



January 11, 2023 – Wednesday

## Economy

### India seen fastest growing among 7 largest emerging & developing economies: World Bank

The World Bank on Tuesday said that India is expected to be the fastest growing economy of the seven largest emerging-market and developing economies (EMDEs) though its economic growth is projected to slow to 6.9% in FY23 and 6.6% in FY24 from 8.7% in 2021-22. "The slowdown in the global economy and rising uncertainty will weigh on export and investment growth. Governments increased infrastructure spending and various business facilitation measures, however will crowd-in private investment and support the expansion of manufacturing capacity," <https://economictimes.indiatimes.com/news/economy/indicators/india-seen-fastest-growing-among-7-largest-emerging-developing-economies-world-bank/articleshow/96890524.cms>

### Household demand for NREGS work up 14% in December

Household demand for work under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) increased 14% month-on-month to 21.1 million in December 2022 compared to 18.5 million in November, while individual demand went up 15% to 25.9 million against 22.5 million in November, official data showed. The demand was the fourth highest on both counts in this financial year after June. "The employment generation capacity of rural India is committed. Till the time farm jobs pick up in February, the MGNREGA demand will be under stress," labour economist KR Shyam Sundar said, adding the pressure would ease by the middle of February. <https://economictimes.indiatimes.com/news/india/household-demand-for-nregs-work-up-14-in-december/articleshow/96892597.cms>

## Banking and Finance

### SEBI amends portfolio managers norms

Market regulator SEBI has allowed portfolio managers under co-investment portfolio management services to terminate their services as per the provisions of agreement signed with client for early termination. Earlier the portfolio manager, with prior approval from SEBI, should inform its investors about the proposed change before effecting any change. The PMS has to give an option to exit without any exit load to investors, within a period of not less than 30 calendar days, from the date of such communication, it said. While maintaining its stand for portfolio manager, SEBI amended the regulations for portfolio managers under co-investment portfolio management services. SEBI on Tuesday said the clients under co-investment portfolio management services, the Portfolio Manager shall ensure compliance with the second provision of Regulation 22 (2) of PMS Regulations which mandates norms for early termination of contract. <https://www.thehindubusinessline.com/news/sebi-amends-portfolio-managers-norms/article66361151.ece>

### SEBI allows futures contract on corporate bond index

The Securities and Exchange Board of India has allowed exchanges to introduce future contracts on Corporate Bond Indices. SEBI had constituted a working group of representatives of NSE, BSE and MSEI to enhance liquidity in the bond market and also to provide opportunity to the investors to hedge their positions. "Based on the submissions made by the working group and recommendations of Secondary Market Advisory Committee of SEBI, it has been

decided to permit stock exchanges to introduce derivative contracts on indices of corporate debt securities rated AA+ and above,” SEBI said in late night circular on Tuesday. The stock exchanges desirous of introducing such contracts should submit a detailed proposal for SEBI’s approval, providing details relating to underlying corporate bond index, the index methodology, contract specifications, applicable trading, clearing & settlement mechanism, risk management framework, the safeguards to ensure market integrity, investor protection, surveillance systems, etc, the circular added.

[https://www.thehindubusinessline.com/markets/sebi-allows-futures-contract-on-corporate-bond-index/article66362138.ece?cx\\_testId=29&cx\\_testVariant=cx\\_1&cx\\_artPos=0&cx\\_experienceId=EX5KXF1FQK61#cxr\\_ecs\\_s](https://www.thehindubusinessline.com/markets/sebi-allows-futures-contract-on-corporate-bond-index/article66362138.ece?cx_testId=29&cx_testVariant=cx_1&cx_artPos=0&cx_experienceId=EX5KXF1FQK61#cxr_ecs_s)

#### **Fiscal deficit in FY24 may be capped at 5.9%, says Goldman Sachs**

The central government is likely to further consolidate its fiscal deficit by 50 basis points (bps) to 5.9 per cent in FY24 from 6.4 per cent in FY23, according to a recent report released by Goldman Sachs on Tuesday. In the current fiscal year, there is going to be an upside of 0.5 per cent on the receipts side due to higher nominal GDP growth, and higher tax buoyancy because of the formalisation, the report said. The upside to expenditure is mainly going to come from incremental subsidies (0.8 per cent of GDP), in both food and fertilizer, it said. The upcoming pre-election Budget will carry forward the trend of the increased capital expenditure seen in recent years.

