



November 23, 2022 – Wednesday

Economy

India among few economies in Asia to witness growth amid global slowdown, says OECD

The Organisation for Economic Cooperation and Development (OECD) in its latest report projected India as one of the few growing economies in Asia amid a global slowdown triggered by a massive energy shock owing to the ongoing Russia-Ukraine conflict. The Paris-based intergovernmental body that focuses on economic policy reports said that India is set to be the second-fastest growing economy in the G20 in FY 2022-23 after Saudi Arabia. The statement comes despite decelerating global demand and the tightening of monetary policy to manage inflationary pressures.

<https://economictimes.indiatimes.com/news/economy/indicators/india-among-few-economies-in-asia-to-witness-growth-amid-global-slowdown-says-oecd/articleshow/95694346.cms>

PMGKAY likely to end in December on fiscal, foodgrain constraints

The Centre is likely to discontinue the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) after December due to considerations on its fiscal position and foodgrain stocks, apart from the fact that there is no immediate political imperative to continue with it, Business Standard has learnt.

https://www.business-standard.com/article/economy-policy/govt-may-end-pmgkay-in-dec-as-fiscal-foodgrain-considerations-bite-122112201167_1.html

Food ministry aims to revamp over 2 lakh fair price shops as common service centres

For economic viability of fair price shops (FPS) through generation of additional revenues, the food ministry is aiming to convert around 2.12 lakh of these outlets into common service centres (CSC) which are expected to provide a host of services. Currently, 38,000 public distribution system (PDS) outlets have been turned into CSCs following a memorandum of understanding between the department of food and public distribution and the ministry of electronics and information technology in September 2021.

<https://www.financialexpress.com/economy/food-ministry-aims-to-revamp-over-2-lakh-fair-price-shops-as-common-service-centres/2886253/>

Economists see Q2 GDP growth at median 6.45%

India's economy likely grew 6.2-7.2% in the September quarter from a year earlier, according to a survey of economists, lifted by a pick-up in services and government capital spending as well as high pre-festive season production. The median of the 10 economists' forecasts for the quarter was 6.45%. Gross domestic product (GDP) grew 13.5% in the first quarter of FY23, boosted by the low base a year ago. The waning base effect - 8.4% growth in the second quarter of FY22 - would have pushed down the July-September number this year. The official national income data for the second quarter will be released on November 30. "Domestic demand likely assumed a bigger role in boosting growth in the second quarter, just as exports lost momentum," said Radhika Rao, executive director and senior economist at DBS Group Research. "Base effects will nonetheless moderate headline growth from double-digit pace in the quarter before."

<https://economictimes.indiatimes.com/news/economy/indicators/economists-see-q2-gdp-growth-at-median-6-45/articleshow/95698401.cms>

Banking and Finance

Prepare road map for small merchants' entry into digital fold, Finmin tells lenders

The finance ministry has asked banks to work out the roadmap for bringing small merchants and traders within the fold of digital transactions. "Banks are now working on the standard operating procedure, the scope of services, and a performance measure matrix," said an official, adding that the Indian Banks' Association, or IBA, will also be engaged to bring private banks on board. Another bank executive confirmed that lenders have been asked to provide their input on aspects such as whether more financial services products can be introduced and how to address issues such as digital security for both vendors and their clients. "Since DBUs are also expected to play a role in enabling customers to learn digital banking, it is important that small traders are also on board with digital financial literacy campaigns," he said, adding that special emphasis will be placed on cyber security.

<https://economictimes.indiatimes.com/news/economy/policy/prepare-road-map-for-small-merchants-entry-into-digital-fold-finmin-tells-lenders/articleshow/95696226.cms>

Budget 2023: Lifting ban on farm exports, cost rationalisation in commodities trading among top pre-budget demands

Increasing securities transaction tax (STT) on options to check "speculative" trading, cost rationalisation in commodities market and reduction of commodities transaction tax (CTT) topped the pre-budget wish list of the market participants in their interaction with finance minister Nirmala Sitharaman on Tuesday. "We have taken issues like cost rationalisation in commodities market, reduction of CTT to ₹500 from ₹1,000 per crore and restoration of banned agri commodities," Narinder Wadhwa of Commodities Participants Association of India told ET. Other demands included separate STT for both cash and derivative options. Sitharaman also met farmer organisations and representatives of the agro and food processing industry.

