



November 16, 2023 – Thursday

## Economy

### India to emerge as third largest global economy by 2027: FM Sitharaman

Finance Minister Nirmala Sitharaman on Wednesday said India is expected to overtake Japan and Germany to emerge as the third largest economy in the world by 2027. Addressing the Indo-Pacific Regional Dialogue here, Sitharaman said India's economic growth is estimated to be just under 7 per cent during the year, the highest among major economies, despite global headwinds. The Indian economy is therefore on the right track and is heading towards a bright future, she said. Amidst supply-chain disruptions and economic turbulence due to contemporary conflicts that impact the Indo-Pacific, irrespective of whether they are occurring in relatively distant Ukraine or in relatively-proximate Israel or Yemen, and despite the palpable tensions prevalent in the South- and East China Sea, the Indian economy stands out as a bright spot, she said.

[https://www.business-standard.com/india-news/india-to-emerge-as-third-largest-global-economy-by-2027-fm-sitharaman-123111500484\\_1.html](https://www.business-standard.com/india-news/india-to-emerge-as-third-largest-global-economy-by-2027-fm-sitharaman-123111500484_1.html)

### Core inflation falling, duration of supply shocks getting shorter: Ashima Goyal

The decline in India's headline inflation to 4.87% in October brings comfort as a policymaker, especially as the duration of supply shock is getting shorter, member of the Monetary Policy Committee Ashima Goyal told Bhaskar Dutta. What shores up confidence amid high prices of certain food items is that core inflation continues to decline, indicating a lack of generalised inflation, she said. Edited excerpts:

<https://economictimes.indiatimes.com/news/economy/indicators/core-inflation-falling-duration-of-supply-shocks-getting-shorter-ashima-goyal/articleshow/105242862.cms>

## Banking and Finance

### Lenders look to derisk promoter guarantees, implementing negative liens to safeguard assets

Indian lenders will now insist that a negative lien is created on the assets underlying personal guarantees given by promoters of companies raising bank loans, said people at advisory firms. The move is aimed at preventing them from transferring these personal assets to a special trust, which may be bankruptcy remote. This move by banks follows the recent landmark Supreme Court order that upheld the constitutional validity of recovery provisions against personal guarantors under the Insolvency and Bankruptcy Code (IBC). In practice, lenders insist on personal guarantees from promoters of small and medium companies while large borrowers, leveraging their heft, have stopped providing these guarantees long ago.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/lenders-look-to-derisk-promoter-guarantees-implementing-negative-liens-to-safeguard-assets/articleshow/105246214.cms>

### Interim Budget for FY25 to be realistic: Official

The government doesn't foresee a major net cash outgo in the upcoming first batch of supplementary demands for grants for this fiscal year and the interim Budget for FY25 will be a "realistic" one in its projections, a senior official said on Wednesday. With the finance ministry's series of meetings with various ministries on revised expenditure outgo coming to an end on Tuesday, the government now expects to meet its FY24 fiscal deficit target of 5.9% of

GDP, he said. Overall revenue collections are expected to remain robust this fiscal, while additional outgo under some programmes or heads could be significantly offset by savings in others and reprioritisation of expenditures, he said. The government had budgeted total expenditure at ₹ 45 lakh crore for FY24, while its tax and non-tax revenue was pegged at ₹26.3 lakh crore.

<https://economictimes.indiatimes.com/news/economy/policy/interim-budget-for-fy25-to-be-realistic-official/articleshow/105243057.cms>

### **Microfinance industry adds 80 lakh new women clients to its fold in FY23**

In FY23, the microfinance industry saw growth in portfolio outstanding as well as improvement in portfolio quality when compared with FY22 – an ideal situation with augurs well for the sector. The total portfolio of the microfinance industry as of March 31, 2023, was ₹3,48,339 crore of all Regulated Entities (NBFC-MFIs, Banks, SFBs, and NBFCs) under the MFI Model. In FY23, the microfinance industry saw growth in portfolio outstanding as well as improvement in portfolio quality when compared with FY22 – an ideal situation with augurs well for the sector. The total portfolio of the microfinance industry as of March 31, 2023, was ₹3,48,339 crore of all Regulated Entities (NBFC-MFIs, Banks, SFBs, and NBFCs) under the MFI Model.

