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Economy

India can become an upper-middle-income country by 2047: Bibek Debroy

India can become an upper-middle-income country by 2047 if it manages to achieve a sustained growth rate of 7-7.5 per cent for the next 25 years, EAC-PM Chairman Bibek Debroy said on Tuesday. The country can become a USD 20 trillion economy by 2047 at this growth rate, he added. India, the world's sixth largest economy with a GDP of USD 2.7 trillion, is currently classified as a developing nation. "Even if you have relatively conservative real rates of growth of 7-7.5 per cent, we will get to a per capita income of about USD 10,000. "And you will get to a total size of the economy of a little less than USD 20 trillion in 2047," the Economic Advisory Council to the Prime Minister (EAC-PM) Chairman said while releasing 'The Competitiveness Roadmap for India@100'.

https://www.business-standard.com/article/economy-policy/india-can-become-an-upper-middle-income-country-by-2047-bibek-debroy-122083000472_1.html

ONDC to start beta-testing with public users

The government on Tuesday said that the country's open public digital infrastructure framework entity Open Network for Digital Commerce (ONDC) plans to start beta-testing the network with public users in limited areas. In a statement issued after commerce and industry minister Piyush Goyal chaired a meeting to review the progress of ONDC, the government also said that the number of network participants on the platform would soon be above 30 in the coming weeks. Since the alpha launch in five cities in April, ONDC has been testing with a closed user group for end to end execution to understand their fulfillment. "ONDC expects the number of network participants to substantially increase to more than 30 in the coming weeks. Building on this, ONDC plans to start beta-testing the network with public users in limited areas," commerce and industry ministry said in a statement.

<https://economictimes.indiatimes.com/news/economy/policy/ondc-to-start-beta-testing-the-network-with-public-users/articleshow/93885948.cms>

RBI launches key household surveys to get inputs for monetary policy

Reserve Bank of India on Tuesday launched the next round of household surveys to capture inflation expectations and consumer confidence. The results of the survey provide useful inputs for monetary policy, the central bank said. The September 2022 round of Inflation Expectations Survey of Households (IESH) aims at capturing subjective assessments on price movements and inflation, based on their individual consumption baskets, across 19 cities. The IESH seeks qualitative responses from households on price changes in the three months ahead as well as in the one-year ahead period and quantitative responses on current, three months ahead and one year ahead inflation rates. The households to be covered under the survey in the cities include Ahmedabad, Bhubaneswar, Chennai, Delhi, Guwahati, Jammu, Kolkata, and Thiruvananthapuram. Consumer Confidence Survey (CCS) to be conducted in 19 cities seeks qualitative responses from households, regarding their sentiments on general economic situation, employment scenario, price level, households' income and spending.

https://www.business-standard.com/article/finance/rbi-launches-key-household-surveys-to-get-inputs-for-monetary-policy-122083001154_1.html

India likely to post double-digit growth for April-June on low base, improved demand

India is likely to post double-digit economic growth for the April to June quarter, banking on favorable base effect and consumption boost following easing of Covid-led restrictions. India's gross domestic product output is expected to have expanded by an annual 15.7%, with a large possibility of an upward bias because several indicators have shown good progress in the Indian economy, as per the latest SBI Ecwrap report. The progress in the economy is seen despite global spillovers, elevated inflation and some slackening of external demand as geopolitical developments take their toll on world trade.

<https://economictimes.indiatimes.com/news/economy/indicators/india-likely-to-post-double-digit-growth-for-april-june-on-low-base-improved-demand/articleshow/93875416.cms>

Banking and Finance

Push credit growth, Finance ministry tells banks

The finance ministry held a review meeting with state-run lenders Tuesday and directed them to look at pushing credit growth. The meeting, chaired by financial services secretary Sanjay Malhotra, also took stock of the lenders' plans to reduce their non-performing assets. "There was also a review of banks' performance on the metrics decided under Enhanced Access and Service Excellence or EaseNext reforms," a senior executive aware of the development said on condition of anonymity. "Under EaseNext lenders will focus on digital lending, and integrated and inclusive banking, with emphasis on supporting small businesses and agriculture."

