



June 06, 2023 – Tuesday

Economy

Services PMI declines to 61.2 in May amid rising inflationary pressures

Growth in India's dominant services sector declined in May as inflationary pressures intensified in both input costs and output charges, said a private survey on Monday. The headline figure in the Purchasing Managers' Index (PMI) survey by credit rating agency S&P Global declined marginally to 61.2 in May from its 13-year high of 62 in April. The May services PMI is the second-highest print in under 13 years. The headline figure has been in the expansion zone for 22 months since August 2021. The PMI is based on the responses of around 400 service companies covering non-retail consumer services, transport, information, communication, finance, insurance, real estate, and business services. "Output rose at the second-quickest pace since July 2010, supported by sustained growth of new business in the face of positive demand trends. Favourable demand conditions, new client wins and positive market dynamics reportedly supported output," the survey noted.

https://www.business-standard.com/economy/news/services-pmi-declines-to-61-2-in-may-amid-rising-inflationary-pressures-123060500283_1.html

India and Indonesia to drive Asia's growth: Morgan Stanley, Nomura

India, along with Southeast Asian countries such as Indonesia, is expected to sustain growth in the medium-term in Asia region, replacing China as the key growth driver, Morgan Stanley and Nomura said in two separate reports released on Monday. While Morgan Stanley projected a 6.2 per cent gross domestic product (GDP) growth forecast for India in FY24, Nomura estimated the Indian economy to grow at 5.9 per cent in 2023. "Even with a slowing China, we expect GDP growth in Asia to sustainably outperform other emerging markets and the US. India and Southeast Asia are set to be the fastest-growing economies this decade. Asia's flying geese model is once again in action," Nomura said in a global markets research report.

https://www.business-standard.com/economy/news/india-indonesia-to-drive-asia-s-growth-morgan-stanley-nomura-reports-123060500998_1.html

Banking and Finance

RBI Governor launches financial inclusion dashboard Antardrishti

RBI Governor Shaktikanta Das on Monday launched a financial inclusion dashboard named 'Antardrishti'. As the name suggests, the dashboard will provide the required insight to assess and monitor the progress of financial inclusion by capturing relevant parameters, the Reserve Bank of India (RBI) said in a statement. This facility will also enable to gauge the extent of financial exclusion at granular levels across the country so that such areas can be addressed, it said. Presently, the dashboard is intended for internal use in the RBI, it said, adding it will further facilitate greater financial inclusion through a multi-stakeholder approach.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-governor-launches-financial-inclusion-dashboard-antardrishti/articleshow/100774718.cms>

Bring bank charges under supervisory purview: RBI customer service panel

A committee set up to review customer service standards in the Reserve Bank of India's (RBI's) regulated entities (REs), headed by former deputy governor B P Kanungo, said that the regulator, during its supervisory review, should take a view of the "reasonableness of charges" levied by banks and other REs. The Kanungo Committee was set up in May last year to evaluate and review the quality of customer service, examine evolving needs, identify best practices, and suggest measures for bringing about improvements in the quality of customer service and grievance redress mechanism in REs.

https://www.business-standard.com/industry/banking/bring-bank-charges-under-supervisory-purview-rbi-customer-service-panel-123060500879_1.html

Banks told to ensure nominees for all accounts & lockers

The government has asked banks to ensure that all deposit accounts and safe deposit lockers have a nominee. This comes as both the banking sector regulator and the government are looking to bring down the unclaimed deposits of around ₹50,000 crore with commercial banks. A senior official confirmed the development and said that the government has also written to the Reserve Bank of India on this issue. "We have also had separate discussions with state-run lenders. This also benefits banks because, in the absence of a nomination, at times legal issues arise that impact both banks and their customers," he said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-told-to-ensure-nominees-for-all-accounts-lockers/articleshow/100775714.cms>

As Rs 2000 notes flow back, 80% stay within banking system

Bankers expect a 150-basis-point rise in deposit levels as the initial few days into the mandated exchange of ₹2,000 banknotes showed that almost 80% of the recalled currency has stayed back within the banking system. "Early deposit and exchange trends of ₹2,000 currency notes indicate that a significant amount could stay back in the banking system, easing pressure on deposit growth," a senior banking official said. "We are also keeping our deposit rates at present levels. It is wait and watch and we need to see how much this will add to our deposit growth."

