



March 03, 2023 – Friday

Economy

GDP growth may exceed 7 pc this fiscal, says CEA Nageswaran

Chief Economic Advisor V Anantha Nageswaran on Thursday expressed hope that the GDP growth for the current financial year will exceed the projected 7 per cent in view of the expected revision of high frequency data. On Tuesday, the second advance estimate released by the National Statistical Office (NSO) maintained the growth projection of 7 per cent as was projected in the first advance estimate which was released in January. "Given the high frequency indicators and the pace at which they are recovering, I do believe that the current year's (GDP numbers)... are more likely to (be) revised upward than downward," he said here. Real GDP or GDP at Constant (2011-12) Prices in the year 2022-23 is estimated at Rs 159.71 lakh crore as against the first revised estimate of GDP for the year 2021-22 of Rs 149.26 lakh crore.

<https://economictimes.indiatimes.com/news/economy/indicators/gdp-growth-may-exceed-7-pc-this-fiscal-says-cea-nageswaran/articleshow/98367775.cms>

Direct tax collection in FY23 likely to top govt's Revised Estimates

Direct tax collection in 2022-23 is likely to exceed the government's Revised Estimates (RE), potentially helping narrow the fiscal deficit.

https://www.business-standard.com/article/economy-policy/direct-tax-collection-likely-to-exceed-govt-s-revised-estimates-123030201314_1.html

Data Protection Bill gets IT panel thumbs-up, says Ashwini Vaishnaw

The parliamentary standing committee on communications and information technology (IT) has given a "big thumbs-up" to the draft Digital Personal Data Protection (DPDP) Bill, 2022, as it will soon be tabled in Parliament, said Union Minister for Communications and IT Ashwini Vaishnaw on Thursday. Released in November 2022, the draft is the third version of the much-awaited data privacy law of the country. The Bill, which seeks to enforce the fundamental right to privacy of citizens, has the provision of penalties ranging up to Rs 250 crore for data fiduciaries on account of failing to take safeguards to prevent personal data breaches. It also requires fiduciaries to take clear and informed consent from the user before collecting any personal data. In August last year, the government withdrew the previous draft titled PDP Bill, 2019, from Parliament, after a joint parliamentary committee recommended 81 amendments to a Bill of 99 sections, along with 12 recommendations.

https://www.business-standard.com/article/economy-policy/data-protection-bill-gets-a-thumbs-up-from-parliamentary-committee-on-it-123030201160_1.html

Banking and Finance

Digital lenders gave 2.74 crore loans worth ₹28,247 crore in H1 of FY23: Equifax-FACE report

Digital lenders disbursed 2.74 crore loans worth ₹28,247 crore in H1FY23 of which 96 per cent were personal loans, according to a report by Equifax Credit Information Services and Fintech Association for Consumer

Empowerment (FACE). Personal loans comprised 66 per cent of the loan value disbursed, with a majority of the loans given being under ₹5,000. The average ticket size for the segment was ₹7,094, whereas for consumer loans was ₹57,528 and for business loans was ₹4.8 lakh.

<https://www.thehindubusinessline.com/money-and-banking/digital-lenders-gave-274-crore-loans-worth-28247-crore-in-h1-of-fy23-equifax-face-report/article66572800.ece>

Cash flow-based lending, credit scores, TReDS, online dispute resolution can solve MSMEs' payment issue: Report

The Global Alliance for Mass Entrepreneurship – a nonprofit for entrepreneurship in India on Wednesday launched a report to address the delayed payment crisis faced by MSMEs in the country. The report, prepared in collaboration with the working capital marketplace C2FO, sought support from “three central pillars at the head: government and policymakers, finance enablers and financiers, and large enterprises including PSUs” for a coordinated ecosystem-wide effort. With the support of these pillars, the report suggested actions including first, strengthening cash flow-based lending through the provision of on-tap, easy-to-use, credit guarantees; second, the proliferation of credit scores that use alternative data sources for new-to-credit customers; third, strengthening invoice discounting platform TReDS by integrating GST data and the provision of operationally light credit guarantees (specifically for factoring transactions); and fourth re-imagining the process of dispute resolution for delayed payments through online portals using GST data.

