



February 27, 2023 – Monday

Economy

India's economic growth appears to be very fragile, says RBI monetary policy committee member Varma

India's economic growth appears to be 'very fragile' and it may fall short of what the country needs to meet the aspirations of its growing workforce, RBI Monetary Policy Committee (MPC) member Jayanth R Varma said on Sunday. In India, Varma said he expects inflation to remain high in 2022-23 but come down significantly in 2023-24. "However, growth appears to be very fragile, and monetary tightening is compressing demand," he told PTI. Explaining further, he said rising EMI payments increases the pressure on household budgets and dampens spending, and exports are struggling in the face of global factors. While noting that high interest rates make private capital investment more difficult, Varma said the government is in fiscal consolidation mode, thus reducing the support to the economy from this source.

<https://www.financialexpress.com/economy/indias-economic-growth-appears-to-be-very-fragile-says-rbi-monetary-policy-committee-member-varma/2993118/>

GDP growth rate seen below 5% in December quarter on a normalising base

India's economic growth may show lower than 5 per cent print in the December quarter of fiscal year 2022-23 (FY23) on a normalising base even though many high frequency indicators signal a sequential improvement in performance.

https://www.business-standard.com/article/economy-policy/india-s-economic-growth-seen-below-5-in-december-quarter-of-fy23-123022600697_1.html

Digital economy can contribute 25% GDP, reach \$7 trn by FY29: K V Kamath

Noted banker KV Kamath, who now chairs the National Bank for Financing Infrastructure and Development (NaBFID), expects the digital sector to contribute a quarter of the incremental GDP by the time the economy becomes a USD 7 trillion giant by FY29. Currently, the contribution of the digital economy is a low 4 per cent, whereas it is as much as 40 per cent in China. The government and planners see the economy becoming the third largest in the world by FY29, overtaking Japan, with a GDP of USD 7 trillion from the present USD 3.3 trillion. The digital economy -- the digital infrastructure, e-commerce and other digital payments and services segments--can be the country's biggest growth-driver and can contribute as much as 25 per cent of the incremental GDP by the time India becomes a USD 7-trillion economy by FY29. Currently, the share is a low 4 per cent, Kamath told PTI in an interaction over the weekend.

https://www.business-standard.com/article/economy-policy/digital-economy-can-contribute-25-gdp-reach-7-trn-by-fy29-k-v-kamath-123022600389_1.html

India offers many tailwind opportunities in various sectors: McKinsey India

Companies must choose growth mindset and constantly evaluate resource allocation to boost growth, McKinsey India said. Growth is the only oxygen that India needs, McKinsey India senior partner Jaidit Brar said at the annual convention of Madras Management Association here. "The drivers of margin accretive growth are relentless cost and value engineering; quality of revenue, new business models and scale benefits," he said at the event which was held on the theme "India's Century: How to Drive Sustainable, Inclusive Growth?". Companies must

choose growth mindset, constantly evaluate resource allocation, pursue adjacent opportunities, serve global markets, he said.

https://www.business-standard.com/article/economy-policy/india-offers-many-tailwind-opportunities-in-various-sectors-mckinsey-india-123022600526_1.html

Banking and Finance

Finance ministry raises capex scrutiny to push growth, focus on states' spending

The finance ministry has stepped up the scrutiny of capital expenditure by various departments like never before to ensure they utilise the funds on time and help stimulate growth, officials said. Spending by states, which will get 13% of the Centre's FY24 budgetary capex outlay in the form of long-term, interest-free loans for asset creation, will be more closely monitored, they added. The ministry is planning more frequent meetings with various departments to review progress, as it feels intended benefits from the capex push won't accrue unless funds are actually spent and, that too, on time.

<https://economictimes.indiatimes.com/news/economy/finance/finance-ministry-raises-capex-scrutiny-to-push-growth-focus-on-states-spending/articleshow/98256035.cms>

CBIC may consider e-filing of pleas as GSTAT not ready yet

The Central Board of Indirect Taxes and Customs (CBIC) is considering allowing e-filing of petitions from aggrieved taxpayers as the setting up of GST Appellate Tribunals (GSTAT) may take another 10 months despite a green signal by the GST Council. The board has submitted before the Bombay High Court that it will not oppose or block any tax litigation if a taxpayer is willing to file an appeal in the high courts. The move brings relief to taxpayers who are awaiting setting up of tribunals and are unable to file writ petitions in high courts. The move brings relief to taxpayers who are awaiting setting up of tribunals and are unable to file writ petitions in high courts.

