



April 28, 2023 – Friday

Economy

Index of consumer sentiment expected to grow by 2-3% in April: CMIE

Index of consumer sentiment is expected to grow by 2-3% in April, which will be a distinct improvement over the 1.2% growth registered in March but quite low compared to a growth of 4-5% registered in January and February, the Centre for Monitoring Indian Economy said while suggesting the need for employment generating investments to push up sentiments. According to CMIE, the average monthly growth in consumer sentiments during April 2022 through March 2023 was 2.68% but the month-to-month change was volatile, ranging from -1.7% in November to 7.1% in September. "The expected growth in April 2023 would be in the vicinity of the average monthly growth seen in 2022-23," it said in its weekly labour market analyses, adding that the consumer sentiments are growing at a rather slow pace.

<https://economictimes.indiatimes.com/news/economy/indicators/index-of-consumer-sentiment-expected-to-grow-by-2-3-in-april-cmie/articleshow/99809522.cms>

Public and private sector FY22 wage bill gap widens

The gap between the private sector and public sector wage bills has widened further in fiscal 2022 to nearly a percentage point, shows an analysis of data on employee compensation. As a percentage of nominal gross domestic product, the wage bill of the private sector was 12.7% in the year ended March 21, 2022, compared with 11.8% for the public sector, the analysis by ET has found. A decade ago, in FY12, the public sector had a higher 12.4% share in the GDP at current prices against 9.2% for the private sector. The private sector overtook the public sector in wages in FY20, just before the pandemic. "Private sector salaries are increasing at a faster rate than the government and the job growth is also higher," said Madan Sabnavis, chief economist at the Bank of Baroda, explaining the gap. Subdued job growth in the government may also be a reason, he said, adding that the central government was not replacing jobs. "A lot of outsourcing is taking place," he said.

<https://economictimes.indiatimes.com/news/economy/finance/public-and-private-sector-fy22-wage-bill-gap-widens/articleshow/99825155.cms>

Banking and Finance

RBI removes restrictions on individuals from opening interest-earning FCAs

In yet another initiative to make India's International Financial Services Centre (IFSC) more attractive, the Reserve Bank of India removed restrictions on individuals from opening interest-earning Foreign Currency Accounts (FCA). Further, the central bank removed the condition of repatriating any funds lying idle in the FCA account for a period of up to 15 days. Industry players said the long-awaited amendment by the RBI now puts IFSC at par with other jurisdictions when it comes to remittances. In February 2021, the RBI allowed resident individuals to make remittances under the Liberalised Remittance Scheme (LRS) to IFSCs set up in India. However, the remittances were to be made only for making investments in IFSC securities.

https://www.business-standard.com/finance/news/rbi-removes-restrictions-on-individuals-from-opening-interest-earning-fcas-123042700282_1.html

Stress tests show Indian banks can tackle 'severe' instability: RBI Guv Das

Stress tests show that Indian banks can maintain capital adequacy above minimum requirement even in severe distress, Shaktikanta Das, governor of the Reserve Bank of India (RBI), said at an event today. Speaking at the Global Conference on Financial Resilience in Mumbai, Das said, "The Indian banking system has remained resilient and has not been affected adversely by the recent spurts of financial instability seen in some advanced economies." "This also comes out clearly in our recent stress test results. The gross non-performing assets (NPA) ratio for the scheduled commercial banks (SCBs) in India was 4.41 per cent at the end of December 2022 down from 5.8 per cent on March 31, 2022, and 7.3 per cent on March 31, 2021," he said.

https://www.business-standard.com/finance/news/stress-tests-show-indian-banks-can-tackle-severe-instability-rbi-guv-das-123042700360_1.html

NPCI, PPRO ink deal to offer hassle-free e-commerce payments globally

NPCI International Payments Limited (NIPL) on Thursday executed a definitive agreement with digital payments infrastructure provider PPRO to offer Indian customers a platform for hassle-free e-commerce payments globally. The agreement aims at expanding RuPay card and UPI acceptance across PPRO's global clients, such as payment service providers (PSPs) and global merchant acquirers, a joint statement said. This association will drive NIPL's continued expansion into foreign markets and will add India to PPRO's Local Payment Method (LPM) coverage map, it added. The partnership between NIPL, a wholly-owned subsidiary of National Payments Corporation of India (NPCI), and PPRO will empower the global PSPs, banks, payment gateways and enterprises with payment platforms to expand globally, giving international e-commerce merchants access to Indian consumers, it said.

https://www.business-standard.com/india-news/npci-ppro-ink-deal-to-offer-hassle-free-e-commerce-payments-globally-123042700687_1.html

Talks on for Green Finance Model with key concessions

Banks are in discussions with the government on a Green Finance Framework that includes a preferential dispensation for key statutory requirements such as cash reserve ratio (CRR), statutory liquidity ratio (SLR), risk-weighted assets and additional tax benefits to promote green lending. These concessions would bring down the capital cost for lending to the sector. A finance ministry official confirmed that the government is engaged with lenders but said talks are at a preliminary stage. "If these key ratios are lowered for green deposits and lending it will give a boost to green finance," said a bank executive aware of the development.

