



Newsletter

MAY 2023

India's Economy to Grow by 6.4% in FY2023, Rise to 6.7% in FY2024

NEW DELHI, INDIA (4 April 2023) — The Asian Development Bank (ADB) projects growth in India's gross domestic product (GDP) to moderate to 6.4% in fiscal year (FY) 2023 ending on 31 March 2024 and rise to 6.7% in FY2024, driven by private consumption and private investment on the back of government policies to improve transport infrastructure, logistics, and the business ecosystem.

The projection is part of the latest edition of ADB's flagship economic publication, Asian Development Outlook (ADO) April 2023, released today. The growth moderation for India in FY2023 is premised on an ongoing global economic slowdown, tight monetary conditions, and elevated oil prices. However, FY2024 is expected to see faster growth in investment, thanks to supportive government policies and sound macroeconomic fundamentals, lower nonperforming loans in banks, and significant corporate deleveraging that will enhance bank lending, according to ADO April 2023.

Source: Asian Development Bank

UDAN completes 6 years, PM Modi says enhanced connectivity a big boost to commerce, tourism

Udan scheme: Prime Minister Narendra Modi on Wednesday lauded the regional connectivity scheme UDAN (Ude Desh Ka Aam Nagrik), which completed six years. Launched in 2016, UDAN was first-of-its-kind scheme anywhere in the world, which was conceived to push India's regional aviation market by improving the viability of unserved and underserved regional routes. Airlines compete for air routes and participate in bids. The contract is granted to an airline that bids for the lowest subsidy.

PM Modi flagged off the first flight between New Delhi and Shimla under the scheme on April 27, 2017. Speaking about the scheme, PM Modi said: "The last 9 years have been transformative for India's aviation sector. Existing airports have been modernised, new airports have been built at a quick pace and record number of people are flying. This enhanced connectivity has given a big impetus to commerce and tourism."

Source: Business Today

Wheat procurement hits 195 L tonnes so far in '23

The government on Thursday said that wheat procurement has reached 195 lakh tonnes so far in this marketing year that started in April, surpassing the total purchase made during the previous year.

"The procurement of wheat during RMS (rabi marketing season) 2023-24 has already surpassed the total procurement of RMS 2022-23," an official statement said.

Rabi marketing season runs from April-March, but bulk of purchases happen between April and June.

"In RMS 2022-23, the procurement was 188 lakh tonnes. However, till April 26th, wheat procurement during RMS 2023-24 is 195 lakh tonnes.

"This has largely benefitted the farmers. MSP (minimum support price) outflow of about `41,148 crore has already been made to about 14.96 lakh farmers during the ongoing wheat procurement operations," the statement said.

Source: Daily Pioneer

New foreign trade policy to promote exports through e-commerce, batteries, farm equipment: Experts

The new Foreign Trade Policy (FTP) 2023, announced recently, will help in promoting exports of sectors from e-commerce, batteries for electric vehicles and farm equipment, experts said on Tuesday. India on March 31 came out with the new policy which aimed at pushing rupee trade, increasing outward shipments to USD 2 trillion by 2030, and promoting e-commerce exports, amid global uncertainties.

Rumki Majumdar, Economist at Deloitte India, said that the policy emphasises on the manufacturing and export sectors with a long term view.

Sectors such as batteries for EVs, green hydrogen, and garment, amongst others will benefit from the policy, she said, adding that with over 80 per cent of trade being done in the USD, encouraging trade in Indian rupee will be a relief.

Source: Economic Times

EV adoption levels in India to see exponential growth: Report

The growth in electric vehicle sales in India is likely to continue for the rest of the decade, with two and three-wheelers expected to dominate EV sales in the near future, according to a report. The jointly prepared report by KPMG and CII, released on Monday, also said that EV adoption is expected to see an inflexion point once all vehicle segments show significant ownership savings over the vehicles powered by internal combustion engines.

The shift to EVs is no longer an uncertainty but only a question of when, the report said.

Adoption levels are expected to see exponential growth in future with developing infrastructure, government incentives and the launch of new EV models, KPMG said in a release.

Source: Economic Times

Budget paves way for entry of foreign universities: PM

Prime Minister Narendra Modi said the Union Budget has laid down the path for arrival of world class foreign universities in India.

Addressing a webinar recently on the impact of the Budget on the education sector, Modi said 'internationalisation' of education has been facilitated through the GIFT city mode.

The Union budget has announced that World-class foreign universities and institutions will be allowed to operate in the GIFT City free from domestic regulations. They will be permitted to offer courses in Financial Management, FinTech, Science, Technology, Engineering and Mathematics and only regulations applicable will be those by IFSCA- to facilitate availability of high-end human resources.

Source: Economic Times

India still better investment destination; debt as an asset class is also looking lucrative now

Recently, the globe went through an international banking crisis. I covered the reasons behind this crisis situation in my previous article.

In that context and especially in the context of the failure of SVB Bank in San Francisco, the 16th largest Bank in the US, the current policy outcome of a pause in rate hike sounds to be very apt.

The Indian banking system remained sound and healthy during the current phase of extreme global uncertainties.

The global economy is now confronted with serious financial stability challenges arising from the recent liquidity crisis in the banking sector in some advanced economies.

In India, the focus of RBI as a regulator for the financial sector is now more on identifying the root cause of vulnerabilities, rather than dealing with the current situation.

Source: Economic Times

Fortis acquires Gurugram-based Medeor Hospital for Rs 225 crore

Fortis Healthcare Limited announced on Thursday, 20th April 2023 that it has signed definitive agreements with the VPS Group for the acquisition of its Medeor Hospital in Manesar, Gurugram, Haryana for an overall purchase consideration of ₹225 Crore. The Manesar-based hospital has a potential bed capacity of 350 beds and can be operationalized in a phased manner in around 9 months.

Source: Live Mint



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