



January 27, 2023 – Friday

Economy

Formal jobs rise in November

Formal job creation in India rebounded in November across the Employees' Provident Fund Organisation and the Employees' State Insurance Corporation after registering a dip in October but was nearly the same under the National Pension Scheme when compared to the previous month, the official data showed. As per the provisional payroll data released by the ministry of statistics and programme implementation, net new subscriber addition under EPFO was 25.6% higher at 1.62 million in November against 1.29 million in October.

<https://economictimes.indiatimes.com/jobs/formal-jobs-rise-in-november/articleshow/97329652.cms>

India a 'bright spot' in world economy right now: Top UN economist Hamid Rashid

India is a "bright spot" in the world economy currently and is on a "strong footing", projected to grow at 6.7 per cent next year, a very high growth rate relative to other G20 member countries, a top UN economist said. These remarks were made by the Chief of the Global Economic Monitoring Branch, Economic Analysis and Policy Division, UN-Department of Economic and Social Affairs Hamid Rashid. "I think India is a bright spot in the world economy right now," Rashid said at a press conference here Wednesday at the launch of the World Economic Situation and Prospects 2023 report. The flagship report said that India's GDP is projected to moderate to 5.8 per cent in 2023 as higher interest rates and global economic slowdown weigh on investment and exports.

<https://www.financialexpress.com/economy/india-a-bright-spot-in-world-economy-right-now-top-un-economist-hamid-rashid/2960792/>

Budget may provide more aid for critical infra gap projects

Budget 2023-24 is likely to provide for higher financial support for critical infrastructure gap projects under the Gati Shakti Mission that have been identified, but are yet to be approved and funded. "The Department for Promotion of Industry and Internal Trade (DPIIT) has got in touch with various Ministries, including steel, railway, road, coal, ports, fertilizer and food and public distribution, asking them to get approval for the critical infrastructure gap projects under their domain that had been identified but not approved," an official tracking the matter told businessline. The approval is given by the Network Planning Group (NPG), consisting of heads of the network planning wing of respective infrastructure ministries. "The relevant department under the Finance Ministry will make a list of such projects, calculate the amount required for implementation and come up with the total allocation required," the official added.

<https://www.thehindubusinessline.com/economy/gati-shakti-budget-likely-to-provide-more-support-for-critical-infra-gap-projects/article66436694.ece>

Banking and Finance

Banks on branch addition spree to cash in on credit growth

Indian banks are on a branch addition spree as they look to capitalise on the purple patch in credit growth. While digital banking is growing at a faster clip, banks feel that a physical-plus-online approach is here to stay. The trend is led by private banks. HDFC Bank alone opened 684 branches in the December quarter and aims to add more than

1,500 branches for the fiscal year. "We are pursuing a branch build strategy and have another 600 branches in the pipeline," said Srinivasan Vaidyanathan, chief financial officer of HDFC Bank. "The goal is to grow faster than the market to gain deposit share. We are striving to get there by expanding our distribution and getting closer to the customer."

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-open-more-branches-to-cash-in-on-credit-growth/articleshow/97330007.cms>

Insurance Bill may not be introduced in budget session

The government is likely to put on hold the Insurance Laws (Amendment) Bill, 2022, following demands from the industry for major changes, including dropping the composite licence provision, which allows insurers to undertake general and health insurance via a single entity. The bill was expected to be introduced in the upcoming budget session. The finance ministry last November invited comments on the proposed amendments to the Insurance Act, 1938, and the Insurance Regulatory and Development Authority Act, 1999. The General Insurance Council, a grouping of non-life insurers, has opposed the composite licence, warning that letting companies enter any segment will result in chaos and fragmentation of existing markets, an industry executive told ET.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/insurance-bill-may-not-be-introduced-in-budget-session/articleshow/97361600.cms>

Indian stock markets migrating to T+1 settlement cycle from Friday

Indian stock markets are embarking on a shorter settlement cycle or T+1 regime for the final list of large stocks from Friday, a move that will help reduce margin requirements for clients and boost retail investment. T+1 (trade plus one) means that market trade-related settlements will need to be cleared within one day of the actual transactions taking place. Earlier, trades on the Indian stock exchanges are settled in two working days after the transaction is done (T+2).