<https://economictimes.indiatimes.com/markets/stocks/news/as-rs-2000-notes-flow-back-80-stay-within-banking-system/articleshow/100779045.cms>

SIDBI launches mission EVOLVE in association with NITI Aayog, World Bank, others for loans to EV MSMEs

SIDBI, the principal financial institution for MSMEs in India, on Monday said it has launched mission EVOLVE (Electric Vehicle Operations and Lending for Vibrant Ecosystem) in association with NITI Aayog, World Bank, Korean-World Bank and Korean Economic Development Cooperation Fund (EDCF) to finance MSMEs in the EV space. Under the initiative, SIDBI said it will give MSMEs access to affordable commercial financing for EV loans including hosting of telematics that could help reduce financing costs and provide data for other financial services.

<https://www.financialexpress.com/industry/sme/msme-fin-sidbi-launches-mission-evolve-in-association-with-niti-aayog-world-bank-others-for-loans-to-ev-msmes/3114687/>

Asset monetisation: Rs 1.4 trn raised, up 44% on year

The monetisation of public-sector brownfield assets unlocked capital worth Rs 1.4 trillion in FY23, up 44% on year. The achievement was against the target of Rs 1.62 trillion. Coal blocks and other mineral assets, highway stretches and power transmission lines pushed the drive. The total monetisation value had stood at Rs 97,000 crore in FY22, including accruals and private investments, as against taggetted Rs 88,000 crore. For the second consecutive year, the monetisation of coal and other mining assets has turned out to be much better than expected. While the target for this segment was enhanced to Rs37,500 crore from the initial goal of Rs6,060 crore for FY23, the achievement came in at around Rs 60,000 crore, an official said. In FY22 also, the mining sector had yielded upfront revenues and capital expenditure to the tune of Rs 58,000 crore against the target of Rs 3,394 crore.

<https://www.financialexpress.com/economy/asset-monetisation-rs-1-4-trn-raised-up-44-on-year/3113345/>

EPFO looks to increase equity investments

The Employees' Provident Fund Organisation is considering enhancing its equity exposure and reinvesting redemption proceeds from its investments in exchange-traded funds back in equity or related instruments, people familiar with the move told ET. The retirement fund body will soon approach the finance ministry to seek its clearance for investing the proceeds from ETFs in any permissible asset class to maximise returns. A proposal in this

regard was approved by EPFO's central board of trustees in the last week of March, as per the minutes of the meeting where they made the decision. ET has seen the minutes.

<https://economictimes.indiatimes.com/news/economy/finance/epfo-looks-to-increase-equity-investments/articleshow/100775752.cms>

Industry

Centre aims at covering refractories in PLI 2.0 to support steel industry

The Centre is looking to include refractories in the upcoming Production Linked Incentive Scheme 2.0 for steel as it aims at doubling the country's production capacity for the metal to 300 million tonne by 2030, an official said. Refractories are a critical input for steel production, and India depends on the import of the raw material. The Ministry of Steel is currently in talks with the refractory industry to develop an incentive policy to boost domestic production and reduce the country's dependence on imports from China, he said. "The steel industry is a major user and consumer of refractories. Currently, 70 per cent of the refractory is consumed by the sector. The vision of doubling the steel capacity in the next 6-7 years requires focused attention on the development of the key raw material," Ministry of Steel Joint Secretary Abhijit Narendra said during a recent meeting with industry stakeholders in Kolkata.

https://www.business-standard.com/economy/news/centre-aims-at-covering-refractories-in-pli-2-0-to-support-steel-industry-123060500638_1.html

Auto retail sales rise in May on strong demand

Retail sales of motor vehicles in the country increased 10.14% year on year to 2,019,414 units in May, shows data compiled by industry body Federation of Automobile Dealers Associations (FADA) based on vehicle registrations. Vehicle registrations — a proxy for retail sales as manufacturers in India only disclose their monthly dispatches from factories — increased across categories, with two-wheelers reporting a 9% jump at 1,493,234 units and passenger vehicles rising 4% to 298,873 units in May. Sales of three-wheelers, tractors and commercial vehicles rose by 79% at 79,433 units, 10% at 70,793 units, and 7% at 77,135 units, respectively. "While there has been a slight decline of -2% compared to pre-Covid levels, the overall retail figures have shown improvement," FADA president Manish Raj Singhania said.

