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POLICY PULSE

A MONTHLY NEWSLETTER



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Economic Snapshot



Regulations Watch: Notifications of the WTO



WTO Updates



Free Trade Agreements/
Bilateral Discussions



Policy – Regulatory Brief



Opinion Column

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ECONOMIC SNAPSHOT

GLOBAL ECONOMY

Inflation and Uncertainty Looming Again

International Monetary Fund (IMF) in its World Economic Outlook report October 2022 stated that the global economy continues to face steep challenges, shaped by the lingering effects of three powerful forces: the Russian invasion of Ukraine, a cost-of-living crisis caused by persistent and broadening inflation pressures, and the slowdown in China. The latest forecast projects the global growth to remain unchanged in 2022 at 3.2 percent and to slow to 2.7 percent in 2023, 0.2 percentage points lower than the July forecast, with a 25 percent probability that it could fall below 2 percent. The IMF report says that more than a third of the global economy will contract this year or next, while the three largest economies—the United States, the European Union, and China—will continue to stall. In short, the worst is yet to come, and for many people 2023 will feel like a recession.

Economic Indicators: IMF Projection October 2022 (% Change)			
Parameters	2021	2022	2023
GDP, constant prices	6.021	3.192	2.655
Inflation, average consumer prices	4.704	8.751	6.52
Trade volume of goods and services	10.093	4.286	2.506
Volume of imports of goods and services	10.345	4.695	2.37
Volume of imports of goods	11.321	3.78	2.043
Volume of exports of goods and services	9.844	3.88	2.642
Volume of exports of goods	10.226	2.006	1.96
Gross domestic product, constant prices	5.197	2.427	1.107

Source: IMF

On inflation, the report mentions that the persistent and broadening pressures have triggered a rapid and synchronized tightening of monetary conditions around the world, alongside a powerful appreciation of the US dollar against most other currencies. It expects the global inflation to peak in late 2022 but to remain elevated for longer than previously expected, decreasing to 4.1 percent by 2024.

In China, the frequent lockdowns under its zero COVID policy have taken a toll on the economy, especially in the second quarter of 2022. The external environment is already very challenging for many emerging market and developing economies. The sharp appreciation of the US dollar adds significantly to domestic price pressures and to the cost-of-living crisis for these countries. Increasing price pressures remain the most immediate threat to current and future prosperity by squeezing real incomes and undermining macroeconomic stability. Central banks worldwide are now laser-focused on restoring price stability, and the pace of tightening has accelerated sharply.

GDP Growth Projections (%)			
Country	2021	2022	2023
USA	5.7	1.6	1.0
Europe	5.9	2.1	0.6
UK	7.4	3.6	0.3
Russia	4.7	-3.4	-2.3
Asia	6.5	4.0	4.3
China	8.1	3.2	4.4
India	8.7	6.8	6.1

Source: IMF

INDIAN ECONOMY

The Reserve Bank of India (RBI) has recently cut the economic growth projection for the current fiscal to 7 percent from 7.2 percent estimated earlier on account of extended geopolitical tensions and aggressive monetary policy tightening globally.

The International Monetary Fund (IMF) has revised its projection of India's economic growth in 2022 to 6.1 percent, joining other international agencies that have also cut India's growth forecast. However, despite the revision, India's growth is projected to be the fastest among major economies. Earlier, the World Bank cut its 2022-23 (FY23) real GDP growth forecast for India to 6.5 percent, from an earlier estimate of 7.5 percent.

As per the United Nations Conference on Trade and Development (UNCTAD), India's growth will likely ease to just 5.7 percent in 2022 from 8.2 percent in the previous year.

Goldman Sachs has also revised its growth projections for India. A lower-than-expected growth during April to June increased the negative risk to current fiscal year growth predictions by 40 basis points.

Performance of Key Indicators

The combined Index of Eight Core Industries increased by 7.9 per cent (provisional) in September 2022 as compared to the Index of September 2021. The production of Cement, Coal, Fertilizers, Electricity, Steel and Refinery Products industries increased in September 2022 over the corresponding month of last year. ICI measures combined and individual production performance in selected eight core industries viz. Coal, Crude Oil, Natural Gas, Refinery Products, Fertilizers, Steel, Cement and Electricity.

Coal production (weight: 10.33 per cent) increased by 12.0 per cent in September, 2022 over September, 2021. Its cumulative index increased by 21.0 per cent during April to September, 2022-23 over the corresponding period of the previous year.

Crude Oil production (weight: 8.98 per cent) declined by 2.3 per cent in September, 2022 over September, 2021. Its cumulative index declined by 1.3 per cent during April to September, 2022-23 over the corresponding period of previous year.

Natural Gas production (weight: 6.88 per cent) declined by 1.7 per cent in September, 2022 over September, 2021. Its cumulative index increased by 1.8 per cent during April to September, 2022-23 over the corresponding period of previous year.

Petroleum Refinery production (weight: 28.04 per cent) increased by 6.6 per cent in September, 2022 over September, 2021. Its cumulative index increased by 10.1 per cent during April to September, 2022-23 over the corresponding period of previous year.

Fertilizer production (weight: 2.63 per cent) increased by 11.8 per cent in September, 2022 over September, 2021. Its cumulative index increased by 11.5 per cent during April to September, 2022-23 over the corresponding period of previous year.

Steel production (weight: 17.92 per cent) increased by 6.7 per cent in September, 2022 over September, 2021. Its cumulative index increased by 6.4 per cent during April to September, 2022-23 over the corresponding period of previous year.

Cement production (weight: 5.37 per cent) increased by 12.1 per cent in September, 2022 over September, 2021. Its cumulative index increased by 10.9 per cent during April to September, 2022-23 over the corresponding period of previous year.

Electricity generation (weight: 19.85 per cent) increased by 11.0 per cent in September, 2022 over September, 2021. Its cumulative index increased by 10.7 per cent during April to September, 2022-23 over the corresponding period of previous year.