[https://www.business-standard.com/article/economy-policy/govt-to-further-consolidate-fiscal-deficit-to-5-9-in-fy24-goldman-sachs-123011001092\\_1.html](https://www.business-standard.com/article/economy-policy/govt-to-further-consolidate-fiscal-deficit-to-5-9-in-fy24-goldman-sachs-123011001092_1.html)

#### **Capital expenditure by CPSEs at 68% of FY23 target by December**

Capital expenditure (capex) by large central public sector enterprises (CPSEs) — with a target of Rs 100 crore or more — touched 68 per cent of the annual target of Rs 6.62 trillion during the first nine months of FY23, according to sources. During the same period a year ago, CPSEs were able to exhaust only 63.29 per cent of the full-year target. Petroleum CPSEs and National Highways Authority of India (NHAI) have so far driven the capex among CPSEs. NHAI achieved 90 per cent of its annual capex target of Rs 1.34 trillion by December while Indian Oil Corporation (IOC) achieved 95 per cent of its annual target of Rs 28,549 crore. This is on the back of resumption of work on IOC’s pipeline projects after the pandemic and its enhanced refining capacity. GAIL (India) has spent 95 per cent of its annual capex target of Rs 7,500 crore. It is on the back of investment in pipelines for natural gas transmission and distribution. In FY22, CPSEs had spent a capex of Rs 5.5 trillion or achieved 96 per cent of its annual target of Rs 5.75 trillion.

[https://www.business-standard.com/article/economy-policy/capital-expenditure-by-cpses-touch-68-of-fy23-target-by-december-123011001010\\_1.html](https://www.business-standard.com/article/economy-policy/capital-expenditure-by-cpses-touch-68-of-fy23-target-by-december-123011001010_1.html)

### **Industry**

#### **Govt will soon launch new PLI scheme for IT hardware: Rajeev Chandrasekhar**

The Central government will soon launch an information technology server and IT hardware production linked incentive (PLI) scheme, and also offer additional incentives for manufacturers that incorporate Indian-designed intellectual property into their products, Union Minister of State for Electronics and IT Rajeev Chandrasekhar said on Tuesday. Virtually addressing the VLSI Design Conference 2023 that began here today, Chandrasekhar said the government has announced Future Design Programme, which invests USD 200 million in startups that will design or co-design IP, tools or devices for the next generation of applications in India.

[https://www.business-standard.com/article/economy-policy/govt-will-soon-launch-new-pli-scheme-for-it-hardware-rajeev-chandrasekhar-123011000707\\_1.html](https://www.business-standard.com/article/economy-policy/govt-will-soon-launch-new-pli-scheme-for-it-hardware-rajeev-chandrasekhar-123011000707_1.html)

#### **Tough to calculate local value-add, say auto PLI applicants to govt**

Multiple companies that have qualified for the government’s ₹25,938-crore production-linked incentives (PLI) scheme for the automotive industry have approached the government stating that they are facing difficulties computing the domestic value addition (DVA) in their products beyond their immediate suppliers, said a senior government official. However, the ministry of heavy industries, which is implementing the PLI scheme for the automotive industry, has asked the applicants to develop a robust methodology for calculating the DVA across their supply chain, Hanif Qureshi, joint secretary, ministry of heavy industries told ET.

<https://economictimes.indiatimes.com/industry/auto/auto-news/tough-to-calculate-local-value-add-say-auto-plic-applicants-to-govt/articleshow/96892469.cms>

#### **Offline shopping, dining out lose steam in November-December**

Shopping at brick-and-mortar stores and eating out slowed down in November and December sequentially as demand eased after a strong festive season, analysts and executives said. However, retailers and restaurant chains are upbeat about future prospects and look to press on with their expansion plans. "Demand momentum started waning in November and December. The retail sector recorded healthy performance in the July-September quarter on the back of strong recovery in footfalls surpassing pre-Covid levels and pre-festive buying. The October-December quarter also started on a steady note with strong demand offtake during Navratri-Diwali in October. But demand started to taper off November onwards," ICICI Securities said in a report on Tuesday.

<https://economictimes.indiatimes.com/industry/services/retail/offline-shopping-dining-out-lose-steam-in-november-december/articleshow/96896125.cms>

#### **Govt seeks industry inputs on enforcement date for quality control order for 10 chemicals**

To ensure that the domestic industry doesn't raise concerns relating to the implementation of the Quality Control Order (QCO) for 10 identified chemicals, including morpholine, acetic acid, methanol and acetone, on the scheduled dates in February and March, 2023, the Department of Chemicals and Petrochemicals has sought industry comments on the enforcement dates, according to sources. Industry views have also been sought on an additional 110 chemicals where prospects of notifying QCO under BIS are being explored by the government, sources added. "The government has been bringing a number of chemicals under QCO making compliance to BIS standards mandatory for the items. This is to ensure basic quality for protection of human and animal health as well as to protect domestic industry against cheaper imports from certain countries like China," an industry source told businessline.

