



October 10, 2022 – Monday

Economy

India will stand out with 7% growth rate in FY23 amid global gloom: Sanyal

Amid fears of the world slipping into recession, India will perhaps emerge as the strongest major economy with 7 per cent growth rate in FY23, Economic Advisory Council to the Prime Minister (EAC-PM) member Sanjeev Sanyal said on Sunday. Sanyal observed that India can grow at 9 per cent in an external conducive environment like in early 2000s when the global economy was growing. "We are clearly entering an environment where many countries around the world will be facing much slower growth or even slipping into recession. "This is due to a combination of factors ranging from tighter monetary policy to higher energy costs, as well as disruptions caused by the Ukraine war," he told PTI in an interview.

https://www.business-standard.com/article/economy-policy/india-will-stand-out-with-7-growth-rate-in-fy23-amid-global-gloom-sanyal-122100900375_1.html

India's optimism misplaced, sharply moderates FY24 GDP growth forecast to 5.2%: Nomura

Japanese brokerage Nomura has projected a sharp moderation in India's growth rate for FY24 to 5.2 per cent as compared to FY23, saying Indian policymakers are "misplaced" about their optimism on the country's growth prospects. After a week-long meetings with policymakers, corporates, commercial banks and political experts, its economists said its FY23 GDP growth estimate is at 7 per cent – at par with the RBI's revised down forecast – but it expects a "sharp moderation" to 5.2 per cent in FY24. "While we broadly agree with our interlocutors on the growth prospects in FY23, we believe the optimism in FY24 may be misplaced and that the spillover effects from the global slowdown are being underestimated," its economists Sonal Verma and Aurodeep Nandi said in a note.

<https://www.financialexpress.com/economy/indias-optimism-misplaced-sharply-moderates-fy24-gdp-growth-forecast-to-5-2-nomura/2704931/>

Banking and Finance

Finance ministry mulls steps to curb cheque bounce cases: Report

The finance ministry is mulling several steps like dipping into other accounts of a cheque issuer and prohibition of opening of new accounts of offenders to effectively deal with cheque bounce cases which are clogging the legal system. Many suggestions were made at a high-level meeting recently called by the ministry to deal with the high incidence of cheque bounce cases. Some of the steps suggested before taking legal recourse included debiting another accounts of the cheque issuer if his or her account is short of funds to honour the instrument, sources said. The other suggestions were treating cheque bounce as default of loan and thus reporting it to credit information companies for necessary downgrade of score, the sources said, adding a proper legal view would be taken before these suggestions are accepted. If these suggestions are implemented, it would help enforce cheque honouring by the payer without the matter going to court and also compel him/her to make payment by creating a deterrent through technology.

https://www.business-standard.com/article/economy-policy/finance-ministry-mulls-steps-to-curb-cheque-bounce-cases-report-122100900447_1.html

Gross direct tax revenue jumps 24 pc to Rs 8.98 lakh cr; net collections cross 52 pc of budget target

The gross collection of tax on corporate and individual earnings jumped nearly 24 per cent so far in the current fiscal year to Rs 8.98 lakh crore, the tax department said on Sunday. This includes a 32 per cent growth in personal income tax (including Securities Transaction Tax) mop up and 16.73 per cent increase in corporate tax revenues over the same period last year. After adjusting for refunds, the net direct tax collections between April 1 – October 8 stood at Rs 7.45 lakh crore, which is 52.46 per cent of the Budget estimates (BE) for the full year tax collection target, the department said. “Direct Tax collections up to 8th October, 2022 show that gross collections are at Rs 8.98 lakh crore which is 23.8 per cent higher than the gross collections for the corresponding period of last year,” the tax department said in a statement.

<https://www.financialexpress.com/economy/direct-tax-collection-jumps-24-pc-in-first-half-of-fy23/2704880/>

Govt to kick off FY24 Budget making exercise on Monday

The government on Monday will kick off its annual Budget making exercise for financial year 2023-24, that is expected to look at measures to revive growth amid a gloomy global outlook. The meeting would start with consultations with various ministries and departments on the revised estimates (RE) of expenditure for ongoing financial year and the fund requirement for 2023-24. On the first day on Monday, RE meetings with Ministry of Environment, Forest and Climate Change, Ministry of Labour And Employment, Ministry of Information and Broadcasting, Ministry of Statistics and Programme Implementation and Ministry of Youth Affairs and Sports would take place.

