



April 26, 2023 – Wednesday

## Economy

### India's GDP aim faces risks from a little boy, a sturdy cartel & big economies

India's 6.5% real economic growth aim for this financial year faces increasing risks from so-called little boy or El Nino, heavyweight oil cartel's surprise output cut and banking risks in some advanced economies, which can chase away the favourable combination of growth and inflation outcomes currently anticipated. The downside risks to the official forecast of 6.5% for real GDP growth in FY24 dominate upside risks, the finance ministry wrote in its monthly economic review. "OPEC's surprise production cut has seen oil prices rise in April, off their lows of low-Seventies per barrel in March. Further troubles in the financial sector in advanced nations can increase risk aversion in financial markets and impede capital flows. Forecasts of El Nino, at the margin, have elevated the risks to Indian monsoon rains," the ministry said.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-gdp-aim-faces-risks-from-a-little-boy-cartels-strength-and-big-economies/articleshow/99755050.cms>

### Mixed show for formal job creation in February

Formal job creation showed a mixed performance in February, official data showed on Tuesday. While net additions to the Employees' Provident Fund Organisation increased, new subscriptions to the Employees' State Insurance Corporation and National Pension Scheme declined. Data released by the ministry of statistics and programme implementation showed that sequentially 7.46% more subscribers were added to the EPF payroll. The number of new subscribers to the NPS scheme declined to 55,890 in February from 59,292 in the previous month. The number of new jobs added to ESIC declined for a third straight month to 1.23 million in February from 1.25 million in January.

<https://economictimes.indiatimes.com/jobs/fresher/mixed-show-for-formal-job-creation-in-february/articleshow/99768583.cms>

### Vacancies for blue-collar jobs in India rose in FY23, but job seekers down

The vacancies for blue-collar jobs in India rose from 5.33 million in 2021-22 (FY22) to 5.71 million in FY23, but the demand for these jobs fell sharply, data released by Billion Careers, a subsidiary of Qess Corp on Tuesday showed. The number of blue-collar job seekers in India fell from 3.34 million in FY22 to 2.01 million in FY23. The fall in job demand was noted in delivery and driver, BPO and customer care, and data entry roles. In categories like field sales, business development, human resource and admin, and security guard, the number of job seekers rose in FY23.

[https://www.business-standard.com/industry/news/vacancies-for-blue-collar-jobs-in-india-rose-in-fy23-but-job-seekers-down-123042500506\\_1.html](https://www.business-standard.com/industry/news/vacancies-for-blue-collar-jobs-in-india-rose-in-fy23-but-job-seekers-down-123042500506_1.html)

### Personal income tax to GDP ratio surges, indicating rise in taxpayer base

Personal income tax as a percentage of GDP has gone up from 2.11 per cent in 2014-15 to 2.94 per cent in 2021-22 fiscal, indicating that taxpayer base is widening as a result of the steps taken by the present government led by Prime Minister Narendra Modi. At a review meeting with the Central Board of Direct Taxes (CBDT), finance minister Nirmala Sitharaman was apprised about the impact of various steps taken by the apex direct tax body to widen taxpayer

base, the finance ministry said. The ministry said the personal Income Tax (PIT), which is paid by individuals, to GDP ratio has been steadily increasing from 2.11 in FY 2014-15 to 2.94 in FY 2021-22.

[https://www.business-standard.com/economy/news/personal-income-tax-to-gdp-ratio-surges-indicating-rise-in-taxpayer-base-123042500990\\_1.html](https://www.business-standard.com/economy/news/personal-income-tax-to-gdp-ratio-surges-indicating-rise-in-taxpayer-base-123042500990_1.html)

## Banking and Finance

### Banking system 'strong enough to survive' policy rate changes: FinMin study

India's banking system is "strong enough to survive" stress caused by interest rates increasing and it will continue aiding economic growth, said the Finance Ministry in its monthly economic review on Tuesday. "The multifaceted nature of RBI's regulatory actions, the improved bank balance sheets, and the attunement of the Indian banking system to frequent interest rate cycles place augur well for India's financial stability and significantly reduce the probability of a Silicon Valley Bank (SVB)-like event occurring in India," said the report for March, referring to the US lender's collapse in February. The report said measures by the Reserve Bank of India (RBI) and the government in recent years have improved the banking system's stability and risk absorption capacity. The RBI is meticulous in its bi-annual assessment of Scheduled Commercial Banks (SCBs) and Non-Banking Financial Companies (NBFCs) and cooperative banks.

