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Economy

DPIIT lists ministries' 20 restrictive norms that violate 'Make in India' plan

In a move aimed to further promote Indian manufacturers, the Department for Promotion of Industry and Internal Trade (DPIIT) has drawn up a list of 20-odd restrictive and discriminatory conditions put in place by procuring agencies under various ministries against local suppliers, which make them non-compliant with the government's public procurement for Make in India order. These conditions include additional requirement of bank guarantee for local suppliers, delayed payment terms for them, excessive past experience requirement not commensurate with the proven experience expected from bidder for successful execution of contract, and mandatory foreign certification without specifying any equivalent Indian certification as alternative in procurement of medical and electronic devices.

<https://economictimes.indiatimes.com/news/india/dpiit-lists-ministries-20-restrictive-norms-that-violate-make-in-india-plan/articleshow/96691509.cms>

Indian economy poised for further growth in 2023 despite global headwinds

The Indian economy recovered from the COVID-induced downturn during 2022 and is poised for further improvement in the coming quarters though downside risks emanating from geopolitical tensions, strengthening dollar and elevated inflation will continue. The positive trajectory in the growth trend and improved fundamentals will help the nation in neutralising the impact of global headwinds which are expected to have a bearing on the country's exports in the months to come. "From the viewpoint of India, in terms of headwinds originating abroad, the worst is probably behind us ... Overall, I still expect us to end the current fiscal year with a growth rate exceeding 7 per cent. "Next year, the 7 per cent growth rate should sustain assuming the forthcoming Budget does not have any negative surprises," opined former vice-chairman of the Niti Aayog and noted economist Arvind Panagariya.

<https://www.financialexpress.com/economy/indian-economy-poised-for-further-growth-in-2023-despite-global-headwinds/2934234/>

Non-IT sectors may dominate white-collar job market this year

India's white-collar job market may see a cautious stance from companies in the New Year, as recession fears mount in the advanced economies amid continued geopolitical uncertainties, accelerating inflation and sluggish growth. The current moderation and caution in jobs in the information technology (IT) sector, which has for years been the dominant recruiter in the white-collar job market, will likely continue in 2023, as long as the global demand remains impacted, said top company executives. However, the hiring action is likely to remain positive in certain sectors in the non-tech cohort that is benefitting from a revival in domestic consumption post-pandemic as well as favourable government policies, said experts. Sectors such as hospitality and tourism, fast moving consumer goods, healthcare & pharmaceuticals, renewables, automobile companies with presence in electric vehicles, oil & energy, infrastructure-related sectors, such as steel and engineering, and chemicals are likely to drive the white-collar employment space, said experts.

<https://economictimes.indiatimes.com/jobs/non-it-sectors-may-dominate-white-collar-job-market-this-year/articleshow/96691612.cms>

Banking and Finance

Bank loans to services sector surpass credit to industries

Bank loans to the services sector have surpassed those to the industrial segment for the first time, establishing that the former will be contributing more for incremental growth and that the latter is still not biting the bullet when it comes to capacity expansion. Data available till November 18, 2022, show the outstanding loans to the services sector at ₹33.15 lakh crore, up 21.3% in one year. Outstanding loans to the industrial sector rose 13.8% in the same period to ₹32.94 lakh crore. The expansion in credit to the services sector has largely been driven by loans to non-bank financing companies, said experts.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-loans-to-services-sector-surpass-credit-to-industries/articleshow/96691718.cms>

Currency in circulation rises by 83% since demonetisation in 2016: RBI data

Demonetisation of the high value currency notes of Rs 500 and Rs 1,000 did not have any discernible impact on currency in circulation (CIC) in the country, which has soared by almost 83 per cent since its announcement on November 8, 2016. The Supreme Court on Monday upheld the decision of the government on demonetisation. On November 8, 2016 Prime Minister Narendra Modi had announced demonetisation of old Rs 1,000 and Rs 500 banknotes and one of the key objectives of the unprecedented decision was to promote digital payments and curb black money flows. According to the Reserve Bank data, the CIC in value terms soared from Rs 17.74 lakh crore on November 4, 2016, to Rs 32.42 lakh crore on December 23, 2022. However, soon after demonetisation, the CIC fell precipitously to a low of about Rs 9 lakh crore on January 6, 2017, nearly 50 per cent of Rs 17.74 lakh crore on November 4, 2016.

https://www.business-standard.com/article/economy-policy/currency-in-circulation-rises-by-83-since-demonetisation-in-2016-rbi-data-123010200439_1.html

Industry

India's manufacturing PMI hits 13-month high in December on rise in new orders, strong demand

India's manufacturing sector activity rose to a 13-month high in December, supported by healthy inflows of new business and strong demand conditions, according to a monthly survey. The seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index (PMI) stood at 57.8 in December, up from 55.7 in November, as business conditions improved to the greatest extent in over two years. The December PMI data pointed to an improvement in overall operating conditions for the 18th straight month. In PMI parlance, a print above 50 means expansion while a score below 50 indicates contraction. "Following a promising start to 2022, the Indian manufacturing industry maintained a strong performance as time progressed, wrapping the year with the best expansion in production seen since November 2021," Pollyanna De Lima, Economics Associate Director at S&P Global Market Intelligence, said.