<https://economictimes.indiatimes.com/news/economy/policy/talks-on-for-green-finance-model-with-key-concessions/articleshow/99828714.cms>

India for expanding scope of AEOI on non-financial assets

India has pitched for expanding the scope of automatic exchange of info or AEOI on non-financial assets including crypto and properties to plug in tax evasions, revenue secretary Sanjay Malhotra said Thursday. He added that flow of information has helped India in increasing tax collection. India currently has AEOI with 108 jurisdictions for receiving financial information and with 79 jurisdictions for sending information automatically. Addressing a meeting of the Asia Initiative of the Global Forum on Transparency and Exchange, Malhotra said there is a need to broaden the scope of AEOI so that the information could be used not only to check tax evasion but also for other non-tax law enforcing purposes.

<https://economictimes.indiatimes.com/news/india/india-for-expanding-scope-of-aeoi-on-non-financial-assets/articleshow/99825081.cms>

Govt to come out with angel tax rules before April 30 to address industry's concerns

The Income Tax Department is expected to come out with a detailed circular addressing various concerns related to angel tax on start-ups in the next two-to-three days, a senior Finance Ministry official said here on Thursday. This is a follow up of the Budget proposal announced on February 01. The official has also indicated that a two-rate GST structure for online gaming will be explored. However, the final decision will be taken up in the next meeting of GST Council, the official has clarified.

<https://www.thehindubusinessline.com/economy/govt-to-come-out-with-angel-tax-rules-before-april-30-to-address-industrys-concerns/article66784858.ece>

Industry

Govt releases standard operating procedure under PLI scheme for automobile sector

The Union government on Thursday announced the standard operating procedure of the production linked incentive scheme for automobile sector, whereby applicants can submit applications for testing and certification of advanced automotive technology products, which will help them qualify for incentives. Minister of Heavy Industries Mahendra Nath Pandey said his ministry is trying to align itself with the Prime Minister's vision of Aatmanirbhar Bharat, and these SOPs (standard operating procedures) will not only help achieve that but will also help in increasing the manufacturing foothold. With this, the ministry aims to boost the domestic manufacturing sector and reduce dependence on imports, thereby creating more job opportunities for Indians. Pandey also added that it would contribute to the overall economic growth of the nation. The scheme is expected to attract significant investments and help India become a global hub for automobile manufacturing, an official statement said.

<https://economictimes.indiatimes.com/industry/auto/auto-news/govt-releases-standard-operating-procedure-under-pli-scheme-for-automobile-sector/articleshow/99821640.cms>

Govt not keen on imposing higher import duty on steel

The Centre is unlikely to relent to the domestic steel industry's demand for increasing basic customs duty (BCD) on the import of steel, or levy any additional safeguard duty on the alloy, in the near term, said two officials in the know. The government believes that such an intervention could result in the crucial alloy getting more expensive in the domestic market, one of the officials said. While the steel ministry has engaged with the commerce ministry and the finance ministry on the subject, the prevailing view is that imports have not gone up at an alarming level for the government to intervene, said the second official.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/govt-not-keen-on-imposing-higher-import-duty-on-steel/articleshow/99825136.cms>

Retailers clock modest growth in single digits in March : RAI

Retailers across the country saw modest growth in single digits in March compared to the same month last year. As per the latest survey released by the Retailers Association of India (RAI), retailers across the country reported a growth of 6 per cent last month compared to sales levels during the same period in March 2022. While retailers in Eastern region clocked a growth of 8 per cent in March compared to the same month last year, in the South, the retail sales growth was pegged at 7 per cent year-on-year. In the Northern region, retailers clocked a growth of about 4 per cent in March 2023 compared to March 2022, while in the western region, it was estimated at 5 per cent.

