



June 27, 2023 – Tuesday

Economy

India to be fastest-growing economy for next three years: S&P Global Ratings

India is likely to grow at 6.7% for the next three years, retaining its tag as the fastest-growing major economy, said S&P Global Ratings in its latest report Monday. The economic outlook announced by the global rating agency kept India's growth forecast unchanged at 6% for this fiscal, projecting a sharp bounce back to 6.9% in FY25 and FY26.

<https://economictimes.indiatimes.com/news/economy/indicators/india-to-be-fastest-growing-economy-for-next-three-years-sp-global-ratings/articleshow/101276724.cms>

India's current account likely turned to surplus in Jan-March: Poll

India's current account balance likely turned positive in January-March, marking the first quarterly surplus in nearly two years thanks to a narrower trade deficit and an increase in services exports, a Reuters poll found. The latest survey of 22 economists showed the current account balance likely recorded a surplus of \$3.3 billion, or 0.4% of gross domestic product (GDP), in the last quarter of the 2022/23 fiscal year. That would be a significant improvement from the preceding quarter's deficit of \$18.2 billion, or 2.2% of GDP. Forecasts ranged widely, from a deficit of \$5.0 billion to a surplus of \$7.8 billion.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-current-account-likely-turned-to-surplus-in-jan-march-poll/articleshow/101294090.cms>

Banking and Finance

RBI in talks with leading global peers to promote digital rupee payments

The Reserve Bank of India (RBI) is in talks with other major global central banks to promote digital rupee for cross-border payments, Governor Shaktikanta Das said, while the central bank allowed trade payments in rupees last year to enhance the local unit's acceptability globally. "CBDC (central bank digital currency) is going to be the future of money. We are preparing ourselves for that. By the end of this month, we hope to reach about one million users of retail CBDC. That is for domestic payments. But cross-border payments will also become much quicker, more seamless and very cost-effective. That is another area where a lot of attention needs to be given.

<https://economictimes.indiatimes.com/news/economy/finance/rbi-in-talks-with-leading-global-peers-to-promote-digital-rupee-payments/articleshow/101288604.cms>

RBI finalises norms for banks to hold capital for operational risks

The Reserve Bank of India (RBI) has finalised directions for commercial banks to hold sufficient regulatory capital against their exposures arising from operational risks. It would cover the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. RBI, in a communication to regulated entities, said the effective date for implementation of these directions will be communicated separately. Entities like local area banks, payment banks, regional rural banks, and small finance banks are excluded from the application of these norms for operational risk capital.

https://www.business-standard.com/finance/news/rbi-finalises-norms-for-banks-to-hold-capital-for-operational-risks-123062600696_1.html

SEBI releases compliance rules for REITs, InvITs

Capital markets regulator Securities and Exchange Board of India (Sebi) on Monday came out with disclosure formats for compliance reports on governance and annual secretarial for emerging investment vehicles - REITs and InvITs. These would come into force from FY24 onwards, Sebi said in four circulars. Under the format for compliance report on governance, Sebi said infrastructure investment trusts (InvITs) and real estate infrastructure trusts (REITs) will have to disclose the name of the investment managers, the composition of the board of directors of the investment managers as well as the composition of committees, meetings of the board of directors, along with meetings of committees, on a quarterly basis.

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-releases-compliance-rules-for-reits-invits/articleshow/101291668.cms>

SEBI launches ASBA-like facility for secondary market to secure investor

With an aim to safeguard investors' money from misuse and default by stock brokers, Sebi on Monday introduced a supplementary process for trading in the secondary market based on blocked funds in an investor's bank account, instead of transferring them upfront to the trading member. This is similar to Application Supported by Blocked Amount (ASBA)-like facility already available for the primary market which ensures that money from an investor gets moved only when an allotment happens.

https://www.business-standard.com/india-news/sebi-launches-asba-like-facility-for-secondary-market-to-secure-investor-123062600525_1.html

