



March 13, 2023 – Monday

Economy

Inflation expected to come down over the year: RBI MPC member Ashima Goyal

Inflation is expected to come down over the year, RBI Monetary Policy Committee (MPC) member Ashima Goyal said on Sunday, asserting that the government's supply-side action coordinated with a flexible inflation-targeting regime has kept the rate of price rise lower than that in other countries. Goyal said that India has successfully dealt with 'pluri-shocks' over the past three years, showing considerable resilience. "Inflation rates are expected to come down over the year. "Government supply-side action coordinated with a flexible inflation targeting regime has kept Indian inflation rates lower than other countries and our own past averages even in this period of major adverse external supply shocks," she told PTI in a telephonic interview. She was asked whether high inflation become the norm in India.

https://www.business-standard.com/article/economy-policy/inflation-expected-to-come-down-over-the-year-rbi-mpc-member-ashima-goyal-123031200261_1.html

Govt panel concludes stakeholder discussion on digital competition law

The corporate affairs ministry has concluded the stakeholder discussions on the digital competition law with final presentations from big tech companies such as Amazon, Uber, Flipkart, Meta and Google, according to government sources.

https://www.business-standard.com/article/economy-policy/govt-panel-concludes-stakeholder-discussion-on-digital-competition-law-123031200608_1.html

Banking and Finance

Govt to provide financial support to eligible agencies to promote GI

The government will provide financial assistance to eligible agencies for undertaking initiatives for the promotion of Geographical Indications (GIs) products. The Department for Promotion of Industry and Internal Trade (DPIIT) has issued operational guidelines for financial assistance for undertaking the initiatives for the promotion of GIs. "In accordance with the objectives of national IPR policy, Government of India will provide financial assistance to eligible agencies for undertaking initiatives for Promotion of GIs, which aims to create awareness about significance of GIs and its uniqueness, promoting registered Indian GIs, identify potential GIs and encourage stakeholders towards registration," the DPIIT said in a note.

<https://economictimes.indiatimes.com/news/economy/finance/govt-to-provide-financial-support-to-eligible-agencies-to-promote-gi/articleshow/98578844.cms>

Govt's 59-min loan scheme: 2.45 lakh loans sanctioned till March 1 in current FY, up 2.2% only from April

The government and SIDBI's 59-minute loan approval scheme for MSMEs – PSB Loans in 59 Minutes – has sanctioned 5,314 loans in the current financial year as of March 1, 2023, showed an analysis of the official data. Banks sanctioned 2,45,065 loans involving Rs 83,938 crore as of March 1 under the scheme, growing by only 2.2 per cent from 2,39,751 loans involving Rs 81,141 crore sanctioned as of April 1 in the current financial year, data from the MSME ministry's

dashboard showed. In terms of disbursements, the scheme disbursed 4,089 loans with 1.83 per cent growth in loans disbursed to 2,26,778 loans involving Rs 67,847 crore till the beginning of March this year vis-a-vis 2,22,689 loans amounting to Rs 65,834 crores disbursed as of April 1 last year.

<https://www.financialexpress.com/industry/sme/msme-fin-govts-59-min-loan-scheme-2-45-lakh-loans-sanctioned-till-march-1-in-current-fy-up-22-only-from-april/3006425/>

Govt likely to miss divestment target as Hindustan Zinc sale delayed

The sale of the remaining 29.54 per cent government stake in Hindustan Zinc is likely only after a finality is reached on Vedanta's planned sale of global zinc assets to the erstwhile PSU, according to an official. With the government's offer for sale plans in HZL in limbo, it is unlikely that the disinvestment would happen by March, and hence it could miss its revised asset sale target of Rs 50,000 crore for the current fiscal. So far in the current fiscal, the government has mopped up Rs 31,107 crore from stake sales in CPSEs. It was planning to sell its 29.54 per cent in HZL to meet the revised target. The stake sale in HZL is likely only after clarity is received on whether the overseas zinc asset transfer is happening and whether minority stakeholder concerns have been addressed, the official said. "Investors are asking us whether the foreign asset transfer is happening. We want to sell stake only when there is clarity on the issue. We don't want to rush into selling the stake," the official added.

https://www.business-standard.com/article/companies/govt-likely-to-miss-divestment-target-as-hindustan-zinc-sale-delayed-123031200998_1.html

