



February 22, 2023 – Wednesday

## Economy

### **GDP growth rate likely at 4.6% in December quarter: SBI economists**

Economists at the State Bank of India (SBI) have projected a GDP growth of 4.6 per cent for the December quarter, citing that as many as 30 high frequency indicators are not as robust as they were in the previous quarters. However, the projection is higher than the Reserve Bank of India's forecast of 4.4 per cent for the third quarter of this fiscal. The lower forecast also stems from poor corporate results, ex-BFSI, which have shown that operating profits grew at a much slower 9 per cent in the third quarter, which is just half of 18 per cent recorded in the year-ago period. Also, despite a 15 per cent in net sales, the bottom line was down by around 16 per cent, Soumya Kanti Ghosh, the group chief economic adviser at SBI, said in a report on Tuesday.

[https://www.business-standard.com/article/economy-policy/gdp-growth-rate-likely-at-4-6-in-december-quarter-sbi-economists-123022101148\\_1.html](https://www.business-standard.com/article/economy-policy/gdp-growth-rate-likely-at-4-6-in-december-quarter-sbi-economists-123022101148_1.html)

### **Indian economy likely to grow at 5.9% in FY24, says India Ratings**

India's gross domestic product (GDP) is expected to grow at 5.9 per cent in FY24 amid normalising pent-up demand, global slowdown, and higher borrowing costs, India Ratings & Research said on Tuesday. "Although there are few positives for India such as sustained government capex, deleveraged corporates, low non-performing asset (NPA) in the banking sector, production-linked incentive scheme, and likelihood of global commodity prices remaining subdued, the agency believes that they are still not sufficient to take the FY24 GDP growth beyond 6 per cent," it said in its latest macro-economic outlook for FY24. The International Monetary Fund has projected the Indian economy to grow at 6.1 per cent in FY24 compared to 6.4 per cent estimated by the Reserve Bank of India. The latest Economic Survey has estimated economic growth to be in the range of 6-6.8 per cent in FY24, depending on the trajectory of economic and geo-political developments globally.

[https://www.business-standard.com/article/economy-policy/indian-economy-likely-to-grow-at-5-9-in-fy24-says-india-ratings-123022101021\\_1.html](https://www.business-standard.com/article/economy-policy/indian-economy-likely-to-grow-at-5-9-in-fy24-says-india-ratings-123022101021_1.html)

### **India likely to contribute 15-17% to global growth in 2023: top IMF exec**

India is expected to contribute 15-17 per cent to the global growth in 2023, an International Monetary Fund (IMF) official said on Tuesday. "Both India and China are expected to contribute 50 per cent of the global growth in the upcoming year (2023). However, the share of India's contribution to global growth is expected to be around 15-17 per cent," Krishna Srinivasan, director, Asia and Pacific Department (APD) at IMF said at a roundtable with reporters from south Asian countries. The Washington-based multilateral lender has projected the Indian economy to grow at 6.1 per cent in FY24 compared to 6.4 per cent estimated by the Reserve Bank of India. Responding to a question on the challenges to India's growth prospects, the IMF director said that despite doing better than the rest of the world, inflation remains a key challenge.

[https://www.business-standard.com/article/economy-policy/india-likely-to-contribute-15-17-to-global-growth-in-2023-top-imf-exec-123022100879\\_1.html](https://www.business-standard.com/article/economy-policy/india-likely-to-contribute-15-17-to-global-growth-in-2023-top-imf-exec-123022100879_1.html)

## Banking and Finance

### **Practice of permanent board seats at listed companies likely to end**

The Securities and Exchange Board of India (Sebi) has proposed to put a stop to the practice of certain directors occupying permanent board seats at listed companies. The regulator has suggested that the directorship of any individual serving on the board should be subject to periodic approval from shareholders, at least once in five years. In a discussion paper issued on Tuesday, Sebi said a few promoters enjoyed permanency on the board, giving them an undue advantage, prejudicial to the interests of public shareholders. The issue had come into focus last year when a tussle broke out between Dish TV's erstwhile promoters and YES Bank over the not-liable-to-rotate tag enjoyed by Jawahar Goel. There are two ways by which an individual can occupy a permanent seat on a board — by having a clause inserted in the Articles of Association (AoA) or by getting appointed on the board as a director not liable to 'retire by rotation' and without any defined tenure.

[https://www.business-standard.com/article/markets/market-regulator-sebi-proposes-to-end-practice-of-permanent-board-seat-123022101169\\_1.html](https://www.business-standard.com/article/markets/market-regulator-sebi-proposes-to-end-practice-of-permanent-board-seat-123022101169_1.html)

### **Inbound travellers from G20 countries can now use UPI, says RBI**

The RBI on Tuesday said inbound travelers from G20 countries arriving at Mumbai, Delhi, and Bengaluru international airports would be able to use Unified Payments Interface (UPI) for merchant transactions. Eligible travelers would be issued Prepaid Payment Instruments wallets linked to UPI for making payments at merchant outlets, the central bank said in a statement. Even delegates from G20 countries would be able to avail this facility at various meeting venues.

