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Economy

Economy to grow at 7% despite global headwinds: Finance ministry data

Despite the global economy operating under an extremely challenging macroeconomic environment like the geopolitical tensions in Europe, spiralling energy, food and fertiliser prices, monetary tightening and inflationary trends having elevated the downside risks to the global economic outlook, the Indian economy is estimated to grow by 7 per cent year-on-year in the current fiscal. The monthly economic review for January 2023 released by the finance ministry on Thursday, said that the measures announced in the union budget like a rise in capital expenditure, increased focus on infrastructure development, boost to the green economy, and initiatives for strengthening financial markets are expected to promote job creation and spur economic growth. "Measures announced for the MSME sector will likely reduce the cost of funds and aid small enterprises. Revision in tax slabs under the new personal income tax regime is expected to boost consumption, thus providing more impetus to economic growth," it noted.

https://www.business-standard.com/article/current-affairs/economy-to-grow-at-7-despite-global-headwinds-finance-ministry-data-123022300532_1.html

Expert views to be sought on skills and education measures in budget

The government will seek expert views on the skills and education related announcements made in the Union Budget 2023-24 on Saturday following which high-level committees will be formed to lay out the roadmap for implementation. Six working groups have been formed to deliberate and make suggestions on key Budget announcements including the Pradhan Mantri Kaushal Vikas Yojana 4.0, Skill India Digital Platform, Skill India International Centres, National Apprenticeship Promotion Scheme, National Digital Library and Teachers Training. Each group will prepare its own detailed report outlining strategies for the way forward and these recommendations will form the basis of policies and schemes that will be drafted on the above announcements.

<https://economictimes.indiatimes.com/news/economy/policy/govt-to-see-expert-views-on-skills-and-education-related-announcements-made-in-budget/articleshow/98185093.cms>

Banking and Finance

Banks deploy Rs 7.68 lakh cr to retail, wholesale trade in Dec 2022: RBI data

Bank credit deployed to the retail and wholesale trade in December 2022 increased by 13.7 per cent year-on-year (YoY) to Rs 7.68 lakh crore from 14.7 per cent during December 2021 at Rs 6.75 lakh crore, as per the latest data by the Reserve Bank of India (RBI) on bank credit deployment to various sectors. In contrast, the YoY credit growth in November 2022 stood at 16 per cent to Rs 7.33 lakh crore from 10.2 per cent during November 2021 at Rs 6.32 lakh crore. Among the wholesale and retail trade, part of the MSME category since July 2021, retail trade was deployed Rs 3.91 lakh crore in bank credit in December, up 17.9 per cent from Rs 3.32 lakh crore deployed in December 2021. In comparison, Rs 3.76 lakh crore was deployed to wholesale trade (other than food procurement) in December 2022, increasing by 9.7 per cent from Rs 3.43 lakh crore in December 2021.

<https://www.financialexpress.com/industry/sme/msme-eodb-banks-deploy-rs-7-68-lakh-crore-to-retail-and-wholesale-trade-in-december-2022-rbi-data/2990551/>

Over 97% of ECLGS borrowers micro and small enterprises: Govt data

The government's emergency credit scheme for MSMEs and other businesses including self-employed, etc., Emergency Credit Line Guarantee Scheme (ECLGS) has supported 1.13 crore (number of guarantees issued) MSME borrowers involving Rs 2.39 lakh crore worth guarantee as of January 31, 2023, of which 1.10 crore borrowers (97.6 per cent) were micro and small enterprises, according to the government data. "This shows that majority of the businesses supported under ECLGS belong to micro and small category," said Minister of State in the MSME ministry Bhanu Pratap Singh Verma. According to the data from the Department of Financial Services (DFS), Ministry of Finance, shared by Verma in the Parliament recently, 98.9 lakh guarantees involving Rs 13,683 crore issued were up to Rs 1 lakh while 9.34 lakh guarantees involving Rs 22,086 crore ranged between Rs 1 lakh and Rs 5 lakh. 2.13 lakh and 2.67 lakh guarantees issued were between Rs 5 lakh and Rs 10 lakh and Rs 10 lakh and Rs 1 crore respectively. Only 38,907 guarantees were over Rs 1 crore and 21 guarantees beyond Rs 50 crore while only two guarantees were over Rs 100 crore.

