



BANGALORE CHAMBER OF INDUSTRY AND COMMERCE
BCIC – Weekly Digest

1. Growth, inflation worries for FY23 reducing: Finance Ministry

The sustained decline in the price of crude oil into August since June, the moderation in inflation rate below 7% and the impressive growth in tax revenue collection have combined to contribute to a significant easing of concerns over growth and inflation in the current finance year, a finance ministry report said.

But, it cautioned that risks remain. “The geopolitical environment remains tense and fraught. This could trigger fresh supply concerns in the winter for critical commodities such as crude oil and natural gas” it said.

Full story:

<https://timesofindia.indiatimes.com/business/india-business/growth-inflation-worries-for-fy23-reducing-finmin/articleshow/93669549.cms>

2. WPI Inflation eases to 13.93% in July from 15.18% in June

The Ministry of Commerce & Industry released the wholesale price index for the month on July. The annual rate of inflation based WPI has eased to 13.93 per cent in July, as against 15.18 per cent in June.

Fuel and power index that include items such as LPG, petroleum and HSD, increased by 6.56 per cent to 165.6 in July from 155.4 in June. Prices of mineral oils and electricity increased 7.95 per cent and 6.38 per cent in July as compared to June.

Full story:

<https://www.businesstoday.in/latest/economy/story/wholesale-price-inflation-eases-to-1393-in-july-against-1518-in-june-344760-2022-08-16>

3. Retail inflation for farm, rural workers rises to 6.6%, 6.82% in July.

Retail inflation for farm and rural workers increased to 6.60 per cent and 6.82 per cent, respectively, in July mainly due to higher prices of certain food items.

Food inflation stood at 5.38 per cent & 5.44 per cent in July, 2022 compared to 5.09 per cent & 5.16 per cent respectively in June, 2022 and 2.66 per cent & 2.74 per cent respectively during the corresponding month of the previous year.

Full story:

https://www.business-standard.com/article/economy-policy/retail-inflation-for-farm-rural-workers-rise-to-6-6-6-82-in-july-122081900481_1.html

4. Government to boost hospitality sector with Rs. 50K crore aid.

As contact-intensive sectors such as travel, tourism and hospitality start looking up post the pandemic, the Centre allocated Rs 50,000 crore for their faster revival which can add to employment generation and overall economic recovery.

Full story:

<https://www.deccanherald.com/business/economy-business/government-to-boost-hospitality-sector-with-rs-50k-crore-aid-1137057.html>

5. Manufacturing investments rose 20.9% in FY20 before Covid pandemic : ASI report.

Manufacturing sector investments grew 20.9% in 2019-20 over the previous fiscal, the ministry of statistics and programme implementation said in its final Annual Survey of Industries (ASI). The provisional estimates in May had shown a 20% rise.

The gross fixed capital formation (GFCF) in 2019-20 was Rs 4.16 lakh crore compared to Rs 3.44 lakh crore in FY19. There was a 1.7% increase in the number of factories in the country.

Full story:

<https://economictimes.indiatimes.com/news/economy/indicators/manufacturing-investments-rose-20-9-in-fy20-before-covid-pandemic-asi-report/articleshow/93623655.cms?from=mdr>

6. New law for SEZs : Commerce Ministry proposes host of incentives.

The commerce ministry is proposing a host of direct and indirect incentives such as deferral of import duties and exemption from export taxes to revamp Special Economic Zones through a new legislation, an official said.

In the Union Budget this year, the government proposed to replace the existing law governing Special Economic Zones (SEZs) with a new legislation to enable states to become partners in 'Development of Enterprise and Service Hubs' (DESH).

The official said the commerce ministry has sought views of different ministries, including finance, on the new bill.

Full story:

<https://www.businessworld.in/article/New-Law-For-SEZs-Commerce-Ministry-Proposes-Host-Of-Incentives/15-08-2022-442061/>

7. US consumers show signs of resilience despite raging inflation

US consumers are standing firm in the face of hot inflation and rising interest rates -- even if they're spending with a little less gusto and a lot more frustration.

Data this week generated a mixed report card of the US economy, showing both resilience in the face of high inflation and signs of troubles ahead.

Full story:

<https://in.investing.com/news/us-consumers-show-signs-of-resilience-despite-raging-inflation-3312874>

8. We have to make Indian infrastructure up to world standards : Gadkari.

Union minister of road transport and highways Nitin Gadkari on Sunday exhorted the engineers and industry professionals to participate in harnessing huge potential in India's infrastructure sector including road construction, river connectivity, solid and liquid waste management, parking plaza, irrigation, bus-ports, ropeways and cable car projects

Full story:

<https://www.freepressjournal.in/mumbai/developing-26-green-expressways-and-logistics-parks-of-rs-2-lakh-crore-nitin-gadkari>

9. Indian inflation 'unacceptably and uncomfortably' high, RBI Guv Shaktikanta Das.

With the price situation remaining at "unacceptably and uncomfortably" high level, members of the RBI's Monetary Policy Committee underlined the need for preventing upward drift of inflation and bringing it down to the target band, as per minutes of its recent pricing meeting. Reserve Bank Governor Shaktikanta Das said the policy actions of the central bank "would continue to be calibrated, measured and nimble depending upon the unfolding dynamics of inflation and economic activity."

Full story:

<https://www.livemint.com/news/india/consumer-inflation-unacceptably-uncomfortably-high-rbi-governor-shaktikanta-das-mpc-meet-11660914703800.html>

10. Sweet & Sour for Indian industry.

The Competition Amendment Bill 2022 (the Bill), introduced recently in Parliament, has opened the floodgates of regulatory developments for India Inc. From merger control to anti-trust, one can expect far-reaching changes in the competition law space and the regulators whip in times to come. While on the one hand, specific catalyst-driven changes will significantly enhance the powers of the CCI, on the other hand, the stakeholders will need to keep a close watch on the forthcoming requisites and compliance.

Full story:

<https://www.financialexpress.com/opinion/sweet-sour-for-indian-industry/2637029/>



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