



March 31, 2023 – Friday

Economy

India remains a bright spot among global economies: Piyush Goyal

Commerce and Industry Minister Piyush Goyal on Thursday said India was in the 'bright spot' amid a series of economic challenges faced by many countries. The minister said some reports suggested that India was going to be the fastest-growing economy in the coming times and had been able to consistently maintain high growth and meet the Covid-19 challenges efficiently. The trade and investment working group meeting, chaired by Commerce Secretary Sunil Barthwal over three days, aimed to address the challenges in areas, such as trade, sustainability, building resilient supply chains, inclusive growth, and sustaining growth in years to come. The final day of the meeting saw deliberations over integrating the micro, small, and medium enterprises globally, building efficient logistics for trade, and leveraging digital infrastructure, which has been one of India's strengths over the past few years. "We aim to use technology in every sphere to serve the people of India in a big way. Today, we are showcasing our developmental model to the rest of the world," Goyal said.

https://www.business-standard.com/economy/news/india-remains-a-bright-spot-among-global-economies-piyush-goyal-123033000689_1.html

Consumer sentiments jump by record 6.7% in March: CMIE

Consumer sentiments shot up by 6.7% in the week ended March 26, 2023, which is exceptionally high, and comes on the back of its surge in rural India, the Centre for Monitoring Indian Economy said. According to CMIE, the Index of Consumer Sentiments (ICS) usually moves by a little less than 1% in a week. In the past 60 weeks, the average weekly increase in the ICS was 0.86% and the median was 0.93% while in the past year, the ICS increased by more than 6.7% only twice. "This is therefore a rare occurrence and is entirely because of its surge in rural India," it said in its weekly labour market analysis. As per CMIE, for the week ended March 26, the rural ICS vaulted by 12.3% compared to a dip of 2% in urban ICS during the week.

<https://economictimes.indiatimes.com/news/economy/indicators/consumer-sentiments-jump-by-record-6-7-in-march-cmie/articleshow/99111552.cms>

Current saving, investment rate insufficient for 8% growth: India Ratings

The Indian economy needs both savings and investment rates closer to 35 per cent on a sustained basis to get back to over 8 per cent GDP growth Year-on-Year (YoY), India Ratings & Research said in a report on Thursday. Savings and investment rates in the financial year (FY) 2021-22 were 30.2 per cent and 29.6 per cent, respectively. According to the rating agency, the current growth rate levels are not enough for India to reap the benefits of demographic dividends. "The age structure of India's population is such that the labour force will keep growing over the next 20–25 years and therefore, to gainfully employ them, the country would require a sustained Gross Domestic Product (GDP) growth rate of over 8 per cent over the next two to three decades," it added.

https://www.business-standard.com/economy/news/current-saving-investment-rate-insufficient-for-8-growth-india-ratings-123033000904_1.html

Banking and Finance

NPCI chief says basic UPI services will remain free

The basic UPI services will continue to remain free, and India will reach an agreement with some of the countries by the end of 2023 to start a discussion on remittances and payments, said Dilip Asbe, managing director & CEO, National Payments Corporation of India (NPCI). "The basic services of UPI will continue to remain free. Work is on with the government for incentives," he told reporters. "But the value-added services of UPI, where the ecosystem needs some incentives to drive the adoption - whether it is mandate and credit - that's how the benefits will be accrued and the larger benefits for merchants and consumers would come from that." On the payment options for consumers, he said the Reserve Bank of India is clear that the consumer should have a choice of payments. "I will use my card as I like it and I think that is my right. There is RuPay card and other international card schemes, so the consumer will choose the choice of payments," he said, pointing out that earlier the wallets were close loop systems. <https://economictimes.indiatimes.com/news/economy/finance/npci-chief-says-basic-upi-services-will-remain-free/articleshow/99125558.cms>

