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Economy

India likely to move to upper-middle-income category by 2047: EAC-PM chief

Economic Advisory Council to the Prime Minister (EAC-PM) Chairman Bibek Debroy on Monday said that some states in India are already in the high income category in purchasing power parity (PPP) terms, and the country is likely to move to the upper-middle-income country by 2047. Debroy further said any presumption that the Indian economic growth rate will be driven only by exports may be misleading because there are plenty of endogenous sources of growth. "In 2047, India will probably move to the upper middle income category...Some states in India, at least in PPP terms, are already in the high income category," he said at an event here.

https://www.business-standard.com/india-news/india-likely-to-move-to-upper-middle-income-category-by-2047-eac-pm-chief-123042401050_1.html

Labour minister Bhupender Yadav launches new features on eShram portal to enhance coverage for unorganised workers

Union labour minister Bhupender Yadav on Monday launched new features on eShram portal including the one which will help in capturing family details of migrant workers for providing the benefit of child education and women centric schemes. Registered workers can now connect with employment opportunities, skilling, apprenticeship, pension scheme, digital skilling and states' schemes through eShram portal, a labour ministry statement said. Union Minister for Labour & Employment Bhupender Yadav launched new features in eShram Portal today (Monday), it stated. The new features added in eShram portal will enhance the utility of the portal and facilitate ease of registration for unorganised workers, it claimed. A feature of capturing family details of migrant worker has been added to the eShram portal, the ministry said.

<https://economictimes.indiatimes.com/news/economy/policy/labour-minister-bhupender-yadav-launches-new-features-on-eshram-portal-to-enhance-coverage-for-unorganised-workers/articleshow/99737283.cms>

Banking and Finance

Govt urged to allow foreign currency transactions in country via RBI

Consultants and service providers in the country have urged the government to stop routing domestic foreign currency deals via the US banking system, in order to avoid transaction fees and save foreign currency. Rather such domestic deals involving foreign currencies such as the US dollar should be routed through the Reserve Bank of India. At present a transaction fee is levied on US dollars transactions within the country. For example, a payment in US dollars from Delhi to even nearby Faridabad from one entity to the other in the current dispensation, is required to be undertaken through the US banking system. "This should be undertaken directly through the Reserve Bank of India and there should be no requirement of routing them through the American Banking system.

<https://economictimes.indiatimes.com/news/economy/policy/govt-urged-to-allow-foreign-currency-transactions-in-country-via-rbi/articleshow/99725659.cms>

UIDAI, NPCI to set up eKYC aggregator

Thousands of regulated entities in the financial sector stand to benefit from a KYC plan in the works. The Unique Identification Authority of India (UIDAI) and the National Payments Corporation of India (NPCI) are planning to set up an aggregator platform for eKYC (electronic know-your-customer), according to a Times of India report. Aadhaar-based eKYC is used for paperless verification of a customer's credentials for new mobile connections and bank accounts. The platform is expected to go online over the next few months, sources told TOI. The new platform will enable entities that are regulated by the RBI, Sebi or the insurance and pension regulators to register on it.

<https://economictimes.indiatimes.com/news/economy/policy/uidai-npci-to-set-up-ekyc-aggregator/articleshow/99722489.cms>

RBI harmonises provisioning norms for UBCs irrespective of their tier

The Reserve Bank on Monday harmonised the provisioning norms for standard assets applicable to all categories of urban cooperative banks (UCBs). In December last year, the RBI had categorised UCBs into four tiers -- tier 1, 2, 3 and 4 -- for regulatory purposes. Prior to that, such banks fell only in tier 1 and tier 2 categories. "On a review, it has been decided to harmonise the provisioning norms for standard assets applicable to all categories of UCBs, irrespective of their tier in the revised framework," the central bank said in a circular. Direct advances to agriculture and SME sectors which are standard, would attract a uniform provisioning requirement of 0.25 per cent of the funded outstanding on a portfolio basis to all categories of UCBs under the revised framework

https://www.business-standard.com/india-news/rbi-harmonises-provisioning-norms-for-ubcs-irrespective-of-their-tier-123042401007_1.html

Credit growth expected to moderate to 10% in FY24 from 15% in FY23: Report

The credit growth momentum is waning in the country and the crucial non-food loans growth is expected to slip to 10 per cent in FY24 from more than 15 per cent in FY23, a Japanese brokerage said on Monday. Ebbing inflationary pressures, especially on the wholesale side which tends to lower working capital needs, and a likely moderation in GDP growth to 5.3 per cent in FY24 were cited as the primary reasons for the lower bank credit growth expectation by Nomura. "we expect credit growth to moderate to 10 per cent in FY24 from 15 per cent in FY23," analysts at the brokerage said in a report, adding that the base effect will also be partly responsible for driving the number down. They also said the rate hikes of more than 2.50 per cent by RBI in the current tightening cycle will impact credit growth through a lagged impact on borrowings, and already, there are some signs of a dent on the home loan front.