<https://www.financialexpress.com/economy/indias-manufacturing-pmi-hits-13-month-high-in-december-on-rise-in-new-orders-strong-demand/2933962/>

New industrial policy focuses on making capital accessible to the industry, promote fintech

The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry is amidst framing a new industrial policy for making finance accessible to industry and for marketing the Made in India brand, reported PTI citing sources. For wider access of finance to the industry, DPIIT has recommended establishing a development finance institution to provide finance at competitive rates. It also proposed using certain parts of foreign exchange reserves for such funding. Further, to diversify financing for micro, small and medium enterprises, the draft suggests MSMEs to choose the corporate bond market and accept intellectual property rights as collaterals for loans. The suggestions include providing performance-based loans and incentives for innovation, green growth and leveraging fintech.

<https://www.financialexpress.com/industry/sme/msme-eodb-new-industrial-policy-focuses-on-making-capital-accessible-to-the-industry-promote-fintech/2934266/>

DPIIT considering quality control norms for air coolers, bicycles, bottled water dispensers

The Department for Promotion of Industry and Internal Trade (DPIIT) is looking to bring air coolers, bicycles and bottled water dispensers under the quality norms, a move aimed at containing the import of sub-standard goods and boosting the domestic industry. The department has floated draft quality control orders (QCOs) for 16 products. The other light-engineering industry products for which these norms are under consideration include pumps, door fittings, cookware and utensils, electrical accessories, communication cable and water meters. "All the industry, apex industry/ associations, sectoral industry/ association, regional industry/ association, respective administrative ministries, concerned R&D institutions/ organisations are requested to furnish their comments on the draft QCOs to this department by January 15," it said.

<https://www.thehindubusinessline.com/news/dpiit-considering-quality-control-norms-for-air-coolers-bicycles-bottled-water-dispensers/article66330810.ece>

Consumer goods demand rebounds sequentially

Demand for groceries, personal care items and discretionary products such as apparel, smartphones, refrigerators and televisions improved in December, indicating a recovery after sales fell sequentially or remained flat for the past several months with the only exception being festivals-heavy October. The value of fast-moving consumer goods retailed in December rose 1.4% from the last month, according to Bizom that analyses data based on orders at kirana stores. Electronics categories grew 8-10% sequentially, according to industry executives. Unsold inventory from the festive season, along with subdued demand after Diwali, had led to a pile-up at the trade level across FMCG and electronics products in November, with sales also falling 15% from October. That situation improved for most categories in December.

<https://economictimes.indiatimes.com/industry/cons-products/durables/december-cheer-consumer-goods-demand-rebounds-sequentially/articleshow/96695026.cms>

Refrigerator prices may rise up to 5% as revised BEE labelling norms come into force

Prices of refrigerators are likely to increase by up to 5 per cent as the revised norms of the Bureau of Energy Efficiency (BEE) have become applicable from January 1 this year. According to manufacturers like Godrej Appliances, Haier and Panasonic, implementation of the new norms may put an additional burden of 2-5 per cent on consumers, depending on the models. Besides tightening the labelling, the new norms also mandate separate star labelling for freezers and refrigerator provisioning units (storage part) of the frost-free models.

<https://economictimes.indiatimes.com/industry/cons-products/durables/refrigerator-prices-may-rise-up-to-5-as-revised-bee-labelling-norms-come-into-force/articleshow/96689372.cms>

10-15% local retailers in small towns shifting their operations online: Coutlout

Coutlout, an e-commerce player, said nearly 10-15% of local retailers have shifted from physical stores to tech-enabled apps, as part of their strategy to completely move their operations online and save costs. The company, a non-grocery non-MRP retail platform connects millions of sellers and merchants with small and medium manufacturers by eradicating the agents from the system. "Approximately 10-15% of the sellers have already moved online with an omnichannel approach. CoutLoot empowers such small shops and about 85% of our shops have no other online sales channel apart from us as we are a localised mobile-first e-commerce platform for such shops," said Jasmeet Thind, co-founder of CoutLoot. "This allows a wider audience reach with zero acquisition cost and a larger market to target."