<https://www.financialexpress.com/industry/sme/msme-fin-cash-flow-based-lending-credit-scores-treds-online-dispute-resolution-can-solve-msmes-payment-issue-report/2997855/>

Over Rs 2,600 crore in MSME payment yet to be cleared by central PSUs, ministries, departments: Govt data

The amount pending to be cleared by central ministries, central departments, and central public sector units (CPSUs) to MSMEs stood at Rs 2,679.22 crore in 2,886 delayed payment applications and cases as of March 2, 2022, official data showed. According to the information available on the delayed payment monitoring portal by the MSME ministry MSME Samadhaan, CPSUs had the highest amount pending at Rs 2,123 crore vis-a-vis central ministries and departments which were yet to clear MSME dues amounting to Rs 211 crore and Rs 343 crore respectively. Likewise, the pending complaints against CPSUs were higher at 1,840 in comparison to 757 and 289 complaints pending with central departments and ministries respectively since the launch of the Samadhaan portal in October 2017.

<https://www.financialexpress.com/industry/sme/msme-fin-over-2600-crore-in-msme-payment-yet-to-be-cleared-by-central-psus-ministries-departments-govt-data/2997811/>

India's general insurers eye bigger marine pool for Russia shipments

India's general insurers are looking to set up a larger marine insurance pool to cover the risks of transporting crude oil, edible oil, project machinery and fertiliser from the war-torn Russia-Ukraine region. This is expected to facilitate trade as the West ratchets up sanctions on Russia. A senior official said that both the government and the Insurance Regulatory and Development Authority of India (IRDAI) are keen to develop more indigenous capacity for maritime insurance risk.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/indias-general-insurers-eye-bigger-marine-pool-for-russia-shipments/articleshow/98376365.cms>

Many states to miss capex targets this fiscal: Icra

As many as 23 states are set to miss the budgeted capital spending by around Rs 1 lakh crore this fiscal, according to a report. In the first three quarters, the states' capex grew just 11.6 per cent, which is trailing by 30 per cent of the budgeted targets. This is despite an improvement in overall revenue account position of the 23 states whose data is available, according to an analysis by Aditi Nayar, the chief economist and head of research at Icra Ratings. According to the agency, these 23 states' combined capital outlay and net lending stood at Rs 3.2 lakh crore as of December 2022, which is only 46 per cent of their FY23 budget estimates.

<https://economictimes.indiatimes.com/news/economy/finance/many-states-to-miss-capex-targets-this-fiscal-icra/articleshow/98371832.cms>

Industry

Indian steel firms likely to raise prices in March

Leading Indian steel producers are looking to raise prices of hot-rolled coils by ₹1,000-₹2,000 for March, people aware of the development said, taking prices of HRCs to the ₹60,000-₹62,000 per tonne range. A few large steel makers had hiked prices by ₹500-₹1,000 in February as well. Price hikes in March are likely to be higher in companies that had not hiked prices in February, according to the sources. The average prices of steel in February were around ₹59,500 per tonne, about ₹1,700 higher than the average price in January, Nomura said in a report.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/indian-steel-firms-likely-to-raise-prices-in-march/articleshow/98372668.cms>

Consumer goods makers expect overall margins to reach pre-Covid levels over next 2-3 quarters

After sequentially improving margins last quarter, leading consumer goods makers including fast moving consumer goods (FMCG) companies expect their overall margins will reach pre-Covid levels over the next 2-3 quarters with inflation abating and demand picking up. Chief executives of several listed companies told ET and analysts that margin contraction has come down in the December quarter due to moderation in material price. However, the complete recovery will take a couple of more quarters since material prices have not reduced uniformly and in some cases have further gone up in the last few weeks.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/consumer-goods-makers-expect-overall-margins-to-reach-pre-covid-levels-over-next-2-3-quarters/articleshow/98367494.cms>

One-third of Indian SMBs will invest more in automation by 2026 to tackle manpower issues: IDC report

As small and medium businesses (SMBs) increasingly see digitisation as imperative to their growth, a number of enterprises have started to look at using automation and cloud solutions in near future. According to a study by the global market intelligence firm International Data Corporation (IDC) predicting the technology and business trends among SMBs in India, one-third of businesses will increase investments in automation and digital tools by 2026 to make up for the shortage of workers, reduce manual processes and human error, and boost productivity. The report Worldwide Small and Medium-Sized Business and Digital-Native Business 2023 Predictions — India Implications on Wednesday also noted that by 2024, 35 per cent of SMBs will shift one-third of their core workloads to the cloud to drive business agility and future resilience.

