



December 13, 2022 – Tuesday

Economy

Industrial production contracts 4 pc in October: Government data

India's industrial production contracted by 4 per cent in October, mainly due to a decline in the manufacturing sector output and subdued growth in mining and power generation, according to official data released on Monday. The Index of Industrial Production (IIP) had grown 4.2 per cent in October 2021. As per the IIP data released by the National Statistical Office (NSO), the manufacturing sector's output declined by 5.6 per cent in October 2022. The mining output rose by a meagre 2.5 per cent and power generation increased by 1.2 per cent during the month.

<https://www.financialexpress.com/economy/industrial-production-contracts-4-pc-in-october-government-data/2910379/>

Retail inflation falls to 11-month low of 5.88 pc in November

Retail inflation fell to an 11-month low of 5.88 per cent in November, mainly due to softening prices of food items, official data showed on Monday. This is the first time in 11 months that the retail inflation print has come within the RBI's tolerance band of 4 (+/- 2) per cent. The consumer price index (CPI) based retail inflation was 6.77 per cent in October 2022, and 4.91 per cent in November last year. As per the data released by the National Statistical Office (NSO), inflation in the food basket was 4.67 per cent in November, against 7.01 per cent in the previous month. After remaining above the Reserve Bank's upper tolerance threshold of 6 per cent since January, retail inflation has declined to its lowest level in 11 months. In December 2021, the retail inflation stood at 5.66 per cent.

<https://www.financialexpress.com/economy/retail-inflation-falls-to-11-month-low-of-5-88-pc-in-november/2910354/>

Govt not to make public RBI report on reasons for inflation target breach

The government on Monday ruled out making public the RBI report detailing the reasons why the central bank could not keep inflation within the targeted 6 per cent upper limit for the three consecutive quarters. "Yes sir, RBI has furnished a report to the central government, as mandated under Section 45ZN of the RBI Act, 1934 and Regulation 7 of RBI Monetary Policy Committee and Monetary Policy process Regulations, 2016," minister of state for finance Pankaj Chaudhary said in a written reply. The said provisions of the RBI Act, 1934, and regulations therein does not provide for making the report public, he said. The average inflation was above the upper tolerance level of the inflation target, that is 6 per cent for 3 consecutive quarters during January-September, 2022.

https://www.business-standard.com/article/economy-policy/govt-not-to-make-public-rbi-report-on-reasons-for-inflation-target-breach-122121200671_1.html

White collar hiring jumps 6 per cent: foundit Insights Tracker

White collar hiring in India recorded a substantial increase of 6 per cent month-on-month, showcasing the resilience of the Indian job market amid an anticipated slowdown in the global economy, according to foundit Insights Tracker (earlier known as Monster Employment Index). Even though a marginal dip (-1 per cent) was observed annually in the foundit Insights Tracker (fit), a steady surge was observed month-on-month in key employment industries such as real estate, retail and banking and finance. A revival in the IT and media industries was also observed — after months of decline — indicating a positive sentiment in hiring. Tier 2 cities continue exhibiting a positive hiring

outlook as well. Commenting on job trends for the month of November 2022, Sekhar Garisa, CEO - foundit (previously Monster APAC & ME), a Qess company, said: "Hiring in key industries such as real estate, retail, tech [TS2] and BFSI have been on an upward trajectory despite a slow-growing economy and high inflation. Despite a slowdown in hiring for tech talent for the past few months, several industries, such as education and healthcare, are increasingly relying on technology to drive efficiency and productivity, indicating skilled talent will always be in demand. The boom in the Indian real estate sector is also indicative of the spending power of Indians who are willing to invest for a better future. Overall, the outlook for the Indian job market is positive and will only continue to do better in the coming months."

