



November 04, 2022 – Friday

Economy

Growth in India's services sector quickens in Oct, PMI edges up to 55.1

Activity in India's dominant services industry gathered pace in October despite high inflationary pressures, underpinned by robust domestic demand, leading to the second fastest hiring pace in over three years, a private survey showed. The S&P Global India services Purchasing Managers' Index edged up to 55.1 in October from September's six-month low of 54.3, easily beating the Reuters poll expectation for 54.6 and above the 50-mark that separates expansion from contraction for a fifteenth month. That marked the longest stretch of growth since October 2016.

https://www.business-standard.com/article/economy-policy/growth-in-india-s-services-sector-quickens-in-oct-pmi-edges-up-to-55-1-122110300347_1.html

Central government to introduce 7-8 PLI schemes in next Budget: Report

In a bid to push privatisation further, the central government may announce 7-8 new production-linked incentive (PLI) schemes in the upcoming Union Budget. The schemes will cover segments like textiles, electronic components, furniture, toys and leather, a report by Financial Express (FE) said. According to media reports, the capital expenditure target may also see a spike. A report in Mint had earlier stated that the capex may be raised from Rs 7.5 trillion in the current year to Rs 10 trillion in FY24. "This will be important for the NDA government as well, in the build-up to the 2024 general election. The Centre will also continue to nudge states and central public sector enterprises to raise their capex," the FE report noted.

https://www.business-standard.com/article/economy-policy/central-government-to-introduce-7-8-pbi-schemes-in-next-budget-report-122110300685_1.html

Banking and Finance

Bank credit to retail, wholesale trade grows 21% in September: RBI data

Bank credit to retail and wholesale trade in September recorded a 21 per cent growth to Rs 7.45 lakh crore from Rs 6.96 lakh crore during September 2021, showed latest sectoral deployment data from the Reserve Bank of India (RBI). Among wholesale and retail trade, the former saw Rs 3.77 lakh crore credit deployed, higher than Rs 3.68 lakh crore deployed to the retail trade in September. While the wholesale trade credit (other than credit to food procurement) registered 23 per cent growth during September vis-a-vis 8.2 per cent growth during September 2021, the retail trade credit grew by 19.6 per cent in comparison to 2.7 per cent during the year-ago period, indicating uptake in credit post their inclusion in the MSME category in July last year. The YoY growth in August stood at 16.9 per cent from 7 per cent during the year-ago period with Rs 7.31 lakh crore in aggregate credit deployed to retail and wholesale trade during the month vis-a-vis Rs 6.26 lakh crore deployed in August last year.

<https://www.financialexpress.com/industry/sme/msme-fin-bank-credit-to-retail-wholesale-trade-grows-21-in-september-rbi-data/2773340/>

In a two-decade first, currency in circulation declines in Diwali week

The currency in circulation (CIC) declined by Rs 7,600 crore in the Diwali week, making it the first such happening in two decades, a report said on Thursday. This was made possible courtesy of a greater reliance on digital payments by people, the report by economists at SBI said, adding that the Indian economy is undergoing a structural transformation at present. They clarified that the Diwali week in 2009 had also witnessed a marginal Rs 950 crore decline in currency in circulation, but that was purely due to the economic slowdown amid the global financial crisis. "The innovations in technology have changed the Indian payment system. Over the years, the Indian cash lead economy now has changed to a smart-phone lead payment economy," they said.

https://www.business-standard.com/article/finance/in-a-two-decade-first-currency-in-circulation-declines-in-diwali-week-122110301424_1.html

MPC discusses inflation report to be sent to Govt

The Monetary Policy Committee (MPC) met on Thursday to discuss and draft the report to be sent to the Government by the Reserve Bank of India (RBI) in the wake of retail inflation breaching the 6 per cent upper tolerance level for three consecutive quarters. The additional MPC meeting was chaired by Shaktikanta Das, Governor and attended by all MPC members - Michael Debabrata Patra, Rajiv Ranjan, Shashanka Bhide, Ashima Goyal and Jayanth R. Varma, RBI said in a statement. The RBI Act mandates that in the case of the inflation target not being met for three consecutive quarters, the RBI shall set out in a report to the Central Government the reasons for failure to achieve the inflation target; remedial actions proposed to be taken; and an estimate of the time-period within which the inflation target shall be achieved pursuant to timely implementation of proposed remedial actions.