<https://economictimes.indiatimes.com/industry/auto/auto-news/auto-retail-sales-rise-in-may-on-strong-demand/articleshow/100775488.cms>

Hand holding states, government sellers to integrate with ONDC: DPIIT Joint Secretary

The Department for Promotion of Industry and Internal Trade (DPIIT) is hand-holding states and central government sellers like handicraft emporiums to gradually integrate with Open Network for Digital Commerce (ONDC), a senior official said on Monday. ONDC is an initiative of the DPIIT to create a facilitative model to help small retailers take advantage of digital commerce. It is not an application, platform, intermediary or software but a set of specifications designed to foster open, unbundled, and interoperable open networks. Joint Secretary in the DPIIT Sanjiv said that supporting MSMEs (micro, small and medium enterprises) has been a priority for the ONDC. "This will unlock value in the huge B2B (business-to-business) market by increasing access and discoverability of various businesses across the network.

<https://economictimes.indiatimes.com/news/economy/policy/hand-holding-states-government-sellers-to-integrate-with-ondc-dpiit-joint-secretary/articleshow/100774151.cms>

TV makers want GST cut on large sets to offset high price of key component

Television manufacturers are pushing for a reduction in goods and services tax (GST) on TVs sized above 32 inches to 18% from 28% to offset a sharp rise in prices of open cell panels - the costliest part of LED TVs - imported from China. Prices of open cells, which are mostly imported from 4-5 suppliers in China, have shot up by over 35% for TV sizes above 32-inches, leading to about 10% rise in prices of large-sized TVs in India, industry officials said. "We have been requesting the GST Council to streamline the GST rates for TVs from 28% to 18%. We believe this will actually sustain the demand and drive affordability," said Ravi Shankar Chaudhary, secretary general of Consumer Electronics and Appliances Association (CEAMA) that represents Indian TV manufacturers. CEAMA representatives had met finance ministry officials in April to ask for a reduction in the GST rates for TVs above 32 inches to bring parity among

all screen sizes, and drive affordability of large-sized TVs that is the most popular among urban and semi-urban consumers. The industry said the current GST rate for above 32-inch TVs is the highest globally.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/tv-makers-want-gst-cut-on-large-sets-to-offset-high-price-of-key-component/articleshow/100775680.cms>

Amid e-car hype, waiting time goes up for hybrid vehicles

Demand for hybrid vehicles, such as Maruti Suzuki's Grand Vitara and Honda's revamped warhorse City, is surging at a time when MoTown boardroom talk is focused on the quantum of likely investments in electric vehicles (EV), the new-age powertrain that helped category leader Tata Motors announce its first dividend in seven years. Waiting periods for multi-purpose vehicle (MPV) Toyota Hycross, the hybrid sedan Honda City and the Grand Vitara have now extended up to two years. By contrast, several mass-market EVs, which enjoy favourable taxation treatment at registration, are available off the shelf.

<https://economictimes.indiatimes.com/industry/renewables/amid-e-car-hype-waiting-time-goes-up-for-hybrid-vehicles/articleshow/100775504.cms>

Agriculture

Prices of tomato and ginger skyrocket within a fortnight

Prices of kitchen essentials like tomato and ginger have shot up in the last fortnight. While the recent unseasonal rains have affected the tomato crop in northern India, ginger farmers, on the other hand, are holding back their crop and allowing the prices to surge to recover the losses they had faced last year. Meanwhile, the price of melon seeds (char magaz) has increased threefold as the armed conflict in Sudan, from where it is imported, has brought down the supply. "The price of a kg of char magaz is now ruling at ₹900, which was only ₹300 before the Sudan conflict," said Sanjay Sharma, a trader in Delhi.

