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Economy

PM Modi to chair second meeting of chief secretaries on January 5-7

Prime Minister Narendra Modi will chair the second national conference of chief secretaries of states in New Delhi between January 5 and 7, ahead of Union Budget 2023. The three-day conclave will focus on two broad pillars: Growth & Jobs, and Health, Gender & Climate. It will also set the agenda for the next meeting of the Governing Council of Niti Aayog, which is a platform for the Prime Minister and state chief ministers. "There will be sessions on multiple topics under the two broad pillars, such as infrastructure, job creation, self reliance in agriculture, climate and climate financing, ease of living, and other such topics," a senior central government official told *Business Standard*.

https://www.business-standard.com/article/economy-policy/pm-modi-to-chair-second-meeting-of-chief-secretaries-on-january-5-7-123010100587_1.html

Digital economy poised for strong 2023, says MoS IT Rajeev Chandrasekhar

India's digital prowess will grow in 2023 and over the next five years, driven by technology, start-ups, semiconductors, electronics and computing, IT Minister Rajeev Chandrasekhar has said allaying any concerns over tech winter, and predicting spring for the country's booming innovation ecosystem. The comments by the IT minister are significant given the backdrop of slowdown headwinds in the West, recent spate of layoffs by US tech giants, global market turmoil, and talks of tech winter. He exuded confidence that India's trillion dollar digital economy vision is "well within our grasp" and "an absolutely incontrovertible fact". The momentum of digital economy will continue in 2023, backed by enabling rules and laws that offer catalysing framework for technological growth and innovation, he promised.

https://www.business-standard.com/article/economy-policy/digital-economy-poised-for-strong-2023-says-mos-it-rajeev-chandrasekhar-123010100429_1.html

Banking and Finance

RBI plans to expand applications of digital rupee in future pilot projects

The Reserve Bank of India is considering expanding the use cases of the digital rupee after it completes the ongoing pilot project with the virtual version of the currency. The regulator is also looking to add more banks to the e-rupee project to test a wider gamut of use cases. "Based on the learnings from the current pilot, other features and applications of e-rupee token and architecture may be tested in future pilots," the central bank said as part of its financial stability report. "The first phase has begun with four banks, and more banks will join this pilot subsequently."

<https://economictimes.indiatimes.com/news/economy/policy/rbi-plans-to-expand-applications-of-digital-rupee-in-future-pilot-projects/articleshow/96667528.cms>

Banks set for strong loan growth in Q4

Banks are expected to report stronger credit growth in the January-March quarter, on the back of a healthy consumption trend and improving corporate credit growth. Public sector banks have outperformed private banks in

the recent past. Banks also expect margin trajectory to remain robust, while an improving asset-quality resolution should provide further fuel to profitability. "India's banking sector has been a clear outperformer in 2022, led by stronger-than-expected credit growth after years of a lacklustre performance, sharp margin uptick benefiting from the rate cycle and a far stronger balance sheet now," said Anand Dama, senior research analyst at Emkay Global Financial Services. "We remain positive on the sector and prefer ICICI Bank, Axis Bank, IndusInd Bank, State Bank of India and Bank of Baroda."

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-set-for-strong-loan-growth-in-q4/articleshow/96667323.cms>

UPI transactions surge 7.7% in Dec to ₹12.8-lakh crore

Payments transactions via the UPI (Unified Payments Interface) network surged 7.7 per cent on-month to high of ₹12.8-lakh crore in December against a drop of 1.7 per cent in November. The volume of transactions, too, rose by a sharp 7.1 per cent to ₹783 crore during the month, according to data by NPCI (National Payments Corporation of India). As a result, the UPI network ended 2022 with a growth of 90 per cent in the volume of transactions and a 76 per cent rise in the value of transactions over the year-ago period. The network processed around 7,404 crore transactions worth ₹126-lakh crore compared with 3,800 crore transactions worth ₹72-lakh crore in 2021. For FY23 so far, the network has seen 5,949 crore transactions worth ₹99.8-lakh crore. In comparison, UPI had processed 4,597 crore transactions amounting to ₹84-lakh crore in FY22. The value of UPI transactions has been consistently increasing on month, barring a small dip in November as heightened spending during the festival season started normalising. However, volumes continued to rise, albeit marginally, reflecting that network adoption and transactions continue to grow. NPCI aims to achieve a billion transactions per day on the UPI network over the next 3-5 years.