[https://www.business-standard.com/economy/news/banking-system-strong-enough-to-survive-policy-rate-changes-finmin-study-123042500540\\_1.html](https://www.business-standard.com/economy/news/banking-system-strong-enough-to-survive-policy-rate-changes-finmin-study-123042500540_1.html)

### High balance bank accounts without updated KYC details under the lens

The government and the banking sector regulator are looking into operative accounts with significant balances that have not updated their know your customer (KYC) details. The exercise seeks to know if these accounts carry any risks. Some of those on the radar include trusts, associations, societies and clubs, as well as high-net-worth individuals (HNIs). "The issue was flagged after some transactions from a few accounts came under scrutiny and it was found that their KYC was not updated," said an official aware of the matter.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/high-balance-bank-accounts-without-updated-kyc-details-under-the-lens/articleshow/99768521.cms>

### SEBI stops brokers from using client funds for bank guarantees

Market regulator SEBI has asked stock brokers to stop creating bank guarantees by using the funds of their clients. Brokers mainly use bank guarantees to avail trading limits from clearing corporations of stock exchanges. From September, brokers will have to use their own funds to submit bank guarantees for availing trading limits. "Currently, stock brokers, clearing members pledge clients' funds with banks for bank guarantees to clearing corporations for higher amounts.

This implicit leverage exposes the market and especially client's funds to risks. Beginning May 01, 2023, no new bank guarantee shall be created out of clients' funds by brokers/members," SEBI said in a circular on Tuesday.

<https://www.thehindubusinessline.com/markets/stock-markets/sebi-stops-use-of-bank-guarantees-by-stock-brokers-created-out-of-client-funds/article66777759.ece>

### Fix timeline to resolve public grievances, FM Nirmala Sitharaman tells CBDT

Finance Minister Nirmala Sitharaman has asked the Central Board of Direct Taxes (CBDT) to fix a timeframe for the resolution of taxpayers grievance and also asked to take prompt action in disciplinary cases against tax officers and other employees. In a periodic review meeting with CBDT here Tuesday, Sitharaman also discussed measures to widen the taxpayer base and disposal of applications for condonation of delay and grant of exemptions under certain sections of the Income Tax Act. In a presentation made before the finance minister, the Board said that personal income tax as a percentage of GDP had gone up to 2.94% in 2021-22 from 2.11% in 2014-15, the finance ministry said.

<https://economictimes.indiatimes.com/news/economy/policy/fix-timeline-to-resolve-public-grievances-fm-nirmala-sitharaman-tells-cbd/articleshow/99768631.cms>

### PSU general insurers may monetise realty assets

Capital-starved state-run general insurance firms are eyeing monetisation of their real estate assets with the government making any future capital infusion conditional. Capital infusion by the government is contingent to their performance on monetisation and other financial and operational parameters, said officials aware of the matter. The monetisation of commercial and residential real estate asset is part of a five-pronged strategy being worked out by the insurers--which also includes further expansion of their motor and health portfolios and upgrade of risk management systems - to improve their profits and solvency ratio, a senior finance ministry official told ET.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/psu-general-insurers-may-monetise-realty-assets/articleshow/99768480.cms>

## Industry

### Govt to stop online companies from building special platforms for ONDC, says Goyal

The Centre will not allow e-commerce companies to build a special platform for Open Network Digital Commerce (ONDC), instead of on-boarding the main online platform connecting a network of buyers and sellers, as it would be an unfair way to try and get benefits of the network as a seller without offering their buyers the option of coming on the network, Commerce & Industry Minister Piyush Goyal has said. "We must stop anybody who says I have built a special platform for ONDC. That's not what we intended ONDC to be. That is an unfair way to try and get benefits of ONDC as a seller, but not offer the buyers who come on your platform to come on ONDC," he said answering questions posed by industry representatives at an event organised by ONDC on Tuesday.