Centre approves Rs 56,415 cr to 16 states as special assistance for capex

Centre on Monday approved Rs 56,415 crore to 16 states for various capital investment proposals under "Special Assistance to Capital Investment 2023-24". The projects span various sectors including health, education, irrigation, water supply, power, roads, bridges and railways. Funds for meeting the state share of the Jal Jeevan Mission and Pradhan Mantri Gram Sadak Yojana have also been provided under this scheme to enhance the pace of the projects in these sectors.

https://www.business-standard.com/economy/news/centre-approves-rs-56-415-cr-to-16-states-as-special-assistance-for-capex-123062600454_1.html

Industry

MSMEs to face headwinds due to economic slowdown in US, Europe: CRISIL

Micro, small and medium enterprises (MSMEs), accounting 40 per cent of India's exports, will face headwinds from the imminent economic slowdown in advanced countries, particularly the US and Eurozone. These two geographies account for one-third of India's overall exports. An analysis by CRISIL MI&A Research, said in its biannual MSME report, that a fifth of the MSME sector by value is expected to see an increase in working capital requirement this fiscal year, compared with the pre-pandemic level.

https://www.business-standard.com/economy/news/msmes-to-face-headwinds-due-to-economic-slowdown-in-us-europe-crisil-123062600257_1.html

Jewellery sales recover as gold prices soften

Gold jewellery sales have seen a spurt after a lull of two months as prices of the precious metal have softened to about ₹58,300 per 10 grams from ₹61,000 per 10 grams in the past month, said leading jewellers. April and May proved to be lacklustre months for jewellers as gold prices surged past ₹62,000 per 10 grams, but with the easing of gold prices, customers have returned to the market, said industry executives. "The wedding season in South India, the largest consumer of gold in the country, begins on July 15 and continues till August 10, and all jewellers are witnessing robust footfall as prices have fallen," said Joy Alukkas, chairman of the Joy Alukkas group.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/jewellery-sales-recover-as-gold-prices-soften/articleshow/101288393.cms>

Online retail market to grow 2.5x faster than offline till 2030: Deloitte

As more and more Indian consumers turn to online channels for shopping, the e-commerce market is expected to grow 2.5 times faster than the offline retail market, according to a report by Deloitte. The report titled "Future of Retail" added that the size of the overall online market will jump to \$325 billion in 2030 from \$70 billion in 2022. It will be bigger than the organised retail market, reaching \$230 billion in 2030 from \$110 billion in 2022.

https://www.business-standard.com/industry/news/online-retail-market-to-grow-2-5x-faster-than-offline-till-2030-deloitte-123062600308_1.html

Agriculture

Horticulture output to rise marginally at record 350.87 mn tonne in 2022-23

India's horticulture production is estimated to rise 1 per cent to record 350.87 million tonnes in 2022-23, mainly on the back of higher output of fruits and vegetables. The production stood at 347.18 million tonnes in the previous year. The agriculture ministry on Monday released its first advance estimates (2022-23) of area and production of horticultural crops. Union Agriculture Minister Narendra Singh Tomar attributed the record production to efforts made by farmers and scientists, besides favourable policies made by the central government and co-operation from states.

https://www.business-standard.com/economy/news/horticulture-output-to-rise-marginally-at-record-350-87-mn-tonne-in-2022-23-123062600679_1.html

Infrastructure

PM Modi to flag off five new Vande Bharat trains on June 27; see details

Prime Minister Narendra Modi will flag off five new Vande Bharat Express trains on Tuesday, June 27, Mint reported citing information from the prime minister's office (PMO). This is the first time that five Vande Bharat trains will begin their service together. The PMO announced that the five Vande Bharat trains will serve on these routes: Rani Kamalapati-Jabalpur Vande Bharat Express; Khajuraho-Bhopal-Indore Vande Bharat Express; Madgaon (Goa)-Mumbai Vande Bharat Express; Dharwad-Bengaluru Vande Bharat Express; and Hatia-Patna Vande Bharat Express.