<https://www.thehindubusinessline.com/economy/retailers-clock-modest-growth-in-single-digits-in-march-rai/article66784423.ece>

Agriculture

MSP wheat purchases up 30% at 18.37 MT

After a sluggish start because of delayed harvesting of crops, wheat procurement by the Food Corporation of India (FCI) and state government agencies has picked up pace in the last one week and crossed 18.37 million tonne (MT) on Tuesday, up 30% on year. Sources told FE that wheat purchases from the farmers by agencies will cross 19 MT on Wednesday against the total purchase of 18.79 MT of grain in the entire last season (April-June), 2022. The government's wheat purchases last year fell by more than 56.6% to 18.8 MT against 43.3 MT purchased from the farmers in 2021 because of lower output due to spike in March temperature and increase in private purchase because of global demand.

<https://www.financialexpress.com/economy/msp-wheat-purchases-up-30-at-18-37-mt/3064435/>

Infrastructure

Railway network in 14 states 100% electrified in FY23, Northeast lags

The Indian Railways fully electrified the broad-gauge (BG) network of 14 states and union territories (UTs) by the end of the financial year 2022-23 (FY23), data released by the Ministry of Railways shows. It is looking to complete

electrification by December end. Chandigarh, Chhattisgarh, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Madhya Pradesh, Meghalaya, Odisha, Puducherry, Telangana, Uttar Pradesh, Uttarakhand have been fully electrified. The network in these states and UTs aggregates to 24,383 route kilometres (rkm), which is 40 per cent of the total electrification done by the Railways. The data also showed that the Railways completed 90 per cent electrification of its BG network as of March 31.

https://www.business-standard.com/economy/news/railway-network-in-14-states-of-india-100-electrified-northeast-lags-123042701098_1.html

Energy

Green H2 mission group's first meet on May 4

The first meeting of the empowered group for green hydrogen mission, chaired by Cabinet secretary Rajeev Gauba, will be held on May 4 to review and discuss the way forward for India's ambitious Green Hydrogen Mission. It will include deliberations over the requirement of an obligation for the fuel's use in various sectors. Apart from the Cabinet Secretary, the group comprises Principal Scientific Adviser to the Government of India Ajay Kumar Sood, NITI Aayog Chief Executive Officer B.V.R. Subrahmanyam, and secretaries of various ministries - renewable energy, power, fertiliser, oil, road, steel, heavy industries, among others. This will be the first meeting of the group after the approval of the Green Hydrogen Mission in January.

<https://economictimes.indiatimes.com/industry/renewables/green-h2-mission-groups-first-meet-on-may-4/articleshow/99825141.cms>

Telecom

Reduction of licence fees not on the table, DoT tells Telcos

The Department of Telecommunications (DoT) is not considering any reduction in licence fees of telecom operators, rejecting repeated demands from the industry and recommendations from the Telecom Regulatory Authority of India (Trai). Officials said the department has told the industry that a lot has already been done for the sector and that any reduction in levies will lead to a loss to the exchequer. "During a recent meeting with industry, it was communicated to them that the government would provide supporting measures to the sector, but current levies won't be reduced," an official told ET on condition of anonymity.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/reduction-of-licence-fees-not-on-the-table-dot-tells-telcos/articleshow/99825492.cms>

States

Compensation for crop damage to farmers goes up in Madhya Pradesh

The Madhya Pradesh government has increased the compensation given to farmers in case their crops are damaged. The rates of compensation vary in accordance with the land being irrigated or non-irrigated, and with the types of crops and land holding. Assembly elections will be held in the state by the end of this year and this step is considered to have far-reaching effects. The decision was taken during a recent cabinet meeting. State Home Minister Narottam Mishra said: "The council of ministers has approved increasing compensation for damaged crops. Madhya Pradesh gives the maximum amount of assistance for crop damage."

https://www.business-standard.com/india-news/compensation-for-crop-damage-to-farmers-goes-up-in-madhya-pradesh-123042701024_1.html

Tamil Nadu top borrower among States for third year

For third year in a row, Tamil Nadu has topped the list of States with highest market borrowings. According to RBI data, Tamil Nadu's gross market borrowings through State Development Loans (SDLs) stood at ₹68,000 crore during April-February FY23.