Insurers plan digital payments platform for reinsurance business

Insurers are looking to set up a digital payments platform (exchange) for effective management of their reinsurance business, which will facilitate reinsurance premiums, commissions, claims, and any other transactions between the insurer, insurance intermediary and reinsurance companies. The initiative, led by the General Insurance Council, will also see participation from foreign reinsurers and broker associations. "The platform will enable transparency and improve the efficiency of financial transactions between reinsurers. It will help streamline the process of reinsurance contract validations, balance confirmations, settlements, and receipts between insurers and reinsurers, which will also reduce administrative burdens," said Tapan Singhel, chief executive officer, Bajaj Allianz General Insurance. <https://economictimes.indiatimes.com/industry/banking/finance/insure/insurers-plan-digital-payments-platform-for-reinsurance-business/articleshow/99124990.cms>

Impact on Startups: Parl panel to discuss SVB collapse with FinMin and RBI officials on Monday

In the aftermath of the collapse of Silicon Valley Bank (SVB), a parliamentary panel has called top officials from the finance ministry and the Reserve Bank of India (RBI) on April 3 to discuss the impact on the Indian startup ecosystem. The parliamentary standing committee on finance chaired by BJP leader and former minister of state for finance Jayant Sinha has also called representatives of 'Indian Private Equity and Venture Capital Association (IVCA)' to discuss "Impact of crisis in certain Global Banks on India's startup ecosystem," the notice of the meeting reads. The 31-member panel has MPs from all parties, including senior Congress leader and former finance minister P Chidambaram, former union minister Ravi Shankar Prasad and former deputy chief minister of Bihar Sushil Modi. <https://economictimes.indiatimes.com/news/economy/policy/impact-on-startups-parl-panel-to-discuss-svb-collapse-with-finmin-and-rbi-officials-on-monday/articleshow/99125622.cms>

Industry

Indian shoppers snap up premium products

Indians are buying more premium products, pushing up the average selling price (ASP) of several categories such as televisions, refrigerators, laptops, smartphones and shoes by up to 18% in the past one year. While ASPs had gone up in 2020 and 2021 as well, that was driven by both price increases and premiumisation. But now, with prices remaining stable for the past six months, an increasing shift towards premium products is solely driving ASPs, industry executives said. The strong ASP growth has come even as sales of entry- to mid-level segment products, which contribute 70-80% to total sales in their categories, are still to reach pre-pandemic levels. <https://economictimes.indiatimes.com/industry/services/retail/indian-shoppers-snap-up-premium-products/articleshow/99129165.cms>

PLI for electronics to achieve Rs 8.12-trn production target in 5 yrs: Govt

The government on Wednesday informed Parliament that the production-linked incentive (PLI) scheme for large-scale electronics manufacturing is expected to achieve a production target of Rs 8.12 trillion in the next five years. The cumulative investments under the scheme have increased to Rs 5,124 crore as of December 2022, from the earlier FY23 target of Rs 3,726 crore. The scheme is expected to bring a total cumulative investment of Rs 7,000 crore in a five-year period.

https://www.business-standard.com/economy/news/pli-for-electronics-to-achieve-rs-8-12-trn-production-target-in-5-yrs-govt-123032901052_1.html

Domestic stainless steel demand will continue to see healthy growth till FY25: Crisil

The domestic stainless steel demand is expected to grow at a compound annual growth rate (CAGR) of 9 per cent till 2024-25 financial year, according to Crisil Ratings. The domestic demand for stainless steel was at 4 million tonnes (MT) in fiscal 2021-2022, the ratings agency said in a report on Thursday. The demand will be driven by increasing adoption of stainless steel in railways which is a focus area for government infrastructure spending, and rising application in the automobile and construction sectors.

<https://www.financialexpress.com/industry/domestic-stainless-steel-demand-will-continue-to-see-healthy-growth-till-fy25-crisil/3027430/>

Agriculture

Government to buy 300,000 tonnes of onion in Rabi season: Piyush Goyal

Union Minister Piyush Goyal on Thursday announced that the government agencies will buy 3 lakh tonnes of onion once the winter harvest starts coming in. Rabi onion crops harvested during April-June accounts for 65 per cent of India's onion production and meet the consumers' demand till the kharif crop is harvested in October-November.

https://www.business-standard.com/india-news/government-to-buy-300-000-tonnes-of-onion-in-rabi-season-piyush-goyal-123033000752_1.html