<https://www.thehindubusinessline.com/economy/white-collar-hiring-jumps-6-per-cent-foundit-insights-tracker/article66255666.ece>

Banking and Finance

ECLGS: 57% of Rs 5 lakh cr disbursed till Nov; NPAs at 3.89%

The government's flagship credit support scheme for MSMEs Emergency Credit Line Guarantee Scheme (ECLGS) has sanctioned 1.19 crore loans (borrowers) involving 71 per cent or Rs 3.58 lakh crore of the total scheme limit of Rs 5 lakh crore while 57 per cent or 2.85 lakh crore loans have been disbursed as of November 30, 2022. Out of the total sanctioned amount, 66 per cent has been extended to MSME borrowers while 95.17 per cent of loans sanctioned also belonged to MSMEs. The data was shared by the Minister of State in the finance ministry Bhagwat Karad in the Lok Sabha on Monday. In terms of bad loans under ECLGS, the non-performing assets (NPAs) as a percentage of loans guaranteed was 3.89 per cent amounting to Rs 13,964.58 crore, according to the data cited from the National Credit Guarantee Trustee Company (NCGTC) which guarantees coverage to member lending institutions under ECLGS.

<https://www.financialexpress.com/industry/sme/msme-fin-eclgs-57-of-rs-5-lakh-cr-disbursed-till-nov-npas-at-3-89/2910272/>

Bank credit to exporters shrinks 25% as exports dip in October

The impact of slowing global trade is beginning to show on credit demand from Indian exporters, with export credit by banks shrinking nearly a quarter year-on-year at the end of October, pointing to further likely slowdown in overseas merchandise shipments. Exports contracted in October after a gap of 19 months. Merchandise exports slipped below the level of \$30 billion for the first time in the last 20 months. This marked a contraction of 16% on sequential basis and a hefty 17% on annualised basis. "Headwinds are clearly visible in the global trade accentuated by geopolitical tensions, rising inflation, impending recession and currency volatility," said Yogesh Gupta, eastern region chairman of the Federation of Indian Export Organisations ..

<https://economictimes.indiatimes.com/news/economy/foreign-trade/bank-credit-to-exporters-shrinks-25-as-exports-dip-in-october/articleshow/96180807.cms>

State-run banks told to review non-core businesses

The government has asked state-run banks to review their non-core businesses and ready themselves to align with new regulations over such investments that the Reserve Bank of India is expected to announce soon, people familiar with the development said. The banking regulator is expected to come out with a more stringent regulatory framework. The changes are likely to be effected through an amendment to the Banking Regulations Act.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/state-run-banks-told-to-review-non-core-businesses/articleshow/96180461.cms>

Gold loan NBFCs see demand surge

Gold loan non-banking finance companies (NBFCs) are witnessing an increase in demand as prices of the precious metal have risen in the past one month. The average ticket size has increased to ₹69,000 from ₹50,000 about two months ago, with higher demand in northern India, said industry executives. On Monday, prices of 24-carat gold were hovering around ₹55,540 per 10 gm, up from ₹52,000 a month ago. "A rising gold price always is a win-win situation for the customers and the gold loan company," said Muthoot Fincorp managing director John Muthoot. "In the last three months, gold prices have shown an upward trend and in the last month it has appreciated more. If this trend in gold prices continues, then from January 15 to September, we will witness good business."

<https://economictimes.indiatimes.com/industry/banking/finance/gold-loan-nbfc-see-demand-surge/articleshow/96180954.cms>

Net direct tax collection rises 24% to Rs 8.77 lakh crore

India's net direct tax collection grew 24% to Rs 8.77 lakh crore in the April-November of the ongoing fiscal, the Finance Ministry tweeted on Monday. With this, the direct tax collection has reached around 61.79% of the full-year Budget Estimates (BE) for FY2023. "Direct tax collection net of refund stands at Rs 8.77 lakh crore as of November 30, which is 24.26 per cent higher than the net collection for the corresponding period last year," the ministry tweeted. The collection accounts for 61.79% of Budget Estimates for FY 2022-23.

