



January 23, 2023 – Monday

Economy

On-the-job training: Revamp of skilling policy on the anvil

India is looking to revamp its skilling framework to make on-the-job training mandatory across all short-term courses while proposing to set up a global board of accreditation to bring industry focus in the ecosystem. The move is aimed at enhancing employability of the country's youth and open job opportunities for India's skilled workforce in other countries. The new policy will be industry centric with incentives for training and placements of candidates, a senior government official told ET.

<https://economictimes.indiatimes.com/news/economy/policy/on-the-job-training-revamp-of-skilling-policy-on-the-anvil/articleshow/97233308.cms>

Exemption-less income tax regime under review, could see changes

Less than half a million taxpayers have opted for the new exemption-less income tax regime since its rollout, prompting a review to see if measures are needed in the budget to promote its adoption, people familiar with the matter said. About 75.2 million income tax returns have been filed in the current assessment year. "Response to the new regime has been lukewarm," said one of the persons. It was expected that the new regime for individuals would see traction like the one for the corporate sector. However, its acceptance has been much below expectations.

<https://economictimes.indiatimes.com/news/economy/policy/exemption-less-income-tax-regime-under-review-could-see-changes/articleshow/97238324.cms>

Banking and Finance

Sebi launches information database on municipal bonds

Markets regulator Sebi has launched an information database on municipal bonds. As part of efforts to develop the bond markets, an outreach programme on municipal bonds and municipal finance was organised by Sebi in the national capital on January 20 and 21, according to a release on Sunday. Representatives from various stakeholders, including the Ministry of Housing and Urban Affairs, municipal corporations, stock exchanges, credit rating agencies, merchant bankers and debenture trustees, participated in the programme. "The information database contains a wide range of information in the form of statistics and regulations, circulars, guidance note and Frequently Asked Questions issued by Sebi in respect of municipal debt securities," it said.

<https://www.financialexpress.com/market/sebi-launches-information-database-on-municipal-bonds/2956627/>

Credit rating agencies ask RBI to come out with default recognition criteria

Credit rating agencies have asked the Reserve Bank of India (RBI) last week to spell out the 'default recognition' criteria, which determines how missed or delayed payment in one kind of debt impacts the rating of other debt raised by a borrower. With the central bank and the capital market regulator, the Securities and Exchange Board of India (Sebi), parting ways on how different kinds of debts would be rated in the financial market, the rating companies want the RBI to come out with a public statement on recognition of default.

<https://economictimes.indiatimes.com/news/economy/finance/credit-rating-agencies-ask-rbi-to-come-out-with-default-recognition-criteria/articleshow/97232916.cms>

Indian fintech start-up funding fell 47% in 2022, says Tracxn report

Fintech start-ups in India raised a total of \$5.65 billion in 390 rounds in 2022, a decline of 47 per cent in terms of funding amount and 29 per cent in the number of rounds, compared with 2021, according to a report by Tracxn, a market intelligence platform. The drop in funding, the report says, can be attributed to the decline in late-stage funding from \$8.3 billion in 2021 to \$3.7 billion in 2022, a 56 per cent fall. Fintech start-ups recorded 13 funding rounds of over \$100 million in value, a 50 per cent decline from 26 rounds in 2021. Further, only four such start-ups received unicorn status in 2022, compared with 13 in 2021. Yet, India received the third-highest amount of funding in the fintech sector, behind only the US and the UK.

https://www.business-standard.com/article/companies/indian-fintech-start-up-funding-fell-47-in-2022-says-tracxn-report-123012200588_1.html

Atal Pension Yojana sees 36% growth in 2022, shows FinMin data

The Atal Pension Yojana (APY) — targeted towards unorganised sector workers — saw the highest-ever takers in 2022 with enrolments rising 36 per cent. The figure crossed 10 million for the first time in a calendar year, data released by the finance ministry showed. The number of enrolments in 2022 rose to 12.5 million from 9.2 million in 2021. The enrolments in 2022 grew by 81 per cent compared to the pre-pandemic year of 2019, when 6.9 million subscribers had enrolled for the pension scheme. A Pension Fund Regulatory & Development Authority (PFRDA) official said the high enrolment was because of the automation done for easy on-boarding of APY subscribers.