<https://www.financialexpress.com/economy/govt-to-kick-off-fy24-budget-making-exercise-on-monday/2704752/>

Industry

Festive sales: 60% growth expected during this year's Diwali season, says CAIT

Traders' body Confederation of All India Traders (CAIT) on Sunday said it expects 60 per cent business growth for traders and retailers this year's Diwali season in comparison to last year's season. CAIT had last year reported festive sales worth Rs 1.25 lakh crore last year. Also, in terms of business loss to China due to the purchase of domestic goods from traders instead of Chinese imports, CAIT said the loss is roughly Rs 50,000 crore vis-a-vis Rs 40,000 crore last year. “Purchasing behaviour of customers has changed completely in the last two years. They confirm the goods they are buying are Indian and not Chinese. So, more and more people are now demanding only Indian products, which is a big sign for the country's economy. This year the traders did not order any goods from China for the Diwali festival season,” said Bhartia and Khandelwal.

<https://www.financialexpress.com/industry/sme/msme-eodb-festive-sales-60-growth-expected-during-this-years-diwali-season-says-cait/2705154/>

Public procurement: Govt buys 60% more from small businesses in H1 FY23 from year-ago period

The value of goods procured by the central public sector enterprises (CPSEs) from micro and small enterprises (MSEs) in the first half of the financial year 2022-23 has increased by 59.5 per cent from the year-ago period, showed government data. The total amount of public procurement by CPSEs as of October 14 FY23 stood at Rs 13,325 crore in comparison to Rs 21,256 crore as of October 9 in the current financial year. According to the data from the MSME Sambandh portal, the procurement was made from 75,120 MSEs this FY, up 11.7 per cent from 67,224 MSEs during the year-ago period. The share of MSE procurement by CPSEs out of their overall purchase of various goods and services also increased from 30.15 per cent during the first half of FY22 to 32.94 in the first half of the current FY. The overall purchase by CPSEs amounted to Rs 64,527 crore during H1 FY23 compared to Rs 44,198 crore during H1 FY22.

<https://www.financialexpress.com/industry/sme/msme-eodb-public-procurement-govt-buys-60-more-from-small-businesses-in-h1-fy23-from-year-ago-period/2704964/>

Govt taking multi-pronged approach to increase share of women MSMEs: Addl DC MSME Ishita Ganguli Tripathy

The MSME Ministry is taking a multi-pronged approach to enhance the share of MSMEs owned by women entrepreneurs in the MSME sector, said Ishita Ganguli Tripathy, Additional Development Commissioner, Office of DC-MSME, Ministry of MSME. Speaking on the sidelines of the SME Artha event organised by FE Aspire recently,

Tripathy noted the 18 per cent share of women MSMEs in over 1 crore MSMEs registered on the Udyam registration portal. The MSME Ministry is taking a multi-pronged approach to enhance the share of MSMEs owned by women entrepreneurs in the MSME sector, said Ishita Ganguli Tripathy, Additional Development Commissioner, Office of DC-MSME, Ministry of MSME. Speaking on the sidelines of the SME Artha event organised by FE Aspire recently, Tripathy noted the 18 per cent share of women MSMEs in over 1 crore MSMEs registered on the Udyam registration portal.

<https://www.financialexpress.com/industry/sme/msme-eodb-govt-taking-multi-pronged-approach-to-increase-share-of-women-msmes-addl-dc-msme-ishita-ganguli-tripathy/2705066/>

India steel output up 2.5 pc at 30 MT in Jul-Sep: Report

India's crude steel output rose by 2.56 per cent to 30.06 million tonne (MT) during the July-September period of the ongoing financial year. As per research firm SteelMint, the top six steel makers — SAIL, Tata Steel, JSW Steel, JSPL, AMNS India and RINL — produced 18.29 MT steel, the rest 11.77 MT came in from the secondary sector. The country had produced 29.31 MT of steel during the same quarter in the preceding 2021-22 financial year, according to the data shared by SteelMint. During the said quarter last fiscal, large producers had jointly manufactured 18.39 MT steel, while the secondary industry produced 10.92 MT, it said. During the quarter ended September 30, 2022, steel exports fell to 1.41 MT from 4.20 MT in the year ago period, registering a year-on-year (y-o-y) fall of 66.43 per cent.

