



June 30, 2023 – Friday

Economy

Significant progress in SDGs, but challenges remain: MoSPI

India has made significant progress in Sustainable Development Goal indicators but needs to address challenges in certain areas, according to the National Indicator Framework 2023, launched on Monday. The report highlights significant gains made in maternal and child health, education, poverty and climate change since 2015-16. The National Indicator Framework tracked 284 indicators across 17 SDG goals. Maternal mortality ratio has declined to 97 per lakh live births during 2018-20 compared with 130 in 2014-16. Gross enrolment ratio or number of students enrolled as a proportion of the school-age population for higher secondary had risen nearly ten percentage points to 57.6 in 2021-22 from 48.32 in 2015-16.

<https://economictimes.indiatimes.com/news/economy/indicators/significant-progress-in-sdgs-but-challenges-remain-mospi/articleshow/101367486.cms>

Economists concerned over lower rice acreage pushing up inflation

Lower rice sowing due to deficient rains, coupled with increasing global prices, may end up pushing up inflation, economists said. Rice accounts for 4.4% of the Consumer Price Index basket, whereas the main staple, arhar or tur, which has also witnessed a reduction in acreage, has a 0.8% weight in retail inflation. Their combined share in food inflation is 13.2%. "Rice will become a concern if the monsoon doesn't pick up in certain states. However, if it does pick up, signs of which are visible, it would not be a concern," said Paras Jasrai, senior analyst, Ind-Ra. The late arrival of monsoon in states which account for 61% of rice sowing area led to a decline in area under cultivation by more than a third until June 25.

<https://economictimes.indiatimes.com/news/economy/agriculture/economists-concerned-over-lower-rice-acreage-pushing-up-inflation/articleshow/101374874.cms>

India looking to partner 30 nations to supply skilled workforce

The government is drawing up a skilling upgrade plan which includes partnering with 30 countries in need of skilled workforce, with a focus on specific sector requirements, as part of its multi-pronged strategy to train and supply skilled Indian workers across the globe. The plan envisages skilling courses, international certification, pre-departure orientation training, soft skills, multi-cultural training and other support for overseas mobility through the 30-odd Skill India international Centres (SIICs) being set up across the country, a senior government official told ET. The key countries identified for supplying skilled Indian workers include the US, UK, Canada, Australia, Germany, Japan, Sweden and Finland. The initial mapping of workforce requirements across 16 countries showed demand for 3.7 million trained workers from India over the next five years.

<https://economictimes.indiatimes.com/news/india/india-looking-to-partner-30-nations-to-supply-skilled-workforce/articleshow/101374997.cms>

Banking and Finance

Sebi tightens disclosure requirements for FPIs, reduces IPO timeline

The Securities and Exchange Board of India (Sebi) tightened the disclosure requirements for foreign portfolio investors (FPIs) in a bid to get a better handle on them and prevent the possible circumvention of minimum public shareholding (MPS) and takeover norms. The Sebi board also approved reducing the time period for the listing of shares in public issues from the existing six days to three days from the date of issue closure. It, however, deferred a decision on overhauling cost structures, or the so-called total expense ratio (TER), for the Rs 43-trillion mutual fund (MF) industry.

https://www.business-standard.com/markets/news/sebi-beefs-up-fpi-disclosure-regime-cuts-ipo-timeline-to-three-days-123062800971_1.html

Sebi may bar mkt intermediaries from associating with errant finfluencers

The Securities and Exchange Board of India (Sebi) is close to firming up guidelines for financial influencers (finfluencers) in order to curb spread of misinformation and manipulative practices. As these individuals are not registered with the markets regulator, direct action against them may fall outside the purview of the watchdog. However, Sebi plans to issue diktats to market intermediaries like mutual funds, stock exchanges, brokers etc. to not associate with the finfluencers seen flouting market regulations or indulging in the practice of doling out stock tips.

https://www.business-standard.com/markets/news/sebi-may-bar-mkt-intermediaries-from-associating-with-errant-finfluencers-123062900670_1.html

5% ECLGS loans turn into non-performing assets: Financial stability report

About 16 per cent of accounts and 5 per cent of the disbursed amount under the emergency credit line guarantee scheme (ECLGS) have turned into non-performing assets (NPAs), according to the latest edition of the Financial Stability Report of the Reserve Bank of India. The micro-enterprises segment experienced significant stress, with approximately 20 per cent of borrowers and 10 per cent of the disbursed amount being classified as 'defaulting'.