<https://www.thehindubusinessline.com/money-and-banking/microfinance-industry-adds-80-lakh-new-women-clients-to-its-fold-in-fy23/article67536455.ece>

## **Industry**

### **Centre to seek steady coking coal supplies from Australia for steel mills**

The Indian government will request Australia to take measures to ensure steady supplies of coking coal, four sources said, as part of efforts to help steel mills reeling from falling supplies and rising prices of the key raw material in steel-making. Nagendra Nath Sinha, the most senior official at India's federal Ministry of Steel, will meet Philip Green, Australia's high commissioner to India, and the two sides are likely to discuss India's need for coking coal, said the sources, who included two Indian government officials and two industry executives. Sinha and Green are likely to meet on Friday, said the sources, who declined to be identified because they were not authorised to speak to media.

[https://www.business-standard.com/economy/news/centre-to-seek-steady-coking-coal-supplies-from-australia-for-steel-mills-123111500694\\_1.html](https://www.business-standard.com/economy/news/centre-to-seek-steady-coking-coal-supplies-from-australia-for-steel-mills-123111500694_1.html)

### **FMCG giants feel the pinch as regional players' reach widens**

Local and regional firms have reached up to 31% more households in segments such as biscuit, soap, washing powder and detergent in the September quarter, prompting chief executives at top consumer goods companies to call out the resurgence of smaller brands and its impact on their sales growth. Local brands' penetration expanded 4% in laundry bars and 13% in washing powder compared to bigger rivals which saw 0-3% growth, according to latest data from market research firm Kantar. Even in the soap category, smaller firms grew 31% while national brands clocked a tepid 2% increase. Biscuits, the biggest packaged food category, also saw regional players growing 22% versus 10% for larger companies.

<https://economictimes.indiatimes.com/industry/cons-products/fmcf/fmcf-giants-feel-the-pinch-as-regional-players-reach-widens/articleshow/105243176.cms>

### **Auto cos cruise to their best-ever festive season this year**

Automakers in India recorded their best-ever festive season this year, with passenger vehicle (PV) sales increasing by 41% year-on-year in the three months between the festivals of Onam and Bhai Dooj. As per initial industry estimates, as many as 1.138 million passenger vehicles including cars, sedans and utility vehicles were sold in the local market between August 17 and November 14. The previous peak in sales was in the corresponding festival months of 2020, when consumers had bought some 934,000 vehicles. Demand at the time, however, was skewed due to lack of sales during the national lockdown at the onset of the pandemic.

<https://economictimes.indiatimes.com/industry/auto/auto-news/auto-cos-cruise-to-their-best-ever-festive-season-this-year/articleshow/105243223.cms>

## **India Inc Q2 profit surges, revenue growth muted**

India Inc delivered strong double-digit growth in net profit in the September quarter, riding a stellar show by automobiles, banking and finance, cement and metal companies with a domestic focus. Revenue expanded in single digits as consumer goods companies faced volume pressure and IT companies continued to struggle for growth.

<https://economictimes.indiatimes.com/markets/stocks/earnings/india-inc-q2-profit-surges-revenue-growth-muted/articleshow/105246224.cms>

### **As AI, Gen AI take centrestage,IT firms pump in money to get employees skilled**

As Artificial Intelligence (AI) and Generative Artificial Intelligence (Gen AI) are ruling the IT industry, top IT vendors are investing huge amounts in the sector and also ensuring that employees are skilled in the domain rather than looking outside for skilled personnel. Wipro is investing \$1 billion in AI in the next 3 years, while Cognizant will invest \$1 billion in three years in Gen AI. IT vendors are also skilling their employees in both AI and Gen AI. TCS has trained over one lakh in Gen AI and Wipro nearly 2.80 lakh on Gen AI general principles. Cognizant has trained about 55,000 of its employees in Gen AI this year, and has an additional 40,000 employees from all levels of the company registered in pursuing training on Gen AI.

