



August 29, 2022 – Monday

Economy

Right of way rules on cards for public projects

The Centre is actively considering a national Right of Way (RoW) framework to rationalise and smoothen implementation of public projects on all government land falling under the purview of different ministries. This is because several Union government projects - from laying of utilities like electric cables, water pipelines and telecom towers, to road expansion - are stuck or delayed due to varying procedures, timelines and charges for RoW over another department/ministry land. Now, PM Gati Shakti National Master Plan team is working on the national RoW framework, which can be made applicable across all central ministries and departments to bring in some level of uniformity and predictability in processes, people aware of the development told ET.

<https://economictimes.indiatimes.com/news/india/right-of-way-rules-on-cards-for-public-projects/articleshow/93840036.cms>

Niti Aayog to identify potential gold mines

The Centre will soon lay out a detailed roadmap to boost gold production in the country with private participation amid a surge in imports of the yellow metal and rise in its prices. The plan will identify potential gold-bearing regions to be developed by 2030 and the policy interventions needed to attract private investment into gold mining, a senior government official told ET. Niti Aayog has conducted an extensive study to identify potential gold mines in the country and proposed a pan-India exploration programme over the next 10 years. "The key recommendations of the study include providing incentives to small explorers to take up mining of gold in India," the official said, requesting anonymity. "Besides, some policy tweaking could be done to make gold mining cost-competitive."

<https://economictimes.indiatimes.com/news/india/niti-aayog-to-identify-potential-gold-mines/articleshow/93840389.cms>

India GDP Q1FY23: Economy to recover from Covid-19, RBI to hike repo rate by 50 bp over Sep-Dec, says Barclays

India is all set to report Q1FY23 GDP figures on 31 August, and analysts at ICRA expect the economy to grow in double digits at 13%, owing to a low base and robust recovery in the contact-intensive sectors following the widening vaccination coverage. Meanwhile, Barclays estimates India's economic growth to have accelerated to 16% on-year in the Apr-Jun quarter. The firm expects India's economy to show a full recovery from COVID in the quarter under review, with the services sector fully open, trade activity at a peak and domestic demand holding strong. The robust sequential recovery in place since Q1FY21, when COVID-19's Delta variant forced widespread lockdowns, likely hit another high in Q1FY23, said Barclays analysts Rahul Bajoria and Virinchi Kadiyala in a report. "The economy was fully opened, with all activity restrictions removed. While some supply headwinds were evident in the form of lingering intermediate-good shortages and higher input costs, we expect both the domestic goods and services sectors to show impressive recoveries in the first quarter," they said.

<https://www.financialexpress.com/economy/india-gdp-q1fy23-economy-to-recover-from-covid-19-rbi-to-hike-repo-rate-by-50-bp-over-sep-dec-says-barclays/2645188/>

Banking and Finance

Financial inclusion major step towards inclusive growth: FM Nirmala Sitharaman

Financial inclusion is a major step towards inclusive growth which ensures the overall economic development of the marginalised sections of the society, Finance Minister Nirmala Sitharaman said on Sunday. The success of the Pradhan Mantri Jan Dhan Yojana (PMJDY) since August 28, 2014 is reflected in terms of opening of over 46 crore bank accounts with deposit balance of Rs 1.74 lakh crore with its expanded coverage to 67 per cent rural or semi-urban areas as well as 56 per cent of women Jan Dhan account holders, she said on the eighth anniversary of the flagship financial inclusion scheme. "Continuation of PMJDY beyond 2018 saw a marked shift in approach to meet challenges and requirements of the emerging FI (financial inclusion) landscape in the country.

<https://www.financialexpress.com/economy/financial-inclusion-major-step-towards-inclusive-growth-fm-nirmala-sitharaman/2647046/>

Govt to include old off-Budget borrowings in its own books

The Centre could take on some old, off-budget debt on its books in the next budget, continuing with the drive to present a clear picture of its total liabilities. Borrowings of government institutions HUDCO and NABARD are being looked into, officials told ET. The government has in the last two budgets cleared large off-budget borrowings, including those of the Food Corporation of India (FCI), and now is keen to disclose, or even pay up, some of these liabilities, subject to availability of fiscal space. "The objective is to transparently disclose outstanding liabilities of the government for informed assessment," a senior official, privy to the deliberations, told ET.

