



January 17, 2023 – Tuesday

Economy

WPI inflation cools down to 22-month low of 4.95 per cent in December on softening food prices

The wholesale price-based inflation declined to a 22-month low of 4.95 per cent in December 2022, mainly due to fall in prices of food articles, especially vegetables, and oilseeds. The Wholesale Price Index (WPI)-based inflation was 5.85 per cent in November 2022 and 14.27 per cent in December 2021. Last month, declining prices of vegetables and onions pulled down inflation rate of food articles by (-)1.25 per cent. However, wheat, pulses and potato remained expensive, along with protein rich items like milk and 'egg, meat and fish'. Wholesale inflation in vegetables declined 35.95 per cent, and onion by 25.97 per cent. In non-food articles, oilseeds and minerals too recorded a decline in inflation by 4.81 per cent and 2.93 per cent, respectively. "The decline in the rate of inflation in December 2022 is primarily contributed by fall in prices of food articles, mineral oils, crude petroleum & natural gas, food products, textiles and chemicals & chemical products," the commerce and industry ministry said in a statement.

<https://www.financialexpress.com/economy/wpi-inflation-cools-down-to-4-95-per-cent-in-december/2949286/>

India among countries evolving food systems for bigger gains for farmer-allied SMEs, says WEF study

India figures among the few countries that have been able to evolve their food systems for a broader set of outcomes by unlocking the potential of small and medium-sized enterprises, a new WEF report said on Monday. The World Economic Forum report, released here on the first day of its Annual Meeting 2023, said the countries that tackle food crisis can boost jobs, health and nature and also meet net zero goals better. It listed India, Ghana and Vietnam as among the countries that have been able to evolve their food systems by unlocking the potential of SMEs, particularly those that are farmer-allied and operating in local food chains.

<https://economictimes.indiatimes.com/news/economy/agriculture/india-among-countries-evolving-food-systems-for-bigger-gains-for-farmer-allied-smes-says-wef-study/articleshow/97037156.cms>

Access to electricity among poorest households rises to 86%

Electricity access among the poorest 20% of households increased from 53% to 86% in the five-year period between the fourth and fifth rounds of the National Family Health Survey (NFHS), shows an analysis of the data. In the case of 19 states and union territories, this percentage was over 95%. The fifth edition of the NFHS was conducted over 2019-21, five years after the fourth edition in 2014-15. "India's real economy underwent a revolution within mere 5 years," said professor Shamika Ravi, a former member of the Economic Advisory Council to the Prime Minister.

<https://economictimes.indiatimes.com/industry/energy/power/access-to-electricity-among-poorest-households-rises-to-86/articleshow/97038709.cms>

Banking and Finance

RBI tweaks norms related to share acquisition in banks

India's central bank, the Reserve Bank of India, on Monday tweaked norms related to acquiring shares in banks in a bid to ensure ownership is well diversified and shareholders are "fit and proper." In the 'Master Direction - Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023' issued on

January 16, the RBI said that it requires major acquisitions in banks to go through it first. "These directions are issued with the intent of ensuring that the ultimate ownership and control of banking companies are well diversified and the major shareholders of banking companies are 'fit and proper' on a continuing basis," the RBI said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-tweaks-norms-related-to-share-acquisition-in-banks/articleshow/97037218.cms>

RBI proposes to bring in "expected credit loss" based provisioning for banks

The Reserve Bank of India is moving closer towards ring fencing the banking system from credit losses as it proposes to move to provisioning on the principles of 'expected losses' from 'incurred losses.' The move would be over a period of five years, the central bank said in a discussion paper. "To further enhance the resilience of the banking system, Reserve Bank proposes to amend the prudential regulations governing loan loss provisioning by banks to incorporate the more forward looking expected credit losses (ECL) approach as against the extant "incurred loss" approach," the central bank said in a discussion paper released on Monday evening.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-proposes-to-bring-in-expected-credit-loss-based-provisioning-for-banks/articleshow/97035194.cms>

Govt notifies incentives for promoting PoS, e-commerce transactions using Rupay, BHIM

The government has notified a scheme to incentivise banks for promoting point-of-sale and e-commerce transactions using RuPay debit cards and low-volume payments to merchants on the BHIM-UPI platform. The notification dated January 14, 2023 published on the Ministry of Electronics and IT website on Monday is part of an announcement in the Union Budget for 2022-23 to boost digital transactions in the country. The government has announced the scheme to incentivise the acquiring banks by way of paying a percentage of value of RuPay debit cards transactions and low-value BHIM-UPI transactions up to Rs 2,000 (Person-to-Merchant- P2M) for the financial year 2022-23, with effect from April 1, 2022.

