



March 22, 2023 – Wednesday

Economy

Indian economy gaining momentum since second quarter, emerges from pandemic stronger

The Indian economy emerged from the pandemic stronger than expected and has gained momentum since the second quarter of the current fiscal even as year-on-year growth rates do not reflect this pick-up due to the impact of statistical base effects, Reserve Bank of India said in its monthly state of the economy report. RBI's economic research wing headed by deputy governor Michael Debabrata Patra argued that the sequential slowing down in successive quarters of 2022-23 is due to base effect. As for the data, India's gross domestic product (GDP) for the October-December quarter moderated to a three-quarter low of 4.4%, according to data released by the ministry of statistics earlier in the month. Citing February-end data from the National Statistical Office, RBI researchers however said that the recovery from the pandemic was stronger than earlier believed, led by private consumption and supported by a rebound in government consumption during 2021-22.

<https://economictimes.indiatimes.com/news/economy/indicators/indian-economy-gaining-momentum-since-second-quarter-emerges-from-pandemic-stronger/articleshow/98872291.cms>

Digital competition Bill based on standing committee report: Sinha

Jayant Sinha, member of Parliament in the Lok Sabha and chairman of the Standing Committee on Finance, said the private member's Bill on digital competition that proposes to table will include all the provisions suggested by the committee in its report on anti-competitive practices by big tech companies. "The Bill will be completely modelled on the digital competition report. Everything we have said in the report is in the Bill — identifying systemically important digital intermediaries (SIDIs), making sure that they are compliant with the 10 anti-competitive practices, and they should file an annual report," Sinha said. The parliamentary panel on finance, chaired by Sinha, presented a report in December identifying 10 anti-competitive practices in digital markets and a need for ex-ante regulations to address them. The committee also called upon the government to come up with a definition for SIDIs that need tighter regulations. The classification could be done based on revenues, market capitalisation, and the number of active users, the panel suggested.

https://www.business-standard.com/article/economy-policy/digital-competition-bill-modelled-on-standing-committee-on-finance-report-123032101140_1.html

India's Finance Ministry to make a case for higher sovereign rating

The finance ministry will make a pitch to global rating agencies in the coming days for an upgrade in India's sovereign rating, citing a sharp post-pandemic improvement in the country's macroeconomic fundamentals despite global turmoil. Senior officials led by chief economic advisor V Anantha Nageswaran will hold a meeting with Fitch executives on Thursday, a senior official told ET. "Meetings with other agencies will take place in the coming days, in which we will seek a similar upgrade," he added.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-finance-ministry-to-make-a-case-for-higher-sovereign-rating/articleshow/98887692.cms>

ODOP initiative: Govt identifies 1,068 items across 761 districts for promotion

As many as 1,068 products have so far been identified for promotion under the government's flagship One District One Product (ODOP) initiative across all 761 districts, a senior official has said. "These products are from varied sectors ranging from agriculture, handicraft and handloom to tourism and engineering, " according to Manmeet Nanda, Joint Secretary, Department for Promotion of Industry and Internal Trade (DPIIT).

<https://www.thehindubusinessline.com/economy/odop-initiative-govt-identifies-1068-items-across-761-districts-for-promotion/article66646664.ece>

Banking and Finance

RBI asks banks to keep branches open till March 31 for annual closing

The Reserve Bank of India (RBI) on Tuesday directed banks to keep their branches open till working hours of March 31, 2023, a press release stated. With the financial year 2022-23 ending, the annual closing of accounts is scheduled for March 31. In a note to all agency banks, the RBI said that all government transactions done by agency banks for 2022-23 must be accounted for within the same financial year.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-asks-banks-to-keep-branches-open-till-march-31-for-annual-closing/articleshow/98872567.cms>

Inflows into NRI deposits more than double in April 2022-January 2023

The bank accounts of non-resident Indians (NRIs) received \$5.95 billion during April 2022-January 2023, more than doubling from the \$2.7 billion in the equivalent period in FY22. Also, breaking the streak of decline in outstanding amounts, NRI deposits rose to \$136.81 billion at the end of January 2023 from \$134.48 billion in December 2022, according to the Reserve Bank of India data. In March they were \$139.02 billion. They were stable in December 2022 compared to \$134.6 billion in November 2022. Bankers have said inflows have increased owing to facilities like easing limits on interest rates. However, there was an outflow for purchases during the festival season. In July, the RBI took steps to enhance inflows into NRI accounts. These were easing caps on interest rates on Foreign Currency Non-Resident (Bank), or FCNR (B), and Non-Resident External (NRE) deposits, and exemption from maintaining the cash reserve ratio and statutory liquidity ratio on incremental deposits until November 4.

