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Economy

CPI eases marginally to 5.72% in Dec 2022, within RBI's comfort zone

India's Consumer Price Index (CPI)-based inflation in December eased marginally to 5.7 per cent, staying within the Reserve Bank of India's tolerance range of 2-6 per cent. In November, CPI, also called retail inflation, was at eleven-month low of 5.88 per cent. For October it was 6.7 per cent and 7.14 per cent in September. In December 2021, retail inflation was 5.66 per cent. Lower food prices, particularly the fall in vegetable prices, helped keep inflation within the tolerance range.

https://www.business-standard.com/article/economy-policy/cpi-eases-marginally-to-5-72-in-dec-2022-within-rbi-s-comfort-zone-123011200959_1.html

Industrial production expands by 7.1% in Nov 2022 vs -4% in Oct: Govt data

India's industrial production growth rose to a five-month high of 7.1 per cent in November on the back of better showing by manufacturing, according to official data released on Thursday. The rise in the factory output measured by the Index of Industrial Production (IIP) comes after a contraction of 4.2 per cent in October. The previous high was recorded in June 2022 at 12.6 per cent. As per the IIP data released by the National Statistical Office (NSO), the manufacturing sector's output grew by 6.1 per cent in November 2022.

https://www.business-standard.com/article/economy-policy/industrial-production-expands-by-7-1-in-november-vs-1-yoy-govt-data-123011200980_1.html

At 4% of GDP, household financial savings touch 30-year low; consumption up

Recent estimates suggest that the net financial savings of households in India fell to a three-decade low of around 4 per cent of the Gross Domestic Product (GDP) in the first half of the current fiscal, the *Financial Express* reported. The net household financial savings are estimated to have been around Rs 5.2 trillion in the first half of 2023 compared to Rs 17.2 trillion in FY 2022. There are chances that the trend might reverse, but if savings don't pick up in the coming quarters, both consumption and investments will suffer, the report said. Motilal Oswal Securities' estimate suggests that total savings of households would have come off to 15.7 per cent of GDP in H1 FY23, compared with a level of roughly 20 per cent of GDP in the previous five years.

https://www.business-standard.com/article/economy-policy/at-4-of-gdp-household-financial-savings-touch-30-year-low-consumption-up-123011200403_1.html

Covid strongly impacted India's manufacturing sector, study shows

India's manufacturing sector was strongly impacted by Covid-19 pandemic, a recent study which provides new insight into how countries respond to systemic shocks revealed. The attempts to quantify the impact of Covid-19 mostly looked only at the pandemic in a single dimension, such as gross domestic product or a country's unemployment rate. The latest study, published in PLOS One, explored resilience across a variety of social, economic and political domains in several countries, including the US, Brazil, India, Sweden, New Zealand and Israel.

<https://economictimes.indiatimes.com/news/economy/indicators/covid-19-strongly-impacted-indias-manufacturing-sector-study-shows/articleshow/96936348.cms>

Banking and Finance

RBI paper flags need for study of asymmetric distribution of inflation

The study of asymmetric distribution of inflation, especially during times of uncertainties, should be carried out, in addition to the inflation forecast, for creating a more effective monetary policy narrative, a Reserve Bank of India research paper suggested. “The asymmetric nature of future inflation distribution may be useful in explaining the tail risks of inflation and in helping the monetary policy in communicating the balance of risks,” it said. “In such circumstances, the distribution of future inflation, in addition to the inflation forecast, may be useful for future guidance, particularly under a flexible inflation targeting framework,” the paper said.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-paper-flags-need-for-study-of-asymmetric-distribution-of-inflation/articleshow/96943439.cms>

SEBI allows MFs to switch from active to passive ELSS schemes

SEBI has allowed mutual funds (MFs) with actively-managed tax-saving Equity Linked Saving Scheme (ELSS) to launch the same scheme in passive mode provided they stop inflows into the existing scheme. In order to develop the low-cost passive funds, SEBI allowed MFs to launch passively managed open-ended ELSS scheme last May. However, the response from MFs had been poor. Following this, SEBI, in a letter to the Association of Mutual Funds in India, laid down the procedure for launching passive ELSS scheme for MFs with the existing active ELSS.

<https://www.thehindubusinessline.com/markets/sebi-allows-mfs-to-switch-from-active-to-passive-elss-schemes/article66370006.ece>

SEBI allows launch of multiple contracts of same commodity

SEBI has allowed the stock exchanges to launch multiple contracts of a commodity to attract more participation by value chain industry. SEBI endeavours to frame policies that encourage broader participation of investors in commodity derivatives market. The stock exchanges have represented to SEBI that due to requirement of single contract of a particular commodity, especially in metal contracts except for gold, silver and precious metals, the participation of investors is limited. The stock exchanges have expressed their desire to launch multiple contracts of the same commodity to cater to all value chain participants, said SEBI.

