



December 06, 2022 – Tuesday

Economy

India Services PMI gains momentum, business inflows highest in 3 months on sustained demand, upturn in sales

Indian services firms benefited from the indulgent demand conditions in November. Inflows to new businesses grew at the highest rate in three months, resulting in faster output and increased creation of employment opportunities. Due to the rise in input costs, the strongest upturn in selling charges over five years was underpinned. The S&P Global India Services PMI Business Activity Index grew from 55.1 in October to 56.4 in November, due to a spike in output. The factors that resulted in the increased output were attributed to successful marketing campaigns, unfettered demand strength as well as an upturn in sales. Orders placed with services providers grew for the sixteenth consecutive month, the fastest rate of expansion in over three months. Along with favorable orders from domestic sales, the Indian services sector saw a renewed interest from international buyers, resulting in increased international sales. This marks the first upturn from foreign businesses since the beginning of the pandemic.

<https://www.financialexpress.com/economy/india-services-pmi-gains-momentum-business-inflows-highest-in-3-months-on-sustained-demand-upturn-in-sales/2900773/>

PM Modi says use latest tech to track economic offenders; asks revenue intelligence to protect Indian economy

Prime Minister Narendra Modi has stressed on revenue intelligence officers adapting latest global best practices in technology to track down economic offenders to protect the country's economy. In his message on the occasion of 65th foundation day of the Directorate of Revenue Intelligence (DRI), Modi said India has been a 'leading voice' for a coordinated international efforts in intelligence, investigation and indictment of fugitive economic offenders and organised crime syndicates. "When the problem is global, the solution has to be global too," he said. The fast-paced technological changes necessitate keeping pace with the latest trends in fintech and digital systems through upgradation of skills and systems, Modi said. "I am sure that the DRI will continuously adapt global best practices and processes to further protect the nation's economy," the prime minister said in a written message.

<https://www.financialexpress.com/economy/pm-modi-says-use-latest-tech-to-track-economic-offenders-asks-revenue-intelligence-to-protect-indian-economy/2901077/>

EPFO data point to 35% rise in formal job creation in H1 FY23

The first half of the ongoing financial year (H1 FY23) saw 87.1 lakh new formal jobs being created across the country, according to an analysis of the data put out by the Employees' Provident Fund Organisation (EPFO). This is a 35 per cent increase compared to the year-ago period. In the first halves of FY21 and FY22, 24.6 lakh and 64.72 lakh formal jobs were created in the country, respectively. EPFO's payroll data covers organised sector workforce for establishments that employ more than 20 workers and have provident fund accounts opened for them. In fact, Q2 FY23 saw a slight increase in formal job creation, to 47.4 lakh, compared to Q1 (39.3 lakh). In this fiscal, most jobs were created in September — 16.82 lakh.

<https://www.thehindubusinessline.com/data-stories/data-focus/formal-job-creation-increases-35-in-h1-fy23-epfo-data/article66226579.ece>

Banking and Finance

Digital payments in India touch Rs 38.3 trn at over 23 bn transactions

The Unified Payments Interface (UPI), debit and credit cards, prepaid payment instruments like mobile wallets, and prepaid cards logged 23.06 billion transactions amounting Rs 38.3 lakh crore in the third quarter this year, a new report showed on Monday. At the top, the UPI clocked over 19.65 billion transactions in volume and Rs 32.5 lakh crore in terms of value. The UPI transactions volume and value almost doubled since last year as it recorded about an 88 per cent increase in volume and over 71 per cent increase in value in Q3 as compared to the same quarter last year, according to Worldline India's 'Digital Payments Report' for the third quarter. The top three UPI apps in terms of volume and value were PhonePe, Google Pay and Paytm Payments Bank App.

https://www.business-standard.com/article/finance/digital-payments-in-india-touch-rs-38-3-trn-at-over-23-bn-transactions-122120500637_1.html

SIDBI's CGTMSE scheme surpasses FY22 level in eight months of current fiscal

The amount involved in guarantees provided to bank loans till November in the current fiscal under the Credit Guarantee Scheme (CGS), which facilitates collateral-free credit flow to micro and small enterprises (MSEs) under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), has surpassed the entire FY22 guarantee amount. According to the data exclusively shared with FE Aspire by SIDBI, which jointly set up CGTMSE with the MSME Ministry, the scheme approved guarantees worth Rs 60,377 crore during the first eight months (April-November) of FY23 in comparison to the Rs 56,172 crore guarantee approved in the entire FY22. "This indicates a very handsome growth for CGTMSE," Sandeep Varma, Chief Executive Officer, CGTMSE told FE Aspire. In a year-on-year (YoY) comparison, the guarantee amount approved till November in the current fiscal was 88 per cent more than Rs 32,088-crore worth guarantees approved till November FY22. The FY23 target for SIDBI is to approve guarantees worth Rs 75,000 crore. "The target we have this year is Rs 75,000 crore, up from Rs 56,000 crore last fiscal which we achieved. However, we also have in sight the Rs 1-lakh-crore mark," Varma said.

