



August 08, 2022 – Monday

## Economy

### PM Modi tells states to reduce imports, step up exports

Prime Minister Narendra Modi urged states to focus on reducing imports and increasing exports, asking them to identify opportunities and encourage people to use locally made goods as much as possible. His reiteration of the 'vocal for local' call has come amid a burgeoning trade deficit and concerns over the widening current account deficit. Although goods and services (GST) collections have improved, there's potential for this to be stepped up further, Modi said at the seventh meeting of the Niti Aayog's governing council on Sunday. India's upcoming G20 presidency in 2023 is a unique opportunity to show that the country is not just Delhi but every state and UT as well, Modi said. He called on states to set up dedicated G20 teams to derive the maximum possible benefit from the presidency.

<https://economictimes.indiatimes.com/news/economy/indicators/pm-modi-tells-states-to-reduce-imports-step-up-exports/articleshow/93417880.cms>

### Govt 'readying 4 comprehensive laws to cover digital tech space'

The government is likely to bring the fresh Personal Data Protection (PDP) Bill, latest by the next Budget session of Parliament. It would be part of a set of four Bills to cover the entire digital technology landscape — telecom sector, information/digital technology, privacy and social media. In an interview to BusinessLine, Minister for Electronics and Information Technology Ashwini Vaishnav disclosed that deliberations within the government following the tabling of the exhaustive report of the Joint Committee of Parliament on PDP Bill were focused on whether to have an omnibus legislation or to have specific statutes for better regulation of the highly dynamic digital technology landscape. The government opted for the latter.

<https://www.thehindubusinessline.com/economy/four-statutes-to-cover-digital-technology-new-pdp-bill-by-next-budget-session/article65741345.ece>

## Banking and Finance

### Sebi mulls stock payment system bypassing brokers

The Securities and Exchange Board of India (Sebi) is considering an ambitious plan to alter the payment mechanism in stock market trades. The markets regulator is discussing with market infrastructure intermediaries the possibility of implementing a system that will result in money effectively leaving an investor's bank account only after a trade is completed, said three people familiar with the development. This would mean funds from an investor's bank account would not go to the broker but directly flow to settle the trade. At present, such a system exists in the 'primary' or IPO market. Sebi is exploring bringing the 'fund-blocking mechanism' to the secondary stock market. Known as ASBA or Application Supported by Blocked Amount, this method is mandatory for investing in initial public offerings (IPOs).

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-mulls-stock-payment-system-bypassing-brokers/articleshow/93417696.cms>

### Public Sector Banks recover ₹6.4l cr NPAs, written-off loans since FY15

The public sector banks (PSBs) have recovered ₹6.42 lakh crore of non-performing loans and written-off loans since FY15 and filed suits against 98.5% of wilful defaulters, data available with the government showed. Over FY16 to FY21, the government has infused ₹3.36 lakh crore of capital in PSBs while the banks themselves have raised an additional ₹2.99 lakh crore from the markets. The provision coverage ratio of the PSBs, a measure of health that captures amounts set aside to cover bad loans, has improved to 86.9% at the end of March 2022 from 46% at the end of March 2015.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/public-sector-banks-recover-6-4l-cr-npas-written-off-loans-since-fy15/articleshow/93415231.cms>

## Industry

### Steel players expect govt to withdraw export duty; to go ahead with capex plans

The export duty imposed on certain steel products recently will not force steel makers to review their capital expenditure plans as top producers expect it to be a "short-term" move to stabilise inflation. On May 21, the government hiked the duty on exports of iron ore by up to 50 per cent and for a few steel intermediaries to 15 per cent. It also waived customs duty on the import of some raw materials, including coking coal and ferronickel, used by the steel industry. However, steel industry players had said imposition of export duties on steel products will send a negative signal to investors and adversely impact capacity expansion projects under the Production Linked Incentive (PLI) scheme. The Indian Steel Association (ISA), which represents the domestic steel companies, had said India may lose export opportunities and the decision may also impact the overall economic activity in the country. When asked about the impact of the export duty on the industry, Tata Steel CEO and MD T V Narendran said: "We appreciate the need to control inflation and the need for some short-term measures like the export duty, prolonging this duty even after steel prices have settled at much lower levels is detrimental to the profitability of the industry." Ranjan Dhar, Chief Marketing Officer, ArcelorMittal Nippon Steel India (AM/NS India), said the industry remains hopeful that the export duty will be a short-term measure by the government.