<https://economictimes.indiatimes.com/news/economy/policy/budget-2023-lifting-ban-on-farm-exports-cost-rationalisation-in-commodities-trading-among-top-pre-budget-demands/articleshow/95696402.cms>

India may boost rural spending next year to spur jobs, housing: Source

India may increase rural spending by nearly 50% to 2 trillion rupees (\$24.51 billion) next fiscal year, a source familiar with the matter told Reuters, as the country seeks to boost jobs and affordable housing before the national elections. Finance Minister Nirmala Sitharaman is likely to present the 2023/24 budget on Feb. 1, the last full budget before the 2024 national elections. India's fiscal year starts on April 1 and runs through March. The Indian government had allocated 1.36 trillion rupees towards the rural development ministry for the current fiscal year but it could end up spending more than 1.60 trillion rupees, according to two government sources who wished to remain unnamed as the information is yet to be made public.

<https://economictimes.indiatimes.com/news/economy/indicators/india-may-boost-rural-spending-next-year-to-spur-jobs-housing-source/articleshow/95692537.cms>

India's fiscal consolidation trend intact; to see strong revenues, debt stabilisation, says Moody's

Moody's Investors Service on Tuesday said the trend of gradual fiscal consolidation remains intact for India and going forward the country will see strong revenue performance and debt stabilisation. Moody's Investors Service Senior Vice President Christian de Guzman said India's 'Baa3' sovereign rating balances its strength of relatively high economic growth and weakness of one of the most highly indebted emerging market sovereigns. The country's healthy financial system is reflected in deleveraging by Indian corporates. "We expect that India is going to be the fastest growing G-20 economy next year... (but) high inflation pose a downside risk to India's growth as households and businesses have less purchasing power," Guzman said in a Moody's virtual event 'Sovereign Deep Dive'.

<https://economictimes.indiatimes.com/news/economy/finance/indias-fiscal-consolidation-trend-intact-to-see-strong-revenues-debt-stabilisation-says-moodys/articleshow/95696697.cms>

Industry

Support small manufacturers, MSMEs, engineering exports, Goyal tells steel industry

Steel mills and industry captains need to “work out a mechanism” to support small manufacturers and MSMEs to ensure that the withdrawal of export duty on steel do not hurt the latter, Piyush Goyal, the Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, said on Tuesday.

<https://www.thehindubusinessline.com/companies/support-small-manufacturers-msmes-engineering-exports-goyal-tells-steel-industry/article66170026.ece>

Removal of export duty to help steel makers pull up profits, say experts

The removal of export duty on steel products will help the domestic metal producers pull up their profits with now having the freedom to explore overseas markets as well, experts said. The government has cut the export duty on steel products and iron ore to nil with effect from November 19, 2022 -- six months after imposition of the levy on May 21. The relief comes on the back of domestic steel prices correcting by 15-20 per cent since these duties were imposed, Jayanta Roy, Senior Vice President & Group Head, Icria Limited, said. "We believe that the latest measure will help pull up the industry's profits from the second quarter lows as companies now get the freedom to explore overseas markets, depending on the pricing environment," the expert said.

https://www.business-standard.com/article/economy-policy/removal-of-export-duty-to-help-steel-makers-pull-up-profits-say-experts-122112200581_1.html