<https://www.thehindubusinessline.com/money-and-banking/mpc-discusses-report-to-be-sent-to-govt-on-breach-in-inflation-target/article66092278.ece>

Industry

CGPDTM invites proposals for software development of Design and Geographical Indications portal from MSMEs

Controller General of Patents, Designs and Trade Marks (CGPDTM) under the Commerce and Industry Ministry's Department of Industrial Policy and Promotion has invited proposals from the micro, small and medium enterprises (MSMEs) for software development for the online filing of designs and Geographical Indication applications, as per a report by the Press Trust of India (PTI). Other than MSMEs, startups, corporations, software developer groups, academic institutions, groups of developers and individuals etc, can also submit their applications. With this move, CGPDTM aims at reducing the administrative delays in the process of granting designs and GI tags to the applicants.

<https://www.financialexpress.com/industry/sme/msme-eodb-cgpdmt-invites-proposals-for-software-development-of-design-and-geographical-indications-portal-from-msmes-and-other-entities/2773170/>

FMCG sales remain flat amid trade restocking

India's fast-moving consumer goods (FMCG) market grew marginally at 0.5% by value in October compared to September amid heavy stocking by kirana stores during the festive period. Sales of groceries had fallen 10% month-on-month in September, according to the latest report by retail analytics platform Bizom. Companies aggressively restocked shelves last month in the run-up to Diwali which translated into a 6% growth in the first three weeks of October, but sales fell sharply by 15% in the last week after the festive season. "Trade stocking pre-festive typically goes up, so does consumer buying. The drop post festive [season] is normal, particularly in the regions where the festive season is big. However, overall October sales have been slightly below expectations. With inflation stabilizing, we expect consumer pickup to be slightly better in the next two months," said Neeraj Khatri, chief executive, Wipro Consumer Care, India & Saarc region.

<https://economictimes.indiatimes.com/industry/cons-products/fmcf/fmcf-sales-remain-flat-amid-trade-restocking/articleshow/95286089.cms>

India's electric two-wheeler market may miss 1-million unit target

India's electric two-wheeler market, which was likely to touch 1 million units by 2022-23 (FY23), may fall short of the target, even as sales at most firms have been advancing at a fast clip, reveals the Society of Manufacturers of Electric Vehicles (SMEV) — an association representing Indian manufacturers of electric vehicles (EVs) and EV components.

https://www.business-standard.com/article/automobile/india-s-e-two-wheeler-market-may-miss-target-to-reach-a-million-by-fy23-122110301408_1.html

AEPC launches Apparel Industry Sustainability Action 2022-23

The Apparel Export Promotion Council has launched Apparel Industry Sustainability Action (AISA) 2022–2023, aimed at evaluating the existing status of the Indian garment industry, encouraging wider penetration of sustainability measures amongst MSMEs, hand-holding them with demonstrations and solutions, and enhancing the brand visibility of sustainable companies on a global platform. “A collaborative and cluster-based approach should be taken to help MSMEs become sustainable companies by solving the pressing issues,” said Prajakta Verma, Joint Secretary, Ministry of Textiles, at the launch of the initiative on Thursday. She also emphasised that larger brands should collaborate with start-ups to ensure sustainability and circularity, according to a statement issued by the AEPC.

<https://www.thehindubusinessline.com/economy/aepc-launches-apparel-industry-sustainability-action-2022-23/article66092504.ece>

Two-thirds of Indian technology enterprises hiring gig workers: Report

Two-thirds of organisations in the Indian technology sector are hiring gig workers as they respond to a changing business landscape, said a report by industry organisation NASSCOM and others on Thursday. Focus on requirement for specialised skills, employee demand and cost optimization enabled organisations to use the gig model for technology roles traditionally restricted to HR and support functions. Software development, UI/UX design, and data analytics were the top three gig skills the technology sector needed. However, the proportion of gig workers remains less than five per cent of the total workforce of organisations having more than 2,000 full-time employees. Ensuring work quality, hurdles in security checks and verification, lack of structured policies, and clarity on regulations or guidelines for gig workers were some of the key concern areas amongst organisations.