https://www.business-standard.com/india-news/credit-growth-expected-to-moderate-to-10-in-fy24-from-15-in-fy23-report-123042400588_1.html

Industry

Mining Act tweak planned to push rare, critical mineral exploration

The government is planning to amend the Mines and Minerals (Development and Regulation) Act, 1957 to encourage exploration of deep-seated minerals such as gold, silver, copper and zinc. "The cabinet is likely to take up the amendment bill soon," said a senior government official, who did not wish to be identified. The amendment proposes to insert the provision of an exploration licence in the law which will be granted through auction for undertaking reconnaissance and prospecting operations, according to the official. The licence will also be granted only for deep-seated and critical minerals that will be specified in a new schedule to the Act, said the official.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/mining-act-tweak-planned-to-push-rare-critical-mineral-exploration/articleshow/99740693.cms>

India leads global refurbished smartphone market, Apple captures 49% share

India led the global refurbished smartphone market with 19 per cent (year-on-year) growth in 2022, as Apple captured 49 per cent of the refurbished smartphone market, followed by Samsung at 26 per cent, a report showed on Monday. 5G is growing in the secondary markets and it now makes up 13 per cent of global refurbished sales, according to Counterpoint Research. With the demand for refurbished smartphones continuing to grow across most geographies, the global secondary smartphone market grew 5 per cent YoY last year.

https://www.business-standard.com/india-news/india-leads-global-refurbished-smartphone-market-apple-captures-49-share-123042400846_1.html

Handset output down by up to 20% since January

Mobile phone companies have reduced their production capacities by up to 20% year-on-year between January and April till now due to continued steep fall in sales in the last six months, industry executives said. Smartphone shipments - a proxy of sales - declined by 30% year-on-year in October-December 2022 period and by 18% in January-March 2023 as compared to the same period last year, as per latest numbers from industry researcher Counterpoint. India's largest mobile phone retailer, Reliance Retail too said sales of devices or mobile phones had lagged in the January-March quarter. "The mobile phone industry is impacted not just in India but across the globe taking a toll on demand," said Pradeep Jain, managing director of Jaina Group, which manufactures smartphones for several companies besides retailing its own Karbonn brand. "Companies have cut production to align to the demand scenario and this pressure is likely to continue for some time," he said.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/handset-output-down-by-up-to-20-since-january/articleshow/99740821.cms>

Hospitality industry players remain resilient amid lukewarm investor interest

Despite increasing occupancy and boost due to G20, hospitality industry investors worried as foreign tourist arrivals are yet to reach pre-Covid levels and rising average room rates. However, industry analysts remain confident of incoming investments as well as industry growth. businessline had recently reported, quoting Tracxn's data, that investments in the hospitality and travel industry in FY22 dropped from \$359.7 million in FY22 to \$133 million in FY23. The investments continue to remain way below the pre-Covid mark of \$1.8 billion in FY20. According to two investors that businessline spoke with, the reason why investors continue to be iffy is the slow recovery and sustenance of the domestic leisure industry and the foreign tourist arrivals (FTAs) continuing to remain below pre-Covid levels. "As international markets open up, people are traveling abroad. As per our estimates, FTAs too will not reach pre-Covid levels at least over the next year or two," said the first investor requesting anonymity.

<https://www.thehindubusinessline.com/news/hospitality-industry-players-remain-resilient-amid-lukewarm-investor-interest/article66774584.ece>

Agriculture

Government's wheat procurement up 12% at 11.1 mn tonne so far in FY24

The government's wheat procurement rose 12 per cent to 111 lakh tonne so far in the ongoing 2023-24 marketing year (April-March), from 99 lakh tonne in the year-ago period, according to the food ministry data. "Wheat procurement is progressing smoothly," said a senior food ministry official. About 11,89,237 farmers have been benefitted so far from the procurement operation with an expected MSP outflow of Rs 23,663.63 crore, the official added.

https://www.business-standard.com/india-news/government-s-wheat-procurement-up-12-at-11-1-mn-tonne-so-far-in-fy24-123042400530_1.html

Infrastructure

India gets its first water metro tomorrow: All you need to know about it

Prime Minister Narendra Modi will on Tuesday flag off India's first water metro in Kerala's Kochi district. The Rs 1,137 crore project will connect ten small islands around Kochi with boats running on hybrid power. The main focus of the project is to provide a cheap mode of transport for commuters and tourists. It is funded by the German funding agency KfW and the Kerala government. Kerala Chief Minister Pinarayi Vijayan has said the water metro proves that urban transport can be environment friendly. Under the project, 15 identified routes will be developed to connect ten islands along a network of routes that span 78 km with a fleet of 78 electrically-propelled hybrid ferries plying to 38 jetties. More than 100,000 islanders are expected to benefit from the water metro.

https://www.business-standard.com/india-news/india-gets-its-first-water-metro-tomorrow-all-you-need-to-know-about-it-123042400652_1.html

Construction of NH at 10,331km in 2022-23, falls 21% short of govt's target

The construction of National Highways (NH) in 2022-23 was 10,331 kilometres, falling 21 per cent short of the government's target of 12,500 km, according to the Ministry of Road Transport and Highways (MoRTH) latest data.