<https://www.thehindubusinessline.com/economy/govt-seeks-industry-inputs-on-enforcement-date-for-quality-control-order-for-10-chemicals/article66361487.ece>

### **Agriculture**

#### **Niti Aayog preparing index for agri transformation now**

The Niti Aayog is preparing an index on agriculture transformation which will rank states on their performance on farm sector policies, a move that will help the Centre gauge measures taken by the states to increase farmers' income. A senior government official told ET that the Agriculture Transformation Index is likely to measure the performance of states across seven pillars - inputs, sustainability, productivity and diversification, policy, preservation, processing and exports, and farmers' income and welfare. "The index is aimed at capturing the new policy paradigm in agriculture, at the core of which are sustainable diversification of crops, improvement in productivity and increasing farmers' income," said the official, who did not wish to be identified.

<https://economictimes.indiatimes.com/news/economy/agriculture/niti-aayog-preparing-index-for-agri-transformation-now/articleshow/96892573.cms>

#### **Centre prepares new bylaws for agri credit societies to 'influence' Bharat**

In a bid to influence the 65 crore rural population through Primary Agricultural Credit Societies (PACS), which have a member base of about 13 crore, the Ministry of Cooperation has asked States to circulate its new model bylaws. While all States have, in principle, agreed to adopt the model bylaws, work is on to ensure new PACS with the new bylaws are in place by March, while existing institutions will carry out the changes in phases. While the current bylaws limit the operation of PACS to one area, the model bylaws allow them to perform multifarious activities to improve their financial health. Of the about 95,000 PACS in the country, nearly 63,000 are actively engaged in different areas. The Centre also targets raising the number of PACS to 3 lakh in two years. The primary objective of the move is to shift agriculture marketing activities from mandis (markets) to PACs. However, States have been given the flexibility to modify the model bylaws.

<https://www.thehindubusinessline.com/economy/agri-business/centre-prepares-new-bylaws-for-agri-credit-societies-to-influence-bharat/article66360963.ece>

### **Infrastructure**

### **Private equity inflows into realty increase 20%**

Private equity investment in the Indian real estate market reached \$4.9 billion in 2022, showing a 20% increase year-over-year, despite facing challenges such as high interest rates, inflation, and economic concerns. In 2022, assets that generated income received the lion's share of funding in the sector. The residential, retail, and hospitality industries also attracted significant funding, as large transactions took place during the year and are expected to see continued growth in the coming years. "The investments in Indian real estate have been consistent for the past few years and hence have the potential to grow due to the structural change in demand for capital," said Piyush Gupta, managing director, capital markets and investment services, Colliers India. "Performance credit, special situations, portfolio acquisitions, asset reconstruction, and related structures have been growing and are likely to attract more investments."

<https://economictimes.indiatimes.com/industry/services/property/-/construction/private-equity-inflows-into-realty-increase-20/articleshow/96892527.cms>

## **Energy**

### **Govt may fund unrealised input cost of gas-based central power PSUs**

The power ministry may provide financial support to state-owned gas-based generation companies to make up for unrealised input costs so that they can produce and sell electricity in the peak demand season for grid stability. "Because gas prices are higher and that is not fully recovered by market-based sale, that gap we will be able to fund from the government or there are some funds available in PSDF," power secretary Alok Kumar told ET. The proposal is likely to be discussed this week by concerned stakeholders, another official said, requesting anonymity.

<https://economictimes.indiatimes.com/industry/energy/power/govt-may-fund-unrealised-input-cost-of-gas-based-central-power-psus/articleshow/96892616.cms>

### **Phased rollout of 20 per cent ethanol blending to commence this April**

The phased rollout of 20 per cent ethanol blending in India will begin this April, the Petroleum and Natural Gas Ministry said on Tuesday. India has increased the ethanol blending in petrol from 1.53 per cent in 2013-14 to 10.17 per cent in 2022 and also advanced its target to achieve 20 per cent from earlier 2030 to now 2025-26. The government is also setting up five 2G ethanol biorefineries -- Panipat (Parali) in Haryana, Bathinda in Punjab, Bargarh (Parali) in Odisha, Numaligarh (Bamboo-based) in Assam, and Devangere in Karnataka -- as it shifts focus on cleaner sources of energy.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/india-phased-rollout-of-20-per-cent-ethanol-blending-to-commence-this-april/articleshow/96887793.cms>

### **Fitch sees risks to India's target of raising natural gas' energy share**

Price volatility and infrastructure constraints will challenge India's target of increasing the share of natural gas in its primary energy to 15 per cent by 2030 from 6 per cent in 2017, Fitch Ratings said in a new report Tuesday. "Progress on the target has been minimal - 6 per cent share in 2021 - as natural gas growth has not managed to outpace total energy growth," it said. This is despite resilient demand from city gas distribution (CGD) networks and rising domestic production. Prime Minister Narendra Modi had in 2017 set a target of raising the share of natural gas in the primary energy consumption basket with a view to cutting down emissions.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/fitch-sees-risks-to-indias-target-of-raising-natural-gas-energy-share/articleshow/96888258.cms>

