



December 22, 2022 – Thursday

Economy

Working on more than 200 quality control orders: DPIIT Secretary

The commerce and industry ministry is working on bringing quality control orders (QCOs) for about 200 products, a top government official said on Wednesday. Products under the quality orders cannot be produced, traded or imported without conforming with the Bureau of Indian Standards quality norms and bearing a BIS mark. Secretary in the Department for Promotion of Industry and Internal Trade (DPIIT) Anurag Jain said that QCOs have worked successfully for products like toys. "We are working on more than 200 QCOs," he told reporters here. The department is continuously engaged with BIS (Bureau of Indian Standards) and concerned stakeholders for the identification of products for which these orders could be issued.

<https://economictimes.indiatimes.com/news/economy/policy/working-on-more-than-200-quality-control-orders-dpiit-secretary/articleshow/96405769.cms>

Indian economy likely to grow at over 7% in FY23, says Arvind Panagariya

The Indian economy is likely to grow at over 7 per cent in the current fiscal year, former Niti Aayog vice chairman Arvind Panagariya said on Wednesday, while observing that the growth rate should sustain next year too provided the forthcoming Budget does not have any negative surprises. Panagariya further said recessionary fears have been around for a while but so far neither the US nor the EU has gone into recession. "From the viewpoint of India, in terms of headwinds originating abroad, the worst is probably behind us," he told PTI.

https://www.business-standard.com/article/economy-policy/indian-economy-likely-to-grow-at-over-7-in-fy23-says-arvind-panagariya-122122100934_1.html

Banking and Finance

SEBI suspends trading of agri commodity derivatives for 1 more year

With inflation still high, the Securities and Exchange Board of India (SEBI) in a late night order passed yesterday extended the suspension on derivatives trading of paddy (non-basmati), wheat, chana, mustard seeds and its derivatives, soybean and its derivatives, crude palm oil and moong for a period of one more year till December 20, 2023.

https://www.business-standard.com/article/markets/sebi-extends-suspension-of-agri-commodity-derivatives-trading-for-more-yr-122122100254_1.html

PSU banks draw up plans to raise funds as credit growth picks up

Public-sector banks are all set to raise funds by selling additional Tier 1 (AT1) bonds this week as they keep capital ready to participate in the emerging demand for credit. Union Bank of India (UBI) raised ₹663 crore on Wednesday. Punjab National Bank (PNB) and Bank of Maharashtra (BoM) are expected to raise money on Thursday. "Banks had taken board approvals to raise capital this fiscal and they are now tanking up as the busy season approaches. This is probably the last tranche of Tier 1 issues by public sector banks for this fiscal and this keeps them ready for the likely increase in loan demand in the fourth quarter," said a banker aware of the transactions.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/psu-banks-draw-up-plans-to-raise-funds-as-credit-growth-picks-up/articleshow/96407520.cms>

Industry

Commerce ministry to come up with advanced version of GeM portal

The commerce ministry will come up with a more dynamic Government e-Market (GeM) portal for public procurement purposes by upgrading the existing software of the platform. Commerce and Industry Minister Piyush Goyal said the existing software will be reworked and the work may take over a year to be completed. GeM CEO P K Singh said they have floated the request-for-proposal for the project and it will be assigned to the successful bidder. The work would start from January next year and it would take about 16-17 months to come up with the advanced version of the portal, Singh told reporters. The portal was launched in August 2016 for online purchases of goods and services by all the central government ministries and departments.

<https://economictimes.indiatimes.com/news/economy/policy/commerce-ministry-to-come-up-with-advanced-version-of-gem-portal/articleshow/96405991.cms>

Indian pharma sector set for 'volume to value leadership' journey in 2023

Reinvent and innovate will be the key mantra for the Indian pharma industry in the New Year as the 'pharmacy of the world' looks to move from volume to value leadership, amid emerging challenges of inflation and pricing pressures in the global markets. While R&D investment, market competitiveness, regulatory scrutiny, and domestic price regulations are expected to shape the growth of generics and injectable products, concerns such as price control and customs duties on medical equipment will continue to bother the healthcare industry in 2023. The industry believes that in view of India's G20 Presidency, digital health innovation, achieving universal health coverage, improving healthcare infrastructure and delivery will continue to be the key driving factors in 2023.

https://www.business-standard.com/article/companies/indian-pharma-sector-set-for-volume-to-value-leadership-journey-in-2023-122122100327_1.html

Domestic demand for finished steel to grow 8% this fiscal year: Icra

The demand for finished steel in India is expected to grow eight per cent this year compared to 2021, according to rating agency Icra. Supported by the government's infrastructure-led growth model, domestic finished steel demand has registered a double-digit growth of 11.9 per cent in the first eight months of the current fiscal, the ratings agency said in a report on Wednesday. The demand is "poised to close the year with a growth of 8 per cent...7-8 per cent growth for FY 2022-23," Icra said.

https://www.business-standard.com/article/economy-policy/domestic-demand-for-finished-steel-to-grow-8-this-fiscal-year-icra-122122100882_1.html