<https://www.thehindubusinessline.com/money-and-banking/upi-transactions-surge-77-in-dec-to-128-lakh-crore/article66327464.ece>

GST revenues grow 15 pc to nearly Rs 1.50 lakh cr in December

The collections from Goods and Services Tax (GST) grew by 15 per cent to over Rs 1.49 lakh crore in December 2022, indicating improved manufacturing output and consumption demand, besides better compliance. This is the 10th month in a row that the revenues have remained above the Rs 1.4 lakh crore mark. The collection in November was about Rs 1.46 lakh crore. "The gross GST revenue collected during December 2022 is Rs 1,49,507 crore, of which CGST is Rs 26,711 crore, SGST is Rs 33,357 crore, IGST is Rs 78,434 crore (including Rs 40,263 crore collected on import of goods) and Cess is Rs 11,005 crore (including Rs 850 crore collected on import of goods)," the ministry said in a statement. The revenues for December 2022 are 15 per cent higher than the GST collection in the same month last year, which itself was close to Rs 1.30 lakh crore.

<https://www.financialexpress.com/economy/gst-revenues-grow-15-pc-to-nearly-rs-1-50-lakh-cr-in-december/2933372/>

Corporate tax to GDP ratio exceeds 3 pc after two years in FY'22

Corporate tax collections exceeded 3 per cent of the GDP after a gap of two years in 2021-22, reflecting overall improvement in profitability of India Inc propelled by increase in demand for goods and services. However, the corporate tax collection is yet to surpass its five-year high of 3.51 per cent of GDP recorded in 2018-19. In actual terms, the net corporate tax collection in 2021-22 stood at Rs 7.12 lakh crore. The Gross Domestic Product (GDP) at current market price was Rs 236.64 lakh crore. The percentage of net corporate tax to GDP worked out to be 3.01 per cent. An analysis of five-year data of corporate tax collection as a percentage of GDP showed that the ratio was the highest in 2018-19. The net corporate tax collection stood at Rs 6.63 lakh crore or 3.51 per cent of GDP.

<https://www.financialexpress.com/industry/corporate-tax-to-gdp-ratio-exceeds-3-pc-after-two-years-in-fy22/2933308/>

Industry

Delayed payment complaints by micro, small enterprises drop in 2022 from previous year: Govt data

Delayed payment applications filed by micro and small enterprises (MSEs) against central public sector units and departments dropped 11.7 per cent to 31,192 in the calendar year 2022 from 35,347 in 2021, according to the official

data. The amount involved in these applications also dropped by 9 per cent from Rs 7,849 crore to Rs 7,128 crore. However, in comparison, 31,614 applications involving Rs 9,693 crore payment were filed by MSEs in 2020, indicating the Covid-induced impact on trade and transactions in 2021, as per the delayed payment monitoring portal Samadhaan's data on MSME Dashboard. However, the number of applications disposed or cleared by MSE Facilitation Councils, which are essentially dispute settlement units established by state governments in their respective geographies to address delayed payments cases filed by small businesses, declined in 2022, indicating lesser disputes resolved. According to the data, out of the total applications filed, 1,056 applications involving dues worth Rs 71 crore were disposed by the councils across India in 2022 vis-a-vis 3,815 applications with Rs 580 crore cleared in 2021 and 6,232 applications involving Rs 1,500 crore cleared in 2020 by the councils.

<https://www.financialexpress.com/industry/sme/msme-fin-delayed-payment-complaints-by-micro-small-enterprises-drop-in-2022-from-previous-year-govt-data/2933375/>

DPIIT working on new industrial policy; proposes scheme for Made in India

The Department for Promotion of Industry and Internal Trade (DPIIT) is working on a new industrial policy that proposes to increase financing sources for industry and a scheme for promoting Made in India brand, sources said. It has suggested various ways for wider access to finance for the industry such as setting up of a development finance institution to provide finance at competitive rates and considering using some part of foreign exchange reserves for such funding. The draft - Statement on Industrial Policy 2022 Make in India for the world - has been circulated to different ministries for their views and comments.

https://www.business-standard.com/article/economy-policy/dpiit-working-on-new-industrial-policy-proposes-scheme-for-made-in-india-123010100065_1.html

2022 car sales zoom 23% to record high of 3.8 mn; 14% higher than 2018 peak

The auto industry posted its highest-ever annual domestic passenger vehicle (PV) sales in 2022 at 3.793 million units on the back of pent-up demand and better semiconductor chip supply. The figure was 23.1 per cent more than that of 2021. The highest growth in annual domestic PV sales was seen by Tata Motors, Kia India and Toyota Kirloskar at 58.2 per cent, 40.2 per cent and 22.6 per cent (see table), respectively, according to data shared by the companies. Auto companies count wholesales, the units dispatched to dealers, as sales. India's largest carmaker Maruti Suzuki posted a 15.4 per cent growth in annual domestic PV sales at 1.579 million units.