<https://economictimes.indiatimes.com/industry/services/retail/10-15-local-retailers-in-small-towns-shifting-their-operations-online-coutlout/articleshow/96681554.cms>

India's internet industry to reach \$5 trillion valuation by 2030

Despite a few hiccups this year, the Indian internet industry is expected to grow and could reach a valuation of \$5 trillion by 2030, a report showed on Monday. Home to 780 million internet users, India is home to the second largest internet user base in the world. "As digital will continue to play a significant role, India's internet GMV (not valuation) will grow to about \$1 trillion by 2030, equivalent to \$5 trillion in public and private market cap, according to data by market intelligence firm Redseer Strategy Consultants. An average Indian spends around 7.3 hours per day on their smartphone, one of the highest in the world.

https://www.business-standard.com/article/economy-policy/india-s-internet-industry-to-reach-5-trillion-valuation-by-2030-123010200269_1.html

Agriculture

Rice prices up 15%, Palm oil seen rising too

Rice and palm oil are becoming more expensive in India. In the last one month, the price of rice has increased by up to 15 per cent, while that of palm oil is seen rising by Rs 5-7 a litre in the coming weeks. The basmati variety of rice is selling at a record high of Rs 110 per kg as compared with Rs 95 per kg a month ago. Traders attribute this to rice millers building stocks in anticipation of better prices in the world market as floods in Pakistan have damaged the country's rice crop.

<https://economictimes.indiatimes.com/news/economy/agriculture/rice-prices-up-15-palm-oil-seen-rising-too/articleshow/96691480.cms>

Tea industry facing multiple challenges in wake of Covid pandemic: Experts

The tea industry has been no exception to the ravages of the Covid pandemic over the last two years, as it grapples with low prices and high input costs, with stakeholders calling for more focus on quality and boosting exports. Production, too, has seen a decrease in the last few years since the onset of the pandemic due to restrictions on plucking -- from 1,390 million kg in 2019 to 1,258 million kg in 2020, 1,329 million kg in 2021 and 1,050 million kg till October this year. According to industry experts, the fall in production had helped in higher price realisation at the auctions.

https://www.business-standard.com/article/companies/tea-industry-facing-multiple-challenges-in-wake-of-covid-pandemic-experts-123010200704_1.html

Infrastructure

Railways' slow run in freight traffic continues, grows 3% in Dec

Freight carried by the Railways grew 3 per cent in December, marking a full quarter of modest performance in a financial year that earlier saw the national transporter set records in loading. "During the month of December 2022, originating freight loading of 130.66 million tonnes (mt) has been achieved against loading of 126.8 mt in December 2021, which is an improvement of 3 per cent over last year. Freight revenue of Rs 14,573 crore has been achieved against Rs 12914 crore freight earnings in December 2021, thereby an improvement of 13 per cent over last year," said the railways ministry.

https://www.business-standard.com/article/economy-policy/slow-run-of-indian-railways-freight-continues-grows-3-in-december-123010200939_1.html

Energy

Centre raises windfall tax on crude, diesel, aviation fuel

The Centre on Monday increased the windfall tax on domestically produced crude oil, aviation turbine fuel, and high-speed diesel. The windfall tax on crude oil has been raised to Rs 2,100 per tonne from the existing Rs 1,700, as per a notification issued by the Central Board of Indirect Taxes and Customs. The revised tax rate is effective from January 3.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/india-raises-windfall-tax-on-crude-diesel-aviation-fuel/articleshow/96691351.cms>

CIL's coal supply to power sector up 11 pc at 433 MT

CIL's coal supply to the power sector rose 11 per cent to 432.7 million tonne in the April-December period of current financial year. In the year-ago period, the supply was 390.2 MT. The supply to the non-power sector last month was 10.5 MT due to increased output. Coal India Ltd's output in April-December 2022-23 increased to 479 MT from 413.6 MT in the year-ago period. "To outdo the annual output target of 700 MT, CIL has to produce 221 MT in Q4 FY23 against 209 MT for comparable quarter last fiscal. Our production pace is already up and expected to rise higher. Another point in our favour is large quantities of over burden removal. We feel positive about scaling over the output target," the company said in a statement.

<https://www.financialexpress.com/industry/cils-coal-supply-to-power-sector-up-11-pc-at-433-mtnbsp/2934262/>

NTPC power generation rises nearly 12% to 295 bn units in Apr-Dec 2022

State-owned energy giant NTPC's power generation grew 11.6 per cent year-on-year to 295.4 billion units (BU) in April-December this fiscal. This assumes significance as NTPC supplies one-fourth of the electricity in the country. NTPC recorded a generation of 295.4 BU during April-December 2022, registering a growth of 11.6 per cent compared to the same period the previous year, a company statement said. On a standalone basis, NTPC generated 254.6 BU during April-December 2022, a 16.1 per cent year-on-year rise.