https://www.business-standard.com/article/companies/two-thirds-of-indian-technology-enterprises-hiring-gig-workers-report-122110300992_1.html

Retailers body welcomes lift on edible oil stock limits

Retailers Association of India (RAI) on Thursday said the government’s move to lift stock limits for edible oils for wholesalers and retail chains will help smooth out supply chain issues. The Centre on Tuesday decided to exempt wholesalers and big chain retailers from stock limit on edible oil and oil seeds. The new amendment is commensurate with modern retail businesses, it added. The industry association said it had represented to the Government that stock limits for oil and oilseeds were grossly inadequate for chain store retailers and hypermarkets, as it was creating operational challenges for large modern retailers. Kumar Rajagopalan, CEO, Retailers Association of India (RAI), said, “This stock limit had been based on limits specified in the order imposed in past years, which did not account for large chain stores that have come up in the country over these years. This is a welcome move by the government as it recognises that stocking limits have to be seen separately for chain store retailers and hypermarkets.”

<https://www.thehindubusinessline.com/markets/commodities/retailers-body-welcomes-lift-on-edible-oil-stock-limits/article66091653.ece>

Agriculture

Narendra Singh Tomar launches portal on natural farming

Agriculture Minister Narendra Singh Tomar on Thursday launched a portal on National Mission on Natural Farming (NMNF) for the benefit of the farming community. The NMNF portal (<http://naturalfarming.dac.gov.in>) -- developed by the agriculture ministry -- was launched in the first steering committee meeting of the National Natural Farming Mission here. The portal contains all the information about the mission, implementation outline, resources, implementation progress, farmer registration, blog etc., which will be useful for the farmers. Also, this website will help in promoting natural farming in the country, an official statement said. Tomar, who chaired the committee, said the mission of natural farming in the country would be taken forward with everyone's cooperation. In this regard, the minister asked the officers to coordinate with the state governments and central departments and enable market linkage so that the farmers get more ease in selling their products.

<https://economictimes.indiatimes.com/news/economy/agriculture/narendra-singh-tomar-launches-portal-on-natural-farming/articleshow/95284640.cms>

Rs 14,000 crore to be infused via paddy procurement in Uttar Pradesh

An estimated Rs 14,000 crore is expected to be injected into the rural economy of Uttar Pradesh through the procurement of paddy in the current 2022-23 kharif marketing season. During the current procurement cycle — effective for five months during October-February — the UP government is targeting to procure 7 million tonnes (MT) of paddy across the state. In the 2022-23 kharif season, the minimum support price (MSP) has been fixed at Rs 2,040 per quintal for common paddy and Rs 2,060 per quintal for Grade A paddy. The average procurement price juxtaposed with the procurement target translates into a total farm payout of nearly Rs 14,000 crore in direct benefit transfer (DBT) mode if the government achieves its procurement target of 7Mt.

https://www.business-standard.com/article/economy-policy/rs-14-000-crore-to-be-infused-via-paddy-procurement-in-uttar-pradesh-122110301602_1.html

Infrastructure

Social infra data may be linked with Gati Shakti

India is proposing to integrate social infrastructure details such as schools, hospitals, rural roads, and other agriculture infrastructure with the PM Gati Shakti National Master Plan to bring about greater synergy and improve monitoring. Ministries such as agriculture, fisheries, animal husbandry, dairying, schools, and higher education, and health will now have to upload their Geographic Information System (GIS) data of new infrastructure on Gati Shakti portal. "The move will ensure that there is better planning of large infrastructure projects that are tasked with improving connectivity," a senior government official privy to the details told ET. The official said data about the location of educational institutions, fisheries, dairies, hospitals, and medical facilities, in addition to agriculturally important locations such as 'mandis' will be integrated into the portal. The PM Gati Shakti National Master Plan (PMGS-NMP) is a Rs 100 lakh crore mega infra revamp plan.

