



March 02, 2023 – Thursday

Economy

Data revision of previous years behind decline in manufacturing in Q3: CEA

Chief Economic Advisor V Anantha Nageswaran on Wednesday said the performance of the manufacturing sector and growth rate in private consumption expenditure in the December quarter of 2022-23 is appearing 'depressed' because of higher base. According to Nageswaran, the GDP growth base was inflated due to data revision for the past three years. While the growth rate for 2021-22 has been revised up by 40 basis points to 9.1 per cent, from 8.7 per cent, the GDP for 2020-21 (Covid impacted year) too has been revised upwards to (-) 5.8 per cent, from (-) 6.6 per cent. For 2019-20 also, the growth has been revised upwards to 3.9 per cent, from 3.7 per cent. The data showed that the manufacturing sector contracted by 1.1 per cent in the October-December quarter, and private consumption expenditure slowed to 2.1 per cent. According to Nageswaran, but for the revision in data, which resulted in a higher base, the manufacturing sector would have shown an increase of 3.8 per cent year-on-year and private consumption expenditure would have grown 6 per cent in the October-December quarter

https://www.business-standard.com/article/economy-policy/data-revision-of-previous-years-behind-decline-in-manufacturing-in-q3-cea-123030100419_1.html

India's unemployment rate rose to 7.45% from 7.14% in January: CMIE

India's unemployment rate rose to 7.45% in February from 7.14% in the previous month, data from the Centre for Monitoring Indian Economy (CMIE) showed on Wednesday. The urban unemployment rate declined to 7.93% in February from 8.55% in the previous month, while the rural unemployment rate rose to 7.23% from 6.48%, the data showed.

https://www.business-standard.com/article/economy-policy/india-s-unemployment-rate-rose-to-7-45-from-7-14-in-january-cmie-123030100231_1.html

Manufacturing PMI at a 4-month low of 55.3 in Feb as input costs rise

India's purchasing managers' index (PMI) for manufacturing in February saw a marginal decline to a four-month low of 55.3, from 55.4 in January, as input costs in the manufacturing industry increased further and new orders from abroad increased only fractionally, said a private survey on Wednesday. "Input costs in the manufacturing industry increased further, with firms mentioning higher prices for electronic components, energy, foodstuff, metals and textiles. However, the rate of inflation was still below its long-run average and among the weakest in over two years", the survey by S&P Global noted.

https://www.business-standard.com/article/economy-policy/manufacturing-pmi-at-a-4-month-low-of-55-3-in-feb-as-input-costs-rise-123030100416_1.html

Moody's ups India's growth projection for 2023 to 5.5% on higher capex

Moody's Investors Service on Wednesday raised India's economic growth estimate for 2023 to 5.5 per cent from 4.8 per cent pegged earlier, on the back of a sharp increase in capital expenditure in the Budget and a resilient economic momentum. It however revised downwards India's growth estimate for 2022 to 6.8 per cent from 7 per cent pegged

in November last year. In its February update to Global Macro Outlook 2023-24, Moody's raised the baseline 2023 real growth projections "meaningfully" for several G20 economies, including the US, Canada, the Euro area, India, Russia, Mexico, and Turkiye, accounting for a stronger end to 2022.

https://www.business-standard.com/article/economy-policy/moody-s-ups-india-s-growth-projection-for-2023-to-5-5-on-higher-capex-123030100337_1.html

Banking and Finance

RBI launches 2 surveys to gather 'useful inputs' for monetary policy

The Reserve Bank of India on Wednesday launched two key surveys, results of which provide "useful inputs" for the central bank's bi-monthly monetary policy. One of the surveys is to know inflation expectations of households and the other is to gauge the consumer confidence. The March 2023 round of Inflation Expectations Survey of Households (IESH), RBI said, aims at capturing subjective assessments on price movements and inflation, based on their individual consumption baskets, across 19 cities. The cities are: Ahmedabad, Bengaluru, Bhopal, Bhubaneswar, Chandigarh, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Jammu, Kolkata, Lucknow, Mumbai, Nagpur, Patna, Raipur, Ranchi and Thiruvananthapuram. "The survey seeks qualitative responses from households on price changes (general prices as well as prices of specific product groups) in the three months ahead as well as in the one year ahead period and quantitative responses on current, three months ahead and one year ahead inflation rates," it said.