<https://economictimes.indiatimes.com/news/economy/indicators/net-direct-tax-collection-up-24-to-rs-8-77-lakh-crore/articleshow/96162818.cms>

GST claims of states to be cleared moment AG certificate is received, says Nirmala Sitharaman

Union Finance Minister Nirmala Sitharaman on Monday said GST claims of state governments will be cleared once she gets relevant papers along with a certificate from their respective accountant generals. She also said in Lok Sabha that the central government is committed to pay all Goods and Services Tax (GST) compensation to states and has been doing so continuously for the last five years. The respective accountant general (AG) has to provide a certificate that the particular state has to get this much of compensation, the finance minister said. "If there is a delay in the AG certified claim from states, obviously that (GST compensation) is pending. So, when the AG certificate along with the state's claim comes, at that moment the money will also get released," she said during the Question Hour.

<https://www.financialexpress.com/economy/gst-claims-of-states-to-be-cleared-moment-ag-certificate-is-received-says-nirmala-sitharaman/2910130/>

Industry

Top five steel cos, few others selected to invest under PLI scheme for specialty steel

The top five steel companies -- Tata Steel, JSW Steel, JSPL, AMNS India and SAIL -- dominate the list of qualifiers under the PLI scheme for specialty steel. Besides, there are a few others like Gallant Metalliks, Shyam Metallics Flat Products, and Sunflag Iron and Steel who have been selected to invest under the production linked incentive (PLI) scheme. The proposed investments are expected to generate 70,000 job opportunities and add 26 million tonnes of specialty steel capacity in the country. As per an official document, Tata Steel has submitted applications to manufacture seven types of speciality steel products, while JSW Steel submitted for six categories.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/top-five-steel-cos-few-others-selected-to-invest-under-pli-scheme-for-specialty-steel/articleshow/96181019.cms>

India's steel output grows 5% to 10.34 million tonne in Nov, says report

India's crude steel output rose by about 5 per cent to 10.34 million tonne (MT) in November 2022, according to SteelMint India. As per the research firm, the top six steel makers -- SAIL, Tata Steel, JSW Steel, JSPL, AMNS India and RINL -- produced 6.28 MT steel and the rest 4.06 MT came from the secondary sector. The country had produced 9.88 MT of steel during the same month of 2021, the SteelMint data showed. In November 2021, large producers jointly manufactured 6.09 MT steel, while the secondary industry produced 3.79 MT, it added. The production of finished steel rose 3.41 per cent to 9.55 MT from 9.23 MT in November last year. The consumption of the alloy surged 13.42 per cent to 9.66 MT in November against 8.52 MT a year ago.

https://www.business-standard.com/article/economy-policy/india-s-steel-output-grows-5-to-10-34-million-tonne-in-nov-says-report-122121200409_1.html

Nearly 8,000 MSMEs shut in FY23 so far: Govt data

The total number of Udyam-registered MSMEs shut down due to various reasons between April 1 and December 8 in the current financial year stood at 7,995, said Minister of State in the MSME ministry Bhanu Pratap Singh Verma citing data from the Udyam portal on Monday in a written reply to a question in the Rajya Sabha. Moreover, the number of MSMEs recording a decline in their turnover compared to the previous financial year and which were also re-classified was 19,706. The minister was responding to a question on the number of MSMEs that got shut after Covid and also saw a drop in turnover.

<https://www.financialexpress.com/industry/sme/msme-eodb-nearly-8000-msmes-shut-in-fy23-so-far-govt-data/2910458/>

Rural markets come back to life, automakers see significant pick-up in demand

A strong pickup in the sales of two-wheelers, small cars and tractors in recent months suggests improving consumer sentiment in rural India, a key market for these products where demand has been subdued due to the economic impact of the pandemic. Retail sales of two-wheelers in India rose in strong double digits in the last two months, and demand in rural markets is seen as a strong contributor to the growth. For tractors, the numbers in November entered the positive territory for the first time after the first quarter in the current financial year.

<https://economictimes.indiatimes.com/industry/auto/auto-news/rural-markets-come-back-to-life-automakers-see-significant-pick-up-in-demand/articleshow/96180886.cms>

New norms put brakes on EV firms, battery companies

Electric vehicle (EV) and battery makers have been hit by recent rules on battery safety and local value addition as the shorter timeline to certify their products could affect short-term production as well as sales, according to multiple EV and battery makers. The Ministry of Road Transport and Highways recently amended the AIS156 norms, a stringent testing and certification standard, to ensure better safety following a spate of fire-related incidents involving EVs in summer. "The new standards require a redesign of the battery packs, BMS (battery management systems), as well as the development of new tooling for the aluminium casing and new capital equipment," said Anand Kabra, managing director of Battrix, a battery pack supplier for electric two-wheelers.