<https://www.thehindubusinessline.com/economy/govt-to-stop-online-companies-from-building-special-platforms-for-ondc-says-goyal/article66778158.ece>

### Steel sector PLI may include capital goods

The government is considering widening the scope of the production-linked incentive (PLI) scheme for steel manufacturing to include more products under it, a senior industry official told ET. Capital goods companies that manufacture machinery for the steel industry could be one of the segments that can be included within the ambit of the PLI scheme for steel, the official said. It currently covers only speciality, or value-added, products in the steel sector. The steel ministry has asked industry representatives for their opinion on what they think should be included and sought their responses by the end of May, the executive said. The second round of the scheme is likely to be rolled out after that.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/steel-sector-pli-may-include-capital-goods/articleshow/99768782.cms>

### Detergents may cost more if govt imposes duties on key ingredient

Prices of soaps, detergents and shampoo could go up if the proposed antidumping duty and countervailing duty on the key raw material saturated fatty alcohol is implemented, a move opposed by the Indian Surfactant Group (ISG), which has urged the finance minister not to implement the new tariff structure. "The extraordinary duties will bring in the dreaded inverted duty structure and will render the user industry uncompetitive and will eventually impact the employing capability of these companies as they may be forced to downsize their operation to survive and remain profitable," Manoj Jha, convener at ISG, said in a letter to Union finance minister Nirmala Sitharaman.

<https://economictimes.indiatimes.com/industry/cons-products/fmkg/detergents-may-cost-more-if-govt-imposes-duties-on-key-ingredient/articleshow/99769167.cms>

### Hotel companies go big on leisure and pilgrim towns as travel booms

Improving domestic leisure travel has prompted hotel chains to expand room inventory over the past few years. A major noticeable trend is that hotel companies are expanding in tier-II and smaller towns faster than the metro regions. The share of hotel rooms in the tier-II and tier-III cities increased to 38% of the total inventory at the end of 2022 from 33% four years ago according to a recent HVS-Anarock report. The share of hotel rooms in metros reduced to 19% from 30% during the period. Cities such as Agra, Haridwar, Manali, McLeod Ganj, Kasauli, Katra, Mahabaleshwar, Puri, Pushkar, Rishikesh, Tirupati and Vrindavan reported the opening of new hotels in the mid-market and upscale segments.

<https://economictimes.indiatimes.com/industry/services/hotels/-/restaurants/hotel-companies-go-big-on-leisure-and-pilgrim-towns-as-travel-booms/articleshow/99769239.cms>

### **Indian firms' to slow down IT spending due to cost, global factors: Study**

IT spending by Indian enterprises and service providers will grow 7.8 per cent in 2023, slowing down from last year due to a range of factors, said a report on Tuesday. Indian IT spending (by enterprises, service providers, and consumers) is projected to grow 4.7 per cent in 2023 to \$86.7 billion in constant currency, according to the IDC's 'Worldwide Black Book: Live Edition'. IDC's October press release projected a spending growth of 5.8 per cent in 2023. Consumer IT spending (dominated by consumer purchases of devices such as mobiles, tablets, personal computers, wearables, and peripherals) declined drastically in Q4 2022 due to rising prices and pulled down growth to 2.1 per cent in 2023.

[https://www.business-standard.com/industry/news/indian-firms-to-slow-down-it-spending-due-to-cost-global-factors-study-123042500460\\_1.html](https://www.business-standard.com/industry/news/indian-firms-to-slow-down-it-spending-due-to-cost-global-factors-study-123042500460_1.html)

## **Agriculture**

### **India achieves 50% of wheat procurement target so far**

Despite starting late, the procurement of wheat has jumped by a quarter to 17.08 million tonnes (mt) as of April 24 against 13.69 mt a year ago. Earlier at the start of the marketing season on April 1, delayed arrivals resulted in the procurement of the cereal being 23 per cent lower until April 16 before gathering momentum. Higher procurement will likely help the government restore the reduced wheat quota under public distribution system (PDS) as a decision is expected next month.

<https://www.thehindubusinessline.com/economy/agri-business/india-achieves-50-of-wheat-procurement-target-so-far/article66777633.ece>

## **Infrastructure**

### **Tier-II cities experience expansion of Hotels as leisure travel grows**

The post-Covid era depicted a mixed picture for the global hospitality sector, according to a recent HVS-Anarock report. In 2022, the travel and hospitality industry made a comeback after countries across the globe lifted their travel restrictions, the report highlighted. With the improvement in domestic leisure travel, hotel chains have started improving room inventory over the past few years. One might presume that such expansion is taking place rapidly in metro cities but the HVS-Anarock report provides a contrary picture noting that tier-II and smaller towns are faster developing on this trend. The report shows that the share of hotel rooms in tier-II and tier-III cities increased to 38 per cent of the total inventory at the end of 2022 from 33 per cent four years ago.

