● MRUTYUNJAY MOHAPATRA, DIRECTOR GENERAL, IMD

'Light irrigation in time could salvage wheat crop'

The India Meteorological Department (IMD) recently stated higher day temperatures prevailed in parts of the country — maximum temperatures are above normal by 3-5 degree celsius in northwest, central & west regions — could have an adverse effect on the standing wheat crop, which is approaching flowering stage.

There are also predictions global agencies of a return of El Nino conditions in the pacific could weaken the south-west monsoon in India. ***Mrutyunjay Mohapatra****, Director General, IMD spoke to* ***Sandip Das*** *on factors which would impact this year's monsoon. Edited excerpts:*

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What are the causes of unusually high temperatures over the past week?

The prevailing temperature is near normal and slightly above normal over central and north-west India. It is at above normal level over eastern part of India.

The maximum temperature was above normal by at least 5-8 degree Celsius over Gujarat and Maharashtra, Haryana, Punjab and parts of Uttar Pradesh. It was mainly because of anti-cyclone circulation centred over Gujarat which rotates the air in clockwise direction. When air rotates clockwise wind goes down and it gets compressed hence rise in temperature. Wind blows from Gujarat to northern states this heat got transferred toward northwest India. The temperature last week rose sharply.

Thus, temperature rose in Gujarat especially over Saurashtra and Kutch. Last year it occurred in March. That situation is not there now. The anticyclone has moved away towards Arabian sea. And hence temperature has fallen across states. The temperature will remain at the normal level till end of the month.

Is formation of El Nino likely in forthcoming monsoon season?

As per our current prediction, during March-May, El Nino conditions will be neutral which implies that there will be no impact on weather patterns. When we move towards monsoon months, many models are suggesting development of El Nino conditions. These predictions are based on January and February data. These initial forecasts are not good climatologically globally. People depend on the more reliable forecast to be issued by us in April and we take into consideration the El Nino effect. Accuracy of the weather forecast is not there if it's beyond 3-4 months.

What are other factors which impact the monsoon performance?

Besides El Nino, there are other factors such as Indian Ocean Dipole (IOD) and Euroasian snow cover that impact the south-west monsoon. IOD is currently at neutral. Positive IOD is good for monsoon. The current forecast says that the neutral condition of IOD will continue during the south-west monsoon months (June-September). Eurasian snow cover in January this year was the 9th lowest in the past 67 years. Eurasian snow has an inverse relationship with Indian monsoon. If the snow cover is less, it's good for the Indian monsoon. The warmer climate in Europe makes the monsoon in India strong.

What could the impact of higher day temperature on the wheat crops?

The current above normal day temperature can have an adverse impact on the wheat and it may possibly impact horticultural crops as well. At this time of the year, wheat is at maturity stage. During the flowering and milking stage, if temperature rises, early maturity of crops takes place.

Early maturity results in yield losses. To counter higher temperatures, farmers should provide light irrigation for wheat and for horticulture crops.

Rebound in private capex to take time

SURABHI
New Delhi, February 24

A FULL-FLEDGED recovery in the private capital investment cycle is still some time away and economists believe that growth in the October to December 2022 quarter continued to be largely led by government capital expenditure.

According to Devendra Kumar Pant, Chief Economist and Head (Public Finance), India Ratings & Research, gross fixed capital formation is likely to have grown 8.6% in the third quarter of the fiscal from 2.1% in the same period in 2021-22.

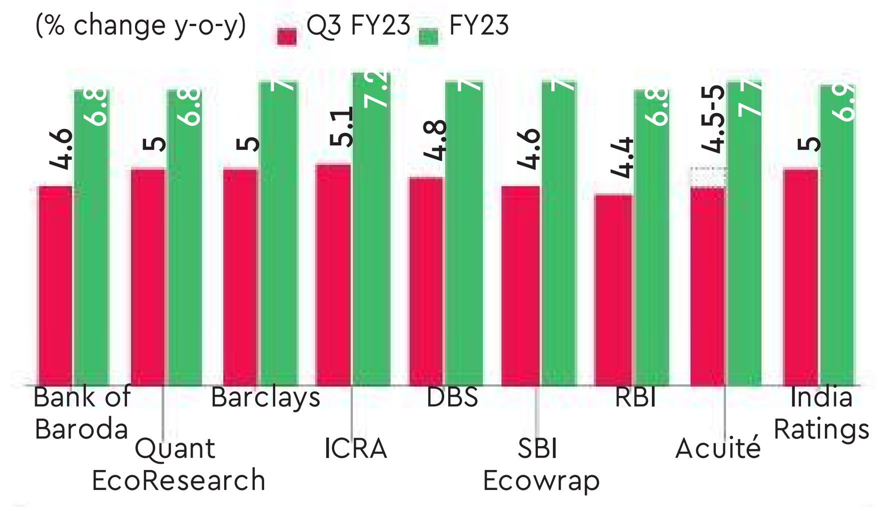
"GDP growth in the third quarter is expected to be lower at 5% as against 6.3% in the second quarter, mainly driven by gross fixed capital formation. Higher inflation and monetary tightening as well as weakness in global demand are seen to have impacted growth in the third and fourth quarter as well as in the fiscal 2023-24," he said.