https://www.business-standard.com/economy/news/5-eclgs-loans-turn-into-non-performing-assets-financial-stability-report-123062800956_1.html

Fintechs seek first loss default guarantee cover for co-lending deals

Digital lenders are set to lobby with the Reserve Bank of India to extend the first loss default guarantee cover of 5% to co-lending arrangements as well. Fintech companies say that such an extension will allow more skin in the game and give banks the confidence to enter into more such tie ups. The RBI recently allowed digital lenders to take first loss default guarantee (FLDG) on loans while capping the guarantee cover to not more than 5% of the total loan portfolio. All entities regulated by the central bank will have to ensure invocation of default guarantees within 120 days of a loan falling overdue.

<https://economictimes.indiatimes.com/industry/banking/finance/fintechs-seek-first-loss-default-guarantee-cover-for-co-lending-deals-too/articleshow/101374992.cms>

'States' additional borrowings unlikely to hit yields on government securities'

The Centre's move to allow states to borrow up to ₹1.43 lakh crore in FY24 if they pursue stipulated power sector reforms is unlikely to cause disruption in the bond market, a senior finance ministry official said. The official, who did not wish to be named, said the yield on 10-year government securities (G-secs) will likely ease and remain below 7% in the coming months. For its part, the Centre won't raise its own gross market borrowing in FY24 beyond the budgeted level (₹15.43 lakh crore) to avoid any negative surprises, and the bond market won't be flooded with government papers. "If anything, we may slightly reduce the borrowing," the official said, indicating that private borrowers won't be crowded out in the market at a time when capital spending by the private sector is expected to gain traction.

<https://economictimes.indiatimes.com/news/economy/indicators/states-additional-borrowings-unlikely-to-hit-yields-on-government-securities/articleshow/101374892.cms>

Industry

Industry should take up issues on e-logs platform: DPIIT

Industry associations should participate on the e-logs platform and deliberate their issues to help service investment group (SIG) address them on a fast-track mode, an official statement said on Thursday. This was suggested to the

industry during a meeting of SIG on June 28. It was chaired by Sumita Dawra, the special secretary in the Department for Promotion of Industry and Internal Trade (DPIIT). During the meeting, major issues impacting the trade were resolved to the satisfaction of all the stakeholders, the DPIIT said. Under the national logistics policy, a new digital platform Ease of Logistics Services (e-logs) has been started. Through this portal, industry associations can directly take up issues which are causing problems in their operations and performance with government agencies.

<https://economictimes.indiatimes.com/news/economy/policy/industry-should-take-up-issues-on-e-logs-platform-dpiit/articleshow/101374576.cms>

Passenger car sales to cross two-million milestone in first half of 2023

Sales of passenger cars in India are set to cross the two-million mark in the first half of 2023 for the first time, according to a report in The Economic Times (ET). India, Asia's third-largest economy, records half-yearly car dispatch volumes, which is equivalent to full-year sales in countries such as Mexico, Australia, and Indonesia. Shashank Srivastava, senior executive officer, of marketing and sales, Maruti Suzuki India, said that car sales in June will be around 325,000 to 328,000 units, which is a growth of 2.5 per cent year-on-year (YoY) over last year's volume of 321,000.

https://www.business-standard.com/india-news/car-sales-in-india-passenger-car-sales-to-cross-two-million-milestone-in-first-half-of-2023-123062900209_1.html

Govt seeks industry feedback on challenges in PLI to enhance effectiveness

Union Minister of Commerce and Industry Piyush Goyal said that the government is committed to fostering a conducive business environment and accelerating growth in production-linked incentive (PLI) sectors with industry's feedback and collaborative engagement. Government officials of the implementing ministry must hold regular consultation and roundtables with their respective PLI beneficiary so that the issues may be resolved promptly, he added at a workshop on "PLI Schemes" organised by DPIIT on Tuesday.

https://www.business-standard.com/economy/news/govt-seeks-industry-feedback-on-challenges-in-pli-to-enhance-effectiveness-123062800762_1.html

FAME subsidy cut, subsequent price hike take e-scooter sales down 61% MoM

Electric scooter registration took a beating in June 2023 as sales figures dipped to their lowest in 16 months and reached 35,641 units, The Economic Times (ET) reported citing data from the Vahan vehicle registration portal. The dip in sales has come after electric two-wheeler manufacturers hiked the prices of their products by 15-18 per cent. The price hike was announced after a subsidy cut by the government.