Centre tightens regulations for states' capital expenditure loans

The central government has placed strict conditions on states to avail of the Rs 1.3 trillion in long-term loans for their capital expenditure (capex) needs in the approaching fiscal year (2023-24, or FY24) to ensure effective utilisation of funds.

https://www.business-standard.com/article/economy-policy/capex-support-to-states-centre-places-conditions-to-ensure-compliance-123031001101_1.html

Tax mop-up likely to fall short of revised estimate: Official

The government may not achieve a revised tax collection target of Rs 30.43 lakh crore for the current financial year, a top official said. Revised estimate was raised steeply by over 10 per cent from the budget estimate in the FY24 Budget presented last month, the official said. The revised estimates (RE) for the current fiscal pegged gross tax revenues at Rs 30.43 lakh crore, higher than the budget estimates of Rs 27.57 lakh crore. On the direct tax side, the official said, "The RE was quite steep. we are expecting a shortfall. The net collections could be between Rs 15-15.5 lakh crore."

<https://economictimes.indiatimes.com/news/economy/finance/tax-mop-up-likely-to-fall-short-of-revised-estimate-official/articleshow/98582829.cms>

Govt to infuse more capital in public sector general insurers next year

The government may have to infuse more capital in the three public sector general insurance companies to improve their financial health, a senior government official said. The government last year provided Rs 5,000 crore capital to three insurers --National Insurance Company Limited, Oriental Insurance Company Limited and United India Insurance Company. Based on the performance in the FY23, the finance ministry would take a call as to how much capital they would require to meet regulatory requirement, the official said. They are not in good financial health and fund would be infused in these entities to augment their solvency margin, the official added. The solvency margin is the extra capital the companies must hold over and above the claim amounts they are likely to incur. It acts as a financial backup in extreme situations, enabling the company to settle all claims.

https://www.business-standard.com/article/pti-stories/govt-to-infuse-more-capital-in-public-sector-general-insurers-next-year-123031200601_1.html

Industry

Two-wheeler production dips for third month in a row in February

Two-wheeler production in the country dipped for the third month in a row in February. According to data from the Society of Indian Automobile Manufacturers (SIAM), production in February 2023 at 13,48,669 units was 81,859 units lesser than that in February 2022 at 14,30,428 units.

<https://www.thehindubusinessline.com/economy/two-wheeler-production-dips-for-third-month-in-a-row-in-february/article66610624.ece>

E-scooter companies likely to offer cheap chargers to meet FAME norms

Electric scooter companies are working on a plan to offer a low-priced slow charger under Rs 4,000 and absorb its cost within the mandatory ex-factory cap imposed by the government for availing of the FAME 2 subsidy. However, they will need three to four months to manufacture it and offer it with the electric vehicle (EV). The move is being considered after the Department of Heavy Industries asked companies to respond to complaints by a whistle-blower.

https://www.business-standard.com/article/automobile/e-scooter-makers-may-offer-a-cheap-charger-as-part-of-the-ex-factory-price-123031200663_1.html

Import dependency for AC compressors may fall to 15% by 2027-28

Top consumer-appliance companies — LG, Daikin, and Midea — are set to start manufacturing AC compressors by the end of this month, a move that will bring down import dependence to 15-16 per cent of home consumption by 2027-28, according to the government's internal estimates.

https://www.business-standard.com/article/companies/from-lg-to-daikin-top-guns-to-start-making-ac-compressors-this-month-123031200551_1.html

India's chemical demand likely to jump to \$1,000 billion by 2040: Report

India is likely to account for more than a fifth of incremental global consumption for chemicals over the next two decades as domestic demand is projected to rise to USD 1,000 billion by 2040, McKinsey said in a report. In the report titled 'India: The next chemicals manufacturing hub', McKinsey said the country's chemical industry has been a global outperformer in demand growth and shareholder wealth creation over the last decade. "It now stands poised to play an increasingly dominant role across both consumption and manufacturing in the global arena," it said. The sector is projected to grow at 11-12 per cent during 2021-27 and 7-10 per cent during 2027-40 -- tripling its global market share by 2040. "India is expected to account for more than 20 per cent of incremental global consumption for chemicals over the next two decades. Domestic consumption and demand is expected to rise from USD 170-180 billion in 2021 to USD 850-1000 billion by 2040," it said.

