



March 01, 2023 – Wednesday

Economy

Q3 GDP growth falls to 4.4%, manufacturing shrinks; FY23 growth seen at 7%

India's economy is estimated to have grown at 4.4% on-year in the fiscal third quarter, slowing down from the previous two quarters, and a tad slower than expected, mainly as manufacturing activity took a hit, and favourable base faded away, the government data showed today. A Reuters poll of analysts had expected India's Q3FY23 GDP would probably grow at 4.6% year-on-year. Previously, the country's GDP growth stood at 6.3 per cent in the July-September quarter, and at 13.5 per cent in April-June quarter. India's GDP at constant prices in Q3 FY 2022-23 is estimated at Rs 40.19 lakh crore, the Ministry of Statistics and Programme Implementation said. "The Q3 GDP growth rate at 4.4% is on expected lines. The loss in growth momentum is due to fading away of favorable base effect, slowdown in pent up demand due to high inflation & interest rates and contraction in manufacturing sectors. Some of the high frequency indicators were already pointing at muted growth for the quarter vs Q2, hence, lower GDP growth rate in Q3 didn't come as a surprise," said Ritika Chhabra, Quant Macro Strategist, Prabhudas Lilladher PMS. Manufacturing contracted in the third quarter, with the growth coming in at -1.1% (negative). Meanwhile, Q3 farm growth was at 3.7 per cent, mining growth at 3.7 per cent, and trade, hotel, transport, telecom growth at 9.7 per cent year-on-year.

<https://www.financialexpress.com/economy/india-slows-down-gdp-growth-falls-to-4-4-in-q3-as-manufacturing-slumps-full-fy23-growth-likely-at-7/2995430/>

Output of eight core sectors grows at 4-month high of 7.8% in January

Production of eight infrastructure sectors expanded at a four-month high of 7.8 per cent in January 2023 on better show by coal, fertiliser, steel and electricity segments, according to official data released on Tuesday. The output of core sectors had increased by 4 per cent in January 2022 and by 7 per cent in December 2022. Barring crude oil, all the eight segments posted an increase in production. Crude oil output contracted by 1.1 per cent in January. The growth rate of eight infrastructure sectors -- coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity -- stood at 7.9 per cent in April-January this fiscal as against 11.6 per cent during the same period last fiscal.

https://www.business-standard.com/article/economy-policy/output-of-eight-core-sectors-grows-at-4-month-high-of-7-8-in-january-123022800784_1.html

Apr-Jan fiscal deficit comes at \$144.19 bn; touches 68% of full-year target

India's fiscal deficit for the 10 months through January touched 11.91 trillion rupees (\$144.19 billion), nearly 68 per cent of annual estimates, government data showed on Tuesday. Net tax receipts rose to 16.89 trillion rupees while total expenditure was 31.68 trillion rupees, the data showed. India aims to end the current fiscal year with a budget deficit of 6.4 per cent.

https://www.business-standard.com/article/economy-policy/apr-jan-fiscal-deficit-comes-at-144-19-bn-touches-68-of-full-year-target-123022800697_1.html

CEA Nageswaran says 7% growth forecast for current fiscal 'very realistic'

Chief Economic Advisor V Anantha Nageswaran on Tuesday said high frequency data indicate buoyant economic growth momentum and the 7 per cent GDP growth estimate for the current fiscal is very realistic. He also said that there are enough signs that manufacturing is in good health. "Inflation is softening and the pass through from wholesale prices has run its course we do have some uncertainty related to monsoon because of El Nino activity we need to be ready with both supply side and monetary policy measures in the course of the next financial year," Nageswaran told reporters. According to him, the GDP growth forecast of 6.5 per cent for the next fiscal is well within the range of forecast by other agencies like OECD and ADB but there are downside risks. "We need to be prepared for tighter financial conditions globally, weather-related uncertainties and geopolitical factors. 2023-24 may not see a big ticker shock as we saw in early months of 2022-23 as the war broke out in 2022 but nonetheless some of the underlying factors are still simmering and we need to be watchful," Nageswaran said.

https://www.business-standard.com/article/economy-policy/cea-nageswaran-says-7-growth-forecast-for-current-fiscal-very-realistic-123022801238_1.html

Banking and Finance

Housing, auto drive personal loan growth in January: RBI data

Growth in personal loans accelerated to 20.4 per cent annually in January 2023 largely driven by 'housing' and 'vehicle loans', according to data released by the Reserve Bank on Tuesday. The growth in the personal loans segment was 12.8 per cent in January 2022. The data on sectoral development of bank credit in January 2023 showed that the personal loan outstanding on January 27, 2023, was Rs 39.59 lakh crore as against 32.87 lakh crore in a year ago. Data further revealed that housing loan outstanding was Rs 18.88 lakh crore in January this year as against Rs 16.36 lakh crore a year ago. The loan outstanding in the vehicle segment was nearly Rs 5 lakh crore in January 2023 against Rs 3.95 lakh crore in January 2022.

