anniversary of India's independence and is made up of 25 members of Parliament and peers of different political affiliations. With a stated goal to promote trade and investment between India and the UK for the mutual betterment of their citizens, whilst building an inclusive living bridge between the two countries, the new APPG hopes to support the ongoing India-UK free trade agreement (FTA) negotiations and promote its benefits once concluded. "Given 75 years of India's Independence, the creation of an All-Party Parliamentary Group focused on India will set the tempo between the UK Parliament and India/Indians," said Navendu Mishra, Indian-origin Opposition Labour Party MP for Stockport in north-west England and Co-Chair of the new APPG. "Investment in people is the best way to ensure economic stability and this APPG intends to benefit the peoples of both the UK and India. In particular, I'm looking forward to bringing investment to Stockport and to the Greater Manchester region, both from stronger cultural ties and from utilising the trade agreement," he said.

<https://www.financialexpress.com/economy/new-uk-parliamentary-panel-to-promote-trade-investment-ties-with-india/2607979/>

Fuel exports fall in June

Net export of diesel and petrol declined 23% and 8% respectively in June over May as exports fell and imports rose to meet the soaring domestic demand at a time when local refineries are operating above their nameplate capacity. Import of petrol and diesel rose to 246,000 metric tonnes in June from 36,000 metric tonnes in May but was a fraction of total exports. The combined export of petrol and diesel fell to 3,614,000 metric tonnes in June from 4,215,000 metric tonnes. The fall in net export is an indicator of increased consumption of refined fuels in the country as well as an expectation that fuel demand would remain strong in the coming months, an industry executive said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/fuel-exports-fall-in-june/articleshow/93171132.cms>

India has no plans to review wheat export ban as domestic prices continue to rule high

The Indian government has no intention to lift the export ban on wheat, though it is in the process of wrapping up its scrutiny exercise for allowing shipments for which letters of credit were issued before May 13, when the ban came into force. Total approvals are set to add up to around 2.1 million tonnes (mt), a source tracking the issue said. Russia's recent grain deal with Ukraine, following which it has agreed to unblock certain Ukrainian ports to allow the export of wheat, corn and other cereals, is likely to ease the global pressure on India to lift the wheat export ban, as the volatility in international prices for wheat is expected to lessen, the source told BusinessLine.

<https://www.thehindubusinessline.com/economy/agri-business/india-has-no-plans-to-review-wheat-export-ban-as-domestic-prices-continue-to-rule-high/article65689248.ece>