https://www.business-standard.com/article/automobile/highest-ever-annual-domestic-pv-sales-reach-3-793-million-units-in-2022-123010100528_1.html

Electric 2-wheeler cos hit a ₹1kcr bump

Sales of electric two-wheelers fell by more than a fourth in December from the previous month, as operations took a hit with the government stalling subsidy disbursement of Rs 1,100 crore to half a dozen manufacturers including Hero Electric and Okinawa Autotech. Sales in the local market fell to 59,554 units from 76,162 units in November, according to data from the Vahan portal of the Ministry of Road, Transport & Highways. With sales during the April-December period totalling only around half a million units, senior industry executives expect the volume for the fiscal year ending March to miss the Niti Aayog's target of a million electric two-wheelers by 20-30%.

<https://economictimes.indiatimes.com/industry/auto/cars-uvs/electric-2-wheeler-cos-hit-a-1kcr-bump/articleshow/96667356.cms>

China COVID crisis: Worried over supply chain disruptions, consumer durable makers stocking up on inventories

Worried over soaring COVID-19 cases in China, consumer durable makers are stocking up on raw materials to deal with contingencies in case their global supply chains are disrupted again. With Chinese New Year holidays starting from the third week of January, if the factories there are not able to resume full production in February when they open due to the COVID situation worsening, the Indian industry may once again face supply chain issues, experts said. The consumer durable makers normally maintain inventory for about a month, but they are now increasing it to cover at least 2-3 months.

<https://economictimes.indiatimes.com/industry/cons-products/durables/china-covid-crisis-worried-over-supply-chain-disruptions-consumer-durable-makers-stocking-up-on-inventories/articleshow/96662129.cms>

Agriculture

Govt lines up millet-centric activities as international year of millets kicks in New Delhi

The government on Sunday announced it has lined up a series of millet-centric promotional activities across the country as the International Year of Millets (IYM) kicks in, while noting that millets are also an integral part of the G-20 meetings. The central ministries, state governments and Indian embassies have been allocated a focussed month in 2023 to carry out various activities for the promotion of IYM and increase awareness about benefits of millets, the nodal agriculture ministry said in a statement. January is the focussed month for the Union Ministry of Sports and Youth Affairs as well as state governments of Chhattisgarh, Mizoram and Rajasthan for conducting activities, it said. The ministry also urged international organizations, academia, hotel industry, media, Indian Diaspora, start-up communities, civil society, and all others in the millets value-chain to come forward and join hands to revive the forgotten glory of 'Miracle Millets' through the grand celebration of IYM.

<https://www.financialexpress.com/industry/govt-lines-up-millet-centric-activities-as-international-year-of-millets-kicks-in-new-delhi/2933307/>

Infrastructure

Railways rolls out energy efficiency plan to meet 2030 net-zero target

The railways ministry has rolled out a five-pronged energy efficiency plan to become carbon-neutral by 2030. The ministry is looking to reduce overall energy use with efficient operations and increase renewable energy usage. India, in its commitment to the United Nations Framework Convention on Climate Change, has set a target to become net zero by 2070. For the railways, the target year is 2030. "The policy is broadly centred around five action points — sustainable buildings, cloud-based data monitoring and management portal, energy efficiency in equipment and appliances, power quality and restoration, and capacity building and awareness," the ministry said in its policy directive issued on Saturday.

https://www.business-standard.com/article/economy-policy/railways-rolls-out-energy-efficiency-plan-to-meet-2030-net-zero-target-123010100361_1.html

New housing supply up 51 pc in 2022 across 7 cities; NCR sees 20 pc fall in launches: Report

New supply of residential properties rose 51 per cent last year to 3,57,635 units across seven major cities as builders launched more projects to tap rising demand, according to Anarock. In its annual report for 2022, the leading housing brokerage said new launches increased to 3,57,635 units last year from 2,36,693 units in 2021 across seven major cities. New launches of housing units were up in five cities --Mumbai Metropolitan Region (MMR), Kolkata, Bengaluru, Hyderabad and Pune, but fresh supply fell in Delhi-NCR and Chennai. The total new launches in 2022 remained lower than previous peak of 2014 when more than 5.45 lakh units were launched in the top seven cities, Anarock said.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/construction/new-housing-supply-up-51-pc-in-2022-across-7-cities-ncr-sees-20-pc-fall-in-launches-report/articleshow/96662621.cms>

Energy

Power deficit rises slightly to 0.6 pc in Apr-Nov; demand surges around 11 pc

Power deficit in the country rose slightly to 0.6 per cent in April-November this fiscal year, while electricity demand has witnessed around 11 per cent jump in the said period, indicating buoyancy in the economy. The latest government data available showed that the power deficit in the country stood at 5,691 million units (MU) in April to November 2022, while it was 4,058 MU in the same period a year ago. Experts are of the view that power deficit happens mainly because of technical reasons. They opined that India is a power surplus state but sometimes discoms don't have funds to afford round-the-clock supply of electricity. The power producers supplied 10,12,249 MU in April-November 2022, against the demand of 10,17,940 MU, which resulted in a power deficit of 0.6 per cent.

