



February 21, 2023 – Tuesday

Economy

Retail inflation for farm workers rises to 6.85% in January

Retail inflation for farm and rural workers rose to 6.85 per cent and 6.88 per cent, respectively, in January, mainly due to higher prices of certain food items. The inflation readings for farm and rural workers stood at 6.38 per cent and 6.60 per cent, respectively, in December 2022. In January last year, the inflation numbers for farm and rural workers was at 5.49 per cent and 5.74 per cent, respectively. "Point to point rate of inflation based on the CPI-AL (Consumer Price Index Agricultural Labourers) and CPI-RL (Rural Labourers) stood at 6.85 per cent & 6.88 per cent in January 2023 compared to 6.38 per cent & 6.60 per cent, respectively in December 2022 and 5.49 per cent," the labour ministry said in a statement on Monday.

<https://economictimes.indiatimes.com/news/economy/indicators/retail-inflation-for-farm-workers-rises-to-6-85-in-january/articleshow/98099485.cms>

Government taking steps to control inflation, will continue to focus on it: Nirmala Sitharaman

Union Finance Minister Nirmala Sitharaman on Monday said that the government is taking a lot of steps to control inflation and will continue to focus on it. For instance, in the case of pulses, the government is encouraging farmers to grow pulses to boost domestic production and has also reduced the import duty on some of the pulses to improve local availability. When asked whether Budget 2023-24 would bring down inflation, Sitharaman said: "The government is taking a lot of steps to control inflation and will continue to focus on it." She was in the city for a post-budget 2023 discussion with various stakeholders. She further said that as a short-term step, "wherever we are importing, whether Masoor, Moong or whatever pulses, the government has reduced the import duty to single digit or has completely removed it. It has made imports convenient and pulses are available quickly and cheaply in India."

<https://www.financialexpress.com/economy/government-taking-steps-to-control-inflation-will-continue-to-focus-on-it-nirmala-sitharaman/2986751/>

Fresh formal job creation below 1 million for third month: EPFO data

Fresh formal job creation declined sequentially in December and remained below the 1 million mark for the third consecutive month, signaling pressure in the employment market, the latest payroll data released by the Employee Provident Fund Organisation (EPFO) on Monday showed. The number of new monthly subscribers under the Employees' Provident Fund (EPF) declined by 14.5 per cent to 802,250 in December from 937,780 in November. In October, only 780,170 new subscribers had joined the EPF, which was the lowest monthly enrollment since May 2021. In FY23, the number of monthly new subscribers had remained above 1 million for six consecutive months from April to September, touching a high of 1,159,350 in July. Net payroll addition, which is calculated taking into account the number of new subscribers, the number of exits, and the return of old subscribers, however, increased by 7.7 per cent to 1,493,031 in December from 1,385,923 in November.

https://www.business-standard.com/article/economy-policy/fresh-formal-job-creation-remains-below-1-mn-mark-for-third-straight-month-123022000966_1.html

Labour ministry extends unemployment benefits under ESIC for another two years

The labour ministry, on Monday, extended the unemployment benefits under the Employees' State Insurance Corporation for another two years while extending medical care facilities to the general public from one ESIC hospital, each in Rajasthan and Bihar. Further, the ministry approved setting up of new ESIC hospitals, upgradation of few hospitals and taking over a few hospitals from the state governments into the ESIC for better service delivery. Further, it has decided to continue funding to north-eastern states to run the ESIC scheme for providing better medical care facilities in the region.

<https://economictimes.indiatimes.com/news/economy/policy/labour-ministry-extends-unemployment-benefits-under-esic-for-another-two-years/articleshow/98099313.cms>

Govt forms cabinet secretary-led panel to monitor Mission Karmayogi

Cabinet Secretary Rajiv Gauba will head a top panel comprising a senior official from the Prime Minister's Office, seven secretaries, among others, to monitor the implementation of the government's ambitious Mission Karmayogi programme for training of government employees. Envisioned as one of the largest capacity-building initiatives in government organisations anywhere in the world, Mission Karmayogi aims to create a competent civil service rooted in Indian ethos with a shared understanding of the country's priorities, and working in harmonisation for effective and efficient public service delivery. The mission seeks to keep the civil service at the centre of all change, empowering them to deliver in challenging environments. Thus, by design, Mission Karmayogi adopts a citizen-centric approach for civil service reforms.