<https://economictimes.indiatimes.com/news/economy/agriculture/prices-of-tomato-and-ginger-skyrocket-within-a-fortnight/articleshow/100775655.cms>

Infrastructure

Housing sales clocked a record of Rs 3.47 trillion in FY23: Anarock

The total residential real estate sales in the top seven cities in India rose 48 per cent to Rs 3.47 trillion in 2022-23 (FY23), according to data released by property consultancy Anarock Group on Monday. The total number of houses sold jumped 36 per cent to 379,000 units during the year. The Mumbai Metropolitan Region (MMR) saw the highest market share in terms of value and volume in FY23. According to the data, 30 per cent of all houses sold were in this region alone. These were sold at a total value of Rs 1.67 trillion, 48 per cent of the total market share in terms of value.

https://www.business-standard.com/industry/news/housing-sales-clocked-a-record-of-rs-3-47-trillion-in-fy23-anarock-123060500206_1.html

Civil aviation ministry, airlines to discuss airfare spike on some routes

The civil aviation ministry will hold discussions with airlines later in the day on issues related to airfares, which have surged on certain routes in recent weeks, according to an official. Airfares have jumped significantly on certain routes, especially in the wake of crisis-hit Go First suspending operations from May 3. The meeting with representatives of airlines is likely to be chaired by civil aviation minister Jyotiraditya Scindia, the official said. The official also said that airfares are deregulated and the meeting is for monitoring and facilitation purposes.

https://www.business-standard.com/india-news/civil-aviation-ministry-airlines-to-discuss-airfare-spike-on-some-routes-123060500305_1.html

NHAI releases first sustainability report on environmental responsibility

The National Highways Authority of India (NHAI) has published its inaugural 'Sustainability Report for FY 2021-22,' showcasing its dedication to environmental sustainability and social responsibility, said the ministry in a statement on Monday. The report, unveiled by Union Minister for Road Transport and Highways Nitin Gadkari, encompasses NHAI's governance structure, stakeholder engagement, and initiatives related to the environment and social

responsibility, it added. NHAI's sustainability efforts have yielded positive results in terms of environmental and energy conservation. From FY 2019-20 to FY 2021-22, direct emissions decreased by 18.44 per cent and 9.49 per cent due to reduced fuel consumption. The organisation continues to focus on reducing indirect emissions by transitioning to cleaner and greener energy sources, said the statement.

https://www.business-standard.com/india-news/nhai-releases-first-sustainability-report-on-environmental-responsibility-123060500738_1.html

Cargo traffic handled by major ports up 3.2% YoY at 68.06 MT in May: IPA

Cargo traffic handled by major ports in the country witnessed an annual rise of 3.2 per cent to 68.06 million tons (MT) in May this year, an official release said on Monday. These ports had handled a total of 65.94-million tons in May 2022, it said. During May 2023, the major ports handled a total 68.06 MT of cargo, against 65.95 MT handled during the corresponding period of last year, a year-on-year growth of 3.20 per cent, Indian Ports Association (IPA) said in a statement. There are 12 major ports, -- Deendayal (Kandla), Mumbai, Mormugao, New Mangalore, Cochin, Chennai, Ennore (Kamarajar), Tuticorin (V O Chidambaranar), Visakhapatnam, Paradip and Kolkata (including Haldia) and Jawaharlal Nehru Port.

https://www.business-standard.com/economy/news/cargo-traffic-handled-by-major-ports-up-3-2-yoy-at-68-06-mt-in-may-ipa-123060500973_1.html

Energy

Government extends timeline for submitting bids for OALP Round-VIII

The Ministry of Petroleum and Natural Gas (MoP&NG), has extended the deadline for submitting bids for the Open Acreage Licensing Programme (OALP) Bid Round-VIII. This round offers 10 blocks for international competitive bidding. The bids can be submitted through a dedicated online e-bidding portal till 12:00 hours, by July 5, the ministry said in a notification on Monday. The award of the OALP Round-VIII blocks will add an additional 34,364.53 square km of acreage to the exploration portfolio, bringing the total acreage under the OALP to 242,055 square km.