<https://economictimes.indiatimes.com/news/economy/policy/cbic-may-consider-e-filing-of-pleas-as-gstat-not-ready-yet/articleshow/98255962.cms>

Industry

Cooling prices may hasten the shift to branded products: FMCG companies

Companies selling daily essentials and fast-moving consumer goods (FMCG) are seeing consumers, including in rural markets, starting to buy branded or higher-priced products in categories where product prices have come down, giving hope that a consumption recovery is round the corner with overall inflation progressively abating. Chief executives of several leading listed FMCG companies highlighted in their recent earnings calls that the change in the trend was aided further by price increases by the smaller and regional brands, as well as the unbranded trade, during the peak of inflation.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/cooling-prices-may-hasten-the-shift-to-branded-products-fmcg-companies/articleshow/98256324.cms>

With early summer and expectation of elongated season, AC makers expect 20 pc volume growth

Early onset of summer along with predictions indicating harsh temperature and an elongated season is making residential airconditioner manufacturers grin from ear to ear, expecting 15-20 per cent volume growth this year. Buoyant by early trends of surge in demand, AC makers are expanding their portfolio by adding products in their lineup based on energy-efficient inverter technology and smart features such as IoT and air purifiers. They have also ramped up production to fill the stocks with their channel partners. Besides, the makers also expect higher sales coming from other cooling products such as refrigerators and air coolers.

<https://economictimes.indiatimes.com/industry/cons-products/durables/with-early-summer-and-expectation-of-elongated-season-ac-makers-expect-20-pc-volume-growth/articleshow/98247513.cms>

FinMin pushes PSBs to enhance procurement via GeM to Rs 10,000 cr in FY24

The Department of Financial Services in the Ministry of Finance is pushing public sector banks (PSBs) to enhance their procurement through the Government e-Marketplace (GeM) portal to Rs 10,000 crore in FY24, as it saves cost and brings transparency in the procurement procedure, a senior official said. "Beginning next financial

year, PSBs would be more actively engaged on the platform and are expected to reach about Rs 10,000 crore for FY24. The target for the current financial year is Rs 6,000 crore and they are on track to achieve it. The PSBs have procured Rs 5,000 crore worth of Gross Merchandise Value from the portal,” he added. Canara Bank and Punjab National Bank are leading performers among PSBs in procurement through the GeM portal. Banks generally procure stationery items, transportation services, cleaning services, ATM maintenance, security services, automation services, among other things via GeM.

https://www.business-standard.com/article/economy-policy/finmin-pushes-psbs-to-enhance-procurement-via-ge-m-to-rs-10k-cr-in-fy24-123022600705_1.html

Robust consumption growth, policy support prompts investments in India’s data centres

Investors and developers worldwide are actively looking to invest in the emerging Indian data centre market, which offers promising growth opportunities with new markets being created and campuses rapidly expanding in key cities like Mumbai and Chennai. The surge in over-the-top (OTT) video streaming, online gaming, augmented reality and digital commerce propelled by 5G is projected to increase data consumption, resulting in a corresponding expansion of data centres. This rising preference for India among global data centre majors is attributed to the data localisation norms and the government’s proposed new data centre policy aimed at simplifying the rules. The new data centre policy is also expected to provide necessary clearances and infrastructure in a time-bound manner.

<https://economictimes.indiatimes.com/industry/services/property/-/construction/robust-consumption-growth-policy-support-prompts-investments-in-indias-data-centres/articleshow/98256330.cms>

Agriculture

PM Modi to release 13th instalment of Rs 16,800cr under PM-KISAN on Monday

Prime Minister Narendra Modi will release the 13th instalment of financial benefits worth Rs 16,800 crore to over eight crore eligible farmers under the flagship PM-KISAN scheme on Monday ahead of Holi and rabi harvesting. Under the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), eligible farmers are provided with a financial benefit of Rs 6,000 per year in three equal instalments of Rs 2,000 each every four months. The fund is directly transferred to the bank accounts of the beneficiaries. The Prime Minister will release the 13th instalment at an event to be held at Belagavi, Karnataka, an official statement said on Sunday. Till now, over Rs 2.25 lakh crore of funds have been disbursed under the scheme to more than 11 crore farmer families, primarily small and marginal farmers.