<https://www.financialexpress.com/industry/banking-finance/housing-auto-drive-personal-loan-growth-in-january-rbi-data/2995549/>

Record high temperatures in Feb may lead to more rate hikes from RBI, says India Ratings

The record heat in February can lead to more rate hikes from RBI, a domestic rating agency said on Tuesday. The high temperatures will impact the wheat production, the rating agency said, adding that the surge in wheat prices contributed to over a tenth of the retail inflation in December and January, which is way above their weight in the basket. Earlier in the day, the Met office said February 2023 has been the warmest in 122 years and asked everybody to brace for more heat waves going forward. In a note shared before the release of the IMD data, India Ratings said the country would again undergo a "terminal heat stress", pointing out that on an average, the maximum temperature in Punjab, a key wheat-growing area, was 4 to 5 degree Celsius higher than the normal between 17-23 February.

<https://economictimes.indiatimes.com/news/economy/policy/record-high-temperatures-in-feb-may-lead-to-more-rate-hikes-from-rbi-says-india-ratings/articleshow/98313498.cms>

Government incurred Rs 31,68,648 crore worth of expenditure till Jan 2023

The government incurred Rs 31,68,648 crore as expenses up to January 2023, which was 75 per cent of of the corresponding revised estimate of 2022-23. According to the monthly account data released by the Finance Ministry on Tuesday, out of the total expenditure incurred by the government, Rs 25,97,756 crore was on revenue account and Rs 5,69,892 crore was on capital account. Out of the total revenue expenditure, Rs 7,38,658 crore was on account of interest payments and Rs 3,99,400 crore was on account of major subsidies. The government received Rs 19,76,483 crore (81.3 per cent of corresponding revised estimate of total receipts for current fiscal) upto January 2023 comprising Rs 16,88,710 crore tax revenue, Rs 2,30,939 crore of non-tax revenue, and Rs 57,194 crore of non-debt capital receipts.

https://www.business-standard.com/article/economy-policy/government-incurred-rs-31-68-648-crore-worth-of-expenditure-till-jan-2023-123022801136_1.html

States borrow a record Rs 32,800 crore, cost jumps by 7 bps to 7.68 pc

Despite near 60 per cent more supplies, the states continued to pay more for their market borrowing with the average bond pricing rising by 7 basis points to a multi-week high of 7.68 per cent at the weekly auction on Tuesday.

For the past many weeks, the yields were more or less stagnant and so was the debt-raising. Fourteen states raised a record-high Rs 32,800 crore from the market by issuing state government securities (SGS), which is a sharp 59 per cent higher than the year-ago level, even though the amount is 8 per cent lower than indicated in the auction calendar, Aditi Nayar, the chief economist & head of research at Icra Ratings said in a review note.

<https://economictimes.indiatimes.com/news/economy/finance/states-borrow-a-record-rs-32800-crore-cost-jumps-by-7-bps-to-7-68-pc/articleshow/98309096.cms>

Industry

Passenger vehicle sales expected to grow 9-10% in 2024: Crisil Ratings

India's passenger vehicle sales are expected to grow about 9%-10% in fiscal year 2024, roughly 20% above pre-pandemic peak levels, as strong demand and easing chip shortages prop-up the world's fourth-largest car market, ratings agency Crisil said on Tuesday. Higher incomes and a strong order book driven by pent-up demand, especially for sport utility vehicles (SUVs), will support domestic growth even as exports remain sluggish, helping vehicle sales touch a record of 5 million units in the next fiscal year, Crisil Ratings said. Sharper focus by original equipment manufacturers (OEMs) on SUVs, including compact SUVs, fuelled by customer preference, "is driving growth, even as sales of sedans and entry level passenger cars remains sluggish," Anuj Sethi, senior director at the agency said.

https://www.business-standard.com/article/economy-policy/passenger-vehicle-sales-expected-to-grow-9-10-in-2024-crisil-ratings-123022800516_1.html

Industry asks govt to make 'Vivad se Vishwas' scheme attractive for MSMEs

The industry has suggested that the Vivad se Vishwas scheme announced in the Budget for MSMEs should be made attractive in terms of reimbursements and interest rates, a senior government official said on Tuesday. They also demanded a robust grievance redressal system on digital portals and a mechanism to resolve disputes before the initiation of an arbitration process. These issues were raised during a post-Budget webinar on 'Ease of doing business using technology, especially for small businesses', organised by the Department for Promotion of Industry and Internal Trade (DPIIT).

