



March 09, 2023 – Thursday

Economy

GDP growth may print at about 4 pc in Q4: Report

Pencilling in just 4 per cent GDP growth for the fourth quarter, a rating agency report has said the final growth numbers for the full year will be lower than the second advance estimate of 7 per cent. The economy grew at 13.2 per cent in the first quarter and 6.3 per cent in the second three-month period due to base effect and much lower than the consensus expectation of 4.4 per cent in the third quarter. To close the full fiscal with a 7 per cent growth, the GDP should deliver at least a 4.1 per cent uptick. India Ratings analyst Paras Jasrai in a report said the agency expects GDP to print in at around 4 per cent in Q4, which would mean GDP growth for FY23 could be lower than 7 per cent but did not quantify the same.

<https://www.financialexpress.com/economy/gdp-growth-may-print-at-about-4-pc-in-q4-report/3002882/>

Banking and Finance

SEBI comes out with restrictions on cos opting share buyback via stock exchange mechanism

Capital markets regulator Sebi on Wednesday imposed restrictions on the placement of bids, price and volume for the companies undertaking share buyback through the stock exchange route. Under the restrictions, a company will not be able to purchase more than 25 per cent of the average daily trading volume (in value) of its shares in the 10 trading days preceding the day in which such purchases are made, Sebi said in a circular. Among others, the company will not place bids in the pre-open market, first 30 minutes and the last 30 minutes of the regular trading session and the firm's purchase order price should be within the range of 1 per cent on either side from the last traded price. Sebi asked companies as well as appointed brokers to ensure compliance with the provisions. The stock exchange will monitor their compliance and in case of any instance of such non-compliance will impose appropriate fines or other enforcement actions as deem fit.

<https://www.financialexpress.com/market/sebi-comes-out-with-restrictions-on-cos-opting-share-buyback-via-stock-exchange-mechanism/3002915/>

SEBI asks investors to link PAN with Aadhaar by March 31

Capital markets regulator Sebi on Wednesday asked all investors to link their PAN with Aadhaar number by March-end for continual and smooth transactions in the securities market. The non-compliance with this would be considered non-KYC compliant, and there could be restrictions on securities and other transactions until the Permanent Account Number (PAN) and Aadhaar are linked, Sebi said in a statement. The Central Board of Direct Taxes (CBDT) issued a circular in March 2022, whereby the PAN allotted to a person would become inoperative if it is not linked with Aadhaar by March 31, 2023, and would be liable to all the consequences under the Income-tax Act, 1961, for not furnishing, intimating or quoting the PAN.

<https://www.financialexpress.com/market/sebi-asks-investors-to-link-pan-with-aadhaar-by-march-31/3002887/>

Industry's share of non-food bank credit hits record low of 26.6%

The deceleration of bank credit to industry and the manufacturing sector in the second half of 2022-23 has caused industry's share in total bank credit to reach a record low of 26.6 per cent at the end of this January. The share was

28.6 per cent at the end of March 2022 and 45.8 per cent ten years ago, at the end of March 2013, according to data from the Reserve Bank of India (see adjoining charts).

https://www.business-standard.com/article/finance/industry-share-in-non-food-banks-credit-hit-new-low-of-26-6-123030800814_1.html

Life insurers' new biz premium down 17% in Feb, LIC collections shrink 32%

Life insurance companies have reported a 17 per cent year-on-year (YOY) drop in new business premiums (NBP) in February, as state-owned insurer Life Insurance Corporation (LIC)'s premiums contracted by 32 per cent.

https://www.business-standard.com/article/companies/life-insurers-new-business-premium-down-17-in-february-shows-data-123030800913_1.html

Government looks to keep borrowing in check

The Centre is looking to limit the increase in its borrowing below the rise in nominal gross domestic product (GDP) over the medium term to reduce the public debt burden and lower interest payments, people familiar with the development said. The big pandemic stimulus and the contraction in the economy worsened the combined Centre and state debt-to-GDP ratio to 89.2% in FY21 from 75.1% in FY20. The International Monetary Fund (IMF) has forecast the ratio will improve to 83.5% of GDP in FY23 and gradually ease from FY26 onwards. "Internally, deliberations have started on how to keep a check on the already high debt burden as interest outgo, otherwise, will keep rising at a steady rate," a government official said. "A final decision will be taken in due course after broader consultations."