<https://www.financialexpress.com/economy/pm-modi-to-release-13th-instalment-of-rs-16800cr-under-pm-kisan-on-monday/2993278/>

Infrastructure

PM Modi to inaugurate Shivamogga airport on February 27; will lay foundation for other infra projects worth over Rs 3,600 crore

The commercial operations from Karnataka’s Shivamogga airport will begin soon. The greenfield airport will be inaugurated by Prime Minister Narendra Modi during his visit to the state on Monday. The Prime Minister will lay the foundation stone and dedicate several infrastructural projects to the nation. In Shivamogga, the Prime Minister will lay the foundation stone of several developmental projects worth more than Rs 3,600 crore. India’s air connectivity will get another boost with the inauguration of the Shivamogga airport. With the opening of this airport, the people living in the neighboring Malnad region will get direct accessibility. The airport is in line with Prime Minister Narendra Modi’s vision to improve air connectivity all across the country. The newly built airport has been developed at a cost of about Rs 450 crore. The Passenger Terminal Building of the airport can handle 7,200 Passengers on a daily basis.

<https://www.financialexpress.com/infrastructure/airlines-aviation/pm-modi-to-inaugurate-shivamogga-airport-on-february-27-will-lay-foundation-for-other-infra-projects-worth-over-rs-3600-crore-details-inside/2992957/>

335 infra projects show cost overruns of Rs 4.46 lakh crore

As many as 335 infrastructure projects, each entailing an investment of Rs 150 crore or more, have been hit by cost overruns of more than Rs 4.46 lakh crore, as per an official report. According to the Ministry of Statistics and Programme Implementation, which monitors infrastructure projects worth Rs 150 crore and above, out of 1,454

projects, 335 reported cost overruns and as many as 871 projects were delayed. "Total original cost of implementation of the 1,454 projects was Rs 20,59,065.57 crore and their anticipated completion cost is likely to be Rs 25,05,248.43 crore, which reflects overall cost overruns of Rs 4,46,182.86 crore (21.67 per cent of original cost)," the ministry's latest report for January 2023 said. According to the report, the expenditure incurred on these projects till January 2023 was Rs 13,53,875.70 crore, which is 54.04 per cent of the anticipated cost of the projects.

<https://economictimes.indiatimes.com/news/economy/infrastructure/335-infra-projects-show-cost-overruns-of-rs-4-46-lakh-crore/articleshow/98245977.cms>

Critical port linking projects to get Rs 1 lakh crore Gati Shakti push: Sarbananda Sonowal

The Centre has earmarked over ₹1 lakh crore for 100 critical port connectivity projects under the PM Gati Shakti Master Plan, according to minister for ports, shipping and waterways Sarbananda Sonowal. Sonowal told ET that the cost of moving goods through the shipping route is always cheaper as he alleviated concerns raised by Punjab on increasing power costs due to coal movement by coastal shipping. Sonowal's ministry is monitoring the progress of Sagarmala, an ambitious plan for improving port connectivity and developing coastal regions. The initial plan comprised 802 projects, at a budget estimate of ₹5.4 lakh crore. Additionally, 567 new projects with an estimated cost of ₹59,000 crore were added during the last Sagarmala Apex Body meeting held in May last year.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/critical-port-linking-projects-to-get-rs-1-lakh-crore-gati-shakti-push-sarbananda-sonowal/articleshow/98256153.cms>

Energy

Centre asks states to expedite energy efficiency activities on mission mode

The Centre and Bureau of Energy Efficiency (BEE) have directed state governments to expedite energy efficiency activities on a mission mode, Andhra Pradesh State Energy Conservation Mission Chief Executive, A Chandrasekhara Reddy said on Sunday. He said the energy efficiency movement is aimed at securing the interests of future generations and the economy at large. In accordance with the Government of India's policy to increase energy efficiency and substantially reduce greenhouse gas emissions by achieving the country's climate change targets (Panchamrit), the Union Ministry of Power-led BEE has emphasized the need for all state designated agencies to engage deeply in the energy efficiency movement on a mission mode, said Reddy in an official press note. Abhay Bakre, Director General of BEE directed state energy saving bodies to strive to achieve the national energy savings target of 150 million tonnes of oil equivalent of energy, which equates to 750 billion units of electricity. The BEE is scheduled to commemorate its 21st foundation day on March 1 at the Indian Habitat Centre in New Delhi.

https://www.business-standard.com/article/economy-policy/centre-asks-states-to-expedite-energy-efficiency-activities-on-mission-mode-123022600380_1.html

Power Ministry urges states to fill up vacancies in regulatory commissions fast

Concerned over several state electricity regulatory commissions (SERCs) functioning without Chairpersons and adequate strength of members, with posts lying vacant for long periods, the Union Power Ministry has asked state governments to fill up all vacancies in a time-bound manner. Power Secretary Alok Kumar recently wrote to all Chief Secretaries, pointing out that posts lying vacant in these commissions hamper their smooth functioning, and therefore has directed them to expedite filling up of vacancies. The SERCs play an important role in ensuring reliable and quality power supply to consumers and therefore for their smooth functioning, vacancies to the posts of chairpersons and members should be filled up in a time-bound manner, he said in his letter.