[https://www.business-standard.com/article/finance/travellers-arriving-at-3-int-l-airports-from-g-20-countries-can-use-upi-123022101179\\_1.html](https://www.business-standard.com/article/finance/travellers-arriving-at-3-int-l-airports-from-g-20-countries-can-use-upi-123022101179_1.html)

### **Indian banks' performance till Dec 22 exceeds expectations: Fitch Ratings**

The pace at which the asset quality and profitability of Indian banks have improved has exceeded expectations, while capital buffers are broadly in line with Fitch Ratings' projections. There is a further upside in performance and this could persist for longer than expected, according to the agency. The sector's impaired-loan ratio declined to 4.5 per cent in the first 9 months of FY23 (9MFY23), from 6.0 per cent at FY22. This was nearly 60 basis points below Fitch's FY23 estimate. Increased write-offs have been a key factor, but higher loan growth, supported by lower slippages and improved recoveries, have also played a role. Fitch expects a further improvement by FYE23, although banks still face the risk of asset-quality pressure associated with the unwinding of loan forbearance in FY24.

[https://www.business-standard.com/article/finance/indian-bank-s-performance-till-dec-22-exceeds-expectations-fitch-ratings-123022100265\\_1.html](https://www.business-standard.com/article/finance/indian-bank-s-performance-till-dec-22-exceeds-expectations-fitch-ratings-123022100265_1.html)

## **Industry**

### **Two-wheeler electric vehicle sales may fall short of 1-million target**

With just a month left in this financial year, electric two-wheeler sales, so far, are at just 62 per cent of the ambitious target of 1 million units set for 2022-23 by the NITI Aayog. According to VAHAN data, compiled by the Society of Manufacturers of Electric Vehicles (SMEV), 620,006 units of electric two-wheelers were sold across the country until February 21.

[https://www.business-standard.com/article/automobile/fy23-sales-of-electric-two-wheeler-set-to-miss-1-million-target-123022101017\\_1.html](https://www.business-standard.com/article/automobile/fy23-sales-of-electric-two-wheeler-set-to-miss-1-million-target-123022101017_1.html)

### **Semiconductor manufacturing to start very soon in India: IT secretary**

Electronics and IT secretary Alkesh Kumar Sharma on Tuesday said that the production of semiconductors in the country will start very soon. He was responding to a query around plan of action of the Ministry of Electronics and IT after state-owned company Energy Efficiency Services Limited (EESL) raised the issue of shortage of electronic chip and printed circuit board (PCB or motherboard) hindering domestic production of electric meters. "India will be one of those top 6-7 partners which will have semiconductor manufacturing. It will happen very soon," Sharma said. Speaking at a conference on technology transfer by C-DAC, Thiruvananthapuram for local manufacturing of smart meters and electric chargers, Sharma said Meity has taken lead in technology development, be it electronic or automotive sector, artificial intelligence.

[https://www.business-standard.com/article/economy-policy/semiconductor-manufacturing-to-start-very-soon-in-india-it-secretary-123022101356\\_1.html](https://www.business-standard.com/article/economy-policy/semiconductor-manufacturing-to-start-very-soon-in-india-it-secretary-123022101356_1.html)

### **Consumers prefer premium appliances, smartphones and TVs in 2022**

Consumers spent big bucks on premium products in 2022 despite inflationary pressures. From high-end smartphones and televisions to higher capacity refrigerators and air conditioners, premium products category grew up to 9 times faster than the entire segment in 2022, as per the latest data shared by GfK Market Intelligence Offline Sales Tracking. The data is for January-December 2022 compared to 2021. When compared to 2021, the overall smartphone category saw 35 per cent value growth, the phones priced over ₹30,000 registered 94 per cent growth. Similarly, premium panel television sales (ultra-HD models with screens larger than 55 inches) registered 95 per cent value growth, while the entire television category clocked 11 per cent growth.

<https://www.thehindubusinessline.com/economy/consumers-prefer-premium-appliances-smartphones-and-tvs-in-2022/article66535673.ece>

## **Agriculture**

### **Govt to offload additional 20 lakh tonnes of wheat in open market to cut prices**

The Centre on Tuesday announced it will offload an additional 20 lakh tonnes of wheat in the open market to bring down the prices of wheat and wheat flour. On January 25, the Centre had announced sale of 30 lakh tonnes of wheat in the open market from its buffer stock to check rise in prices of wheat and wheat flour (atta). According to an official statement, the government has decided that state-owned Food Corporation of India (FCI) will offload an additional quantity of 20 lakh tonnes of wheat in open market under the Open Market Sale Scheme (OMSS). The stocks will be for sale through e-auction to flour mills/private traders/bulk buyers/manufacturers of wheat products. The proposal to sell stocks in the open market was taken by a group of ministers, sources said.