<https://www.thehindubusinessline.com/info-tech/as-ai-gen-ai-take-centrestage-it-firms-pump-in-money-to-get-employees-skilled/article67536214.ece>

## **Agriculture**

### **FCI sells 2.84 lakh tonnes of wheat at average ₹2,234/quintal in latest e-auction**

The government, through the Food Corporation of India (FCI), sold 2.84 lakh tonnes (lt) of wheat in the open market sale scheme through e-auction on November 15, which is about 95 per cent of 3 lt of total quantity offered for sales to the processors. After raising the offered quantity in the auction, the government has been able to lower the selling rates of wheat. Against the reserve price of ₹2,127/quintal in the e-auction, weighted average selling price was ₹2,234, which is lower from ₹2,252 in the previous week, sources said.

<https://www.thehindubusinessline.com/economy/agri-business/fci-sells-284-lakh-tonnes-of-wheat-at-average-2234quintal-in-latest-e-auction/article67536758.ece>

## **Infrastructure**

### **Domestic air traffic to rise 11% in Oct as leisure, biz travel increases**

Domestic air passenger traffic is expected to rise 11 per cent year-on-year (YoY) in October, reaching 126.4 lakh compared to around 114 lakh in October 2022, according to the rating firm ICRA. On a sequential basis, domestic air passenger traffic growth is expected up 3.2 per cent compared to 122.5 lakh in September 2023 and 3 per cent higher than pre-Covid levels of 123 lakh in October 2019.

[https://www.business-standard.com/finance/personal-finance/domestic-air-traffic-to-rise-11-yoy-in-oct-surpass-pre-covid-levels-icra-123111500420\\_1.html](https://www.business-standard.com/finance/personal-finance/domestic-air-traffic-to-rise-11-yoy-in-oct-surpass-pre-covid-levels-icra-123111500420_1.html)

## **Telecom**

### **Trai issues public advisory against fraudulent calls threatening disconnection of mobile services**

The telecom regulator has issued a public advisory alerting citizens not to heed fraudulent calls threatening disconnections from companies, agencies and individuals masquerading as the Telecom Regulatory Authority India (Trai). "...some companies, agencies, individuals are fraudulently asking public/customers that they are calling from Trai and mobile numbers will be disconnected as the numbers' are being used for sending unsolicited messages... the public is hereby informed that Trai does not block/ disconnect any mobile number of any individual telecom customer, and therefore, any call or message claiming to be from Trai should be considered potentially fraudulent," the regulator said in its advisory Wednesday.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/trai-issues-public-advisory-against-fraudulent-calls-threatening-disconnection-of-mobile-services/articleshow/105236081.cms>

## **External**

### **Festival gold rush widens India's trade deficit to new high in October**

India's merchandise trade deficit surged to a record \$31.5 billion in October as festival demand led to a sharp increase in imports of gold and silver, even as exports registered positive growth, aided by a favourable base.

According to data released by the commerce department on Wednesday, merchandise exports grew at the fastest pace (6.2 per cent) in 11 months to \$33.6 billion in October. Imports rose at the fastest pace (12.3 per cent) in 13 months to \$65.03 billion. Gold imports rose by 95.4 per cent to \$7.2 billion and silver imports increased by 124.6 per cent to \$1.3 billion during the month.

[https://www.business-standard.com/economy/news/exports-up-6-21-in-oct-trade-deficit-at-record-high-of-31-46-billion-123111500958\\_1.html](https://www.business-standard.com/economy/news/exports-up-6-21-in-oct-trade-deficit-at-record-high-of-31-46-billion-123111500958_1.html)

### **Rupee depreciation may push up garment, handicraft exports**

India's labour-intensive export sectors could gain from the latest depreciation in the rupee, according to experts. Outbound shipments of readymade garments, carpets and handicrafts can increase 2-10% increase, whereas in the case of handicrafts, where the imported content is low, the benefit can be as high as 100%, they said. If the rupee depreciates about 10% and the import content in the product being exported is 20%, the net gain to exports would be 8%, said industry experts. "One can also get the benefit while negotiating contracts. If an exporter hasn't hedged, then they would get windfall gains during the period of depreciation, but most of the time, inflation nullifies the benefit given by depreciation," said Ajay Sahai, director general, Federation of Indian Export Organisations.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/rupee-depreciation-may-push-up-garment-handicraft-exports/articleshow/105242825.cms>

### **No deadline for UK FTA but working on a timeline: Commerce Secretary**

India and the UK are not working under any deadlines on the conclusion of negotiations on the free-trade agreement (FTA) as there are issues which are slightly complex in nature and of economic significance to both countries, Commerce Secretary Sunil Barthwal said on Wednesday. Responding to a query at a press briefing here on any tentative deadline to sign the pact between the two countries, he said that issues are being examined carefully in a roundwise manner and they are expected to finish soon.