https://www.business-standard.com/india-news/pm-modi-to-flag-off-five-new-vande-bharat-trains-on-june-27-see-details-123062600432_1.html

Highway construction target may be raised

India is looking at scaling up its highway construction target for FY24 in line with the government's big infra upgrade plan but is keen to set a realistic goal, officials said. The roads ministry also expects higher retail participation in the coming round of National Highways Authority of India (NHAI) infrastructure investment trust (InvIT) fund raising. "We are finalising the target of road construction for the current fiscal after undertaking a realistic assessment," a senior ministry official told ET. "We don't want to be too conservative, but also want to ensure that achievable goals are set."

<https://economictimes.indiatimes.com/news/economy/infrastructure/highway-construction-target-may-be-raised/articleshow/101288445.cms>

Firms looking to increase use of flexible office space: Survey

Flex office spaces have emerged as the leading short-term real estate portfolio strategy for corporations, with nearly 47% of them saying they intend to increase the use of flexible office spaces over the next 12 months, revealed a survey conducted by property consultant CBRE. According to the survey, about 56% of the respondents plan to allocate more than 10% of their total office portfolio to flexible spaces by 2025. Researchers noted a growing interest in tier-2 cities, which can be attributed to the availability of skilled talent pools and improving infrastructure.

<https://economictimes.indiatimes.com/industry/services/property/-construction/firms-looking-to-increase-use-of-flexible-office-space-survey/articleshow/101288424.cms>

Energy

Technical bids for 7th coal block auction to open on Wednesday: Coal Ministry

Technical bids coming for the seventh round of commercial coal block auctions will be opened on June 28, an official statement said on Monday. "As part of the auction process, Technical Bids comprising of online and offline bid documents will be opened on June 28, 2023, 10:00 am onwards at New Delhi, in the presence of the bidders," the Ministry of Coal said in a statement. The last date for submission of online technical bids for all the coal mines is 1200 hours on June 27, 2023, and offline submission is 1600 hours on June 27, 2023, it said. On March 29, the government on Wednesday launched the seventh round of commercial coal auctions in a bid to increase the availability of dry fuel in the country.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/technical-bids-for-7th-coal-block-auction-to-open-on-wednesday-coal-ministry/articleshow/101284905.cms>

Telecom

Trai advice on how to allocate satcom spectrum by August

The Telecom Regulatory Authority of India (Trai) is working towards giving recommendations on the allocation mechanism for satellite spectrum in the next 45 days, with officials saying that the intent will be to protect the interests of both the nascent satellite industry and the broadcasting sector. If an auction model does not hurt the satellite industry, then Trai may suggest that satcom spectrum be sold to the highest bidder, they said. But the regulator would not recommend an auction if it concludes that it would hurt the satellite and broadcasting industries, the officials added.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/trai-advice-on-how-to-allocate-satcom-spectrum-by-august/articleshow/101287927.cms>

States

Centre approves Rs 1,255-crore capital investment for Arunachal Pradesh

The finance ministry has approved a capital investment proposal of Rs 1,255 crore for Arunachal Pradesh in the current financial year, an official release said on Monday. Approval has been given under the scheme entitled Special Assistance to States for Capital Investment 2023-24'. The department of expenditure under the ministry has approved a total of Rs 56,415-crore capital investment for 16 states under the scheme for the current fiscal, it said. Capital investment projects in diverse sectors have been approved including health, education, irrigation, water supply, power, roads, bridges and railways.

https://www.business-standard.com/economy/news/centre-approves-rs-1-255-crore-capital-investment-for-arunachal-pradesh-123062600650_1.html