43% Indian IT employees find moonlighting favourable, says report

Amid the growing debate on moonlighting, a new report has revealed that 43 per cent of employees in the Indian IT sector find moonlighting favourable. The top reasons why employees work outside their jobs are to safeguard against job loss and supplement their incomes. However, employers have a different view of this tendency as 31 per cent believe that employees moonlight because they are not adequately engaged in their work and 23 per cent believe that employees have ample time on hand for a second job, according to the findings from quarterly hiring tracker by job platform Indeed. "The pandemic has made employees step back and reevaluate priorities. In an era where talent is valued more than ever, employers are shifting from a focus on employee experience to employee life experience," said Sashi Kumar, Head of Sales, Indeed India. Most moonlighting situations that may require an employer to develop a moonlighting policy occur when the moonlighting employee has a "primary", usually full-time position, and a "secondary", or part-time position.

https://www.business-standard.com/article/companies/43-indian-it-employees-find-moonlighting-favourable-says-report-122112200420_1.html

Infrastructure

Air traffic surges 60% in October on festival season

Travel during the festival season helped domestic air traffic rise by 60 per cent in October, compared to the same month last year, according to the Directorate General of Civil Aviation (DGCA). However, the overall traffic is yet to cross pre-Covid levels. On Tuesday, DGCA's data showed that domestic air traffic jumped to 114.07 lakh last month, compared to the year-ago period, when it was 89.85 lakh. In September, the air traffic number stood at 103.55 lakh.

<https://www.thehindubusinessline.com/economy/logistics/thanks-to-festival-season-air-traffic-rises-60-in-october/article66169885.ece>

Energy

Legal hitch keeps small field oil operators liable for windfall tax

The operators of discovered small fields (DSF) have argued for immediate clarity on windfall tax norms and sought exemption from the tax based on an entity's annual oil production share and not on the basis of annual oil output at the block level.

https://www.business-standard.com/article/economy-policy/legal-hitch-keep-small-field-oil-operators-liable-for-windfall-tax-122112201051_1.html

Indian govt wants solar manufacturers to bid for \$2.4 billion in aid

India is looking for takers for \$2.4 billion in government aid it's offering to stimulate domestic manufacturing of solar power equipment. The state-run Solar Energy Corp. of India is seeking bids from solar manufacturers for 195 billion rupees of financial incentives, according to documents published on the agency's website. The government is seeking to grow the country's module-making capacity to as much as 90 gigawatts, enough to meet its own requirements and serve export markets. Reliance Industries Ltd. and Adani Group, industrial giants run by billionaires Mukesh Ambani and Gautam Adani, were winners in a previous round of solar manufacturing incentives and are eligible to apply again for building additional capacity, the bid documents show.

https://www.business-standard.com/article/economy-policy/indian-government-offers-2-4-billion-in-aid-to-solar-manufacturers-122112201174_1.html

Telecom

India's mobile user base down 3.7% in September: Trai

India's mobile phone user base dipped 3.7% month-on-month in September, with Vodafone Idea continuing to lose subscribers and rivals Reliance Jio and Bharti Airtel seeing a slowdown in new additions, data collated by the Telecom Regulatory Authority of India showed. Cash-strapped Vodafone Idea lost over 4 million more subscribers in September to end with 249.1 million users, underlining its struggles to compete against rivals Jio and Airtel amidst a 4G coverage gap being widened due to inadequate capex spending. Consequently, the loss-making telco also lost wireless subscriber market share in September 2022, ending the month with 21.75% share, as compared to 22.03% in August.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/indias-mobile-user-base-down-3-7-in-september-trai/articleshow/95696782.cms>

States

Uttar Pradesh looks for image makeover with roadshows in 18 nations

To change the perception that it is an agricultural state, MSME-dominated and inward-looking, Uttar Pradesh will launch an aggressive bid to invite foreign investment. It will send out teams of officials and ministers to hold road shows in 18 countries.

https://www.business-standard.com/article/economy-policy/investment-summit-uttar-pradesh-eyes-rs-1-trillion-worth-of-proposals-122112201161_1.html

Odisha industrial policy mulls more sops for investors

The Odisha government is working on additional incentives for investors in its upcoming industrial policy in the form of capital goods investment subsidy, electricity tariff reimbursement, and land at a highly concessional rate. The state government is expecting investments to the tune of ₹50,000 crore in mining, metals, downstream and ancillary industries over the next four to five years. According to Hemant Kumar Sharma, Principal Secretary, Odisha Industries department, there is a proposal to declare both downstream and ancillary metal as a "priority sector". The State has been witnessing a lot of traction in the mining, metal, downstream and ancillary sectors over the last two years.

