



December 15, 2022 – Thursday

## Economy

### WPI inflation declines to 21-month low of 5.85 per cent in November

The wholesale price-based inflation declined to a 21-month low of 5.85 per cent in November on easing prices of food, fuel and manufactured items. After remaining in double digits for 19 months, the wholesale price index (WPI) based inflation declined to 8.39 per cent in October. The inflation was 14.87 per cent in November 2021. "Decline in the rate of inflation in November 2022, is primarily contributed by fall in prices of food articles, basic metals, textiles, chemicals & chemical products and paper & paper products as compared to the corresponding month of the previous year," the Commerce and Industry Ministry said on Wednesday.

<https://www.financialexpress.com/economy/wpi-inflation-declines-to-21-month-low-of-5-85-per-cent-in-november/2912804/>

### ADB keeps India's GDP growth unchanged at 7 per cent

Asian Development Bank (ADB) has kept its outlook for India's economic growth unchanged at 7 per cent for the current fiscal year while forecasting a weaker-than-previously expected pace for developing Asia. ADB's 7 per cent growth projection for fiscal 2022-23 (April 2022 to March 2023), unchanged from its September forecast, compares to 8.7 per cent GDP growth in 2021-22. For 2023-24, the GDP growth has been kept unchanged at 7.2 per cent. The Manila-based ADB in a report on Wednesday saw Asia expanding 4.2 per cent this year before accelerating to 4.6 per cent in 2023. These projections compare to the previously estimated expansion of 4.3 per cent and 4.9 per cent, respectively.

<https://www.financialexpress.com/economy/adb-keeps-indias-gdp-growth-unchanged-at-7-per-cent/2912562/>

### Govt will further bring down inflation: FM Sitharaman in Lok Sabha

Finance Minister Nirmala Sitharaman on Wednesday assured the Lok Sabha that the government will take measures to further ease inflation, which has dipped below the RBI's upper tolerance level of 6 per cent. Retail inflation has moderated to an 11-month low of 5.8 per cent in November from 6.77 per cent in the previous month. "We will bring down further for the sake of common people," she said while replying to a discussion on the first batch of Supplementary Demands for Grants 2022-23 in the Lok Sabha. The government is constantly watching the price situation of essential commodities, she said. The finance minister made it clear that there is no fear of stagflation as India is one of the fastest-growing economies with low inflation levels.

[https://www.business-standard.com/article/economy-policy/govt-will-further-bring-down-inflation-fm-sitharaman-in-lok-sabha-122121400749\\_1.html](https://www.business-standard.com/article/economy-policy/govt-will-further-bring-down-inflation-fm-sitharaman-in-lok-sabha-122121400749_1.html)

### Indian households may more than double savings in 5 years, says Crisil

Indians' savings is turning into stocks and bonds from the conventional real estate and gold at an accelerated pace that has the potential to change the capital dynamics. Rating agency Crisil forecasts financial savings to rise to Rs. 315 lakh crores, or 74 percent of the GDP by 2027, from Rs. 135 lakh crores or 57 percent last fiscal. "As of last fiscal, AUM of the managed funds industry amounted to 57% of India's gross domestic product," said Ashish Vora, President & Head, CRISIL Market Intelligence & Analytics. "In the next five years, we see this proportion rising to 74% as financialisation increases. Much has happened in the investment landscape over the past five fiscals, yet the

industry has barely scratched the surface given the potential in different categories and compared with how such assets have grown in the developed countries.”

<https://economictimes.indiatimes.com/news/economy/indicators/indian-households-may-more-than-double-savings-in-5-years-says-crisil/articleshow/96220133.cms>

## Banking and Finance

### Case for pause in rate hike as growth focus intensifies: Govt official

Government policymakers expect the central bank to pause monetary tightening, with retail inflation sliding below 6%, the upper bound of the Reserve Bank of India's (RBI) target rate. Officials say there is growing concern in the government over a spillover from the global slowdown hurting the fragile economic recovery, and a greater need to provide support.

<https://economictimes.indiatimes.com/news/economy/policy/case-for-pause-in-rate-hike-as-growth-focus-intensifies-govt-official/articleshow/96238260.cms>

### Higher penetration doubles quarterly MSME loan disbursements since 2020: Report

On the back of increased penetration, the quarterly loan disbursements to the Micro, Small and Medium Enterprises (MSMEs) in India have doubled in the last two years, data from a new report showed. From Rs 1.58 trillion in the Jan-March quarter of 2019-20 (Q4FY20), the disbursement amount crossed Rs 3.03 trillion in Q3FY22 and Rs 3.25 trillion in Q4FY22. The demand for MSME debt was highest in Maharashtra, which accounted for 20 per cent of the total demand in India. The disbursements have been led by increased penetration as the approval rate for medium risk loans remained stagnant between FY21 and FY22, the MSME Lending Report 2022 released by Mumbai-based venture capital (VC) firm BLinC Invest said. It collected data from over 15 states in India through on-ground visits, telephonic interviews and interviews with key industry leaders in the financial services sector.