<https://economictimes.indiatimes.com/news/economy/policy/government-looks-to-keep-borrowing-in-check/articleshow/98487756.cms>

Divestment shortfall: Centre has math ready

The Centre is banking on higher dividend income from state-run companies, savings accruing through the new fund release system for autonomous bodies and central schemes, and unutilised central scheme funds to make up for any shortfall in disinvestment receipts. Officials expect to meet the fiscal deficit target of 6.4% of GDP for FY23 even if the revised disinvestment amount is not realised. "We will be able to stick to fiscal numbers and may even do better," a senior finance ministry official told ET, adding that the ministry is still hopeful of meeting the divestment target.

<https://economictimes.indiatimes.com/news/economy/policy/divestment-shortfall-centre-has-math-ready/articleshow/98487832.cms>

Industry

Volatility in steel prices to continue in medium-term: Steel Mint

The volatility in steel prices is likely to continue in the medium term due to the impact of the geopolitical situation on supply chain logistics, according to SteelMint. Last week, steel makers increased the prices of hot-rolled coil (HRC) by Rs 1,400 to Rs 60,700 per tonne from Rs 59,300 a tonne on February 22, the research firm said in a report. In the last six months, steel prices have not been stable. The user industry has been witnessing price revisions on a weekly basis. "The volatility in the prices is likely to continue in the medium-term on account of geo-political situations across the globe impacting the supply chain," SteelMint said. This situation has led to changing supply-demand scenarios impacting prices of raw materials and logistics, it said. Iron ore fines with iron (Fe) content of 62 per cent were moved up to Rs 5,480 tonne in February, from Rs 4,400 tonne in December 2022. Similarly, imported hard-coking coal (HCC) prices increased steeply during this period.

<https://www.financialexpress.com/industry/volatility-in-steel-prices-to-continue-in-medium-term-steel-mint/3002600/>

Smartphone brands go slow on new model launches on muted demand

Smartphone brands have slowed their pace of launching new models, with 20% fewer in the first two months of 2023 compared with 2022, and that too, mostly in the mid and higher-end price segments. Experts said launch of models in 2023 is expected to fall 5-10% on year, indicating continued pressure on demand, especially at the lower end. The first two months of 2023 saw 28 major smartphone models introduced in the market, as compared to 36

in 2022, as per ET's analysis. Out of them, 18 models are priced above Rs 20,000, while six were launched in the Rs 10,000-20,000 price segment. The sub-Rs 10,000 segment - historically the highest volume segment - only saw four new models, half of what was launched in 2022, due to high forex rates putting pressure on production costs and general low demand in that segment. This, even as the premium segment continues to show growth.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/smartphone-brands-go-slow-on-new-model-launches-on-muted-demand/articleshow/98484128.cms>

Agriculture

Nafed to begin onion procurement from 3 mandis in Gujarat from Thursday

Cooperative Nafed will start procurement of kharif onion in Gujarat from Thursday from three mandis to provide relief to farmers, as prices have crashed in the wholesale markets, according to the Food and Consumer Affairs Ministry. Nafed will begin onion procurement from Bhavnagar, Gondal and Porbandar mandis in Gujarat from March 9. More centres will be opened from time to time as required, it said. "Farmers are requested to bring their good quality and dried stock to the procurement centres to avail better rates at these centres," the ministry said. Payments to the farmers will be done online, it added. The ministry said the central government has planned this market intervention in order to give immediate relief to the farmers from crashing prices of onions in the state.