Fertiliser sales up 2% in Apr-Feb FY23 on higher urea, DAP offtake

Total sales of fertilisers increased by 2 per cent following a jump in urea sales by 7 per cent and that of di-ammonium phosphate by 15 per cent during the April-February period of the current fiscal. But the use of two other categories of fertilisers — muriate of potash (MoP) and complex (combination of nutrients) — dropped during the period. Experts said the skewed usage may further add to the fertiliser imbalance in soils unless prices of these fertilisers are changed. India's urea consumption, which dropped for the first time in five years during 2021-22, was 341.18 lakh tonnes (lt) during April-February of 2022-23, higher than 338.64 lt in the entire 2021-22 fiscal. Though the government is hopeful of reduction in conventional urea consumption after introduction of nano-urea, which is not subsidised, it may take more time.

<https://www.thehindubusinessline.com/economy/agri-business/fertiliser-sales-up-2-in-apr-feb-fy23-on-higher-urea-dap-offtake/article66680194.ece>

Infrastructure

Shipping, allied industries battle choppy waters as margins sink

Shipping and allied industries are bracing for a rough patch with depleting margins as freight rates are falling to pre-Covid levels or even lower in certain cases with containers accumulating at Indian ports. As things stand, freight rates in key transit routes have declined over the past 3-4 months to as much as just a quarter of what they averaged a couple of years ago due to lower consumption in western markets amid global economic headwinds. "During the pandemic, there was unprecedented demand and, with that, the freight rates shot up. In the last 3-4 months, demand has softened, mainly in North America and Europe," said Bhavik Mota, director for Ocean Shipping in the IMEA region, Maersk.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-transport/shipping-allied-industries-battle-choppy-waters-as-margins-sink/articleshow/99125049.cms>

Realty developers urge RBI for no further repo rate hike on rising cost stress

Realty developers' body the Confederation of Real Estate Developers' Association of India (CREDAI) has urged the Reserve Bank of India to not increase the repo rate any further, citing the financial challenges faced by developers and the potential impact on housing sales due to the consequential rise in prices and home loan rates. Developers have expressed concerns over a potential hike in the repo rate by the RBI in its upcoming monetary policy committee review next week.

<https://economictimes.indiatimes.com/news/economy/policy/realty-developers-urge-rbi-for-no-further-repo-rate-hike-on-rising-cost-stress/articleshow/99112161.cms>

Energy

Unified tariff structure for over a dozen gas pipelines to start from Apr 1

More than a dozen gas pipelines, which form the national gas grid, will come under a unified tariff structure from April 1, the Petroleum and Natural Gas Regulatory Board (PNGRB) said on Wednesday. Under the new regime, industrial buyers will be charged a fixed tariff for transport of gas over three zones, up from two earlier. PNGRB has notified a levelised unified tariff of Rs 73.93 per metric million British thermal unit, based on the principle of 'one nation, one grid and one tariff'. The new tariff is expected to benefit customers transporting fuel over longer distances and multiple pipelines.

https://www.business-standard.com/economy/news/unified-tariff-structure-for-over-a-dozen-gas-pipelines-to-start-from-apr-1-123032900924_1.html

India, Taiwan can collaborate on offshore wind, solar, electric mobility: Experts

India and Taiwan can collaborate on offshore wind, solar energy and electric mobility, experts have said. "Taiwan is the largest producer of solar wafers which could feed into India's renewable energy and battery programme," said Kartikeya Singh, Director, Global Energy Futures Initiative. The two sides, he said, can also collaborate on electric mobility and offshore wind. "Solar PV and wind will be important for energy transition," said Daniel Fiorino, Director, Center for Environmental Policy Department of Public Administration and Policy, American University.

<https://economictimes.indiatimes.com/industry/renewables/india-taiwan-can-collaborate-on-offshore-wind-solar-electric-mobility-experts/articleshow/99129677.cms>

India needs \$540 billion investment by 2029 to meet renewable targets: S&P Global Ratings

India needs USD 540 billion of investment between 2020 and 2029 to meet its ambitious targets for electricity generation from renewable sources, S&P Global Ratings said on Thursday as it saw private-sector-led energy transition entering a new phase. India is targeting to cut its emissions to net zero by 2070. In the transition to that, it is targeting 500 gigawatts (GW) of non-fossil electricity capacity, half of the energy from renewables, a reduction of emissions by one billion tonne and an emissions intensity of the GDP by 45 per cent by 2030.