<https://economictimes.indiatimes.com/industry/energy/power/power-ministry-urges-states-to-fill-up-vacancies-in-regulatory-commissions-fast/articleshow/98254260.cms>

States

Haryana govt initiates climate-smart agriculture in 1,669 villages

As the situation in Haryana's 85 blocks in 19 districts has been critical with low availability of canal water and an increasing dependency on groundwater, especially for sugarcane cultivation on over 2.5 lakh acres, the BJP-led government has initiated climate-smart agriculture practices in 1,669 villages in 36 blocks. It is now bearing fruit in just a year, and the results are encouraging with the government saying micro-irrigation has increased the yield of

fruits and vegetables by 52 per cent. As per official data, under the Atal Bhujal Yojna programme the government has provided an assistance of Rs 179.39 crore to 19,517 beneficiaries for opting drip, mini-sprinkler and portable-sprinkler systems on 58,000 acres, where water depth has gone down to 100 feet and installing micro-irrigation system is mandatory.

https://www.business-standard.com/article/economy-policy/haryana-govt-initiates-climate-smart-agriculture-in-1-669-villages-123022600198_1.html

Assam to come up with Northeast India's first-ever compressed biogas plant

Chief Minister Himanta Biswa Sarma on Saturday attended as Chief Guest the foundation stone laying ceremony of northeast India's first-ever compressed biogas plant project at Domora Pathar in Sonapur under Kamrup (Metropolitan) district. Being set-up by entrepreneurs Pankaj Gogoi and Rakesh Doley under the banner of Redlemon Technologies, the plant, proposed to be operational from November 2023, will have a production capacity of 5 tonne-per-day of compressed biogas that would be produced from raw materials such as cattle-dung, municipal solid wastes, etc.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/assam-to-come-up-with-northeast-indias-first-ever-compressed-biogas-plant/articleshow/98239529.cms>

External

No ban on onion exports; USD 523 million exported during April-December 2022: Commerce ministry

There is no ban on exports of onion and India has shipped the commodity worth USD 523.8 million during April-December 2022, the commerce ministry said on Sunday. "Government has not restricted or prohibited the export of onions," the ministry said in a statement. In December 2022, onion exports rose by about 50 per cent to USD 52.1 million. During April-December this fiscal, the exports rose by 16.3 per cent to USD 523.8 million.

<https://www.financialexpress.com/economy/no-ban-on-onion-exports-usd-523-million-exported-during-april-december-2022-commerce-ministry/2993204/>

Services exports to cross USD 300 bn this fiscal; \$ 1 trn achievable by 2030: SEPC

Services exports are recording a healthy growth rate and going by this trend, the outbound shipments will cross USD 300 billion in 2022-23, and tapping global opportunities would help achieve USD one trillion target by 2030, SEPC said on Sunday. Services Export Promotion Council (SEPC) Director General Abhay Sinha said support measures in the forthcoming foreign trade policy (FTP) would help further boost the exports. Performance of sectors including IT, ITeS, tourism and healthcare is helping the exports register significant growth rates, he said. "Going by the current growth rate, the services exports will cross USD 300 billion this fiscal," Sinha said.

<https://www.financialexpress.com/economy/services-exports-to-cross-usd-300-bn-this-fiscal-1-trn-achievable-by-2030-sepc/2993166/>

Spinning mills run on all days in India's knitwear hub Tiruppur as Jan growth brings hopes of post-pandemic revival

After weathering the twin challenges of Covid-19 pandemic and the Russia-Ukraine war, India's knitwear hub Tiruppur in Tamil Nadu seems to be on the path of revival, with exporters pinning hopes on the positive growth recorded in January to continue its momentum. Industry insiders said the three-month average negative growth recorded in 2022 was at 24 per cent as it was largely impacted by the recurrence of Covid-19 pandemic in various European countries and also due to the Russia-Ukraine conflict. So much so the two issues even altered the Europeans' pattern of using a particular T-Shirt. "Exports came down between July and December 2022. The three month average negative growth will be 24 per cent. However, from January it has increased marginally. I would say in dollar terms a 2 per cent rise while in Rupee it is 11 per cent," Tiruppur Exporters Association (TEA) President K M Subramanian told PTI. According to him, exports were largely impacted due to another wave of coronavirus spread last year in various European countries.

<https://economictimes.indiatimes.com/industry/cons-products/garments/-textiles/spinning-mills-run-on-all-days-in-indias-knitwear-hub-tiruppur-as-jan-growth-brings-hopes-of-post-pandemic-revival/articleshow/98245521.cms>