## **Telecom**

### **India networking market grew 22% in July-September 2022**

India's networking market saw 21.6% year-over-year (YoY) growth in terms of vendor revenues as they attempted to clear payment backlogs during in the July-September 2022 period, said International Data Corporation (IDC) in its report. The networking market includes ethernet switch, routers, and WLAN segments under IDC's research. The report added that chip shortages are expected to last at least till the first half of 2023. Demand for networking

equipment seemed to be unaffected by challenges like delays in delivery, price increases, and a slowing global economy thanks to an increased demand towards wireless owing to hybrid work and technologies like 5G.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/india-networking-market-grew-22-in-july-september-2022/articleshow/96887026.cms>

#### **Tariff hike-led revenue growth, 5G key events for telecom in 2023, decisive year for VIL: Report**

Data adoption and tariff hike-led revenue growth as well as 5G rollouts are key monitorables for 2023 which will also be a decisive year for Vodafone Idea as a viable third player, according to a report. The telecom sector's Average Revenue Per User (ARPU) when adjusted for inflation is still 17 per cent below pre-Reliance Jio launch. "...we expect Bharti (Airtel) to lead tariff hikes to ARPU of Rs 236 by FY25, while Bharti targets Rs 300 ARPU", leading brokerage CLSA said in its report on the telecom sector. According to CLSA's outlook, 2023 will have three trends to watch out for when it comes to India's mobile market. Among them will be 5G rollouts and monetisation led by top-end subscribers.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/tariff-hike-led-revenue-growth-5g-key-events-for-telecom-in-2023-decisive-year-for-vil-report/articleshow/96884547.cms>

#### **External**

#### **Remittances from overseas Indians increased by 12% in 2022: FM Sitharaman**

Underlining the contribution of non-resident Indians, Union Finance Minister Nirmala Sitharaman on Tuesday said remittances sent to the country by overseas Indians were about USD 100 billion for the year 2022, an increase of 12 per cent in one year. Speaking at a session during the Pravasi Bharatiya Divas (PBD) convention in Madhya Pradesh's Indore city, she described NRIs as the "real ambassadors of India" and appealed to them to use made in India products and services as far as possible so that the country's individual brand can be promoted across the globe. Sitharaman also said that after the "China plus one" policy, the world is now talking about the "European Union (EU) plus one" policy. The government is strongly presenting India to multinational companies as a country where they can set up their factories apart from China and the EU, she said.

[https://www.business-standard.com/article/economy-policy/remittances-from-overseas-indians-increased-by-12-in-2022-fm-sitharaman-123011000720\\_1.html](https://www.business-standard.com/article/economy-policy/remittances-from-overseas-indians-increased-by-12-in-2022-fm-sitharaman-123011000720_1.html)

#### **Gems, jewellery exports falls 11.25 pc to Rs 19,432.88 cr in Dec: GJEPC**

The overall gem and jewellery exports in December declined 11.25 per cent to Rs 19,432.88 crores (USD 2,356.70 million) due to rising prices, affecting the cost of living and talks of a downturn in the US, the Gem and Jewellery Export Promotion Council (GJEPC) said on Tuesday. During December 2021, the overall gems and jewellery exports stood at Rs 21,896.46 crores (USD 2,905.79 million), GJEPC said in a statement. Meanwhile, the total exports during April-December 2022 witnessed a growth of 6.28 per cent to Rs 2,27,534.50 crore compared to Rs 2,14,087.94 crore in the corresponding period of the preceding year.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/gems-jewellery-exports-falls-11-25-pc-to-rs-19432-88-cr-in-dec-gjepc/articleshow/96889058.cms>

#### **India exports 1.69 million tons of sugar till Jan 4 of FY23: Report**

India has exported 16.92 lakh tonnes of sugar till January 4 of the ongoing 2022-23 marketing year, including 59,596 tonnes of the sweetener to neighbouring China, trade body AISTA said on Tuesday. Among other neighbouring nations, India has exported 1.47 lakh tonnes of sugar to Bangladesh, and 82,462 tonnes to Sri Lanka during October-January 4 of the current marketing year, All India Sugar Trade Association (AISTA) said in a statement. According to AISTA, mills have exported a total of 16,92,751 tonnes of sugar from October 1, 2022 to January 4, this year. Over 3.47 lakh tonnes of sugar is under loading, while 2.54 lakh tonnes of sugar has been delivered to refineries considered to be deemed export in the said period, it said.

[https://www.business-standard.com/article/economy-policy/india-exports-1-69-million-tons-of-sugar-till-jan-4-of-fy23-report-123011000419\\_1.html](https://www.business-standard.com/article/economy-policy/india-exports-1-69-million-tons-of-sugar-till-jan-4-of-fy23-report-123011000419_1.html)