<https://economictimes.indiatimes.com/news/economy/policy/social-infra-data-may-be-linked-with-gati-shakti/articleshow/95285635.cms>

14 station redevelopment projects in tendering stage: Ministry of Railways

The station redevelopment project has been accelerated by the Ministry of Railways and the tenders for 14 more stations are likely to be awarded in the next four-five months, the national transporter said on Thursday. The redevelopment of these stations envisages provisions for a spacious roof plaza on the station premises, facilities such as food courts, waiting lounges, playing areas for children and a designated space for local products. The project will integrate various modes of transport, such as metro and bus services, with the railway stations. The construction of the station infrastructure will adopt green building technology and facilities for differently-abled people. The stations will be developed on the concept of intelligent buildings with state-of-the-art facilities for the passengers. The project will also create "City Centre-like spaces" at the stations for the railway commuters as well as the general public.

https://www.business-standard.com/article/economy-policy/14-station-redevelopment-projects-in-tendering-stage-ministry-of-railways-122110301434_1.html

Energy

CoalMin launches largest-ever commercial coal auction of 141 mines

The Union Ministry of Coal launched a new round of coal mine auction for commercial purposes with the largest-ever basket of 141 mines. Of this, 71 are new mines, 62 from earlier tranches of commercial auctions, and eight being offered as a second attempt of the last round of commercial auctions that did not receive bids. The coal ministry has auctioned close to 64 coal mines to date under commercial auction. Senior coal ministry officials said three mines have already commenced production: these are Gare Palma IV/7 awarded to Sarda Mining, Gare Palma IV/1 of Jindal Steel & Power, and Takli-Jena-Bellora mine of Aurobindo Pharma (it recently received final approval to start production). Speaking at the launch event of the sixth tranche of the commercial coal auction, Union Finance Minister Nirmala Sitharaman said, "A fast-growing economy like India needs greater investment in coal production and gasification projects. The emphasis is now on coal exploration and mining. After the nationalisation

of the 70s, we have moved from the times when only public sector units produced coal. Unfortunately, Coal India couldn't ramp up capacity in keeping with needs, which led to import of coal."

https://www.business-standard.com/article/economy-policy/coalmin-launches-largest-commercial-coal-auction-with-141-mines-122110301582_1.html

Telecom

Govt identifying spectrum bands for machine communication and IoT

With an eye on leveraging Internet of Things (IoT), machine to machine communications, and advanced cloud-based services, the government is looking to set aside select spectrum bands for use cases outside traditional human communications. Rather than auction these bands, the government will administratively allocate these for a range of uses which are expected to promote local manufacturing, innovation and development of indigenous technology, officials said.

https://www.business-standard.com/article/economy-policy/govt-identifying-spectrum-bands-for-machine-communication-iot-122110301502_1.html

5G: 90% telecom sector firms may hire professionals in December quarter

The rollout of 5G services in India is expected to open up the telecom sector in an unprecedented manner, with several firms ramping up their infrastructure and workforce. Research firms expect the hiring activity to peak in the October-December quarter, a welcome change over the last six quarters. Staffing firm TeamLease has said in a report that 90 per cent companies operating in the telecom sector intend to hire professionals. And they are expected to spend about \$2.50 billion towards hiring activity in the quarter through December, according to The Economic Times. The intent to hire professionals in the telecom sector has improved when compared to the preceding quarter. During the July-September period, the intent was 84 per cent. This means that more companies are now willing to hire professionals than the previous quarter.

https://www.business-standard.com/article/economy-policy/5g-90-telecom-sector-firms-intend-to-hire-professionals-in-dec-quarter-122110300714_1.html

States

UP govt launches Industrial Investment & Employment Promotion Policy 2022

The Uttar Pradesh government on Thursday launched its Industrial Investment and Employment Promotion Policy 2022 to enable the state's aim of becoming a one trillion-dollar economy. With the UP Global Investors Summit 2023 at sight, the state Cabinet on Thursday passed the new umbrella policy of the State, an official spokesperson said here. The policy aims at creating a progressive, innovative, and competitive industrial ecosystem generating employment in the state while mobilising investments from across the world, Industry Minister, Nand Gopal 'Nandi' said. "Ensuring a continuity of the successes of Industrial Investment and Employment Promotion Policy 2017, the new umbrella industrial policy of the State reflects the voice of industries of the State & the country," he said.

https://www.business-standard.com/article/economy-policy/uttar-pradesh-launches-industrial-investment-employment-promotion-policy-2022-122110300943_1.html