Gross fixed capital formation (GFCF) grew by 10.4% (at 2011-12 prices) in the second quarter of the fiscal from 20.1% in the first quarter. "This suggests that private sector investment activity was yet to pick up materially, with the Centre driving the capex agenda," Crisil had said in a note in December 2022. GFCF is seen to have grown by 11.5% in FY23 in the first advance estimates of national income that was released by the National Statistical Office on January 6.

It will release the quarterly GDP estimates for the October-December 2022 quarter and the second advance estimates on February 28, which will give a better picture of growth and investment activity. The Economic Survey is optimistic of a revival in the private capex cycle. "A sustained increase in private capex is also imminent with the strengthening of the balance sheets of the corporates and the consequent increase in credit financing it has been able to generate," it had said.

INVESTMENT YET TO PICK UP

Base effect, global slowdown expected to lead to moderation in Q3 GDP growth



Ericsson to cut 8,500 jobs globally

SUPANTHA MUKHERJEE
Stockholm, February 24

TELECOM EQUIPMENT MAKER Ericsson will lay off 8,500 employees globally as part of its plan to cut costs, a memo sent to employees and seen by Reuters said.

While technology companies such as Microsoft, Meta and Alphabet have laid off thousands of employees citing economic conditions, Ericsson's move would be the largest layoff to hit the telecom industry.

"The way headcount reductions will be managed will differ depending on local country practice," chief executive Borje Ekholm wrote in the memo.

"In several countries the headcount reductions have already been communicated this week," he said.

On Monday, the company, which employs more than 105,000 worldwide, announced plans to cut about 1,400 jobs in Sweden.

While Ericsson did not disclose which geography would be most affected, analysts had predicted that North America would likely be most affected and growing markets such as India the least.

The company said in December it would cut costs by 9 billion crowns ($880 million) by the end of 2023 as demand slows in some markets, including North America.

"It is our obligation to take this cost out to remain competitive," Ekholm said in the memo. "Our biggest enemy right now may be complacency." Verizon, one of the largest telecom companies, plans to spend between $18.25 billion and $19.25 billion this year. **REUTERS**

No new taxes, Gujarat gets a ₹3-trn budget

FE BUREAU
Ahmedabad, February 24

THE GUJARAT GOVERNMENT on Friday announced a budgetary outlay of ₹3.01 trillion for FY24 in the state assembly, up 23.38% compared to the previous year's budget.

The allocation to the agriculture, farmers' welfare and co-operation department saw a three-fold increase to ₹21,605 crore next year from ₹7,737 crore in the current year. Gujarat finance minister Kanubhai Desai made the biggest allocation to the education sector at ₹43,651 crore.

The health department was allocated ₹15,182 crore and ₹18,000 crore was set aside for Ahmedabad Metro Phase-II under the urban development and urban housing department. No new taxes have been imposed with the state government choosing to keep the existing tax rates unchanged.

Kanubhai stated that an amendment law will be brought in regard to the use of IT and simplification in electricity duty management in the future.

The highlights of the budget include a whopping ₹2-trillion plan for green growth initiatives. In addition, tourism has been given priority with a ₹10,000-crore outlay for heritage and eco-tourism development, including setting up of a new airport at the holy city of Dwarka and revamping of the Keshod Airport. He also announced a plan to set up apparel, ceramic, bulk drug parks to boost industry and give a better infra support. Several initiatives were also announced to improve investments in agriculture fisheries and animal husbandry. "Betterment of farmers is our government's key focus," the finance minister said.

Other key announcements include raising of renewable energy contribution to 42% in Gujarat's total power generation. A ₹4,200-crore World Bank loan will be utilised for new schemes for healthcare infrastructure. Further, 85 lakh beneficiary families covered under PMJAYMa Yojana will get ₹10 lakh worth free medical care instead of ₹5 lakh at present.

PUSH TO AGRICULTURE

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