<https://www.financialexpress.com/economy/govt-to-offload-additional-20-lakh-tonnes-of-wheat-in-open-market-to-cut-prices/2988050/>

### **Govt's paddy procurement crosses 700 lakh tonne mark in current year**

The government's paddy procurement has crossed the 700 lakh tonne mark in the ongoing 2022-23 kharif marketing season so far, according to the Food Ministry. The government aims to procure 765.43 lakh tonnes of paddy in the 2022-23 kharif marketing season (October-September). The actual procurement stood at a record 749 lakh tonnes in the previous kharif marketing season. The paddy procurement is undertaken by both state-owned Food Corporation of India (FCI) and private agencies. The paddy is procured at the minimum support price (MSP) directly from the farmers and is utilised for meeting the demand under several welfare schemes.

<https://economictimes.indiatimes.com/news/economy/agriculture/govts-paddy-procurement-crosses-700-lakh-tn-mark-in-current-year/articleshow/98127300.cms>

### **February heat may damage wheat crop: IMD**

The India Meteorological Department (IMD) issued an advisory to farmers on Tuesday, cautioning them about the impact of higher than usual day temperature. "The higher day temperature might lead to an adverse effect on wheat as wheat crop is approaching reproductive growth period, which is sensitive to temperature," the IMD said in a statement. "High temperature during flowering and maturing period leads to a loss in yield. There could be a similar impact on other standing crops and horticulture."

<https://economictimes.indiatimes.com/news/economy/agriculture/february-heat-may-damage-wheat-crop-imd/articleshow/98127411.cms>

## **Infrastructure**

### **4-lane section from Phagwara to Rupnagar on NH-344A being executed at Rs 1,367 cr: Nitin Gadkari**

Union Minister Nitin Gadkari on Tuesday said the four-lane wide section from Phagwara to Rupnagar on NH-344A is being executed in hybrid annuity mode at a cost of Rs 1,367 crore. Under the hybrid annuity model, the government provides 40 per cent of the project cost to the developer to begin work and the remaining investment is made by the developer. The Ministry of Road Transport & Highways in a statement said the 4-Lane wide section from

Phagwara to Rupnagar on NH-344A developed by NHAI would give a major boost to the road infra in Punjab. The section connects major cities Amritsar - Jalandhar - Chandigarh and extends mobility to Kapurthala, Jalandhar, Ludhiana, Ropar, and Mohali.

<https://economictimes.indiatimes.com/news/economy/infrastructure/4-lane-section-from-phagwara-to-rupnagar-on-nh-344a-being-executed-at-rs-1367-cr-nitin-gadkari/articleshow/98126218.cms>

#### **Investments worth Rs 1.5 trn likely on data centres in next six years: Icra**

Credit rating agency Icra on Tuesday said Indian and foreign corporations may invest over Rs 1.5 trillion in the next six years on expanding their data centre capacities in India, marking a six-fold growth. A data centre is a large group of networked computer servers used by organisations for the remote storage, processing, or distribution of huge amounts of data. India's total data centre capacity is currently pegged at 870 Mw, powered by 138 units. Icra said the country could add 4,900-5,000 Mw of in the next six years. Mumbai, Hyderabad and NCR will account for 70-75 per cent of the installed capacity in coming years. Providing infrastructure status to data centres, special incentives from Central and state governments like land at a subsidised cost, power subsidies, exemptions on stamp duty, and discounts on the usage of renewable energy will cause a data centre boom in the country. Availability of IT locally made components will further boost investments in the country, the rating agency said.

[https://www.business-standard.com/article/economy-policy/investments-worth-rs-1-5-trn-likely-on-data-centres-in-next-6-years-icra-123022101035\\_1.html](https://www.business-standard.com/article/economy-policy/investments-worth-rs-1-5-trn-likely-on-data-centres-in-next-6-years-icra-123022101035_1.html)

#### **States**

#### **Andhra Pradesh goes all out to woo investors ahead of investment summit**

A fast-track mechanism that ensures all industry approvals within 21 days; a single-window that brings together 96 services of 24 government departments in one place; and handholding the corporate sector through its investment journey. As it prepares to roll out the red carpet for investors from across the world for the Andhra Pradesh Global Investment Summit (GIS) 2023, these are some of the ease-of-business advantages the state is listing.