https://www.business-standard.com/article/companies/india-s-chemical-demand-likely-to-jump-to-1-000-billion-by-2040-report-123031200439_1.html

Infrastructure

PM Modi inaugurates 118 Km long Bengaluru-Mysuru Expressway project

Prime Minister Narendra Modi on Sunday inaugurated the Bengaluru-Mysuru expressway at a public rally in the Mandya district of Karnataka. The 118 Km long project has been developed at a total cost of around Rs 8480 crores. It will reduce the travel time between Bengaluru and Mysuru from around 3 hours to about 75 minutes. It will act as a catalyst for socio-economic development in the region. Addressing on the occasion, Union Minister Nitin Gadkari said that with this new road, travelling from Bengaluru to Mysuru will be possible in 1 hour. "With this new road, travelling from Bengaluru to Mysuru will be possible in 1 hr. Ring road worth Rs 17,000 crore to be constructed in Bengaluru which will help in direct travelling to Mysuru. This will help in attracting more tourists. These projects will help in employment generation also," he said. The Prime Minister will also lay the foundation stone for Mysuru-Kushalnagar 4-lane highway.

https://www.business-standard.com/article/current-affairs/pm-modi-inaugurates-118-km-long-bengaluru-mysuru-expressway-project-123031200403_1.html

Energy

Power units may miss closing coal stock target as heat soars

An unusually warm February, coupled with industrial consumption, may lead to less-than-expected coal stock at power plants, raising concerns over meeting fuel demand in the summer months. February and March, being the last two months of the financial year, are usually when incremental coal stocks build up at power plants, which helps in meeting fuel supply in the summer months. While the current coal stocks at plants are higher than a year ago, there has been minimal increase in February and in so far March, which was not anticipated, a senior government official said.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/power-units-may-miss-closing-coal-stock-target-as-heat-soars/articleshow/98588260.cms>

India's first tender for offshore wind projects by month end

India's first tender for sea-bed leasing for offshore wind projects will be out "very soon", perhaps by the end of this month (March), according to Rakesh Katyal, Director, National Institute of Wind Energy (NIWE), the government body that will issue the tender. This is the first step, a milestone, but the first unit of electricity from an offshore wind power plant in India will take a good seven years.

<https://www.thehindubusinessline.com/incoming/indias-first-tender-for-offshore-wind-projects-by-month-end/article66610687.ece>

Telecom

ELCOT becomes nodal agency for issues related to telecom infrastructure in Tamil Nadu

Electronics Corporation of Tamil Nadu (ELCOT) has been notified as the nodal agency to address issues relating to telecom infrastructure in the state, and to develop a single electronic application process, required for submission of online applications by infrastructure providers for grant of Right of Way (RoW) permissions. Information technology and digital services department secretary J Kumaragurubaran in his recent orders said the collectors of districts and Greater Chennai Corporation Commissioner would act as the nodal officers in their respective regions. Earlier, the subject related to the 'telecom infrastructure' was held under the information technology and digital services department.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/elcot-becomes-nodal-agency-for-issues-related-to-telecom-infrastructure-in-tamil-nadu/articleshow/98578292.cms>

Healthcare

Health ministry asks states to closely monitor influenza situation

The Union health ministry has asked the states to closely monitor the proportion of Influenza Like Illnesses and Severe Acute Respiratory Illnesses (ILIs/SARIs) in view of rising number of influenza cases in the country. According to the ministry under Integrated Disease Surveillance Programme (IDSP), as reported by States/UTs, an increasing trend of ILI/SARI is being observed across the country.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/health-ministry-asks-states-to-closely-monitor-influenza-situation/articleshow/98562383.cms>

External

India, Aus to conclude talks for comprehensive free trade agreement 'as soon as possible'

India and Australia have agreed to conclude the negotiations for a comprehensive free trade agreement "as soon as possible" as there is huge potential to enhance bilateral commerce in the next five years, according to a joint statement issued on Sunday. The statement was released after the meeting of Commerce and Industry Minister Piyush Goyal and Australia's Minister for Trade and Tourism Don Farrell on March 11. "Ministers look forward to concluding CECA as soon as possible," the statement said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-aus-to-conclude-talks-for-comprehensive-free-trade-agreement-as-soon-as-possible/articleshow/98582504.cms>