Healthcare

Parliamentary panel recommends setting up regulators for medical devices

The Parliamentary Standing Committee on Health and Family Welfare has recommended setting up a new set of regulators at different levels for regulating the Medical Devices industry. In its one-hundred thirty-eighth report on the medical devices: Regulation and Control, the standing committee said this step would greatly help the manufacturers and will reduce the time required to start a manufacturing unit thereby facilitating ease of doing business. Business Standard has seen the September 2022 report. Unlike the present structure, the proposed regulator should license the manufacturing of all classes of medical devices i.e. Class A, B, C, and D, the report said. "This would help harmonise the regulation process throughout the country as it would do away with different regulating procedures employed by different States," it added. The current market size of the medical devices sector in India is estimated to be 11 billion and its share in the global medical device market is estimated to be 1.5 percent.

https://www.business-standard.com/article/economy-policy/parliamentary-panel-recommends-setting-up-regulators-for-medical-devices-122110301838_1.html

External

DGFT to soon notify norms for export sops on rupee receipts

The Directorate General of Foreign Trade (DGFT) may soon notify norms for permitting exporters to avail incentives under the foreign trade policy, even on realisation in rupee, an official said. The DGFT, under the commerce ministry, has already allowed invoicing, payment and settlement of exports and imports in Indian rupee, a move aimed at facilitating trade in the domestic currency. In July, the Reserve Bank of India (RBI) had asked banks to put in place additional arrangements for export and import transactions in Indian rupees in view of increasing interest of the global trading community in the domestic currency. "To permit exporters avail incentives under the foreign trade policy, norms will have to be notified for that," the official said. The DGFT has stated that settlement of trade transactions in INR may also take place through special rupee vostro accounts opened by authorised dealer banks in India.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/dgft-to-soon-notify-norms-for-export-sops-on-rupee-receipts/articleshow/95285737.cms>

October iron ore exports 'nearly zero', says mining body official

India's iron ore exports dropped to "nearly zero" in October, and overseas shipments of the steelmaking raw material are expected to continue to languish due to higher export taxes and lower demand from China, a senior industry official said on Thursday. India in May raised the export tax on low-grade iron ore lumps and fines - with iron content below 58% - to 50% from zero, and hiked the duties on pellets to 45% from zero, as part of efforts to meet rising local demand. "In October, exports were nearly zero, and it will be so while the duty remains," R.K. Sharma, secretary-general of the Federation of Indian Mineral Industries (FIMI), told Reuters in an interview. Other than New Delhi's higher export taxes, an economic slowdown in China, India's top buyer of iron ore, would hit overseas shipments of the steelmaking ingredient, Sharma said. China's steel production could fall in winter, dampening the demand for iron ore, Sharma said.

https://www.business-standard.com/article/economy-policy/october-iron-ore-exports-nearly-zero-says-mining-body-official-122110300827_1.html

India, UK working sincerely on free trade agreement: MEA

India on Thursday said it is working "sincerely" with the UK for finalisation of the proposed free trade agreement, days after Prime Minister Narendra Modi and his British counterpart Rishi Sunak agreed on the "early conclusion" of the deal. "Both sides are working sincerely on the free trade agreement," External Affairs Ministry Spokesperson Arindam Bagchi said. His comments came when asked about the FTA during a media briefing. "As we have said earlier, the matter of negotiations is best left to the trade ministers and their teams of officials. I cannot comment on the status. I certainly do not have any target date," Bagchi said. The issue of the FTA figured in the first telephonic conversation between the two prime ministers on October 27.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-uk-working-sincerely-on-free-trade-agreement-mea/articleshow/95284190.cms>

Indian smartphone market declined 11% on-year in Q3 2022: Counterpoint

India's smartphone market shipments fell 11% on-year in the third quarter - a first ever this period - due to a higher base last year and falling demand in the high-volume budget segment, according to Counterpoint Research. China's Xiaomi continued leading the market, with Korea's Samsung in the second spot. Apple reached its highest ever market share of 5% during the quarter, with iPhones leading the premium segment with 40% share, driven by a strong channel push ahead of the festive season. The iPhone 13 became the top selling smartphone model in Q3, a first for the Cupertino, California-based company. Smartphone brands in India shipped 45 million units in the July to September quarter with demand recovering in August and peaking in the last week of September during the festive season sales, the research firm said.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/indian-smartphone-market-declined-11-on-year-in-q3-2022-counterpoint/articleshow/95282440.cms>