As per data released by Ministry of Statistics, India's industrial growth, as per the Index of Industrial Production (IIP), slid to an 18-month low of -0.8 percent in August from 2.2 percent in July 2022. In August, the electricity sector was the only one of the three to register an increase in output, with production of mining and manufacturing goods falling by 3.9 percent and 0.7 percent, respectively, on a year-on-year basis. As per one of the leading economists, "the deceleration in IIP for August is a combined effect of normalising base and disappointing performance of the mining and manufacturing sectors. Compared to pre-pandemic period, the IIP in August has grown by 4 percent, but it is still lower than expectations".

As per Ministry of Finance, Gross Goods and Services Tax (GST) collections rose 16.6 per cent year-on-year to Rs 1,51,718 crore (US\$ 18.4 billion) for October 2022 (for sales in September), the second highest level since the rollout of the indirect tax regime in July 2017. Although domestic transactions recorded the second highest growth after April 2022, the share of collections from imports continued to fall to 25 per cent, from 28 per cent in September and 30 per cent in August. A high inflation rate, an increase in retail prices of many consumption goods, the buoyant festive season demand, alongside actions taken to ensure compliance, have all contributed to the rise in GST collections. The pace of year-on-year growth in GST collections, however, moderated to 16.6 per cent in October from over 25 per cent each in the last three months. The monthly GST revenues have crossed the Rs 1.4 lakh crore (US\$ 17 billion) mark for the last eight months.

REGULATIONS WATCH

Notifications at the WTO

Article XX of the General Agreement on Tariffs and Trade (GATT) allows governments to enact trade measures to protect human, animal, or plant life or health, provided that the provisions do not discriminate and are not used as disguised protectionism. In addition, two specific World Trade Organization (WTO) agreements deal with food safety, animal and plant health and safety, and product standards in general.

The Sanitary and Phytosanitary Measures (SPS) and Technical Barriers to Trade (TBT) Agreements aim to ensure that these requirements do not create unnecessary obstacles to international trade. Under the WTO, members are required to notify other Members before adopting new measures if these are likely to affect international trade and provide an opportunity for comments.

The WTO Agreement on the Application of Sanitary and Phytosanitary Measures (the SPS Agreement) lays out the basic rules on food safety and on animal and plant health standards. It allows countries to set their own standards, but it stipulates those regulations must be based on science and should be applied only to the extent necessary to protect human, animal, or plant life or health.

The TBT Agreement seeks to ensure that technical regulations, standards, and testing and certification procedures do not create unnecessary obstacles. The agreement does recognize countries' rights to adopt the standards they consider appropriate—for example, to protect human, animal, or plant life or health; to safeguard the environment; or to meet other consumer interests. In any case, whatever regulations countries use should not discriminate. Under the agreement, the procedures used to decide whether a product conforms with relevant standards have to be

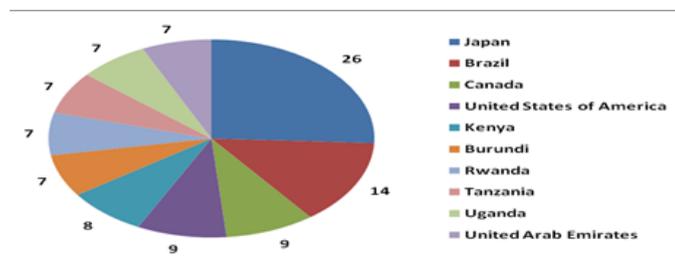
fair and equitable, and any methods that would give domestically produced goods an unfair advantage are discouraged.

SPS Notifications

The total numbers of SPS Notifications issued by the various WTO-Member Countries in 01st October 2022 to 31st October 2022 are 148. Out of 148 notifications, 59 notifications were the addendums of draft regulations notified earlier in the WTO.

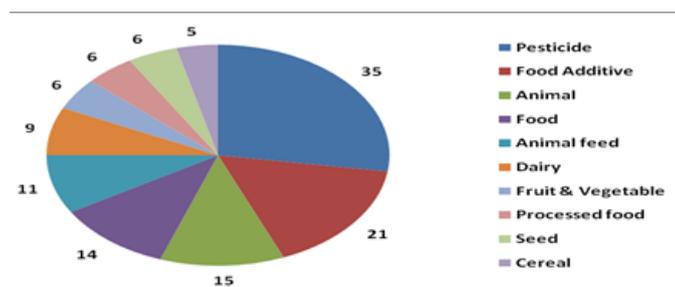
❖ Country-wise Information (Top 10)

Out of the total 148 notifications, Japan issued 26 notifications, followed by Brazil, Canada, United States of America, Kenya, Burundi, Rwanda, Tanzania, Uganda and UAE with 14, 9, 9, 8, 7, 7, 7, 7 and 7 notifications, respectively. The remaining 47 notifications were from other WTO Member country.



❖ Product-wise Information (Top 10)

Out of the total 148 Notifications, 35 related to pesticide, 21 related to food additive, 15 related to animal, 14 related to food, 11 related to animal feed, 9 related to dairy, 6 related to fruit & Vegetable, 6 related to processed food, 6 related to cereal, 5 related to seed and 20 notifications were related to other products.

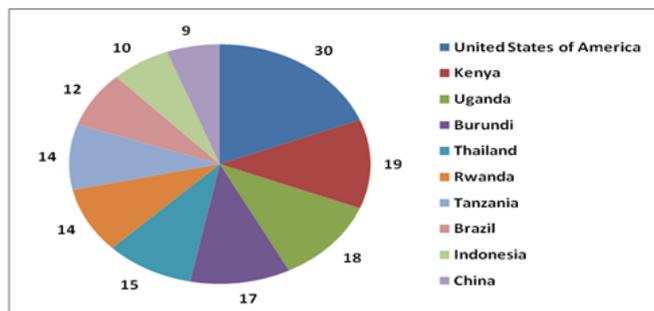


TBT Notifications

The total numbers of TBT Notifications issued by the various WTO-Member Countries from 01st October 2022 to 31st October 2022 were 237. Out of 237 notifications, 63 notifications were the addendums of draft regulations notified earlier in the WTO.