<https://www.financialexpress.com/industry/india-steel-output-up-2-5-pc-at-30-mt-in-jul-sep-report/2704821/>

Car prices to rise with stricter emission rules

Passenger and commercial vehicle prices are expected to rise as automobile companies invest in upgrading vehicles to meet stricter emission norms that kick in from April next year. The Indian automobile industry is currently working to make their products meet the second phase of Bharat Stage VI, equivalent to Euro-VI emission norms, in real time driving conditions. Four-wheeler passenger and commercial vehicles will need more sophisticated equipment to be added to meet the next level of emission standards. Industry players expect an increase in the overall production cost, which could be passed on to buyers starting next year. Vehicles will need to have an on-board self-diagnostic device to monitor the real time driving emission levels. "The new norms are likely to lead to a marginal increase in the overall vehicle price, with the changes required relatively lower vis-a-vis the previous transition (BS IV to BS VI)," ICRA VP & sector head, (corporate ratings) Rohan Kanwar Gupta noted.

<https://economictimes.indiatimes.com/industry/auto/cars-uvs/car-prices-to-rise-with-stricter-emission-rules/articleshow/94747038.cms>

E-bike sales continue to rise, and so does demand

Sales of electric two-wheelers hit a new high in September, driven by new product launches, increased production capacity, longer range of the vehicles and festive demand. As much as 15% of the scooters retailed in the country last month were electric. If the other segments of two-wheelers are also included, electric vehicles accounted for 5%. According to former Niti Aayog chief executive Amitabh Kant, the two-wheeler market should become EV-only in the next four years. The government is extending tax benefits and subsidies to accelerate this environment-friendly shift, he said. Data from the government's Vahan portal show 51,586 electric two-wheelers were registered in September, accounting for 5.05% of the two-wheelers sold in the month. The share was 2% at the beginning of 2022 and less than 0.5% two years ago.

<https://economictimes.indiatimes.com/industry/renewables/e-bike-sales-continue-to-rise-and-so-does-demand/articleshow/94746869.cms>

Infrastructure

Road transport and highways sector has maximum number of delayed projects at 248: Govt report

The road transport and highways sector has the maximum number of delayed projects at 248, followed by railways at 116 and petroleum sector at 88, showed a government report. In the road transport and highways sector, 248 projects are delayed with respect to their original schedule out of the 831 monitored, as per the latest flash report on infrastructure projects for August 2022. Similarly in railways, out of 173 monitored projects, 116 are delayed, while for petroleum, 88 out of 139 projects are delayed. The report showed that the Muneerabad-Mahaboobnagar

rail project is the most delayed project. It is delayed by 276 months. The second most delayed project is the Belapur-Seawood-Urban Electrified Double Line, which is delayed by 228 months. The third most delayed project is the Kotipalli-Narasapur rail project at 216 months.

<https://www.financialexpress.com/infrastructure/road-transport-and-highways-sector-has-maximum-number-of-delayed-projects-at-248-govt-report/2704828/>

PE investment in real estate up 40 pc in Apr-Sep to USD 2.8 bn driven by foreign fund inflows: Report

Private equity (PE) investment in real estate increased 40 per cent during the April-September period of this fiscal to USD 2.8 billion, with a huge inflow coming from foreign funds especially in office assets, says a report. According to the Anarock report, PE investment stood at USD 2 billion in the corresponding period of the last financial year. "Investor confidence in Indian real estate is increasing steadily as a reflection of improvement in the Indian economy and state of real estate industry," said Shobhit Agarwal, MD & CEO of Anarock Capital, which is part of real estate consultant Anarock. As per the report, investments by foreign investors contributed around 78 per cent to the total inflow in the first half of this fiscal, reflecting their strong confidence in Indian real estate. Domestic investments increased by 45 per cent while foreign investments rose by 36 per cent of the total capital inflows in April-September of 2022-23, compared to the year-ago period.

<https://www.financialexpress.com/market/pe-investment-in-real-estate-up-40-pc-in-apr-sep-to-usd-2-8-bn-driven-by-foreign-fund-inflows-report/2704859/>

Energy

India's fuel demand slips to 10-month low in September

India's monthly fuel demand in September was at the lowest since November 2021, government data released on Friday showed. Total monthly fuel demand in September fell 3.6% from August, although it was up 8.1% when compared with September 2021. "When we look at the drop in Indian oil demand, part of it had to do with seasonal maintenance of the refineries, not necessarily a softening of the economy," said Phil Flynn, analyst at Price Futures Group in Chicago. "We expect that the demand for India is going to pick up here very, very shortly as we get into winter." Consumption of fuel, a proxy for oil demand, totaled 17.18 million tonnes in September, up from 15.89 million tonnes a year earlier, data from the Petroleum Planning and Analysis Cell (PPAC) of the Oil Ministry showed. Sales of diesel, or gasoil, rose about 13.4% year-on-year to 6.26 million tonnes, but dropped 1.4% month-on-month to a one-year low.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/indias-fuel-demand-slips-to-10-month-low-in-september/articleshow/94749332.cms>