https://www.business-standard.com/article/economy-policy/flows-into-nri-deposits-more-than-double-in-april-2022-jan-2023-period-123032101108_1.html

Indian banks can endure global banking turmoil fallout: S&P Global Ratings

Indian lenders are capable of enduring any potential contagion effects emanating from the U.S. banking turmoil and UBS's recent takeover of embattled Swiss lender Credit Suisse given their manageable exposures to their global counterparts, S&P Global Ratings said on Tuesday. "Strong funding profiles, a high savings rate, and government support are among the factors that bolster the financial institutions we rate," the rating agency said. S&P also said Indian banks had sufficient buffers to withstand losses on their sizable government securities portfolio due to rising interest rates. The Reserve Bank of India has increased the policy repo rate by 250 basis points since May last year. Analysts have said that Indian banks are now in a better position to withstand stress given their current capital levels and healthy asset quality.

https://www.business-standard.com/article/finance/indian-banks-can-endure-global-banking-turmoil-fallout-s-p-123032100945_1.html

States raise record Rs 35,800 crore through securities auction

In the largest-ever state government securities auction so far this fiscal, 12 states on Tuesday raised Rs 35,800 crore at an average annualised price of 7.74 per cent. The current drawdown is 15 per cent higher than the amount indicated for the week in the auction calendar and 66 per cent higher than the year-ago period. This is the penultimate week in the borrowing calendar for the states this fiscal. Despite increased supply, the states were forced to offer better yields to investors as the weighted average cut-off rose by 7 bps to 7.74 per cent over the past week's auction, according to an analysis by ratings agency Icr.

<https://economictimes.indiatimes.com/news/economy/finance/states-raise-record-rs-35800-crore-through-securities-auction/articleshow/98873383.cms>

Collection from Surcharge on taxes estimated to rise over four times in FY23, FY24 over FY22 actuals

The collection from the surcharge on direct and indirect taxes is estimated to grow more than four times in the current fiscal year (2022-23) and the next fiscal year (2023-24) as compared to the fiscal year 2021-22, data presented in the Rajya Sabha on Tuesday showed. This is despite the fact that surcharge rates have remained unchanged between fiscal years 2019–20 and 2022-23. Experts attribute the surge to a combination of better compliance and buoyancy in direct tax collection. Data presented along with a written response by Minister of State for Finance, Pankaj Chaudhary showed that actual collection from surcharges (corporate tax, taxes on income, social welfare, and custom) in the fiscal year 2021–22 was around ₹40,758 crore. Now, in the revised estimate for fiscal year 2022–23, it is pegged at ₹1.73 lakh crore, showing a growth of around 325 per cent. Similarly, it is estimated at ₹1.92 lakh crore in FY24, which is around 374 per cent over the actual collection in FY22.

<https://www.thehindubusinessline.com/economy/collection-from-surcharges-on-taxes-estimated-to-rise-over-four-times-in-fy23-fy24-over-fy22-actuals/article66646563.ece>

Industry

'Domestic steel demand buoyant, to absorb extra supply even if exports fall'

After a sluggish December quarter, steel demand was expected to bounce back this quarter. The hike in lending rates amid rising inflation is a key concern. Steel exports were impacted by the global recession. businessline caught up with Seshagiri Rao, Joint Managing Director, JSW Steel to ascertain the market condition. Here are edited excerpts.

<https://www.thehindubusinessline.com/companies/domestic-steel-demand-buoyant-to-absorb-extra-supply-even-if-exports-fall/article66645404.ece>

More than 2,170,000 EVs registered in India; Uttar Pradesh tops list

Of over 21.70 lakh electric vehicles registered in India, Uttar Pradesh topped the list with 4,65,432 EVs, followed by Maharashtra and Delhi with 2,26,134 and 2,03,263 respectively, the government said in Parliament on Tuesday.

Union Minister of State for Heavy Industries Krishan Pal Gurjar said in a written reply in Lok Sabha that total sales of electric vehicles in the year 2022 stood at 10,15,196 as against 3,27,976 in the previous year 2021. Total 2,56,980 EVs have been registered in the current year till March 15.

https://www.business-standard.com/article/economy-policy/more-than-21-70-000-evs-registered-in-india-uttar-pradesh-tops-list-123032100906_1.html

Domestic tractor sales to decline by half to 4-6% in FY'23

Domestic tractor sales will halve to 4-6 per cent this fiscal on a higher base of compound average growth rate of 10 per cent recorded since fiscal 2020 on the back of successive normal monsoons. However, softening prices of inputs such as steel and pig iron will provide a 100-200 basis points respite to the operating margin of tractor makers, says Crisil Ratings.