[https://www.business-standard.com/india-news/tier-ii-cities-experience-expansion-of-hotels-as-leisure-travel-grows-123042501161\\_1.html](https://www.business-standard.com/india-news/tier-ii-cities-experience-expansion-of-hotels-as-leisure-travel-grows-123042501161_1.html)

### **850-900 million Indians likely to live in urban areas by 2050: Minister**

Union minister Hardeep Singh Puri said on Tuesday that India is likely to have 850-900 million people living in urban areas by 2050, pointing out that urbanisation is taking place at a fast pace. The Union housing and urban affairs minister said the challenges for urban sectors are changing. "Urbanisation is taking place at a faster pace. Every minute, 20-30 people are coming (to urban areas). By 2050, India is likely to see 850-900 million people living in urban spaces," Puri told reporters on the sidelines of an event. He said that a lot of this will happen autonomously with private investments, but housing finance assumes greater importance.

[https://www.business-standard.com/india-news/850-900-million-indians-likely-to-live-in-urban-areas-by-2050-minister-123042500964\\_1.html](https://www.business-standard.com/india-news/850-900-million-indians-likely-to-live-in-urban-areas-by-2050-minister-123042500964_1.html)

## **Energy**

### **Execution of market reforms key to improve financial viability of PSP: Icra**

Timely implementation of market reforms is important to improve the financial viability of pumped storage hydro project (PSP) in the country, an Icra report said on Tuesday. The levelised tariff for pumped storage hydro projects in the base case, assuming a capital cost of Rs 6.5 crore per MW, is estimated at about Rs 5 per unit, and the landed tariff, including the cost of energy required for pumping, is estimated at Rs 9 per unit, said a statement in the Icra

report. It explained that while the tariff competitiveness of the storage component for PSPs is modest, the PSPs benefit from a long economic life of 40 years with a very mature and indigenous technology available. PSPs are also estimated to remain cost competitive against the storage cost associated with battery energy storage.

[https://www.business-standard.com/economy/news/execution-of-market-reforms-key-to-improve-financial-viability-of-ssp-icra-123042500808\\_1.html](https://www.business-standard.com/economy/news/execution-of-market-reforms-key-to-improve-financial-viability-of-ssp-icra-123042500808_1.html)

### **Renewable energy projects: SECI, NTPC to float RE bids of 15 GW each in FY24; NHPC, SJVN for 10 GW each**

During the current financial year ending March 2024, state-run Solar Energy Corporation of India (SECI) and power generating behemoth NTPC will float bids of 15 gigawatts (GW) each of solar, wind, hybrid and round-the-clock (RTC) projects. Similarly, two other CPSUs — hydro power generators NHPC and SJVN — will also float renewable energy (RE) projects bids of 10 GW each in FY24. All the four PSUs have been designated as Renewable Energy Implementing Agencies (REIAs).

<https://www.thehindubusinessline.com/economy/renewable-energy-projects-seci-ntpc-to-float-re-bids-of-15-gw-each-in-fy24-nhpc-sjvn-for-10-gw-each/article66777671.ece>

## **Healthcare**

### **Many private hospitals stop procuring Covid vaccines as demand drops**

Many big private hospitals have no stocks of Covid-19 vaccines and are not planning to procure them due to poor booster uptake, even as Covid-19 cases saw an uptick. "We currently have no plans to acquire additional Covid vaccines," said the spokesperson at Max healthcare. Many executives disclosed that they have stopped procuring vaccines as there is hardly any demand and they have exhausted their supplies. "We are seeing the end of vaccination in the private sector," said a senior official working with the leading private hospital on the condition of anonymity. Apollo hospitals is currently obtaining only Covovax and intends to acquire more as needed, said Dr Rajesh Chawla, senior consultant, pulmonology and critical care at Indraprastha Apollo hospital. Private participation has become miniscule since last year, they said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/many-private-hospitals-stop-procuring-covid-vaccines-as-demand-drops/articleshow/99769169.cms>