The ministry awarded NH projects of 12,376 km length in the last financial year."Marching ahead, MoRTH constructed 10,331 km of National Highways in the financial year 2022-23 and awarded NH projects of 12,376 km during this period," the ministry said in a tweet. Construction of NH at 10,331km in 2022-23, falls 21% short of govt's target.

https://www.business-standard.com/india-news/construction-of-nh-at-10-331km-in-2022-23-falls-21-short-of-govt-s-target-123042400937_1.html

Office space absorption at 14 mn sq ft in Q1 2023, falls 11% YoY: Study

Office space absorption in India's six biggest cities stood at 14 million square feet in the first quarter of calendar year 2023 (CY23), a 16 per cent growth quarter-on-quarter (QoQ).The absorption rate year-on-year (YoY) fell by around 11 per cent, said a report by Savills India, a real estate advisory firm. Office space increased 23 per cent QoQ in terms of new supply infusion, which stood at 13.1 million square feet in Q1 2023.Flexible workspaces were the leading cause for office space absorption and accounted for 27 per cent of gross absorption in Q1 2023, the report said.

Flexible workspaces were followed by the Information Technology--Business Process Management (IT-BPM) sector and Banking, Financial Services, and Insurance sector (BFSI), accounting for 23 per cent and 16 per cent demand share respectively.

https://www.business-standard.com/companies/news/office-space-absorption-reaches-14-mn-sq-ft-in-q1-2023-fell-11-annually-123042400861_1.html

Mall operators expected to clock 7-9% revenue growth in FY24

Mall operators are expected to clock 7-9% revenue growth in the current fiscal despite high-base effect of last year due to high occupancy and leasing rates, said Crisil. The pandemic also drove mall operators to reduce costs through manpower planning and optimisation of overheads, said the rating agency that analysed 28 malls across the country. "Robust retail sales will help mall operators increase revenue as occupancy of 95% will translate to better rental rates for new leases. About 10-15% of the revenue of mall operators is linked to retail sales via revenue share, which will increase this fiscal. Additionally, operators will get contractual rent escalations of 4-5% as well," said Mohit Makhija, Senior Director, CRISIL Ratings.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/mall-operators-expected-to-clock-7-9-revenue-growth-in-fy24/articleshow/99740901.cms>

Energy

Govt prepared to meet summer demand with assured and affordable electricity: Power Minister R K Singh

The government has put in place measures for meeting the country's power demand, which in FY23 grew at over 10 per cent Y-o-Y, Power and New & Renewable Energy Minister RK Singh said. In an interview to businessline, Singh emphasised that his confidence comes from the reforms unleashed by the government which have strengthened the financial and operational capabilities of the sector. Excerpts:

<https://www.thehindubusinessline.com/economy/govt-prepared-to-meet-summer-demand-with-assured-and-affordable-electricity-power-minister-r-k-singh/article66774589.ece>

Gas-based power plants ready to meet peak demand

Gas-based power plants are ready to meet any power deficit during the peak demand period this summer, and availability of natural gas is being ensured by state-owned GAIL India and country's top gas importer Petronet LNG Ltd. Both GAIL and Petronet have issued several tenders to import liquefied natural gas (LNG) last week for deliveries in May and June. Sector analysts believe the underutilised gas-based power plants will be used to fill any shortage.

<https://www.financialexpress.com/industry/gas-based-power-plants-ready-to-meet-peak-demand/3059337/>

Indian companies sometimes face delays in paying for Russian oil above \$60/bbl: Oil secretary

Indian companies "sometimes" face delays in paying for Russian oil priced above the \$60 cap per barrel fixed by the Western nations, India's oil secretary Pankaj Jain said on Monday. "Nobody stops us from buying Russian oil at above the price cap level provided. We are not using western service," Jain told reporters on the sidelines of an event. In case of Russian oil priced above the cap, the companies on their own manage to find alternative mechanisms to settle payments, he said, adding most Russian oil supplies to India are made at below the price cap level.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/indian-companies-sometimes-face-delays-in-paying-for-russian-oil-above-60/bbl-oil-secretary/articleshow/99725124.cms>

