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Economy

PM Modi: States must act proactively towards formalisation of MSMEs

Addressing the state chief secretaries in New Delhi, Prime Minister Narendra Modi called for the formalisation of micro, small and medium enterprises to help them scale. In his address at the second national conference of chief secretaries, PM Modi said, “States must act proactively towards formalisation of MSMEs” along with the need to make finance, technology, market and access for skilling available to MSMEs to become globally competitive. He underscored the importance to bring more MSMEs onto the public procurement portal GeM and also that steps should be taken to make MSMEs part of the global value chain. Discussing the success of the cluster approach in the development of MSMEs, PM Modi said that the linkage of MSME clusters and self-help groups can be explored for promoting local products and getting GI tags registration for them which will give a fillip to the Vocal for Local initiative. The Prime Minister also urged states to identify their best local products and help them attain national and international stature.

<https://www.financialexpress.com/industry/sme/msme-eodb-pm-modi-states-must-act-proactively-towards-formalisation-of-msmes/2940223/>

Govt engaging with different layers to ensure benefits of EoDB reach ground level: FM

Finance Minister Nirmala Sitharaman on Sunday said the central government is engaging with states and local administrations to ensure that benefits of Ease of Doing Business (EoDB) initiatives reach the ground. EoDB is not just the Centre’s responsibility but that of states as well, she added. “Central Government can bring in rules, meaningful regulations, remove many of the burdens and give it as a policy. It can be implemented in Union Territories for which the Government of India is directly responsible but further down it is the State governments, which also equally have to do it,” she said.

<https://www.financialexpress.com/economy/govt-engaging-with-different-layers-to-ensure-benefits-of-eodb-reach-ground-level-fm/2940413/>

Banking and Finance

Loans worth Rs 2,500 cr disbursed to street vendors, small scale entrepreneurs; Sitharaman asks women to form FPOs, avail credit

Loans worth Rs 2,500 crore were given in a single day to street vendors, small scale entrepreneurs and cattle rearers at a credit outreach program here on Sunday. Union Finance Minister Nirmala Sitharaman and Lok Sabha Speaker Om Birla handed over the cheques to some beneficiaries. Officials said others will receive their loan amounts during the course of the day. The loans were given under schemes like Pradhan Mantri Svanidhi Yojana, Mudra Yojana and Pashupalak Kisan Credit Card. Addressing the event at Dusshera Ground here, Sitharaman said the prime minister himself has given guarantee for loans under the Pradhan Mantri Svanidhi Yojana, so one does not need to produce any document for guarantee. Loans of at least Rs 68 crore are going to be distributed among cattle rearers (Pashupalaks), she added.

<https://www.financialexpress.com/economy/loans-worth-rs-2500-cr-disbursed-to-street-vendors-small-scale-entrepreneurs-sitharaman-asks-women-to-form-fpos-avail-credit/2940394/>

Industry credit grew 13% in Nov due to robust growth in MSMEs: CareEdge

The credit outstanding of the industry segment registered a growth of 13.1 per cent year-on-year (YoY) in November 2022 from 4.4 per cent in the year-ago period due to robust credit growth in the MSMEs, higher working capital requirements, and capex, credit rating company CareEdge said. As of November 18, 2022, credit to the industry stood at Rs 32.9 lakh crore. While micro and small industries saw 19.6 per cent growth in credit outstanding to Rs 5.6 lakh crore as of November 2022 from 15.3 per cent as of November 2021, medium industries recorded 29.7 per cent YoY growth with credit amounting to Rs 2.2 lakh crore as of November 2022 from 37.4 per cent growth as of November 2021. In comparison, large industries' credit reported a YoY growth of 10.5 per cent to Rs 25.1 lakh crore from a drop of 0.6 per cent over a year ago.

<https://www.financialexpress.com/industry/sme/msme-fin-industry-credit-grew-13-in-nov-due-to-robust-growth-in-msmes-careedge-report/2940326/>

Industry

Rural demand remained under pressure in December quarter in the FMCG sector

Rural demand remained stressed in the December quarter for the FMCG sector on the back of general inflationary pressures and rainfall deficits in some States. However, some moderation in inflationary trends, expectations of a good harvest, and continued government spending on rural infrastructure are expected to aid rural growth recovery, especially in FY24, as per analysts. All eyes are also on the upcoming budget in terms of a likely stimulus for rural regions. In a recent report, Abneesh Roy, ED, Institutional Equities, Nuvama Group, noted that rural demand did not improve in Q3. He stated that while overall rainfall has been ample, there has been a rainfall deficit in populous states such as Uttar Pradesh, Bihar, West Bengal, and Jharkhand. "General inflation and rainfall deficits in some populous States remain the key challenges that have affected rural disposable income. Rural FMCG demand remained weak in Q3FY23, but would look optically better only due to the base effect (as the rural slowdown started in H2 FY 22)," he noted.