<https://www.financialexpress.com/industry/sme/msme-fin-fe-exclusive-sidbis-cgtmse-scheme-surpasses-fy22-level-in-eight-months-of-current-fiscal/2901265/>

Banks want investments in FDs up to Rs 5 lakh to be made tax free

Banks are seeking a level playing field on garnering funds as they believe they are placed at a disadvantage vis-a-vis mutual funds and insurers that offer tax breaks to customers. Ahead of the budget, banks have made representations to the finance ministry to make investments in fixed deposits of up to ₹5 lakh tax free as they want small-ticket deposits to become competitive with small savings plans and insurance products. The Indian Banks Association (IBA) made the representation on behalf of banks, which have lately seen deposit growth trail the pace of credit expansion. "Banks are increasingly losing out against national savings schemes, mutual funds and insurance products that offer tax-free savings to small customers; hence we have made budget representations to the finance ministry to bring in provisions that make small value deposits more lucrative," said a banker who was part of the meeting.

<https://economictimes.indiatimes.com/markets/stocks/news/banks-want-investments-in-fds-up-to-rs-5-lakh-to-be-made-tax-free/articleshow/96015511.cms>

GST council to consider decriminalisation of GST law in Dec 17 meet

The GST Council in its next meeting is likely to discuss decriminalisation of offences under GST law, along with raising the threshold of launching prosecution to Rs 20 crore, from Rs 5 crore at present, officials said on Monday. The council, chaired by Union Finance Minister Nirmala Sitharaman and comprising her state counterparts, is scheduled to meet virtually on December 17. The government had in September said that GST officers can launch prosecution against GST offenders in cases where the amount of evasion or misuse of input tax credit is more than Rs 5 crore. Launching of prosecution by taxmen means commencement of legal proceedings against the offender.

https://www.business-standard.com/article/economy-policy/gst-council-to-consider-decriminalisation-of-gst-law-in-dec-17-meet-122120501099_1.html

Pension AUM touches almost ₹8.5 lakh crore in end-November

Pension assets under management — National Pension System and Atal Pension Yojana — have touched almost ₹8.5 lakh crore as of end November, data available with PFRDA showed. At total AUM of ₹8.39 lakh crore as of November 26, this represents a 22.3 per cent increase over total AUM of ₹6.86 lakh crore as of November 27, 2021.

<https://www.thehindubusinessline.com/economy/pension-aum-touches-almost-85-lakh-crore-in-end-november/article66227310.ece>

Rural, women and young two wheeler borrowers on the rise: Report

A distinct shift is being observed in two wheeler borrowings with people borrowing more for high end two wheeler. Besides, the are of rural and women borrowers is also rising post-COVID, according credit bureau CRIF Highmark. Two wheeler loans rose 13.5 percent from FY21 to FY22 and 8 percent from June 2021 to June 2022. The share of loans greater than Rs 75000 in terms of origination has increased from 28.47 percent in FY '20 to 47.3% in FY'22. Their share further declined to 54% in June 2022, according to a report released by the credit bureau. Motorcycle segment dominates the two wheeler market with a share of more than 60% from FY18 to FY21, though actual sales of two wheeler declined.

<https://economictimes.indiatimes.com/industry/auto/two-wheelers-three-wheelers/rural-women-and-young-two-wheeler-borrowers-on-the-rise-report/articleshow/96005755.cms>

Industry

Considering PAN for single window clearance: Piyush Goyal

Commerce and industry minister Piyush Goyal on Monday said that the government is considering to allow businesses to use Permanent Account Number (PAN) as a unique identifier to enter into the national single window system (NSWS) for various clearances and approvals of central and state departments. Goyal said that his ministry has already approached the department of revenue for this. "We are moving towards using one of the existing databases as the entry point, which is already available with the government...and most probably that will be the PAN number. We have approached the revenue department," Goyal said after a review meeting on the NSWS, which witnessed participation from 32 central ministries and departments, 36 states and UTs, and industry associations.