<https://www.financialexpress.com/industry/sme/msme-tech-one-third-of-indian-smbs-will-invest-more-in-automation-by-2026-to-tackle-manpower-issues-idc-report/2997664/>

India's tech spends to revert to pre-Covid levels, says McKinsey

The Indian IT services industry will see growth rates at pre-pandemic levels, which would mean growth levels of 8-10 per cent. This is below the 14-15 per cent that the industry saw in the last three years, said McKinsey. Importantly, from a macroeconomic standpoint the correlation of industry growth with gross domestic product (GDP) growth numbers has also undergone a shift. "Global IT services growth (and tech spending) has been traditionally correlated with GDP growth. For example, during the 2008-09 slowdown, tech spending slowed by 3x versus GDP growth," said Vikash Daga, senior partner and global leader of tech services practice at McKinsey & Company. He further explained, "However, since Covid, we have observed a decoupling of the GDP and tech spending correlation, with tech spending growing more independently of GDP. During Covid, we observed only a 0.8x dip in tech spend, with tech spending outpacing GDP growth as digital technologies emerged as a priority and a strategic requirement to reinvigorate businesses and drive growth."

https://www.business-standard.com/article/economy-policy/india-s-tech-spends-back-to-the-pre-pandemic-level-says-mckinsey-123030201216_1.html

Agriculture

Govt says wheat crop condition 'normal' so far; plans to procure 34.1 mt

The Centre on Thursday said the high-powered panel formed to monitor wheat crop has found that the condition of the crop in all the major-growing states was 'normal' so far. In a related development, the government has laid down a plan to procure around 34.1 million tonnes of wheat in the coming procurement season that will start from April, which will be significantly higher than the actual procurement of around 19 million tonnes in FY23. Sources said the target will depend on the quantum of wheat that arrives in the mandis. The Centre had planned to procure around 43.3 million tonnes of wheat in FY-23 but the actual purchases were much less due to high prices in the domestic

market. Meanwhile, on the crop, the panel which comprises of senior officials from the department of agriculture, Indian Council of Agriculture Research (ICAR), India Meteorological Department (IMD), State Agriculture Universities and others found that around 75 per cent of the area under the wheat crop in major growing states of Haryana and Punjab has been sown early which won't be impacted by the spike in temperatures.

https://www.business-standard.com/article/economy-policy/govt-says-wheat-crop-condition-normal-so-far-plans-to-procure-34-1-mt-123030201316_1.html

Over two dozen sugar mills close early in Maharashtra

More than two dozen mills in Maharashtra, India's top sugar producing state, had stopped cane crushing by the end of February, nearly two months earlier than last year, due to adverse weather, a senior state government official said. The early closures suggest Maharashtra will produce far less sugar than the initial estimate of 13.8 million tonnes and bring down the country's total production. Lower sugar output could prevent the world's second-biggest exporter from allowing additional exports, potentially supporting global prices and allowing rivals Brazil and Thailand to increase their exports.

<https://economictimes.indiatimes.com/news/economy/agriculture/over-two-dozen-sugar-mills-close-early-in-maharashtra/articleshow/98361845.cms>

Rice procurement target for 2022-23 fixed at 62.1 mt, rabi-grown rice to be 10.6 mt

The Centre has fixed a target of 10.6 million tonnes (mt) of rice to be purchased during the rabi season starting April 1, taking the total target to 62.1 mt in 2022-23 (October-September), which is 45 mt more than the actual purchase in the previous year. Besides, 34.15 mt of wheat has been estimated for procurement in 2023-24. During the first session of the conference of State Food Secretaries, held on March 1, to discuss the procurement arrangements for the ensuing season, both wheat and rabi-grown rice targets have arrived after the feedback received from States, the food ministry said Thursday.