States

Toy industry can generate 30,000 jobs in Tamil Nadu with government support

The toy industry in Tamil Nadu can easily generate nearly 30,000 jobs if it receives the required support from the state government, which would provide a thrust to the sector. With minimal number of toy manufacturers in the state, Chennai and Tuticorin can be ideal destinations for the industry with port connectivity, the Tamil Nadu Toy Dealers Association President Santosh Kumar said. Elaborating, he said when national level toy exhibition was held in New Delhi, the Telangana government allotted 1,000 acres of land for the industry.

<https://www.financialexpress.com/industry/toy-industry-can-generate-30000-jobs-in-tamil-nadu-with-government-support/2705009/>

To boost night life, Delhi LG allows 300 firms to operate round-the-clock

In a move that will boost Delhi's night life, LG VK Saxena has approved more than 300 establishments, including online shopping and delivery shops, hotels, restaurants, and transport facilities, to operate round-the-clock, officials at LG office said on Sunday. He has directed that notification to this effect be issued within seven days, they said. Approving the proposal, Saxena took a "very serious view" of "inordinate delay, adhocism, randomness and unjustified discretion" on part of the labour department in disposing of applications made by the firms for these exemptions, officials said.

https://www.business-standard.com/article/economy-policy/to-boost-night-life-delhi-lg-allows-300-firms-to-operate-round-the-clock-122100900310_1.html

External

Duty refunds likely for steel, pharma and chemical exports

India could be looking at extending a key export scheme to pharmaceuticals, chemicals and steel products, eyeing measures to support exports hit hard by falling demand in advanced economies. Discussions have started between the ministries of commerce & industry and finance on including these sectors under the Refund of Duties and Taxes on Exported Products or RoDTEP scheme. The input duty remission scheme for exporters was implemented from January 1, 2021 but had excluded these sectors. "A proposal to include these sectors under RoDTEP is under discussions," a government official, privy to the deliberations, told ET. A cabinet note could be moved after discussions with the finance ministry, according to the official. The scheme offers 0.3-4.3% incentive to 8,555 products in many employment-generating sectors such as marine, agriculture, leather and gems & jewellery.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/duty-refunds-likely-for-steel-pharma-and-chemical-exports/articleshow/94747143.cms>

India, UAE can benefit from increasing cooperation in energy, skills, education: Deloitte

Economies of India and the UAE can benefit significantly from their free trade agreement by sharing knowledge and best practices in several areas of mutual interest such as education, energy, skills and defence, according to a report by Deloitte. Both the countries have implemented the Comprehensive Economic Partnership Agreement (CEPA) from May 1 this year to boost bilateral trade and investments. It is aimed at increasing the trade to USD 100 billion in the coming years. "Under the preferential trade agreement, the two economies may benefit from sharing knowledge and best practices in several areas of mutual interest," the report said. It said the Indian economy is heavily dependent on crude oil imports to meet its domestic requirements and the current geopolitical tensions between Russia and Ukraine and shrinking supplies from Iran are further affecting macroeconomic fundamentals. "These turbulences suggest that India must work towards decreasing its energy dependence by exploring alternative fuels and diversifying its crude oil suppliers to ensure undisrupted supply," it said.

<https://www.financialexpress.com/market/commodities/india-uae-can-benefit-from-increasing-cooperation-in-energy-skills-education-deloitte/2704786/>

India-UK FTA talks face deadlock over data: Report

Data localisation and UK companies being allowed to bid for Indian government contracts are among the issues causing a possible deadlock in the final stages of the India-UK free trade agreement (FTA) negotiations towards a Diwali draft completion deadline, according to a UK media report on Sunday. 'The Daily Telegraph' quoted a source close to the talks to say that data localisation rules that prevent foreign companies taking data out of India and allowing UK firms to bid for public sector contracts are two key "sticking points" to a comprehensive deal. The likelihood of a so-called "thin" trade deal within the symbolic Diwali or October 24 deadline and further "iterative" deals at a later stage is now looking like a likely outcome. "The stumbling blocks are absolutely to do with digital. How ambitious and comprehensive this deal is in some way a function of time," the newspaper quoted an "insider" as saying.

<https://www.financialexpress.com/economy/india-uk-fta-talks-face-deadlock-over-data-report/2705041/>