<https://www.thehindubusinessline.com/markets/sebi-allows-launch-of-multiple-contracts-of-same-commodity/article66369671.ece>

Non-bank arms mooted to tackle RBI-ESMA rift

Amid the standoff between the Reserve Bank of India (RBI) and the European Securities and Markets Authority (ESMA), the former is open to the idea of European banks carrying out government securities trading and custody businesses through locally incorporated non-bank arms of these MNC institutions. If the proposal gains ground, it would come across as a strong signal from Indian authorities on regulatory jurisdiction and control over key market infrastructure. The suggestion cropped at the meeting between RBI deputy governor T.Rabi Sankar and senior officials of European Union banks having branch operations in India, multiple sources told ET. “The option of using a non-bank or a primarily dealer arm was mooted by Deutsche Bank. But while RBI is open to the suggestion, it may not be acceptable to other EU banks,” said a person familiar with the discussion.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/non-bank-arms-mooted-to-tackle-rbi-esma-rift/articleshow/96948145.cms>

Soon, it may take a week to reclaim IPEF a/c shares

Investors will soon be able to reclaim shares transferred to the Investors' Protection and Education Fund (IPEF) within a week, compared with 45-60 days currently, a senior government official told ET. The IPEF authority, which falls under the Ministry of Corporate Affairs (MCA), plans to introduce a green channel through which investors will be able to instantly verify their know your customer (KYC) documents on the IPEF portal. This can be done by virtual verification of documents, such as the Aadhaar card or the passport. As soon as the e-verification is done, the portal

will approve the transaction and instructions will be sent to the depositories for the transfer of shares back to the investor account.

<https://economictimes.indiatimes.com/markets/stocks/news/soon-it-may-take-a-week-to-reclaim-ipef-a/c-shares/articleshow/96924554.cms>

Central gov't's borrowings may touch Rs 14.8 lakh crore and states' Rs 24.4 lakh crore in FY24: Icria

The Centre as well as state governments are likely to budget for higher market borrowings next fiscal even though the Union Budget may peg a lower-than-expected fiscal deficit at 5.8 per cent of GDP, a report said. Icria Ratings anticipated that higher redemptions will lead to gross market borrowings of the Centre and states to rise to Rs 14.8 lakh crore and Rs 24.4 lakh crore, respectively, in FY24 from Rs 14.1 lakh crore and Rs 22.1 lakh crore, respectively, in FY2023. The agency also said the Centre is expected to peg its FY24 fiscal deficit at 5.8 per cent of the GDP, a healthy moderation from 6.4 per cent of GDP projected for FY23.

<https://www.financialexpress.com/economy/central-govts-borrowings-may-touch-rs-14-8-lakh-crore-and-states-rs-244-lakh-crore-in-fy24-icranbsp/2946152/>

Industry

Udyam Assist Platform: MSME Min launches new platform to boost registration of informal micro units

MSME Minister Narayan Rane on Wednesday inaugurated the Udyam Assist Platform (UAP) to bring informal micro enterprises in the country into the formal fold and enable them for priority sector lending. For the operationalisation of the platform, the ministry also signed a memorandum of understanding with its developing agency Small Industries Development Bank of India (SIDBI) during the 19th meeting of the National Board of MSME chaired by Rane. The platform, which is now live, has been referred to as the Formalisation Project by the ministry and was originally proposed by SIDBI to accelerate the registration of informal micro units in the MSME sector. The platform was launched with the inclusion of 8 lakh informal micro enterprises as formal units, according to the MSME ministry. "These 8 lakh units are among the beneficiaries of the government's scheme for street vendors PM SVANidhi scheme," a source aware of the scheme told FE Aspire. The scheme provides for a collateral-free working capital loan of up to Rs 10,000 in order to formalise street vendors.

