



July 04, 2023 – Tuesday

Economy

India's manufacturing PMI softens slightly to 57.8 in June from 58.7 in May

India's manufacturing activity in June expanded at the second highest pace this year, driven by robust demand for the country's goods in domestic and international markets, said a private survey on Monday. S&P Global said that the Purchasing Managers' Index (PMI) for manufacturing fell to 57.8 in June from 58.7 in May, even as the headline figure pointed to improvement in operating conditions.

https://www.business-standard.com/economy/news/india-s-manufacturing-pmi-softens-slightly-to-57-8-in-june-from-58-7-in-may-123070300273_1.html

Demand for NREGS work up on subdued farm activities

Demand for work under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) increased in June from a year before, a possible sign that an industrial recovery is yet to take firm roots. A delay in sowing of summer crops this year due to erratic monsoon rains also pushed up demand for work under this scheme in June, a senior official said. Sequentially, the work demand increased at a faster pace in June from the May level, reflecting the typical summer trend when such demand remains elevated.

<https://economictimes.indiatimes.com/news/economy/finance/demand-for-nregs-work-up-on-subdued-farm-activities/articleshow/101467108.cms>

Digital Competition Law Committee finalising report as last date nears

The digital Competition Law Committee (DCLC) is in the process of finalising its report on the need for a separate law for competition in digital markets, as the panels's term comes to an end on July 5. Government sources indicated that a third extension of the committee might be underway, if the report is not finalised in the next two days. The committee was formed in February this year with an original mandate for three months and it has had two extensions of one month each ever since.

https://www.business-standard.com/india-news/digital-competition-law-committee-finalising-its-report-as-last-date-nears-123070300646_1.html

India needs to integrate itself into the global semiconductor supply chain: SBI Research

India has got an opportunity to take advantage of the China + 1 strategy and integrate itself with the global semiconductor supply chain, claimed a new study by SBI Research titled "The Beginning of a New World Order of Collaborative Knowledge Economies" on Monday. The comments come on the back of India securing \$825 million for a new chip assembly and test facility in India by American chip maker Micron Technology. "India at present has a negligible share in semiconductor supply chain. For the Semiconductor mission, India needs to start from level zero, and lots of consistent efforts will be needed to fulfil the purpose," SBI Researchers noted.

<https://economictimes.indiatimes.com/news/economy/policy/india-needs-to-integrate-itself-into-the-global-semiconductor-supply-chain-sbi-research/articleshow/101459162.cms>

Banking and Finance

FM Sitharaman's meet with PSBs on July 6 to focus on performance review

Finance Minister Nirmala Sitharaman will hold a meeting of chiefs of public sector bank (PSBs) on July 6, which is likely to focus on the performance review of the lenders on financial inclusion as well as on various financial parameters, two people aware of the development said. "The meeting is to take place on Thursday where banks' performance in the previous financial year will be discussed and a road map on the way forward for the banks in FY24 will be provided," a senior financial ministry official said.

https://www.business-standard.com/india-news/fm-nirmala-sitharaman-to-hold-review-meeting-of-state-owned-banks-123070300900_1.html

Banks post robust credit growth in Q1; deposit mobilisation improves

Reflecting strong momentum in business, commercial banks, including one public sector lender, reported a year-on-year (YoY) growth in advances. This was higher than or around the banking sector trend in the first quarter ended June 2023. Bank of Maharashtra said its loans expanded by 25 per cent YoY to Rs. 1.75 trillion. This pace was much higher than the banking system's 15.4 per cent growth till June 16, 2023, according to Reserve Bank of India (RBI) data.

https://www.business-standard.com/industry/banking/banks-post-robust-credit-growth-in-q1fy24-deposit-mobilisation-improved-123070300763_1.html