https://www.business-standard.com/industry/auto/fame-subsidy-cut-subsequent-price-hike-take-e-scooter-sales-down-61-mom-123062800238_1.html

Industry wants GST relaxation, fuel-price guarantee for flex-fuel vehicles

The automobile industry has requested the government to cut goods and services tax (GST) on two-wheelers running on flex-fuel and bring it to five per cent, ETAuto has reported. The manufacturers have said that the relaxation will help the shift towards green mobility. Notably, the government charges five per cent GST on electric two-wheelers. The use of blended fuel, which uses a mix of regular petrol and ethanol, also supports farmers as the ethanol used in flex-fuel is produced from molasses which is a by-product of the sugar industry. Waste food grains are also used to make ethanol used in flex fuel. Currently, two-wheelers compatible with fuel containing 20 per cent ethanol are available in the Indian market and they are badged as "E20" compatible.

https://www.business-standard.com/industry/auto/industry-wants-gst-relaxation-fuel-price-guarantee-for-flex-fuel-vehicles-123062900531_1.html

Domestic travel operators welcome TCS rollback, but say move is a partial relief

Travel industry bodies and companies have welcomed a "partial relief" granted by the government by withdrawing the increase of tax collected at source (TCS) on overseas tour packages from 5% to 20% on amounts up to ₹7 lakh per annum. But they said their long-standing demands have still not been met. "Though we are happy with this roll back, our long-standing demand is that the TCS should be reduced to 2.5%, as the main objective of the government is to bring more people into the tax net and if the government reduces the TCS percentage on overseas tour

packages, a higher number of people will book through Indian tour operators," said Rajiv Mehra, president of the Indian Association of Tour Operators.

<https://economictimes.indiatimes.com/industry/services/travel/domestic-travel-operators-welcome-tcs-rollback-but-say-move-is-a-partial-relief/articleshow/101374952.cms>

Agriculture

Newer pests and diseases hit vegetable crops

Newer plant viruses resistant to most pesticides are one of the reasons for the rising prices of daily essentials like tomatoes, ginger and tur dal. While tomato growers have been struggling to control new viruses for about a decade now, production of ginger, capsicum, chillies, papaya and this year tur dal have also been affected due to newer pests and diseases, farmers and experts said. "When tomato prices crashed, farmers reduced spraying on the crops to cut losses. This led to increased pests," said Ajay Belhekar, a tomato grower from Pune district. In high input cost crops like tomatoes and capsicum, farmers shift to other crops when they incur losses due to price crash or plant diseases. The prices of hybrid tomato seeds of big companies are upwards of ₹70,000/kg.

<https://economictimes.indiatimes.com/news/economy/agriculture/newer-pests-and-diseases-hit-vegetable-crops/articleshow/101375000.cms>

Scanty rains hit kharif crop sowing

Scanty rainfall has delayed sowing of kharif crops such as paddy, maize and tur in many parts of the country, with 14 key agricultural states still 'deficient' in rainfall and two figuring in the 'large deficient' category, according to the India Meteorological Department (IMD). This could hit output of kharif crops as well as force farmers to shift to short-term crops, said industry executives and experts. "Farmers in several parts of the country, where there is a deficiency of rainfall, are in a wait-and-see situation," said Santosh Jhanwar, chief executive of Agriwatch, an agricultural research firm which works with more than a million farmers across the country.

<https://economictimes.indiatimes.com/news/economy/agriculture/scanty-rains-hit-kharif-crop-sowing/articleshow/101374863.cms>

Centre hikes sugarcane FRP by Rs 10 per quintal for 2023-24 season

The Union Cabinet Committee on Economic Affairs on Wednesday hiked the fair and remunerative price (FRP) of sugarcane by Rs 10 per quintal to Rs 315 for the 2023-24 season that will start from October. The increase in FRP last year was of Rs 15 per quintal. According to the Sugarcane (Control) Order of 1966, FRP is the minimum price that sugar mills have to pay to sugarcane farmers.

https://www.business-standard.com/industry/agriculture/centre-hikes-sugarcane-frp-by-rs-10-per-quintal-for-2023-24-season-123062800841_1.html

