



December 01, 2022 – Thursday

Economy

India GDP growth slips to 6.3 pc in Q2, dragged down by manufacturing, mining sectors

India's economic growth slowed down to 6.3 per cent in the July-September quarter of this fiscal, dragged down mainly by the poor performance of manufacturing and mining sectors, official data showed on Wednesday. However, India remained the fastest-growing major economy as China registered an economic growth of 3.9 per cent in July-September 2022. The Indian economy grew by 8.4 per cent in July-September, 2021-22, as per the data released by the National Statistical Office (NSO). The gross domestic product (GDP) expanded by 13.5 per cent in the April-June quarter this fiscal. The second quarter GDP growth is almost at par with the RBI's projection of 6.1 per cent to 6.3 per cent released earlier this month in one of the articles published in its bulletin. As per the data, Gross Value Added (GVA) grew by 5.6 per cent to Rs 35.05 lakh crore in July-September this year.

<https://www.financialexpress.com/economy/india-gdp-grows-at-6-3-pc-in-jul-sept-quarter/2896990/>

Core sector output growth slows to 20-month low of 0.1 pc in October

The growth rate in the production of eight key sectors slowed down to a 20-month low of 0.1 per cent in October on account of contraction in the output of crude oil, natural gas, refinery products, and cement, according to the official data released on Wednesday. In October last year, these sectors expanded by 8.7 per cent. In September this year, the core sectors' output growth stood at 7.8 per cent. Last time it was in February 2021, when the eight infrastructure sectors — coal, crude oil, natural gas, refinery products, fertiliser, steel, cement and electricity — recorded a negative growth of 3.3 per cent. The growth rate during April-October this fiscal was 8.2 per cent as against 15.6 per cent a year ago.

<https://www.financialexpress.com/economy/core-sector-output-growth-slows-to-0-1-pc-in-october/2896934/>

Retail inflation for industrial workers eases to 6.08 pc in Oct, shows data

Retail inflation for industrial workers rose to 6.08 per cent in October from 6.49 per cent in September 2022 mainly due to lower prices of certain food items, according to the government data released on Wednesday. "Year-on-year inflation for the month stood at 6.08 per cent compared to 6.49 per cent for the previous month (September) and 4.52 per cent during the corresponding month (October 2021) a year before," a labour ministry statement said. Similarly, it stated that food inflation stood at 6.52 per cent against 7.76 per cent of the previous month (September, 2022) and 2.20 per cent during the corresponding month (October 2021) a year ago.

https://www.business-standard.com/article/economy-policy/retail-inflation-for-industrial-workers-eases-to-6-08-pc-in-oct-shows-data-122113001051_1.html

India's fiscal deficit widens to Rs 7.58 lakh cr in Apr-Oct FY23; hits 45% of FY23 target

India's fiscal deficit for the for the months of April to October widened to Rs 7.58 lakh crore, over 45% of FY23's target, the central government reported on Wednesday. The fiscal deficit for April-October FY22 clocked in at only 36.3% of the budget. When FM Sitharaman reported the Finance Budget for FY23, the Finance Minister announced that India will seek to reduce the fiscal gap by 30 bps to 6.4% of the GDP, instead of 6.7% during FY22. The data showed that the total receipts were Rs 13.86 lakh crore rupees, whereas the total expenditure was Rs. 11.71 lakh

crore. The tax revenue component of the revenue receipts was Rs 11.71 lakh crore, while the non-tax revenue was Rs 1.79 lakh crore.

<https://www.financialexpress.com/economy/indias-fiscal-deficit-widens-to-rs-7-58-lakh-cr-in-apr-oct-fy23-hits-45-of-fy23-target/2896893/>

Heat stress may wipe out 4.5% of India's GDP, cost 34mn jobs by 2030

Heat stress is likely to wipe out 4.5% of India's GDP – between \$150-250 billion – by 2030, but using alternative and innovative energy-efficient technologies to meet its cooling needs will open investment opportunity of \$1.6 trillion by 2040 for the country, a World Bank study released on Wednesday said. Extreme heat and periodic heatwaves experienced in the country this year are part of a trend of increasing temperature, and India is likely to account for 34 million of the 80 million jobs lost to heat stress by the end of the decade, it said. The challenge for India is to meet its growing cooling needs without adding to its greenhouse gas emissions and it is possible through use of innovative technologies that would also help emissions significantly and create nearly 3.7 million jobs, according to the report, 'Climate Investment Opportunities in India's Cooling Sector'.