<https://economictimes.indiatimes.com/industry/auto/auto-news/new-norms-put-brakes-on-ev-firms-battery-companies/articleshow/96162535.cms>

'FMCG companies expect demand in small towns to improve from next year'

Rural demand for the fast moving consumer goods (FMCG) sector is expected to improve from early next year after almost four quarters of downturn with inflation beginning to moderate and farm income expected to improve, Crisil Ratings said on Monday. Urban demand for FMCG products is expected to remain steady in the next quarter, the analytics and research advisory said in its quarterly sector update. Overall, FMCG sales in the country is expected to grow 7-9% by revenues in 2022-23, driven by price hikes, while volume growth will be muted at 1-2%, Crisil said. The sector had grown 8.5% in revenues and 2.5% in volumes last fiscal.

<https://economictimes.indiatimes.com/industry/cons-products/fmcf/fmcf-companies-expect-demand-in-small-towns-to-improve-from-next-year/articleshow/96180916.cms>

Agriculture

Paddy procurement for central pool up 13% at 38 million tonnes till December 11

Procurement of paddy for the central pool in the ongoing 2022-23 kharif marketing season was 13% higher at 38.06 million tonnes as on December 11, compared with 33.62 million tonnes a year earlier, according to latest data from Food Corporation of India (FCI). The data indicates that this year, the government is actively procuring paddy to fill up its stocks, said Tarun Satsangi, assistant general manager at Origo Commodities, which focuses on commodity supply chain, post-harvest management, trade and finance. Trade sources believe this year the government's paddy stocks would be 5% higher than last year, touching 80 mt.

<https://economictimes.indiatimes.com/news/economy/agriculture/paddy-procurement-for-central-pool-up-13-at-38-million-tonnes-till-december-11/articleshow/96180445.cms>

Infrastructure

Government not granting any non-metro airport as new point of call for foreign airlines

The government is not granting any non-metro airport as a new point of call for foreign airlines to operate passenger services considering the significant imbalance in favour of such carriers, Rajya Sabha was informed on Monday. The government follows a policy of promoting more international operations by Indian carriers from non-metro points either directly or through their own domestic and international operations, minister of state for Civil Aviation, V K Singh said in a written reply. The minister also said that Indian designated carriers are free to mount scheduled

operations to/from any airport to foreign destinations under the ambit of bilateral air services agreements concluded by India with foreign countries.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/government-not-granting-any-non-metro-airport-as-new-point-of-call-for-foreign-airlines/articleshow/96180007.cms>

Energy

Parliament passes bill to promote non-fossil energy sources and carbon credit trading

India's Parliament has passed a Bill seeking to mandate the use of non-fossil energy sources such as biomass, ethanol and green hydrogen. The Energy Conservation (Amendment) Bill, 2022 cleared in Rajya Sabha - the Upper House - by a voice vote, after having passed the Lower House in the August session earlier this year. The legislation provides for penalties for violations by industrial units or vessels, and on manufacturers if a vehicle fails to comply with fuel consumption norms, including amendments to promote renewable energy and the development of a domestic carbon market to battle climate change.

<https://economictimes.indiatimes.com/industry/renewables/parliament-passes-bill-to-promote-non-fossil-energy-sources-and-carbon-credit-trading/articleshow/96175271.cms>

All-India electricity demand may grow 7 pc to 1,480 BU in FY23: Icra

The all-India electricity demand is expected to grow 7 per cent to 1,480 billion units (BU) in the ongoing financial year, according to Icra. In the preceding 2021-22 fiscal, the all-India power demand was at 1,380 BU, the ratings agency said on Monday. "All-India electricity demand to remain healthy at over 7 per cent in FY23 despite growth slowdown post Q1 of this fiscal, and grow at 5-5.5 per cent in FY24," Icra said in a report. The estimates are based on the fact that all-India electricity demand increased 10.6 per cent year-on-year in first eight months of FY2023, amid a severe heat wave in north and central India, it said.