<https://economictimes.indiatimes.com/news/economy/policy/govt-forms-cabinet-secretary-led-panel-to-monitor-mission-karmayogi/articleshow/98088527.cms>

Cereal prices unlikely to surge but will remain elevated: Crisil

Rating agency Crisil on Monday said that the prices of cereals are unlikely to surge as in the recent past but may remain elevated well into next fiscal due to a troika of factors — vagaries of climate change, strong global demand, and rise in domestic demand. To be sure, production of cereals, which form an essential part of the staple diet in different parts of India, has grown consistently in the past 50 years, logging a compound annual growth rate (CAGR) of 2-3%. In recent years, increase in awareness among farmers on good agriculture practices, support from government in the form of input subsidies and procurement at minimum support prices (22-23% CAGR FY17-22), positive export sentiments (22-23% CAGR FY17-22), and growth in domestic demand have all contributed to growth in production.

<https://economictimes.indiatimes.com/news/economy/agriculture/cereal-prices-unlikely-to-surge-but-will-remain-elevated-crisil/articleshow/98090358.cms>

India's GDP growth in FY23 expected to be 7%, FY24 at 6%: Acuite Ratings

Credit rating agency Acuite Ratings and Research on Monday reiterated India's gross domestic product (GDP) growth estimate for FY23 at 7 per cent. It also anticipates the economic growth trajectory in FY24 to slip to 6 per cent, which would still make India one of the highest growth economies in the world. According to the ratings agency, the Indian economy has managed to withstand the headwinds rather well over the last several months amidst a tough global environment. "Domestic growth impulses have gained strength, as urban consumption continues to push demand for both goods and services with derivative support accruing from the government capex cycle which has got a further boost from the Union Budget 2023," Acuite Ratings said.

https://www.business-standard.com/article/economy-policy/india-s-gdp-growth-in-fy23-expected-to-be-7-fy24-at-6-acuite-ratings-123022000749_1.html

Good winter crop or bad, it's bad news for India inflation either way, at least in short run, says HSBC

It's a two-edged sword for India in terms of growing inflation. An assessment by HSBC Holdings Plc said that while a weak winter crop would potentially be bad news for India's inflation, a bumper crop won't be good either. It said that a good winter crop harvest should slow inflation but higher rural and informal sector demand may lead to a further tightening of rates as producers continue to restore margins, pressuring core inflation. Further, if the winter crop due in March/ April is weak, food inflation could remain high even if rural incomes and core inflation fall. In both the cases, inflation in FY24 will tread higher than consensus, HSBC analysis said.

<https://www.financialexpress.com/economy/good-winter-crop-or-bad-its-bad-news-for-india-inflation-either-way-at-least-in-short-run-says-hsbc/2986835/>

Banking and Finance

SEBI issues consultation paper on disclosure requirements for listed firms

Capital markets regulator Sebi on Monday came out with a consultation paper on streamlining disclosure requirements by listed entities. In its consultation paper, Sebi is looking to address the challenges faced with regard to submission of the financial result for the first time by newly listed firms and related to timeline to fill up vacancy of directors, Compliance Officer, Chief Executive Officer (CEO) and Chief Financial Officer (CFO) in listed entities. Also, it is looking to address the issue of freezing of demat accounts of the Managing Director, Whole-time director and CEO of a listed entity for continuing non-compliance with the LODR Regulations or non-payment of fines by a listed entity. In order to provide adequate time to newly-listed entities to disclose their first financial results post-listing, Sebi has proposed that at least 15 days from the date of listing may be provided for such disclosures to newly-listed entities.

https://www.business-standard.com/article/markets/sebi-issues-consultation-paper-on-disclosure-requirements-for-listed-firms-123022001338_1.html

