



December 19, 2022 – Monday

## Economy

### **Govt committed to achieving defence production target of \$22 bn by 2025: Rajnath Singh**

Defence Minister Rajnath Singh on Saturday said the government is working and committed to increasing the defence production target from current \$12 billion to \$22 billion by 2025. "You (industry) can imagine, with this kind of growth, how many opportunities will be available for the Indian industry," the Defence Minister said while addressing FICCI's 95th Annual Convention & AGM here. He further underlined that to increase the participation of domestic industry, the government has reserved a certain portion of defence capital acquisition for domestic procurement. "Out of the total defence capital budget outlay, 68 per cent of it is reserved for indigenous procurement by domestic industry and 25 per cent for the private sector. The results of these have now started appearing and more measures will be announced soon," he emphasised.

<https://economictimes.indiatimes.com/news/defence/govt-committed-to-achieving-defence-production-target-of-22-bn-by-2025-rajnath-singh/articleshow/96299751.cms>

### **India's economic activity may have slowed down in Nov as resilience wanes**

India's economy appeared to slow rather than accelerate last month, as high-frequency indicators tracked by Bloomberg signaled worsening business and consumption activity. Although a dial measuring so-called animal spirits showed activity was steady for a fifth straight month in November, the needle was just one bad data point away from swinging to the left. Exports, a key growth lever in the past year, was among three of eight metrics that performed poorly. The rest were unchanged.

[https://www.business-standard.com/article/economy-policy/india-s-economic-activity-looks-set-to-slow-in-nov-as-resilience-wanes-122121900098\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-economic-activity-looks-set-to-slow-in-nov-as-resilience-wanes-122121900098_1.html)

### **In India, we expect growth to slow down to 6% in 2023-24: Chief Economist, S&P Global Ratings**

Indian economy is entering 2023 in a much better macroeconomic position than most other emerging markets. businessline caught up with Louis Kuijs, Asia Pacific Chief Economist, S&P Global Ratings, to understand his take on India's growth prospects and the likely headwinds in 2023.

<https://www.thehindubusinessline.com/economy/in-india-we-expect-growth-to-slow-down-to-6-in-2023-24-chief-economist-sp-global-ratings/article66277666.ece>

## Banking and Finance

### **Account aggregator network: 94 FIUs, 26 FIPs onboarded on RBI's financial data-sharing system**

The Reserve Bank of India's (RBI) financial data-sharing system Account Aggregator (AA), launched in September 2021, has onboarded 94 financial institutions as financial information users (FIUs) as of December 12, 2022. Out of 94 FIUs, 73 are RBI regulated, 10 are regulated by the markets regulator Securities and Exchange Board of India (SEBI), nine by the insurance regulator Insurance Regulatory and Development Authority of India (IRDAI) and two by pension fund body Pension Fund Regulatory and Development Authority (PFRDA). The details were shared by Minister of State for finance Bhagwat Karad in a written reply to a question in the Lok Sabha earlier this week. Apart

from FIUs, 26 entities are registered on the AA network as financial information providers (FIPs) including 12 public sector banks, 10 private banks, one small finance bank and three life insurance companies.

<https://www.financialexpress.com/industry/sme/msme-fin-account-aggregator-network-94-fius-26-fips-onboarded-on-rbis-financial-data-sharing-system/2918615/>

#### **Govt to amend insolvency law to reduce time taken for resolution process**

The government is preparing to amend the insolvency law as it looks to reduce the time taken for completion of resolution process of stressed assets and prevent significant erosion of value of the assets, according to a senior official. Amendments to the Insolvency and Bankruptcy Code (IBC), which came into force in 2016 for timely resolution of stressed assets, are likely to be introduced in the Budget session of Parliament early next year. The corporate affairs ministry's move to amend the law also comes against the backdrop of concerns in various quarters that many of the corporate insolvency resolution processes are taking a longer time due to litigations and other issues despite a stipulated time frame in place.