Auto component industry rides high on local demand

The auto component industry is looking to clock double-digit growth in the ongoing financial year buoyed by robust demand in the domestic market. Overall, revenues from sales in the first six months of the fiscal rose 27.3% to \$33.8 billion. While sales to OEMs (original equipment manufacturers) grew 38% to \$28.6 billion, aftermarket sales saw growth of 2% to close at \$5.4 billion in the same period. The strong growth in demand for automobiles in the local market, however, led to an increase in imports. Imports of auto components in the period under consideration went up by 17.2% to \$10.1 billion. Asia accounted for 65% of imports followed by Europe and North America, with 26% and 8%, respectively. Imports from Asia grew by 21%, from Europe by 6% and from North America by 29% till September this fiscal.

<https://economictimes.indiatimes.com/industry/auto/auto-news/auto-component-industry-ride-high-on-local-demand/articleshow/96407760.cms>

New Covid surge in China: 'No need to panic yet', says India Inc

With the global economy — already struggling with the war in Ukraine and stagflation risks — worried about the impact of another Covid-19 outbreak in China, India Inc is cautiously optimistic that the resilience of the Indian economy will help avoid any large-scale disruptions. Subhrakant Panda, the newly-appointed president of the industry association FICCI, said there is no need for panic yet but alertness is certainly called for, and that the Indian

economy and corporates have the depth and resilience to withstand any “short and sharp” disruption to the global supply chain.

<https://www.financialexpress.com/industry/new-covid-surge-in-china-no-need-to-panic-yet-says-india-inc/2922116/>

EV sales in India to surge in FY24

Sales of electric passenger vehicles in India are expected to more than double to top the 100,000-unit mark for the first time in the next financial year, with demand set to get a boost from new models being planned for launch by automakers from Tata Motors to MG Motor India and Mahindra & Mahindra. Sales of passenger vehicles are already growing at a fast clip in the Indian market, with the numbers projected to be about 50,000 in the ongoing fiscal 2023 ending March from just around 3,000 units three years earlier. The pace of growth could have been faster had there been more options in the mainstream segment, according to market trackers. While luxury carmakers sell around 15 EVs a year, options priced under `20 lakh are limited to two offerings from Tata Motors: the Tigor and Nexon. Hyundai's Kona and the MG's ZS EV are priced in the range of `22.58-26.60 lakh.

<https://economictimes.indiatimes.com/industry/renewables/ev-sales-in-india-to-surge-in-fy24/articleshow/96407860.cms>

IT clients stick to smaller deals on headwinds

Clients of IT services companies are focusing on lower-sized deals because of the cautious macroeconomic environment across major geographies like the US and Europe. The share of large awards above the \$100 million (Rs 800 crore) annualised contract value (ACV) range has reached its lowest point in five years, comprising just 10% of deal activity in the July-September quarter, said a report by ISG. Historically, the value of mega awards made up more than 20% of total managed services ACV in the IT and business services sector. However, through the third quarter of 2022, that percentage was down to 10%. In fact, awards between \$5 million and \$19 million ACV have seen the biggest growth year-to-date. And this is diminishing the overall impact of mega awards, said ISG.

<https://economictimes.indiatimes.com/tech/information-tech/it-clients-stick-to-smaller-deals-on-headwinds/articleshow/96406168.cms>

Funds under as many as 18 schemes of MSME min remained underutilised in FY22: Govt data

The latest data on the underspending of schemes shared by the MSME ministry showed that funds allocated under various schemes of the ministry for the financial year 2021-22 had remained underutilized. According to the information on underspending shared by the minister of state for MSMEs Bhanu Pratap Singh Verma in a written reply to a question in the Lok Sabha recently, funds under as many as 18 schemes stood underutilised. “The reasons for underutilization of funds are the Covid pandemic, exercise for Standing Finance Committee (SFC)/Expenditure Finance Committee (EFC) for the 15th finance cycle, non-receipt of viable proposals, unspent balance lying with implementing agencies and non-participation in various national/international events/programmes due to pandemic,” the minister said.

<https://www.financialexpress.com/industry/sme/msme-fin-funds-under-as-many-as-18-schemes-of-msme-min-remained-underutilised-in-fy22-govt-data/2922352/>

57% of the MSME owners struggle to get new orders for their merchandise: BYST Report

The economic condition of MSMEs is yet to stabilise even though the demand has been consistent post the pandemic. Almost 57 per cent of the entrepreneurs expressed concern over getting new orders for their products or services, finds the survey by Bhartiya Yuva Shakti Trust (BYST), an NGO that mentors youth for entrepreneurship. The survey done in October 2022 covered 5,685 micro-entrepreneurs from states including Haryana, Rajasthan, Uttarakhand, Odisha, Jharkhand, Tamil Nadu, Telangana, Andhra Pradesh, Maharashtra, Assam and New Delhi. Operating capital crunch was another perennial issue that got highlighted in the survey. Twenty-seven per cent of the entrepreneurs said they find it challenging to make timely repayment of loan installments. Another 20 per cent of the respondents said that they find it difficult to arrange raw materials for production and nine per cent of them are concerned about the increased cost of production.