<https://www.financialexpress.com/industry/sme/msme-fin-over-97-of-eclgs-borrowers-micro-and-small-enterprises-govt-data/2990722/>

Assets worth Rs 26,000 crore monetised in FY23: NITI Aayog

The government has monetised assets worth ₹26,000 crore during FY23 against the target of ₹1.6 lakh crore for the current fiscal while proposal pipeline aggregating to ₹1.23 lakh crore is currently at various stages of processing, the NITI Aayog said. This takes the total monetisation value realized in FY22 and FY23 to ₹1.14 lakh crore which is 19% of the target of ₹6 lakh crore set under the National Monetisation Pipeline over a four year period (FY22-25) with ₹88,000 crore achieved in FY22. "Core asset monetisation was identified as one of the country's three pillars for enhanced and sustainable infrastructure financing in the Union Budget 2021-22, the Aayog has said in its Annual report 2022-23.

<https://economictimes.indiatimes.com/news/economy/finance/assets-worth-rs-26000-crore-monetised-in-fy23-niti-aayog/articleshow/98188784.cms>

Real interest rate of about 1% appropriate for Indian economy: Ashima Goyal

The Reserve Bank of India need not keep raising rates until prices fall as it risks overshooting the inflation-adjusted real rate, which at around 1% now is appropriate for the economy, an external member of the country's monetary policy committee said. The 250 basis points of rate hikes since May 2022 need to be allowed to work through the system, Ashima Goyal, who voted for a pause in the benchmark repo rate on fears the central bank may overshoot in hiking the cost of borrowing, told Reuters. "You don't need to keep on raising nominal rates as long as inflation does not come down because then you will definitely overshoot in terms of real rates," Goyal said.

https://www.business-standard.com/article/economy-policy/real-interest-rate-of-about-1-appropriate-for-indian-economy-ashima-goyal-123022300404_1.html

Higher cash, quicker resolution help improve redemption ratio for ARCs

The cumulative redemption ratio for security receipts (SRs) issued by asset reconstruction companies (ARCs) has improved to 44% in 2019 from a mere 3% in 2015 because of a higher proportion of cash transactions, quicker debt aggregation, and better economic value of non performing assets (NPAs), rating agency Crisil said in a new study. Resolution through the new insolvency and bankruptcy code has also quickened resolution process, the study said.

<https://economictimes.indiatimes.com/industry/banking/finance/higher-cash-quicker-resolution-help-improve-redemption-ratio-for-arcs/articleshow/98184081.cms>

NSE gets final nod from Sebi to launch Social Stock Exchange

Leading bourse NSE on Thursday said it has received final approval from markets regulator Sebi to set up a Social Stock Exchange (SSE) as a separate segment on its platform. The final clearance was received on February 22, the National Stock Exchange (NSE) said in a statement. The Social Stock Exchange segment will provide new avenue for social enterprises to finance social initiatives, provide them visibility and bring in increased transparency in fund mobilisation and utilisation by social enterprises. "To bring in awareness, we have been conducting various events

and hand holding social enterprises currently at various stages of onboarding on the exchange,” NSE MD and CEO Ashishkumar Chauhan said. Also, he has urged social enterprises to get in touch with the NSE to understand the mechanism and benefits from registering and listing on the social stock exchange segment.

<https://www.financialexpress.com/market/nse-gets-final-nod-from-sebi-to-launch-social-stock-exchange/2990328/>

Industry

Automakers hit a domestic value calculation speed bump on way to Rs 25,938-crore PLI scheme benefits

Most automakers that have qualified for the production-linked incentives (PLI) scheme have yet to certify their models for receiving the sops as they are unable to provide all the details sought by the government, people in the know said. These firms are concerned that they may not receive sops under the Rs 25,938-crore scheme for the first year of its five-year operational period if they fail to have certified models by March 31.