[https://www.business-standard.com/article/economy-policy/higher-penetration-doubles-quarterly-msme-loan-disbursements-since-2020-rpt-122121400539\\_1.html](https://www.business-standard.com/article/economy-policy/higher-penetration-doubles-quarterly-msme-loan-disbursements-since-2020-rpt-122121400539_1.html)

### India has 350 mn digital payment users, count set to double by 2030: Report

India currently has around 350 million online transacting users across e-commerce, shopping, travel and hospitality, and OTT and the number is set to double by 2030, a new report showed on Wednesday. There are about 40-45 million mature users who spend a considerable share of their wallet online (more than 50 per cent). "We expect online transactors to become 2X by 2030, with mature users being the faster-growing cohort," said Mukesh Kumar, Engagement Manager, Redseer Strategy Consultants. At 780 million, India is home to the second-largest Internet user base in the world, which is more than 2 times of the US population. With the accelerated growth of Internet and smartphone adoption, India is expected to surpass 1 billion Internet users by 2030.

[https://www.business-standard.com/article/economy-policy/india-has-350-mn-digital-payment-users-count-set-to-double-by-2030-report-122121400405\\_1.html](https://www.business-standard.com/article/economy-policy/india-has-350-mn-digital-payment-users-count-set-to-double-by-2030-report-122121400405_1.html)

### Govt allows non-resident taxpayers to manually file Form 10F till March 31 for claiming TDS benefit

The income tax department has allowed non-resident taxpayers not having PAN to file Form 10F manually till March 31, 2023, a move which would ease their compliance burden and enable them to claim lower TDS rate. The Central Board of Direct Taxes (CBDT) had in July made it mandatory for non-resident taxpayers to file Form 10F electronically to claim benefit of lower Tax Deducted at Source (TDS). However, taxpayers faced problems in electronic filing of the form as the income tax portal did not allow a taxpayer who does not have a Permanent Account Number (PAN) to file Form 10F. In a notification, the CBDT said to mitigate genuine hardship to such taxpayers, it has been decided that such category of non-resident taxpayers who are not having PAN and not required to have PAN as per relevant provisions of the I-T Act would be exempted from mandatory electronic filing of Form 10F till March 31, 2023.

<https://economictimes.indiatimes.com/news/economy/policy/govt-allows-non-resident-taxpayers-to-manually-file-form-10f-till-march-31-for-claiming-tds-benefit/articleshow/96227008.cms>

## Industry

### Textile PLI 2.0 likely to be finalised early next year

The government is likely to finalise the second edition of the production-linked incentive scheme (PLI) for garments, madeups and home textiles early next year, with a focus on promoting small and medium entities, officials said Wednesday. Discussions are ongoing for PLI 2.0 with investment thresholds between ₹15 crore and ₹45 crore, they said. These are lower than in previous round for technical textiles and manmade fibre, when minimum investment required was ₹100 crore and ₹300 crore. "We encouraged capital and machinery in the first edition of PLI but this time, we are looking at small and medium entities," said an official. Under the first scheme, 32 companies have begun investments of ₹1,500-1,700 crore, the officials said.

<https://economictimes.indiatimes.com/industry/cons-products/garments-/textiles/textile-pli-2-0-likely-to-be-finalised-early-next-year/articleshow/96234019.cms>

### **Electric 2-wheelers likely to bag 40–45% market share by 2030: Bain & Company**

The Indian electric vehicle (EV) market is expected to see 40–45 per cent EV adoption for two-wheel vehicles and 15–20 per cent for four-wheel passenger vehicles (PVs) by 2030, according to a recent report by Bain & Company. The consulting firm estimates that 12–13 million new two-wheeler EVs and 1 million new four-wheel PVs will be sold in India annually by 2030. As a result of this growth in EV adoption, the sector is expected to generate \$76 billion–\$100 billion of cumulative revenue opportunity and \$8 billion–\$11 billion of profit across the EV value chain. Passenger vehicles are expected to constitute the largest segment of this profit pool by value (despite seeing relatively lower penetration and volumes), followed closely by two-wheelers.