## **External**

### **What makes five nations more equal than others, asks India at UNSC**

India has called for a "major course correction" at the United Nations Security Council (UNSC) by raising three pressing questions, including whether effective multilateralism can be practised by defending a charter that makes five nations more equal than others. Addressing a UNSC debate on Monday, India's permanent representative to the UN, Ruchira Kamboj, asked whether effective multilateralism can be practised by defending a charter that "makes five nations more equal than others and provides to each of those five the power to ignore the collective will of the remaining 188 member states". The "starting premise" has to be to widen the representation of the core institution of the UNSC to more developing countries for its effectiveness and credibility, said Kamboj. "If we continue to perpetuate the 1945 anachronistic mindset, we will continue to lose the faith our people have in the United Nations," she said.

<https://economictimes.indiatimes.com/news/defence/what-makes-five-nations-more-equal-than-others-asks-india-at-unsc/articleshow/99768887.cms>

### **India exploring options after WTO panel ruling, rules out immediate impact**

The commerce department on Tuesday said that India is taking 'necessary steps' and 'exploring options' in the light of its World Trade Organization (WTO) rights and obligations with respect to the IT tariff dispute with European Union (EU), Japan and Chinese Taipei. It further said that the WTO panel ruling – India's imposition of tariffs on electronic items violates its commitment under the Information Technology Act (ITA) under the multilateral trade body – will not have any 'immediate impact' on IT products.

[https://www.business-standard.com/economy/news/india-exploring-options-after-wto-panel-ruling-rules-out-immediate-impact-123042500853\\_1.html](https://www.business-standard.com/economy/news/india-exploring-options-after-wto-panel-ruling-rules-out-immediate-impact-123042500853_1.html)

### **In UK talks, India pushes for longer stay for students, easier visas for its companies**

India will keep pushing for easier visa rules for skilled professionals hired by its companies investing in Britain as it looks to finalize a free trade pact with the UK by end-2023, according to people with knowledge of the matter. This is in addition to New Delhi's longstanding pitch for more visas for Indian workers, two people said. India is aware of the reluctance in Prime Minister Rishi Sunak's administration on the visa demands, the people added. The business visa issue was a key hurdle that led to talks blowing past an October 2022 deadline.

<https://economictimes.indiatimes.com/nri/migrate/in-uk-talks-india-pushes-for-longer-stay-for-students-easier-visas-for-its-companies/articleshow/99768056.cms>

### **Indian apex exporters body sign MoU with Business Russia to promote trade & FDI**

Indian Apex exporters body FIEO has announced that it has signed an MoU with Business Russia to promote trade and investments between the two countries. It said the two organizations will cooperate to arrange exhibitions, buyers-sellers' meetings, workshops, seminars and encourage enterprises to work in tandem with their counterparts for joint ventures. The Memorandum of Understanding (MoU) was inked during a visit of a 50-member delegation of the agro and food processing sector to Moscow. The delegation is "exploring opportunities in diverse business ventures such as ready-to-eat meals, fish meal, animal feed, soyabean apart from conventional products," said N K Kagliwal, Board Member of FIEO (Federation of Indian Export Organisations).

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indian-apex-exporters-body-sign-mou-with-business-russia-to-promote-trade-fdi/articleshow/99767293.cms>

### **Jaishankar pitches for opportunities in mining, infra & pharmaceutical sectors in Latin America**

External affairs minister S Jaishankar has pitched for stronger trade ties with Central and Latin America based on opportunities in mining, infrastructure and pharmaceutical sectors, besides the growing size of the markets in the region. During his ongoing trip to Panama, Jaishankar delivered the keynote address at the India-Latin America Business event, highlighting 10 important reasons why the India-Latin America business collaboration has strong prospects and merits-focused endeavours. "As the fifth largest economy, our presence across the world is steadily growing. Transformation in manufacturing, infrastructure, innovation and startup culture within India are game changers." "Nearing \$50 billion, India-Latin America trade has a much-diversified basket. A significant increase in investments and interest in mining, energy, agro and infrastructure sectors will power it further," he said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/jaishankar-pitches-for-opportunities-in-mining-infra-pharmaceutical-sectors-in-latin-america/articleshow/99765380.cms>