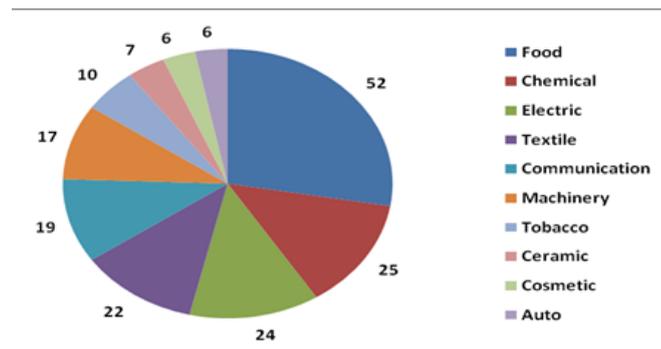
❖ Country-wise Information (Top 10)

Out of the total 237 notifications, United States of America issued 30 notifications, followed by Kenya, Uganda, Burundi, Thailand, Rwanda, Tanzania, Brazil, Indonesia and China with 19, 18, 17, 15, 14, 14, 12, 10 and 9 notifications, respectively. The remaining 79 notification were from other WTO Member country.



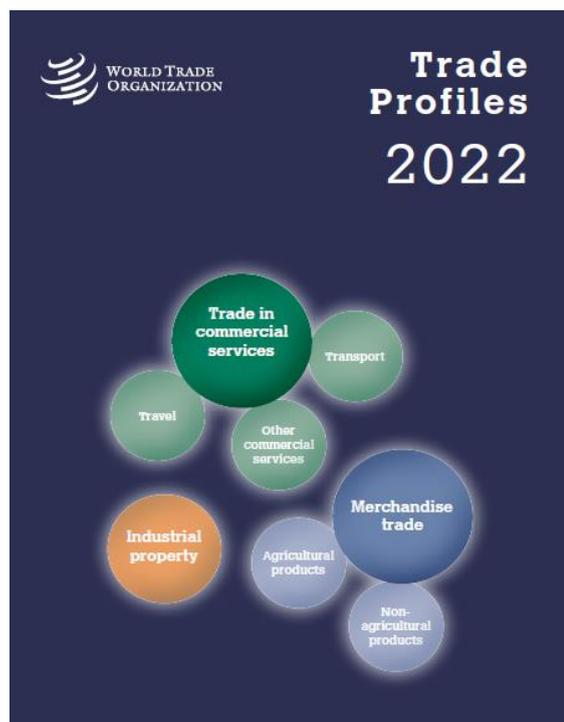
❖ Product-wise Information (Top 10)

Out of the total 237 Notifications, 52 related to food, 25 related to chemicals, 24 related to electric, 22 related to textile, 19 related to communication, 17 related to machinery, 10 related to tobacco, 7 related to ceramic, 6 related to cosmetic, 6 related to auto and 49 notifications were related to other products.



WTO UPDATES

WTO Trade Profile Report Released



WTO released its Trade Profiles Report 2022 on 26 October. The report provides key data on merchandise trade and trade in commercial services for 197 economies, including for India. The report has listed top exports and imports for countries, under the categories such as agricultural and non-agricultural products. According to the report, the top 5 exported agricultural products in India (for 2021) include rice, beet sugar, meat of bovine animal, cotton and wheat. While the top imported products in India, for the same year, includes primarily oils such as Palm oil, Soya-bean oil, Sunflower-seed, or cotton oil. Dried leguminous vegetables and nuts are also among the top 5 imported agricultural products in India. While Petroleum oil is both the top imported as well as top exported non-agricultural product in India, however, the value of imports is more than the exports. Diamond is the top second non-agricultural export item and top 3rd non-agricultural import item in India. Coal imports makes fourth largest imports, under the non-agricultural products category in India.

Countries Oppose Proposal of EU to Implement Carbon Border Adjustment Mechanism (CBAM)

A meeting of the WTO Committee on Trade and Environment (CTE) took place on 21 October 2022, that highlighted the importance of cooperation for harnessing trade policies to achieve environmental obligations and ensure transparency. The European Union discussed its Carbon Border Adjustment Mechanism (CBAM) which it presented as a critical proposal to curb EU-driven deforestation. However, responding to the EU, many members suggested the need to avoid unilateral measures and to ensure consistency with WTO rules. Meanwhile, India took the opportunity to present its renewable energy and energy efficiency measures to the WTO members.

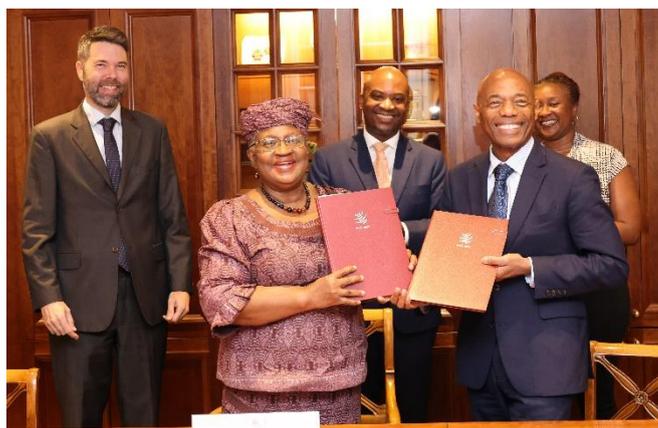
Agreement on Investment Facilitation to be finalized by 2022



Negotiations took place on 14 October to finalize an agreement on investment facilitation for development (IFD) by the end of the year. Prior consultations for these negotiations witnessed discussion on various issues, including responsible business conduct, the definition of “authorization” for an investment, home state measures, and supplier-development programmes. Through this agreement, the negotiating members want to reinforce the relationship between trade and investment and their key role to leverage development in today's global economy.

Further, they also aim to create closer international cooperation at the global level to create a more transparent, efficient, and predictable environment for facilitating cross-border investment.

WTO-Caribbean Development Bank sign an MoU to help small businesses in trade



An MoU was recently signed between WTO and Caribbean Development Bank to work on trade-related technical assistance and trade capacity-building efforts. The MOU aims to work on specific deliverables which benefit some regional countries. The MoU is mainly targeted at helping small businesses trade globally. DG Okonjo-Iweala indicated that assisting countries in implementation of Fisheries Subsidies Agreement, under food security package, will be one of the areas where the two organizations will work closely. Further, the two organizations will also collaborate on supporting capacity-building on trade statistics and assisting implementation of the WTO's Trade Facilitation Agreement. They will also explore utilization of trade policy to help address climate change and enhance women's participation in international trade. Issues such as sanitary and phytosanitary measures and technical barriers to trade, which are critical to small businesses will also be covered under the said MoU.