<https://economictimes.indiatimes.com/news/economy/indicators/heat-stress-may-wipe-out-4-5-of-indias-gdp-cost-34mn-jobs-by-2030/articleshow/95894524.cms>

Govt aims to cross 10 mn job-mark from digital economy in 2 yrs: Vaishnav

The government has set a target to cross 1 crore job-mark in the next 2 years in three main segments of digital economy -- electronics, startups and IT, and IT-enabled services, minister for IT and Communications Ashwani Vaishnav said on Wednesday. While speaking at an ESCSTPI event for startups, Vaishnav said three big pillars of digital economy -- electronics manufacturing, IT and ITes, startups -- they have created 88-90 lakh jobs. "Government has set a target that in this we should be easily crossing 1 crore jobs in the coming two years without any doubt," the minister said. He said that the digital economy and its associated employment is a major trend now and the other trend is diversity.

https://www.business-standard.com/article/current-affairs/govt-aims-to-cross-10-mn-job-mark-from-digital-economy-in-2-yrs-vaishnav-122113000682_1.html

Banking and Finance

Economic uptick boosts credit offtake beyond 20% in retail, services

The credit offtake remained robust across sectors — farming, industry, services, and retail — in October, the start of a busy season, on increased demand amid economic upturn and festivals. Credit growth on a year-on-year (YoY) basis in the retail segment -- comprising households and individuals -- and the services sector crossed the 20 per cent mark. Retail loans expanded by 20.2 per cent in October 2022, against 12.6 per cent a year ago. The rise in credit offtake was largely driven by the housing and vehicle loans segments. Reserve Bank of India (RBI) data showed that credit to the services sector accelerated to 22.5 per cent YoY in October 2022, from 2.8 per cent a year ago. The surge was mainly due to credit offtake by financial companies and the trade sector. The credit to industry — small, medium, and large — registered 13.6 per cent growth in October 2022 versus 3.3 per cent growth in October 2021. Size-wise, credit to large industry accelerated 10.9 per cent, against a contraction of 0.4 per cent a year ago. Medium industries recorded credit growth of 31.0 per cent in October 2022, as compared with 35.1 per cent a year ago.

https://www.business-standard.com/article/economy-policy/credit-offtake-crosses-20-mark-in-retail-and-services-in-october-22-122113000974_1.html

RBI cautions banks against frauds in a/cs linked to direct benefit transfer

The Reserve Bank of India (RBI) has cautioned banks against increasing instances of fraud in accounts linked to the government's direct benefit transfer (DBT) and asked them to step up their vigilance and build in more stringent checks. The issue was flagged by the banking regulator in a recent meeting with bankers. The regulator wants lenders to be more proactive and keep a check on unusual withdrawals or transactions, said a senior executive aware of the development.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-cautions-banks-against-frauds-in-a/cs-linked-to-direct-benefit-transfer/articleshow/95894733.cms>

e-Rupee may offer same anonymity as dealing in cash

The central bank has asked lenders not to report low-value transactions made via the digital rupee, seeking to ensure its proposed virtual currency offers a similar degree of anonymity associated with paper money for business exchanges below a material value threshold. Bankers told ET that once the CBDC-R (Central Bank Backed Digital Currency-Retail) is transferred to customer wallets, banks will not track or report these transactions. "These transactions don't leave a trace in the core banking system and that's why they are more anonymous than the current digital transactions," said a senior official at a bank involved in the Reserve Bank of India (RBI) pilot project. Hence, the RBI has asked banks "not to report these wallet transactions as part of mandatory regulatory reporting".
<https://economictimes.indiatimes.com/news/economy/policy/e-rupee-may-offer-same-anonymity-as-dealing-in-cash/articleshow/95897739.cms>

Fintechs brace for consolidation as RBI digital norms kick in

The fintech industry is bracing for consolidation in the coming months owing to higher compliance costs across the board and as some smaller players are still struggling to meet the Reserve Bank of India's digital lending norms, which will come into effect from Thursday. While larger, more established fintechs — especially those with an NBFC licence — have had it relatively easier in terms of complying with the guidelines, the smaller and newer technology-led players are struggling with compliance.
<https://www.thehindubusinessline.com/money-and-banking/fintechs-brace-for-consolidation-as-rbi-digital-norms-kick-in/article66205861.ece>

Large NBFCs to diversify into SME, used-vehicle loans in FY24, says Crisil; here's why

Large non-banking financial companies (NBFCs) will be looking to diversify into unsecured loans including credit to SMEs and consumer loans, secured SME loans and used vehicle loans next fiscal amid high competition from banks and a rising interest rate environment, said credit rating agency Crisil on Wednesday. Competition from banks will remain intense and the rising interest rate environment will exert pressure on margins and limit competitive ability, especially in the largest traditional segments of home loans and new vehicle finance, said Gurpreet Chhatwal, Managing Director, CRISIL Ratings. Hence, diversification into higher-yielding segments such as unsecured loans (consumer loans and SME loans), used-vehicle loans, and secured SME loans will be the focus areas for the larger NBFCs, he said.
<https://www.financialexpress.com/industry/sme/msme-fin-large-nbfc-to-diversify-into-sme-used-vehicle-loans-in-fy24-says-crisil-heres-why/2896538/>