<https://www.financialexpress.com/industry/sme/msme-eodb-udyam-assist-platform-msme-min-launches-new-platform-to-boost-registration-of-informal-micro-enterprises/2946174/>

Commercial vehicle sales may glide into pre-pandemic zone by FY23-end

Sales of commercial vehicles - a barometer of economic activity - are expected to come close to the pre-pandemic peak of over a million units in the ongoing financial year on the back of improved fleet utilizations, strong replacement demand and pick-up in road construction projects across the country. Industry estimates around 1.02 million commercial vehicles will be sold in the local market by the close of the fiscal year, aided by robust recovery in demand for small commercial vehicles (less than 3.5 tonne) and light & medium duty (LMD) trucks that will breach previous peaks. Total sales of commercial vehicles are expected to fall shy by merely 40,000-45,000 units compared to record sales of 1.06 million units registered in FY19.

<https://economictimes.indiatimes.com/industry/auto/lcv-hcv/commercial-vehicle-sales-may-glide-into-pre-pandemic-zone-by-fy23-end/articleshow/96948161.cms>

Global steel prices set to stabilise in 2023, says CRISIL Ratings

Global steel prices (free-on-board, China) are set to stabilise in calendar 2023 on-year, after falling over 40% to \$570-590 per tonne in December 2022 from the early-April peaks of \$1,000 per tonne on tepid steel demand, according to CRISIL Ratings. Following the global trend, domestic steel prices are expected to soften only a minimal 2-4% on-year (for flat steel) in fiscal 2024, after seeing a decline of over 30% last December from the historical highs of April. Flat steel prices had climbed 25% in just two months at the onset of the conflict between Russia and Ukraine, but cooled off due to a drop in raw material prices, imposition of export duty by the Government of India, and rising stock levels.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/global-steel-prices-set-to-stabilise-2023-says-crisil-ratings/articleshow/96944790.cms>

Eye on cybersecurity as cars go smart

A government-backed vehicle testing institute is looking to invest in developing cybersecurity expertise, as the introduction of internet connectivity and computers in new-generation cars brings to the fore the need to shield them from remote hacking, just like smartphones and computers do. The International Centre for Automotive Technology (ICAT), which certifies vehicles for their safety and compliance with local laws, is planning to invest in a centre that will develop the expertise for cybersecurity, among other things, said Saurabh Dalela, the institute's director. "There are more and more electronics getting into a car, with more than 30 ECUs (electronic control unit) in a car," he told ET. "And what is typically happening is that just like you get updates on the phone, you've started to get updates for the ECUs in the car. This is done over the internet. This creates a vulnerability."

<https://economictimes.indiatimes.com/industry/auto/auto-news/eye-on-cybersecurity-as-cars-go-smart/articleshow/96948091.cms>

Agriculture

High wheat crop yield this season might help India ease export curbs

India is set to harvest a record wheat crop this season as favorable weather and heat-resistant seeds are expected to boost yields, potentially setting the stage for the country to lift restrictions on exports. Output may climb almost 5 per cent from a year earlier to 112 million tons in the year to June, said Gyanendra Singh, head of the Indian Institute of Wheat and Barley Research. Wheat, planted in October, accounts for about 65 per cent of India's winter-sown food grains. The previous all-time high was 109.6 million in 2020-21. A bumper harvest may allow the government to lift export restrictions and help cool domestic prices that have soared after weak production last season. India halted wheat exports in May, a shock move that fueled fears of food shortages and inflation amid the war in Ukraine. The decision was taken after a record-breaking heat wave parched the crop and slashed India's output last year.

<https://www.financialexpress.com/economy/high-wheat-crop-yield-this-season-might-help-india-ease-export-curbs/2946102/>

Indian food safety authority notifies quality standards for basmati rice

The Food Safety and Standards Authority of India (FSSAI) has notified the quality standards for basmati rice. This has been done to ensure genuine basmati rice is sold to consumers in domestic and international markets. The quality standards will come into effect from August 1, a Ministry of Health and Family Welfare statement said. The order on basmati standards has come out with a separate provision on blended rice in which basmati can be mixed.

<https://www.thehindubusinessline.com/economy/agri-business/indian-food-safety-authority-notifies-quality-standards-for-basmati-rice/article66370040.ece>

Infrastructure

India eyes ₹35kcr investments by 2047 to create waterways network

India is eyeing an investment of ₹35,000 crore by 2047 to create a network of waterways in the country, Sanjay Bandopadhyaya, chairman of the Inland Waterways Authority of India (IWAI), told ET. The plan to be implemented over the next 25 years will include developing waterways and jetties to improve the navigable capacity of Indian rivers. Bandopadhyaya said the world's longest river cruise, which will be inaugurated by Prime Minister Narendra Modi on Friday, covers two national waterways (NWs) and goes through Bangladesh. "This cruise will cover a distance of more than 3,200 km across NW1 (Ganga-Bhagirathi-Hooghly), Indo-Bangladesh Protocol (IBP) Route 1 and NW2 (Brahmaputra). This reinforces the resolve that this route is ready for movement of cargo and passenger services," Bandopadhyaya said.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-transport/india-eyes-35kcr-investments-by-2047-to-create-waterways-network/articleshow/96948301.cms>