<https://economictimes.indiatimes.com/news/economy/policy/govt-to-include-old-off-budget-borrowings-in-its-own-books/articleshow/93840371.cms>

Industry

Champions portal: Complaints resolved on MSME grievance redressal platform jump 35% in July from year ago

The Modi government's grievance resolution portal for small businesses — Champions has seen a 35 per cent jump in the number of grievances redressed. As of July 12, 2022, 48,308 MSME complaints were resolved in comparison to 35,562 complaints resolved as of July 15, 2021, since the portal's launch on June 1, 2020, by Prime Minister Narendra Modi. The latest data was shared by Minister of State for MSMEs Bhanu Pratap Singh Verma in Parliament recently. "This (portal) covers many aspects of e-governance including grievance redressal and handholding of MSMEs," Verma had said. The overall queries received were around 50,000.

<https://www.financialexpress.com/industry/sme/msme-eodb-champions-portal-msme-complaint-resolution-platform-sees-35-jump-in-grievances-redressed-in-july-from-year-ago/2646707/>

Soaring attrition, employee cost overload deepens worry lines amid robust Q1 hiring by top IT cos

The net hiring by top Indian IT companies surpassed the 50,000-mark in the June quarter as deal flow continued from key markets but soaring attrition, margin pressures, HR cost overload and employee-related challenges have put the industry in a bind. The net hiring by top Indian IT companies surpassed the 50,000-mark in the June quarter as deal flow continued from key markets but soaring attrition, margin pressures, HR cost overload and employee-related challenges have put the industry in a bind. With IT companies compelled to fill vacant positions to serve incoming demand, and non-tech firms on the prowl for tech talent to serve the needs of their digitally-savvy consumers, market watchers believe that employee-related issues will keep the IT industry poised on the razor's edge.

<https://www.financialexpress.com/industry/soaring-attrition-employee-cost-overload-deepens-worry-lines-amid-robust-q1-hiring-by-top-it-cos/2647172/>

Next big battlefield for brands: 5G handsets in ₹10-15k segment set to ring louder

Smartphones supporting 5G technology in the ₹10,000-15,000 price segment is the next big battlefield for handset brands as telecom operators gear up for the network rollout, fuelling demand for the next-generation technology. The number of launches has already doubled from what it was last year, and industry executives believe the segment is only going to get hotter as the festive season approaches, offering options to consumers looking for future-ready devices. Rising inflation, increased input costs, and a weaker rupee remain key challenges, industry officials said.

Also, many brands are making compromises on other specifications - be it display, battery or memory - to offer 5G handsets at less than ₹15,000, experts said.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/next-big-battlefield-for-brands-5g-handsets-in-10-15k-segment-set-to-ring-louder/articleshow/93843184.cms>

Agriculture

States peg kharif rice procurement at last year's level despite output concerns

The state governments have pegged the rice procurement target for the 2022 Kharif marketing season at around 506 lakh tonnes, the same as the last year's level, notwithstanding the likely marginal drop in the output, according to sources. However, the procurement estimates would be firmed up by the Union Food Ministry next week after deliberations with the state government officials, the sources added. The government has fixed the minimum support price (MSP) of 'common' grade paddy at Rs 2,040 per quintal and 'grade A' at 2,060 per quintal for the 2022-23 marketing year. According to sources, the state governments have made a preliminary assessment of the Kharif paddy crop and come out with their estimate of production and procurement.

<https://www.financialexpress.com/economy/states-peg-kharif-rice-procurement-at-last-years-level-despite-output-concerns/2647236/>

Infrastructure

386 infra projects show cost overruns of Rs 4.7 lakh crore

As many as 386 infrastructure projects, each entailing an investment of Rs 150 crore or more, have been hit by cost overruns of more than Rs 4.7 lakh crore, as per a report. According to the Ministry of Statistics and Programme Implementation, which monitors infrastructure projects of Rs 150 crore and above, out of 1,505 projects, 386 reported cost overruns and as many as 661 projects were delayed. "Total original cost of implementation of the 1505 projects was Rs 21,21,793.23 crore and their anticipated completion cost is likely to be Rs 25,92,537.79 crore, which reflects overall cost overruns of Rs 4,70,744.56 crore (22.19% of original cost)," the ministry's latest report for July 2022 said. According to the report, the expenditure incurred on these projects till July 2022 was Rs 13,50,275.69 crore, or 52.08 per cent of the anticipated cost of the projects. However, the number of delayed projects decreases to 511 if delay is calculated on the basis of the latest schedule of completion.