Reserve Bank of India tightens norms for ARCs on income recognising fee

As a step to curb asset reconstruction companies (ARCs) from breaching income recognition norms, the Reserve Bank of India (RBI) on Monday said ARCs will deduct amounts from net-owned funds while calculating the Capital Adequacy Ratio. They will have to deduct these amounts from the amount available for payment of dividend as well. After implementing Indian Accounting standards, some ARCs have been recognising management fees even though the said fee had not been realised for more than 180 days, it said. ARCs preparing financial statements as per Ind AS, will have to deduct Management fee recognised during the planning period that remains unrealised beyond 180 days from the date of expiry of the planning period, it added. The Audit Committee of the Board (ACB) shall review the extent of unrealised management fee and satisfy itself on the recoverability of the same while finalising the financial statements. ARCs have to ensure that the management fee is computed strictly in accordance with extant regulations.

https://www.business-standard.com/article/companies/rbi-tightens-rules-to-curb-arcs-from-breaching-income-recognition-norms-123022001179_1.html

Banks seek more time to report loan frauds to RBI

Banks have asked the Reserve Bank of India (RBI) for a relaxation in the rules on reporting loan frauds, reasoning that the existing norms are too stringent. They have sought a month's time for reporting loan frauds to the RBI as opposed to the current seven days. Banks need to make full provisions once an account is classified as fraudulent. "The issue was discussed in a meeting last month. We have suggested to the RBI that instead of one week, the reporting time should be increased to around a month," said a senior bank executive aware of the development. Under the existing framework, lenders need to report fraud to the RBI's Central Repository of Information on Large Credits (CRILC) within a week of the joint lenders' forum (JLF) declaring an account fraudulent.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-seek-more-time-to-report-loan-frauds-to-rbi/articleshow/98104255.cms>

Petrol, diesel can be brought under GST ambit if Council takes a call: FM

Union Finance Minister Nirmala Sitharaman Monday said that petrol and diesel can be brought under the GST ambit if the GST council takes a call. She was in Jaipur to attend the post-budget press conference where she answered at length on questions related to petrol-diesel prices, inflation, rising repo rates, among other issues. Answering a query on bringing petrol and diesel under the GST purview, she said, "Petrol and diesel can be taken under the GST if the GST council, which is not governed by any one government but finance ministers of all states, takes the call.

https://www.business-standard.com/article/economy-policy/petrol-diesel-can-be-brought-under-gst-ambit-if-council-takes-a-call-fm-123022000621_1.html

Funds deposited for NPS cannot be transferred to state governments: Centre

The central government on Monday again clarified that the funds deposited for National Pension Scheme (NPS) cannot be given to state governments as per the current laws. Both finance minister Nirmala Sitharaman and finance

secretary Vivek Joshi said that if any state is expecting that the funds deposited for NPS can be returned to them then it is impossible. Citing the recent crash in Adani group companies' shares, Rajasthan chief minister Ashok Gehlot had earlier said that the employees of the state government cannot be left at the mercy of the share market where National Pension Scheme (NPS) funds are invested. He had also urged the Centre to give the funds of the state government employees deposited in NPS and said that the state will move to the Supreme Court if the funds are not transferred to the Old Pension Scheme (OPS) being implemented by the state government. <https://economictimes.indiatimes.com/news/economy/policy/funds-deposited-for-nps-cannot-be-transferred-to-state-governments-centre/articleshow/98091084.cms>

Bankruptcy cases rise 25% in Q3; recovery lowest at 23.45%: Care Ratings

The number of insolvency cases increased 25 per cent in the December 2022 quarter, while recovery of debt through the process remained the lowest at 23.45 per cent during the period, an analysis showed. While the number of insolvency petitions increased by a steep 25 per cent, the overall recovery rate till the third quarter of FY23 was just 30.4 per cent, implying a haircut of 69.6 per cent. The cumulative recovery rate has been on a downtrend, decreasing from 43 per cent in Q1FY20 and 32.9 per cent in Q4FY22, according to an analysis of the latest numbers of insolvency board IBBI carried out by Care Ratings. However, the Q3FY23 recovery was the lowest at 23.45 per cent, it said. Sanjay Agarwal, a senior director with the agency, said this steep fall has been due to the fact that most of the larger resolutions have already been executed and a significant number of liquidated cases are either BIFR (Board for Industrial and Financial Reconstruction) cases and/or defunct with high resolution time, coupled with lower recoverable values.