<https://economictimes.indiatimes.com/news/economy/policy/govt-notifies-incentives-for-promoting-pos-e-commerce-transactions-using-rupay-bhim/articleshow/97035894.cms>

Insurers can classify green bond purchases as infra investments: Irdai

The Insurance Regulatory and Development Authority of India has said insurers will be allowed to classify their sovereign green bond purchases as infrastructure investments. The regulator, in a circular dated Jan. 13, said the move was made with the objective of "de-concentration and diversification" of insurers' infrastructure portfolios as well as "from the perspective of participation in environmental, social and governance (ESG) initiatives."

https://www.business-standard.com/article/finance/insurers-can-classify-green-bond-purchases-as-infra-investments-irdai-123011600872_1.html

States' finances are improving; gross fiscal deficit set to fall in 2022-23, says RBI

According to the Reserve Bank of India, the fiscal health of the subcontinent's states is on the mend, with the consolidated gross fiscal deficit to gross domestic product ratio seen falling to 3.4% from 4.1% for the previous year. "The fiscal health of the states has improved from a sharp pandemic-induced deterioration in 2020-21 on the back of a broad-based economic recovery and resulting high revenue collections," the RBI said in its annual State Finances Report. States' gross fiscal deficit is budgeted to decline from 4.1% of gross domestic product in 2020-21 to 3.4% in 2022-23. Although this is higher than the Fiscal Responsibility Legislation target of 3%, it remained within the target of 4% set by the Centre.

<https://economictimes.indiatimes.com/news/economy/finance/states-finances-are-improving-gross-fiscal-deficit-set-to-fall-in-2022-23-says-rbi/articleshow/97035420.cms>

MFs eye GIFT City route to cross foreign investment limit barrier

Even as hopes for an extension in the overseas limit for mutual fund (MF) investments dwindle, asset management companies (AMCs) are planning product launches in Gujarat International Finance Tec-City (GIFT City) to facilitate retail investments in international markets.

https://www.business-standard.com/article/markets/mfs-eye-gift-city-route-to-overcome-overseas-investment-limit-barrier-123011600746_1.html

Industry

New norms to put auto parts companies on profit highway

A raft of regulations related to vehicle safety and emission expected in the coming months and the mega trend of electrification have come as a blessing in disguise for auto component manufacturers. The new rules and the electrification trend are leading to an increase in the content per vehicle, in turn bumping up their revenue and boosting profitability, said top executives at auto component firms ET spoke with. Every time emission standards have become tighter and fuel economy regulations tougher, companies like Cummins have succeeded and managed to increase business with every automaker, said Ashwath Ram, managing director at engine maker Cummins India.

<https://economictimes.indiatimes.com/industry/auto/auto-components/new-norms-to-put-auto-parts-companies-on-profit-highway/articleshow/97039227.cms>

Strong demand in India quite supportive for future growth of denim industry

Leading mills are confident that denim will continue to grow in the years to come, at a rate higher than the current one, and if projections are any indication, its growth will reach 10-12 per cent on a CAGR basis. This optimism is largely due to the expanding denim market, both domestically and internationally. According to a recent forecast by Research and Markets, a reputable market research firm, the global market for jeans will reach US\$87.4 billion by 2027 after being revised from US\$63.5 billion in 2020, growing at a CAGR of 4.7 per cent from 2020 to 2027. Denim is the market segment that has recovered the quickest from the pandemic outbreak. India has long been a leader in denim fabrics, and more recently, the domestic jeans market has been expanding steadily, in fact more quickly than the rate of global expansion. According to various market studies, the Indian domestic denim market has been maintaining an average CAGR of 8 to 9 per cent for a few years and is expected to reach Rs 91,894 crore by 2028.

