



January 17, 2024 – Wednesday

## Economy

### ESIC adds 1.6 million new members in November, 317K females: Payroll data

The Employees' State Insurance Corporation (ESIC) added 15.92 lakh new members in November 2023, according to provisional payroll data released on Tuesday. Around 20,830 new establishments were registered and brought under the social security umbrella of ESIC in November ensuring more coverage, the labour ministry said in a statement.

[https://www.business-standard.com/economy/news/esic-adds-1-6-million-new-members-in-november-317k-females-payroll-data-124011600341\\_1.html](https://www.business-standard.com/economy/news/esic-adds-1-6-million-new-members-in-november-317k-females-payroll-data-124011600341_1.html)

### Private capital expenditure to pick up in coming years: MPC member Jayanth R Varma

RBI Monetary Policy Committee (MPC) member Jayanth R Varma has said that capacity utilization has been slowly increasing and private capital expenditure would pick up in the coming years. Varma further noted that in the last couple of years, the government has shouldered the burden of investment, while private capital expenditure has been muted. "At the same time, capacity utilization has been slowly creeping up and it is approaching levels that prompt the private sector to undertake capital expenditure at least in some sectors," he told PTI. "On the whole, I am hopeful that private capital expenditure would pick-up in the coming years, and pick-up the baton from the public sector," he said.

<https://economictimes.indiatimes.com/news/economy/policy/private-capital-expenditure-to-pick-up-in-coming-years-mpc-member-jayanth-r-varma/articleshow/106899447.cms>

### 86% Indian CEOs optimistic about country's economic growth: PwC survey

Most Indian chief executives are optimistic about the economy and believe it would grow in the coming 12 months, said a survey by consulting and auditing firm PwC on Tuesday. The company's 27th annual global survey polled 4,702 chief executive officers (CEOs) in 105 countries and territories, including 79 in India, from October 2 to November 10, 2023. As high as 86 per cent of CEOs in India — 30 per cent higher than a year ago — are confident that the economy would improve.

[https://www.business-standard.com/economy/news/86-indian-ceos-optimistic-about-country-s-economic-growth-pwc-survey-124011600269\\_1.html](https://www.business-standard.com/economy/news/86-indian-ceos-optimistic-about-country-s-economic-growth-pwc-survey-124011600269_1.html)

### Fitch affirms India rating at BBB- with stable outlook; revises growth numbers

Fitch Ratings Tuesday affirmed India's rating at 'BBB-' with a stable outlook, underpinned by strong domestic and external fundamentals. "India's rating is underpinned by a robust medium-term GDP growth outlook and sound external finances, which remain intact as the country has effectively navigated a fraught external environment in the past few years," the global rating agency noted. The global rating agency also revised its growth forecast for the year upwards to 6.9% from the 6% projected earlier. It pointed out that India will remain the fastest-growing economy in the next few years as economic momentum proves resilient, projecting 6.5% growth in the coming fiscal.

<https://economictimes.indiatimes.com/news/economy/indicators/fitch-affirms-india-rating-at-bbb-with-stable-outlook-revises-growth-numbers/articleshow/106906547.cms>

## Banking and Finance

### **RBI preps India's top banks to face a 'de-dollarised' world**

The Reserve Bank of India (RBI) has alerted high-street banks to get ready for an emerging multi-currency world amid measures to internationalise the rupee. Banks were advised by senior RBI officials during an interaction in Kochi on Saturday to prepare themselves for the changes that would be needed to deal in multiple currencies in an evolving market where the US dollar would not be the only and obvious choice for the settlement of cross-border trades and other transactions.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-preps-indias-top-banks-to-face-a-de-dollarised-world/articleshow/106906971.cms>

### **Working group calls for states to fix ceiling on incremental guarantees; more transparency**

Amid concerns over transparency and increasing bank finance to government-owned entities, a working group has recommended that state governments may consider fixing a ceiling for incremental guarantees issued in a year. The working group comprises finance ministry officials, members of the Comptroller and Auditor General of India and some state governments, the Reserve Bank of India said on Tuesday. Senior RBI officials were also included in the group. "Guarantee is a potential future liability that is contingent on the occurring of an unforeseen future event. If these liabilities get crystallised without having adequate buffer, it may lead to increase in expenditure, deficit, and debt levels for the State Government," read the report of the working group.