https://www.business-standard.com/article/economy-policy/bankruptcy-cases-rise-25-in-q3-recovery-lowest-at-23-45-care-ratings-123022001306_1.html

Industry

Govt extends quality control order for ferronickel grade till July 23

The government has extended the enforcement date of its steel and steel products quality control order for a ferronickel grade by another six months till July 23 this year. "The Steel and Steel Products Quality Control Order dated December 22, 2020, and subsequent order dated November 1, 2022, the date of enforcement of Indian Standards (IS) 4409:1973 specification of ferronickel is extended further," a steel ministry notification said. The extension is for six months till July 23, 2023. The government had earlier given a three-month extension till January 23, 2023. Ferronickel is imported mainly from European countries besides Russia and China to produce stainless steel and alloy steel, which are used in white goods, metro trains, railways etc.

<https://economictimes.indiatimes.com/news/economy/policy/govt-extends-quality-control-order-for-ferronickel-grade-till-july-23/articleshow/98086806.cms>

Small packs fit inflation-hit urban baskets

With retail inflation on the rise again, packaged goods companies are pushing small packages even in urban markets across soaps, toothpaste, confectionery, coffee, soft drinks and detergents at kirana stores, modern trade and online platforms. These are already contributing 20-50% of sales, executives said. Small packs, at ₹1, ₹5, ₹10 and ₹20, depending on the category, have traditionally been pushed only in rural markets. "Inflation is a major challenge," said Sanket Ray, president, Coca-Cola India and Southwest Asia. "Small packs (₹10-20) give us an affordability play across all our brands in urban and rural markets. We are expanding into multiple categories with a focus on small packs, and it is paying off." The maker of Coke and Sprite drinks, Kinley water and Minute Maid juice is pushing smaller bottles and mini-cans in both general and modern trade in urban retail channels as well as ecommerce through multi-packs.

<https://economictimes.indiatimes.com/industry/cons-products/fmcs/small-packs-fit-inflation-hit-urban-baskets/articleshow/98107246.cms>

Govt's GeM portal to help MSMEs get back penalty amount levied for failure to execute contracts

The Department of Expenditure (DEA) has tasked the public procurement portal Government e-Marketplace (GeM) to implement the government's budget announcement for refunding 95 per cent of the penalty amount to MSMEs

for the latter's failure to execute contracts during Covid under Vivad Se Vishwas I scheme for MSMEs. According to an office memorandum issued by DEA earlier this month, all contractors or suppliers registered as an MSME as on March 31, 2022, will be eligible to register on the GeM portal to claim 95 per cent of the performance security or bid security or liquidated damages forfeited from them in government tenders which had original delivery or completion period between February 19, 2020 and March 31, 2022.

<https://www.financialexpress.com/industry/sme/msme-fin-govts-gem-portal-to-help-msmes-get-back-penalty-amount-levied-for-failure-to-execute-contracts/2987018/>

Worst of inflation over and there is gradual recovery for FMCG, says Marico MD & CEO

Saffola, the master brand under which Marico offers healthier food options, is now worth Rs 2,000 crore-plus, said Marico MD & CEO Saugata Gupta. About inflation, Gupta told PTI the "worst" is behind and he sees a gradual recovery for the FMCG (Fast Moving Consumer Goods) segment with rural market making a comeback. The rural FMCG market, which has witnessed a decline in the last 4-5 quarters, is expected to have a turnaround in the next 2-3 quarters, he said. "I think the worst is behind," said Gupta, adding, "Overall for FMCG, we see a gradual recovery, but that has to be led by rural. Urban has been decent." At the industry level, food continues to do well and HPC (home and personal care) category is struggling a bit. This is because, last year, there was significant inflation, he said.