<https://www.financialexpress.com/industry/strong-demand-in-india-quite-supportive-for-future-growth-of-denim-industry/2949598/>

India Inc likely to see 9.8% hike in salary in 2023, finds survey

India Inc is likely to see an average salary increment of 9.8 per cent in 2023, slightly higher than a 9.4 per cent hike in 2022, and for top talent the increase will be much more, says a survey. According to Korn Ferry's latest India Compensation Survey, organizations are focused on retaining critical and key talent through various talent management initiatives and formal retention and compensation plans. The survey that covered 818 organisations with more than 800,000 incumbents noted that salaries are set to increase by 9.8 per cent in India in 2023.

https://www.business-standard.com/article/companies/india-inc-likely-to-see-9-8-hike-in-salary-in-2023-finds-survey-123011600425_1.html

Agriculture

Beekeeping has helped in raising crop production by 30%: KVIC Chairman Manoj Kumar

Khadi and Village Industries Commission (KVIC) Chairman Manoj Kumar said that the beekeeping industry has raised the crop productivity by 30 per cent which, in turn, has increased farmers' income, reported ANI. "Beekeeping is the medium of sweet revolution, more income can be earned by joining this work," said Kumar while addressing the Khadi Honey Mission dialogue programme in Haryana's Kaithal. Underlining the benefits of the beekeeping industry, Kumar said that India is realizing its potential and is focusing on improving the production of honey, he added. The government has also recently approved a new central sector scheme National Beekeeping and Honey Mission (NBHM) for the promotion of scientific beekeeping. The Mission is aimed at improving the quality of honey as well as other beehive products to encourage the growth of the beekeeping industry.

<https://www.financialexpress.com/industry/sme/msme-eodb-beekeeping-has-helped-in-raising-crop-production-by-30-kvic-chairman-manoj-kumar/2950078/>

Infrastructure

Govt working on adopting pre-fabricated materials in construction: MoS VK Singh

Union minister of state for road transport and highways Gen VK Singh said India is working towards ensuring that most of the construction-related materials are pre-fabricated, barring those used in foundations for bridges among

others. Speaking at the conference on 'Decarbonising Construction: Building a Low Carbon Future' organised by the industry chamber FICCI earlier this week, minister Singh said the usage of pre-fabricated materials will lead to the sustainable development of infrastructure, and roads in particular. "There is much more emphasis coming in", he said, adding, "the day is not far when we will be able to make road surfaces with pre-fabricated things that come from the factory and just be laid."

<https://economictimes.indiatimes.com/industry/indl-goods/svs/construction/govt-working-on-adopting-pre-fabricated-materials-in-construction-mos-vk-singh/articleshow/97007885.cms>

Around 58% builders expect housing prices to rise further in 2023: Survey

Around 58 per cent of developers expect housing prices to increase this year because of rise in input costs, while 32 per cent builders feel it will remain stable, according to a survey. According to the 'Real Estate Developers Sentiment Survey', by Realtors apex body CREDAI, real estate consultant Colliers India and property research firm Liasis Foras, 43 per cent of developers expect residential demand to remain stable in 2023, while 31 per cent feel the demand would increase up to 25 per cent. As many as 341 real estate developers from various parts of the country participated in the joint survey conducted during the last two months.

https://www.business-standard.com/article/companies/around-58-builders-expect-housing-prices-to-rise-further-in-2023-survey-123011600251_1.html

Energy

India cuts windfall tax on crude oil to Rs 1,900 per tonne from Rs 2,100 per tonne

India Monday reduced windfall tax on crude oil to Rs 1900 per tonne from Rs 2100 per tonne. It has also reduced levy on ATF to Rs 3.5 per litre from earlier Rs 4.5 per litre and has reduced export duty on diesel to Rs 5 per litre, including cess. India imposed the windfall profit tax, from July, joining a nations that tax super normal profits of energy companies. The government has maintained that the levy was introduced in view of the windfall gains made by the domestic crude producers and refiners due to high global crude and product prices.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/india-cuts-windfall-tax-on-crude-oil-to-rs-1900-per-tonne-from-rs-2100-per-tonne/articleshow/97038164.cms>