<https://www.thehindubusinessline.com/economy/agri-business/domestic-tractor-sales-to-decline-by-half-to-4-6-in-fy23/article66644927.ece>

Five states report more than a million MSME registrations on Udyam portal

Five states have reported more than a million MSME registrations on the Udyam Portal, as efforts to bring small units under the ambit of formalisation appear to gather pace.

<https://www.thehindubusinessline.com/companies/msme/five-states-report-more-than-a-million-msme-registrations-on-udyam-portal/article66644950.ece>

Agriculture

Food stocks with FCI down to 78% of its covered storage capacity

Foodgrains stock with the Food Corporation of India (FCI) has come down to 78 per cent of its total covered capacity this fiscal from 92 per cent three years back as wheat procurement dropped last year as well as a huge quantity of grains got distributed under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY). According to the 24th report of the Standing Committee on Food, Consumer Affairs and Public Distribution, placed in Parliament on Tuesday, the storage capacity as on June 30, 2019, was 379.5 lakh tonnes (lt) whereas the stock was 365.33 lt. But the utilisation of the capacity declined to 89 per cent as on June 30, 2020, and to 88 per cent as on June 30, 2021.

<https://www.thehindubusinessline.com/economy/agri-business/food-stocks-with-fci-down-to-78-of-its-covered-storage-capacity/article66646279.ece>

Unseasonal rain expected to increase prices of commodities in short supply

Prices of everyday essentials like wheat, jeera, chana and some fruits and vegetables are expected to increase as the unseasonal rainfall has damaged the crops. Unseasonal rainfall is expected to increase prices of commodities in short supply and reduce the returns for farmers in commodities that are perishable and where farmers have lost their crop.

<https://economictimes.indiatimes.com/news/economy/agriculture/unseasonal-rain-expected-to-increase-prices-of-commodities-in-short-supply/articleshow/98880277.cms>

Madhya Pradesh reopens wheat procurement window to help rain-hit farmers

The Madhya Pradesh government on Tuesday decided to reopen the registration window for wheat procurement for three days from March 22 after sudden unseasonal rain widely damaged standing crops in the state. The initial deadline for registration was February 28, which was extended till March 5. The state government also announced a financial aid of Rs 32,000 per hectare and early crop insurance payment in the event of 50 per cent crop loss. Reopening the procurement window will give the farmers, who had missed out on the first instance, another opportunity to sell their wheat through official procurement channels at the pre-fixed minimum support price (MSP) of Rs 2,125 per quintal. The move is also meant to support the market where prices have dropped below MSP leading to unrest among growers.

https://www.business-standard.com/article/economy-policy/madhya-pradesh-reopens-wheat-procurement-window-to-help-rain-hit-farmers-123032100892_1.html

Infrastructure

DPIIT to set up task force for formulating logistics cost framework

A task force will be set up for formulating a framework to determine logistics costs in the country, the commerce and industry ministry has said. It was decided in a workshop organised by Department for Promotion of Industry and Internal Trade (DPIIT) on the subject, on Monday. The task force members would include representatives from NITI Aayog, Ministry of Statistics and Programme Implementation (MOSPI), National Council of Applied Economic Research (NCAER), academic experts and other stakeholders. It "will be established for formulating a logistics cost framework in a time-bound fashion," it said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/dpiit-to-set-up-task-force-for-formulating-logistics-cost-framework/articleshow/98854465.cms>

For FY24, National Highway Authority eyes 1,987km monetisation

National Highway Authority of India (NHAI) aims to monetise 1,987 kilometres (km) of highways in 2023-24 through 'toll operate transfer' and infrastructure investment trust (InvITs) modes, people familiar with the development said. The highways body has lined up 30 National Highway sections as part of the plan, with the 124-km Trichy-Thuvarankurichi-Madurai (Tamil Nadu) section being the longest and the 4.4-km Badarpur elevated corridor in Delhi being the shortest in the list. Sources did not immediately share the amount of money NHAI is looking to raise in FY24 through asset monetisation.