https://www.business-standard.com/industry/news/government-extends-timeline-for-submitting-bids-for-oalp-round-viii-123060500662_1.html

To cover urban areas under electric cooking model within 3 years: Ministry

On World Environment Day, a senior official in the power ministry said that the centre is coming up with aggregation models to accelerate the transition to electric cooking and plans to cover all urban areas within three years. The official was speaking at a conference organised in New Delhi by the Bureau of Energy Efficiency (BEE), the Ministry of Power and CLASP (Collaborative Labeling and Appliance Standards Program). Ajay Tewari, additional secretary, ministry of power, said that electric cooking must be scaled up and a model needs to be developed so that there is aggregation of carbon credits. The model should work in such a way that it becomes affordable in both urban and rural areas, he added.

https://www.business-standard.com/india-news/to-cover-urban-areas-under-electric-cooking-model-within-3-years-ministry-123060500530_1.html

India can reduce pollution by 40% by not using fossil fuels: Gadkari

India can reduce its pollution by over 40 per cent by not using fossil fuels like petrol and diesel, while the country imports crude oil worth Rs 16 lakh crore every year, Union Minister Nitin Gadkari said. "We can reduce 40 per cent pollution by not using fossil fuels like petrol and diesel," Gadkari said addressing Green Urja Conclave organised by Confederation of Renewable Energy Service Professionals and Industries (CRESPI) in association with IIT-Delhi, IIT-Ropar and University of Delhi here. He said, "We import fossil fuels worth Rs 16 lakh crore every year. It poses a big economic challenge for us. It also causes pollution. Besides, we also import coal worth Rs 12 lakh crore. We need to reduce our new technologies and improvise those also."

https://www.business-standard.com/india-news/india-can-reduce-pollution-by-40-by-not-using-fossil-fuels-gadkari-123060500395_1.html

Telecom

DoT plans to seek nod to sell new, unused spectrum bands

The department of telecommunications (DoT) is planning to seek nod from the committee of secretaries (CoS) on incorporating new or unused spectrum bands in the upcoming auction of airwaves for mobile services, officials aware of the development told ET. DoT wants to get approval regarding spectrum in the 3,700-4,200 MHz band, also known as the mid-band, 1,427-1,518 MHz band, and some frequencies in the 470-582 MHz band, they said. "The mid-band is ideal for 5G services and in the last sale, the spectrum in the 3,300 MHz was bought by all the three telcos," a DoT official said on condition of anonymity. Currently, spectrum in 3,700-4,200 MHz is being used by the department of space (DoS) and ministries of broadcasting, defence, and civil aviation, among others. Hence, "we have to discuss the matter with the CoS and how much quantum can be freed for auction", the official said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-plans-to-seek-nod-to-sell-new-unused-spectrum-bands/articleshow/100775382.cms>

States

New Karnataka government to table budget on July 7

Karnataka Chief Minister Siddaramaiah announced that the State's budget would be presented on July 7. It is to be looked at how the government will allocate the funds given that it has committed to the implementation of its five poll promises. The CM said that the budget session will begin on July 3. While the previous government had presented a budget of ₹39,782 lakh crore, Siddaramaiah said that more details on the size of the budget will be revealed later. He was speaking to the reporters at Davangere. Addressing the issues of electricity rate hikes, he said that the increase in electricity rates was already decided by REC and it is a previous decision that was made, which is being implemented now.

<https://www.thehindubusinessline.com/news/new-karnataka-government-to-table-budget-on-july-7/article66933746.ece>

Hyderabad records highest new office supply influx of 14.94 m sq ft in 2023: Report

Hyderabad recorded the highest new office supply influx of 14.94 million square feet, accounting for 31 per cent of the share of the total supply in the top seven cities, according to data from ANAROCK. Office supply completions in the city were 27 per cent higher than in FY22. In contrast, Bengaluru saw about 12.66 million square feet of office supply completions, accounting for 26 per cent share and 13 per cent lower than the previous fiscal.