Power consumption may grow 10 pc this fiscal: Report

Electricity consumption in the country is expected to grow at a decadal high of 9-10 per cent year-on-year (y-o-y) in the current fiscal, according to a report. "We expect demand to grow a healthy 6-7 per cent on-year in the fourth quarter owing to anticipated severe cold waves parts of the country as well as healthy economic activity. For the full fiscal, electricity consumption is slated to grow at a decadal high of 9-10 per cent vis-a-vis 8.2 per cent in fiscal 2022," as per the report by by Crisil Market Intelligence and Analytics. In December, peak demand rose once again by a sharp 12 per cent y-o-y and 9 per cent month-on-month to 206 GW, due to increased heating requirement with the onset of winter as well as continued momentum in manufacturing activity, which rose to a 25-month high during the month.

<https://economictimes.indiatimes.com/industry/energy/power/power-consumption-may-grow-10-pc-this-fiscal-report/articleshow/97036926.cms>

Telecom

5G services in all over Himachal Pradesh by 2024, says official

The 5G services would be made functional in rural and urban areas of Himachal Pradesh by 2024-end, a state official said on Monday. This will ensure better internet facilities and reduce the digital divide among the masses, IT Secretary Abhishek Jain said. Presiding over the state level meeting on modalities for use of government infrastructure/street furniture in establishing telecom structure for making 5G services functional in state by 2024, held here on Monday, he said that in the present scenario, data is new oil to make all the segments work with efficiency and momentum which is not possible without the development of telecommunication sector and 5G services.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/5g-services-in-all-over-himachal-pradesh-by-2024-says-official/articleshow/97038024.cms>

States

Jammu & Kashmir administration goes digital, all offline services to end

The Jammu and Kashmir administration will go fully digital following an order by Chief Secretary Dr Arun Kumar Mehta during a meeting of the committee of secretaries on Monday. Mehta directed the Commissioner Secretary (IT) to ensure that all government services were only available online from Monday itself. He iterated that no service would remain offline and applicants need not to visit any government office. Mehta also directed all the secretaries to ensure hassle-free online delivery of services and asked them to run campaigns in educational institutions and at the panchayat level to create public awareness.

<https://economictimes.indiatimes.com/news/india/jammu-kashmir-administration-goes-digital-all-offline-services-to-end/articleshow/97039046.cms>

Healthcare

NPPA revises ceiling prices of 128 formulations

Drug pricing regulator National Pharmaceutical Pricing Authority has revised prices of 128 drugs, including antibiotics and antiviral medications. The formulations for which the ceiling price has been fixed include antibiotic injections of Amoxicillin and Clavulanic acid; Vancomycin, asthma medication Salbutamol, cancer drug Trastuzumab, brain tumour treatment drug Temozolomide, painkiller Ibuprofen and paracetamol which is used to treat pain and fever. As per the notification, the ceiling price of one Amoxicillin capsule has been fixed at Rs 2.18; one tablet of Cetrizine at Rs 1.68; Amoxicillin and Clavulanic acid injection at Rs 90.38; Ibuprofen 400 mg tablet at Rs 1.07.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/nppa-revises-ceiling-prices-of-128-formulations/articleshow/97033906.cms>

DCGI approves market authorisation for SII's Covid vaccine Covovax as heterologous booster dose

The Drug Controller General of India (DCGI) has approved market authorisation to COVID-19 vaccine Covovax as a heterologous booster dose for adults who have been administered two doses of Covishield or Covaxin, official sources said on Monday. The DCGI's approval came following recommendation by the Subject Expert Committee of the Central Drugs Standard Control Organisation (CDSCO). Prakash Kumar Singh, Director of Government and Regulatory Affairs at the Serum Institute of India (SII), had recently written to the DCGI for the approval of Covovax heterologous booster dose for those aged 18 years and above in view of escalating COVID-19 pandemic situation in some countries, an official source had said. "The Subject Expert Committee of the CDSCO on Wednesday deliberated on the issue and had 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/dcgi-approves-market-authorisation-for-siis-covid-vaccine-covovax-as-heterologous-booster-dose/articleshow/97038353.cms>