Healthcare

You may soon need prescription for nicotine gums and patches

In a bid to ensure that nicotine replacement therapies (NRTs) including nicotine gums, lozenges and patches are not misused, the government is considering making prescription compulsory for selling all formulations containing up to 2 mg and 4 mg of nicotine. The Drugs Technical Advisory Board (DTAB) - India's top technical advisory body on drugs - deliberated on the matter in a meeting held last month. As per the existing provisions under Schedule K of Drugs Rules, 1945, nicotine gum and lozenges containing up to 2mg of nicotine are exempted from sale licence and no prescription form a registered medical practitioner is needed for the retail sale of those products.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/you-may-soon-need-prescription-for-nicotine-gums-and-patches/articleshow/101292205.cms>

External

India actively considering CEPAs, FTAs to boost textile exports: Goyal

Union Minister Piyush Goyal on Monday said India is actively considering entering into free trade pacts and comprehensive economic partnership agreements to tap new markets, increase exports and create opportunities for the domestic textile industry. The Minister of Textiles highlighted that the Pradhan Mantri Mega Integrated

Textile Region and Apparel (PM MITRA) Park is being established across 7 states to promote India's textile sector in a significant manner.

https://www.business-standard.com/economy/news/india-actively-considering-cepas-ftas-to-boost-textile-exports-goyal-123062600680_1.html

Handicraft exports likely to fall 6-8% in FY24 amid global market slump

Indian handicraft exports may witness a 6-8 per cent decline this fiscal to USD 3.3 billion, mainly due to a spending slowdown in global markets, a report said on Monday. A slowdown in discretionary spending in key global markets will drag the largely export-oriented Indian handicraft industry by 6-8 per cent lower to USD 3.3 billion this fiscal, after a decline of 20 per cent in FY23, Crisil Ratings said in a report.

https://www.business-standard.com/economy/news/handicraft-exports-likely-to-fall-6-8-in-fy24-amid-global-market-slump-123062600664_1.html

India's oilseed exports may grow by 10-15 pc this fiscal: Exporters

India's oilseed exports are expected to grow by 10-15 per cent during this fiscal as traders are getting good orders from regions like Southeast Asia, Latin America and Africa, according to exporters. In 2022-23, the oilseed exports rose by over 20 per cent to USD 1.33 billion (around Rs 10,900 crore). The main oilseeds exported by the country are groundnut, sesame, soyabean, castor, niger, and sunflower. Former Chairman Indian Oilseeds and Produce Export Promotion Council (IOPEPC) Khushwant Jain said the order books are good and "we expect healthy growth this year also". Soyabean and groundnut occupy 61 per cent and 23 per cent, respectively of the total kharif oilseeds area, he said adding the planting of sunflower stands at 19.7 per cent and sesame at 12.4 per cent.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-oilseed-exports-may-grow-by-10-15-pc-this-fiscal-exporters/articleshow/101272743.cms>

Removal of retaliatory import duties on US apples not to hurt domestic producers, says govt

India's decision to remove retaliatory duties on eight US products, including apples, as part of the deal for restoration of market access for Indian steel and aluminium in the US, will not hurt domestic apple producers, the government has assured. "The decision will not result in any negative impact on domestic apple producers and will result in competition in premium market segment ensuring better quality at better prices for consumers. After removal of this duty, the apples from the US would compete on level playing field with other countries," per a statement issued by the Commerce & Industry Ministry on Monday.

<https://www.thehindubusinessline.com/economy/removal-of-retaliatory-import-duties-on-us-apples-not-to-hurt-domestic-producers-says-govt/article67012456.ece>

India, Egypt to push trade to \$12 billion in next five years

India and Egypt plan to push bilateral trade to \$12 billion within the next five years. This was discussed during a meeting between Prime Minister Narendra Modi and the India unit of the Egyptian Cabinet led by its Prime Minister Mostafa Madbouly in Cairo on Saturday, officials said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-egypt-to-push-trade-to-12-billion-in-next-five-years/articleshow/101288612.cms>