https://www.business-standard.com/article/economy-policy/industry-asks-govt-to-make-vivad-se-vishwas-scheme-attractive-for-msmes-123022800819_1.html

Many retailers are now betting big on larger outlets

Brands across categories are reversing a decade-old trend of launching smaller outlets by opening big stores, not to keep more products but to give better experience to shoppers. Fashion retailers including Levi's, Tasva of Aditya Birla Fashion and Retail, Celio, Puma, and Apparel Group India that sells brands such as Aldo, Charles & Keith and Bath and Body Works, eyewear brand John Jacobs, and restaurant operator Chrome Hospitality, among others, have increased their average store size by 30-40% while a few have doubled their store sizes despite rising rentals as consumers increasingly look for experience, industry watchers said.

<https://economictimes.indiatimes.com/industry/services/retail/many-retailers-are-now-betting-big-on-larger-outlets/articleshow/98316345.cms>

Agriculture

Onion prices will stay depressed till mid-March: Experts

Onion prices will stay depressed till the arrival of the long shelf life rabi or winter crop in the markets in mid-March, experts said on Tuesday. There is a supply glut in the market which has led to events like farmers getting a pittance of their input costs for the produce and also angry farmers halting trading at Asia's biggest market place Lasalgaon in Maharashtra, on Monday, they said. Independent farm sector analyst Deepak Chavan told PTI that there are a variety of reasons for the current spate of troubles which has led to panic selling by farmers as the shelf life of the late kharif harvest is too small, and called for government intervention. Chavan said more farmers sowed the 'late kharif' variety rather than the kharif variety this year leading to an increase in acreage and estimated that productivity has gone up by up to 20 per cent leading to the current situation.

<https://www.financialexpress.com/economy/onion-prices-will-stay-depressed-till-mid-march-experts/2995481/>

Cotton growers to get water from April, says Punjab CM Bhagwant Mann

Punjab Chief Minister Bhagwant Mann on Tuesday reviewed the preparedness of the state government to supply canal water to cotton cultivators from April 1. Chairing a meeting of the irrigation department here, the chief minister said from April 1, canal water has to be made available for cotton crop cultivation to farmers, according to an official release. He said the water supply must be ensured in the cotton belt of the state. Mann asked the officers to ensure uninterrupted and adequate canal water supply at the tail ends to ensure sufficient water supply for the cotton crop. Police should be deputed to check stealing of canal water so as to avoid any sort of inconvenience to the farmers, he said.

https://www.business-standard.com/article/economy-policy/cotton-growers-to-get-water-from-april-says-punjab-cm-bhagwant-mann-123022801221_1.html

Infrastructure

India approves \$3.9 bn hydropower project near China border in northeast

India approved its largest ever hydropower project in the mountainous northeastern region bordering China as the country seeks to build renewable generation to meet rising power demand. The government approved the estimated investment of 319 billion rupees (\$3.9 billion) for the 2,880-megawatt Dibang project in Arunachal Pradesh, state-run hydropower producer NHPC Ltd. said Monday. The project is estimated to take nine years to build. India has classified hydropower as renewable energy and sees it as key in its transition away from coal to help manage the fluctuations caused by intermittent solar and wind supplies. However, the large-scale environmental damage and dislocation of communities to construct dams has hampered those plans, with local protests delaying projects and adding to construction costs.

https://www.business-standard.com/article/economy-policy/india-approves-3-9-bn-hydropower-project-near-china-border-in-northeast-123022800489_1.html

Govt withdraws trading licences of oil tankers, cargo vessels of over 25 years of age

The government has withdrawn trading licences of oil tankers, bulk carriers and general cargo vessels that are more than 25 years old, according to a Directorate General of Shipping (DGS) order. The move is aimed at enhancing the safety of life at sea, encouraging a younger fleet and meet global rules on ship emissions, the order stated. The existing guidelines stipulate that no prior technical clearance is required for acquisition of vessels below 25 years of age and would be required for vessels of and above 25 years of age, the DGS said in an order. "...there is a need to modernise the Indian fleet, which requires extensive review of the requirements of the registration and operation of the ships, to ensure quality tonnage under Indian flag," Directorate General of Shipping, Mumbai said in the order on age norms and other qualitative parameters with regard to vessels.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/govt-withdraws-trading-licences-of-oil-tankers-cargo-vessels-of-over-25-years-of-age/articleshow/98314524.cms>

Energy

Biomass market in India is expected to reach Rs 32,000 cr by FY31, says report

Biomass market in India is expected to reach Rs 32,000 crore by FY2030-31 piggybacking on government schemes as well as investments from global green energy companies, according to a report. The launch of new schemes in the support of biomass cogeneration projects is playing a crucial role in the capacity additions of small biogas plants located in remote and rural parts of India, the report by 1Lattice, a technology-enabled decision support organisation, said. The Indian biomass market is attracting investments from global green energy companies. There is a growing demand for the supply of clean and reliable power to businesses in India and biomass as a source of energy is expected to play a crucial role in meeting the power demand, the report explained.