FREE TRADE AGREEMENTS/ BILATERAL DISCUSSIONS

INDIA

India-UK keen on early conclusion of FTA

Following the fresh appointment of Rishi Sunak, as the Prime Minister of United Kingdom (U.K), India-UK FTA negotiations are expected to gather pace. However, despite of this optimism, some apprehensions regarding the trajectory of India and U.K still remains. As Suella Braverman has been reinstated as the Home Secretary, it is being apprehended that the tough stance of U.K on FTA deal might not change. Previously, the UK Home Secretary has linked immigration issues to the FTA which resulted in dampening of the prospects of an early conclusion of trade deal. However, some commentators have suggested that Sunak would be keener on delivering on a trade deal with India. In a recent statement, PM Modi said that both sides have agreed on the importance of early conclusion of a comprehensive and balanced FTA. U.K PM Rishi Sunak stated, "The UK and India share so much. I'm excited about what our two great democracies can achieve as we deepen our security, defense and economic partnership in the months & years ahead." It has been suggested, however, that free trade agreement may be delayed until at least March next year.



India and the UK concluded the fifth round of negotiations towards their free trade agreement (FTA), on July 29. For the next round of discussions, UK side has indicated its interest in

visiting India. India is reportedly waiting to schedule the next meeting, till it can take a decision on its tariff proposal, especially for auto and alcoholic beverages. Presently, some discussions between the two sides are taking place on digitization and financial services. Meanwhile, the UK authorities are pushing India on labour and environmental issues. The UK authorities believe that if India does not accept the UK's terms on labour and environment requests, the UK parliament may not agree to the terms of the FTA.

India-Israel to resume FTA negotiations

India and Israel have agreed to resume negotiations for a Free Trade Agreement in November 2022. The two countries are expecting to finalise an agreement by June 2023. Israeli Former Prime Minister Yair Lapid has regarded India-Israel FTA, a priority for his government and has stressed on finalising an FTA with India, as soon as possible. While Israel recently elected Benjamin Netanyahu as its new Prime Minister, commentators believe that the relationship between India and Israel will continue to build stronger. Like his predecessor, Netanyahu is also a strong advocate of closer India-Israel ties. Congratulating Benjamin Netanyahu, Prime Minister Modi expressed that he expects both sides to continue their joint efforts to deepen the India-Israel strategic partnership.



The two nations have discussed cooperation in the areas of water and agriculture, in a recent discussion. Israel expects that the deal would

ease trade barriers for Israeli companies operating in India, strengthen trade and economic cooperation and help the government in its efforts to lower the cost of living. The Ministry of External Affairs, Government of India indicated that the deal will help in strengthening the collaboration of two countries in areas of innovation and research, including boosting the 'Make in India' initiative.

India-Canada FTA: Early Harvest on The Cards

The fourth round of discussions under the India-Canada FTA concluded on September 26, 2022. Both sides have agreed to consider an interim agreement or Early Progress Trade Agreement (EPTA) that could be concluded by the end of 2022 as a transitional step towards the CEPA. The two sides also agreed to promote and protect bilateral investment, including through the intensification of negotiations toward a Bilateral Investment Agreement. As the two sides have agreed to an early harvest deal, the initial list of products for tariff reduction are not expected to be high. Canadian tariffs are largely liberalized and slightly over 2100 tariff lines have either an ad-valorem or specific duty in Canada.



India, it is understood, has requested for duty elimination of about 1400 tariff lines. Majority of these lines where India has a significant trade faces an average duty of 10% in Canada. On these tariff lines where India has sought tariff concessions, India's exports to the world are on a higher side. Canada, it is understood, is seeking significant tariff reduction for products

including electrical machinery, inorganic chemicals, iron & steel, medical devices, edible dried vegetables, etc. India is likely to offer tariff concessions to Canada for electrical machinery, plastics, organic and miscellaneous chemical products, pharmaceutical products, medical devices, iron and steel and paper. The other products of interest for Canada include Canada edible vegetables, animal and vegetable fats and oil, sugar confectionary, and live animals.

EU-India FTA: Texts Exchanged



EU and India, who have got back to negotiating an FTA are discussing issues under three broad tracks – FTA, Geographical Indication (GI), and Investment Protection. In a recent round of discussions India, it is understood shared draft texts on key chapters that include - goods, services, investment protection, government procurement, digital trade, customs & trade facilitation, trade remedies, SPS &TBT etc. The Indian drafts were in response to EU's detailed draft texts circulated before the resumption of formal negotiation in June this year.

India-EFTA to resume talks on FTA

India and the European Free Trade Association (EFTA), a bloc that comprises Iceland, Liechtenstein, Norway and Switzerland, are expected to resume negotiations on a free trade agreement (FTA). The last round of negotiations took place in January 2017, following which talks were paused. India's main import items from the bloc consists of gold, coal, pharmaceuticals, vegetable oil, silver, dairy

machinery, medical, petroleum crude and scientific equipment. The major exports from India to the members of the bloc includes chemicals, iron and steel, gold, precious stones, yarns, sports goods, glassware and bulk drugs. Sectors such as healthcare, telemedicine, education and technological advancements are likely to be the key areas of collaboration between the two sides.

OTHERS

EU-ASEAN Signs Landmark Air Transport Agreement



European Union and the Association of Southeast Asian Nations (ASEAN) signed a comprehensive air transport agreement in October 2022. The deal is expected to open up more air transport opportunities and enhance direct connectivity between the two regions, while upgrading rules and standards for concerned flights. According to the EU, the agreement sets new global benchmarks in promoting fair competition in air transport sector while committing to high standards in social and environmental obligations. Previously, more than 140 bilateral air services agreements were in place to manage the bilateral relationship in air transport sector of about 37 countries in the two regions.