https://www.business-standard.com/article/economy-policy/rbi-launches-2-surveys-to-gather-useful-inputs-for-monetary-policy-123030101201_1.html

All ministries, departments to be on E-bill platform by March 2024

The government will bring all the central ministries and departments on the e-Bill platform before March 2024 to help ensure timely clearance of bills submitted by their vendors and contractors and reduce the chance of corruption, finance secretary TV Somanathan said Wednesday. So far, 350 departments are on the paperless and faceless e-Bill system that was rolled out last year, enabling online bill payment and tracking, Somanathan said at a function to commemorate the Civil Accounts Day here. "We now need to get all of the rest (department) also, as soon as possible and definitely before the next Civil Account Day," he said.

<https://economictimes.indiatimes.com/news/economy/policy/all-ministries-departments-to-be-on-e-bill-platform-by-march-2024/articleshow/98344363.cms>

Feb GST collection up 12% YoY to Rs 1.49 trn, dips month-on-month

The goods and services tax (GST) collection in February stood at Rs 1.49 trillion, up about 12 per cent over the same month last year, when the figure was Rs 1.33 trillion. With this, the monthly GST revenues remained over Rs 1.4 trillion for 12 straight months, the Finance Ministry said on Wednesday while releasing provisional data. However, the February figures are lower than those achieved in the previous month. In January, the GST mop-up stood at Rs 1.56 trillion, the highest after Rs 1.68 trillion in April of the current financial year.

https://www.business-standard.com/article/economy-policy/feb-gst-collection-up-12-yoy-to-rs-1-49-trn-dips-month-on-month-123030100747_1.html

Industry

Indian tech sector to grow 8.4% in FY23 to \$245 billion: Nasscom

The Indian technology industry is set to grow by 8.4 per cent in FY23 to become a USD 245 billion sector, Nasscom said on Wednesday. The sector had revenues of USD 226 billion in FY22, the industry lobby said in its strategic review. The cross currency headwinds have shaved off over 2 per cent of the revenue growth. Nasscom president Debjani Ghosh said it will be difficult to make a prediction for revenue growth in FY24, but pointed to a chief executives' survey which said they are "cautiously optimistic" about the new fiscal.

https://www.business-standard.com/article/economy-policy/indian-tech-sector-to-grow-8-4-in-fy23-to-245-billion-nasscom-123030100546_1.html

Passenger vehicle sales to surpass pre-pandemic peak to reach 50 lakh units next fiscal

Surpassing the pre-pandemic peak of 40.5 lakh units of passenger vehicles (PV) sold, overall sales of PVs will grow 9-10 per cent on-year next fiscal to reach around 50 lakh units, according to a report by CRISIL. The peak, expected to be crossed this fiscal, will be the highest sales achieved by domestic PV original equipment manufacturers (OEMs). The growth in order booking is being driven by pent-up demand and higher incomes and this is being seen especially in the case of sport utility vehicles (SUVs). "Sharper focus of 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," said Anuj Sethi, Senior Director, CRISIL Ratings. He added that export growth is expected at 2-4 per cent, courtesy the restrictions on repatriation of foreign exchange and high inflationary trends in export markets.

<https://www.financialexpress.com/industry/passenger-vehicle-sales-to-surpass-pre-pandemic-peak-to-reach-50-lakh-units-next-fiscal/2996257/>

Persistent chip, logistics woes frustrate car delivery timelines

Automotive (auto) companies are staring at a long road to delivery as open order books (as of February) range between 700,000 and 720,000 units, with waiting periods for some models stretching into more than a year.

https://www.business-standard.com/article/automobile/automotive-firms-stare-at-a-long-road-to-delivering-pending-order-book-123030100937_1.html

High-speed electric scooter retail sales log marginal rise

Retail sales of high-speed electric scooters rose marginally month-on-month in February, even as overall registrations of two-wheelers in the local market remained flat on back of weak consumer sentiment at the price-sensitive entry level. As many as 65,263 high-speed electric scooters were registered last month, an increase of 1.6% on a sequential basis, data available on the VAHAN portal of the Ministry of Road, Transport & Highways (MoRTH) showed. With this, penetration of electric two-wheelers in overall sales of motorcycles and scooters inched up to 5.2% last month, from 5.1% in January.