Govt exempts customs duty on imports of Covid-19 vaccines till March 31

The government has exempted customs duty on imports of Covid-19 vaccines till March 31, 2023 in a bid to ensure domestic availability amid fears of a surge in coronavirus infections. In a notification, the Central Board of Indirect Taxes and Customs (CBIC) said Covid vaccines, when imported into India by central government or state governments, would be exempt from the whole of customs duty from January 14, 2023 till March 31, 2023.

https://www.business-standard.com/article/economy-policy/govt-exempts-customs-duty-on-imports-of-covid-19-vaccines-till-march-31-123011600637_1.html

Over 100 mn records linked digitally to Ayushman Bharat Health Account

Over 10 crore health records have been linked digitally to the Ayushman Bharat Health Account under the Ayushman Bharat Digital Mission (ABDM), a step which help people create a comprehensive medical history across various healthcare providers. Over 30 crore citizens have generated their unique Ayushman Bharat Health Accounts (ABHA) so far. With their health records linked to their ABHA accounts digitally, citizens will be able to access and manage these records as per their convenience.

https://www.business-standard.com/article/economy-policy/over-100-mn-records-linked-digitally-to-ayushman-bharat-health-account-123011600565_1.html

External

Exports decline 12.2 pc in December on global headwinds; trade deficit widens to USD 23.76 bln

India's exports contracted 12.2 per cent to USD 34.48 billion in December 2022, mainly due to global headwinds, and the trade deficit widened to USD 23.76 billion during the same period, according to official data released on Monday. Imports in December 2022 also declined 3.5 per cent to USD 58.24 billion as against USD 60.33 billion in the year-ago period. In December 2021, exports stood at USD 39.27 billion and the trade deficit was at USD 21.06 billion. During April-December of this fiscal, the country's overall exports rose 9 per cent to USD 332.76 billion while imports increased 24.96 per cent to USD 551.7 billion. The merchandise trade deficit for the April-December 2022 period was estimated at USD 218.94 billion as against USD 136.45 billion in April-December 2021.

<https://www.financialexpress.com/economy/exports-decline-12-2-pc-in-december-on-global-headwinds-trade-deficit-widens-to-usd-2376-bln/2950105/>

FTA will act as catalyst to fulfill huge trade potential with India: Israel

The newly-elected President of the Israel-Asia Chamber of Commerce, Anat Bernstein-Reich, who has worked to promote Indo-Israel bilateral trade for more than two decades, has said the Free Trade Agreement (FTA) between Israel and India will act as a catalyst in fulfilling the huge trade potential. "India and Israel trade relations have reached new heights but have still not fulfilled their potential. The long-awaited Free Trade Agreement will be a catalyst for the same", Bernstein-Reich told PTI. "I call upon the two sides to break the current deadlock in discussions over FTA. I was recently in India and during my meetings with officials there have also requested to look into ways to move the process forward to boost bilateral trade", she said.

https://www.business-standard.com/article/economy-policy/fta-will-act-as-catalyst-to-fulfill-huge-trade-potential-with-india-israel-123011600649_1.html

India hopeful of rupee trade with Russia will pick up: Official

India is hopeful that rupee trade with Russia will pick up in the future after the two sides recently spoke about facilitating trade in local currencies, an Indian trade ministry official said on Monday. India has been exploring a rupee trade settlement mechanism with Russia since soon after Moscow invaded Ukraine in February but the countries have not formalised the rules yet. New Delhi has become Moscow's largest oil buyer after China, buying discounted Russian crude well below a \$60 price cap agreed by Western nations while also trying to close a growing trade deficit with the country.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-hopeful-of-rupee-trade-with-russia-will-pick-up-official/articleshow/97030093.cms>

India's imports from China rise, exports fall in April-December 2022

China was India's top import source in April-December 2022, with an increase of 11.9 per cent (year-on-year) to \$75.87 billion, while exports to the country during the period declined 35.58 per cent \$11.03 billion pushing up trade deficit in the first nine months of the fiscal to \$64.84 billion. While imports of essentials from China have to continue, the Commerce Department will continue to strike against low-quality imports from the country through various quality control measures and action will also be taken against reported under-invoicing of goods imported from the country, a person tracking the matter told businessline.

<https://www.thehindubusinessline.com/economy/indias-imports-from-china-rise-exports-fall-in-april-december-2022/article66384170.ece>