<https://www.financialexpress.com/infrastructure/386-infra-projects-show-cost-overruns-of-rs-4-7-lakh-crore/2646924/>

Energy

Centre looks to tweak natural gas pricing policy

The government is planning to overhaul the natural gas pricing policy with an aim to cushion consumers from global shocks and ensure fair rates for both buyers and producers, according to people familiar with the matter. The oil ministry may soon set up a committee under economist Kirit Parikh to recommend ways to keep domestic natural gas prices stable and affordable for consumers while offering decent returns to producers, they said. The ministry has also asked producers and consumers such as fertiliser, power and city gas companies to nominate representatives to the committee, the people cited earlier said. The committee's recommendations will help frame a new policy to replace the gas guidelines of 2014, under which volume-weighted average prices of gas in the US, Canada, Europe and Russia are used to determine domestic prices every six months, they said.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/centre-looks-to-tweak-natural-gas-pricing-policy/articleshow/93843216.cms>

Telecom

22 MSMEs apply for telecom PLI scheme: Govt

The Department of Telecommunications (DoT) Friday said 32 companies have submitted applications for the design-led production-linked incentive (PLI) scheme that promotes telecom and networking products' manufacturing in

India. Out of 32 companies, 22 were micro, small and medium enterprises (MSMEs), five were domestic non-MSMEs, and the remaining five were global enterprises, according to a statement by the communications ministry. The DoT had notified the scheme in February last year with a financial outlay of Rs 12,195 crores. A total of 31 companies, comprising of 16 MSMEs and 15 Non-MSMEs including 8 domestic and 7 global companies were given approval in October. However, in the backdrop of building a strong 5G ecosystem in the country, the budget this year had proposed to make design an intrinsic part of the scheme, and consequently, the scheme was amended in June this year to make manufacturing design-led with additional incentive rates.

<https://www.financialexpress.com/industry/sme/msme-eodb-22-msmes-apply-for-telecom-pli-scheme-govt/2647352/>

External

Diesel export falls 11%, petrol 4.5% in July on levy of windfall profit tax

India's diesel exports fell by 11 per cent in July and overseas shipment of petrol dropped by 4.5 per cent after the government slapped a windfall profit tax on such sales, official data showed. Diesel exports dropped to 2.18 million tonnes in July from 2.45 million tonnes a month back, data from the Oil Ministry's Petroleum Planning and Analysis Cell (PPAC) showed. Similarly, petrol exports fell to 1.1 million tonnes from 1.16 million tonnes in June. India first imposed windfall profit taxes on July 1, joining a growing number of nations that taxes super normal profits of energy companies. Export duties of Rs 6 per litre were levied on petrol and aviation turbine fuel and Rs 13 a litre on diesel.

https://www.business-standard.com/article/economy-policy/diesel-export-falls-11-petrol-4-5-in-july-on-levy-of-windfall-profit-tax-122082800210_1.html

Goyal likely to chair Board of Trade meeting next month; ways to boost trade on agenda

Commerce and Industry Minister Piyush Goyal is likely to chair a meeting of the Board of Trade next month to discuss ways to boost the country's exports, an official said. The Board is an advisory body on the foreign trade policy. It is headed by the minister and includes participants from states, Union Territories, and senior officials from public and private sectors, and provides a platform to discuss ways on boosting manufacturing and exports. "The board may meet sometime in mid-September," the official said. Last month, the government nominated 29 non-official members from different sectors, including large and small enterprises, to the Board.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/goyal-likely-to-chair-board-of-trade-meeting-next-month-ways-to-boost-trade-on-agenda/articleshow/93833756.cms>