<https://www.thehindubusinessline.com/companies/electric-2-wheelers-likely-to-bag-4045-market-share-by-2030-bain-company/article66262333.ece>

### **Indian IT hiring to buck global trend, may pick up in 2023**

Hiring activity in the Indian information technology industry is likely to pick up in the first quarter of 2023 despite the global trend of a hiring freeze and big tech layoffs, according to a survey by staffing and recruitment services firm Randstad. Seven in 10 IT companies are likely to increase their headcount during January-March 2023, as per the survey shared exclusively with ET. Factors like cost optimisation and India's stable geographic, economic and political foundation are contributing to firms looking to invest in the country and effectively manage their business continuity plans, according to the survey.

<https://economictimes.indiatimes.com/tech/technology/indian-it-hiring-to-buck-global-trend-may-pick-up-in-2023/articleshow/96233263.cms>

## **Agriculture**

### **Sugar output may fall marginally in 2022-23 due to extended rains: Industry**

Sugar production in the ongoing season (2022-23) may be only marginally lower than last year, and that should not cause any alarm, a section of the industry has said. It added that a clearer picture should emerge by early January as crushing picks up. In the 2021-22 season that ended in September, sugar production — after accounting for diversion towards ethanol — was estimated around 35.9 million tonnes. This year, initial reports indicated that production could be around 36.5 million tonnes. Now, a section of the industry feels it could be closer to 35 million tonnes. Industry players said the prime reason for a slight drop in output is due to the fact that the sugarcane crushing season started late. This is because of an extended monsoon that caused loss of weight in sugarcane and also some drop in recovery.

[https://www.business-standard.com/article/economy-policy/sugar-output-may-fall-marginally-in-2022-23-due-to-extended-rains-industry-122121401080\\_1.html](https://www.business-standard.com/article/economy-policy/sugar-output-may-fall-marginally-in-2022-23-due-to-extended-rains-industry-122121401080_1.html)

## **Infrastructure**

### **719 NH projects facing delays, 438 may be completed in current fiscal: Nitin Gadkari**

As many as 719 national highway (NH) projects are facing delays and 438 projects of these are likely to be completed in the ongoing fiscal, Parliament was informed on Wednesday. As many as 268 projects are facing delays of less than a year, Road Transport and Highways Minister Nitin Gadkari informed the Rajya Sabha. In a written reply to the Rajya Sabha, Gadkari said, "The government constantly monitors sanctioned projects and as part of this exercise, 719 delayed National Highway projects have been identified across various states." These projects are not stalled but

have gone beyond the scheduled date of completion due to reasons like above average monsoon rainfall in some states, COVID-19 pandemic, bottlenecks in land acquisition and financial crunch of the concessionaire.

<https://economictimes.indiatimes.com/news/economy/infrastructure/719-nh-projects-facing-delays-438-may-be-completed-in-current-fiscal-nitin-gadkari/articleshow/96224061.cms>

## Energy

### India to fire up nuclear power production in green shift

India is working on a plan to fire up nuclear power production to supplement the country's renewable energy programme as it looks for ways to meet climate change targets. The policy interventions could include incentives for the private sector for setting up nuclear power plants in public-private partnership mode. The thrust will be on small modular nuclear reactors (SMRs) that require less space at capital costs lower than traditional nuclear power plants. A senior government official told ET that the Niti Aayog will start stakeholder consultations shortly and a policy will be put in place soon to invite the private sector to set up these small nuclear power plants.

<https://economictimes.indiatimes.com/industry/energy/power/india-to-fire-up-nuclear-power-production-in-green-shift/articleshow/96238451.cms>

## Healthcare

### India has the most cervical cancer patients in Asia: Lancet

More than 58% of all cases of cervical cancer globally were estimated in Asia, with India accounting for the highest number of cases at 21% followed by China at 18%. According to a recent Lancet study, out of the 40% of total deaths from cervical cancer 23% occur in India followed by 17% in China. The Lancet revealed that Africa followed Asia (20%), Europe (10%) and Latin America (10%) and more than half of deaths were estimated in Asia (58%) followed by Africa (22%), and Latin America (9%). Globally in 2020, there were over 600,000 estimated new cervical cancer cases and over 340,000 resulted in deaths.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/india-has-the-most-cervical-cancer-patients-in-asia-lancet/articleshow/96234392.cms>

## External

### CAD seeing swelling to a 37-quarter high of 4.4 pc of GDP in Q2

Falling exports and high crude prices are set to push up current account deficit (CAD) in the second quarter to a 37-quarter high of 4.4 per cent of GDP at USD 36 billion as against USD 9.7 billion or 1.3 per cent in the year-ago period, estimates a report. As a percentage of GDP, the previous high was in the first quarter of 2013-14 when CAD had scaled to 4.7 per cent, but in absolute terms the previous high was in the third quarter of 2012-13 when it touched USD 31.8 billion. Global headwinds facing merchandise exports had the shipments contracting by close to 20 per cent in October 2022, first time since February 2021 and the agency expects merchandise exports to slip to an eight-quarter low of USD 88.2 billion in Q3FY23 which would be 17.4 per cent lower than Q3FY22. On the other side, falling commodity prices will help the country lower its import bill in the third quarter (Q3), even though crude prices were still 19.9 per cent in October-November. And the agency expects merchandise imports to decelerate to a three-quarter low of USD 171.9 billion in Q3, but will still be up 2.9 percent on-year.