<https://economictimes.indiatimes.com/industry/transportation/roadways/for-fy24-national-highway-authority-eyes-1987km-monetisation/articleshow/98880713.cms>

Pace of road construction outpaces awarding in January, likely to improve further in fourth quarter

The pace at which national highways are being constructed has gained momentum. In the six months to January 2023, it has outpaced the rate at which the National Highway Authority of India (NHAI) has been awarding the projects. The construction of highways has grown by more than two times while the awarding by NHAI has risen by 1.5 times during the period. Construction of national highways grew to 1,029 kms in January 2023 from 419 kms in August 2022. In the same period, the awarding of highway projects by NHAI improved to 1,137 km from 731 km.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/construction/pace-of-road-construction-outpaces-awarding-in-january-likely-to-improve-further-in-fourth-quarter/articleshow/98858659.cms>

Noida, Navi Mumbai airports likely to get operational by next year

The Secretary of the Ministry of Civil Aviation, Rajiv Bansal on Tuesday said that the construction of the Noida International Airport and Navi Mumbai Airport is on track and the two are likely to be inaugurated by next year. Speaking at CAPA India Aviation Summit, Bansal said that they are looking at a 500 million capacity at six metro airports taken together. "The six major metro airports in India that include Delhi, Mumbai, Bengaluru, Chennai, and Hyderabad together currently have a passenger handling capacity of 320 million," Bansal said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/noida-navi-mumbai-airports-to-get-operational-by-next-year/articleshow/98858622.cms>

Office space leasing may fall 25-30% this year in top 6 cities: Report

Leasing of office space across six major cities may fall by 25-30 per cent this calendar year to 35-38 million square feet on subdued demand, according to Colliers India and FICCI. Property consultant Colliers India and industry body FICCI released a report 'Emerging Trends and Opportunities in Office Sector - 2023'. Gross office space leasing rose to 50.3 million square feet in 2022 across six cities from 32.9 million square feet in the previous year on better demand. These six cities are Delhi-NCR, Mumbai, Bengaluru, Hyderabad, Chennai and Pune. The report said that in an optimistic scenario, India's office sector is likely to see about 35-38 million square feet of gross leasing in 2023. The consultant expects that the economic headwinds would ease and not cause a significant dent to overall occupiers' confidence. It expects a significant increase in leasing in the latter half of this year with corporates likely to close leasing decisions that were put on hold temporarily.

https://www.business-standard.com/article/economy-policy/office-space-leasing-may-fall-25-30-this-year-in-top-6-cities-report-123032100766_1.html

Metros continue to dominate Tier-2 cities in residential real estate market

The sales of residential properties in tier-1 cities in India stood at more than 250 per cent of the levels seen among tier-2 cities in the calendar year 2022, according to a recent report by PropEquity, a real estate consultancy firm. The year 2022, saw the maximum residential property sales in the last eight years, with total absorption increasing by 28 per cent year-on-year. The report attributes this increase in sales to multiple factors like a rise in consumer confidence in hard assets compared to volatile assets post-Covid. Lower repo rates of 4 per cent in the first half of 2022, and subsequent increases in the borrowing and lending capacity of commercial lenders because of lowered cost of credit and the increase of liquidity in the financial system also contributed to rising in sales. The total absorption witnessed in tier-1 cities was at whopping 453,000 units as against 183,000 units in tier-2 cities, the report said.

https://www.business-standard.com/article/economy-policy/metros-continue-to-dominate-tier-2-cities-in-residential-real-estate-market-123032100999_1.html

India's improved 1.7% spend on logistics to set stage for \$5 trn economy

India will spend a whopping 1.7 per cent of its GDP on transport infrastructure this year -- around twice the level in America and most European countries -- a feat that has been noticed even by The Economist which called it 'eye-watering' upgrade that will set stage to achieve a USD 5 trillion economy. Prime Minister Narendra Modi's government has hiked capital outlay on infrastructure to USD 122 billion for the fiscal year starting April as it looks to provide a strong impetus to job creation and boost economic activity amid a global slowdown. According to official data, the Modi government has allocated Rs 2.4 lakh crore for railways capital expenditure, nine times higher than the amount in the financial year 2013-14. The funds will mostly be spent on building tracks, new coaches, electrification, and developing facilities at stations. Allocation for roads has jumped 36 per cent to Rs 2.7 lakh crore for 2023-24. There is also the focus on reviving 50 additional airports, heliports, water aerodromes and advance landing grounds for improving regional air connectivity.

https://www.business-standard.com/article/economy-policy/india-s-improved-1-7-spend-on-logistics-to-set-stage-for-5-trn-economy-123032100676_1.html

Gorakhpur Link expressway to be ready soon

The Gorakhpur Link Expressway will soon be ready for operation, giving a major boost to roadways development in Uttar Pradesh. According to the latest audit, more than 62 per cent of the construction work on the expressway has

been completed. The entire project, which is 91.35 km long and begins from Jaitpur in Gorakhpur and culminates at Azamgarh, will cost Rs 5,876 crore.