<https://www.financialexpress.com/economy/steel-players-expect-govt-to-withdraw-export-duty-to-go-ahead-with-capex-plans/2620542/>

### Auto industry expects car sales on fast lane in festive season

The auto industry expects car sales to be on the fast lane this festive season on the back of new launches and improved production but is cautiously optimistic on the road ahead once the festivities peter out. The festive season, which usually witnesses a spike in automobile sales, begins this year on August 11 with Rakshabandhan stretching up to Diwali on October 25. "We expect the festive season this year to be the best in terms of passenger vehicle sales on the back of new launches and improved production activity. The industry has been rolling out over 3 lakh units on an average in the past 4-5 months which is helping in retails," automobile dealer's body President Vinkesh Gulati told PTI in an interaction.

<https://economictimes.indiatimes.com/industry/auto/auto-news/auto-industry-expects-car-sales-on-fast-lane-in-festive-season/articleshow/93405549.cms>

### Burst of discretionary spending likely till December; recovery seen for electronics, gifting too

Demand for discretionary products, electronics and gift items in the festive season (August to December) is expected to be 15-25% more than what it was in the corresponding period of 2019, the last festive period to have no Covid-induced protocols or restrictions, several company executives said. "We have forecast double-digit growth this festive season over the festive months of 2019," said Vishal Chaturvedi, vice-president (South Asia), The Body Shop. "This includes gifting across various upcoming festivals, Diwali and the wedding season. People are also coming back to physical stores after the last two years of stress, which were bad for us as well." He said growth could be in the range of 15-20%.

<https://economictimes.indiatimes.com/news/economy/indicators/festive-season-burst-of-discretionary-spending-likely-till-december-recovery-seen-for-electronics-gifting-too/articleshow/93417652.cms>

### India Inc upbeat as inflation pain starts to ease

Inflationary pressures are showing signs of plateauing, companies have indicated, adding that they are bracing for a positive impact, albeit with a lag effect on margins and consumption in the next three to six months. Overall, costs

of certain commodities have reversed to June 2021 levels, they said. While industrial growth has been upbeat because of capital expenditure by the government, corporate houses are closely watching trends in consumer demand, which has been showing signs of improvement since the beginning of this month as the festive season kicks in early, they said. Data compiled by ETIG shows that key commodity prices have come off their recent peaks. While cement prices have fallen 11% from their peak in May, steel prices are down 20% from their highs in March.

<https://economictimes.indiatimes.com/news/company/corporate-trends/india-inc-upbeat-as-inflation-pain-starts-to-ease/articleshow/93415756.cms>

### **India's outbound tourism to surpass USD 42 bn by 2024: Report**

Outbound trips from India will surpass USD 42 billion by 2024 and the government could bring about certain policy changes to boost this growing market, a report said. The report titled 'Outbound Travel and Tourism - An Opportunity Untapped' by Nangia Andersen LLP in association with FICCI, highlights the up-and-coming Indian travel market and outline a framework for creating a more value for money experience for Indian tourists and travellers. To facilitate ease of doing business and promote the interests of Indian firms dealing in outbound travel the government could look at steps like increasing direct connections to popular and upcoming destinations, allowing foreign cruise vessels to operate on Indian waters, besides taking concerted and coordinated efforts on multiple fronts to propel the outbound tourism market, the report said.

<https://economictimes.indiatimes.com/industry/services/travel/indias-outbound-tourism-to-surpass-usd-42-bn-by-2024-report/articleshow/93415761.cms>

## **Agriculture**

### **10% wheat surplus no protection from yield drop: NITI Aayog member**

Amidst a debate on crop diversification, the thin margin of wheat surplus poses risk for India if climate change-induced weather aberrations hit yields as in the 2021–22 crop year (July-June). NITI Aayog Member Ramesh Chand on Sunday said that last year the intense heat during April caused a 6-million-tonne decline in wheat output. Even as the yield dropped the government doubled the quantity of food grain distribution over the PDS under the PM Garib Kalyan Yojna with 60 million tonnes of wheat and rice supplied. Wheat production was estimated to be 111 mt in 2021-22 but dropped to 105 million tonnes.