<https://economictimes.indiatimes.com/news/economy/agriculture/nafed-to-begin-onion-procurement-from-3-mandis-in-gujarat-from-thursday/articleshow/98492065.cms>

Infrastructure

Housing sales volume grows 11 per cent across 7 cities in Q3: ICRA

Housing sales in volume terms grew 11 per cent in the third quarter of this fiscal across seven cities on better demand, according to rating agency ICRA. "At 149 million square feet (msf), the reported sales in Q3 FY2023 in the top seven cities in India is the highest quarterly sales recorded in over ten years," ICRA said in a statement on Wednesday. Residential real estate sector saw strong demand in Q3 of FY2023 with 11 per cent year-on-year (YoY) growth in area sold, it added. The area sold in the first nine months of FY23 increased to 412 msf against 307 msf in the corresponding period of the previous year.

<https://www.thehindubusinessline.com/news/real-estate/housing-sales-in-volume-terms-grew-11-per-cent-across-7-cities-in-q3-icra/article66595863.ece>

Energy

Renewable subsidies, higher tariffs on coal to result in lower emissions in India by 2030: IMF Study

Combining renewable subsidies and higher tariffs on coal would lower the emissions by nearly one-third in India by 2030 compared to the current policies, according to a study carried out by two IMF economists. The study, conducted by Margaux MacDonald and John Spray, notes that the two steps would also decrease coal imports by 14 per cent by 2030, thus increasing resilience to global changes in energy prices and improving energy security. While a modest increase in short-term emissions may be necessary to meet poverty reduction and energy security goals, a more rapid scaling up of current policies could help lower emissions considerably over the medium term and bring India closer to a path to net zero by 2070, it said.

<https://www.financialexpress.com/industry/renewable-subsidies-higher-tariffs-on-coal-to-result-in-lower-emissions-in-india-by-2030-imf-study/3002518/>

Dark summer nights: India faces high risks of power cuts after years of coal, hydro power neglect

India faces a high risk of nighttime power cuts this summer and in coming years, as delays in adding new coal-fired and hydropower capacity could limit the country's ability to address surging electricity demand when solar energy is not available. A rapid addition of solar farms has helped India avert daytime supply gaps, but a shortage of coal-fired and hydropower capacity risks exposing millions to widespread outages at night, government data and internal documents reviewed by Reuters show. India's power availability in "non-solar hours" this April is expected to be 1.7% lower than peak demand - a measure of the maximum electricity requirement over any given time, an internal note by the country's grid regulator reviewed by Reuters showed.

<https://economictimes.indiatimes.com/industry/energy/power/dark-summer-nights-india-faces-high-risks-of-power-cuts-after-years-of-coal-hydro-power-neglect/articleshow/98494913.cms>

Price cap to be raised to counter India's robust power demand

India's major power users will soon be able to access higher-priced electricity rather than being forced to scale down operations if another sweltering summer leads to a repeat of last year's shortages. Indian Energy Exchange Ltd will offer a new type of electricity with a price cap of 50 rupees (\$0.61) a kilowatt-hour for power generated from batteries, gas and imported coal from next week, according to Rohit Bajaj, the head of business development at the nation's largest electricity platform. That's more than quadruple the limit on other types of power. Unusually high temperatures for this time of year are fueling predictions that electricity demand might rise to a record this summer, overwhelming domestic coal supplies and transportation networks and resulting in a repeat of last year's blackouts. The shortfalls last year exposed citizens to blistering heat waves and forced some industries to scale down factory output. The high-price window could help narrow the gap by bringing back tens of gigawatts of under-utilized generation capacity. The power ministry last month invoked an emergency rule that would force some plants running on imported coal to run at capacity for three months starting March 16.

https://www.business-standard.com/article/economy-policy/price-cap-to-be-raised-to-counter-india-s-robust-power-demand-123030801023_1.html

States

Maharashtra, Gujarat lead in FDI inflows in the first three quarters

Maharashtra and Gujarat recorded a positive growth in foreign direct investment (FDI) in the current fiscal even as the overall FDI inflows into the country decelerated due to rising global interest rates, waning investor sentiment and gloomy growth outlook. According to Department for Promotion of Industry and Internal Trade data, FDI inflows into Maharashtra went up by 19 per cent year-on-year to ₹85,186 crore during the April-December of the current fiscal. The State received ₹71,858 crore of FDI inflows during the same period of FY22.

