



April 17, 2023 – Monday

## Economy

### India improves its ranking by 6 spots in global biz environment rankings

India improved its ranking by six spots in the latest Business Environment Rankings (BER) globally, according to data released by the Economist Intelligence Unit (EIU) on Thursday. The upward shift is due to its improved score in parameters like technological readiness, political environment, and foreign investment among others. The BER measures the attractiveness of the business environment in 82 countries on a quarterly basis across 91 indicators [https://www.business-standard.com/india-news/india-improves-its-ranking-by-6-spots-in-global-biz-environment-rankings-123041301015\\_1.html](https://www.business-standard.com/india-news/india-improves-its-ranking-by-6-spots-in-global-biz-environment-rankings-123041301015_1.html)

### Indian economy not falling behind, likely to grow at 6.5pc in FY24: Sanjeev Sanyal

Indian economy will grow at around 6.5 per cent in the current fiscal and will continue to be the fastest-growing major economy in the world, notwithstanding a modest cut in growth projections by multilateral lending agencies, Economic Advisory Council to the Prime Minister (EAC-PM) member Sanjeev Sanyal has said. Sanyal further said that given the uncertainties in the global economy, India's performance is clearly far ahead of any other comparable economy. "ADB (Asian Development Bank) and World Bank have only modestly reduced the (growth) forecast for this year. Even after this reduction, India will still be the fastest-growing major economy in the world," he told PTI. <https://economictimes.indiatimes.com/news/economy/indicators/indian-economy-not-falling-behind-likely-to-grow-at-6-5pc-in-fy24-sanjeev-sanyal/articleshow/99530467.cms>

### India is going to have solid economic growth: Indermit Gill, World Bank's chief economist

India is going to have solid economic growth, but it will not be nearly as solid as if global conditions were like in the early 2000s, said World Bank chief economist and senior vice president for development economics, Indermit Gill. In an interview to ET's Deepshikha Sikarwar, Gill, who is the second Indian chief economist at World Bank, said isolated bank failures won't be a danger to India, but if it's a generalised banking crisis, then that could lead to a global recession and a noticeable slowdown in India. Gill, who spearheaded the influential 2009 World Development Report on economic geography and is known for introducing the concept of the "middle-income trap," said there's less work, there's less investment and there's less trade and cautioned that if you have less of those three things there's no other outcome than slower economic growth, unless governments do something about it soon. Edited excerpts:

<https://economictimes.indiatimes.com/news/economy/policy/india-is-going-to-have-solid-economic-growth-indermit-gill-world-banks-chief-economist/articleshow/99540002.cms>

## Banking and Finance

### Indian banks insulated from US, Swiss crises: RBI governor Shaktikanta Das

Reserve Bank of India (RBI) Governor Shaktikanta Das has said the Indian financial system remains "completely insulated" from the recent turmoil in the banking system in some developed economies. "So far, India's banking system, India's financial system remain completely insulated from the developments which have taken place in the US or Switzerland. Our banking system is resilient, stable, and healthy," Das said while addressing the media after

the 2nd meeting of G20 Finance Ministers and Central Bank Governors (FMCBG) held under India's Presidency. "All the parameters related to banking, whether it is capital adequacy or the percentage of stressed assets or the liquidity coverage ratio of individual banks — both at the individual level as well as at the systemic level...whichever parameter you take into consideration, the Indian banking system continues to be very healthy," Das added.

[https://www.business-standard.com/finance/news/indian-financial-system-remains-completely-insulated-rbi-governor-das-123041400897\\_1.html](https://www.business-standard.com/finance/news/indian-financial-system-remains-completely-insulated-rbi-governor-das-123041400897_1.html)

#### **SIDBI to give loans to MSMEs for buying electric vehicles; lend to NBFCs for EV financing**

MSMEs finding it difficult to access loans to purchase electric vehicles (EVs) for their day-to-day operations and commercial use will now be able to access credit directly from SIDBI, the principal financial institution for MSMEs in India. As per a pilot scheme Mission 50,000-EV4ECO announced under guidance from NITI Aayog, SIDBI has said that it will directly give loans to eligible MSMEs (including EV fleet operators, EV leasing companies and aggregators) to buy EVs including two-wheelers, three-wheelers and four-wheelers and also to develop charging infrastructure including battery swapping.