<https://economictimes.indiatimes.com/news/economy/policy/considering-pan-for-single-window-clearance-piyush-goyal/articleshow/96011162.cms>

As imports rise, Indian steelmakers find their backs against the wall

Indian steelmakers are facing intensified competition from cheaper imports, at a time when high input costs have eroded margins and left little room for lowering prices. Foreign steel is increasingly finding its way to Indian shores as large producers like Japan, South Korea and Vietnam direct their excess production toward India amid a slowdown in key markets like Europe and the US. Data show that between April and October, imports served 10% of India's total steel demand. The country turned a net importer of steel in October, as imports exceeded exports. The situation is expected to worsen as there has been increased booking activity for foreign steel in the Indian market in the recent days, according to industry insiders. These orders will take 1-2 months to arrive at Indian ports.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/imports-high-input-costs-hurt-steelmakers/articleshow/95985904.cms>

India Inc's profit declines sharply to 3.48% of GDP in Q2 of FY23

The corporate profit to gross domestic product (GDP) ratio declined sharply in the previous two quarters, reversing the steep rise seen in the second half of financial year 2020-21 (FY21) and FY22.

https://www.business-standard.com/article/companies/corporate-profit-to-gdp-ratio-declines-to-3-48-in-q1fy23-shows-data-122120501118_1.html

Delhi, UP and Maharashtra top in electric vehicle penetration

Delhi, Maharashtra and Uttar Pradesh have the highest penetration of electric two-wheelers, passenger vehicles and three-wheelers respectively. According to a BNP Paribas report on India's electric vehicles for November, Delhi had 9.3 per cent two-wheeler electric vehicle penetration followed by Kerala and Karnataka. In the passenger vehicle (PV) segment, Maharashtra registered 2.4 per cent e-vehicle penetration followed by Kerala with 2.1 per cent and Delhi with 2.1 per cent in November. Tata Motors remained the electric PV market leader with a 76 per cent volume market share.

<https://www.thehindubusinessline.com/companies/delhi-up-and-maharashtra-top-in-electric-vehicle-penetration/article66226209.ece>

Agriculture

Centre approves ₹1,584-crore National Mission on Natural Farming

Union Agriculture and Farmers' Welfare Minister Narendra Singh Tomar on Monday said the government has approved the National Mission on Natural Farming as a separate scheme with an expenditure of ₹1,584 crore. However, the details of the scheme are yet to be released. Addressing the National Conference on Soil Health Management for Sustainable Farming in Delhi, Tomar said due to chemical farming and other reasons, the soil fertility was getting eroded. He said climate change would be a big concern for the country and the world in the coming days. Stating that Prime Minister Narendra Modi was committed to achieving Sustainable Development Goals (SDGs), Tomar said, "Lack of organic carbon in the soil is a serious concern for us."

<https://www.thehindubusinessline.com/economy/agri-business/centre-approves-1584-crore-national-mission-on-natural-farming/article66226053.ece>

Sugar output likely to drop 7% amid erratic weather, could crimp exports

India's sugar output is likely to fall 7% this year as erratic weather conditions have cut cane yields, which could dampen exports from the world's biggest producer of the sweetener, farmers, millers and traders said. Lower sugar exports from India, also the world's second biggest exporter, could lift global prices and allow rivals Brazil and Thailand to increase their shipments. "The crop was just looking like last year but when we started harvesting we realised that yields were very low," said Pradip Jagtap, a farmer from the Solapur district of the western state of Maharashtra, India's No.1 sugar-producing state. This year, Jagtap could gather 530 tonnes of cane from his nine-acre plot, down from the previous year's 750 tonnes.

https://www.business-standard.com/article/economy-policy/sugar-output-likely-to-drop-7-amid-erratic-weather-could-crimp-exports-122120500915_1.html

Wheat output likely to rise by 5 MT this year: Gyanendra Singh

Farmers in India are likely to sow wheat across 31.5 million hectares, which will be 1.5 million hectares more than last year, said Gyanendra Singh, director of ICAR-IIWBR, which is the apex body for wheat cultivation in the country. India is likely to produce 112 million tonnes of wheat during the harvest period, which will be 5 million tonnes more than last year, he added. "This year, farmers have used new seeds, which have better tolerance to heat and are high yielding in nature," Singh said, adding the new varieties are DBW 187, DBW 303, DBW 222, DBW 327 and DBW 332.