<https://www.thehindubusinessline.com/companies/rural-demand-remained-under-pressure-in-december-quarter-in-the-fmkg-sector/article66352950.ece>

Chinese mobile firms talk to Indian makers with PLI nod

Top Chinese smartphone brands are in talks with Indian contract manufacturers to leverage the latter's production-linked incentive (PLI) scheme approved status. This comes amidst a broad push by the Indian government to get smartphone players from Asian neighbours to involve more local players in their manufacturing ecosystem. A senior industry official said top Chinese handset brands such as Xiaomi, Oppo, Vivo and Transsion were also in talks with the likes of Bhagwati (Micromax), Lava International, UTL Neolync, Optimus Electronics, and Dixon Technologies, all of whom have been approved under the PLI scheme.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/chinese-mobile-firms-talk-to-indian-makers-with-pli-nod/articleshow/96837449.cms>

Automobile sector growth to level off in fiscal 2024

Growth across the automobile sector segments will level off next fiscal as the base effect of last fiscal wanes. But it will still be in line with, or above, India's real projected GDP growth for next fiscal. Commercial vehicle sales are expected to drive past pre-pandemic levels next fiscal along with passenger vehicles, which did so this fiscal, and tractors, which recorded an all-time high in pandemic-impacted fiscal 2021. Two-wheelers will continue to lag as the hike in their total cost of ownership (TCO) has been much sharper than for passenger vehicles. Between fiscals 2018 and 2023, TCO rose 36% for two wheelers compared with 26% for passenger vehicles. Improving income sentiments, a low base of the past three fiscals and an improvement in supply chains should continue to support the automobile sector's recovery in this fiscal.

<https://economictimes.indiatimes.com/industry/auto/auto-news/automobile-sector-growth-to-level-off-in-fiscal-2024/articleshow/96830841.cms>

Non-financial companies stare at tepid Q3 earnings

Led by a sharp rise in the earnings of banks, the 50 companies comprising the Nifty are expected to report 10.5 per cent year-on-year (YoY) growth in their combined earnings during the October-December quarter (Q3FY23) as against just 1.7 per cent increase in the second quarter.

https://www.business-standard.com/article/markets/brokerages-expect-tepid-quarter-for-nifty-50-in-q3fy23-shows-data-123010800633_1.html

Infrastructure

NH project proposals under Gati Shakti get streamlined

The Centre has revised the format for consultations on national highway projects. The move that is aimed at offering comprehensive operational estimates so that road assets under Gati Shakti can be better monetised. As per the revised standard operating procedure (SoP) and consultation format, national highway (NH) project proposals should now include operational assessment on aspects such as estimated traffic and how it will lead to reduced logistics costs. Furthermore, the proposals should also include details on how the project will boost economic activity and aid in better connectivity. In an official communique last month, the Ministry of Road Transport and Highways (MoRTH) informed about the revised SoP and format for submission of proposals for consultation on NH projects in the network planning group (NPG). The NPG is a group of officials from ministries and departments related to infrastructure and is tasked with unified planning and integration of proposals. It also assists the empowered group of secretaries (EGoS) on the Gati Shakti National Master Plan (NMP).

<https://www.thehindubusinessline.com/economy/logistics/nh-project-proposals-under-gati-shakti-get-streamlined/article66353262.ece>

MoRTH confident of achieving highway construction target of 12k km in FY23

The Ministry of Road Transport and Highways (MoRTH) is confident of achieving the highways construction target of 12,000 kilometres for the current fiscal as the pace of construction has increased, its secretary Alka Upadhyaya said on Sunday. Upadhyaya further said the National Highways Authority of India (NHAI) has already realised around Rs 2,850 crore through Infrastructure Investment Trust (InvIT) mode in phase 2, and phase 3 is in the advanced stage to realise the target by the end of the current financial year. "Extended monsoon has dampened the pace of National Highway construction. "However, the pace of construction has increased, and we are sure that the given targets shall be met by March 2023," she told PTI in an interview.

https://www.business-standard.com/article/economy-policy/morth-confident-of-achieving-highway-construction-target-of-12k-km-in-fy23-123010800237_1.html

DGCA modifies leasing rules as Indian carriers look to spread operations on international routes

As Indian carriers spread their wings globally, the Centre has made it easy to lease an aircraft. They can now wet-lease wide-bodied aircraft for a maximum of one year, as per new rules of the Directorate General of Civil Aviation (DGCA), the country's civil aviation regulator. Previously, airlines were allowed to lease only for six months. Though the relaxed norms will be available to all Indian carriers, the clearance will be subject specific to the international destinations that they intend to serve. The decision to allow wet leasing of planes for a longer period will help Indian carriers to operate more wide-bodied aircrafts. Under the current rules, an airline can wet lease an aircraft for a period of six months, extendable by another six months. Sources said the change of rules came on a request from the country's largest airline IndiGo. For airlines, which mostly operate on leased aircraft, there are two primary lease options – dry and wet (or damp). Wet leases are the ones that involve leasing out an aircraft to an airline along with a crew to fly the plane and provide onboard service. Dry lease refers to taking only the aircraft on rent.