<https://www.financialexpress.com/industry/sme/msme-fin-sidbi-to-give-loans-to-msmes-for-electric-vehicles-lend-to-nbfc-for-ev-financing/3049027/>

#### **PSU banks set target for selling flagship government insurance schemes in FY24**

Public sector banks (PSBs) have set a target for the sale of flagship government insurance schemes Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) in FY24. Besides, they have also set goals for other financial inclusion schemes like Mudra Yojana and StandUp India Scheme. There are about 8.3 crore beneficiaries under PMJJBY and 23.9 crore under PMSBY, as of now. Since the launch of the schemes in 2015, 15.99 crore enrolment has taken place under PMJJBY, while 33.78 crore under PMSBY as of March 31, 2023.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/psu-banks-set-target-for-selling-flagship-government-insurance-schemes-in-fy24/articleshow/99534426.cms>

#### **Passive funds' AUM grows 34% in FY23, nears ₹7-lakh crore**

The total assets under management (AUM) of passive mutual funds is nearing ₹7-lakh crore as a growing number of investors are turning towards passive investing amid the volatility in markets and the constant underperformance of actively managed funds. The total AUM of passive funds grew 34 per cent to ₹6.97-lakh crore as of March 2023 as against ₹5.21-lakh crore in March 2022, show data by the Association of Mutual Funds in India (AMFI). In contrast, the overall MF industry recorded a modest 5 per cent y-o-y growth in AUMs in FY23 at ₹39.42-lakh crore (₹37.56-lakh crore). Passive investing refers to an investment style where an MF scheme creates a portfolio by simply mirroring a benchmark index. These mutual funds contain a basket of stocks similar to that of the indices they track. Passive funds include exchange traded funds (ETFs), index funds, gold ETFs and international ETFs.

<https://www.thehindubusinessline.com/markets/passive-funds-aum-grows-34-in-fy23-nears-7-lakh-crore/article66744120.ece>

### **Industry**

#### **Indian Semiconductor Mission: Centre invites more companies to set up units**

In a bid to make the Indian Semiconductor Mission a success, the Centre is trying to lure companies in peripheral sectors for semiconductor manufacturing to set up shop in India, a report by the Economic Times said. The government officials are meeting with representatives of industries such as ultra-pure copper, aluminium, water and gases, and others to explore their needs for establishing units near the proposed semiconductor manufacturing units, sources told the ET.

[https://www.business-standard.com/economy/news/indian-semiconductor-mission-centre-invites-more-companies-to-set-up-units-123041400284\\_1.html](https://www.business-standard.com/economy/news/indian-semiconductor-mission-centre-invites-more-companies-to-set-up-units-123041400284_1.html)

#### **NITI Aayog mulls EV policy review to reduce dependence on China**

The NITI Aayog plans to review India's strong push to electric vehicles (EVs) running on lithium-ion batteries since about 75% of the lithium-ion imports come from China. A section within the government feels that India should not rely heavily on China for lithium-ion and instead explore other green sources to power its future vehicles, said a

senior official. "Internal deliberations are on and the plan is to assess India's dependence on China for this critical component of EVs and its long-term implications on the economy," said the official, who did not wish to be identified. <https://economictimes.indiatimes.com/industry/renewables/niti-aayog-mulls-ev-policy-review-to-reduce-dependence-on-china/articleshow/99540353.cms>

### **EVs set to become more affordable as industry closes in on the price gap with fuel-run vehicles**

The price difference between battery-powered and fossil fuel-run passenger vehicles is narrowing fast, which industry executives expect will push more Indians to choose the greener option when they buy cars and SUVs. The average price of an electric passenger vehicle was well over two times (137%) more as recently as in 2020 compared with a similar variant run on petrol. That gap has now reduced to 73%, according to data from automobile consultancy firm Jato Dynamics. In this period, conventional passenger vehicles with internal combustion engines (ICE) have become costlier owing to tightening of emission regulations that required new modifications in the vehicles. At the same time, government sops and reducing battery cost are making EVs more affordable. The trend, said industry executives, is likely to continue.