<https://www.financialexpress.com/market/indian-stock-markets-migrating-to-t1-settlement-cycle-from-friday/2960901/>

India Inc may step up rupee-denominated green bond issuances in FY24

Rupee-denominated green bond issuances by Indian corporates are expected to pick up in FY24 as pricing reference is now available, with the government kickstarting issuance of sovereign green bonds (SGrBs). Green bond issuances could touch 8-10 per cent of overall corporate bonds issuances in India in a couple of years. This, as India Inc and public sector enterprises are seen tapping green financing at relatively lower cost to set up projects in areas such as renewable energy, clean transportation, water and waste management/recycling, green buildings, rooftop solar, electric vehicles, and EV charging infrastructure, among others, according to experts. Ajay Manglunia, MD & Head, Investment Grade Group, JM Financial, expects the green bond market to build up, with some of the corporates floating them in FY24, in the wake of enthusiastic investor response to the maiden SGrB issuance on January 25. "Green bond issuance could account for 2-3 per cent of overall corporate bond issuances in FY24. This could go up to 8-10 per cent in a couple of years," as per Manglunia's assessment.

<https://www.thehindubusinessline.com/money-and-banking/india-inc-may-step-up-rupee-denominated-green-bond-issuances-in-fy24/article66436494.ece>

Industry

Centre planning phase 2 of specialty steel PLI scheme

The government is planning to launch a second edition of the production-linked incentive (PLI) scheme for specialty steel, which will cover steel used in some defence equipment and automobiles. "We have some funds left from the first round of PLI and will also seek approval for some more for the second leg," a senior government official told ET on condition of anonymity. The Centre had provided ₹6,322 crore for the specialty steel PLI. Till now 67 applications from 30 companies have been selected under the first round of the scheme. Contracts for these are expected to be signed by the end of this month.

<https://economictimes.indiatimes.com/news/economy/policy/centre-planning-phase-2-of-specialty-steel-pli-scheme/articleshow/97358452.cms>

Travel companies, hotels enjoy bumper long Republic Day weekend

Travel platforms and accommodation providers are seeing high demand and occupancies for Republic Day and the first long extended weekend of the year. Travel search engine Kayak said it witnessed a significant rise in flight searches for travel on Republic Day. While searches for domestic return flights were up about 185%, those for flights to Asian countries increased around 12% and long-haul international flights rose about 24%, compared with the same search period in pre-pandemic 2019. The prices and search data were based on searches between November 1, 2022 and January 1 2023 for travel during January 26-29. These were compared with searches between November 1, 2019 and January 1, 2020 for travel for January 26-29, 2020.

<https://economictimes.indiatimes.com/industry/services/travel/travel-companies-hotels-enjoy-bumper-long-republic-day-weekend/articleshow/97357569.cms>

India's EV dawn fans expectations fuel demand may peak early

The rapid take-up of electric vehicles in India's fledgling market has prompted a major rethink about the country's long-term fuel needs as refiners in Asia's third-largest economy hasten their shift away from oil production. India, one of the world's fastest growing oil markets, has lagged major economic peers in Europe and Asia in the adoption of EVs but sales are now picking up and investment in the production of new autos and energy infrastructure is accelerating.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/indias-ev-dawn-fans-expectations-fuel-demand-may-peak-early/articleshow/97362178.cms>

Agriculture

Centre to release 3 million tonnes wheat to open market to rein in prices

The Centre has approved a proposal to sell three million tonnes of wheat held by government agencies through the open market sale scheme (OMSS) to help rein in the abnormally high prices of wheat in the country, a food ministry official said. This sale will be done via traders, state governments, cooperatives and federations in the next two months at a concessional rate of Rs 2,350 per quintal, the official told ET. Wheat prices in the Delhi market touched a record high of Rs 32 per kg on January 16, up from Rs 29/kg on January 13 amid a shortage, traders said. "This step (by the government) will definitely help in bringing down wheat prices by Re 1 or Rs 2. However, the actual supply will take around 10-15 days to reach the market," said Mohit Upadhyay, managing partner of HMV Agro.

<https://economictimes.indiatimes.com/news/economy/agriculture/centre-to-release-3-million-tonnes-wheat-to-open-market-to-rein-in-prices/articleshow/97314890.cms>

Wheat prices may come down by Rs 5-6/kg: Flour millers on govt's move

Roller Flour Millers Federation of India (RFMFI) on Thursday hailed the government's decision to sell 30 lakh tonnes of wheat in the open market and said the move will lead to a reduction in wheat and wheat flour (atta) prices by Rs 5-6 per kg. The Centre on Wednesday announced the sale of 30 lakh tonnes of wheat in the open market from its buffer stock to check the rise in prices of wheat and wheat flour (atta). The stocks will be sold by the state-owned Food Corporation of India (FCI) during the next two months through various channels.

https://www.business-standard.com/article/economy-policy/wheat-prices-may-come-down-by-rs-5-6-kg-flour-millers-on-govt-s-move-123012600689_1.html