Following this agreement, all EU airlines will be able to operate direct flights from any airport in the EU to all airports in ASEAN States, and vice versa for ASEAN airlines. The agreement includes modern and fair competition provisions to address market distortions.

Australia-Singapore Inks Green Economy Agreement (GEA)



A green economy agreement was recently signed between Australia and Singapore to collaborate on promotion of green economy in both the two countries. The agreement will accelerate the efforts for bringing global clean energy transformation and provide the economic opportunities in areas of climate change. It will also strengthen the trade and investment in clean energy across both the regions. The Australian Government has announced an initial investment of US\$19.6 million over four years for new cooperation under the GEA that will support domestic job creation and strengthen supply chains, trade and market opportunities by:

- ❖ facilitating trade and investment in green goods and services, including by identifying and reducing non-tariff barriers;
- ❖ promoting collaboration between Australian and Singaporean businesses to build capability in new green growth sectors;
- ❖ fostering harmonisation and collaboration on standards and conformance to improve the interoperability of markets.

UAE-Cambodia Starts CEPA Negotiations



UAE and Cambodia have recently started negotiations on Comprehensive Economic Partnership Agreement (CEPA). The two countries will focus on infrastructure and logistics, tourism and hospitality, food security, energy and, in particular, renewables. Other sectors include banking, FinTech and marine services. UAE expects that the agreement will provide huge market access to services sector and significantly boost the investments and growth of MSMEs. Meanwhile, Cambodia is hopeful that the agreement will help in accelerating its digital economy. It is also expecting to increase market access for its natural resources and agriculture products.

POLICY – REGULATORY BRIEF

INDIA

State Electric Vehicle Policy



Source: E-vehicle-Info

Many Indian States are releasing their Electric Vehicle Policy to promote India's transition from internal combustion engine vehicles to electric vehicles. The objective of these policies varies from state to state. Still, they have a common target to improve air quality, climate change mitigation, reduce dependence on oil imports, and develop India's electric vehicle industry.

States like Andhra Pradesh, Delhi, Kerala, Karnataka, Telangana, Maharashtra, Madhya Pradesh, Uttarakhand, Tamil Nadu, Bihar, Gujarat, Punjab and Chandigarh have launched EV policies that support electrification by stimulating the demand, local manufacturing, research and development (R&D), and infrastructure development.

Uttar Pradesh Revised Policy

The UP Government has recently announced a new EV policy to promote faster adoption of clean mobility solutions and create a conducive ecosystem for EVs in the state. The policy provides for a three-pronged incentive regime that includes benefits to consumers for purchasing EVs; to manufacturers of EVs, batteries and related components; and to service providers developing charging/swapping facilities.

Buyers investing in EVs will get a 100 per cent exemption from the registration fees and road tax. The subsidy is valid for three years. After

three years, the exemptions would only apply to EVs manufactured and registered in the state. The electric vehicles will have a 15% discount on ex-factory costs for up to the first 2 lakh Electric two Wheelers and 50,000 Electric three Wheelers.

Jharkhand EV Policy

The policy aims to create a conducive environment for a phase-wise shift from Internal Combustion Engines (ICE) to Electric Vehicles (EVs) by 2030. The target is to set up to 10% share of Electric vehicles in overall new vehicle registration in the State by 2027 (All vehicles: 10%, 2-wheelers: 10%, 3-wheelers: 20%,4-wheelers: 10%).

This is an opportunity for stakeholders as the Government will invest in EV infrastructure and manufacturing of advanced chemistry cell (ACC) batteries in the state by 2027. This also benefits MSME units as they are entitled to a Comprehensive Project Investments Subsidy (CPIS) at the rate of 30% of investments made in fixed capital investment.

The benefits for EV buyers in the state are to be exempt from road tax and Vehicle registration fees. This is for the first 10,000 buyers of e-vehicles manufactured within the state will get 100 per cent, 10,000 to 15,000 buyers 75 per cent, and after that, the buyers will get a 25 per cent discount.

Draft Kerala Industrial and Commercial Policy 2022-28

As the State Government of Kerala released its draft Industrial and Commercial Policy 2022-28, the State Industry Minister P. Rajeev said, the policy aims to promote Kerala as a brand and ensure the quality of products sold under the Kerala Brand. He also said the new policy seeks to tap the state's strengths and foster investments in sunrise sectors. Furthermore, the new industrial policy would be released in January 2023, effective from 1st April 2023.

The key pillars of the new policy include fostering entrepreneurship, enabling infrastructure, being ready for the Industrial Revolution 4.0 and upgrading the skill sets of youth for futuristic jobs. For brand building, “Made in Kerala” exhibitions shall be organised for promotion.



The new policy also aims to implement the Kerala brand to sell unique products in the Kerala market. The policy also seeks to promote initiatives in the sector - renewable energy, tourism, graphene, 3D printing, Food Tech, marine cluster, etc. The sector policy framework addresses the various aspects which should be considered for each sunrise sector, such as infrastructure, ESG sustainability, research & development investment promotion and facilitation, etc.

Under the policy, incentives are provided to all the sectors, such as Investment subsidy not exceeding Rs.10 crore for non-MSME enterprises; a refund of 100 per cent of the state GST share of fixed capital for five years; To employ 1000 apprentices in industrial enterprises for six months at a wage of up to Rs 5000 per annum for the manufacturing sector; To encourage MSMEs to raise funds through share marketing in addition to traditional methods of raising funds and to reimburse 50 per cent of the amount spent on the same; 100 per cent electricity duty waiver for MSMEs for

five years; stamp duty and registration charges for women entrepreneurs and Scheduled Caste/ Scheduled Tribe entrepreneurs for purchasing or leasing land for construction industries in any part of the state, etc.

From the industry association’s point of view, they suggested that the state should simplify the restrictions on exports and land use to attract investors. And on the positive side, the new policy would boost food processing and marine sectors. Collaboration of industries and educational institutions will be an added benefit.