<https://www.financialexpress.com/industry/banking-finance/govt-to-amend-insolvency-law-to-reduce-time-taken-for-resolution-process/2918521/>

#### **Banks looking at possibility of rupee trade with Bangladesh, African nations**

Banks are looking at the possibility of initiating rupee trade with Bangladesh and African countries like Egypt as part of exercise to make rupee an international currency, sources said. The overseas trade in rupee would safeguard the external sector from fluctuation in the forex market. India imported goods worth USD 3,520.83 million from Egypt, of USD 1,004.24 million from Algeria and USD 2,725.08 million from Angola in the last financial year. As far as Bangladesh is concerned, the import in the last year from the neighbouring country stood at USD 1,977.93 million, according to the data provided by the commerce ministry.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-looking-at-possibility-of-rupee-trade-with-bangladesh-african-nations/articleshow/96319425.cms>

#### **Microfinance loans grow 11% to Rs 71,916 crore in Q2 FY23: Report**

Microfinance loans in the country grew by nearly 11 per cent to Rs 71,916 crore during the second quarter of the current fiscal, industry data showed. Microfinance loans worth Rs 64,899 crore were disbursed during the same period a year ago. In terms of volume, a total of 1.81 crore loans were disbursed during Q2 FY2022-23, as against 1.85 crore loans in Q2 FY2021-22, as per the latest report by Microfinance Institutions Network (MFIN). According to the MFIN Micrometer Q2 FY2022-23 report, the country's microfinance loan portfolio stood at over Rs 3 lakh crore at end-September 2022, serving 6.2 crore unique borrowers with 12 crore loan accounts.

[https://www.business-standard.com/article/economy-policy/microfinance-loans-grow-11-to-rs-71-916-crore-in-q2-fy23-report-122121800274\\_1.html](https://www.business-standard.com/article/economy-policy/microfinance-loans-grow-11-to-rs-71-916-crore-in-q2-fy23-report-122121800274_1.html)

#### **Budget may allocate Rs 4,500 crore to promote districts as export hubs for specific products**

India could in the upcoming budget unveil a plan to promote districts as hubs of exports of specific products. The commerce and industry ministry is working on an integrated scheme that combines Districts as Export Hub (DEH) and One District One Product (ODOP), which is likely to be announced in Budget FY24, officials said. "We have integrated the two schemes and the aim is to boost rural entrepreneurship and exports of novel, indigenous, organic, and ethnic products," said an official.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/budget-may-allocate-rs-4500-crore-to-promote-districts-as-export-hubs-for-specific-products/articleshow/96325556.cms>

#### **India's direct tax collection stands at Rs 13,63,649 crore, records 25.9 per cent growth**

The Gross collection of Direct Taxes (before adjusting for refunds) stood at Rs. 13,63,649 crore compared to Rs. 10,83,150 crore in the corresponding period of the preceding financial year registering a growth of 25.90 per cent, a government data showed. Net Direct Tax collections for the FY 2022-23 recorded a growth of nearly 19.81 per cent. Meanwhile, advance tax collections for the FY 2022-23 stood at Rs. 5,21,302 crore registering a growth of 12.83 per cent.

<https://economictimes.indiatimes.com/news/economy/finance/indias-direct-tax-collection-stands-at-rs-1363649-crore-records-a-25-9-per-cent-growth/articleshow/96316507.cms>

## Industry

### **MCA plans staggered deadlines for submission of compliance documents**

The Ministry of Corporate Affairs (MCA) is planning to introduce staggered deadlines for the submission of compliance documents, said a senior government official. The move is aimed at addressing overburdening of the MCA portal servers during the peak filing season, which often leads to glitches or slows down the portal. Currently, companies and limited liability partnerships (LLPs) have the same filing deadline, due to which the servers receive huge traffic in the last one-two weeks before the filing deadline. The MCA now wants to divide the companies and LLPs into four or five subsets, with each having a separate filing deadline.

<https://economictimes.indiatimes.com/news/economy/policy/mca-plans-staggered-deadlines-for-submission-of-compliance-documents/articleshow/96325554.cms>

### **Car sales in India set to hit record 3.8 million units in 2022**

India's automakers are projected to end this calendar year with sales of 3.8 million passenger vehicles (PVs), exceeding the previous record by more than 400,000 vehicles, driven by sustained demand and improved component supplies that helped them step up production. With Indians shopping for cars and sports utility vehicles like never before, PV sales this year are set to increase by nearly a fourth - the fastest growth among major global economies - compared with 2021. Sales in the first 11 months of this year have already topped the previous annual record of 3.39 million units set in 2018. The estimated sales growth for this year is 23%, which comes on top of a 27% expansion in 2021.