<https://economictimes.indiatimes.com/news/economy/policy/working-group-calls-for-states-to-fix-ceiling-on-incremental-guarantees-more-transparency/articleshow/106903270.cms>

### **Govt may extend concessional 15% tax for new production units by a year: EY**

The government may extend the concessional 15 per cent income tax rate for corporates to set up new manufacturing units by one year till March 31, 2025, to encourage private investments, EY said in its 2024 Budget expectation report. Finance Minister Nirmala Sitharaman is scheduled to present the interim Budget for 2024-25 on February 1. EY in its Budget expectations report also said that in the interim Budget, the government would continue its focus on ease of paying taxes, while legislative reforms will stay work-in-progress.

[https://www.business-standard.com/economy/news/govt-may-extend-concessional-15-tax-for-new-production-units-by-a-year-ey-124011600711\\_1.html](https://www.business-standard.com/economy/news/govt-may-extend-concessional-15-tax-for-new-production-units-by-a-year-ey-124011600711_1.html)

### **India insurance sector growth pegged at 7.1% in 2024-28: Swiss Re**

India's insurance sector is projected to record the fastest growth among the G20 countries with the total premium expected to rise at an average rate of 7.1 per cent in real terms during 2024-28. In comparison, the growth rate for the global insurance market will be around 2.4 per cent, said a report by Swiss Re Institute. The expanding economy, growing middle class, innovation and regulatory support are driving the insurance market growth in India.

[https://www.business-standard.com/industry/news/insurance-industry-to-grow-at-an-average-rate-of-7-1-in-2024-28-swiss-re-124011600770\\_1.html](https://www.business-standard.com/industry/news/insurance-industry-to-grow-at-an-average-rate-of-7-1-in-2024-28-swiss-re-124011600770_1.html)

### **PE, VC investments down 63% to \$9 billion in 2023, lowest since 2016**

Amidst geopolitical uncertainties and tight credit markets, private equity and venture capital investments in India dropped by 63 per cent in 2023 compared to the previous year, with the sum of equity investments amounting to \$9 billion. This marks the lowest annual period by value for PE/VC investments in India since 2016, according to data analysed by LSEG Deals Intelligence.

[https://www.business-standard.com/finance/personal-finance/pe-vc-investments-down-63-to-9-billion-in-2023-lowest-since-2016-124011600212\\_1.html](https://www.business-standard.com/finance/personal-finance/pe-vc-investments-down-63-to-9-billion-in-2023-lowest-since-2016-124011600212_1.html)

## **Industry**

### **Over 50% DPIIT-recognised startups from tier-II and tier-III cities**

Around 50 per cent of more than 115,000 startups registered by the Department for Promotion of Industry and Internal Trade (DPIIT) are based in tier-II and tier-III cities, as of December 31, 2023. The fourth edition of the National Startup Awards (NSA), organised by DPIIT, saw participation from as many as 2,324 startups, incubators and accelerators. This was, however, less than the 2,667 applications in 2022. Notably, around 58 per cent of this year's applicants hailed from tier 2 and tier 3 cities.

[https://www.business-standard.com/companies/start-ups/over-50-of-1-15-lakh-dpiit-recognized-startups-from-tier-2-3-cities-124011600812\\_1.html](https://www.business-standard.com/companies/start-ups/over-50-of-1-15-lakh-dpiit-recognized-startups-from-tier-2-3-cities-124011600812_1.html)

### **Auto sector will contribute to India's rise as 3rd largest economy: Pandey**

The Indian automotive industry will have the highest contribution to the country's rise as the third-largest economy, said Mahendra Nath Pandey, Minister for Heavy Industries, on Tuesday. Speaking at the auto Production Linked Incentive (PLI) conclave in New Delhi, he stated, "India is today the fifth-largest economy in the world and soon India will be the third-largest economy in the world. With the highest contribution of 35 per cent in Gross Domestic Product (GDP), the automobile industry is ready to play their role in this direction."

[https://www.business-standard.com/economy/news/auto-sector-will-contribute-to-india-s-rise-as-3rd-largest-economy-pandey-124011601050\\_1.html](https://www.business-standard.com/economy/news/auto-sector-will-contribute-to-india-s-rise-as-3rd-largest-economy-pandey-124011601050_1.html)

## **Energy**

### **Peak power demand rose by 80% during 2014-2023, while capacity addition rose 70%: Power Minister**

Power Minister RK Singh said on Tuesday that the country's peak power demand rose by 80 per cent between 2014 and 2023, while installed power capacity rose by almost 70 per cent during the same period.

<https://www.thehindubusinessline.com/economy/peak-power-demand-rose-by-80-during-2014-2023-while-capacity-addition-rose-70-power-minister/article67745180.ece>

## **States**

### **TN recognised as 'Best Performer' in States' Startup Ranking 2022**

Tamil Nadu was recognised as the 'Best Performer,' the top category in the States' Startup Ranking 2022, released in New Delhi on Tuesday. It was the 4th edition of Startup India Ranking carried out by the Department for Promotion of Industry and Internal Trade.