<https://economictimes.indiatimes.com/industry/renewables/evs-set-to-become-more-affordable-as-industry-closes-in-on-the-price-gap-with-fuel-run-vehicles/articleshow/99526664.cms>

## **Infrastructure**

### **Credai, Indian Green Building Council to erect 4,000 projects by 2030**

The Confederation of Real Estate Developers Association of India (Credai) has tied up with Indian Green Building Council (IGBC) to build 1,000 certified green projects across India in the next two years, and 4,000 projects by 2030, by adopting of IGBC Green & Net Zero building ratings. The announcement was made at Credai's investiture ceremony, in which Boman Irani was named the new president of Credai National for 2023-2025. Credai-MCHI too announced a change in leadership, with Dominic Romell becoming the President for the realty body in the Mumbai Metropolitan Region. This tie-up between Credai and IGBC will add over 400,000 green housing units across the country. These projects will be certified by IGBC.

[https://www.business-standard.com/industry/news/credai-indian-green-building-council-to-erect-4-000-projects-by-2030-123041600400\\_1.html](https://www.business-standard.com/industry/news/credai-indian-green-building-council-to-erect-4-000-projects-by-2030-123041600400_1.html)

### **Budget houses go out of budget; high interest rates and EMIs pinch buyers**

Sales of affordable houses, priced up to Rs 45 lakh, are losing steam due to higher mortgage rates and higher EMI outgo for borrowers. The affordable segment accounted for 32 per cent of overall housing sales in FY22. India Ratings and Research expects that affordable housing sales will decline to 30-27 per cent of overall sales in FY23 and even lower in FY24 on a year-on-year basis. "High interest rates and EMIs are already pinching the affordable and mid-ticket segment. The premium segment is less impacted by interest rates", said Mahaveer Shankarlal, director at India Ratings and Research.

[https://www.business-standard.com/india-news/affordable-housing-sales-loses-steam-on-higher-interest-rates-emis-123041400594\\_1.html](https://www.business-standard.com/india-news/affordable-housing-sales-loses-steam-on-higher-interest-rates-emis-123041400594_1.html)

## **Energy**

### **India mulls strict actions to stop under-reporting on iron ore grades**

India's Mines Ministry is planning stringent regulatory measures, that include technology intervention, random sampling at mines, and RFID tagging of vehicles, among others, to stop misreporting or under-reporting of iron ore grades in the country.

<https://www.thehindubusinessline.com/economy/india-mulls-strict-actions-to-stop-under-reporting-on-iron-ore-grades/article66740899.ece>

### **CIL coking coal production sees quantum leap of 8MT, rises by 17% in FY23**

The production of coking coal by Coal India Ltd (CIL) rose by 17.2 per cent year-on-year (y-o-y) to 54.6 million tonnes (MT) in 2022-23. The state-owned miner had produced 46.6 MT coking coal during the preceding 2021-22 fiscal, it said in a statement. "The quantum leap was a whopping 8 MT. This assumes significance at a time when the Ministry

of Coal has asked CIL to elevate the output of this category of coal to 105 MT by 2030 in a bid to reduce its imports and forex outgo," it said. Subsidiary companies Bharat Coking Coal Ltd (BCCL) and Central Coal Fields (CCL) together accounted for almost the entire output of 54.3 MT in 2022-23.

[https://www.business-standard.com/india-news/cil-coking-coal-production-sees-quantum-leap-of-8mt-rises-by-17-in-fy23-123041400382\\_1.html](https://www.business-standard.com/india-news/cil-coking-coal-production-sees-quantum-leap-of-8mt-rises-by-17-in-fy23-123041400382_1.html)

#### **Power consumption grows 9.5 per cent to 1,503 billion units in 2022-23: Govt data**

Power consumption grew 9.5 per cent to 1,503.65 billion units year-on-year in 2022-23, mainly due to higher demand amid a rise in economic activities, showed government data. Power consumption was 1,374.02 billion units (BU) in 2021-22, according to power supply data from the Central Electricity Authority (CEA). Similarly, the peak power demand or highest supply in a day also rose to 207.23 GW in the last fiscal, higher than 200.53 GW in 2021-22.

<https://www.financialexpress.com/industry/power-consumption-grows-9-5-per-cent-to-1503-billion-units-in-2022-23-govt-data/3048959/>

#### **States**

#### **Madhya Pradesh govt plans to pay insurance premium of small farmers**

Given this year's unseasonal rain and hailstorm, which have affected small farmers in great measure, the state government is planning to pay the premium for their crop insurance. According to officials, the government is preparing an insurance road map for farmers whose farmlands are of 2 hectares or less. This will cost the exchequer Rs 25-30 crore. Agriculture Minister Kamal Patel said: "There are a large number of farmers whose cultivation area is very small and they cannot afford insurance. The department is preparing a road map to help them. Talks have been held with Chief Minister Shivraj Singh Chouhan in this regard. The government is planning to pay their premium.

