



BANGALORE CHAMBER OF INDUSTRY AND COMMERCE
BCIC - Weekly Digest

1. RBI MPC likely to hit pause after one more rate hike in Feb'23: Inflation to moderate, growth outlook cautious

The Reserve Bank of India Monetary Policy Committee is widely expected to deliver one more repo rate hike in February 2023, before pausing the hike cycle, even as the full impact of past rate hikes and liquidity tightening measures is yet to be seen amid moderation in inflation, analysts said. Earlier on Wednesday, RBI MPC raised the repo rate by 35 bps, in-line with expectations.

Full story: <https://bit.ly/3iUco6V>

2. India Services PMI gains momentum, business inflows highest in 3 months on sustained demand, upturn in sales

Indian services firms benefited from the indulgent demand conditions in November. Inflows to new businesses grew at the highest rate in three months, resulting in faster output and increased creation of employment opportunities. Due to the rise in input costs, the strongest upturn in selling charges over five years was underpinned.

Full story: <https://bit.ly/3iQDY4W>

3. Centre allows 100% WFH for IT units in SEZs till December 31, 2023

The commerce department allowed information technology (IT) firms operating in special economic zones (SEZs) to permit 100 per cent work from home (WFH) or any place outside such zones till December 31, 2023.

According to the amended rule 43A under the SEZ law, employees of IT and information technology enabled services, employees who are travelling as well as those who are working offsite will be allowed to work from home (WFH) or any place outside SEZs.

Full story: <https://bit.ly/3FEVaIR>

4. More PLI schemes in the offing : Piyush Goyal

The government is working to extend incentives under the production-linked incentive (PLI) scheme to more sectors, commerce and industry minister Piyush Goyal said. "We came up with PLI for 14 sectors apart from semiconductors... We are willing to go the extra mile in other sectors.

We are working on a few PLI schemes already," Goyal said. The government has announced PLI schemes for 14 sectors, including white goods, textiles and auto components.

Full story: <https://bit.ly/3WdE6KI>

5. Karnataka Government designs new AI-based skills portal for jobs.

Karnataka has rolled out an AI-powered portal that promises to provide end-to-end services to help aspirants find jobs, a key area ahead of the Assembly polls for the Bommai administration that has also introduced a dedicated employment policy.

Full story: <https://bit.ly/3HtmjdW>

6. In India update, World Bank lifts GDP growth forecast to 6.90%

The World Bank raised its gross domestic product (GDP) growth forecast for India during the current financial year (FY23) to 6.9 per cent from 6.5 per cent, citing the economy's relative resilience to external headwinds, and "a strong out-turn" in the second quarter of the current financial year.

Full story: <https://bit.ly/3BrT5Il>

7. Red tape to red carpet: Govt.'s single window portal's test run 99% successful; PAN likely to be single business ID on it - Piyush Goyal

From next year businesses may just need to fill in their PAN on the "National Single Window System" portal being developed by the government to get approvals for new projects, buying land, license renewals and subsequently to fill all returns.

Going forward, it is looking at having approvals for inspections, country of origin, export promotion council and PLI applications on the single window. This is expected to expedite clearances and auto escalate any deficiencies, if any, in the applications.

Full story: <https://bit.ly/3BtYcl9>

8. In demand, EPFO data point to 35% rise in formal job creation in H1 FY23.

The first half of the ongoing financial year (H1 FY23) saw 87.1 lakh new formal jobs being created across the country, according to an analysis of the data put out by the Employees' Provident Fund Organisation (EPFO). This is a 35 per cent increase compared to the year-ago period.

Full story: <https://bit.ly/3UO1lcH>

9. India's fuel demand hits eight-month peak in November.

India's fuel demand climbed to an eight-month high in November, government data released showed, as festivals and a pick-up in industrial activity boosted sales in the world's no. 3 oil consumer.

Full story: <https://bit.ly/3hgfjpV>

10. FMCG firms offer deals to consumers as input prices cool.

After multiple price hikes over months began to hurt sales, companies selling daily household goods such as toothpaste, soaps and biscuits are beginning to offer higher weight for the same price, or discounts on retail shelves.

“Now that the prices (of commodities) have sort of settled, companies are trying to lure consumers back because their profitability is sort of taken care of, they have taken necessary price corrections. They are left with a breather; so they are able to give a price-off, a volume promotion, or a freebie. However, in our biscuit industry, we are still impacted by prices of wheat and sugar—those are still high even through oil has cooled,” said an industry expert.

Full story: <https://bit.ly/3YdIPof>

11. India now third largest aviation market in the world : PM Modi

After inaugurating the first phase of Mopa international airport in Goa, Prime Minister Narendra Modi emphasized that with the efforts of the people, India has become the third-largest aviation market in the world. In the last eight years, the country made all possible efforts to improve 'Ease of Travel' for tourists, PM Modi added.

Full story: <https://bit.ly/3hfDYer>

12. RBI shortlists 7 consultancy firms to use AI to improve regulatory supervision.

The RBI is looking to extensively use advanced analytics, artificial intelligence and machine learning to analyse its huge databases and improve regulatory supervision over banks and NBFCs.

For this purpose, the central bank plans to hire external experts.

Full story: <https://bit.ly/3FJKXph>

13. How the global economy is shaping up for 2023, according to Gita Gopinath, Deputy Managing Director, IMF

“Global growth will slow. In October, IMF had it at 2.7%. For the U.S. and the euro area, quarter three of this year surprised on the upside. We are seeing resilience in the U.S. labor market, in consumption spending in the U.S., both of which were more positive than what we expected. In the case of Europe, we also saw greater resilience. But the most recent high-frequency indicators that we are seeing, if you look at retail spending, is very negative.

The region where I would say the outlook has darkened noticeably is China. Compared to October, we had downside risks in China from Covid lockdowns, property-sector crises. We are seeing weakness in private consumption, weaker than we had expected. Weaker mobility than we had expected” said Gita Gopinath.

Full story: <https://on.wsj.com/3FFXIXj>

14. Karnataka CM Bommai to meet NHAI to address Shiradi Ghat road issue.

Chief Minister Basavaraj Bommai will soon hold a special meeting with the officials of the National Highways Authority of India to provide a permanent solution to the Shiradi Ghat Road.

Talking to reporters, he said the meeting will discuss asphaltting, white topping and tunnel within a week and come out with a solution.

Full story: <https://bit.ly/3FnIcbV>



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