<https://www.thehindubusinessline.com/data-stories/data-focus/maharashtra-gujarat-lead-in-fdi-inflows-in-the-first-three-quarters/article66595880.ece>

Maharashtra Economic Survey pegs 2022-23 growth at 6.8 percent

Maharashtra's economy is expected to grow by 6.8 percent in 2022-23 against the projected 7 percent growth of the national economy, the state's annual Economic Survey report said. The projected growth showed a decline compared to the 9.1 percent growth in 2021-22. Deputy Chief Minister Devendra Fadnavis who also holds the finance portfolio tabled the survey report for 2022-23 in the Assembly on Wednesday, a day ahead of the state Budget. Agriculture and allied activities sector will grow by 10.2 percent in the outgoing fiscal, it said. The industrial sector is expected to grow by 6.1 percent and services sector by 6.4 percent.

<https://www.financialexpress.com/economy/maharashtra-economic-survey-pegs-2022-23-growth-at-6-8-percent/3002841/>

Healthcare

India working on single-window portal for drug regulation processes

Seeking to revamp India's drug regulatory system, the government is working on a unified digital portal that will bring together all stakeholders: regulators, manufacturers, distributors, state-run departments, and procurement agencies.

https://www.business-standard.com/article/economy-policy/unified-national-portal-for-drug-regulatory-functions-in-the-works-123030800699_1.html

External

Supply chain exodus from China to India, Vietnam faster than anticipated

Goertek, one of Apple's largest acoustic products suppliers, said its vice-president Kazuyoshi Yoshinaga is leaving the company, in a surprise move that comes just days after his remarks about Apple suppliers exiting China made

headlines, South China Morning Post reported. In a recent interview with Bloomberg, Yoshinaga was quoted as saying that Apple suppliers, including Goertek, have been moving manufacturing capacity out of China faster than observers had anticipated as US-China relations continue to deteriorate, laying bare the fact that China is losing some of its supply chain dominance to India and Vietnam. China's stringent Covid-19 restrictions and intensified US-China tech rivalry have rattled Apple's supply chain over the last three years. Cracks have started to appear in the sophisticated supply chain that took the US tech giant decades to build, as companies from Taiwan's Foxconn Technology Group to China's Goertek and Luxshare increase their investments in India and Vietnam, two of the largest beneficiaries of a realignment in the global supply chain, South China Morning Post reported.

https://www.business-standard.com/article/economy-policy/supply-chain-exodus-from-china-to-india-vietnam-faster-than-anticipated-123030800415_1.html

Seeking technology, manufacturing partnership with Indian pharma companies, says Mexico foreign secretary

Mexico is seeking investments and technological collaborations with Indian drug makers in a bid to bolster its pharmaceutical industry and reduce dependency on imports for critical drugs and vaccines. "We learnt a lot during the pandemic. We realised that we can't have dependency from companies in the developed world," Mexico foreign secretary Marcelo Ebrard told ET. Ebrard was in New Delhi to attend the G20 Ministerial Meeting. "As a foreign minister, I have the mission to obtain vaccines (for my country). I called several very close countries. (They said) well let us finish our vaccination, then we will call you. That was the situation. The companies were increasing prices. We don't want to forget these lessons," Ebrard said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/seeking-technology-manufacturing-partnership-with-indian-pharma-companies-says-mexico-foreign-secretary/articleshow/98492992.cms>