Draft Jharkhand Industrial Park and Logistic Policy 2022



Jharkhand issued its draft Industrial Park and Logistic Policy 2022 aiming at setting up private, joint venture and PPP mode industrial parks, logistic parks and logistic units with all necessary industrial infrastructures. The policy provides subsidy -A comprehensive Project Investment Subsidy (CPIS) for industrial parks, which is 50% of the project cost with a maximum of Rs 40 crore for industrial areas above 75 acres and a minimum of Rs 7 crore for industrial areas above 10 acres.

It aims to upgrade and improve the existing warehousing capacity and logistics infrastructure in the state to boost economic activities and generate mass employment opportunities. A special focus has been laid on supporting the MSME industrial units and also attracting MSME players in the logistics sectors through this policy. The units can mortgage the

allotted plot with commercial banks to secure loans for that industrial unit.

The Single Window Clearance Committee, which will examine the proposals, will give its recommendation within 60 days from the date of submission of the proposal. Thereafter the Minister of Industries will either approve or reject the proposal for parks. The master plan will allow a minimum of 60% of developed land for industrial units and a minimum of 40% for MSMEs for industrial parks. The developers will ensure that 33% of the total land will be allotted for common-use infrastructure or green areas/ open spaces.

As per the state's Small Industries Association - There seems to be a bottleneck as the single window system in Jharkhand is nonfunctional. The single window system is not issuing pollution certificates, factory licenses, electricity connections and other paraphernalia. The thought behind the time-bound disposal of applications by DCs is welcomed by the association.

Meghalaya Mental Health and Social Care Policy

The policy aims to promote overall mental health and well-being and facilitate appropriate access and care pathways for common and severe mental health concerns. The Meghalaya Government aims to ensure that all sectors cooperate to alleviate distress, improve mental health and well-being and reduce disability arising from common and severe mental disorders.

The policy addresses the gaps in care and implementation, such as delayed identification of mental health concerns, lack of trained & professional personnel, limited emergency care centres, insufficient funding, and limited focus on structural barriers & social, economic and cultural determinants and care groups.

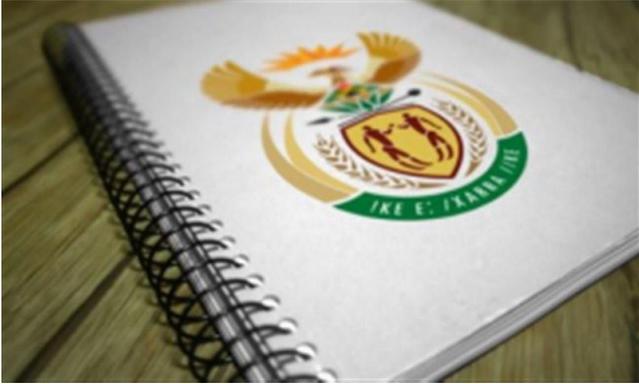
The policy has suggested strategic priorities – Meghalaya Government is likely to adopt the 'Manas App' created by NIMHANS to augment the mental well-being of the state citizens and to create awareness & knowledge transfer initiatives. The state will also focus on individual experiences of mental, social, economic, and psychological distress as a state has complex & diverse needs keeping in view it's demographic. The state will work towards building social health intervention with NGOs, and public health organizations, in creating spaces of collective processing, such as peer-led healing programs, grief circles, and connectedness at community levels.

Further, the state has Megha Health Insurance Scheme (MHIS), a universal health insurance scheme (UHIS) which provides health insurance to Meghalaya citizens. Under the policy, the scheme's financial aid will be extended to mental health concerns persons at all public & private hospitals. It will be an effort towards reducing expenses out-of-the citizen's pocket.



WORLD

South Africa - Draft National Infrastructure Plan 2050



The National Development Plan (NDP) targeted a 30% investment-to-GDP ratio, one-third of which would be delivered by the state. The National Infrastructure Plan 2050 (NIP 2050) aims to create a foundation for achieving the NDP's vision of inclusive growth. NIP 2050 is prepared by Infrastructure South Africa, which offers a strategic vision and link to NDP's objectives and identifies actions needed to improve public infrastructure.

The NIP 2050 has two phases - bulk investments and distributed infrastructure that links to businesses and communities. Phase 1 was approved by Cabinet in March 2022 after public consultations. Phase 2 draft has been issued for public comments till 9 December 2022.

Phase 1 focused on bulk infrastructure related to energy, water, freight transport and telecommunications. It also strengthens institutional capabilities for delivery and for infrastructure finance, building an African regional infrastructure agenda, revitalizing the civil construction sector, and monitoring and evaluation.

Phase 2 focuses on distributed infrastructure, which is divided into two sections. The first section offers insight into six infrastructure areas, namely, human settlements, municipal electricity, water and sanitation, solid waste,

passenger transport, road infrastructure, education infrastructure, and health infrastructure. The second section focuses on three cross-cutting elements, namely, digital infrastructure, crime and corruption, and governance of distributed infrastructure delivery.

OPINION COLUMN

Smart Manufacturing

Akriti Kumari

E-Mobility & Charging Infrastructure

Electromobility, also known as e-mobility, is the principle of using electric propulsion for a wide range of transportation types. This includes cars, buses, trucks and off-road vehicles, as well as ships, ferries and other sea-going vessels.



Why is electromobility so important at present?

Climate change, oil shortage, air pollution: Mobility has to be Carbon-neutral. E-cars and Hybrid vehicles emit fewer exhaust gases than cars with combustion engines if any. Electromobility is therefore an important way of enabling that – as long as the power is obtained from renewable energies. The IEA predicts that electric vehicles will have a market share of roughly 30 percent by 2030, with a total number of 34 million e-cars on the roads.

Emissions are having a serious impact on the climate and environment. According to a survey by the Intergovernmental Panel on Climate Change (IPCC), traffic is responsible for 24% of all CO₂ emissions worldwide. Electric vehicles counter that: unlike gasoline and diesel cars, they don't emit any CO₂ when driven. Yet: E-cars are CO₂-neutral in the full sense of the word only if the batteries and the electricity to power them are produced using renewable energies.

Low-emission cars also mean better air quality and therefore have a positive effect on people's health – especially in conurbations. And the

number of people living in cities will grow: The UNO's World Urbanization Prospects 2014 report concludes that almost 70% of the world's population will live in urban regions by 2050.