https://www.thehindubusinessline.com/economy/logistics/dgca-modifies-leasing-rules-as-indian-carriers-look-to-spread-operations-on-international-routes/article66353233.ece?cx_testId=28&cx_testVariant=cx_1&cx_artPos=0&cx_experienceId=EX5KXF1FQK61#xrecs_s

Ahmedabad sees maximum rise in new office supply last year among 9 cities; supply falls in NCR, Mumbai: CBRE

Ahmedabad saw the maximum increase in fresh supply of office space in 2022 among the nine major cities, with more than a five-fold jump to 4.6 million square feet, according to CBRE India. In its latest report on the office market, CBRE India mentioned that the new supply of office space during the 2022 calendar year rose 2 per cent to 50.6

million square feet from 49.7 million square feet in the previous year. While Ahmedabad, Kolkata, Chennai and Hyderabad markets witnessed an increase in office supply, the report pointed out that supply in five cities Bengaluru, Mumbai, Delhi-NCR, Pune and Kochi declined last year. As per the data, the new office supply in Ahmedabad jumped by over 400 per cent to 4.6 million square feet in 2022 from 0.9 million square feet in the preceding year.

<https://www.financialexpress.com/industry/ahmedabad-sees-maximum-rise-in-new-office-supply-last-year-among-9-cities-supply-falls-in-ncr-mumbai-cbre/2940184/>

Energy

Discoms outstanding dues to gencos nearly halved to Rs 62,681 cr in Jan

Total outstanding dues owed by electricity distribution companies (discoms) to power producers almost halved to Rs 62,681.68 crore in January, compared to Rs 1,21,030 crore in same month in 2022. Experts said this substantial reduction in the discoms' total outstanding is mainly due to various steps taken by the government, like implementation of late payment surcharge rules and providing facility of equated monthly installments (EMIs) to utilities. According to the portal PRAAPTI (Payment Ratification And Analysis in Power procurement for bringing Transparency in Invoicing of generators), the total outstanding dues of discoms stood at Rs 62,681.68 crore in January, 2023, which included Rs 25,526.42 crore overdue amount, that was not cleared even after 45 days of grace period offered by generators.

<https://www.financialexpress.com/industry/discoms-outstanding-dues-to-gencos-nearly-halved-to-rs-62681-cr-in-jan/2940111/>

Coal-based power generation rises 15 pc in Dec: Official data

Country's coal-fired power generation increased by 15.03 per cent to 98,443 million units (MU) in December, as per official data. Coal-based power generation — which accounts for 76.59 per cent of the total power generation in the country — stood at 85,579 MU in the corresponding month of the previous fiscal. According to the monthly statistics (provisional) of December, 2022 of the coal ministry, both coal-based power generation and overall power generation has registered a year-on-year increase in December 2022. "Coal-based power generation has registered a growth of 15.03 per cent in December'22 as compared to December'21 and overall power generation in December'22 has been 13.65 per cent higher than the power generated in December'21," it said.

<https://www.financialexpress.com/industry/coal-based-power-generation-rises-15-pc-in-dec-official-data/2940126/>

Local carbon credit trade likely to kick off in July-September: Power Secretary

India could look at the first trade of carbon credits in July-September, while the registry for credits could be completed in the next 3-4 months, power secretary Alok Kumar told ET. "For carbon credit market, we have set a very tough target for ourselves. A lot of groundwork has to be done," he said in an interview. The Energy Conservation (Amendment) Bill, 2022, which encourages the use of green hydrogen and renewable energy, and promotion of carbon trading was cleared by Parliament in December. The power ministry is also taking measures to meet higher electricity demand in summer, Kumar said.

<https://economictimes.indiatimes.com/industry/energy/power/local-carbon-credit-trade-likely-to-kick-off-in-july-september-power-secretary/articleshow/96837720.cms>

Telecom

Indian undersea cable landing stations increase their capacity by nine times between 2016-2021: TRAI report

Undersea cable operators have massively increased their capacity in India between 2016 and 2021. As data usage increases massively in the country, data collated by the Telecom Regulatory Authority of India (TRAI) shows that the total activated capacity of cable landing stations increased nine times over, and lit capacity increased by four times. The TRAI report also stated that India's international bandwidth demand would become tenfold by 2028, as international bandwidth is expected to grow at a compound annual growth rate of 38 per cent. As of now, India has 17 submarine cables coming from different parts of the world to connect with the terrestrial networks at the cable landing stations near the coast. Mumbai and Chennai have the maximum concentration of submarine cables. Also,

new submarine cables, under planning or construction, will make landfall at the different coastal cities , including some recent locations like Digha (in West Bengal) and Mahuva (in Gujarat), according to the TRAI report.