<https://www.thehindubusinessline.com/economy/agri-business/10-wheat-surplus-no-protection-from-yield-drop/article65742390.ece>

### **PM Modi wants India to become self-sufficient, global leader in farm sector**

Prime Minister Narendra Modi on Sunday made a strong case for modernising the farm sector by using technology so that India can become self-sufficient and a global leader in the agriculture sector. Addressing the meeting of the Governing Council of the Niti Aayog, he said the rapid urbanisation can become India's strength instead of weakness by leveraging technology to ensure ease of living, transparent service delivery, and improvement in the quality of life. This was the first physical meeting of the Governing Council since the onset of the pandemic, with the 2021 meeting held via video conferencing. The meeting was attended by 23 chief ministers, 3 Lieutenant Governors and 2 Administrators and Union ministers.

## **Infrastructure**

### **Multi-modal Logistics Park in Chennai to be awarded in August**

Bidding for the proposed Multi-Modal Logistics Park (MMLP) in Chennai is likely to close on August 10, according to officials in the know. The bids will be shortly evaluated and the first MMLP under the Bharatmala programme will be awarded later this month, they said. "After award of the project, the private sector will make an investment of around ₹782.58 crore for the Chennai MMLP. Bids for the Nagpur and Bengaluru MMLPs are expected to close soon too," Prakash Gaur, the chief executive of National Highways Logistics Management Ltd (NHLML), told ET.

<https://economictimes.indiatimes.com/news/economy/infrastructure/multi-modal-logistics-park-in-chennai-to-be-awarded-in-august/articleshow/93415667.cms>

### **Realty developers offer to reduce homebuyers' loan burden**

Real estate developers have started to undertake mitigating measures to soften the impact of the rising interest rate regime on prospective homebuyers' affordability levels and to support the continuation of robust sales momentum. Record low interest rates in the last two years have helped housing sales reach pre-pandemic levels and in some key markets, touch historic levels. However, the reversal in the interest rate cycle is emerging as a key cause of concern for housing sales. Realty developers including Tata Housing, Lodha Developers, and Runwal Group are stepping in to protect homebuyers and sales from the rising interest rate regime by capping the financial burden of interest on their home loans. Property brokers say that a number of other builders are also planning to give buyers this kind of choice.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/realty-developers-offer-to-reduce-homebuyers-loan-burden/articleshow/93418397.cms>

## Energy

### Electricity Amendment Bill to be introduced in Parliament on Aug 8

The much-awaited amendments to the Electricity Act, 2003 are scheduled to be introduced in Parliament on Monday, August 8. It aims at increasing the share of green energy in the context of global climate change concerns and India's commitments at COP 26 as well as to enhance the efficiency of Discoms to provide better services to the end consumer. It also aims at strengthening the regulatory mechanism, and adjudicatory mechanism in the Electricity Act, 2003 and to bring administrative reforms through improved corporate governance of distribution licensees. A key amendment being proposed is to facilitate the use of distribution networks by all licensees under provisions of non-discriminatory open access for enabling competition, enhancing the efficiency of distribution licensees for improving services to consumers, and ensuring the sustainability of the power sector.

<https://www.thehindubusinessline.com/companies/electricity-amendment-bill-to-be-introduced-in-parliament-on-aug-8/article65740490.ece>

### Maharashtra ethanol production likely to reach 140 crore litre next year: Sugar industry representative

Sugar sector representatives have predicted that Maharashtra's ethanol production will hit 140 crore litres in 2019. Future fuel consumption will exceed food demand. "Hence, the sugar industry in Maharashtra will also be called as the energy industry in times to come," National Federation of Co-operative Sugar Factories Limited Chairman Jayprakash Dandegavkar told PTI. Sugarmills produce ethanol. December 1 to November 30 is its production cycle. In 2020-21, Maharashtra produced 100.36 crore litres of ethanol through 78 plants. Since December 2021, the state has generated 75.88 crore litres of ethanol through 85 businesses, he added. Next year's production could reach 130 to 140 crore litres. He predicts 90 ethanol-producing establishments.