How does an e-car work?

Electrical energy is stored in a rechargeable battery. Devices termed inverters convert the battery's direct current into alternating current for driving the electric motor. The more efficient conversion is, the longer a car can travel when a battery is fully charged. Finally, an electric motor converts electrical energy into mechanical energy: The e-motor obtains this energy to generate magnetic fields. Their attractive and repellent forces produce a rotational motion.

E-cars have to be charged from the socket to stay mobile. 80% of owners recharge them from the socket at home. That takes at least eight hours, depending on the vehicle and battery.

Most of the current e-cars can travel between 150 and 350 kilometers on a single charge. That makes them ideal for the city. Only premium-brand models can currently cover more than 500 kilometers. However, the range depends on various factors: Low or high external temperatures drain the battery, as does the use of the radio or air-conditioning system. Constant acceleration and braking likewise reduce the range.

Indian Scenario

The transport sector accounts for 18% of total energy consumption in India. This translates to an estimated 94 million tonnes of oil equivalent (MTOE) energy. At the moment, the demand is being met mostly through imported crude oil, which therefore makes this sector vulnerable to volatile international crude oil prices. Moreover, the sector also contributes an estimated 142 million tonnes of CO₂ emissions annually, out of which 123 million tonnes are contributed by the road transport segment alone.

Keeping in view the climate change commitments made by Government of India during the COP21 Summit held at Paris to reduce emission intensity by 33- 35% by 2030 from 2005 levels, it is pertinent to introduce alternative means in the transport sector which can be coupled with India's rapid economic growth, rising urbanization, travel demand and country's energy security. Electric mobility presents a viable alternative in addressing these challenges, when packaged with innovative pricing solutions, appropriate technology and support infrastructure and thus, has been on the radar of Government of India.

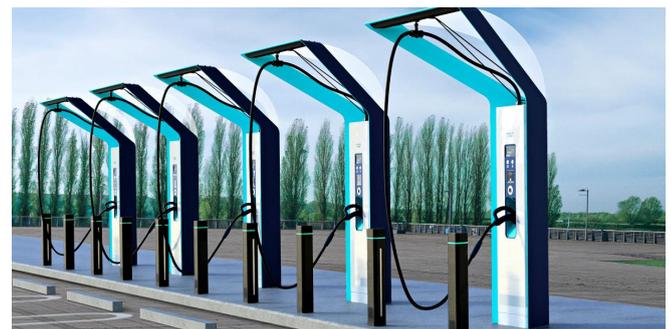
The Electric Vehicle industry in India is far behind, with less than 1% of the total vehicle sales. Currently, Indian roads are dominated by conventional vehicles and have approximately 0.4 million electric two-wheelers and a few thousand electric cars only.

The government of India have undertaken multiple initiatives to promote manufacturing and adoption of electric vehicles in India. Availability of adequate Charging Infrastructure is one of the key requirements for accelerating the adoption of electric vehicles in India. In this regard, Ministry of Power has issued "Charging Infrastructure for Electric Vehicles – Guidelines and Standards" mentioning the roles and responsibilities of various stakeholders at Central & State level, for expediting the development of public EV charging infrastructure across the country. Ministry of Power has designated Bureau of Energy Efficiency (BEE) as the Central Nodal Agency (CNA) for the National-level rollout of charging infrastructure in the country.

e-AMRIT is also launched by the GoI, as a one-stop portal for creating awareness about electric mobility through Electric Vehicles (EVs) in India. The portal aims to ease the transition from fossil fuel driven vehicles to electric vehicles by providing all information about policies, incentives, charging stations, business

requirements. This is an attempt to create awareness about the benefits of EVs, share information about the various types of EVs available in India, bust the myths surrounding their use, and also to share details of financing options, thereby helping the move towards a cleaner, greener, economical option.

Another driving factor is the push by the central and state governments, acting as a booster for EV startups. Companies are also raising funds to ramp up R&D, technology integration, testing and expansion. There are other factors as well propelling investments: the possibility of 100% ownership via FDI, growing awareness about sustainable mobility, and the larger goal of sustainability and reducing emissions.



A supportive policy environment is another factor helping attract more investments and aiding the EV market growth. The second phase of the Faster Adoption and Manufacturing of Hybrid and EV (FAME II) scheme in India has led to a significant boost in investments in the EV space. The recent announcements regarding the localization of EV components and the allocation of INR57,000 crore through Production-linked incentive (PLI) schemes and INR18,100 crore for advanced battery cells (ACCs) are expected to bolster e-mobility in India.

Way forward for India

A vision to bridge the existing gaps in electric mobility.

While as a country, we have made significant strides in the EV sector, a stronger collaboration

between policymakers, businesses and other players will be critical in the accelerated adoption and transition to green mobility in the country. The foundation has been laid and it is now imperative to build on that foundation to propel India's ambition of achieving net zero and contributing positively to the cause of global climate change.

Here are a few suggestions that can be looked upon by the government: there could be added advantages to purchase of EVs like tax rebates as an incentive towards contribution of GHG emission reduction, preference in parking and lanes, lower toll charges and zero surcharge on vehicle insurance. A carbon credit system at individual level can be developed.

(The writer is a Senior Research Analyst at VeKommunicate)

Green Trade

Climate Change can have tremendous impact on trade. Timely planning and intervention are required to make cooperation on trade attentive to the issue of climate change exigency. Especially, following the commitments global countries made at COP26, there has been a lot of focus on building synergies to decarbonise supply chains. There have been numerous breakthroughs in technology that have led to development of new and innovative products that could enable the green transition. However, not every country has an equal access to such technologies and products. Cooperation on trade is, therefore, very critical to increase the access to sustainable goods and green technology for all and to reduce trade barriers in their adoption. Countries can cooperate in incorporating green trade approach i.e., harnessing trade opportunities to create environmentally sustainable and resilient global supply chains.