https://www.business-standard.com/article/companies/ntpc-power-generation-rises-nearly-12-to-295-bn-units-in-apr-dec-2022-123010200889_1.html

States

Rs 6,200 crore investment in the petroleum sector in Rajasthan

Fresh or new investments of Rs 6,200 crore have been made by companies in the petroleum sector in Rajasthan, a senior state government official said. "In all, investments of over Rs 22,838 crore are being made by four companies in a phased manner. Of this, work on over Rs 6,200 crore has started," Rajasthan Additional Chief Secretary (Mines and Petroleum) Subodh Agarwal said. Agarwal said four companies in the petroleum sector had signed agreements on investment during "Invest Rajasthan".

https://www.business-standard.com/article/companies/rs-6-200-crore-investment-in-the-petroleum-sector-in-rajasthan-123010200913_1.html

Healthcare

Union Health Minister Mandaviya reviews screening, Covid testing facility at Delhi's IGI Airport

Union Health Minister Mansukh Mandaviya Monday reviewed the screening and Covid testing facility at the Delhi Indira Gandhi International Airport amid a rise in coronavirus cases in some countries, including China. The government has made random Covid tests mandatory for two per cent of passengers arriving on each international flight irrespective of their port of departure. Besides, passengers arriving in India from China, Hong Kong, Japan, South Korea, Singapore and Thailand are being mandatorily required to provide Covid negative reports from January 1.

<https://economictimes.indiatimes.com/news/india/union-health-minister-mandaviya-reviews-screening-covid-testing-facility-at-delhis-igi-airport/articleshow/96691831.cms>

External

Coffee exports from India up by nearly 2% to 400,000 tonnes in 2022

Coffee shipments from India, Asia's third-largest producer and exporter, rose 1.66 per cent to 4 lakh tonne in 2022 on rise in instant coffee exports and re-exports, according to the Coffee Board. Exports stood at 3.93 lakh tonne in 2021. In value terms, coffee export was higher at Rs 8,762.47 crore in 2022 as against Rs 6,984.67 crore in the previous year. India ships both Robusta and Arabica varieties, besides instant coffee. According to the Board's latest data, shipment of Robusta coffee declined marginally to 2,20,974 tonne in 2022 from 2,20,997 tonne in the previous year. Similarly, export of Arabica fell 11.43 per cent to 44,542 tonne from 50,292 tonne. However, export of instant coffee increased 16.73 per cent to 35,810 tonne in 2022 from 29,819 tonne in the previous year.

https://www.business-standard.com/article/economy-policy/coffee-exports-from-india-up-by-nearly-2-to-400-000-tonnes-in-2022-123010200465_1.html

Petrol export by OMCs rise 142% between 2020-21 and 2021-22: Govt data

Export of petrol by Indian oil marketing companies (OMCs) rose 142 per cent in a year between 2020-21 and 2021-22, while there was a miniscule rise of less than 1 per cent in export of diesel during the same period. According to official figures, the OMCs exported 668 thousand metric tonnes (TMT) of petrol in 2021-22, which was 142 per cent more than 276 TMT of petrol exported by the country in 2020-21. In 2020-21, the OMCs exported 1,985 TMT of diesel, while in 2021-22, it exported 1,994 TMT of diesel, a growth of less than 1 per cent over the previous year.

https://www.business-standard.com/article/economy-policy/petrol-export-by-omcs-rise-142-between-2020-21-and-2021-22-govt-data-123010200737_1.html

Centre may consider raising interest equalization subsidy for MSME exporters

To reduce the stress on MSMEs as a result of the tightening RBI monetary policy, the centre is examining increasing the interest subsidy benefit to small and medium exporters in the annual budget 2023-2, as per a report by Mint. Currently, Indian exporters are going through a tough time owing to a slowdown in demand in key markets and the threat of a global recession. "Exporters are facing the burden of high interest rates and slowing international demand, and therefore, we are looking into the proposal of hiking the interest subsidy rates," mentioned the report, citing a government official.

<https://www.financialexpress.com/industry/sme/msme-exim-centre-may-consider-raising-interest-equalization-subsidy-for-msme-exporters/2934452/>

GTRI suggests seven steps for Indian traders to make full use of FTA with Australia

Indian traders should follow seven steps, including knowing trade policy and rules of origin of respective products in Australia in order to take full advantage of the recently implemented free trade agreement, according to a study by GTRI. The India-Australia free trade agreement came into effect on December 29, 2022. The Global Trade Research Initiative (GTRI) said India-Australia Economic Cooperation and Trade Agreement (ECTA) offers many concessions to exporters and importers of both countries, but the concessions are product-specific, and firms must check if their products benefit from the pact.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/gtri-suggests-seven-steps-for-indian-traders-to-make-full-use-of-fta-with-australia/articleshow/96677369.cms>