<https://economictimes.indiatimes.com/industry/renewables/maharashtra-ethanol-production-likely-to-reach-140-crore-litre-next-year-sugar-industry-representative/articleshow/93404726.cms>

### India should set up small modular reactors to meet energy demands: Niti member V K Saraswat

Niti Aayog member and scientist V K Saraswat on Sunday suggested that the government should focus on setting up small modular reactors as it would help meet the country's energy needs and also in replacing aging thermal power plants. Saraswat also said nuclear power plant projects which have been set up under the fleet mode production, should be accelerated, so that India is able to meet base load requirements at the earliest. "We are suggesting that in future we should go for small modular reactors which will be able to meet this (energy) requirements in a distributed manner. According to Saraswat, the advantage of an advanced modular reactor is that it is factory fabricated and can be operated by any agency and there could also be a larger participation of the private sector in that.

<https://www.financialexpress.com/economy/india-should-set-up-small-modular-reactors-to-meet-energy-demands-niti-member-v-k-saraswat/2620439/>

## Telecom

### India sees sharp rise in cyber attacks as internet base continues to widen

Even as India's internet base continues to widen, with the country set to have over 900 internet users by 2025, a parallel rise in cyber threats has become a matter of huge concern.

[https://www.business-standard.com/article/technology/india-sees-sharp-rise-in-cyber-attacks-as-internet-base-continues-to-widen-122080700773\\_1.html](https://www.business-standard.com/article/technology/india-sees-sharp-rise-in-cyber-attacks-as-internet-base-continues-to-widen-122080700773_1.html)

#### **Finnish companies keen to collaborate as India gears up to roll out 5G**

As India gears up for the commercial launch of the next generation telecom services, the Finnish tech players are looking at opportunities to collaborate in 5G and 6G network planning and roll-out. In a statement, Ritva Koukku-Ronde, Ambassador of Finland to India said, "India is about to experience another communication revolution with the arrival of 5G. Given that Finland is one of the leading developers in 5G and 6G, we believe our companies can provide system integrators with access to cutting-edge technology for global implementation." She was speaking at a recently held trade event. Stating that Finland considers India as a key partner for economy and trade, she added that Finland has been at the forefront of technology innovation and Finnish companies have been collaborating with global players to revamp and reinvent.

<https://www.thehindubusinessline.com/info-tech/finnish-companies-keen-to-collaborate-as-india-gears-up-to-roll-out-5g/article65737015.ece>

#### **States**

#### **Chhattisgarh CM seeks extension of GST compensation for 5 years at NITI Aayog meet**

Chhattisgarh Chief Minister Bhupesh Baghel Sunday reiterated his demand to the Centre seeking a five-year extension for the compensation paid to states for revenue shortfall due to GST implementation and called for revising the rates of royalty for coal and other major minerals from the state. There has been a loss of revenue to states due to the GST tax system and the Centre has not made arrangements to compensate the loss of revenue of about Rs 5,000 crore to the state in the coming year, so the GST compensation grant should be continued for the next five years after June 2022, the chief minister was quoted as saying in a statement issued by his government. Baghel said Chhattisgarh has received Rs 13,089 crore less from the central taxes in the Union Budget of the last three years, resulting in extreme pressure on the resources of the state. In the coming budget, the complete share of central taxes should be given to the state, he demanded. Baghel also demanded that Rs 4,140 crore deposited with the Centre at the rate of Rs 294 per tonne on coal mining from coal block companies should be transferred to Chhattisgarh soon.

<https://www.financialexpress.com/economy/chhattisgarh-cm-seeks-extension-of-gst-compensation-for-5-years-at-niti-aayog-meet/2620714/>

#### **External**

#### **India's Russian refined product imports treble**

Not only crude oil but also cheaper refined fuels from Russia are gaining ground in the Indian market since the outbreak of the Ukraine war in February. Imports of Russian refined products have tripled in recent months from the preceding three-year average, according to energy cargo tracker Vortexa. India's imports of Russian crude slowed a bit in July, dropping 5% to 917,000 barrels per day (bpd), according to Vortexa. With 1.06 million barrels per day (mbd), China remained the biggest importer of sea-borne Russian crude in July. Europe imported below 1.9 mbd of sea-borne Russian crude oil in July, marginally less than in the previous three months but took in 13% more diesel over the previous month.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-russian-refined-product-imports-treble/articleshow/93417585.cms>