76% of Rs 2,000 bank notes returned to banks till June 30, says RBI

The Reserve Bank of India (RBI) said on Monday that 76 per cent of the Rs 2,000 notes have been returned till June 30, with 87 per cent being deposited and 13 per cent exchanged. When their withdrawal was announced on May 19, there were Rs 3.56 trillion such notes in the banking system. "According to the data received from the banks, the total value of Rs 2000 banknotes received back from circulation after the announcement on May 19 is Rs 2.72 lakh crore up to June 30, 2023. Consequently, Rs 2000 banknotes in circulation as at the close of business on June 30 stood at Rs 0.84 lakh crore. Thus, 76% of the Rs 2000 banknotes in circulation as on May 19, 2023 have since been returned," RBI said.

https://www.business-standard.com/economy/news/76-of-the-rs-2-000-bank-notes-returned-till-june-30-shows-rbi-data-123070300490_1.html

Industry

New manufacturing projects decline in June 2023, shows CMIE data

New investment projects announced in the manufacturing sector declined in the three months ended June 2023. The value of new projects was lower than in the March quarter, as well as the year-ago period, shows data from project tracker the Centre for Monitoring Indian Economy (CMIE). The new project announcements worth around Rs 85,000 crore in the manufacturing segment in June were a 48 per cent decline from the Rs 1.6 trillion in March and a 66 per cent decline from the Rs 2.5 trillion seen in June 2022. June marked the lowest value of quarterly manufacturing announcements since December 2020.

https://www.business-standard.com/industry/news/new-manufacturing-projects-worth-rs-85-000-crore-in-june-cmie-data-123070300805_1.html

Untimely rains dilute summer consumer sales

Sales of daily essentials and groceries, as well as electrical goods such as air-conditioners and refrigerators, fell sharply in the June quarter, hurt by unseasonal rains leading to a less-than-torrid summer in parts of the country and consumers continuing to cut back discretionary spends. While the impact was most visible in the beverages category, which declined 28% year-on-year in the quarter, the overall fast-moving consumer goods (FMCG) market fell 5%, according to Bizom, which tracks kirana sales. Neeraj Khatri, chief executive of Wipro Consumer Care, India and Saarc, said the second half of the previous fiscal year had been better, with lower inflation and a growth recovery. "We expected FY24 to start on a strong note, particularly after a strong March quarter, but it hasn't panned out that way," he said.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/untimely-rains-dilute-summer-consumer-sales/articleshow/101470122.cms>

Battery swapping policy stalls as cos oppose standardisation

The government's plans of introducing a battery swapping policy - that sought to make charging electric vehicles (EV) as quick as refuelling conventional vehicles - have stalled following stiff opposition from the industry over interoperability standards mooted in the draft scheme, said people in the know. Now, a highly "watered down" version of the scheme is at a final consideration stage with the Prime Minister's Office, said a source aware of the government's plans. This, after multiple delays in finalising the policy due to lobbying from the EV industry to remove certain clauses around interoperability in the scheme.

<https://economictimes.indiatimes.com/industry/renewables/battery-swapping-policy-stalls-as-cos-oppose-standardisation/articleshow/101466936.cms>

Cement industry production to grow 7-8 pc; gives 'stable' outlook: ICRA

The domestic cement industry is expected to have a volumetric growth of 7-8 per cent in FY24, helped by a rise in demand from the housing and infrastructure sector, a report by ICRA said on Monday, giving a 'stable' outlook for the sector. Besides, the softening of input costs would help the cement industry to improve its operating profits before interest, tax, depreciation and amortisation by 14-18 per cent Year-on-Year (YoY) to Rs 900-950 per MT in FY24, it added. Moreover, supported by healthy demand prospects, the capacity addition in the cement industry is estimated at 63-69 million metric tonnes (MT) between FY24 and FY25. In this, a capacity worth around 33-36 million MT will be added in FY24 and around 30-33 million MT in FY25.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/cement/cement-industry-production-to-grow-7-8-pc-gives-stable-outlook-icra/articleshow/101456905.cms>

PVs make up just 16% of the Indian auto sector in volume, but 58% in value

Indian automobile sector created a value of \$108 billion or Rs 8.7 trillion in the financial year 2022-23 (FY23), according to a report by management consultancy firm Primus Partners (PP). The report highlights the contribution of the automobile sector to the manufacturing sector in particular and the overall economy. It adds that it employs 19 million of the total 62.4 million people working in the manufacturing sector in the country.