Infrastructure

Real estate sector backs proposed IBC rule change for defaults

Homebuyers are likely to benefit from a government proposal to have individual project resolution in the real estate sector under the Insolvency and Bankruptcy Code (IBC) framework, experts said. "Under the proposed framework related to corporates that are promoters of real estate projects, insolvency provisions would be applicable to projects where default has been reported. Thus, there would be minimal disruption to other projects of the same company," said Anshuman Magazine, chairman and chief executive officer (CEO), India, South East Asia, Middle East & Africa, CBRE, a real estate consultancy firm.

https://www.business-standard.com/article/companies/india-s-realty-sector-sees-a-new-ray-of-hope-in-proposed-ibc-norms-123012600792_1.html

Energy

Clean energy sets \$1.1-trillion record that's bound to be broken

Last year was a double milestone for decarbonizing the world's energy system. It was the first year when investment in the energy transition equaled global investment in fossil fuels, according to the latest data release from clean energy research group BloombergNEF. The money flowing into the upstream, midstream and downstream segments of oil and gas, and into fossil fuel-fired power generation without emissions reduction technology, was \$1.1 trillion last year. Likewise, annual investment in renewable energy, electrified transport and heat, energy storage and other technologies reached \$1.1 trillion.

<https://economictimes.indiatimes.com/industry/renewables/clean-energy-sets-1-1-trillion-record-thats-bound-to-be-broken/articleshow/97359455.cms>

India, Russia may explore to create energy alliance: Former envoy

India and Russia can explore energy alliance in the backdrop of their burgeoning energy ties that includes trade and investments, suggested DB Venkatesh Varma, India's former envoy to Moscow. "India and Russia can explore energy alliance in the backdrop of growing energy trade and investments between two countries," Varma said in a response to a query by ET on occasion of an event organised by Sputnik, Russia's leading media house on the occasion of 30 years of 1993 bilateral treaty.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/india-russia-may-explore-to-create-energy-alliance-former-envoy/articleshow/97363480.cms>

External

Russian oil exports to India likely to hit new highs as interest grows

India's oil processors are open to buying even more Russian crude if the price is right, said refinery executives, potentially providing a bigger outlet for Moscow almost a year after its invasion of Ukraine. The South Asian nation increased Russian oil imports in 2022, ending the year with record monthly volumes as discounted barrels enticed buying. Executives said more cheap crude may be available to India from early next month, with a European Union ban on seaborne Russian fuel shipments possibly weighing on refining rates in the key OPEC+ producer.

https://www.business-standard.com/article/economy-policy/russian-oil-exports-to-india-likely-to-hit-new-highs-as-interest-grows-123012600622_1.html

India's silver imports hit record high of 9,450 tonnes in 2022

India imported 9,450 tonnes of silver in the 2022 calendar year, the country's highest-ever annual imports. The previous high for silver imports was 8,093 tonnes in 2015. The reasons for high imports last year are multifold: Pent up demand from industry after lockdown years, restocking by jewellery and silverware fabricators, and good investment demand when the prices were low. Most imports took place in the second half of the year when prices fell below Rs 55,000 per kg in the country – with July witnessing highest-ever monthly import of 1,700 tonnes. "Silver demand rebounded after lean years of 2020 and 2021.

https://www.business-standard.com/article/markets/india-s-silver-imports-hit-record-high-of-9-450-tonnes-in-2022-123012600638_1.html

Sugar exporters face tax query on benefit given under RoDTEP

Over \$3 billion worth of sugar exports face a bitter tax pill with the customs authorities writing to companies to deposit, with penalties, refunds received under a neutralisation scheme. The industry has reached out to the government and is also contemplating legal action against the custom's move to recover the Remission of Duties and Taxes on Exported Products (RoDTEP) benefits. Sugar exporters have argued that tax neutralisation was not any additional benefit and should be available to exports even after the government-imposed export quotas. Customs authorities contend that any restricted commodity is not eligible for export benefits.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/sugar-exporters-face-tax-query-on-benefit-given-under-rodtep/articleshow/97358620.cms>

Egypt considering allocating land to Indian industries in Suez Canal Economic Zone

India and Egypt have reaffirmed their commitment to the founding values of the Non-Aligned Movement (NAM), international law and respect for the sovereignty and territorial integrity of all states. It was mentioned in a joint statement released on Thursday, a day after Prime Minister Narendra Modi and visiting Egyptian President Abdel Fattah El-Sisi held wide-ranging talks covering bilateral, regional and global issues of mutual interest. On economic ties, the statement mentioned that the Egyptian side is considering the possibility of allocating a special area of land for the Indian industries in the Suez Canal Economic Zone (SCEZ), adding that "the Indian side can arrange for the master plan".

<https://economictimes.indiatimes.com/news/economy/foreign-trade/egypt-considering-allocating-land-to-indian-industries-in-suez-canal-economic-zone/articleshow/97357331.cms>