<https://www.financialexpress.com/industry/sme/msme-eodb-57-of-the-msme-owners-struggle-to-get-new-orders-for-their-merchandise-byst-report/2922333/>

Infrastructure

Office leasing set to grow 10-15% in current, next fiscal year: Report

In spite of ebbing growth momentum, commercial leasing activity is likely to grow at a healthy 10-15 per cent this fiscal and the next, a report said on Wednesday. At this growth rate, commercial leasing space will touch 28-30 million sq ft (msf) this fiscal and grow further to 31-33 msf, riding on the improvement in demand as more and more employers are going back to working from office, the report by Crisil said. It added that even at this rate of growth, demand will be below the pre-pandemic high of 42 msf in fiscal 2020, but within sniffing distance of fiscal 2019 level of 34 msf. This is attributable to growing global recessionary headwinds and slower hiring in technology companies, subduing demand growth.

https://www.business-standard.com/article/economy-policy/office-leasing-set-to-grow-10-15-in-current-next-fiscal-year-report-122122100887_1.html

Energy

India to bolster carbon trading market with stabilisation fund

India is planning a stabilisation fund to keep prices of credits in its planned carbon market above a certain threshold, ensuring that they remain attractive for investors and that the market succeeds in cutting emissions, two government sources said. Money in the fund would be used by a market regulator to buy carbon credits if prices fell too low, one of the officials said. Consistent investor interest in credits and a floor under the price would be needed because sharp falls in the market could discourage industries from reducing carbon dioxide emissions, that official added. Planning envisages the market becoming fully operational in 2026, covering 37% of the country's emissions, according to slides, seen by Reuters that the Power Ministry has shown to stakeholders. The sources said the government intended to publish the market's rules soon.

<https://www.financialexpress.com/industry/india-to-bolster-carbon-trading-market-with-stabilisation-fund/2922168/>

Telecom

Government pings telecom firms as call drops & failures rise on 5G shift

Consumer complaints about call drops and call failures are on the rise, with areas which are seeing a switch from 4G to 5G in particular focus, prompting the government to push mobile operators to improve the quality of service. "The telecom operators need to improve the quality of services as the current situation is not ideal," a senior Department of Telecommunications (DoT) official said. "We have also written to Trai (Telecom Regulatory Authority of India) regarding the matter and will see how the issue can be resolved."

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/government-pings-telecom-firms-as-call-drops-failures-rise-on-5g-shift/articleshow/96407587.cms>

GSMA asks govt to work on allocation of 6 Ghz band spectrum for 5G services

Global telecom industry body GSM Association has urged the Department of Telecom to earmark 6000 megahertz spectrum frequency band for 5G services to support the expansion of services in future. The government has auctioned spectrum frequency in the 3300-3670 Mhz band, known as mid-band, which was identified as most suitable band for 5G. The GSMA estimates that during the 2025-30 timeframe, the total spectrum demand for mid-bands will be approximately 2000 megahertz per market to fulfil the requirements for 5G, the association said in a letter to the DoT.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/gsma-asks-govt-to-work-on-allocation-of-6-ghz-band-spectrum-for-5g-services/articleshow/96405806.cms>

Healthcare

Protection dose coverage still low, but we have done well: NTAGI Chairman

Chairman of India's Covid-19 working group of National Technical Advisory Group on Immunisation (NTAGI) NK Arora, on Wednesday, played down concerns of a fresh outbreak of the pandemic in the country as is witnessed in

China and some other countries, saying people in India have an advantage of hybrid immunity. There is no need of a second booster shot of the vaccine, but high-risk population should get a single additional dose, Arora told Teena Thacker in an interview. Excerpts:

<https://economictimes.indiatimes.com/news/india/protection-dose-coverage-still-low-but-we-have-done-well-ntagi-chairman/articleshow/96407617.cms>

External

Companies fret over ripple effect of new Covid wave in China

The new surge in Covid cases in China is making Indian companies, from electronics and apparel manufacturers to gold and diamond exporters, worried about another bout of supply chain disruptions as well as exports to the Chinese market getting hurt. According to consumer electronics companies, their component suppliers have warned them about slowing production at Chinese factories where many workers are down with the infection. Similar concerns are raised by apparel manufacturers, who are heavily dependent on China for raw materials. With the Chinese New Year holidays too around the corner, which could cause shipment delays, many Indian companies are placing orders in bulk to ensure that they have enough stock of components and raw material, said industry insiders.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/companies-fret-over-ripple-effect-of-new-covid-wave-in-china/articleshow/96411104.cms>

India imposes anti-dumping duty on stainless steel tube imports from China

India has imposed an anti-dumping duty on stainless steel seamless tubes and pipe imports from China for five years to remove "injury" to the domestic industry, according to a government notification.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-imposes-anti-dumping-duty-on-stainless-steel-tube-imports-from-china/articleshow/96387381.cms>