<https://www.thehindubusinessline.com/economy/agri-business/rice-procurement-target-for-2022-23-fixed-at-621-mt-rabi-grown-rice-to-be-106-mt/article66572121.ece>

Govt targets to procure 7.5 lt millets, Karnataka to contribute 6 lt

Buoyed by several events taking place in the country to promote millets, the Food Ministry has asked States to procure more such nutri cereals, for which it has set a target of 7.5 lakh tonnes (lt) during 2022-23 (October-September), of which Karnataka alone will buy 6 lt (5 lt of ragi and 1 lt jowar). The procurement of nutri and coarse cereals was 6.30 lt during 2021-22. The procurement in the current year since October 1, 2022 has reached 2.63 lt — including 1.36 lt of ragi and 1.25 lt of bajra, as on March 1.

<https://www.thehindubusinessline.com/economy/agri-business/govt-targets-to-procure-75-lt-millets-karnataka-to-contribute-6-lt/article66572769.ece>

Infrastructure

100 industrial clusters identified for infrastructure development

The Centre has zeroed in on about 100 industrial clusters for all-round development of infrastructure in close coordination with states, a senior official said on Thursday. Using the Gati Shakti national master plan, the Centre and relevant states will identify gaps in infrastructure in an area of around 150-200 kilometres from a cluster that houses an important project, and work towards bridging the shortfall. "This is in sync with Prime Minister Narendra Modi's vision of 'area-based' development approach. The number of such clusters will go up as we move ahead," Sumita Dawra, special secretary in the Department for Promotion of Industry and Internal Trade (DPIIT), told reporters here on Thursday.

<https://economictimes.indiatimes.com/news/economy/infrastructure/100-industrial-clusters-identified-for-infrastructure-development/articleshow/98372472.cms>

PM GatiShakti, logistics policy to help businesses improve competitiveness: Piyush Goyal

Commerce and industry minister Piyush Goyal on Thursday said that PM GatiShakti national master plan and logistics policy together will help improve competitiveness of businesses and attract investments into India. He said that layers of data are there at PM GatiShakti portal where different geological, ecological and infrastructural elements

across the country were mapped and captured. Currently, there are about 1,300 layers of data, consisting of forests, wildlife sanctuaries, rivers, UNESCO world heritage sites, among others, he said and added that GatiShakti would not only address critical gaps in infrastructure but also help in planning social infrastructure such as schools, nursing homes, hospitals.

<https://www.financialexpress.com/economy/pm-gatishakti-logistics-policy-to-help-businesses-improve-competitiveness-piyush-goyal/2997730/>

DPIIT starting exercise to prepare logistics cost framework

The department for promotion of industry and internal trade (DPIIT) is starting an exercise to prepare a framework for determining logistics cost in the country, an official said on Thursday. For this, the department will be holding a workshop on the subject, where experts, academicians, professors, and statisticians across the globe will participate on March 20 here besides government officials. "We hope to firm up an index to gauge the country's logistics cost in a year. It will be an annual affair after that. We are organising an international workshop on logistics cost framework," the official said. Many international players from countries like Japan, Korea and Germany will attend. "We will deliberate on various modules and choose the framework that best suits us," the official added.

https://www.business-standard.com/article/pti-stories/dpiit-starting-exercise-to-prepare-logistics-cost-framework-123030201075_1.html

Energy

Twinking of funding norms for hydropower projects in works

India is looking to tweak the funding modalities for hydropower projects in the country, aiming to harness the unutilised potential in the north-eastern and Himalayan states as part of its clean energy shift. A senior government official told ET that NITI Aayog member VK Saraswat-led advisory group is firming up an action plan for river basin development and hydropower projects in these states. "The focus would be on keeping the long-term generation tariffs of hydropower projects at par with average national power purchase tariff," the official said.