Energy

Measures being taken to boost coal production in next season: Centre

The power sector has been supplied more coal than the committed quantity and all-possible measures are being taken to augment the production of dry fuel in the next season also, a top official said on Thursday. Speaking with reporters here, Coal Secretary Amrit Lal Meena said that the coal ministry has plans to supply more dry fuel to the power sector by March 31 and stressed that all coal companies are producing generally more than their target. "Wherever there are issues in terms of land availability, forest clearances, logistics...we are having meetings with all stakeholders," he explained.

https://www.business-standard.com/article/economy-policy/all-measures-being-taken-to-boost-coal-output-in-next-season-minister-123011201023_1.html

Govt likely to review OMC losses post the Budget

The government is unlikely to raise the retail prices of petrol and diesel at least in January, though it intends to compensate oil marketing companies (OMCs) which are incurring losses on sale of diesel even as international crude oil prices fell by 40-45 per cent this month from the record highs in April 2022. Sources said that a review of the OMC losses will be taken post the presentation of the Budget, on February 1.

<https://www.thehindubusinessline.com/economy/govt-unlikely-to-hike-retail-prices-of-petrol-diesel-in-january/article66370213.ece>

States

Kerala to support manufacturers of the GI tagged products: Industries Minister P Rajeeve

The Government of Kerala on Wednesday said that they will support the producers of geographical indication (GI) tagged products of the state, such as Balaramapuram handloom, considering their potential to make a remarkable impact in the global market, reported PTI. Kerala Industries Minister P Rajeeve gave the assurance on supporting producers on the occasion of the one-day conclave on GI products organised by the state government, as per a release by the Kerala Bureau of Industrial Promotion (KBIP). He said legal support to safeguard the producers from fake goods circulating in the market and access to working capital to diversify to value-added items from GI products will be provided.

<https://www.financialexpress.com/industry/sme/msme-eodb-kerala-to-support-manufacturers-of-the-gi-tagged-products-industries-minister-p-rajeeve/2946005/>

Healthcare

Over 1.54 lakh sub, primary health centers transformed into Ayushman Bharat-Health and Wellness Centers: Mansukh Mandaviya

More than 1.54 lakh sub health centres and primary health centre in the country have been transformed into Ayushman Bharat-Health and Wellness Centres, exceeding the target of starting 1.50 lakh AB-HWCs by December 31 last year, Union Health Minister Mansukh Mandaviya said on Thursday. Mandaviya, who chaired the eighth meeting of Mission Steering Group (MSG) of National Health Mission (NHM) here, also said that the HWCs have witnessed more than 135 crore footfall since 2018, according to a statement from the health ministry. "For the first-time health is being linked with the agenda of development under a holistic approach undertaken by the union government. The pandemic period has provided us an opportunity to strengthen our healthcare infrastructure and delivery systems," Mandaviya said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/over-1-54-lakh-sub-primary-health-centers-transformed-into-ayushman-bharat-health-and-wellness-centers-mansukh-mandaviya/articleshow/96944596.cms>

Govt panel recommends market authorisation for Covovax jab as heterologous booster dose

An expert panel of the central drug regulatory authority has recommended market authorisation for Serum Institute of India's Covid vaccine Covovax as a heterologous booster dose for adults who have been administered two doses of Covishield or Covaxin, official sources said on Thursday. Prakash Kumar Singh, director (government and regulatory affairs) at Serum Institute of India (SII) had recently written a letter to Drugs Controller General of India (DCGI) for approval of Covovax heterologous booster dose for those aged 18 years and above in view of escalating COVID-19 pandemic situation in some countries, the sources said. "The subject expert committee (SEC) of the CDSCO

on Wednesday deliberated on the issue and recommended for market authorisation of Covid jab Covovax as a heterologous booster dose for adults who have been administered two doses of Covishield or Covaxin," an official source said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/govt-panel-recommends-market-authorisation-for-covovax-jab-as-heterologous-booster-dose/articleshow/96939225.cms>

External

India to take up development issues facing Global South at G-20 meetings, says Nirmala Sitharaman

India will take up developmental issues of the Global South at the meetings of the G-20 countries emphasising that there should not be any first world or third world, but only one world having a common future. Addressing the ministerial session at the Global South Summit, she said India will use the G-20 Presidency to encourage collective solutions to deal with the numerous challenges facing the world, like economic slowdown, rising inflation, threat of resurgence of pandemic and risks emerging from geopolitical conflicts. "While maintaining close relations with developed countries, India is keen to put forward the point of view of the Global South — our co-passengers on the path of development for decades. "We strongly believe there should not be any first world or a third world, but just one world with a shared understanding for a common future," Sitharaman said while speaking on the theme of 'Financing People Centric Development'.