<https://www.thehindubusinessline.com/economy/odisha-industrial-policy-mulls-more-sops-for-investors/article66168784.ece>

Chhattisgarh govt signs two MoUs for ethanol plant, drone and UAV unit

The Chhattisgarh government signed two MoUs (Memorandum of Understandings) at the Chhattisgarh Business Summit 2022 at India International Trade Fair-2022 in Pragati Maidan in New Delhi on Tuesday. The MoUs were signed for setting up an ethanol production plant and drone and UAV manufacturing unit. According to the press release issued by the CMO, an MoU was signed between the state government and Rajesh Gautam of NKJ Biofuel, Durg for setting up an ethanol production plant in the cooperative sector with an investment of Rs 140 crores, while another MoU was inked with Manish Bajpai of Daybest Research Private Ltd for setting up 4500 drone and UAV manufacturing units at the investment of Rs 50.95 crore. In the Business Summit, Labor Minister Shiv Dharaiya said, "Chhattisgarh is a progressive state full of possibilities. Many types of concessions and facilities are being given to the entrepreneurs under the new industrial policy of the state government."

https://www.business-standard.com/article/current-affairs/chhattisgarh-govt-signs-two-mous-for-ethanol-plant-drone-and-uav-unit-122112300063_1.html

Healthcare

Ayushman Bharat Health Accounts reach 25-crore milestone

The subscriber base of Ayushman Bharat Health Accounts (ABHA) has touched the milestone of 25 crore, giving a major push to the government's efforts to digitise the health infrastructure.

<https://www.thehindubusinessline.com/news/ayushman-bharat-health-accounts-reach-25-crore-milestone/article66168984.ece>

External

Focus of India, UAE talks: Energy, food; Rupee-Dirham trade

India and the United Arab Emirates held wide-ranging discussions on Tuesday on strengthening energy and food security linkages amid geopolitical upheavals. They also discussed launching bilateral trade in the national currencies, rupee and dirham. External affairs minister S Jaishankar met the foreign minister of the UAE, Sheikh Abdullah bin Zayed Al Nahyan, in Delhi. The meeting was also attended by the UAE minister of state for international cooperation, Reem Al Hashimy, and India's foreign secretary Vinay Kwatra. The foreign ministers appreciated the progress in bilateral relationship, especially in trade, investment, consular matters, education and food security, and discussed expanding partnership in these sectors, said officials.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/focus-of-india-uae-talks-energy-food-rupee-dirham-trade/articleshow/95696590.cms>

India, Myanmar explore trade in national currencies as FS meets junta chief

India and Myanmar have explored the possibility of trade in national currencies and establishing direct maritime connectivity when Foreign Secretary Vinay Kwatra called on PM and junta Senior General Min Aung Hlaing in Nay Pyi Taw. "At the meeting, they frankly exchanged views on cooperation in security, peace and tranquillity at the border region of both countries, further promotion of cooperation, cooperation in defence measures, situations of further enhancement of bilateral relations, trade promotion and increase of investment, implementation of Kaladan Multimodal Project and prospects for direct maritime trade measures, further improvement of the border region, efforts for the rupee/ kyat direct payment in the bi-lateral trade sector," according to a statement issued by the Myanmar government following Kwatra's visit on Sunday and Monday.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-myanmar-explore-trade-in-national-currencies-as-fs-meets-junta-chief/articleshow/95695613.cms>