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Economy

Run-up to Budget: Economic Survey may peg India's FY24 GDP growth at 6-7%

The Economic Survey 2022-23 (FY23), to be presented a day before Union Budget 2023-24 (FY24), is likely to project India's real gross domestic product (GDP) growth between 6 per cent and 7 per cent for FY24, *Business Standard* has learnt.

https://www.business-standard.com/article/economy-policy/economic-survey-may-project-india-s-fy24-gdp-growth-between-6-7-122102300651_1.html

Banking and Finance

Subprime borrowers must keep credit utilisation ratio under check

Retail borrowers in India are hungry for credit and lenders are obliging by giving out loans even to those with a risky profile. Subprime borrowers now account for 32 per cent of all retail loans, up from 28 per cent in 2019, according to a report by TransUnion CIBIL, a credit bureau.

https://www.business-standard.com/article/finance/subprime-borrowers-must-keep-credit-utilisation-ratio-under-check-122102400393_1.html

Industry

After two restive years, pricey goods push festive sales

Consumers in cities continued high-value purchases this festive season, helping mobile phone and consumer electronic brands clock over 15% growth in overall sales even though smaller towns and rural India largely deferred such purchases due to inflation. However, apparel and fashion companies, fine dining and quick-service restaurants had a good season after two years of the Covid lull with business exceeding pre-pandemic levels. Sales of fast-moving consumer goods (FMCG) in categories like packaged food and discretionary personal care products got a festive boost with sales growing by 8-11% over a similar period last year in the past two weeks due to in-home and out-of-home consumption and gifting. However, industry executives said the real test will be sustaining this demand momentum beyond Diwali.

<https://economictimes.indiatimes.com/industry/services/retail/after-two-restive-years-pricey-goods-push-festive-sales/articleshow/95056889.cms>

Govt mulls way of protecting online consumers from 'reward'-based reviews

In a bid to make it easier for consumers to know whether the review they are reading of a product or service is entirely independent or based on the reviewers getting 'rewards', the Bureau of Indian Standards (BIS) has proposed a solution. In addition, in a draft revising the Standards on Online Consumer Reviews: Principles and Requirements for Their Collection, Moderation and Publication, the BIS has suggested that the administrators of online sites should not account ratings collected with rewards when calculating the overall rating of a product or service. Instead, these reviews should have a separate rating and have a different mark to make it clear to consumers that they are different from other reviews. The move will have a far reaching impact in the online space as reviews form a key element in a

consumer's decision to buy and reviews straddle online sites in e-commerce, food delivery, lifestyle, clothing, and groceries, and a multitude of services. Stakeholders have been asked to give their comments on the draft by November 10. The draft gives examples of what constitutes a reward or 'reward programme'.

https://www.business-standard.com/article/economy-policy/govt-mulls-way-of-protecting-online-consumers-from-reward-based-reviews-122102300557_1.html

Lab-grown diamond emerges from the shadows of natural diamonds

The global diamond industry has been facing headwinds lately while lab-grown diamonds seem to have emerged from the shadows of natural diamonds and established itself a growing footprint in the gems and jewellery industry, a report said. With the largest population of millennials in the world, India is perceived to become the largest market for lab-grown diamonds in the future, according to a report by Prabhudas Lilladher. One of the incentives that the government had brought in is that it has permitted 100 per cent foreign direct investment (FDI) in the sector under the automatic route. Further, according to Budget 2019-20, the GST rate has been reduced from 18 per cent to 5 per cent. The year 2019, particularly, was the year for lab-grown diamonds.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/lab-grown-diamond-emerges-from-the-shadows-of-natural-diamonds/articleshow/95063826.cms>

Hotels may hike corporate rates by 15% from January amid surge in demand

Amid a strong pan-Indian demand across segments, hotel chains in India are looking to re-negotiate contracts with corporate firms. The new rates — expected to go up at least by 15 per cent from now — will take effect from January 2023.

https://www.business-standard.com/article/companies/hotels-may-hike-corporate-rates-by-15-from-january-amid-surge-in-demand-122102300572_1.html

Agriculture

Chhattisgarh eyes 11 million MT paddy procurement in 2022-23: Official

About 110 lakh metric tonnes (MT) of paddy is estimated to be procured at the minimum support price (MSP) in the ongoing kharif marketing season from farmers in Chhattisgarh, a government official said on Monday. Last year, around 98 lakh MT of paddy was purchased from cultivators in the state. The paddy procurement drive will begin on November 1, Chhattisgarh's statehood day, and conclude on January 31 next year. All preparations are in full swing to start purchase of paddy and so far over 25 lakh farmers have registered, 95,000 of them new registrations, themselves to sell their produce at designated centres, he said. Registrations of farmers who were enrolled last year were carry forward this year, the official added. About 110 lakh metric tonnes of paddy is estimated to be procured in this kharif marketing season for which 5.50 lakh bundles of jute gunny bags will be required, he said.