[https://www.business-standard.com/india-news/madhya-pradesh-govt-plans-to-pay-insurance-premium-of-small-farmers-123041300847\\_1.html](https://www.business-standard.com/india-news/madhya-pradesh-govt-plans-to-pay-insurance-premium-of-small-farmers-123041300847_1.html)

#### **Punjab transfers Rs 502.93 crore into bank accounts of wheat growers**

The Punjab government transferred Rs 502.93 crore directly into bank accounts of 19,642 farmers in a single day on Friday as the amount of minimum support price (MSP) at the rate of Rs 2,125 per quintal for procuring wheat, state Food and Civil Supplies Minister Lal Chand Kataruchak said. He said no value cut has been imposed on the farmers. As on Friday, eight lakh metric tons (LMT) of wheat has been procured by government agencies.

[https://www.business-standard.com/india-news/punjab-transfers-rs-502-93-crore-into-bank-accounts-of-wheat-growers-123041400874\\_1.html](https://www.business-standard.com/india-news/punjab-transfers-rs-502-93-crore-into-bank-accounts-of-wheat-growers-123041400874_1.html)

#### **Construction of international airport in Punjab's Halwara likely to end by July: Minister Harbhajan Singh**

Punjab Cabinet Minister Harbhajan Singh on Sunday said construction work for the upcoming international airport in Halwara, about 40 kms from here, is likely to be completed by July. The minister, who was in the city to inspect the construction, Singh said the tenders of the project have already been allotted by the Public Works Department (PWD). Addressing a gathering on the occasion, the cabinet minister said civil works amounting to Rs 46.91 crore have already been started. The works include the construction of internal roads, taxiway, apron, estate public health services, campus lighting, interim airport, terminal building, sub-station, toilet block, parking, among others. Listing the Halwara airport as an ambitious project of the state government, the minister said every effort was being made to start the flights as soon as possible as this project will pave way for the holistic development of the region, besides helping the industry in Ludhiana and other adjoining districts by a large extent.

<https://economictimes.indiatimes.com/news/economy/infrastructure/construction-of-international-airport-in-punjab-halwara-likely-to-end-by-july-minister-harbhajan-singh/articleshow/99537454.cms>

#### **PM Modi launches a series of railway projects, methanol plant in Assam**

Prime Minister Narendra Modi on Friday rolled out a series of railway projects across the Northeast, besides commissioning a methanol plant and laying the foundation stone for a bridge over the Brahmaputra river. Modi virtually inaugurated the five railway works along with other projects from the Indira Gandhi Athletic Stadium in Guwahati, where he is on a day-long tour. The new railway projects rolled out by him are Digaru-Lumding and

Gauripur-Abhayapuri sections, while doubling of tracks between New Bongaigaon and Dhup Dhara was also inaugurated.

[https://www.business-standard.com/india-news/pm-modi-launches-a-series-of-railway-projects-methanol-plant-in-assam-123041400793\\_1.html](https://www.business-standard.com/india-news/pm-modi-launches-a-series-of-railway-projects-methanol-plant-in-assam-123041400793_1.html)

## External

### Pharma exports up 3.25% in FY23 at \$25.3 billion

Pharmaceutical exports have registered a 3.25 per cent growth in FY23 at \$25.3 billion. In 2021-22, the exports growth was almost flat at 0.71 per cent at \$24.62 billion. "In view of the challenges faced by the industry in the form of the Ukraine crisis and slowdown in the growth of global generics space, I think this is a reasonably good performance in exports," said R Uday Bhaskar, Director-General, Pharmaceuticals Export Promotion Council (Pharmexcil). A chunk of exports went to the US, Canada and Mexico (NAFTA) followed by Europe. Africa was in the third position, as per the data.

<https://www.thehindubusinessline.com/economy/pharma-exports-up-325-in-fy23-at-253-billion/article66744417.ece>

### India's iron ore exports doubled in Q4 FY23 on China opening up, duty withdrawal

India's iron ore exports nearly doubled year-on-year in January-March FY23 to 11.59 million tonnes (mt) on the back of pent-up demand from China, its key market, and with improved offers following the withdrawal of export duty in mid-November. Exports in Q4 FY22 were 6.25 mt.