<https://economictimes.indiatimes.com/industry/renewables/twinking-of-funding-norms-for-hydropower-projects-in-works/articleshow/98371965.cms>

Power prices likely to remain firm next fiscal amid higher demand: Crisil

Power prices are expected to remain firm next fiscal on the back of elevated demand growth of 5.5-6 per cent, and the demand is set to close this fiscal up 9.5-10 per cent over 8.2 per cent last fiscal, a report said on Thursday. The fears of a heat wave has seen the short-term power prices soaring by a full 151 per cent. This was on the back of a 42 per cent on-year spike in prices in February, Crisil said in a report. The demand growth would mark a decadal high rate of growth and almost double the 20-year average of 5.2 per cent, the report added. The report noted that demand growth weighed in at 7.7 per cent in February and averaged 10 per cent for the 11 months of the current fiscal despite a high base of fiscal 2022 due to extreme weather events and robust industrial and manufacturing activity.

https://www.business-standard.com/article/economy-policy/power-prices-likely-to-remain-firm-next-fiscal-amid-higher-demand-crisil-123030201138_1.html

Telecom

You may soon get an AI shield to thwart phishing via SMSes

Indian mobile consumers may finally get some respite from phishing and cyber frauds, which lead to estimated financial losses of Rs 1,000-1,500 crore every month. The initial results from a trial of an artificial intelligence (AI)-based solution being undertaken by Vodafone Idea (Vi) and Tanla Platforms to curb phishing and cyber frauds emanating from misuse of SMSes have returned an accuracy rate of over 99%. This means that the AI-based solution is stopping phishing attempts through SMSes most of the time.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/trai-pins-hope-on-artificial-intelligence-driven-solution-to-tackle-sms-driven-phishing-in-india/articleshow/98371614.cms>

States

Andhra investors summit likely to attract up to Rs 2 trillion investment

On Thursday, the Andhra University Engineering College Ground in Visakhapatnam was getting its final touches for the Global Investors Summit (GIS) scheduled to be held today and tomorrow (March 3 and 4). The state government is expecting the event to attract investments to the tune of around Rs 1.8-2 trillion, with more than 8,000 delegates expected to be part of the event. One could see large hoardings across the city, inviting guests to the mega event. Sources said that representatives from as many as 25 countries are expected to be part of the event. According to local media reports, the city has seen beautification works to the tune of around Rs 100 crore in recent times. The two-day summit may see around 20 sessions in which top industrialists from India and abroad are expected to participate.

https://www.business-standard.com/article/economy-policy/andhra-investors-summit-likely-to-attract-up-to-rs-2-trillion-investment-123030201404_1.html

Health insurance cover increased to Rs 25,00,000 per family in Rajasthan

Looking at the popularity of the free universal health care scheme in the state, the Rajasthan government has increased health insurance cover from Rs 10 lakh to Rs 25 lakh per family. Similarly, the government has increased the insurance amount to Rs 10 lakh from Rs 5 lakh in the Mukhyamantri Chiranjeevi Durghatna Bima Yojana (Chief Minister Chiranjeevi Accident Insurance Scheme). The increase in the insurance scheme is likely to be applicable from April 1, 2023. Shafaqat, a resident of Jaipur, said it was a praiseworthy decision to increase the treatment amount to Rs 25 lakh from Rs 10 lakh. Lalaram Meena of Shivdasapura near Jaipur said: "My brother is undergoing treatment at a private hospital in Jaipur and not a penny has been spent. It was not possible for many people to get costly treatment in private hospitals," he added. It is due to the Chiranjeevi scheme that the people of Rajasthan are not worried about costly treatment, a senior official of the medical and health department said.

https://www.business-standard.com/article/economy-policy/health-insurance-cover-increased-to-rs-25-00-000-per-family-in-rajasthan-123030201224_1.html

External

Steps by Centre to increase exports by MSME sector: Official

The Centre has taken steps to enhance exports by micro, small and medium enterprises (MSME) sector by setting up facilitation centers across the country, an official said on Thursday. The export facilitation centers will provide the requisite mentoring and handholding support to the sector and also help to set up a network of entrepreneurial leaders, the joint director of Indian Enterprise Development Service (IEDS) under the union MSME ministry, D Mitra told a seminar here. The Centre will also help the entrepreneurs of the sector to ensure marketability of their products and services by way of visiting and participating in seminars, exhibitions and conferences, he said. Support will also be given in areas like technology infusion, exploration of business opportunities and forging joint ventures, he said. According to the MSME ministry, the market is getting bigger with the advancement of digital technologies and opening up of more export markets.