<https://www.thehindubusinessline.com/economy/hyderabad-records-highest-new-office-supply-influx-of-1494-m-sq-ft-in-2023-report/article66932987.ece>

Telangana IT exports up by 31.4% at ₹2.41 lakh crore in FY2023

Telangana registered a record IT (information technology) and information technology-enabled services (ITeS) exports of ₹2.41 lakh crore in 2022-23, showing a growth of 31.4 per cent over the ₹1.83 lakh crore that it exported in 2021-22.

<https://www.thehindubusinessline.com/info-tech/teelangana-it-exports-up-by-314-at-241-lakh-crore-in-fy2023/article66933385.ece>

Healthcare

Pharma cos may need to mention excipients on medicine strips, soon

India's drug regulatory authority is actively considering mandating mention of excipients on the strip of a medicine for its safe use, people in the know told ET. As of now the labels declare active substances only which are added in the formulation. "People popping medicines should be able to make informed decisions and hence it's important to make them aware about what they are consuming, said the person. The Drugs Consultative Committee (DCC), which comprises a technical body of experts deliberated on the issue in its recent meeting last week and yet to take a final decision. "The DCC has been considering the proposal to incorporate provision for inclusion of details of excipient on every strip of medicines," added the other person.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/pharma-cos-may-need-to-mention-excipients-on-medicine-strips-soon/articleshow/100775572.cms>

India's successful adoption of digital health tech lesson for world: WHO

India's successful adoption of digital health technologies can provide lessons for accelerating the progress towards universal health coverage for all countries, a top WHO official said on Monday. What is crucial is to achieve a level-playing field for making sure that these technologies are available widely for all countries, Dr Alain Labrique, Director, Department of Digital Health and Innovation at WHO, said. "When we talk about digital health, we are talking about strengthening primary health care systems, improving universal health coverage, and timely and relevant data for decision making and resource allocation. Most important, we are talking about equity so that no one is left behind. Digital health is a proven pathway to achieve universal health goals," he said.

https://www.business-standard.com/india-news/india-s-successful-adoption-of-digital-health-tech-lesson-for-world-who-123060500683_1.html

External

India, EU ask WTO dispute settlement body not to adopt ruling on ICT import duties till September 19

India and the European Union (EU) on Monday asked the WTO's dispute settlement body not to adopt a ruling against New Delhi's import duties on certain information and technology products till September 19 as both sides are engaged in bilateral talks to resolve the matter. In a communication to the World Trade Organisation (WTO), both regions have called for a special meeting of the WTO's dispute settlement body (DSB) on June 15. For that meeting, they urged the DSB not to adopt the WTO's dispute settlement panel's ruling of April 17, which stated that India's import duties on certain information and technology products are inconsistent with the global trade norms. "We consider that the draft DSB decision (as provided by India and the EU) if adopted, would facilitate the resolution of the dispute," the communication said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-eu-ask-wto-dispute-settlement-body-not-to-adopt-ruling-on-ict-import-duties-till-september-19/articleshow/100775091.cms>

India, US firm up ambitious roadmap for defence industrial cooperation

India and the US on Monday firmed up an ambitious roadmap for defence industrial cooperation to accord high priority to various projects for the co-development of military platforms and hardware, a move that comes against the backdrop of the Ukraine conflict and China's increasing muscle-flexing in the Indo-Pacific region. The roadmap was finalised during talks between Defence Minister Rajnath Singh and his American counterpart Lloyd Austin, two weeks ahead of Prime Minister Narendra Modi's state visit to Washington. At a media briefing, Austin said the US-India partnership is a "cornerstone" for a free and open Indo-Pacific and the deepening ties showed how technological innovation and growing military cooperation between the two "great powers" can be a force for global good.

https://www.business-standard.com/india-news/india-us-firm-up-ambitious-roadmap-for-defence-industrial-cooperation-123060500617_1.html