Understanding Green Trade

Green Trade aims at promoting green goods by providing incentives for their adoption. This can be done by reducing or eliminating custom duties on environmental or green goods to increase their demand among businesses and consumers. Another way to promote trade in

green goods can be to put a price on exports of products with high carbon intensity. This will also create incentives for adoption of green goods. Increase in demand for green goods exports will help in scaling the production of green goods and will promote development of a green industrial base. Achieving an economy of scale in green goods will also help in bringing down their costs and increase the rate of their adoption. This will help countries to cut down their carbon emissions and achieve their target of achieving a net zero economy. Moreover, market for green exports helps create new well-paid jobs and enable circular business models to function more efficiently.

Further, due to the premiumisation attached with green goods, including green technology, interest of foreign investors has been increasing in green markets. There are numerous trade opportunities to invest in foreign green assets, technology and projects for better alignment of product standards with global norms. For e.g., India faces challenges in terms of commercial availability of hydrogen and feasibility of hydrogen production. To fill this gap, India can invest in foreign hydrogen assets and projects and increase its share of hydrogen in its energy mix. This will help India to manufacture products like green steel and attract foreign markets that want to procure such green goods. It is important to note that transitioning to a green world, not only requires to make green goods cheaper and affordable but it also requires to recalibrate the whole process of conducting businesses, across the value chains.

However, there exists numerous barriers to green trade including negative environmental impacts of present system of international trade and trade policies. For e.g., a few countries have been offshoring their carbon footprint either by exporting waste elsewhere and continuing production of harmful products such as virgin plastics or by importing harmful products produced unsustainability elsewhere. Moreover, cooperation on trade policy is also

required to create enablers for wider circulation of green goods and green technology to increase their consumption and demand.

Cooperation on Green Trade



Following are few of the areas that requires countries to cooperate to strengthen global efforts to promote green trade:

- **Harmonization of regulatory compliance:** There is need of an agreement to establish clear and strong global standards and global green taxonomy to create a level-playing field and to provide incentives to abide by common rules and regulations. This will encourage industries across the globe to evaluate their climate impact and adopt more environmentally suitable business models to better align themselves with global standards in order to receive trade benefits. Such an agreement will also promote active policymaking to harmonize the national regulations with the global standards and promote consistent planning for an efficient transition to green and circular economy.

- **Green Financing:** The reality cannot be denied that burning more energy is equivalent to increase in economic growth for many developing and least developed countries (LDCs) while adoption of cleaner technology and methods can be very costly. Therefore, there needs to provide incentives and support to developing countries and LDCs to transition to a green economy. For e.g., an enabling intellectual property and licensing laws can help

developing countries and LDCs to develop their capabilities and capacity for production of green goods while foreign funds can help in increase financial arrangements for growth of green exports businesses.

- **Green trade classifications:** There is a need to monitor trade flow and classify such trade flow as either harmful or sustainable in order to assess the impact of present trade on environment. Such classification will also help in creating better regulations to control and limit the flow of harmful products while encourage the flow of green and sustainable products.

Green Trade provides opportunities to increase greater access to environmental goods and services at a cheaper cost for all the countries. Growing demand for green goods and services, will also have an impact on government rules and regulations to encourage industry standards to be globally competitive. Industries need to evaluate their climate impact and adopt more environmentally suitable business models to better align themselves with global standards to benefit from current trends in trade. The government shall also initiate an active policymaking and consistent planning for an efficient transition to green and circular economy.

(The writer is an Account Executive at VeKommunicate)

Electric vehicles' future emissions

Electric vehicles have attracted widespread interest because of their ability to reduce energy consumption and emissions. Around the world, Governments and manufacturers continue to make new commitments for electric vehicle sales, and the cost of manufacturing electric vehicles continues to fall, making them more competitive with internal combustion vehicles.

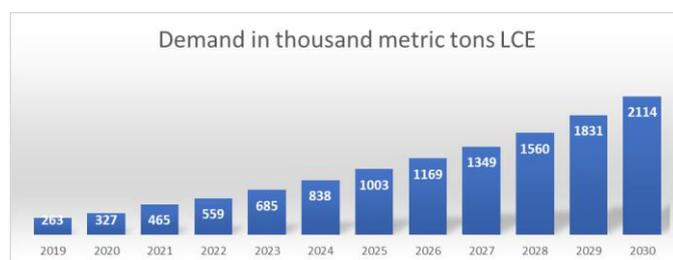
The Government of India also set a target of EV sales penetration of 30% of private cars, 70% of commercial cars, 40% of buses and 80% of two & three-wheelers by 2030.

EVs have a smaller environmental footprint than conventional internal combustion engine vehicles (ICEVs). Also, EVs are more efficient than internal combustion engines, but manufacturing batteries require additional resources and energy. Increasing EVs on roads may induce similar or alternative impacts such as environmental degradation, deforestation, and the rise of electric waste and its chemicals.

EVs indirectly contribute to carbon dioxide emissions. In the case of EVs, one's emissions are exported to some other country as it fulfils the battery production needs. EVs rely on rechargeable lithium-ion batteries to run. The process of making those batteries — from using mining raw materials to production in gigafactories and transportation — is energy-intensive and one of the biggest sources of carbon emissions from EVs. Gigafactories are facilities that produce EV batteries on a large scale.

“Producing electric vehicles leads to significantly more emissions than producing petrol cars. Depending on the country of production, that's between 30% to 40% extra in production emissions, which is mostly from the battery production.”

EV batteries require the mining of rare-earth elements such as lithium and cobalt. With the increase of EVs, these mineral demands will also increase. As most lithium is extracted from hard rock mines or underground brine reservoirs, and much of the energy used to extract and process it comes from CO₂-emitting fossil fuels. Particularly in hard rock mining, for every tonne of mined lithium, 15 tonnes of CO₂ are emitted into the air. According to Statista, the global demand for lithium is expected to be two million metric tons of lithium carbonate by 2030.



Source: Statista

Battery materials come with other costs, too. Mining raw materials are labour-intensive, requires chemicals and enormous amounts of water—frequently from areas where water is scarce—and can leave contaminants and toxic waste behind.

Despite these drawbacks, electric vehicles continue to become more affordable, and their sales share continues to grow. It will be increasingly important to understand the life-cycle environmental impacts of the technology. Governments and manufacturers worldwide are working to develop new manufacturing techniques or battery chemistries that can operate with more widely available and environmentally acceptable materials.

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