<https://www.financialexpress.com/industry/biomass-market-in-india-is-expected-to-reach-rs-32000-cr-by-fy31-says-report/2995194/>

Healthcare

250 mn records of individuals linked to Ayushman Bharat Health Accounts

Over 25 crore health records of individuals have been linked digitally to Ayushman Bharat Health Account under the National Health Authority's flagship scheme Ayushman Bharat Digital Mission. These records can be easily accessed and managed by people using any of the Ayushman Bharat Digital Mission (ABDM) enabled health applications. The digitally available health records will enable the Ayushman Bharat Health Account (ABHA) holders in availing paperless health services across the ABDM network, a statement by the National Health Authority (NHA) said on Tuesday. Individuals can use their Personal Health Records (PHR) apps to access their records across different health facilities like hospitals, clinics, diagnostic labs, among others, and store them in the app. They can also digitally share the relevant records with verified healthcare providers over the ABDM network.

https://www.business-standard.com/article/economy-policy/25-cr-records-of-individuals-linked-to-ayushman-bharat-health-accounts-123022801119_1.html

Jan Aushadhi scheme turnover to top ₹1,000 crore this fiscal: Officials

With an increase in number of pharmacies and new product launches, including sale of medical devices like oxymeters, India's generic medicine scheme – Jan Aushadhi – is expecting a “substantial increase in turnover” this fiscal to “over ₹1,000 crore”, senior officials of the Department of Pharmaceuticals said.

<https://www.thehindubusinessline.com/news/jan-aushadhi-scheme-turnover-to-top-1000-crore-this-fiscal-officials/article66564228.ece>

Sops likely for R&D on rare condition drugs

The government will soon firm up a roadmap to encourage research and development of orphan drugs - medicines used for the treatment of rare conditions which are often serious or life threatening. Incentives could be offered to the private sector in the form of faster approvals and an extended period of exclusivity for orphan drugs. Since only a small population of patients is affected by these rare conditions and so needs such drugs, it is often not profitable enough for the private sector to venture into them without government support.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/sops-likely-for-rd-on-rare-condition-drugs/articleshow/98315703.cms>

External

S Jaishankar holds talks with counterparts from Brazil, Turkey, Mauritius

External Affairs Minister S Jaishankar on Tuesday held separate bilateral talks with his counterparts from Brazil, Turkiye and Mauritius with a focus on the agenda of the G20 foreign ministers' meeting and the Ukraine conflict. The foreign ministers of the three countries are in Delhi to attend the crucial G20 meeting on March 1 and 2. On his meeting with Brazilian Foreign Minister Mauro Vieira, Jaishankar said the momentum in the bilateral relations, especially in the economic and energy domains figured in the talks. "Delighted to host FM Mauro Vieira of Brazil this evening. As G20 Troika members, discussed the issues coming up at the Foreign Ministers' Meeting," he said on Twitter. "Took note of the momentum in our bilateral relations, especially in the economic and energy domains," Jaishankar said. He further said it was agreed to strengthen multilateral cooperation, including in the UN, BRICS (Brazil-Russia-India-Chins-South Africa) and IBSA.

https://www.business-standard.com/article/current-affairs/s-jaishankar-holds-talks-with-counterparts-from-brazil-turkey-mauritius-123022801355_1.html

Indian importers hedge less, assured by RBI's rupee support, data suggests

Indian importers are taking less insurance against foreign exchange fluctuations, data indicates, on expectations that the central bank will continue to intervene to keep the rupee above the key psychological level of 83 per U.S. dollar. Dollar purchases by importers for delivery beyond the spot date dropped in February, according to Reuters calculations based on data by the Clearing Corporation of India. "With the RBI active, importers are eyeing the 83 level and waiting. Instead of forwards, they are looking at options," said Abhishek Goenka, chief executive of IFA Global, which manages or advises on over \$20 billion worth of Indian companies' forex exposure.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indian-importers-hedge-less-assured-by-rbis-rupee-support-data-suggests/articleshow/98302827.cms>