https://www.business-standard.com/article/economy-policy/atal-pension-yojana-sees-higher-demand-post-pandemic-shows-data-123012200570_1.html

Industry

6.35 lakh MSMEs likely to benefit from World Bank-assisted RAMP scheme: Finance ministry

6.35 lakh MSMEs are likely to benefit from better access to market, finance and credit under the Rs 6,000-crore Raising and Accelerating MSME Performance (RAMP) scheme for MSMEs, according to the finance ministry. Sharing the scheme's update, the ministry in a tweet on Friday said 25 states and one union territory have been onboarded to be part of the World Bank-assisted programme. The scheme was announced in the budget last year to be rolled out over years, beginning in the current fiscal, to help the MSME sector become more resilient, competitive, and efficient. The targetted beneficiary count is higher than the earlier target of 5.5 lakh MSMEs announced in a statement by the World Bank back in June 2021, around a year after the scheme was originally announced back in 2020 by the government and the World Bank to support Covid-hit MSMEs in the country.

<https://www.financialexpress.com/industry/sme/msme-fin-6-35-lakh-msmes-likely-to-benefit-from-world-bank-assisted-ramp-scheme-finance-ministry/2956553/>

Textile entrepreneurs hope for reduction in freight charges, cotton prices

Textile entrepreneurs have discussed key issues to bring in stability in the sector eyeing a reduction in cotton prices and freight charges, an industry official has said. Participating in an interactive session here, around 120 managing directors of spinning mills discussed various issues including cotton prices and freight rates, according to Indian Textpreneurs Federation, the organisers of the event. Sharing of benchmark numbers regarding productivity, cost reduction techniques, best practices to be adopted on periodic basis to improve manufacturing were some of the key points discussed, ITF convenor Prabhu Dhamodharan said.

https://www.business-standard.com/article/economy-policy/textile-entrepreneurs-hope-for-reduction-in-freight-charges-cotton-prices-123012200489_1.html

Retailers shrug off winter chill to see double-digit growth in yr-end sales

End-of-season sales (EOSS), which started at the end of December and will continue till the first week of February, have witnessed 15-20 per cent growth, according to retailers and mall developers. Footfalls have also witnessed an increase at both malls and retail outlets. The late arrival of winter did dampen sales in December but January helped push sales. Lifestyle Retail chain Chief Executive Officer (CEO) Devarajan Iyer said sales had picked up this month.

"The sale season started slightly late in December than the previous end-of-season sale because the onset of winter was delayed by a few weeks. In January we saw terrific demand and now we are seeing strong double-digit growth."

https://www.business-standard.com/article/companies/demand-for-winter-wear-makes-retailers-malls-see-double-digit-growth-123012200528_1.html

IT firms need pricing improvement to ease margin woes: experts

India's top IT service providers Tata Consultancy Services (TCS), Infosys, HCLTech and Wipro will face margin pressure this year in the absence of significant pricing improvement, analysts said, despite lower attrition rates and employee costs going forward. These software exporters have reported sequential margin growth in the third quarter, with upbeat commentary on near-term margin performance. There is headroom to improve utilisation and automation to increase the effective price of delivery or realisation, they have said. But industry experts have cautioned that there is minimum room for margin growth. Though intelligent automation and new-age deals will help earn better margins, Indian IT firms have to bulk up much more to win those deals, said Hansa Iyengar, principal analyst at technology advisory firm Omdia.

<https://economictimes.indiatimes.com/tech/information-tech/it-firms-need-pricing-improvement-to-ease-margin-woes-experts/articleshow/97233111.cms>

Digital economy push offers hope for multiple players: Mastercard

India's push towards expanding the digital economy offers room for multiple players to grow in the payments ecosystem, said Michael Froman, vice chairman and president, strategic growth at Mastercard. "Digitisation and expanding the digital economy is good. There is plenty of room for many different types of players in that ecosystem," Froman, who is a former United States' G-20 sherpa and in the country to attend the B20 inception meeting here, told ET. He was responding to a query on whether RuPay and Unified Payments Interface (UPI) were a competition to Mastercard in the country.