Industry

India Inc red flags several Competition Bill clauses

A number of industry and trade bodies have expressed concerns against certain provisions of the Competition (Amendment) Bill, 2022 which is pending examination and report before the Parliamentary Standing Committee on Finance. They have, among other things, demanded withdrawal of a provision on compulsory pre-deposit of penalty for effecting an appeal before NCLAT, describing the 25 per cent level as "confiscatory" in nature.
<https://www.thehindubusinessline.com/economy/india-inc-red-flags-competition-law-reforms/article66204238.ece>

India now biggest smartwatch market globally, grew 171% in Q3 2022

India's market grew 171 per cent (year-over-year) to become the biggest smartwatch market globally in Q3 2022, a new report showed on Tuesday. Despite inflation and geopolitical crises that have continued since the beginning of this year, the global smartwatch market shipments increased 30 per cent (year-over-year) in Q3, according to Counterpoint Research. "India's smartwatch market grew 171 per cent (year-over-year) in Q3 2022 to become the biggest market in the world. The main factor behind the record quarter was India's festive season. Indian brands expanding their product portfolios at affordable price points and emphasis on local manufacturing also contributed to the growth," said Senior Analyst Anshika Jain.
https://www.business-standard.com/article/technology/india-now-biggest-smartwatch-market-globally-grew-171-in-q3-2022-122112901057_1.html

Cyber attack: 67 of SMBs using infrastructure-as-a-service hit by ransomware, says survey

As small and medium businesses (SMBs) globally move to the cloud or accelerate their cloud adoption, the chances of cyberattacks on the cloud also go up, indicating gaps in cloud defences for these organisations. According to a survey commissioned by cloud security company Sophos of 4,984 IT professionals in SMBs across 31 countries using Infrastructure as a Service (IaaS), 67 per cent reported that their organisations were hit by ransomware over the last year. Ransomware is a malware that doesn't allow the user to access files on their computer. It encrypts the files and demands a ransom payment for the decryption key. The survey said 56 per cent of respondents noted an increase in the volume of attacks on their organisations while 59 per cent experienced an increase in the complexity of attacks and 53 per cent saw an increase in the impact of attacks on their businesses. The survey was conducted by the UK-based research agency Vanson Bourne to assess the benefits of strong or advanced IaaS adoption for businesses experiencing cyber threats.

<https://www.financialexpress.com/industry/sme/msme-tech-cyber-attack-67-of-smbs-using-infrastructure-as-a-service-hit-by-ransomware-survey/2896660/>

Agriculture

Investment in agri tech startups jumps 2-fold to \$4.6 billion in FY22

Investment in technology startups in the agriculture and food sector jumped over twofold to USD 4.6 billion during the last fiscal on the back of higher inflow in restaurant marketplace and e-grocery, according to a report by AgFunder and Omnivore. "Total investment in agrifoodtech startups for India's fiscal year (FY) 2022 stood at USD 4.6 billion, up 119 per cent from FY2021. Deal volume also increased to 234 in FY2022 as compared to 189 deals in FY2021," according to the report titled 'India AgriFoodTech Investment Report 2022'. "Downstream investments continue to boost overall funding into the agrifoodtech space. Downstream startups raised USD 3.8 billion in FY2022, a 115 per cent increase from USD 1.77 billion in FY'2021. This significant growth is due to Swiggy which raised USD 1.2 billion accounting for 26 per cent of total investment in the agrifoodtech space," the report said.

https://www.business-standard.com/article/companies/investment-in-agri-tech-startups-jumps-2-fold-to-4-6-billion-in-fy22-122113000675_1.html

Infrastructure

Shipping industry digitisation: Govt pitches for time-bound action plans, adoption of maritime 'single window system'

The government has pitched for time-bound action plans and adoption of a maritime 'single window system' as part of digitisation of the shipping industry. Speaking during the ongoing 128th Session of the Council of International Maritime Organisation being held in London, Ports, Shipping and Waterways secretary Sanjeev Ranjan said time-bound action plans for digitisation should be part of the International Maritime Organisation (IMO) strategic directions. "India supports UAE's proposal to include the element of digitization in the next Strategic Plan as well as the adoption of a maritime single window system as a part of the digitization initiative, since it will help in resolving the regulatory bottlenecks faced in the maritime industry.

<https://economictimes.indiatimes.com/industry/transportation/shipping-/transport/shipping-industry-digitisation-govt-pitches-for-time-bound-action-plans-adoption-of-maritime-single-window-system/articleshow/95886690.cms>

Energy

Kirit Parikh panel suggests market-determined pricing for APM gas

The committee on fair price of natural gas to the end-consumer, chaired by former Planning Commission member Kirit Parikh, on Wednesday submitted its report to the government suggesting pricing freedom on gas produced from legacy fields or APM gas. The committee suggested a floor price of \$4/mBtu and a ceiling price of \$6.5/mBtu for gas produced under the administered price mechanism (APM). At present, the price is \$8.57/mBtu till March 2023.