<https://www.thehindubusinessline.com/economy/tamil-nadu-top-borrower-among-states-for-third-year/article66785233.ece>

External

India, UK sign agreement to collaborate on science and innovation

The United Kingdom and India on Wednesday signed an agreement to collaborate on science and innovation. The agreement between the two nations was signed after the meeting between the Union Minister of State (Independent Charge) for Science and Technology Jitendra Singh and UK Science Minister George Freeman. The memorandum of understanding signed between the two nations on research will enable quicker, deeper collaboration on science between the two science powerhouses that will drive economic growth, create skilled jobs and improve lives in two nations and worldwide, UK Department for Science, Innovation and Technology said in a press release. The agreement will remove red tape standing in the way of major collaborations while unleashing a raft of new joint research schemes aiming to deliver progress on some of the biggest issues facing the world, including climate change and pandemic preparedness through, Artificial Intelligence and machine learning.

https://www.business-standard.com/india-news/india-uk-sign-agreement-to-collaborate-on-science-and-innovation-123042700364_1.html

India, Germany sign agreement on setting up quality infrastructure

India's consumer affairs department and a German ministry signed on Tuesday an agreement to improve quality infrastructure. The work plan was signed at the ninth annual meeting of the Indo-German working group on quality infrastructure in Berlin. "The technical dialogues of the working group address key areas of economic cooperation between the two countries. In addition, they promote systemic harmonisation of quality infrastructure (QI) at an international level," the department said in a statement. Nidhi Khare, additional secretary in the department of consumer affairs, and Daniela Broenstrup, Germany's director general, digital and innovation policy, federal ministry for economic affairs and climate action, during their meeting emphasised the working group's role in reducing technical barriers to trade and promoting innovation and consumer protection.

https://www.business-standard.com/economy/news/india-germany-sign-agreement-on-setting-up-quality-infrastructure-123042601364_1.html

Import of Chinese medical devices surges up to 152%, shows data

In the first nine months of financial year 2022-23, India's exports of medical devices have grown by 17 per cent, while imports have declined by around 8 per cent, show the latest data compiled by the Association of Indian Medical Device Industry (AiMeD). However, import of 30 medical devices from China has risen between 25 per cent and 152 per cent during this period, the AiMeD has written to Commerce and Industries Minister Piyush Goyal in March. The AiMeD is an umbrella organisation of medical device makers. In FY22, imports from China had grown by 48 per cent year on year (YoY) at Rs 12,979 crore. India primarily imports consumables, testing kits, etc. from China.

https://www.business-standard.com/companies/news/import-of-chinese-medical-devices-surges-up-to-152-shows-data-123042701085_1.html

Special window may allow import of 140 mt gold from UAE at lower duty

India will soon open a fresh window for import of 140 MT of gold for FY24 at concessional duty from the UAE through an import quota system, called tariff rate quota (TRQ) in trade parlance, under a bilateral trade pact. Officials said there is no revenue loss on account of imports under the quota system after changes were made to the eligibility norms that allowed manufacturers and jewellers to use this window. As part of India-UAE Comprehensive Economic Partnership Agreement (CEPA), gold TRQ will be allocated to old and new applicants as per the revised simpler eligibility norms and lesser compliance burden for Indian importers, Director General of Foreign Trade Santosh Sarangi said on Thursday.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/special-window-may-allow-import-of-140-mt-gold-from-uae-at-lower-duty/articleshow/99825126.cms>

FTAs will help India join MNC supply chains: Arvind Virmani, member, NITI Aayog

India's free trade agreements with developed countries will greatly facilitate its entry into the supply chains of multinational companies and significantly push up exports, Arvind Virmani, member, NITI Aayog, said in an interview to ET. Outlining the challenges and opportunities before India as it strives to become a developed nation by 2047, Virmani said global inflation and oil prices are expected to cool over the next one year and that will have a positive impact on the Indian economy with an expected enhanced capex from the private sector. "The big export boom,

whether in Asia, Malaysia, Thailand or South Korea since the 1980s has all been led by MNCs. Since supply chains of MNCs now constitute something like 50% of the world exports, FTAs with developed countries will greatly facilitate the entry of India into their MNC supply chains, push labour intensive manufacturing and increase exports," he said.
<https://economictimes.indiatimes.com/news/economy/foreign-trade/ftas-will-help-india-join-mnc-supply-chains-arvind-virmani-member-niti-aayog/articleshow/99825022.cms>

APEDA-promoted agri products' exports up 9% to record high of \$27 billion in FY23

Surpassing the target of \$23.56 billion, exports of major agriculture and processed products (broadly divided under 27 categories) promoted by nodal agency Agricultural and Processed Food Products Export Development Authority (APEDA) jumped 8.74 per cent to \$26.72 billion during the last fiscal from \$24.57 billion in 2021-22. Pulses, Basmati rice, guar gum, groundnut and poultry products were the top performers which registered over 32 per cent growth rate. However, wheat, floriculture and meat (other than buffalo, sheep and goat meat) exports declined.

<https://www.thehindubusinessline.com/economy/agri-business/apeda-promoted-agri-products-exports-up-9-to-record-high-of-27-billion-in-fy23/article66785933.ece>