<https://economictimes.indiatimes.com/industry/banking/finance/banking/push-credit-growth-finance-ministry-tells-banks/articleshow/93888460.cms>

Credit card spends touch all-time high of Rs 1.16 trillion in July

Credit card spends touched an all-time high of Rs 1.16 trillion in July, registering a growth of 6.5 per cent on a month-on-month basis and 54 per cent year-on-year, latest data put out by the Reserve Bank of India revealed. Spends have topped the Rs 1 trillion level for five consecutive months now. Industry participants are expecting further tailwinds in credit card spends with the onset of the festive season, where spends typically remain at an elevated level. Many issuers have lined up special offers on credit cards to boost festival spending and going by recent trends, they expect a promising festive season. Spends had touched the Rs 1 trillion level for the first time in October last year, buoyed by festive season spending. A revival in discretionary spending and a pick-up in commercial spends has led to the sustained increase in credit card use. "Revival in air travel, hospitality sector as well as increasing inflation outlook set a positive backdrop to credit card spend as well as receivables," said ICICI Securities in a report.

https://www.business-standard.com/article/finance/credit-card-spends-touch-all-time-high-of-rs-1-16-trillion-in-july-122083000861_1.html

Reserve Bank can hike repo rate to 6% by December, say economists

Economists see India's central bank raising interest rates through December, taking the repurchase rate to 6% by the end of this year, the latest Bloomberg survey shows. After cumulative hikes of 140 basis points in three moves since May, economists pencil in another 35 basis-point hike in the September monetary policy review, and a quarter-percentage point increase in December, bringing the main interest rate to 6%. A previous survey estimated the repo rate to reach 6% by the end of June 2023. The rate hike expectations come despite economists predicting a moderation in inflation due to slump in global commodities and easing supply chain bottlenecks.

https://www.business-standard.com/article/finance/reserve-bank-can-hike-repo-rate-to-6-by-december-say-economists-122083000442_1.html

Most Indian banks offer worst customer experiences on mobile apps: Report

Most Indian banks are falling behind customers' changing needs on their mobile apps, doing too little to help customers understand their spending and debts, create useful budgets, receive personalised insights, get proactive advice, track their financial health, and monitor their financial lives, a new report has revealed. Indian banks have a lowest average score in money management capabilities. In fact, no bank scored higher than 60 in this area of mobile banking, according to the latest Q3 2022 report by global research firm Forrester. Despite improved navigation, most Indian banks still struggle to implement good search in their apps, such as when searching for app functionality or a particular transaction, the report mentioned.

https://www.business-standard.com/article/technology/most-indian-banks-offer-worst-customer-experiences-on-mobile-apps-report-122083001016_1.html

IRDAI pitches for affordable health cover for everyone

Insurance regulator Tuesday made a strong case for reducing expenses to make health insurance affordable for everyone. Addressing the 'Health Insurance Summit 2022' here, Insurance Regulatory and Development Authority of India (Irdai) chairman Debasish Panda said that high operating and distribution costs, and hospital expenses as indirect costs could be the reasons affecting the insurance pricing. Pricing is probably very high leaving insurance cover unaffordable to many sections of society, Panda said. "We have to look at ways of reducing the expenses in order to make insurance affordable," he said, adding that it should not be too burdensome for insurers either.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/irdai-pitches-for-affordable-health-cover-for-everyone/articleshow/93888324.cms>

Industry

Large steel players may face twin blows from export duty, shows CRISIL research

The steel industry is likely to face twin blows, after the sharp adjustment in domestic steel prices and following the imposition of export duty by the government. These changes are likely to result in a 2-4 per cent fall in industry revenue in 2022-23 (FY23), according to the report by Business Standard. However, CRISIL Research shows that micro, small, and medium enterprises (MSMEs), with higher exposure to long steel, will grow 5-10 per cent. The increase in domestic steel prices over the period of January-May this year led to the imposition of export duty. This in turn led to reduction in the price of flat steel by 25 per cent from its April peak, which accounts for almost 80 per cent of finished steel exports and is dominated by large steel players, as per the report. At the same time, the prices of long steel saw a limited correction.

<https://www.financialexpress.com/industry/sme/msme-exim-large-steel-players-may-face-twin-blows-from-export-duty-shows-crisil-research/2649821/>

CV volumes to stay resilient as demand recovery takes hold in FY23

Medium and heavy commercial vehicle (M&HCV) makers were the worst impacted in the auto space in the June (Q1FY23) quarter due to a spike in raw material costs and moderating volumes. The sequential margin drop for commercial vehicle players was a steep 290 basis points. In comparison, margin compression was limited to 40 basis points for two wheeler companies and 80 basis points for passenger vehicle makers. The decline in margins for CV makers was due to weak seasonal volumes, points out Mansi Lal of Prabhudas Lilladher Research. While sequential volumes of passenger vehicle companies were flat and those for two-wheelers were higher by 11 per cent QoQ, commercial vehicle volumes fell 10 per cent sequentially to 220,000 units. The fall for M&HCVs was much higher at 19 per cent for the quarter.

https://www.business-standard.com/article/companies/cv-volumes-to-stay-resilient-as-demand-recovery-takes-hold-in-fy23-122083000524_1.html