https://www.business-standard.com/industry/auto/pvs-make-up-just-16-of-the-indian-auto-sector-in-volume-but-58-in-value-123070300411_1.html

Smartphone brands line up launches across price bands

Smartphone brands such as Samsung, Motorola, OnePlus, Oppo and iQOO have lined up a series of launches across price ranges coinciding with the upcoming ecommerce sales. Industry executives and analysts see the launches as a bid to capture an expected increase in demand during the promotional periods, as well as gather momentum in the lead up to the festive season that starts in August and has assumed increased criticality amid tepid overall demand. As many as eight brands are launching their devices in the next two weeks with online sales set to start from the middle of the month.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/smartphone-brands-line-up-launches-across-price-bands/articleshow/101466894.cms>

Agriculture

Open market sale of cereals to continue till prices moderate

The government will continue to sell rice and wheat in the open market through weekly e-auctions from the Food Corporation of India's surplus stocks till inflationary trend in cereals prices is arrested, a senior food ministry official said. The corporation, which commenced weekly e-auction for wheat last week for the first time this fiscal, will be conducting the first e-auction for selling rice to bulk buyers on July 5.

<https://www.financialexpress.com/economy/open-market-sale-of-cereals-to-continue-till-prices-moderate/3152211/>

Infrastructure

Govt constructing 10,000 km greenfield expressway projects at Rs 4.5 lakh cr investment, says Nitin Gadkari

The government is constructing several greenfield expressway projects totalling 10,000 km across the country at a cost of Rs 4.5 lakh crore, Union Minister Nitin Gadkari said Monday. The road, transport and highways minister said the road network is being set up under the Bharatmala Pariyojana. The National Highways Authority of India (NHAI) has generated more than Rs 70,000 crore through various models of financing and the amount will be utilised to build highway projects, he noted.

<https://economictimes.indiatimes.com/news/economy/infrastructure/govt-constructing-10000-km-greenfield-expressway-projects-at-rs-4-5-lakh-cr-investment-says-nitin-gadkari/articleshow/101453237.cms>

Highway building gathers pace in Q1

Highway construction accelerated 9.4% year-on-year in the first quarter of this financial year, but new contracts fell to a five-year low, showed data available at June-end. During the quarter, 2,150 kilometres of highways were built, but new projects for only 600 km were awarded, said officials. India had constructed 1,966 km and awarded 969 km of highways in the corresponding months a year ago. "Highway construction for the first quarter of the fiscal is higher than the average of the last four years, which stood at 2,057 km," a senior official told ET on condition of anonymity.

<https://economictimes.indiatimes.com/news/economy/infrastructure/highway-building-gathers-pace-in-q1/articleshow/101467079.cms>

Energy

222.93MT coal produced in Q1FY24, up 8.4% from last year: Coal Ministry

The Ministry of Coal has achieved an increase in coal production at a growth rate of 8.40 per cent during the first quarter of the financial year (FY) 2023-24. The cumulative coal production surged from 205.65 million tonnes (mt) (same period last year) to 222.93 mt this year. In FY 2023-24, national miner Coal India Limited (CIL) produced 175.35 mt of coal, compared to 159.63 mt produced during the previous year's corresponding period, recording a 9.85 per cent increase in production which contributed to overall growth.

https://www.business-standard.com/economy/news/222-93mt-coal-produced-in-q1fy24-up-8-4-from-last-year-coal-ministry-123070300742_1.html

Indian refiners start yuan payments for Russian oil imports: Report

Indian refiners have begun paying for some oil imports from Russia in Chinese yuan, sources with direct knowledge of the matter said, as Western sanctions force Moscow and its customers to find alternatives to the dollar for settling payments.

https://www.business-standard.com/economy/news/indian-refiners-start-yuan-payments-for-russian-oil-imports-report-123070300468_1.html