<https://economictimes.indiatimes.com/news/economy/infrastructure/gorakhpur-link-expressway-to-be-ready-soon/articleshow/98858769.cms>

Energy

Make comprehensive plan to fully meet power demand apart from ad hoc arrangements: Par panel to Power Min

A Parliamentary panel has asked the government to make a comprehensive plan to fully meet peak power demand apart from ad hoc arrangements in view of the projected high electricity demand of 230 GW in April this year. The power ministry has taken many steps to meet the unprecedented high demand for power during this summer season like the direction for all imported coal-based power plants to run at full capacity from March 16, 2023, to June 15, 2023. Besides the ministry has also asked domestic coal-based thermal plants to import coal for blending it with domestic dry fuel to avoid shortages. In its 35th report on demand for grants for 2023-24 of Ministry of Power, the Parliamentary Standing Committee on Energy noted that the ministry has stated that they are expecting a peak of 2.30 lakh Mega Watt (230GW) during April 2023, therefore, necessary arrangements including running of gas-based power stations have been made to meet the peak demand.

<https://economictimes.indiatimes.com/news/india/make-comprehensive-plan-to-fully-meet-power-demand-apart-from-ad-hoc-arrangements-par-panel-to-power-min/articleshow/98872577.cms>

India misses RE capacity target due to low solar, wind projects: Par panel

A parliamentary panel has attributed low installation of solar roof-top and wind energy projects as key reasons for the shortfall in achieving India's renewable energy capacity target of 175 GW by 2022. India set an ambitious target of installing 175 GW of renewable energy capacity by the year 2022, which included 100 GW from solar, 60 GW from wind, 10 GW from bio-power and 5 GW from small hydro-power. However, a renewable energy capacity of 120.90 GW has been installed in the country as of 31st December 2022 which is about 69 per cent of the overall target, the Standing Committee on Energy said in a report. "Keeping in view the fact that renewable energy installed capacity has increased by more than 236 per cent since 2014, this is indeed a commendable achievement. However, it should also be mentioned that whatever shortfall has occurred in achievement of the target that is because of low installation of solar roof-tops and wind energy projects," the committee said.

https://www.business-standard.com/article/economy-policy/india-misses-re-capacity-target-due-to-low-solar-wind-projects-par-panel-123032101002_1.html

India exploited 29% of hydropower potential: Power Minister to Parliament

India has exploited 29 per cent of its hydropower potential against over 80 per cent and 70 per cent developed by the US and European Union respectively, Parliament was informed on Tuesday. As per the Reassessment Study carried out by the Central Electricity Authority (CEA) during 1978-1987, the assessed hydropower potential in the country is about 1,45,320 MW (for projects with capacity above 25 MW), Power Minister R K Singh said in a written reply to Rajya Sabha on Tuesday. Singh said that 42,104.6 MW (29 per cent) out of 1,45,320 MW has been developed and 15,023.5 MW (10.3 per cent) is under construction. As per reports of the International Hydropower Association (IHA), the US has developed more than 80 per cent of its hydropower potential and the EU (European Union) has developed more than 70 per cent of its hydropower potential, he told the House. The main challenges in the development of hydroelectric potential in the country are remote location, unpredictable geology, natural calamities, environment and forest issues, Rehabilitation and Resettlement (R&R) issues, law & order issues and inter-state issues, he stated.

https://www.business-standard.com/article/economy-policy/india-exploited-29-of-hydropower-potential-power-minister-to-parliament-123032100797_1.html

External

Pharma exports up 3.14% at 22.9 bn in April-Feb of FY23

Pharmaceutical exports registered a 3.14 per cent growth in April-February period of the current financial year at \$22.9 billion compared to \$22.20 billion in the same period in the previous financial year. "The quantum of pharma

exports in the current fiscal has been good and as expected, the total pharma exports is set to cross the milestone of \$25 billion in FY23," R Uday Bhaskar, Director - General, Pharmaceutical Export Promotion Council (Pharmexcil), an arm of the Ministry of Commerce told businessline on Tuesday.

<https://www.thehindubusinessline.com/economy/pharma-exports-up-314-at-229-bn-in-april-feb-of-fy23/article66645494.ece>

India's petroleum product exports at over \$86 billion in April-February of FY23

India exported petroleum products worth \$86.21 billion during the first 11 months of the current financial year ending March 2023, which accounts for more than 21 per cent of India's total commodity exports. In contrast, the world's third-largest energy consumer imported crude oil and petroleum products worth a whopping \$193.47 billion during the same period, data from the Ministry of Petroleum & Natural Gas (MoPNG) said.

<https://www.thehindubusinessline.com/economy/indias-petroleum-product-exports-at-over-86-billion-in-april-february-of-fy23/article66644829.ece>