Electric vehicles on Indian roads to touch 50 mn-mark by 2030: KPMG

The total number of electric vehicles on Indian roads is likely to touch 5 crore by 2030, presenting an enormous opportunity for players in the charging ecosystem, according to a report by consultancy firm KPMG. A large increase in electric vehicles (EV) sales is anticipated in India due to favourable factors on demand, supply and regulatory front despite a low penetration level of about 1 per cent currently, KPMG said in its report -- Electric vehicle charging the next big opportunity. According to the report, India's electric mobility story is rapidly evolving, with EVs gradually entering the mainstream, resulting in a three-fold rise in EV sales over the last fiscal year. The growth is currently being led by two-wheeler (2W), three-wheeler (3W), and bus segments. "As of March 2022, the number of EVs on Indian roads had surpassed one million. This number is likely to grow to 45-50 million EVs on road by 2030," it said.

https://www.business-standard.com/article/current-affairs/electric-vehicles-on-indian-roads-to-touch-50-mn-mark-by-2030-kpmg-122083000784_1.html

45 data centres spanning around 13 million sq ft to come up by 2025

Buoyed by growing digital demand, about 45 data centres (DCs) spanning 13 million sq ft and 1,015 Mw of IT capacity are likely to come up in India by 2025-end, said the ANAROCK-Binswanger report 'Under the Lens: India's Data Centre Explosion.' In terms of IT capacity (1,015 Mw), over 69 per cent of this new supply will come up in Mumbai and Chennai, with 51 per cent in Mumbai alone. Currently, there are 138 DCs across India spanning about 11 mn sq ft and with 737 Mw of IT capacity (building ready). At least 57 per cent of the current IT capacity is in Mumbai and Chennai collectively. With the addition of this new supply, 2025-end will see India hosting 183 DCs on 24 million sq ft, with at least 1,752 Mw of total IT capacity.

https://www.business-standard.com/article/economy-policy/45-data-centres-spanning-around-13-million-sq-ft-to-come-up-by-2025-122083000604_1.html

Agriculture

Centre targets to procure 51.8 million tonnes of kharif rice

The Centre has set the procurement target for kharif-grown rice for the 2022-23 season (October-September) to 51.8 million tonnes (mt) from the current season's purchase of 51 mt. The higher target is despite the apprehension of lower production of the cereal after sowing has been affected in major growing States due to deficient rainfall or delayed monsoon rains. At a meeting on Tuesday, chaired by Union Food Secretary Sudhanshu Pandey here, to discuss the procurement arrangements for rice starting from October 1, States have informed the Centre about their likely production and what their target is to procure for the Central Pool as most of the purchases are made by their agencies while Food Corporation of India is directly involved only in very limited areas. "A quantity of 51.8 mt rice has been estimated for procurement during the forthcoming KMS 2022-23 (Kharif Crop) as against 50.98 mt actually procured during last kharif marketing season 2021-22 (from the kharif crop)", an official statement said.

<https://www.thehindubusinessline.com/economy/agri-business/centre-targets-to-procure-518-million-tonnes-of-kharif-rice/article65831262.ece>

Infrastructure

PM Modi to commission India's first indigenous aircraft carrier on Sep 2

Prime Minister Narendra Modi will commission the first indigenous aircraft carrier, INS Vikrant, at the Cochin Shipyard Limited in Kochi on September 2. The PMO said Modi will be in Karnataka and Kerala on September 1-2 to attend several programmes, including a visit to the birthplace of Adi Shankaracharya at Kalady village near Cochin airport. He will also inaugurate and lay the foundation stone of projects worth around Rs 3,800 crores in Mangaluru. The PMO noted that Modi has been a strong proponent of self reliance, especially in strategic sectors, and the commissioning of INS Vikrant will mark a significant step towards this. It will be the first indigenously designed and built aircraft carrier.

https://www.business-standard.com/article/current-affairs/pm-modi-to-commission-india-s-first-indigenous-aircraft-carrier-on-sep-2-122083000375_1.html

House price index rises 3.5 per cent in first quarter: RBI data

The all India house price index (HPI) rose by 3.5 per cent year-on-year in the first quarter of 2022-23, according to data released by the Reserve Bank of India. The growth in the HPI was 1.8 per cent during January-March and 2 per cent in the April-June quarter of 2021-22. The RBI said the year-on-year movements in HPI varied widely across the cities – ranging from a growth of 16 per cent in Kolkata to a contraction of 4 per cent in Bengaluru. On a sequential basis, all India HPI increased by 2.2 per cent in the first quarter of 2022-23. Delhi, Kolkata, and Jaipur recorded sequential contraction in the index, while it rose for the remaining cities.