<https://economictimes.indiatimes.com/industry/auto/auto-news/car-sales-in-india-set-to-hit-record-3-8-million-units-in-2022/articleshow/96329313.cms>

### **No definition of active sellers on GeM, all have equal opportunity to sell: Piyush Goyal**

All the sellers registered on the government's e-commerce portal for public procurement Government e-Marketplace (GeM) have equal opportunity to participate in the marketplace and bids even as there is no definition of an active supplier (seller) on GeM, Commerce Minister Piyush Goyal informed Rajya Sabha. The minister was recently responding to a question on the number of suppliers who have actively participated in trade activities on the portal out of the total registered. "There is no definition of an active supplier on GeM. Registered suppliers decide to participate in any bid depending on their interest, availability of products and other factors. All the registered sellers have equal opportunity to participate in the marketplace and bids," Goyal said. He added that the successful award of an order is contingent on the requirement given by the buyer and the ability of the seller to meet the requirement by offering the most competitive price.

<https://www.financialexpress.com/industry/sme/msme-eodb-no-definition-of-active-sellers-on-gem-all-have-equal-opportunity-to-sell-piyush-goyal/2918574/>

### **Feature-to-smartphone switch may pick up in 2023**

The conversion of feature phones to smartphones, crucial to both the growth of the handset industry and for telecom industry revenues, is set to pick up in 2023 after falling to a four-year low in 2022. Of the installed base, new smartphone users coming from feature phones was 6.1% in 2019, which fell to 5.7% in 2020, 5.6% in 2021, and 5.4% in 2022, according to Counterpoint Research. The reason is mainly affordability and a lack of relevant use cases. The featurephone-to-smartphone conversion though is expected to bounce back next year with research director Tarun Pathak predicting it to grow to 5.9%.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/feature-to-smartphone-switch-may-pick-up-in-2023/articleshow/96325738.cms>

### **GST Council: Unregistered sellers can make intra-state supply of goods via e-commerce from October 2023**

E-commerce sellers supplying goods with a turnover of up to Rs 40 lakh and services with a turnover of up to Rs 20 lakh but unregistered under the Central Goods and Services Tax (CGST) Act will be allowed to make intra-state supply with effect from October 1, 2023, the GST Council noted on Saturday. The council, under the chairmanship of finance minister Nirmala Sitharaman, in the media briefing on the outcomes of its 48<sup>th</sup> meeting, "approved the amendments in the GST Act and GST Rules, along with the issuance of relevant notifications, to enable the same." "Further,

considering the time required for the development of the requisite functionality on the portal as well as for providing sufficient time for preparedness by the e-commerce operators (ECOs), the council has recommended that the scheme may be implemented w.e.f. 01.10.2023," the council said.

<https://www.financialexpress.com/industry/sme/msme-eodb-gst-council-unregistered-sellers-can-make-intra-state-supply-of-goods-via-e-commerce-from-october-2023/2918421/>

#### **ONDC will democratize e-commerce, enable millions of small traders: DPIIT Secretary Anurag Jain**

Department for Promotion of Industry and Internal Trade (DPIIT) Secretary Anurag Jain has said the government's open e-commerce initiative Open Network for Digital Commerce (ONDC) will democratize e-commerce and enable millions of small traders to take advantage of opportunities thrown up by e-commerce. The open network will also empower consumers by offering more choice, Jain said at the inauguration of the ONDC office in Delhi on Friday, according to a statement by the commerce ministry. He emphasised that India has taken the path of building public digital infrastructure for serving its citizens and UPI, Jan Dhan, Aadhar, CoWin and ULIP are examples of this approach. "ONDC is a similar initiative with tremendous potential. We are doing something which has not been done anywhere else in the world."

<https://www.financialexpress.com/industry/sme/msme-tech-ondc-will-democratize-e-commerce-enable-millions-of-small-traders-dpiit-secretary-anurag-jain/2918363/>

### **Agriculture**

#### **Commerce ministry may engage with Niti Aayog to rework draft bills on tea, coffee, 3 others**

The commerce ministry is likely to engage with Niti Aayog to rework the five draft bills pertaining to cash crops tea, coffee, spices, rubber, and tobacco, an official said. Earlier this year, the ministry proposed the repeal and updation of decades-old laws on these sectors and to introduce new legislation with a view to promoting their growth and creating a conducive environment for businesses. Niti Aayog has given its views on the drafts of Spices (Promotion and Development) Bill, 2022; Rubber (Promotion and Development) Bill, 2022; Coffee (Promotion and Development) Bill, 2022; Tea (Promotion and Development) Bill, 2022 and Tobacco Board (Amendment) Bill, 2022.