<https://economictimes.indiatimes.com/industry/banking/finance/digital-economy-push-offers-hope-for-multiple-players-mastercard/articleshow/97233394.cms>

Agriculture

3 new cooperatives to help boost exports, seed availability

The Centre's push to reinvent cooperatives with the Union cabinet clearing proposals for setting up three cooperatives at the national level will help improve exports and availability of quality seeds to farmers, and enhance footprint of organic products in India and outside. "Many products produced by cooperatives have a huge demand in many countries, but in the absence of an umbrella cooperative society, the export potential of cooperative services remains hugely untapped," a senior government official said. While national cooperatives for exports and seeds will be set up in the national capital, the cooperative for organic products will be headquartered at Anand in Gujarat. The cooperation ministry has roped in the external affairs ministry and commerce department to provide support and share studies on demands in foreign countries to help boost cooperatives' exports.

<https://economictimes.indiatimes.com/news/economy/agriculture/3-new-co-ops-to-help-boost-exports-seed-availability/articleshow/97207765.cms>

Govt to launch nano-DAP, SSP-urea mix this year

To reduce import dependence, the government is likely to make available nano-diammonium phosphate (nano-DAP) and a mix of single super phosphate (SSP) and urea to farmers from the next kharif season. Sources told FE the biosafety and toxicity studies for both the varieties of fertilisers have been completed and the agriculture ministry is likely to announce their commercial release shortly.

<https://www.financialexpress.com/economy/govt-to-launch-nano-dap-ssp-urea-mix-this-year/2956712/>

Agritech sector seeks tax sops, cheaper credit

Agritech sector executives called for tax sops and subsidised credit from the government in the upcoming Union budget, arguing that the measures would help expedite private sector investment in agriculture and enable farmers to protect their crops from the effects of climate change. Prioritising effective warehouse management and

expanding finance availability will also aid farmers in safeguarding their harvest from external threats, they said. Shortcomings in post-harvest infrastructure are often critical factors in determining how much food is lost in the supply chain. A lack of processing equipment, driers, cold chain facilities and storage often leads to the unnecessary loss of produce, said the executives.

<https://economictimes.indiatimes.com/news/economy/agriculture/budget-2023-agritech-sector-seeks-tax-sops-cheaper-credit/articleshow/97233371.cms>

Infrastructure

Assam: Govt planning to set up modern floating jetty at Biswanath Ghat, says Sarbananda Sonowal

The Union Minister of Ports, Shipping & Waterways Sarbananda Sonowal informed about the union government's plan to set up a modern floating jetty at the Biswanath Ghat soon. This will create a smooth platform to transport both cargo & passengers via waterways which in turn will transform the local economy, said the Union Waterways Minister.

<https://economictimes.indiatimes.com/industry/transportation/shipping-/-transport/assam-govt-planning-to-set-up-modern-floating-jetty-at-biswanath-ghat-says-sarbananda-sonowal/articleshow/97230935.cms>

Home demand decelerates as high interest rates, costs bite

The momentum in the housing market is showing some signs of deceleration with exhaustion in pent-up demand and persistently high inflation and the relentless hike in interest rates taking their toll. Softening in demand is likely to persist at least for the next 3-6 months, analysts feel, as long as the interest rates are on a rising trend and pricing remains at an elevated level. Quarterly (October-December) figures by some of the leading real estate companies show that sales bookings have shown an outright fall or the growth has definitely slowed down, sequentially. In some cases, the price realisations have decreased, an indicator that companies may have had to sell at reduced prices or their sales are occurring at price points lower than what they saw previously. Rohan Sharma, Director, JLL India, said with high interest rates and pricing pressures, customers would be more cautious of their purchasing decisions.

<https://www.thehindubusinessline.com/news/real-estate/home-demand-decelerates-as-high-interest-rates-costs-bite/article66420060.ece>

Energy

Cut down fuel prices if crude has stabilised, under-recoveries narrowed, Oil Minister tells OMCs

Oil Minister Hardeep Singh Puri on Sunday asked oil marketing companies (OMCs) to cut retail prices of petrol and diesel, but only after fulfilment of two conditions — once international prices have stabilised and the companies have managed to reduce under-recoveries. Speaking on the sidelines of flagging off a CNG-driven boat race on the River Ganga here, Puri claimed that fuel cost has been under check, despite volatile prices of the Indian crude basket. The event was organised by GAIL as a run up to the India Energy Week, which will take place next month in Bengaluru.