PM-PRANAM scheme gets CCEA approval to boost alternative fertilisers

The Union Cabinet Committee on Economic Affairs (CCEA) on Wednesday approved PM-PRANAM, which is aimed at incentivising states to use alternative, non-chemical fertilisers, and also decided to continue the current urea subsidy for three years starting FY23, with an outlay of Rs 3.68 trillion. Fertiliser minister Mansukh Mandaviya said that the urea subsidy outlay projection was an estimation and not a cap, and the Centre would provide more money, if required.

https://www.business-standard.com/economy/news/centre-approves-pm-pranam-scheme-to-boost-balanced-use-of-fertilizers-123062800828_1.html

Energy

Tariff for gas grid system up by 10%

The Petroleum and Natural Gas Regulatory Board has increased the unified tariff for the national gas grid system by 10% to ₹81.1 per mmbtu from July 1, up from the current ₹73.9. The regulator had introduced a unified tariff for natural gas pipelines from April 1 to help boost gas consumption by customers in places far away from supply centres. This allows customers to pay a single tariff while pipeline operators get differentiated tariffs based on the

distance. Three tariff zones were created, with the first zone lasting 300 km from the gas source, the second between 300 km and 1,200 km, and the third beyond 1,200 km.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/tariff-for-gas-grid-system-up-by-10/articleshow/101374837.cms>

Govt unveils guidelines for green hydrogen production, electrolyser manufacturing

The Ministry of New & Renewable Energy (MNRE) has announced guidelines under the National Green Hydrogen Mission for manufacturing electrolysers and production of green hydrogen. Earlier this year, MNRE launched the National Green Hydrogen Mission, for implementing the Strategic Interventions for Green Hydrogen Transition (SIGHT) programme that aims to establish electrolyser manufacturing base and green hydrogen producing facilities.

<https://www.thehindubusinessline.com/economy/govt-unveils-guidelines-for-green-hydrogen-production-electrolyser-manufacturing/article67024046.ece>

Scheme finalised for carbon credit market

The government has firmed up a scheme for setting up a carbon credit market in the country. It entails a compliance mechanism where emission targets will be set for some sectors and entities, exceeding which they will get credit certificates, people in the know said. The sectors and the entities to be covered under the compliance mechanism will be decided by the power ministry, they said. Carbon credit certificates will be issued to entities for exceeding the target in reducing greenhouse gases emission intensity. Those unable to achieve their target will have to meet the shortfall by buying carbon credit certificates from the domestic carbon market.

<https://economictimes.indiatimes.com/news/india/scheme-finalised-for-carbon-credit-market/articleshow/101374836.cms>

Ensure adequate supply, plan for future: Govt guideline for power discoms

Consulting with the Central Electricity Authority (CEA), the government has issued guidelines that introduce statutory obligations for power distribution companies by making them responsible to ensure sufficient electricity supply to meet demand in their area, Financial Express (FE) has reported. Power minister RK Singh was quoted in the report as saying, "The guidelines will ensure that the practice of load shedding by discoms and occurrence of electricity supply crunch is avoided in future." the minister added that these guidelines will act as a major reform and will ensure hassle-free, reliable power supply to citizens.

https://www.business-standard.com/india-news/ensure-adequate-supply-plan-for-future-govt-guideline-for-power-discoms-123062900192_1.html

India ranked 67th globally on Energy Transition Index, Sweden on top: WEF

The World Economic Forum ranked India at the 67th place globally on its Energy Transition Index and said it is the only major economy with energy transition momentum accelerating across all dimensions. Sweden topped the list and was followed by Denmark, Norway, Finland and Switzerland in the top five on the list of 120 countries.

https://www.business-standard.com/india-news/india-ranked-67th-globally-on-energy-transition-index-sweden-on-top-wef-123062800296_1.html

Telecom

UN telecom body ITU accepts India's inputs on 6G technology framework

UN body International Telecom Union has accepted India's inputs on the 6G technology framework, indicating the country's crucial role in the development of next-generation high-speed technology, an official statement said on Thursday. According to the ITU-APT Foundation of India (IAFI), the Indian administration has played a critical role in getting ubiquitous connectivity accepted as a key usage scenario. "India is emerging as a key player in the development of 6G technology. ITU has recently accepted India's contribution towards setting a global framework on 6G. It is Hon'ble PM Modi's clear vision that India must lead the world in 6G," Telecom Minister Ashwini Vaishnav said in the statement.