<https://economictimes.indiatimes.com/industry/renewables/high-speed-electric-scooter-retail-sales-log-marginal-rise/articleshow/98343554.cms>

Agriculture

Government sets a target of 35 MT for wheat procurement

The government has set a target of procuring 35 MT of wheat during the marketing year 2023-2024. This has been decided at a meeting of officials from the food ministry, state food departments and the Food Corporation of India (FCI). "The target has been set at 350 LMT for wheat procurement," said a senior official present at the meeting during which the decision was taken. Last year, wheat procurement for the central pool had declined to 18.79 MT from 43.3 MT in the 2021-22 marketing year due to early onset of heat which led to a drop in production and increased private purchase of the commodity.

<https://economictimes.indiatimes.com/news/economy/agriculture/government-sets-a-target-of-35-mt-for-wheat-procurement/articleshow/98342083.cms>

Infrastructure

Mumbai jumps to 37th place globally in price growth in luxury housing

Mumbai's rank has improved to 37th from 92nd in a global list of movement in prices of luxury homes as the city saw an appreciation of 6.4 per cent during 2022 calendar year, according to Knight Frank India. In a virtual conference, property consultant Knight Frank on Wednesday released its 'The Wealth Report 2023'. "The value of Prime International Residential Index (PIRI 100) that tracks the movement in luxury house prices across the world increased by 5.2 per cent YoY (year-on-year) in 2022," Knight Frank said.

https://www.business-standard.com/article/current-affairs/mumbai-jumps-to-37th-place-globally-in-price-growth-in-luxury-housing-123030100938_1.html

Energy

Coal production increases by 15% to 784 mn tonnes during Apr-Feb 2022-23

India's coal production increased by 15.10 per cent to 784.41 million tonnes during April 2022-February 2023 as compared to 681.5 million tonnes produced during the same period of last year. Coal India Ltd (CIL) reported production of 619.70 million tonnes up to February 2023 as compared to 542.38 million tonnes during the same period of the last fiscal, an increase of 14.26 per cent. Total coal despatch was 793.86 million tonnes during April 2022-February 2023 as compared to 740.96 million tonnes during same period of last year, a growth of 7.14 per cent which shows steady and efficient amount of coal despatch to various sectors.

https://www.business-standard.com/article/economy-policy/coal-production-increases-by-15-to-784-mn-tonnes-during-apr-feb-2022-23-123030100925_1.html

India's electricity consumption grows over 9% to 117.84 bn units in Feb

India's power consumption logged a year-on-year growth of over nine per cent to 117.84 billion units in February this year, according to government data. The robust growth of power consumption indicates sustained momentum of economic activities in February. Experts had earlier said that power consumption and demand would register a substantial increase in March due to further improvement in economic activities as well as rise in temperature. In February 2022, power consumption stood at 108.03 billion units (BU), higher than the 103.25 BU in the same month of 2021, the data showed.

https://www.business-standard.com/article/economy-policy/india-s-electricity-consumption-grows-over-9-to-117-84-bn-units-in-feb-123030100448_1.html

Petrol, diesel sales up 12-13% in February

Domestic sales of petrol and diesel rose 12% and 13% respectively in February over the same month last year on account of increased mobility of people and goods in an expanding economy. Petrol and diesel sales in February were 20% and 8% higher respectively than in the same month of 2020 ahead of the Covid lockdowns, according to the preliminary sales data from state-run oil companies. The lockdowns, which began in March 2020, disrupted mobility and sharply cut fuel demand. Jet fuel sales in February were 41% higher than in the same month last year but 10% lower than in 2020, showing how the aviation industry still needed some time to reach the pre-pandemic level.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/petrol-diesel-sales-surge-in-february-after-winter-lull/articleshow/98329749.cms>