<https://www.financialexpress.com/industry/power-deficit-rises-slightly-to-0-6-pc-in-apr-nov-demand-surges-around-11-pc/2933320/>

India's electricity consumption grows 11 pc to 121.19 billion units in December

India's power consumption logged a double-digit growth of over 11 per cent to 121.19 billion units in December 2022 compared to the year-ago period, according to government data. The robust growth of power consumption indicates sustained momentum of economic activities in December. Experts say power consumption and demand will further increase in January due to use of heating appliances, especially in the northern parts of the country, and further improvement in economic activities. In December 2021, power consumption stood at 109.17 billion units (BU), higher than the 105.62 BU in the same month of 2020, the data showed.

<https://economictimes.indiatimes.com/industry/energy/power/indias-electricity-consumption-grows-11-pc-to-121-19-billion-units-in-december/articleshow/96662838.cms>

Petrol, diesel sales surge in December as economy picks up momentum

India's petrol and diesel demand soared in December as increased consumption in the agriculture sector helped build on the momentum generated by the festive season, preliminary industry data showed on Sunday. Petrol sales soared 8.6 per cent to 2.76 million tonnes in December, as compared to 2.54 million tonnes of consumption in the same month last year. Sales were 13.3 per cent higher than in COVID-marred December 2020 and 23.2 per cent more than in pre-pandemic December 2019. Month-on-month, the demand was up 3.7 per cent on the high base festive season created since October. Diesel, the most used fuel in the country, posted a 13 per cent rise in sales in December to 7.3 million tonnes, as compared to the same month last year.

<https://www.financialexpress.com/market/commodities/petrol-diesel-sales-surge-in-december-as-economy-picks-up-momentum/2933365/>

Prices of commercial gas cylinders hiked by Rs 25

India's oil marketing companies (OMCs) have started off the year with a price increase, raising the rate of commercial liquid petroleum gas (LPG) cylinders by Rs 25. With the price of domestic cylinders unchanged, regular consumers might not feel the pinch, but restaurateurs and hoteliers will, with the price of commercial cylinders now Rs 1,769 in Delhi, Rs 1,721 in Mumbai, Rs 1,870 in Kolkata and Rs 1,971 in Chennai.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/prices-of-commercial-gas-cylinders-hiked-by-rs-25/articleshow/96661093.cms>

External

Blockchain to be used to push farm exports

India's natural farming could soon get a technological push through blockchain, as the government plans to use the technology across all export-driven crops to increase the country's food shipments and incentivise farmers to take up chemical-free processes. The Niti Aayog has launched a pilot project in collaboration with the Himachal Pradesh government on apple farming, to ensure quality production while also monitoring the produce across the entire storage and supply chain. "Lack of quality produce and traceability has hampered India's food exports apart from disincentivising growers. Blockchain technology can help bridge this gap," a senior government official told ET.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/blockchain-to-be-used-to-push-farm-exports/articleshow/96667172.cms>

Despite steep fall in vaccine segment, pharma exports up 4.3% in April-Nov

Despite a steep fall in exports of vaccines, overall pharma exports registered 4.31 per cent growth during April - November this year at \$16.58 billion compared to the same period last year. While the overall imports decreased by 13.6 per cent in the same period, the imports from China too showed a decline of 1.23 per cent. "In the year so far, the export scenario is satisfactory. Contrary to initial concerns, there was not much adverse impact. During April - November 2022, there was only 6 percent negative growth in Russia which was offset by growth in the US and European Markets," R Uday Bhaskar, Director - General, Pharmaceutical Export Promotion Council told businessline. There is a possibility of increase in exports to Russia in the remaining quarter of the current fiscal which may offset the negative growth so far to an extent. "Going by the current run rate, total pharma exports are likely to be in the range of \$27 billion in FY23," Bhaskar said. In the year 2021-22, pharma exports were pegged at \$24.62 billion. The exports to NAFTA countries and Europe contribute 53 percent of total pharma exports for India.

<https://www.thehindubusinessline.com/economy/despite-steep-fall-in-vaccine-segment-pharma-exports-up-43-in-april-nov/article66326746.ece>