<https://www.financialexpress.com/industry/worst-of-inflation-over-and-there-is-gradual-recovery-for-fmCG-says-marico-md-ceo/2986339/>

Ministry of Defence focuses on creating expertise in engine technology

The Ministry of Defence (MoD) has discerned a gap in Indian self-reliance in the fields of aeronautical, marine and land systems engines. Statements from senior Indian officials, and a growing number of tie-ups between Indian defence firms and foreign original equipment manufacturers (OEMs) on engines points to a growing focus on this field. Addressing a seminar at Aero India 2023 on February 14, Defence Minister Rajnath Singh said it was time to ensure that Indian aircraft fly with indigenously-developed engines. "The MoD is working on the details of indigenous manufacturing of aero-engines to provide a new fillip to the aerospace sector and achieve complete self-reliance," Singh said at the seminar.

https://www.business-standard.com/article/economy-policy/ministry-of-defence-focus-on-creating-expertise-in-engine-technology-123022001170_1.html

Agriculture

Govt sets up committee to monitor impact of rise in temperature on wheat crop

The government on Monday said it has set up a committee to monitor the impact of rise in temperature on the wheat crop. The move comes amid a forecast by the National Crop Forecast Centre (NCFC) that maximum temperature in major wheat producing areas barring Madhya Pradesh was higher-than-average of the last seven years during the first week of February. Even the Met Department has projected above-normal temperature in Gujarat, Jammu, Himachal Pradesh and Uttarakhand, in next two days. Speaking to reporters, Agriculture Secretary Manoj Ahuja said, "We have set up a committee to monitor the situation arising due to increase in temperature on the wheat crop." The committee will issue advisories to farmers on adopting micro irrigation, he said. The committee, to be headed by the Agriculture Commissioner, will also have members from Karnal-based Wheat Research Institute and representatives from major wheat growing states, he added. The Secretary, however, said there won't be an impact of rise in temperature on early-sown varieties and even heat resistant varieties have been sown in large areas this time.

<https://www.financialexpress.com/economy/govt-sets-up-committee-to-monitor-impact-of-rise-in-temperature-on-wheat-crop/2986765/>

India's sugar output up 5.39%, produced 25.4 mn tonnes so far this season

Indian mills have produced 25.4 million tonnes of sugar since the current season began on Oct. 1, up 5.39% year on year, the Indian Sugar Mills Association said on Monday. After the diversion of sugar for ethanol, mills produced 22.8 million tonnes of the sweetener between Oct. 1 and Feb. 15 compared with 22.2 million tonnes during the year-ago

period, it said. The association last month cut its 2022/23 output estimates by 7% from the previous forecast, as sugar cane yields in major producing states fell due to weather conditions.

https://www.business-standard.com/article/current-affairs/india-s-sugar-output-up-5-39-produced-25-4-mn-tonnes-so-far-this-season-123022000692_1.html

Indian horticulture body develops new low-cost structures to boost vertical farming

The ICAR-Indian Institute of Horticulture Research (IIHR) has developed a new vertical farming structure for “protected” cultivation of crops such as cabbage and cauliflower, besides flowers like liliun and gerbera. The new structure, which can be as high as 12 feet, leads to effective space utilisation in a poly-house. This can result in productivity rising by up to six times compared with the conventional farming on a per unit area basis, scientists claimed.

<https://www.thehindubusinessline.com/economy/agri-business/indian-horticulture-body-develops-new-low-cost-structures-to-boost-vertical-farming/article66532638.ece>

Infrastructure

5,500 km highways to be turned into e-ways via public-private partnership

The government is finalising a plan to upgrade 5,500 km of existing highways into the National Highways for Electric Vehicles (NHEV) through a public-private partnership across 23 cities in 12 states. The e-highways will collectively have 111 stations with charging and other facilities.

https://www.business-standard.com/article/economy-policy/govt-finalising-plan-to-upgrade-5-500-km-of-existing-highways-into-e-ways-123022000953_1.html

Railways mulls tariff policy change to lure FMCG, computer parts

The Indian Railways is considering radically revising its tariff policy to encourage movement of unconventional cargo on the national transporter, said officials. According to the existing regime, the railways charges commodity-wise rates based on classification of goods. This list has items such as coal, iron and other goods that are frequently transported using the rail network. The plan is to shift to a single rate per container regime for goods that are not in the current list, with an aim to capture high-value freight such as computer parts, engineering spares, electronic and fast-moving consumer goods, said officials. "We don't want to be concerned with what goods are being moved and focus on volumes instead for unconventional cargo," a senior government official told ET on condition of anonymity.