<https://www.thehindubusinessline.com/info-tech/un-telecom-body-itu-accepts-indias-inputs-on-6g-technology-framework/article67023693.ece>

States

Tamil Nadu emerges as India's top electronics exporter, triples exports to \$5.37 bn in FY23

Tamil Nadu's electronics exports nearly tripled in one year to \$5.37 billion in FY23 from \$1.86 billion in the previous year. From the fourth spot in FY22, Tamil Nadu moved to the top spot in FY23. Companies like Tata Electronics and Pegatron starting production have helped Tamil Nadu overtake three states - Uttar Pradesh, Karnataka and Maharashtra - to become India's top exporter of electronic goods in FY23. Tamil Nadu retained the top spot in the first two months of the current fiscal year. In 2020-21, of India's total electronics goods export of \$15.59 billion, Tamil Nadu's share was 11.98 per cent. However, this zoomed to 22.83 per cent, out of a total value of \$23.57 billion, according to Central government data. In the current fiscal, Tamil Nadu continued to top the trend by being the top exporter, followed by Karnataka and Uttar Pradesh.

<https://www.thehindubusinessline.com/news/national/tamil-nadu-emerges-as-indias-top-electronics-exporter-triples-exports-to-537-bn-in-fy23/article67023129.ece>

Healthcare

Indian healthtech market to reach \$25 billion by 2025: Report

The Indian healthtech market is projected to reach \$25 billion by 2025, representing a doubling in size on account of factors such as rising internet penetration, the demand for enhanced accessibility, and the increasing prevalence of chronic diseases in the country, according to a report by LoEstro Advisors. In addition to the growth drivers, the Indian government is actively working towards establishing the country as a global hub for healthcare services.

<https://www.thehindubusinessline.com/economy/indian-healthtech-market-to-reach-25-bn-by-2025-report/article67023315.ece>

External

Two official teams from India, EU to discuss carbon tax issues: Official

India and the European Union have constituted two teams to discuss issues pertaining to the EU's carbon tax, which will kick in from October this year, a government official said. The European Union (EU) is introducing the Carbon Border Adjustment Mechanism (europa) from October 1 this year. It would have an impact on seven carbon-intensive sectors, including steel, cement, fertiliser, aluminium and hydrocarbon products.

https://www.business-standard.com/india-news/two-official-teams-from-india-eu-to-discuss-carbon-tax-issues-official-123062800295_1.html

BRICS countries likely to induct five new members in August summit

The BRICS nations may agree to induct around five new members into the grouping during its August leadership summit, to be hosted by South Africa, culminating a long-pending expansion plan. Out of the 25 countries that are keen to join the grouping, while Saudi Arabia's entry is almost certain, other frontrunners include Indonesia, the UAE, Egypt, and Argentina, a senior government official said on condition of anonymity.

https://www.business-standard.com/economy/news/brics-countries-likely-to-add-five-new-members-during-august-summit-123062900836_1.html

India, Philippines decide to commence negotiations on bilateral trade pact

India and the Philippines on Thursday agreed to commence negotiations on a bilateral preferential trade pact and vowed to step up defence cooperation, especially in the maritime security domain, amid China's increasing muscle-flexing in the South China Sea. In a tweet, Jaishankar described the talks at the fifth India-Philippines Joint Commission on Bilateral Cooperation as "productive and comprehensive" and said the dialogue focused on boosting ties in areas of defence, counter-terrorism, health and trade. The statement said both sides expressed keen interest to continue working in the defence sector, including through opening of a defence attach office in Manila and considering India's offer for concessional Line of Credit to meet the Philippines' defence requirements, acquisition of naval assets, and expansion of training and joint exercises on maritime security.

https://www.business-standard.com/economy/news/india-philippines-decide-to-commence-negotiations-on-bilateral-trade-pact-123062900733_1.html

State-owned firm KABIL to sign lithium pact with Argentina: Report

India's KABIL, a state-owned joint venture formed to scout for minerals overseas, will "shortly" sign an agreement with Argentina to secure a few lithium blocks, a government source with direct knowledge of the matter told Reuters on Wednesday. India, among the world's top greenhouse gas emitters, has been pursuing overseas pacts to secure key minerals in resource-rich countries such as Australia, Argentina and Chile.

https://www.business-standard.com/economy/news/state-owned-firm-kabil-to-sign-lithium-pact-with-argentina-report-123062800976_1.html