<https://economictimes.indiatimes.com/industry/auto/auto-news/automakers-hit-a-domestic-value-calculation-speed-bump-on-way-to-rs-25938-crore-pli-scheme-benefits/articleshow/98188217.cms>

Shoppers' grocery purchases return to growth aisle after five quarters of fall

Purchases of daily groceries and essentials rose 2.4% in the October-December period, halting a five-quarter run of declines in the fast-moving consumer goods (FMCG) segment. The quantity of FMCG goods bought, or volumes, went up 1.3% in rural markets and 3.6% in cities from a year earlier, when both had fallen, according to data from Kantar Worldpanel, a global consumer research firm owned by communications and advertising giant WPP. The pace is lower than in the December quarter of 2020 when urban volumes rose 4.4% and rural expanded 6.6%, indicating only a partial revival. "We are seeing early signs of recovery in rural markets," said Neeraj Khatri, chief executive, Wipro Consumer Care, India and Saarc.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/shoppers-grocery-purchases-return-to-growth-aisle-after-five-quarters-of-fall/articleshow/98193029.cms>

Inflationary pressure, less cash in hand hit rural offtake of textiles from Surat

Inflationary pressure and less cash in hand among the rural people have impacted the rural offtake of textiles from Surat, the hub of man-made fabrics. Traders said the marriage season demand from rural areas is down 50% year-on-year. The Surat textile industry weaves about 45 million metres of fabric per day. "Of the total daily production, we are able to sell 2-2.5 crore (20-25 million) metres during the marriage season. The weaving units are facing problems and have been forced to bring down working days from six to four so that inventory does not pile up," said Ashok Jirawala, president, Federation of Gujarat Weavers Welfare Association.

<https://economictimes.indiatimes.com/industry/cons-products/garments-/textiles/inflationary-pressure-less-cash-in-hand-hit-rural-offtake-of-textiles-from-surat/articleshow/98186048.cms>

E-comm, consumer Internet sector raised \$15.4 b in 2022: Report

Indian e-commerce and consumer Internet companies raised \$15.4 billion in PE/VC funding in 2022, a two-fold jump from \$8.2 billion in 2020, according to EY-PeerCapital E-Commerce and Consumer Internet Trendbook 2023. Further, \$12.6 billion of this deployment was invested in H1 2022, slowing down to \$2.8 billion in H2 2022. Early-stage companies accounted for 17 per cent of the PE/VC funding raised by companies in the sector, compared to 6 per cent in 2021.

<https://www.thehindubusinessline.com/companies/e-comm-consumer-internet-sector-raised-154-b-in-2022-report/article66544339.ece>

Agriculture

Centre's wheat procurement to be normal next season: FCI chairman

The Food Corporation of India (FCI) said that wheat procurement in the season that starts from the middle of March will be normal at around 30-40 million tonnes (mt) and that crop condition is normal, notwithstanding threat from rising temperatures, its Chairman and Managing Director Ashok K K Meena said on Thursday at a press conference. "Area sown to wheat is higher than last year. The current condition of the wheat crop is very good. Our procurement

should be normal at 30-40 mt in 2023-24," said Meena. Wheat procurement had declined last year due to a fall in domestic production and higher exports, he clarified. Asked whether there would be any impact on wheat crop due to temperature rise, as forecast by the India Meteorological Department, Meena said it is unlikely to have any impact and that short-duration crop will not be affected.

https://www.business-standard.com/article/economy-policy/centre-s-wheat-procurement-to-be-normal-next-season-fci-chairman-123022300915_1.html

Infrastructure

Rail network in Uttar Pradesh is now fully electrified

Indian Railways is rapidly progressing to become the largest green network in the world. Recently, with the completion of the electrification of the North Eastern Railway's (NER) Subhagpur-Pachperwa Broad Gauge (BG) route, the railway network in the state of Uttar Pradesh has now been fully electrified. The move will enhance rail connectivity in the region, and will also improve the speed of trains. After the completion of the railway electrification project in NER, the BG routes of six zonal railways have been completed so far namely: East Coast Railway (ECoR), North Central Railway (NCR), North Eastern Railway (NER), Eastern Railway (ER), South Eastern Railway (SER), and West Central Railway (WCR).