<https://www.financialexpress.com/industry/banking-finance/house-price-index-rises-3-5-per-cent-in-first-quarter-rbi-data/2649874/>

August sales give Mumbai property market a new high

Property registrations in Mumbai, the country's biggest and most expensive real estate market, logged a 22% year-on-year increase this month as buyers shrugged off rising interest rates and prices, making it the best August in terms of number of deals and stamp duty revenue. The city recorded more than 8,310 property transactions during the month, raking in more than ₹630 crore in stamp duty revenue for the state exchequer, showed data from the

inspector general of registration, Maharashtra, as on the last operational day of August. The number of deal registrations was 41% higher than the pre-pandemic period.

<https://economictimes.indiatimes.com/news/india/august-sales-give-mumbai-property-market-a-new-high/articleshow/93889027.cms>

States

Jammu and Kashmir: 9.8 km tunnel on Banihal-Katra rail link completed

The 9.8 km tunnel connecting two stations on the 111 km under-construction Banihal-Katra railway link in Jammu and Kashmir has been completed, officials said. It is part of the Udhampur-Srinagar-Baramulla Railway Line (USBRL) project. This is the third tunnel following the 12.6 km tunnel T-49B, the longest tunnel of Indian Railways, which was completed in January this year. “We have succeeded in completing the construction work on the tunnel between Dugga and Sawlakote stations in the Katra-Banihal section of the Udhampur–Srinagar–Baramulla Rail Link (USBRL),” an official said on Monday. The officials said USBRL is a national project and Indian railways is committed to its time bound completion. “We completed the 9.8-km-long tunnel today which connects two railway stations located on each side,” the official said.

<https://www.financialexpress.com/infrastructure/railways/jammu-and-kashmir-9-8-km-tunnel-on-banihal-katra-rail-link-completed/2648946/>

Healthcare

Half of health care facilities globally lack basic hygiene services: WHO-UNICEF report

A recent joint report by the World Health Organization (WHO) and UNICEF has revealed that half of the healthcare facilities lack basic hygiene services with water and soap or alcohol-based hand rub where patients receive care and at toilets in these facilities across the world. According to the global agencies’ Joint Monitoring Programme (JMP) report, around 3.85 billion people use these facilities, putting them at greater risk of infection, including 688 million people who receive care at facilities with no hygiene services at all. The latest report, ‘Progress on WASH in health care facilities 2000–2021: special focus on WASH and infection prevention and control’, has for the first time established this global baseline on hygiene services. While compiling this report the experts assessed access at points of care as well as toilets as more countries than ever report on critical elements of WASH services in their hospitals and other health centres. According to the agencies, for hygiene, data are now available for 40 countries, representing 35% of the world’s population, up from 21 countries in 2020 and 14 in 2019.

<https://www.financialexpress.com/healthcare/news-healthcare/half-of-health-care-facilities-globally-lack-basic-hygiene-services-who-unicef-report/2649627/>

Streamlining trade margins on drugs priced Rs 100 and above likely

With the government moving to rationalise trade margins on widely used medicines in an effort to bring down prices, people in the know say the same may be applicable to drugs priced Rs 100 and above. Moreover, drugs beyond the pale of price control are likely to be included in the first phase of trade margin rationalisation, according to people in the know. “This is because drugs under the National List of Essential Medicines (NLEM) have their ceiling prices capped. The chances of companies offering arbitrary trade margins is remote,” said a person, who was part of the stakeholder meeting held with government departments this week. Another industry source said that discussions are ongoing with the Department of Pharmaceuticals and the National Pharmaceutical Pricing Authority (NPPA) to include drugs priced above Rs 100 in the first phase.

https://www.business-standard.com/article/economy-policy/trade-margin-rationalisation-likely-on-drugs-priced-rs-100-and-above-122083000993_1.html

External

Government has no plans as of now to curb rice exports: Report

The government has no plans as of now to impose any restrictions on exports of rice and there are adequate buffer stocks to meet the domestic requirements, according to an official source. There were some discussions on imposing

curbs on rice exports but no decision has been taken yet. The government is unlikely to put in any place restrictions, the source said.

<https://www.financialexpress.com/economy/government-has-no-plans-as-of-now-to-curb-rice-exports-report/2649694/>

Indian traders jump the gun with sugar export deals

Indian traders have signed deals to export 300,000 tonnes of raw sugar in the coming season as advantageous market conditions counter the risk of agreeing contracts before India announces its 2022/23 export policy, trade sources said. The government imposed restrictions on overseas sugar sales for the first time in six years when it capped exports at 11.2 million tonnes 2021/22 marketing year ending Sept. 30 to prevent a surge in domestic prices after mills sold record volumes on the global market.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indian-traders-jump-the-gun-with-sugar-export-deals/articleshow/93880848.cms>