<https://economictimes.indiatimes.com/industry/transportation/railways/railways-mulls-tariff-policy-change-to-lure-fmkg-computer-parts/articleshow/98104095.cms>

Total monthly leasing activity down 56% MoM in January, but up 93% YoY

Total monthly leasing activity declined 56.4 per cent on a month-on-month (MoM) basis in January 2023, while it registered a 93.1 per cent increase on a year-on-year (YoY) basis. The total monthly leasing activity for January in the calendar year 2023 (CY23) stood at 3.2 million square feet against 7.4 million square feet in December (CY22), according to JLL's office lease tracker. On expected lines, December 2022 saw significant deal closures, though the total leasing volumes were down by 12.5 per cent on a YoY basis. The total number of deals stood at 162 in January (CY23) as against 317 in December (CY22). Fresh leasing, which also included expansion and relocation-driven space take-up, accounted for 87 per cent of all recorded transactions during the month.

https://www.business-standard.com/article/economy-policy/total-monthly-leasing-activity-down-56-mom-in-january-but-up-93-yoy-123022000714_1.html

MahaRERA raises red flag against 313 major housing projects for discrepancies

The Maharashtra Real Estate Regulatory Authority (MahaRERA) has started reviewing large housing projects in the state for discrepancies in their expenditures and actual project completion status and has red-flagged 313 projects for such discrepancies. With an objective of ensuring micro-control of projects that involve a large number of homebuyers and investors, the authority has appointed a financial audit firm to scrutinise these projects. The financial audit organisation will closely monitor the financial status of such projects and the financial transactions related to the project.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/maharera-raises-red-flag-against-313-major-housing-projects-for-discrepancies/articleshow/98099560.cms>

Energy

India invokes emergency law to force coal-based power plants to up output

India on Monday invoked an emergency law to force power plants that run on imported coal to maximise output ahead of an expected record surge in power usage this summer, according to an internal power ministry notice seen by Reuters. Many of India's power plants that use imported coal, including those owned by Adani Power and Tata Power in the western state of Gujarat, have not operated at full capacity recently because they have found it difficult to compete with power generated from cheap domestic coal. Reuters reported last month on India's plans to use the law to maximise coal power output. In the notice sent to all imported coal-based power plants, the ministry said it expects them to operate at full capacity and sell power to buyers on exchanges. India's imported coal plants have a total capacity of 17 gigawatts.

<https://economictimes.indiatimes.com/industry/energy/power/india-invokes-emergency-law-to-force-coal-based-power-plants-to-up-output/articleshow/98101442.cms>

Telecom

Trai to launch a digital consent authorisation platform soon

The Telecom Regulatory Authority of India (Trai) will launch a digital consent authorisation (DCA) platform in the next two-three months to accelerate the process of getting consumer consent on the distributed ledger technology platform (DLT) mandated by the regulator to stem pesky calls and messages. "The DCA will be ready in two-three months. Currently, we are undertaking testing for it. Once it is rolled out, customers can whitelist their numbers on the platform," an official told ET on condition of anonymity.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/pesky-calls-trai-to-launch-a-digital-consent-authorisation-platform-soon/articleshow/98104019.cms>

Make digital infrastructure part of essential components in buildings, says Trai

The Telecom Regulatory Authority of India (Trai) has recommended that digital connectivity infrastructure (DCI) be made part of the essential components like water supply, electricity, fire safety etc in building plans, and DCI compliance be included in builder-buyer agreements under RERA. It also suggested that the Model Building Bye-Laws (MBBL) and National Building Code of India (NBC) should be amended to incorporate necessary provisions to ensure digital connectivity infrastructure can be included in buildings. "The emphasis of these recommendations is on providing a framework for creations of an eco-system for digital connectivity infrastructure (DCI) to be an intrinsic part of building development plans such as water, electricity or Fire Safety System," Trai said in a recommendations document released Monday.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/trai-wants-digital-connectivity-infrastructure-to-be-part-of-builder-pacts/articleshow/98097307.cms>