<https://www.financialexpress.com/industry/sme/steps-by-centre-to-increase-exports-by-msme-sector-official/2997546/>

G20 foreign ministers' meet ends sans communique over Ukraine differences

As a result of the continuing diplomatic tussle between the West and Russia over the war in Ukraine, the first G20 Foreign Ministers' Meeting under New Delhi's presidency ended on Thursday without a joint communique. Instead, the G20 nations issued a chair summary and a common outcome document on Thursday, the first time this has been done. The document focussed on expanding multilateralism and reforms to the United Nations. The document outlines the common positions on which the G20 needs to come together, External Affairs Minister S Jaishankar said at a press conference after the deliberations concluded. At the recently concluded meeting of G20 finance ministers and central bank governors, too, a communique could not be issued as there was no consensus on the Ukraine war. While stressing that the G20 arrived at a consensus on the bulk of issues, Jaishankar agreed that divergent views on the Ukraine war stopped a full statement from being adopted.

https://www.business-standard.com/article/economy-policy/no-joint-statement-at-g20-meeting-due-to-differences-over-ukraine-conflict-123030201082_1.html

India-Australia trade deal to boost bilateral ties, says Tony Abbott

Former Australian Prime Minister Tony Abbott on Thursday said the recently-implemented trade deal between India and Australia would boost economic and bilateral ties between both nations. "The existing FTA is good... can it be further developed? Yes, it can (be) and my understanding is that the trade ministers (of both the countries) will start discussions in coming days (on expanding the scope of the existing trade deal)," he said at a media briefing, adding that businesses on both sides should formulate strategies to take advantage of the deal. The interim trade deal between both nations was signed in April last year but kicked in from 29 December. Both sides have now started working towards a comprehensive trade deal.

https://www.business-standard.com/article/economy-policy/india-australia-trade-deal-to-boost-economic-bilateral-ties-tony-abbott-123030201031_1.html

Engineering exports will surpass last year's achievement

Engineering goods exports from India in FY23 will surpass the achievement of FY22, despite India not being in the market for a good seven months during the current year, says Arun Kumar Gadoria, Chairman, Engineering Export Promotion Council (EEPC), a body set up by the Ministry of Commerce and Industry. In FY22, Indian manufacturers of engineering goods exported products worth \$112 billion, which was about a fourth of the total merchandise exports of around \$420 billion. But in the current year, not only has the European and the American markets been under the grip of a slowdown consequent to the Ukraine-Russia war but also because steel exports were hit by an export duty that was in vogue between May and November 2022.

<https://www.thehindubusinessline.com/economy/engineering-exports-will-surpass-last-years-achievement/article66571450.ece>

Top palm oil buyer India's Feb imports fall to 8-month low, say dealers

India's February palm oil imports dropped 30% from January to their lowest in 8 months as refiners preferred to lower their stocks as inventories piled up following excessive imports during October-January, five dealers told Reuters on Thursday. The reduction in palm oil imports by India, the world's biggest importer of vegetable oils, could weigh on Malaysian palm oil prices.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/top-palm-oil-buyer-indias-feb-imports-fall-to-8-month-low-say-dealers/articleshow/98363047.cms>

Several steps taken to address emerging challenges, create global brand for Indian tea: Comm Min

India has taken several steps to boost tea output, create a niche brand for the Indian tea and ensure the welfare of families associated with this industry, the commerce ministry said on Thursday. India is the second largest tea producer and the largest black tea producer and is self-sufficient in meeting domestic requirements and export obligations. It said the Indian tea is exported to various destinations and is the fourth largest tea exporter besides catering to a large number of domestic consumers. The industry is employing 1.16 million workers directly and an equal number are associated with it indirectly. "Government through the Tea Board had helped in the formation of 352 Self Help Groups, 440 Farmer Producer Organisations and 17 Farmer Producer Companies. Assistance has been provided towards procurement of pruning machines and mechanical harvesters," it said.

<https://economictimes.indiatimes.com/news/economy/agriculture/several-steps-taken-to-address-emerging-challenges-create-global-brand-for-indian-tea-comm-min/articleshow/98361761.cms>