<https://www.financialexpress.com/industry/commerce-ministry-may-engage-with-niti-aayog-to-rework-draft-bills-on-tea-coffee-3-others/2918402/>

### **Infrastructure**

#### **364 infrastructure projects show cost overruns of Rs 4.52 lakh crore**

As many as 364 infrastructure projects, each entailing an investment of Rs 150 crore or more, have been hit by cost overruns of more than Rs 4.52 lakh crore, as per an official report. According to the Ministry of Statistics and Programme Implementation, which monitors infrastructure projects of Rs 150 crore and above, out of 1,476 projects, 364 reported cost overruns and as many as 756 projects were delayed. "Total original cost of implementation of the 1476 projects was Rs 20,84,124.75 crore and their anticipated completion cost is likely to be Rs 25,36,179.03 crore, which reflects overall cost overruns of Rs 4,52,054.28 crore (21.69% of original cost)," the ministry's latest report for November 2022 said.

<https://www.financialexpress.com/infrastructure/364-infrastructure-projects-show-cost-overruns-of-rs-4-52-lakh-crore/2918279/>

#### **Gadkari launches 8 National Highway projects worth Rs 1,800 crore in Maharashtra's Nashik**

Union Minister of Road Transport and Highways Nitin Gadkari on Sunday inaugurated and laid the foundation stone of 8 National Highway projects of 226 kms worth Rs 1,800 crore at Igatpuri, Nashik, Maharashtra. Union Minister of State Bharti Pawar, Member of Parliament Subhash Bhamre, Hemant Godse, MLAs and officials were present on the occasion. According to an official release, with these highway projects transportation in the district will be accessible and safe, fuel and time will be saved, as well as pollution will be lessened. "These projects will make it easier for agricultural and handicraft businesses to reach the local markets, help in connectivity of the rural areas with the cities more accessible, as well as new industries and new employment opportunities will be created through them," the statement said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/gadkari-launches-8-national-highway-projects-worth-rs-1800-crore-in-maharashtras-nashik/articleshow/96324458.cms>

#### **Top home developers could post strong growth in FY24**

Large residential realtors are expected to log double-digit growth next fiscal year, driven by strong momentum in sales and a buyer preference for larger homes as the hybrid working model continues. Listed residential realtors like Godrej Properties, Prestige Estates, Puravankara, Shriram Properties and Tata Realty are expected to clock sales growth of 25% on-year in FY23 and 10-15% on the high base in FY24. This is despite the moderation in affordability due to rising interest rates, according to a Crisil Ratings study of 11 large listed residential developers.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/construction/top-home-developers-could-post-strong-growth-in-fy24/articleshow/96325849.cms>

#### **PE investment in real estate down 17% to \$5.13 bn; inflow up in warehousing**

Private equity investment in real estate fell 17 per cent this year to USD 5.13 billion as investors turned cautious amid geopolitical and inflationary concerns, according to Knight Frank India. Private equity (PE) investment, in both pure equity and debt form, declined in housing, office and retail segments during 2022, whereas it increased in warehousing assets when compared with last year. As per the Knight Frank data, PE investment in warehousing increased 45 per cent to USD 1,907 million this year from USD 1,313 million last year.

[https://www.business-standard.com/article/economy-policy/pe-investment-in-real-estate-down-17-to-5-13-bn-inflow-up-in-warehousing-122121800369\\_1.html](https://www.business-standard.com/article/economy-policy/pe-investment-in-real-estate-down-17-to-5-13-bn-inflow-up-in-warehousing-122121800369_1.html)