<https://www.financialexpress.com/economy/cad-seeing-swelling-to-a-37-quarter-high-of-4-4-pc-of-gdp-in-q2/2913089/>

### India insists on duty free access for textile exports in FTAs, says Goyal

Commerce and industry minister Piyush Goyal on Wednesday said India insists on getting duty free access for its textiles exports in its free trade agreements (FTA) and that the country would achieve the \$100 billion textiles exports target by 2030. "The UK FTA, for example, has 9-12% import duties on different items. If that goes away, it will certainly give a big boost to our textile industry," he said at the two-day textile conclave in Varanasi coinciding with Kashi Tamil Sangamam. In the textiles sector, he said, margins of 4-5% are important to become competitive. "With the FTAs, we insist that we get duty free access for textiles and in both UAE and Australia, the textile sector assures

me that there are opportunities for both. We are working on other FTAs that will help the textile sector," he said, adding that the agreements will give a big boost to the sector.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-insists-on-duty-free-access-for-textile-exports-in-ftas-says-goyal/articleshow/96233965.cms>

#### **Edible oils import up 34pc to 15.29 lakh tonne in Nov; crude palm oil shipment at record high**

India's edible oil imports rose 34 per cent in November to 15.29 lakh tonne on sharp jump in import of crude palm and refined palm oils, according to industry body SEA. The Solvent Extractors' Association of India (SEA) on Wednesday released the data of imports of total vegetable oils comprising edible oil and non-edible oil for November, the first month of 2022-23 oil marketing year. As per the data, imports of vegetable oils rose 32 per cent in November 2022 to 15,45,540 tonne from 11,73,747 tonne in the same month last year. Out of total vegetable oil imports, SEA said shipments of edible oils increased to 15,28,760 tonne in November this year from 11,38,823 tonne in the same month of 2021.

<https://www.financialexpress.com/economy/edible-oils-import-up-34pc-to-15-29-lakh-tonne-in-nov-crude-palm-oil-shipment-at-record-high/2913023/>

#### **India-China trade rises 34% in FY22 thwarting Centre's self-reliance goals**

Total merchandise trade between India and China rose 34% to \$115.83 billion in the 12 months to March 2022, according to data from the Commerce Ministry released to parliament last week. Trade between the two nations so far this year — between April and October — stood at \$69.04 billion, according to the ministry. In recent years, Modi's administration has been trying to cut India's reliance on China — the country's biggest source of imports. It imposed curbs on trade and businesses in 2020 amid the deadliest fighting in decades at their disputed Himalayan border. Despite those curbs, imports from the Asian giant have ballooned, out-pacing exports handily. As such, India's trade deficit with China in the first seven months of the current fiscal at \$51.50 billion, the data showed.

[https://www.business-standard.com/article/economy-policy/india-china-trade-rises-34-in-fy22-thwarting-centre-s-self-reliance-goals-122121400525\\_1.html](https://www.business-standard.com/article/economy-policy/india-china-trade-rises-34-in-fy22-thwarting-centre-s-self-reliance-goals-122121400525_1.html)

#### **Russia replaces Iraq as top oil supplier to India in Nov with 23% share**

Russia has for the first time emerged as top oil supplier to India replacing Iraq as refiners last month snapped up oil from Moscow fearing a price cap from Dec. 5 could hit supplies and choke payment avenues, data obtained from trade sources showed. India's oil imports from Russia rose for the fifth straight month, totaling 908,000 barrels per day (bpd) in November, up 4% from October, the data showed. The Group of Seven nations, Australia, and the 27 European Union countries have imposed a price cap of \$60 a barrel on Russian seaborne oil from Dec. 5 as the West tries to limit Moscow's ability to finance its war in Ukraine.

[https://www.business-standard.com/article/economy-policy/russia-replaces-iraq-as-top-oil-supplier-to-india-in-nov-with-23-share-122121400763\\_1.html](https://www.business-standard.com/article/economy-policy/russia-replaces-iraq-as-top-oil-supplier-to-india-in-nov-with-23-share-122121400763_1.html)