Oil companies to turn profitable on fuel marketing in FY24: Fitch

State-owned oil marketers are likely to turn profitable on fuel marketing in the current fiscal ending on March 31, 2024, following large losses in the previous year, Fitch Ratings said on Monday. The rating agency expects India's petroleum product demand to grow by mid-single digit percentage in the medium term, supported by forecast that the GDP will grow by 6-7 per cent in the next few years, the government's increasing spending on infrastructure and a pick-up in industrial activity. "We expect the Indian oil marketing companies' marketing segment to turn profitable from the financial year ending March 2024 (FY24) as crude oil prices fall to Fitch's assumption of USD 78.8 per barrel, following large losses in FY23 due to high crude prices and unchanged retail fuel prices," it said.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/oil-companies-to-turn-profitable-on-fuel-marketing-in-fy24-fitch/articleshow/101460452.cms>

Telecom

India aiming for 10% of 6G IPRs: Ashwini Vaishnaw

India is witnessing one of the fastest rollouts of 5G in the world with the telecom industry investing Rs 2.25 lakh crore in the technology. To further strengthen its position in the global telecom space, India aims to have 10% of the intellectual property rights (IPR) in 6G technology, telecom minister Ashwini Vaishnaw said Monday. "First time our IP was recognised when 5Gi standards were included in 3GPP standards. Now we should be more focussed on 5G

and 5G advanced technology. As work shifts to 6G, we will be well prepared and at least 10% of the 6G IPR should be from India by 2029 or 2030," Vaishnav said while launching the Bharat 6G Alliance.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/india-aiming-for-10-of-6g-iprs-ashwini-vaishnav/articleshow/101462741.cms>

External

India May services exports rise 7.7% to \$27.06 billion: RBI

India's services exports in May climbed 7.7% on year to \$27.06 billion, while imports rose 2% to \$15.5 billion, provisional data by the Reserve Bank of India showed on Monday. The government's first preliminary estimates released mid-June had shown services exports stood at \$25.3 billion, while services imports was at \$13.53 billion.

<https://economictimes.indiatimes.com/news/economy/indicators/india-may-services-exports-rise-7-7-to-27-06-billion-rbi/articleshow/101462127.cms>

India's 2022 global commercial services exports share doubled to 4.4%: WTO-World Bank

India doubled its share of global commercial services exports to 4.4% in 2022 from 2% in 2005, the World Bank and World Trade Organization (WTO) said Monday. In a report titled 'Trade in services for development', they said that in India, South Africa and Türkiye, jobs directly linked to cross-border services exports account for more than 10% of total services sector jobs.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-2022-global-commercial-services-exports-share-doubled-to-4-4-wto-world-bank/articleshow/101465855.cms>

Comm min asks exporters to focus on potential sectors to boost exports

The commerce ministry on Monday asked exporters to focus on potential key sectors such as food, electronics and engineering and 12 major markets to boost exports, an official said. It was also suggested to focus on organising fairs and exhibitions at global scale, the government official said. The six sectors which hold huge potential to increase the country's exports include food, textiles, engineering, electricals and electronics, medical devices, pharma and auto components. The main global destinations where exports could be promoted further include the US, UK, Brazil, Germany, Saudi Arabia, Sweden, Taiwan, Korea, Japan and Russia.

https://www.business-standard.com/economy/news/comm-min-asks-exporters-to-focus-on-potential-sectors-to-boost-exports-123070300835_1.html

Indian crude imports from Russia dip in June

India's imports of crude oil from Russia fell 6.5% in June after reaching a record high in May, while those from Iraq, Saudi Arabia and the US increased, according to energy cargo tracker Vortexa. India imported 1.8 million barrels per day (mbd) of Russian crude in June. China imported 1.6 mbd of seaborne Russian crude in June, 12% more than in May, and Europe took 0.42 mbd, 28% more than in the previous month. The share of Russian oil in India's overall imports declined to 39.5% in June from 43% in May. Russia's share still nearly equalled the combined share of Iraq (18.6%), Saudi (16.1%), and the US (5%), the next three largest suppliers to India.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/indian-crude-imports-from-russia-dip-in-june/articleshow/101470050.cms>