[https://www.business-standard.com/article/economy-policy/andhra-pradesh-goes-all-out-to-woo-investors-ahead-of-investment-summit-123022101442\\_1.html](https://www.business-standard.com/article/economy-policy/andhra-pradesh-goes-all-out-to-woo-investors-ahead-of-investment-summit-123022101442_1.html)

#### **TN Govt keen to woo IT investments across State by creating plug-and-play space**

Tamil Nadu government is planning to create a massive IT infrastructure space of more than 6 lakh sq ft with a special focus on Tier 2 and & Tier 3 locations with a view to attract IT investments and generate jobs as the state seeks to spread IT growth beyond the capital city.

<https://www.thehindubusinessline.com/todays-paper/tp-others/tp-states/tn-govt-keen-to-woo-it-investments-across-state-by-creating-plug-and-play-space/article66535745.ece>

#### **External**

#### **Goods and services exports may reach \$1 trillion each by 2030: Piyush Goyal**

India's goods and services exports are growing at a healthy rate and are expected to be around USD 1 trillion each by 2030, Commerce and Industry Minister Piyush Goyal said on Tuesday. The country's merchandise and services exports touched an all-time high of USD 422 billion and USD 254 billion, respectively, in 2021-22. "My own estimates seem to suggest that we will converge (goods and services exports) by 2030...seven years from now at about USD 1 trillion of goods and USD 1 trillion of services (exports). "That is the trajectory I can see which will mean merchandise doing 8- 9.5 per cent and services doing anywhere between 16-17 per cent, Goyal said here at an event.

[https://www.business-standard.com/article/economy-policy/goods-and-services-exports-may-reach-1-trillion-each-by-2030-piyush-goyal-123022101072\\_1.html](https://www.business-standard.com/article/economy-policy/goods-and-services-exports-may-reach-1-trillion-each-by-2030-piyush-goyal-123022101072_1.html)

#### **G-20 targeting to find lasting solutions to global debt issue: Govt**

The first-ever meeting of G-20 finance ministers and central bank governors (FMCBGs) under India's presidency will look to find lasting solutions to unsustainable debt by some low-and-middle income nations, economic affairs secretary Ajay Seth said on Tuesday. At a media briefing ahead of the G-20 meeting in Bengaluru, Seth and chief economic advisor (CEA) V Anantha Nageswaran said that the G-20 nations will be looking to take discussions forward

on agenda items. These include climate finance, urban infrastructure, crypto assets, multilateral institution reforms and other such issues. They, however, ruled out any concrete agreement being reached in the meeting on any of these 'complex issues'.

[https://www.business-standard.com/article/economy-policy/g-20-aims-to-find-lasting-solutions-to-global-debt-issue-says-govt-123022100954\\_1.html](https://www.business-standard.com/article/economy-policy/g-20-aims-to-find-lasting-solutions-to-global-debt-issue-says-govt-123022100954_1.html)

#### **Rice exporters see surge in demand from global buyers**

After a lull of three months since the imposition of 20% export duty on rice, India's rice exporters are witnessing a surge in demand from the global markets and international buyers are willing to pay a price of \$400 per tonne, as compared to \$330 per tonne before the imposition of the export duty. The government had imposed the duty on September 9 last year to contain the domestic price rise. Area under kharif fell 5.62% to 38.39 million hectares in last year's season due to poor rains in some states including UP, Bihar, Jharkhand, West Bengal. Buyers are absorbing the export duty, despite which Indian rice is cheaper than rice from Thailand which is commanding a price of \$500 per tonne in the international market.

<https://economictimes.indiatimes.com/news/economy/agriculture/rice-exporters-see-surge-in-demand-from-global-buyers/articleshow/98131347.cms>

#### **Steel imports from Russia rise 5 times in April-Jan**

Russia has emerged the fourth largest exporter of steel to India for the April–January period with a five-fold rise in shipments. It has also displaced Japan as the largest supplier of hot rolled coils (HRCs), for the first time in eight years. Of the 0.28 million tonne (mt) of finished steel shipped in India – the world's second largest crude steel producer - from Russia in the April – January period, around 0.21 mt – a lion's share of 72 per cent - was HRCs and strips.

<https://www.thehindubusinessline.com/news/steel-imports-from-russia-rise-5-times-in-april-jan/article66536870.ece>

#### **ADB pledges \$25 billion for India's infra, social and green needs**

The Asian Development Bank (ADB) Tuesday committed up to \$25 billion for the next five years to fund India's infrastructure creation under the PM Gati Shakti initiative as well as social development and climate action to help the country meet its priority development needs. In his meeting with PM Narendra Modi, ADB president Masatsugu Asakawa conveyed ADB's intention to provide \$20-25 billion resources over five years to advance the country's aspirations for fast, inclusive and green growth, ADB said in a statement.

<https://economictimes.indiatimes.com/news/economy/finance/adb-pledges-25-billion-for-indias-infra-social-and-green-needs/articleshow/98131827.cms>