<https://www.thehindubusinessline.com/news/national/tn-recognised-as-best-performer-in-states-startup-ranking-2022/article67745135.ece>

## **External**

### **Engineering goods exports grow 10.20% in Dec amid global challenges**

Despite various challenges arising out of geopolitical tension and tight financial conditions in major advanced economies, India's engineering goods exports recorded a year-on-year growth of 10.20 per cent to USD 10.04 billion in December 2023. While this represents a strong rebound, the sector still faces uncertainties due to the prevailing global economic conditions, an EEPC official said.

[https://www.business-standard.com/economy/news/engineering-goods-exports-grow-10-20-in-dec-amid-global-challenges-124011600541\\_1.html](https://www.business-standard.com/economy/news/engineering-goods-exports-grow-10-20-in-dec-amid-global-challenges-124011600541_1.html)

### **Overall imports down 4% but shipments from Russia, China up: Govt data**

India's exports rose to seven of the country's top 10 destinations — United Arab Emirates, Saudi Arabia, China, the UK, Australia, Singapore, and the Netherlands — in the first nine months of the current financial year (FY24). Overall exports, meanwhile, increased 0.9 per cent, according to the data compiled by the commerce department. Of India's top 10 import partners, inbound shipments from Russia, Switzerland, China, and South Korea saw growth during April-December, at a time when the country's overall inbound shipments dipped by 4 per cent compared to a year earlier.

[https://www.business-standard.com/economy/news/overall-imports-down-4-but-shipments-from-russia-china-up-govt-data-124011601126\\_1.html](https://www.business-standard.com/economy/news/overall-imports-down-4-but-shipments-from-russia-china-up-govt-data-124011601126_1.html)

### **Leverage free trade agreements to our benefit, Piyush Goyal tells industry**

Commerce and Industry minister Piyush Goyal on Tuesday chaired the second meeting of the reconstituted Board of Trade (BoT) that focused on reviewing India's export performance to achieve the \$2 trillion export target by 2030. The minister urged the industry to leverage the free trade agreements (FTAs) signed by India to its benefit.

[https://www.business-standard.com/economy/news/piyush-goyal-urges-industry-to-leverage-ftas-signed-by-india-to-its-benefit-124011600874\\_1.html](https://www.business-standard.com/economy/news/piyush-goyal-urges-industry-to-leverage-ftas-signed-by-india-to-its-benefit-124011600874_1.html)

### **Imports of medical devices rise 21% till October to Rs 61,262.84 cr**

Imports of medical devices rose 21 per cent between November 2022 and October 2023 to Rs 61,262.84 crore, driven by growth in imports from the US, Germany, and the Netherlands. Data from the Department of Commerce, compiled by the Association of Indian Medical Device Industry (AiMeD), an umbrella body representing the domestic medical devices industry, showed that the top five Harmonised System (HS) codes, which constitute nearly 80 per cent of the total imports into India, have seen an increase of 26 per cent.

[https://www.business-standard.com/industry/news/imports-of-medical-devices-rise-21-till-oct-on-the-back-of-rising-imports-124011600105\\_1.html](https://www.business-standard.com/industry/news/imports-of-medical-devices-rise-21-till-oct-on-the-back-of-rising-imports-124011600105_1.html)

#### **UN bars Indian rice exporters from WFP**

The United Nations has barred Indian exporters from participating in its rice procurement tender for the World Food Programme (WFP) because India has imposed restrictions on rice exports. Following this, the government also banned exports of non-basmati white rice in July 2023, imposed a 20% export duty on parboiled rice and set a minimum export price (MEP) of \$1,200 per tonne for basmati rice in August 2023, amid rising prices of the cereal in the domestic market.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/un-bars-indian-rice-exporters-from-wfp/articleshow/106907185.cms>

#### **India asks WTO to weigh carve-out for poor fishing nations**

Ahead of a key ministerial meeting of the World Trade Organization (WTO) next month, India has proposed a permanent carve-out for countries involved in low-income fishing to protect the livelihoods of poor fishers. In a submission to the global trade watchdog, it also said that non-collection from vessels in agreements wherein vessels of richer nations acquire access rights to fishing in poorer countries' waters must be treated as subsidies.

<https://economictimes.indiatimes.com/news/economy/agriculture/india-asks-wto-to-weigh-carve-out-for-poor-fishing-nations/articleshow/106906844.cms>