<https://www.financialexpress.com/economy/india-to-take-up-development-issues-facing-global-south-at-g-20-meetings-says-nirmala-sitharaman/2946042/>

India, US establish new trade group to build sustainable supply chains

India and the United States have established a new working group to build sustainable supply chains and boost bilateral trade, the governments said in a joint statement on Thursday. The working group will initially focus on trade facilitation, digitization of customs procedures, issues related to sustainable finance and the scaling up of innovative clean technologies, according to the statement issued after a Trade Policy Forum meeting in Washington D.C. At a meeting co-chaired by India's trade minister, Piyush Goyal, and U.S. Trade Representative Katherine Tai, the countries also agreed to continue close monitoring of visa issues and increase dialogue on food and agricultural trade issues in 2023.

https://www.business-standard.com/article/economy-policy/india-us-establish-new-trade-group-to-build-sustainable-supply-chains-123011200537_1.html

Govt will take appropriate decision in March-April on lifting wheat export ban: DGFT chief

Director General of Foreign Trade Santosh Kumar Sarangi on Thursday said the government will take an appropriate decision on the demand to lift the ban on wheat exports at the time of crop harvest around March-April. Before this decision, a review will be done of the gap between the demand and supply of wheat in the country, he said. The head of the Directorate General of Foreign Trade (DGFT) was in Indore to participate in the Global Investors Summit 'Invest Madhya Pradesh' organised by the MP government.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/govt-will-take-appropriate-decision-in-march-april-on-lifting-wheat-export-ban-dgft-chief/articleshow/96939226.cms>

1 MT tur dal imports likely as output dips

India is likely to import a million tonnes of tur dal (pigeon peas) in the marketing year 2023-24 to meet the domestic demand as production in the country is expected to drop due to wilt disease, said Rohit Kumar Singh, secretary, Department of Consumer Affairs. India is likely to import a million tonnes of tur dal (pigeon peas) in the marketing year 2023-24 to meet the domestic demand as production in the country is expected to drop due to wilt disease, said Rohit Kumar Singh, secretary, Department of Consumer Affairs.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/fearing-shortage-govt-makes-advance-plan-to-import-about-10-lakh-ton-tur-dal-this-year-via-pvt-trade/articleshow/96939315.cms>

India to explore buying oil from Guyana in long-term deal, says govt

India's oil minister and Guyana's president have discussed government to government co-operation in Guyana's hydrocarbons sector, the Indian government said in a statement on Thursday. India will explore buying oil

from Guyana in a long term deal and participating in the South American country's oil and gas exploration sector, the statement said.

https://www.business-standard.com/article/economy-policy/india-to-explore-buying-oil-from-guyana-in-a-long-term-deal-says-govt-123011200718_1.html

India's Dec palm oil imports fall 2.8% to 1.11 million tonnes: Trade body

India's palm oil imports in December fell about 2.8% from the previous month to 1.11 million tonnes, while vegetable oil imports rose about 1.3% to 1.57 million tonnes, a trade body said on Thursday. Imports of soyoil gained 10.1% to 252,525 tonnes while sunflower oil imports jumped 23% to 194,009 tonnes, a release said.

https://www.business-standard.com/article/economy-policy/india-s-dec-palm-oil-imports-fall-2-8-to-1-11-million-tonnes-trade-body-123011200723_1.html

India's Dec gold imports plunge 79%; fall by over a third in 2022: Report

India's gold imports in December plunged 79% from a year earlier to the lowest level in at least two decades for the month as a rally in local prices near record high dampened demand, two government sources told Reuters on Thursday. Lower imports by the world's second-biggest consumer of the precious metal could limit gains in global prices trading near their highest in eight months. The drop in imports could help in bringing down India's trade deficit and support the rupee. India imported 20 tonnes in the December, down from 95 tonnes a year ago, said a government official, who asked not to be named since he is not authorised to speak to the media.

https://www.business-standard.com/article/markets/india-s-dec-gold-imports-plunge-79-fall-by-over-a-third-in-2022-report-123011200430_1.html