<https://www.financialexpress.com/infrastructure/railways/indian-railways-achieves-another-milestone-rail-network-in-uttar-pradesh-is-now-fully-electrified/2989923/>

Energy

Govt committed to sustainable development in the field of green energy, says PM Modi

Prime Minister Narendra Modi on Thursday said the government is fully committed to sustainable development in the field of green energy. Modi was responding to a tweet by Union Minister for Heavy Industries, Mahendra Nath Pandey which said that electric vehicles under the FAME II scheme have saved 22.9 crore litres of fuel as well as reduced 33.9 crore kilogram of CO₂. The prime minister said the government is fully committed to sustainable development in the field of green energy. Modi will be addressing stakeholders on various announcements made in the Union Budget 2023-24, starting with a webinar on green growth on Thursday. The webinar on green growth will have six breakout sessions covering both energy and non-energy components of green growth. Green growth is one of the seven top priorities of the Union Budget 2023-24 for ushering in the country's green industrial and economic transition, environmental friendly agriculture and sustainable energy.

<https://www.financialexpress.com/industry/govt-committed-to-sustainable-development-in-the-field-of-green-energy-says-pm-modi/2990015/>

Domestic oil demand growth to halve to 5% in FY24: Govt forecast

Domestic oil demand growth will slow to 5% in 2023-24 after a scorching expansion of nearly 10% in this financial year, the petroleum and natural gas ministry's Petroleum Planning and Analysis Cell (PPAC) has forecast. India will consume 233.8 million metric tonnes (MMT) of refined products in 2023-24 compared to the estimated consumption of 222.9 MMT in this fiscal, the PPAC has forecast on its website without offering any explanation for the estimates. Between April 2022 and January this year, petroleum products consumption increased 9.6% year-on-year to 183.3 MMT, with diesel and petrol consumption surging 14% and 14.5% respectively. The demand for aviation turbine fuel (ATF) has risen 52%.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/domestic-oil-demand-growth-to-halve-to-5-in-fy24-govt-forecast/articleshow/98179681.cms>

Natural gas consumption up in January for first time since May

Natural gas consumption rose in January for the first time since May and liquefied natural gas (LNG) imports witnessed the first expansion in at least 15 months in early signs of domestic demand revival helped by a drop in international prices. India consumed 5.18 billion cubic meters (BCM) of natural gas in January, up 6.4% from a year earlier, according to the oil ministry data. Imports of LNG rose 7.9% to 2.27 BCM. A 4% year-on-year rise in the local production of natural gas in January also helped boost consumption.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/natural-gas-consumption-up-in-january-for-first-time-since-may/articleshow/98177535.cms>

Domestic solar capacity addition grows 27% in 2022: Mercom report

Solar capacity installations in India increased by 27 per cent to 13 gigawatts (GW) during the calendar year 2022, according to a Mercom India report. "Solar capacity made up 82 per cent of the total 16 GW new power generation capacities added in 2022," the report titled 'Mercom India Solar Market Update' said. India added 13 gigawatts (GW) of solar capacity in the calendar year (CY) 2022, a 27 per cent increase year-on-year (y-o-y) compared to 10.2 GW installed in CY 2021, it added. The country's cumulative installed solar capacity now stands at 63 GW, the report said. During 2022, large-scale solar projects accounted for 87 per cent of the installations.

https://www.business-standard.com/article/current-affairs/domestic-solar-capacity-addition-grows-27-in-2022-mercom-report-123022300728_1.html

Telecom

New Telecom Bill to be tabled in monsoon session of Parliament

The government is preparing to introduce the new telecom bill in the monsoon session of Parliament later this year, with a revised draft ready after inter-ministerial and public consultation, said a senior official. The Department of Telecommunications (DoT) has sorted out issues around possible dilution of the Telecom Regulatory Authority of India's powers and potential domain overlap with the broadcasting ministry. The draft will also propose light-touch regulation for over-the-top (OTT) communication apps such as WhatsApp and Signal from the prism of national security and consumer safety and not from a revenue generation standpoint.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/new-telecom-bill-to-be-tabled-in-monsoon-session-of-parliament/articleshow/98192988.cms>