https://www.business-standard.com/article/economy-policy/chhattisgarh-eyes-11-million-mt-paddy-procurement-in-2022-23-official-122102400504_1.html

Infrastructure

Launches of residential units seen rising 10-15% this Diwali

Launches of new residential units are expected to rise 10-15% this Diwali over last year, with nearly 33,000-35,000 units to be launched across seven cities in the country. With the average size of a unit being 800 square feet, this would mean a good 26-28 million square feet of residential space getting launched in just the period around the time of the festival. Last year, there were a total of 58,300 units launched in the entire festive quarter of October-December, and the launches during Diwali contributed nearly 51% of the total units launched, according to data sourced from Anarock Research. There were around 29,940 units launched last year during the Diwali period between October 15 and November 15, across the top seven cities, altogether. Diwali was on November 4 last year. If the launch rate is anything to go by, there would be up to 70,000 units launched by developers across these cities by December, and with 800 sq feet as the average unit size, that would mean approximately 56 million sq feet of residential space being launched.

<https://www.financialexpress.com/industry/launches-of-residential-units-seen-rising-10-15-this-diwali/2730207/>

Industrial & warehousing leasing up 9% YoY on strong demand: Colliers study

Industrial & warehousing demand grew 9 per cent year on year in the first nine months of Calendar 2022 and total gross absorption stood at 17.5 million square ft (mn sq ft) across the top five cities in India. However, in the third quarter, gross absorption was highest in the last eight quarters, at 6.7 million sq feet, led by third-party logistics operators. Demand remained resilient during the third quarter and stood at 6.7 million sq ft, the highest since the first quarter (Q1) of 2021, a Colliers report said.

https://www.business-standard.com/article/companies/industrial-warehousing-leasing-up-9-yoy-on-strong-demand-colliers-study-122102400637_1.html

Railways redesigning wagons, overhauling infra to transport more SUVs

Indian Railways is redesigning wagons and overhauling track infrastructure so that more cars, especially sport utility vehicles (SUVs), can be transported on its good trains, *Business Standard* has learnt.

https://www.business-standard.com/article/economy-policy/railways-redesigning-wagons-overhauling-infra-to-transport-more-suvs-122102300553_1.html

Energy

Govt may tweak low performing Compressed Bio Gas scheme in rural areas

The ministry of petroleum and natural gas is looking to tweak the sustainable alternative towards affordable transport (SATAT) scheme to incentive more small-scale projects, especially in semi-urban and rural areas.

https://www.business-standard.com/article/economy-policy/govt-may-tweak-low-performing-compressed-bio-gas-scheme-in-rural-areas-122102400481_1.html

States

Uttar Pradesh govt bags Rs 16,000-crore deal for data centre projects

Uttar Pradesh, which is looking to become a major data centre player in the South Asian region, has bagged projects worth Rs 16,000 crore in the new-age sector. A data centre is a facility that houses shared information technology (IT) activities and equipment to store, process, and disseminate information and applications. The government is in the process of amending its existing data centre policy to sweeten the deal for private sector investors.

Under this proposed policy, the state is planning to set up smaller capacity data centres in the hinterland across the state. The policy will aim to attract private sector investment to attain Rs 30,000 crore in the next five years. Data centre projects in UP include those of Hiranandani Group, Adani Group, NTT Japan, and Web Werks, among others.

https://www.business-standard.com/article/economy-policy/uttar-pradesh-govt-bags-rs-16-000-crore-deal-for-data-centre-projects-122102400805_1.html

External

Textile and garment exports shrink

Textile and garment exports contracted 8.5% in the first half of FY23 from a year before, far underperforming a 17.8% rise in overall merchandise exports. According to the latest commerce ministry data, textile and apparel exports stood at \$18.3 billion in H1FY23, against \$20 billion a year before. The demand slowdown in the key markets, on top of a shortage of cotton, dragged down such exports, exporters said. Worse, the share of textile and apparel shipments in the country's goods exports has been steadily declining over the past decade and a half, and stood at just 7.8% until September this fiscal; the share was to the tune of 13.7% in FY16. This suggests a steady erosion of export competitiveness, despite government efforts to turn around the fortune of the largest labour-intensive sector after agriculture, and brings to the fore concerns of job creations in the country.

<https://www.financialexpress.com/economy/textile-and-garment-exports-shrink/2729969/>

Tea Board cautions exporters not filing export returns

The Tea Board has warned exporters of the beverage who are not filing returns either online or offline and cautioned them that their licenses may be revoked or suspended, a Board official said on Saturday. About 28 tea exporters who are not have been identified by the Board of not submitting export returns, he said. Filing the return is mandatory

but it has been noticed that some permanent exporters have not registered themselves nor do they submit monthly reports online or offline during the previous months as per the provisions of Tea (Distribution & Export) Control Order of 2005, the official said.

<https://economictimes.indiatimes.com/small-biz/trade/exports/insights/tea-board-cautions-exporters-not-filing-export-returns/articleshow/95060674.cms>