<https://www.thehindubusinessline.com/economy/kirit-parikh-panel-suggests-market-determined-pricing-for-apm-gas/article66205867.ece>

Discoms' outstanding dues dip by Rs 24,689 cr to Rs 1,13,269 cr in last 6 months: Power Ministry

The Ministry of Power on Wednesday said outstanding dues of electricity distribution firms (discoms) towards gencons, transcos and traders have come down by Rs 24,680 crore to Rs 1,13,269 crore in the last six months. "With the implementation of Electricity (LPS and Related Matters) Rules, 2022, remarkable improvement has been seen in recovery of outstanding dues of Suppliers including Generating Companies, Transmission Companies and Traders," a power ministry statement said. The total outstanding dues of states (discoms) which were at Rs 1,37,949 crore as on June 3, 2022 have been reduced by Rs 24,680 crore to Rs 1,13,269 crore with timely payment of just four EMIs (equated monthly installments), it stated. For the payment of EMI of Rs 24,680 crore, five states have taken a loan of Rs 16,812 crore from PFC (Power Finance Corporation) and REC Ltd and eight states have opted to make their own arrangement, it said.

<https://www.financialexpress.com/industry/discoms-outstanding-dues-dip-by-rs-24689-cr-to-rs-113269-cr-in-last-6-months-power-ministry/2896849/>

Telecom

50% subscriptions in India to be 5G by 2028: Ericsson Mobility report

Rapid 5G deployment by Indian telecom firms will enable 5G subscriptions to reach around 31 million by end of 2022, and 690 million by 2028, according to the November Ericsson Mobility report. The report said average data traffic per smartphone remains the highest in India globally. "It is projected to grow from 25 GB per month in 2022 to around 54 GB per month in 2028 – a CAGR of 14 percent," said the report, which was released on Wednesday. The total mobile data traffic in the India region is estimated to grow from 18 exabyte (EB) per month in 2022 to 53 EB per month in 2028, growing at a compounded annual rate of 19 per cent.

https://www.business-standard.com/article/companies/50-subscriptions-in-india-to-be-5g-by-2028-ericsson-mobility-report-122113000991_1.html

Healthcare

Various healthcare initiatives by Modi govt brought down MMR: Mandaviya

Various healthcare initiatives taken up by Prime Minister Narendra Modi-led government in order to ensure quality maternal and reproductive care have yielded results and helped tremendously in bringing down maternal mortality rate, said Union health minister Mansukh Mandaviya. India's Maternal Mortality Ratio (MMR) for the year 2018-20 was at 97, according to the data released by the Office of the Registrar General under the Ministry of Home Affairs on Tuesday. In 2014-16, the MMR was 130 which has seen a steady decline since then.

https://www.business-standard.com/article/current-affairs/various-healthcare-initiatives-by-modi-govt-brought-down-mmr-mandaviya-122113000694_1.html

External

India-Australia Trade Deal to come into force from December 29

The free trade agreement between India and Australia will come into force from December 29, a move which will help in almost doubling the bilateral commerce to USD 45-50 billion in around five years. "The (Anthony) Albanese government welcomes confirmation today that the Indian Government has completed its domestic requirements to enable implementation of the Australia-India Economic Cooperation and Trade Agreement (ECTA)," Australian Minister for Trade and Tourism Don Farrell said in a statement on Wednesday. "This trade agreement will deliver new market access opportunities for Australian businesses and consumers from 29 December 2022," it said. The agreement, which was signed on April 2, would provide duty-free access to Indian exporters of over 6,000 broad sectors, including textiles, leather, furniture, jewellery and machinery in the Australian market.

<https://www.financialexpress.com/economy/india-australia-trade-deal-to-come-into-force-from-december-29/2896768/>

UAE plan to link India CEPAs with other CEPAs for maximum benefit to both sides

UAE's newly appointed envoy to India and youngest envoy in town Dr. Abdalnasser Alshaali has affirmed that UAE and his priority will be to strengthen India-UAE CEPA and link it with UAE's CEPA's with other countries that leads to win-win situation for both. Alshaali also informed that UAE is building strategic food reserves to store Indian food exports & supplies to UAE. In an exclusive interview with ET days after presenting his credentials he described UAE as India's reliable energy supplier and described India as UAE's reliable partner for food security. Third country partnerships will also be key pillar of India-UAE ties besides space and defence, he noted.

<https://economictimes.indiatimes.com/news/india/uae-plan-to-link-india-cepas-with-other-cepas-for-maximum-benefit-to-both-sides/articleshow/95899020.cms>