States

Haryana govt allocates Rs 5,893 crore in FY24 Budget for urban development

To boost urban infrastructure and development in the state, the Haryana government, while announcing the Budget for the financial year 2023-24, allocated Rs 5,893 crore for urban development and the housing sector, an increase of 11.1 per cent over revised estimates for the current year. The state's overall budget allocation was Rs 1.83 trillion. The Bharatiya Janata Party led-government plans to build 1 lakh houses in the financial year 2023-24. The government will also set up two data centre parks in the state, one each in Gurugram and Ambala, chief minister Manohar Lal Khattar announced in his Budget speech. The government has also allocated Rs 5,408 crore for the development of roads, highways and railways.

https://www.business-standard.com/article/economy-policy/haryana-govt-allocates-rs-5-893-crore-in-fy24-budget-for-urban-development-123022301014_1.html

Odisha receiving numerous proposals, govt focused on job creation: Patnaik

Noting that "transparency in governance" has created the right ecosystem for investors in Odisha, with the state receiving numerous proposals for setting up of manufacturing and service industries, Chief Minister Naveen Patnaik on Thursday said his government was working sincerely to develop all segments. Patnaik, during a discussion in the Assembly, also said that Odisha has the potential to emerge as a leading state in many sectors. "Our prudent fiscal management has enabled Odisha to be a revenue surplus state. In the coming years, I am confident that Odisha will be making rapid and transformative progress which will result in socio-economic empowerment and development across all segments. "The transparent, sensitive and stable governance provided by us has created the right ecosystem for the investors, with the state receiving numerous proposals for setting up of manufacturing and service industries in Odisha," the CM underlined. He said the new Industrial Policy Resolution-2022 for the next five years will transform Odisha into a business hub in the thrust and priority sectors.

https://www.business-standard.com/article/current-affairs/odisha-receiving-numerous-proposals-govt-focused-on-job-creation-patnaik-123022400011_1.html

External

Nirmala Sitharaman, US Treasury Secretary Janet Yellen discuss crypto, global debt vulnerabilities

Finance Minister Nirmala Sitharaman on Thursday held a bilateral meeting with US Treasury Secretary Janet Yellen and discussed issues relating to crypto assets, strengthening multilateral development banks and global debt vulnerabilities. The deliberations were held on the sidelines of the first meeting of the G20 finance ministers and central bank governors here under the G20 India Presidency “The two leaders exchanged views on #G20 #FinanceTrack priorities under #G20India Presidency in 2023. The two leaders discussed their perspectives on strengthening #MDB, #GlobalDebt vulnerabilities, #CryptoAssets, and #health, besides the Just Energy Transition Partnership #JETP and possible takeaways for the two sides,” the finance ministry tweeted. Both sides agreed that lessons learnt from the COVID-19 pandemic should not be lost sight of, and there is a need for enhancing preparedness for future pandemic-type shocks, the ministry said.

<https://www.financialexpress.com/economy/nirmala-sitharaman-us-treasury-secretary-janet-yellen-discuss-crypto-global-debt-vulnerabilities/2990354/>

Apparel sector to contribute significantly in taking exports to USD 1 trillion by 2030: AEPC

The labour intensive apparel sector will contribute significantly in taking the country’s merchandise exports to USD one trillion by 2030, AEPC said on Thursday. The Apparel Export Promotion Council (AEPC) said that the incentives in the Budget will help the apparel industry focus on market and product diversification. The council chairman Naren Goenka said that providing an ease-of-doing-export environment would enhance the sector’s competitiveness. “The government’s key initiatives such as trade agreement with Australia and the UAE and increase in funds will help us to focus on market diversification and product diversification,” he said. AEPC promoted global reach of Indian apparel exports to more than 25 export destinations through its export promotion activities in 2022-23. “As we look forward to the 46th year of this council, I can say with confidence that, in the coming years, we will be able to support the government’s efforts to make India a USD 2 trillion (USD 1 trillion goods and USD 1 trillion services) export target by 2030,” the AEPC Chairman said.

<https://www.financialexpress.com/industry/apparel-sector-to-contribute-significantly-in-taking-exports-to-usd-1-trillion-by-2030-aepc/2990244/>