Telecom

Telecom regulator to recommend AI, ML software features to curb pesky SMSes

The Telecom Regulatory Authority of India (Trai) will soon recommend characteristics of artificial intelligence (AI)-machine learning (ML) software to telecom carriers in order to prevent spam messages. The audit for security and privacy features will also be recommended for solutions which will be used to curb spam SMSes. "We will soon inform telecom operators to use AI, ML software to curb Unsolicited Commercial Communication (UCC) with certain characteristics that should include activity log. Trai will audit, and no data or information can be downloaded," a top Trai official told ET Telecom.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/telecom-regulator-to-recommend-ai-ml-software-features-to-curb-pesky-smses/articleshow/99732445.cms>

States

Govt offices in Himachal to go paperless, CM Sukhu instructs IT dept

Himachal Pradesh Chief Minister Sukhvinder Singh Sukhu Monday directed the IT department officials to complete all the formalities for e-office implementation in the government offices in the state in a timely manner. "The state government's vision is to create a digitally advanced state with secure, accessible, digital infrastructure for effective governance," he said. The chief minister added that plans were underway to incorporate technology in various sectors and the IT department should take a lead in building a robust digital infrastructure across the state. All the branches of the Himachal Pradesh Secretariat, Directorates, Deputy Commissioner (DC) offices, Superintendent of Police (SP) offices and field offices are expected to go paperless from July 1, according to an official statement.

https://www.business-standard.com/india-news/govt-offices-in-himachal-to-go-paperless-cm-sukhu-instructs-it-dept-123042401045_1.html

Tamil Nadu puts on hold bill to extend factory working hours

Tamil Nadu has put on hold a bill that would allow a 12-hour workday at factories after talks with labour unions who oppose the plan, a statement from the government said on Monday. Several labour unions including the All India Trade Union Congress and Centre of Indian Trade Unions had opposed the bill and were planning a one-day strike affecting workers from tens of factories next month. The Tamil Nadu government passed the bill last week but it has yet to become law. At the time, it said those working 12 hours for four straight days would get three paid days off each week. But several workers raised concerns over proper implementation of the rule at factories.

<https://economictimes.indiatimes.com/news/india/tamil-nadu-puts-on-hold-bill-to-extend-factory-working-hours/articleshow/99737710.cms>

External

Commerce ministry terminates anti-dumping probe on imports of a Chinese chemical

The commerce ministry has terminated an anti-dumping investigation into the import of a chemical, used in dyeing industry, from China following a request from the domestic industry. On September 30, 2022, the ministry's investigation arm Directorate General of Trade Remedies (DGTR) initiated a probe into alleged dumping of 'sulphur black' from China, following a complaint by a domestic firm Atul Ltd. However on April 15 this year, the applicant has withdrawn its petition and has requested for termination of the investigation citing certain reasons. "The authority hereby terminates the investigation...against the imports of Sulphur Black originating in or exported from China," the DGTR has said in a notification. It is mainly used for dyeing cellulose fiber, viscose staple fiber and yarn.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/commerce-ministry-terminates-anti-dumping-probe-on-imports-of-a-chinese-chemical/articleshow/99734852.cms>

India likely to continue shielding farm sector in extended free trade pact with Australia

India will give continued protection to its sensitive agriculture and dairy sectors against tariff cuts under the Comprehensive Economic Cooperation Agreement (CECA) being negotiated with Australia and limit market access offers only to items where producers would not be affected, sources have said. "In India, agriculture is high-density and the farming conditions are very different from those in Australia, the peculiarity of which make the sector very sensitive. That is why in the India-Australia interim ECTA, India did not commit on agriculture. Although, Australians are looking for more market access under the full-fledged India-Australia CECA now being negotiated, our sensitivities remain," a source tracking the matter told businessline.

<https://www.thehindubusinessline.com/economy/india-likely-to-continue-shielding-farm-sector-in-extended-free-trade-pact-with-australia/article66774384.ece>

India launches 'Operation Kaveri' to evacuate its nationals from Sudan

India on Monday launched 'Operation Kaveri' to evacuate its nationals from violence-hit Sudan. External Affairs Minister S Jaishankar said India's ships and aircraft are set to bring the Indians back home. "Operation Kaveri gets underway to bring back our citizens stranded in Sudan. About 500 Indians have reached Port Sudan. More on their way," Jaishankar tweeted. "Our ships and aircraft are set to bring them back home. Committed to assist all our brethren in Sudan," he said. India on Sunday said it has positioned two transport aircraft of the IAF in the Saudi Arabian city of Jeddah and a naval ship at a key port in Sudan as part of its contingency plans to evacuate the stranded Indians.

https://www.business-standard.com/india-news/india-launches-operation-kaveri-to-evacuate-its-nationals-from-sudan-123042400694_1.html