India jumps 10 spots in median mobile speeds globally

With rapid roll-out of 5G services in India, India has jumped 10 places in the median mobile speed globally in January. India climbed from 79th position in December to 69th place in January, an Ookla's report said. India has also improved its ranking in the fixed broadband speed. The country jumped two places from 81st in December to 79th in January, according to network intelligence and connectivity insights provider Ookla. Overall fixed median download speeds in India saw a slight increase from 49.14 Mbps in December to 50.02 Mbps in January. In November, India ranked at 105th position, globally in median mobile speeds.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/india-jumps-10-spots-in-median-mobile-speeds-globally/articleshow/98082470.cms>

External

Engineering goods exports decline 9.8 per cent in January to \$8.41 billion

Driven by sharp fall in exports of iron and steel and economic slowdown in key markets including EU and China, engineering goods exports witnessed a 9.8 per cent year-on-year decline in January to \$ 8.41 billion. Cumulative engineering exports during April-January 2022-23 also declined by 3.68 per cent year-on-year to US\$ 88.27 billion. In rupee terms, cumulative engineering exports recorded 3.47 per cent growth year-on-year. This disparity was due to 7.7 per cent depreciation of Rupee vis-à-vis the US Dollar during April-January 2022-23 over April-January 2021-22. Rupee also depreciated by 10% in January 2023 over January 2022.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/engineering-goods-exports-decline-9-8-per-cent-in-january-to-8-41-billion/articleshow/98087375.cms>

India, Iraq explore ways to diversify trade from oil to non-oil sectors

India and Iraq on Monday discussed ways to further increase and diversify trade from oil to non-oil sectors, while stressing the importance of expanding economic partnership and technology engagement. The two sides held wide-ranging talks during the second round of the India-Iraq Foreign Office Consultations in Baghdad where the Indian delegation was led by Ausaf Sayeed, Secretary (CPV & OIA), while Iraq's delegation was led by Hisham Al Alawi, Undersecretary for Political Planning Affairs from the Ministry of Foreign Affairs of Iraq. Sayeed also called on Iraq's Deputy Prime Minister and Minister of Oil Hayyan Abdul Ghani, Iraq's Minister of Trade Atheer Dawood Salman, Iraqi National Security Adviser Qasem Al Araji and Iraq's President of Sunni Awqaf Board Mesh'an Al Khazraji, and discussed a range of bilateral, regional and international issues of mutual interest, a statement issued by the Ministry of External Affairs said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-iraq-explore-ways-to-diversify-trade-from-oil-to-non-oil-sectors/articleshow/98099661.cms>

India to pitch for issues relating to macroeconomic stability, inclusive growth at key G20 meetings

India is expected to pitch for focusing on issues relating to macroeconomic stability and inclusive growth at the upcoming meetings of G20 finance and foreign ministers that are taking place under the shadow of the Ukraine conflict. India is also hosting a conclave on Global Partnership for Financial Inclusion (GPI) next month to which all the "friendly neighbouring" countries have been invited, people familiar with the matter said on Monday, indicating that Pakistan is not among the invitees for the conclave. The conference will be held in Hyderabad in the first half of March and a significant number of countries apart from G20 member nations have been invited with an aim to articulate views on key issues under the G20 finance track.

<https://economictimes.indiatimes.com/news/economy/policy/india-to-pitch-for-issues-relating-to-macroeconomic-stability-inclusive-growth-at-key-g20-meetings/articleshow/98101281.cms>

Merchandise exporters to pay 18% GST on shipping costs: Govt

Merchandise exporters will have to cough up 18% goods and services tax, or GST, on the services of transportation of goods, a move that the industry says could lead to cash flow issues at a time when exports are declining. This follows a recommendation of the GST Council that the place of supply of transportation of goods must be determined on the location of the service receiver, rather than on the basis of destination of goods. Government officials said the move aims to provide tax parity between foreign and Indian shipping lines with regard to integrated GST on transportation of goods by vessels from India to outside India and vice-versa.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/merchandise-exporters-to-pay-18-gst-on-shipping-costs/articleshow/98103956.cms>