[https://www.business-standard.com/economy/news/not-working-under-any-deadlines-on-india-uk-fta-commerce-secretary-123111501166\\_1.html](https://www.business-standard.com/economy/news/not-working-under-any-deadlines-on-india-uk-fta-commerce-secretary-123111501166_1.html)

### **Developing economies' quota in IMF key to global financial stability: CEA**

The increase of developing economies quota in the International Monetary Fund (IMF) can play a pivotal role in safeguarding global financial stability by enhancing the multilateral lending agency's permanent resources, Chief Economic Advisor V Anantha Nageswaran said on Wednesday. Participating in an event organised by the finance ministry, Nageswaran said the reforms of international financial institutions have to go beyond the World Bank and multilateral development banks (MDBs).

[https://www.business-standard.com/economy/news/developing-economies-quota-in-imf-key-to-global-financial-stability-cea-123111501061\\_1.html](https://www.business-standard.com/economy/news/developing-economies-quota-in-imf-key-to-global-financial-stability-cea-123111501061_1.html)

### **DGTR initiates suo-motu investigation into dumping of 4 Chinese goods**

The commerce ministry's investigation arm DGTR has "suo-motu" initiated probes against the alleged dumping of four products, including roller chains, glass mirrors and fasteners, by Chinese companies as the authority seeks to guard MSME units against cheap imports from the neighbouring country, an official said on Wednesday. Usually, anti-dumping investigations are initiated based on an application filed by domestic producers, but since the fragmented industries did not have the know-how of the procedures involved in the trade remedy probe, the Directorate General of Trade Remedies (DGTR) has undertaken the exercise to investigate the matter on its own initiative.

[https://www.business-standard.com/economy/news/dgtr-initiates-suo-motu-investigation-into-dumping-of-4-chinese-goods-123111500976\\_1.html](https://www.business-standard.com/economy/news/dgtr-initiates-suo-motu-investigation-into-dumping-of-4-chinese-goods-123111500976_1.html)

### **Comm min expects to issue 20,000 status holder certificates to exporters**

The Commerce Ministry, which automated the process for issuance of exporter status certificates, is expected to issue about 20,000 such documents by the end of this year, a senior official said on Wednesday. Director General of

Foreign Trade (DGFT) Santosh Kumar Sarangi said this would be a big jump in the issuance of these certificates, and so far, they have issued over 40,200 status-holder certificates.

[https://www.business-standard.com/economy/news/comm-min-expects-to-issue-20-000-status-holder-certificates-to-exporters-123111500822\\_1.html](https://www.business-standard.com/economy/news/comm-min-expects-to-issue-20-000-status-holder-certificates-to-exporters-123111500822_1.html)

#### **India signs deals to export 500,000 tons of new season basmati rice**

India has signed contracts to export about 500,000 metric tons of new season basmati rice to cash in on robust demand from top buyers in Europe and the Middle East, traders said on Wednesday. India annually exports more than 4 million tons of basmati - a premium long-grain variety famed for its aroma - to Iran, Iraq, Yemen, Saudi Arabia, the United Arab Emirates and the United States, among others.

[https://www.business-standard.com/economy/news/india-signs-deals-to-export-500-000-tons-of-new-season-basmati-rice-123111500743\\_1.html](https://www.business-standard.com/economy/news/india-signs-deals-to-export-500-000-tons-of-new-season-basmati-rice-123111500743_1.html)

#### **India, 13 others of IPEF ink supply chain resilience pact to reduce dependence on China**

India, the US and 12 other members of the Indo-Pacific Economic Framework (IPEF) have signed a supply chain resilience agreement that is aimed at helping reduce dependence on China, and shifting production of critical sectors and key goods to member countries. The agreement was signed on Wednesday in San Francisco, where commerce and industry minister Piyush Goyal is attending the IPEF ministerial meeting.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-13-others-of-ipef-ink-supply-chain-resilience-pact-to-reduce-dependence-on-china/articleshow/105246703.cms>