

Capex stirs in Q3, but yet to stretch to a broad base

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New Delhi: The end of 2022 gave some signs of revival in investment climate. For much of the year, private firms had been shying away from building new capacity against a challenging backdrop even as the government kept urging them to unleash animal spirits. However, the latest numbers from the project-tracking database of the Centre for Monitoring Indian Economy (CMIE) are encouraging. The value of new investment proposals jumped sharply, by 69%, in the December-ended quarter after sequentially contracting in the past two quarters. The numbers are provisional and may be updated later.

Capex Revival?

Public and private sector firms announced projects worth a combined ₹6.1 trillion during the December quarter, up 44% year-on-year, the CMIE data showed. This was the highest in three quarters and the second highest since 2020. Capex announcements in the private space were even more robust, more than doubling in a year. Government sector project announcements were down around 70%.