<https://www.financialexpress.com/industry/india-needs-540-billion-investment-by-2029-to-meet-renewable-targets-sp-global-ratings/3027191/>

Telecom

Big challenge lies in finding 5G use cases: Telecom executives

India could be seeing the world's fastest pace of 5G roll outs, but telcos are struggling to develop relevant use cases, besides faster speeds, for wider adoption and monetisation, given that top dollars are being spent on the new technology. To address the challenge, telcos and other stakeholders say there is a need for deep partnerships with various industries to come up with use cases that are specific to the Indian requirements. Airtel CEO Gopal Vittal last week said that operators are rolling out a "supercomputer" in the form of 5G services, but the challenge is the lack of applications that can truly utilise its capabilities.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/big-challenge-lies-in-finding-5g-use-cases-telecom-executives/articleshow/99098282.cms>

States

Bihar discovers deposits of critical minerals, preps for auctioning rights

The Bihar government is preparing to auction mining rights for minerals such as limestone, vanadium-bearing magnetite ilmenite, magnetite and glauconite that have been discovered in various non-forest areas of the state, a senior official said on Thursday. Explorations near Patalganga in Gaya, parts of Rohtas district and Majos in Jamui district found the presence of millions of tonnes of mineral reserves, according to an official document seen by PTI.

https://www.business-standard.com/india-news/bihar-discovers-deposits-of-critical-minerals-preps-for-auctioning-rights-123033000305_1.html

Kerala approves new industrial policy to become hub of developed industries

The Kerala government on Wednesday approved its new industrial policy which is aimed at a quantum leap in the key production sector for making the State a hub of most developed industries. Kerala Industries Minister P Rajeev said that the Cabinet approved the new policy which would be focusing on Environmental Social Governance (ESG) investments. "One of the new significant features of Kerala's new industrial policy is, we are focusing on Environmental Social Governance (ESG) investments. We have already constituted a committee consisting of experts from Oxford and representatives of industries to frame an industry framework for Kerala," Rajeev said.

https://www.business-standard.com/india-news/kerala-approves-new-industrial-policy-to-become-hub-of-developed-industries-123032900987_1.html

Assam govt inks MoU for setting up new sports training and rehab centers

Government of Assam inked an MoU with Abhinav Futuristics Pvt. Limited, Oil India Limited and Numaligarh Refinery Limited for establishment of two high performance sports training and rehabilitation centers in Guwahati and Jorhat. It may be noted that the MoU was signed between Government of Assam and Abhinav Futuristics Pvt. Ltd for the centre in Guwahati. While the MoU was signed between Government of Assam and Oil India Limited and Numaligarh Refinery Limited for establishing the high performance sports training and rehabilitation Centre in Jorhat.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/assam-govt-inks-mou-for-setting-up-new-sports-training-and-rehab-centers/articleshow/99121296.cms>

Healthcare

Total funding into Indian healthtech platforms plunges 55% in 2022

Total funding into healthtech companies in India plunged 55 per cent (year-on-year) to \$1.4 billion last year, a report showed on Wednesday. The drop is majorly due to a massive decline in late-stage investments from \$2.4 billion in 2021 to \$606 million in 2022, a drop of 75 per cent, according to data from Tracxn, a global SaaS-based market intelligence platform. "Due to the funding winter, current macroeconomic conditions, and rising interest rates, investors across the globe have become more cautious in spending their money. This trend has been observed in the healthtech sector in India as well," the report said. Healthtech companies in Bengaluru and Mumbai attracted the maximum investment till date (\$3.1 billion each), followed by Gurugram (\$1.1 billion).

https://www.business-standard.com/india-news/total-funding-into-indian-healthtech-platforms-plunges-55-in-2022-123032900774_1.html