### **Energy**

#### **Despite windfall tax, margins on diesel, jet fuel much higher than the 5-year average**

Windfall taxes have dented fuel exporters' profits but still left them with margins on diesel and jet fuel that were much higher in the past six months than in the preceding five years. The crude oil prices available to domestic producers after the windfall tax were also higher than in the preceding five-year period. Margins on petrol since June, however, remained in line with the preceding five-year average in the global market and the windfall tax only marginally shrank it. Data provided by ICICI Securities showed that the average crack on diesel - the difference between the purchase price of crude oil and the selling price of the refined product - between July 1 and December 15 was \$37.40 per barrel, nearly triple the average of \$12.70 in the preceding five years from July 2017 to June 2022.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/windfall-tax-weighs-on-fuel-exporters-profits/articleshow/96325922.cms>

#### **Defence, space agencies release 99% of EEZ prohibited areas for oil exploration and production**

In a significant strategic call to prioritise energy security, the government has got defence and space agencies to release 99% of areas prohibited for security reasons in India's Exclusive Economic Zone (EEZ) for oil exploration and production (E&P). Until recently, 42% of EEZ were 'no go' areas, which is now down to just 1%. Further, these agencies - essentially the Navy, Defence Research and Development Organisation, the Department of Space and its affiliates - have firmed up an operating framework to ensure safety of E&P operators. This framework with its set of guidelines underwent a thorough one-month trial in August before being recently notified.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/defence-space-agencies-release-99-of-eez-prohibited-areas-for-oil-exploration-and-production/articleshow/96325953.cms>

#### **India will contribute 10% of incremental global petchem demand growth: Puri**

India, whose per capita consumption is significantly lower than that of developed economies, will contribute 10 per cent of the incremental growth of global petrochemical demand, Oil Minister Hardeep Singh Puri has said. Petrochemicals, which turn oil and gas into all sorts of daily products -- such as plastics, fertilisers, packaging, clothing, digital devices, medical equipment, detergents or tyres -- are rapidly becoming the largest driver of global oil consumption. They are set to account for more than a third of the growth in oil demand by 2030, and nearly half by 2050, ahead of trucks, aviation and shipping, according to IEA. "Petrochemical market size is currently in India about USD 190 billion, whereas the per capita consumption of petrochemical segments is significantly lower,

compared to that in developed economies. And this gap offers substantial space for demand growth and investment opportunities," Puri said while addressing the plenary session at the 7th Petrochemical Conclave here.

[https://www.business-standard.com/article/economy-policy/india-will-contribute-10-of-incremental-global-petchem-demand-growth-puri-122121800317\\_1.html](https://www.business-standard.com/article/economy-policy/india-will-contribute-10-of-incremental-global-petchem-demand-growth-puri-122121800317_1.html)

## External

### Exporters seek support measures in Budget to boost shipments

Exporters have sought support measures like waiver of electricity duty and easier availability of credit in the forthcoming Union Budget to boost the country's outbound shipments. According to exporters, the finance ministry needs to provide reasonable funds to the Department of Commerce not only for the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme reimbursement but also for export promotion and other initiatives. Under the RoDTEP, various central and state duties, taxes and levies imposed on input products, among others, are refunded. They have also suggested certain tweaks in customs duties and availability of credit at affordable rates to boost exports and create jobs. Mumbai-based exporter and chairman of The Bombay Textile Research Association S K Saraf said exports are key drivers to promote the country's economic growth and the Budget should address issues being faced by the sector.

<https://www.financialexpress.com/economy/exporters-seek-support-measures-in-budget-to-boost-shipments/2918322/>

### Iron ore exports improve in December

India's iron ore exports witnessed a month-on-month uptrend in December with 0.6 million tonnes (of fines and lumps) being booked for the first two weeks of December. This is almost double of what was booked in November; and nearly 60 per cent higher than that of the full month last year. Shipments for November was 0.29 million tonnes (mt) – a 131 per cent month-on-month, trade and vessel line-up data tracked by Steelmint shows. As per trade sources, the December bookings so far are amongst the best since June. Data available from the Ministry of Commerce show that, in June, 0.31 mt was exported; in July it was 0.5 mt; in August it was 0.41 mt; in September it dropped to zero and picked slightly in October to 0.13 mt. Iron ore shipments started falling on the back of weakened commodity cycle, strict Covid control measures in China -the key export market; and India imposing strict export duty on steel making commodities, including high-grade ore.

<https://www.thehindubusinessline.com/markets/commodities/iron-ore-exports-show-improved-bookings-in-december/article66274504.ece>