<https://www.thehindubusinessline.com/info-tech/indian-undersea-cable-landing-stations-increase-their-capacity-by-nine-times-between-2016-2021-traireport/article66353161.ece>

Healthcare

Demand for Indian generic drugs skyrockets in China amid Covid surge

The demand for Indian generic drugs has shot up in China amid the massive COVID surge in the country, with Chinese experts cautioning that fake versions of these drugs are flooding the market. China's National Health Security Administration said on Sunday that Pfizer's Paxlovid oral medication, which is used to treat Covid-19, could not be included in the "register of drugs in the basic medical insurance", because the company's quotation was too high, media reports here said. Due to the massive short supply of Paxlovid, demand for Indian generic versions has gone up through Chinese e-commerce platforms. "On the Chinese e-commerce platforms... At least four generic COVID drugs produced in India - Primovir, Paxista, Molnurat, and Molnatris - have been listed for sale in recent weeks. Primovir and Paxista are both generic versions of Paxlovid, while the other two are generic versions of Molniravir," Chinese media outlet Sixth Tone reported.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/demand-for-indian-generic-drugs-skyrockets-in-china-amid-covid-surge/articleshow/96836304.cms>

External

India-US trade policy forum meet on January 11

The India-US Trade Policy Forum (TPF), set up to resolve trade and investment issues between the two countries, will hold a meeting in Washington on January 11, the commerce ministry said on Sunday. The TPF has five focus groups, on agriculture, investment, innovation and creativity (intellectual property rights), services, and tariff and non-tariff barriers. The meeting will be co-chaired by commerce and industry minister Piyush Goyal and US trade representative Katherine Tai. Goyal will be on an official visit to New York and Washington DC from January 9-11, the ministry said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-us-trade-policy-forum-meet-on-january-11/articleshow/96837555.cms>

With FTA benefits, garment exports to Australia may see a 30% jump in 2023

Garment exports from India to Australia are likely to see a jump of 30 per cent in the coming year as a result of the India-Australia FTA (free trade agreement), says industry body. As the India-Australia FTA kicked off on December 29, 2022, various Indian products, including textiles and apparel, will have preferential market access to the Australian market with zero customs duty. "We are witnessing more order flow from Australia and expect the garment exports to see an increase of about 30 per cent this year," KM Subramanian, President, Tiruppur Exporters' Association (TEA), told businessline. It is gathered that garment exports from India to Australia stood at about ₹900 crore in 2021, and the same is expected to have grown to about ₹1,200 crore in 2022, with the Tiruppur region accounting for about 60 per cent of these exports to Australia. However, overall textile and apparel exports from India to Australia were estimated at \$392 million in 2020-21. India's 70 per cent of textile products and 90 per cent of apparel products faced duty on export to Australia. With the elimination of duty under the FTA, India's exports of textiles and apparel are expected to grow from \$392 million to \$1,100 million in the next 3 years, according to estimates.

<https://www.thehindubusinessline.com/economy/with-fta-benefits-garment-exports-to-australia-may-see-a-30-jump-in-2023/article66353162.ece>

Customs duty on 35 items may be hiked in Budget

India has drawn up a list of over 35 items that are being examined for a possible customs duty increase in the upcoming budget, scheduled to be announced on February 1. Private jets, helicopters, high-end electronic items, plastic goods, jewellery, high-gloss paper and vitamins are among items that are on the list prepared by the government. "A list has been drawn up based on the inputs from various ministries that are being examined," said a

government official. The move is aimed at curtailing imports and also to encourage local manufacturing of some of these products.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/customs-duty-on-35-items-may-be-hiked-in-budget/articleshow/96841037.cms>

Indo-Bangla Friendship Pipeline likely to be commissioned in February

The ambitious 130-km long Indo-Bangla Friendship Pipeline (IBFPL), constructed at a cost of Rs 377.08 crore, is likely to be commissioned by next month, official sources said on Sunday. The international oil pipeline, IBFPL, will carry fuel from Assam-based Numaligarh Refinery Ltd's (NRL) marketing terminal at Siliguri in West Bengal to the Parbatipur depot of Bangladesh Petroleum Corporation (BPC). The mechanical works of the bilateral project, being funded by India, was completed on December 12 last year, a senior official of NRL told PTI on condition of anonymity.

<https://www.financialexpress.com/industry/indo-bangla-friendship-pipeline-likely-to-be-commissioned-in-february/2940139/>