<https://www.financialexpress.com/industry/all-india-electricity-demand-may-grow-7-pc-to-1480-bu-in-fy23-icra/2910395/>

Govt says taking all required steps to boost coal production

The government on Monday said it is taking all required steps as well as coordinating with state and central agencies to start new coal mines and increase output from the operational mines. The country's coal production target is 900 million tonnes and the contribution of captives/ commercial mines will be significant, according to Coal secretary Amrit Lal Meena. The production of dry-fuel from coal blocks during April-November period of FY'23 was reviewed by the coal secretary with project proponents of operational coal blocks, as per a coal ministry statement. He also asked the project proponents to approach the ministry for early resolution of issues that impact coal production.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/govt-says-taking-all-required-steps-to-boost-coal-production/articleshow/96179549.cms>

States

Rajasthan is making efforts to achieve Rs 1 trn exports target: REPC chief

The Rajasthan government is finalising initiatives, such as providing technology support and holding trade fairs for industries, to realise its exports target of Rs 1 trillion in the next two years. "The exports from the state in 2021-22 increased to Rs 72,000 crore from over Rs 52,700 crore a year earlier, and the state is making efforts to take this figure to Rs 1 trillion in the next two years," said Rajiv Arora, chairman of Rajasthan Small Industries Corporation and Rajasthan Export Promotion Council (REPC). The REPC, an autonomous body, provides export facilitation across sectors. It offers inputs to the central and state governments on matters, such as infrastructure and policy formulation. "Despite not having a port, the state is seeing robust growth in exports thanks to the government's industry- and exports-friendly policies," he said.

https://www.business-standard.com/article/economy-policy/work-in-progress-for-rs-1-trillion-in-exports-target-in-rajasthan-122121200724_1.html

External

Gems, jewellery exports in November rise 12 pc year-on-year

India's gems and jewellery exports in November rose after a steep fall the previous, thereby indicating a resumption in manufacturing activity post the Diwali break, said the Gem and Jewellery Export Promotion Council (GJEPC) on Monday. In November 2022, India's gems and jewellery exports grew 11.83 per cent to Rs 19,855.17 crore as compared to Rs 17,755.28 crore for the same month last year. On a cumulative basis so far this fiscal -- April-November 2022, the overall gross exports of gems and jewellery witnessed a growth of 8.26 per cent to Rs 208,039.06 crore as compared to Rs 192,161.85 crore same month last year. "November is usually marked with the resumption of manufacturing post the Diwali break that resulted in rise in gem and jewellery exports by 12 per cent. The USA and Hong Kong remained the two biggest pillars of India's overall gem and jewellery export growth for the period of April to November 2022, accounting for USD 9211.39 million and USD 5781.90 million, respectively," said Vipul Shah, Chairman of GJEPC, in a statement.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/gems-jewellery-exports-in-november-rise-12-pc-year-on-year/articleshow/96177483.cms>

India imports coal worth Rs 2.3 lakh cr in Apr-Sep FY23

India imported 131.92 million tonne of coal worth Rs 2.3 lakh crore in April-September period of ongoing financial year. In FY22, the country's coal import of 208.93 million tonne (MT) was worth Rs 2,28,741.8 crore, Coal Minister Pralhad Joshi said in a reply to the Rajya Sabha. The coal import was 215.25 MT in FY21, 248.54 MT (FY20), 235.35 MT (FY19) and 208.25 MT (FY18), the minister said. Import of coal in India consists mainly of coking coal and high grade coal, whose prices are normally higher than thermal coal. The average landed price per tonne of imported coal up to September of current financial year was Rs 19,324.79 while the average notified price per tonne (ex-colliery) of domestic coal was Rs 2,662.97 in the same period.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-imports-coal-worth-rs-2-3-lakh-cr-in-apr-sep-fy23/articleshow/96169689.cms>