<https://economictimes.indiatimes.com/news/economy/agriculture/wheat-output-likely-to-rise-by-5-mt-this-year-gyanendra-singh/articleshow/96011143.cms>

Energy

Discoms' aggregate technical & commercial losses down to 17% in FY22

Aggregate technical and commercial (AT&C) losses of power distribution utilities declined to 17 per cent in 2021-22 from 22 per cent in the previous year. Ministry of Power has taken a number of measures to improve the performance of utilities, the statement said. Reduction in AT&C losses improves finances of utilities (discoms), enabling them to better maintain the system and buy power as per requirement and benefit the consumers, a power ministry statement said. Preliminary analysis of data for 2021-22 of 56 discoms contributing to more than 96 per cent of input energy, indicates that AT&C losses have declined significantly to 17 per cent in FY2022 from 22 per cent in FY2021, it stated.

https://www.business-standard.com/article/companies/discoms-aggregate-technical-commercial-losses-down-to-17-in-fy22-122120500602_1.html

External

Indian migrant workers send home record \$100 billion in 2022: World Bank

A World Bank report published last week revealed that remittance flows to India from its migrant workers are on track to gain 12 per cent to reach a record USD100 billion for the year. Remittance growth in 2021 from a year earlier was 7.5 per cent. That puts its inflows far ahead of Mexico (USD60 billion), China (USD51 billion), the Philippines

(USD38 billion), Egypt (USD32 billion) and Pakistan (USD29 billion), positioning the country to retain its spot as the world's top recipient of remittances. Such foreign remittances make up almost 3 per cent of India's GDP.

https://www.business-standard.com/article/economy-policy/indian-migrant-workers-send-home-record-100-billion-in-2022-world-bank-122120500104_1.html

Focus on developing countries and global south: G20 Sherpa Amitabh Kant

India on Monday proposed dovetailing climate action with sustainable development, making a clear bid to bring issues facing the emerging economies and the global south in sharp focus at the G20. Kickstarting the discussions at the first meeting of G20 Sherpas under India's presidency in Udaipur, India's Sherpa Amitabh Kant pitched for working together through hope, harmony and healing to deal with the global challenges, with a focus on developing countries and the global south whose voice is often unheard. He highlighted India's initiatives such as Aadhaar, Unified Payments Interface (UPI) and direct benefit transfer that have helped lift a vast population above the poverty line.

<https://economictimes.indiatimes.com/news/economy/policy/focus-on-developing-countries-and-global-south-g20-sherpa-amitabh-kant/articleshow/96011230.cms>

India trade ministry seeks to cut gold tariff to curb smuggling

India's trade ministry is discussing a reduction in import taxes on gold to rein in illegal shipments, according to people familiar with the matter. The world's second-largest consumer of the precious metal, almost all of which is purchased from abroad, has asked the Finance Ministry to consider reducing the tariff to about 10% from 12.5%, two of the people said, asking not to be identified as the deliberations are private. It's as yet unclear if the recommendation will be accepted and a decision could be announced at or before the budget presentation due early next year, they added. The matter presents a dilemma for Finance Minister Nirmala Sitharaman, who needs to keep imports low to contain a widening trade deficit, but smuggling robs the government of much-needed revenue. Her administration had raised the tariffs in July, following which the nation's purchases tumbled.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-trade-ministry-seeks-to-cut-gold-tariff-to-curb-smuggling/articleshow/96008384.cms>

India may export handsets worth \$9 billion in FY23

India is likely to export mobile phones worth about \$9 billion in FY23, up from \$5.8 billion in the year before, as manufacturers step up production and outward shipments. India is set to achieve overall electronics manufacturing of \$300 billion by FY26. As per data from industry body India Cellular and Electronics Association (ICEA), electronics worth roughly \$87 billion were manufactured locally in FY22, which is expected to grow to \$100 billion in FY23. Mobile phone exports have already raced past the \$5 billion mark in the first seven months (April-October) of FY23, more than double the \$2.2 billion that India clocked in the same period last year, as the likes of Apple and Samsung pushed exports. The development of an ecosystem for electronics manufacturing and a subsequent rise in exports are primarily being led by the production-linked incentive (PLI) schemes. "Early on in 2021, we sat with the industry and worked out this \$300 billion roadmap," Rajeev Chandrasekhar, minister of state for electronics and IT, told ET.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/india-may-export-handsets-worth-9-billion-in-fy23/articleshow/96015530.cms>