<https://www.thehindubusinessline.com/markets/commodities/indias-iron-ore-exports-doubled-in-q4fy23-on-china-opening-up-duty-withdrawal/article66743858.ece>

### 5 of India's top 10 destinations for exports witness contraction in March

A slowdown in demand for Indian goods from five of its top 10 markets —the United States (US), the United Arab Emirates (UAE), Bangladesh, Germany and Hong Kong — resulted in a sharp contraction in exports, at nearly 14 per cent, in March, the latest data released by the commerce and industry ministry showed. This came against the backdrop of geopolitical tensions and fears of recession in several developed economies. India's top 10 export destinations accounted for 52 per cent of the value of goods shipped in March. The commerce and industry ministry data showed on Thursday that India's merchandise exports fell 13.9 per cent year-on-year to \$38.38 billion in March, as global headwinds such as geopolitical tensions, high inflation, and monetary policy tightening continued to affect external demand. This was the sharpest contraction since May 2020.

[https://www.business-standard.com/economy/news/five-of-india-s-top-10-export-destinations-witness-contraction-in-march-123041400772\\_1.html](https://www.business-standard.com/economy/news/five-of-india-s-top-10-export-destinations-witness-contraction-in-march-123041400772_1.html)

### India, Italy for achieving balanced, fair Indo-EU free trade agreement

India and Italy have discussed progress of talks on the proposed free trade agreement between New Delhi and the European Union (EU) and hope for its early conclusion, the commerce ministry said on Thursday. The issue came up for discussion in the meeting of Commerce and Industry Minister Piyush Goyal and Italian Deputy Prime Minister and Minister of Foreign Affairs and International Cooperation in Foreign Office Antonio Tajani here on April 12. "The ministers underlined the importance of achieving a free, balanced and fair free trade agreement and hoped that it would be concluded soon," it said. They also agreed to the convening of the next session of the Joint Commission on Economic Cooperation (JCEC) in Rome in the last week of September. Tajani suggested the formation of a Joint Working Group in the strategic areas such as space, technology, defence and agriculture to increase cooperation.

[https://www.business-standard.com/economy/news/india-italy-for-achieving-balanced-fair-indo-eu-free-trade-agreement-123041300306\\_1.html](https://www.business-standard.com/economy/news/india-italy-for-achieving-balanced-fair-indo-eu-free-trade-agreement-123041300306_1.html)

### India, Mauritius review vostro account mechanism, implementation of CECPA

India and Mauritius carried out a comprehensive review of their overall ties including the vostro account mechanism for settlement of trade transactions and the proposed launch of Indian Unified Payments Interface (UPI) system and RuPay card in the African country. The two sides took stock of the bilateral cooperation during Foreign Secretary Vinay Kwatra's three-day visit to Mauritius that concluded on Friday. The Indian High Commission in Port Louis said

the two sides also delved into their Comprehensive Economic Cooperation and Partnership Agreement (CECPA), which was inked on February 22, 2021. Kwatra on Thursday called on Prime Minister Pravin Kumar Jugnauth and discussed bilateral cooperation in areas of capacity building, trade and investment.

[https://www.business-standard.com/india-news/india-mauritius-review-vostro-account-mechanism-implementation-of-cecpa-123041400906\\_1.html](https://www.business-standard.com/india-news/india-mauritius-review-vostro-account-mechanism-implementation-of-cecpa-123041400906_1.html)

#### **G20 meet set to finalise a common definition for start-ups by July**

An official engagement group under G20 is set to finalise a common definition for start-ups in the next three months, with an aim to harmonise the global start-up ecosystem. “We are going to collaboratively define startups uniformly across G20 countries. We have already had discussions on this twice. By the third meeting, it should be finalised,” a senior government official said. “All countries are putting in their suggestions. It will be a single communique that will be agreed upon by everyone,” the official said, adding that a single start-up definition will have a positive impact on policymaking. The development comes in the backdrop of the setting up of Startup20, an official engagement group initiated under the Indian presidency of G20.

[https://www.business-standard.com/world-news/g20-common-definitions-of-startups-to-be-finalised-by-july-123041600493\\_1.html](https://www.business-standard.com/world-news/g20-common-definitions-of-startups-to-be-finalised-by-july-123041600493_1.html)