External

Government to unveil new Foreign Trade Policy 2023-28 on Friday: Ministry

India will unveil its much-awaited new Foreign Trade Policy 2023-28 on Friday, with a view to boost exports amid slowing global trade. The current foreign trade policy (2015-20) is in force till March 31, 2022. The term of the previous five year policy had ended in March 2020. However, it has been extended repeatedly in wake of Covid outbreak and resulting lockdowns. The last extension was given in September 2022 till March 31, 2023. Goyal will announce the foreign trade policy which is expected to outline the vision statement for taking India's goods and services exports to USD 2 trillion by 2030.

https://www.business-standard.com/india-news/government-to-unveil-new-foreign-trade-policy-2023-28-on-friday-ministry-123033000482_1.html

India's merchandise imports to cross \$700 bn in FY23 on higher crude: GTRI

India's merchandise imports are estimated to grow by about 16 per cent to USD 710 billion in this fiscal due to a jump in inbound shipments of crude oil, coal, diamonds, chemicals and electronics, a report by economic think tank GTRI said on Wednesday. The Global Trade Research Initiative (GTRI) also said that the Indian economy will be moderately impacted by weak global demand and recession in large economies.

https://www.business-standard.com/economy/news/india-s-merchandise-imports-to-cross-700-bn-in-fy23-on-higher-crude-gtri-123032900258_1.html

India may lose Russian facet of diamond trade

Indian diamond houses that cut and polish nine out of 10 stones mined in the world are caught in the crossfire between Washington and Moscow. About a week ago, officials of the US State Department and European Union (EU) alerted leading diamantaires and jewellers in Mumbai that plans were underway for harsher sanctions on diamonds originating from Russia, two persons familiar with discussions told ET. It is feared the rule - that allows Russian rough diamonds to find their way to factories in Surat before being polished and shipped to luxury stores and dealers in New York, Paris and Tokyo - is about to change dramatically.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-may-lose-russian-facet-of-diamond-trade/articleshow/99128961.cms>

Imported drugs for rare diseases to be exempt from customs duty

In a major move that would benefit several patients, the government announced a full exemption from basic customs duty on all imported drugs and 'food for special medical purposes' for personal use to treat all rare diseases listed under the National Policy for Rare Diseases 2021. Additionally, the government has also fully exempted Pembrolizumab (Keytruda), a Merck cancer drug, from basic customs duty. Normally, medicines attract a basic customs duty of 10 per cent, while some life-saving drugs or vaccines attract a concessional rate of 5 per cent, or are completely exempt from duties.

https://www.business-standard.com/economy/news/imported-drugs-for-rare-diseases-to-be-exempt-from-customs-duty-123033000428_1.html

Basmati exporters to Iran insist on LC due to non-payment of Rs 700cr dues

Indian rice exporters have decided to ship basmati rice to Iran only against letter of credit (LC) or cash due to non-payment of dues amounting to Rs 700 crore amid a currency crisis in the Gulf nation. All India Rice Exporters Association (AIREA) has written to Government Trading Corporation (GTC) of Iran about their decision as the latter has failed to pay for new season crop that arrived in the market in November-December last year and shipped during January-March.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/basmati-exporters-to-iran-insist-on-lc-due-to-non-payment-of-rs-700cr-dues/articleshow/99124274.cms>

Indian delegation explores investment opportunities in S Africa, Botswana

A multi-product Indian business delegation on a five-day visit to South Africa and neighbouring Botswana has been well-received by potential partners for trade and investment in both countries, the delegation leader said on Wednesday. The delegation from the Federation of Indian Export Organisations (FIEO) explored the business opportunities in these two nations. The African region has always been a very attractive market due to the huge market potential, so the delegation was aimed at exploring the opportunities from this very lucrative continent, delegation leader Khalid Khan said.

https://www.business-standard.com/economy/news/indian-delegation-explores-investment-opportunities-in-s-africa-botswana-123033000024_1.html

India to start coal export by 2025-26, says Coal Minister Pralhad Joshi

Asserting that India has adequate coal reserves, Union Coal Minister Pralhad Joshi on Wednesday said the country will start exporting the dry fuel by 2025-26.

https://www.business-standard.com/economy/news/india-to-start-coal-export-by-2025-26-says-coal-minister-pralhad-joshi-123032900777_1.html