28% fall in cost of emissions reductions by Indian businesses: WRI study

A carbon market simulation study, implemented in 2020-21, included 21 large Indian businesses, representing about 10 per cent of India's industry emissions, and all elements of a carbon market demonstrated a 28 per cent reduction in the total cost of emissions reductions. The findings from the report on the study were shared at the Business 20 (B20)-Think20 (T20) convening in Mumbai on Wednesday. B20 and T20 are the official engagement groups of the G20. Led by the World Resources Institute (WRI) India, this study draws on 15 years of international experience with carbon markets and 10 years of domestic experience with MBMs; consultations with large Indian businesses to understand the needs, challenges, and perspectives of the Indian industry; and a first-of-its-kind simulation of a carbon market.

https://www.business-standard.com/article/current-affairs/28-fall-in-cost-of-emissions-reductions-by-indian-businesses-wri-study-123030100692_1.html

Telecom

DoT to call OTT players, telcos to discuss usage charges, revenue sharing

The Department of Telecommunications (DoT) will invite telecom companies and communication apps for a joint discussion on the proposal of imposing interconnect usage charge or revenue sharing, officials said. Industry representations on the matter have so far been separate and sporadic, with each side arguing against the other.

https://www.business-standard.com/article/economy-policy/dot-to-call-ott-players-telcos-to-discuss-usage-charges-revenue-sharing-123030101166_1.html

States

MP govt presents Rs 3.14 trn Budget, alots Rs 8,000 cr for women's welfare

The Madhya Pradesh government on Wednesday presented a Rs 3.14 lakh crore Budget for 2023-24 with a provision of Rs 8,000 crore for Mukhkyamantri Ladli Behna Yojna, a new scheme to be rolled out for the welfare women in the state where the Assembly polls are due this year-end. No new taxes were announced in the Budget which was presented by state Finance Minister Jadjish Devda in the Assembly. He described it as the "Budget of the public". Devda announced a provision of Rs 8,000 crore for the Mukhkyamantri Ladli Behna Yojna, Chief Minister Shivraj Singh Chouhan's flagship scheme.

https://www.business-standard.com/article/current-affairs/mp-govt-presents-rs-3-14-trn-budget-alots-rs-8-000-cr-for-women-s-welfare-123030100757_1.html

External

Pursuing 'great' deal with India, says UK trade minister

Britain is pursuing a "great" trade deal with India to cut tariffs and open up opportunities for the country's services sector, UK Trade and Industry Secretary Kemi Badenoch has said. Highlighting her priorities since taking charge of the newly merged Department for Business and Trade, Badenoch said her ministry is keen to make it easier for British businesses to access the fast-growing Indian economy with the new trade agreement. She also pointed to the ongoing negotiations for the UK's accession into the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) as reflective of a wider strategic shift towards the Indo-Pacific region.

<https://www.financialexpress.com/economy/pursuing-great-deal-with-india-says-uk-trade-minister/2996650/>

Russian crude imports in February up 28% over January

India imported a record 1.6 million barrels per day of crude oil from Russia in February, which made up 35% of its total import and was more than the combined share of Iraq and Saudi Arabia, the second and third-largest suppliers, according to energy cargo tracker Vortexa. The imports from Russia surged 28% over the previous month as an embargo on Russian crude by the European Union made more supplies available to the Indian refiners and the G-7 price cap didn't quite obstruct trade. Historically a minor user of Russian oil due to costly logistics, India imported less than 1% of its crude from Russia in 2021 and no oil at all in February last year.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/russian-crude-imports-in-february-up-28-over-january/articleshow/98343991.cms>

India scraps 2023/24 duty-free import quota on sunflower oil

India has decided to scrap a duty-free imports quota of 2 million tonnes of crude sunflower oil for the next fiscal starting from April 1, the government said on Wednesday, as the world's biggest importer of vegetable oils tries to support local oilseed farmers. The move could lead to higher imports of palm oil, which was earlier attracting taxes even as imports of sunflower oil and soybean were allowed without any taxes under the quota. New Delhi in May 2022 allowed duty free imports of 2 million tonnes of sunflower oil in 2022/23 and had initially planned to repeat that in 2023/24. India sources sunflower oil from Russia and Ukraine.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-scraps-2023/24-duty-free-import-quota-on-sunflower-oil/articleshow/98332735.cms>