<https://www.thehindubusinessline.com/economy/cut-down-fuel-prices-if-crude-has-stabilised-under-recoveries-narrowed-oil-minister-tells-omcs/article66420090.ece>

IREDA's net NPAs down to 2.72% in Q2 FY23

Indian Renewable Energy Development Agency's (IREDA) net NPAs declined to 2.72 per cent in the July-September quarter of the current financial year from 4.87 per cent a year ago. IREDA on Friday signed a Memorandum of Understanding (MoU) with the Ministry of New and Renewable Energy (MNRE) setting the annual performance target for FY23.

<https://www.thehindubusinessline.com/companies/iredas-net-npas-down-to-272-in-q2-fy23/article66420867.ece>

States

Jammu and Kashmir govt launches Rs 879-crore food processing project

The Jammu and Kashmir government has launched an ambitious project targetted to revolutionise the food processing sector and transform the lives of farmers in the UT. The "UT Level Food Processing Programme for

Development of Clusters for Specific Products of J&K" is a Rs 879.75 crore initiative that aims to maximise farmer income and minimise post-harvest losses, an official statement said on Sunday. "This comprehensive project has been designed to increase the competitiveness of seven identified products across categories in terms of cost, quality, branding, and sustainability within five years. The government is investing in value addition, logistics, marketing and branding of various agricultural, horticultural and livestock products to achieve this goal," it said.

https://www.business-standard.com/article/economy-policy/j-k-launches-rs-879-cr-food-processing-project-123012200630_1.html

Rajasthan govt to rent out drones to farmers to help spray fertilisers, insecticides

Low income group farmers in Rajasthan will be provided drones on rent that will help them monitor crops and spray chemicals in a wide agricultural area with less cost and time. Around 1,500 drones will be made available at custom hiring centres by the state government in two years. Principal Secretary, Agriculture and Horticulture, Dinesh Kumar said the use of artificial intelligence and drones for agricultural work is increasing all over the world and in the state also, the government is promoting the use of technology to enable farmers increase their income and yield.

<https://economictimes.indiatimes.com/news/economy/agriculture/rajasthan-govt-to-rent-out-drones-to-farmers-to-help-spray-fertilisers-insecticides/articleshow/97220218.cms>

Healthcare

First Indian intranasal Covid vaccine to be launched on Jan 26

Homegrown vaccine maker Bharat Biotech will launch its intranasal COVID-19 vaccine iNCOVACC, the first of its kind in India, on January 26, the company's chairman and managing director Krishna Ella said here on Saturday. Interacting with students at the India International Science Festival in Bhopal, Ella also said that the homegrown vaccine for the lumpy skin disease in cattle, Lumpi-ProVacInd, is likely to be launched next month. "Our nasal vaccine will be officially launched on January 26, on Republic Day," Ella said, participating in the 'Face-to-Face with New Frontiers in Science' segment of the IISF, organised at the Maulana Azad National Institute of Technology (MANIT).

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/first-indian-intranasal-covid-vaccine-to-be-launched-on-jan-26/articleshow/97205015.cms>

External

India FTA can be clinched this year, but no more visa offers: UK trade minister

The India-UK free trade agreement (FTA) is expected to be clinched this year but it won't involve any boost of free movement visa offers for Indians, British trade minister in charge of the negotiations has said. Kemi Badenoch, who was in New Delhi last month to kick off the sixth round of FTA talks with Commerce and Industry Minister Piyush Goyal, said that former prime minister Boris Johnson's "deal by Diwali" deadline last year was not feasible and had to be changed. "We left the EU (European Union) because we didn't believe in free movement, we didn't think it was working. This is not a deal that's negotiating some kind of free movement with India," Badenoch told the newspaper, with reference to more visa offers. The minister indicated a willingness to make concessions on issues like business mobility, but ruled out the prospect of Indians getting the same kind of deal as with Australia – which allows under-35s to live and work in the UK for three years.

<https://www.financialexpress.com/economy/india-fta-can-be-clinched-this-year-but-no-more-visa-offers-uk-trade-minister/2956676/>