



July 06, 2023 – Thursday

Economy

Services PMI growth declines to three-month low of 58.5 as inflation weighs

Growth in India's dominant services sector declined in June as inflationary pressures intensified in both input costs and output charges, said a private survey on Wednesday. The headline figure in the Purchasing Managers' Index (PMI) survey by credit rating agency S&P Global declined marginally to 58.5 in June from 61.2 in May. A print above 50 in the survey denotes expansion of services activity and below that suggests contraction. The headline figure has been in the expansion zone for 23 months straight 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.

https://www.business-standard.com/economy/news/services-pmi-growth-declines-to-three-month-low-of-58-5-as-inflation-weighs-123070500388_1.html

Personal Data Protection Bill, 2023, gets Cabinet's approval

The Union Cabinet on Wednesday approved the Digital Personal Data Protection (DPDP) Bill, 2023, to be tabled in Parliament in the upcoming Monsoon session, starting July 20. Sources in the government said the Ministry of Electronics and Information Technology (MeitY) received and considered 21,666 suggestions to the draft Bill that had been circulated for comments in November 2022.

<https://www.thehindubusinessline.com/news/national/personal-data-protection-bill-2023-gets-cabinets-approval/article67046031.ece>

High growth of 8-9% to be driven by manufacturing, urbanisation: Kant

High growth of 8-9 per cent could be driven by focus on manufacturing and urbanisation, G20 Sherpa Amitabh Kant said on Wednesday. About 5,500 census towns need to have master planning, and sustainable urbanisation is the way forward, which is a huge opportunity to drive growth in India, he said speaking at an event for release of report titled 'The Rise of India's Middle Class'.

https://www.business-standard.com/india-news/high-growth-of-8-9-to-be-driven-by-manufacturing-urbanisation-kant-123070500443_1.html

Gig workers' participation in the workforce increased by 55 per cent: Taskmo report

There has been a 55 per cent increase in gig workers' participation in the workforce compared to last year, according to The Taskmo Gig Index (TGI), released by Taskmo, an on-demand staffing platform. The rise is attributed to the growing job opportunities which have increased from 40 million to about 200 million gig jobs within a year. These opportunities mainly include job roles such as last-mile delivery executive roles, pickers, packers, sorters, customer support, field sales executives and quick commerce sectors.

<https://www.financialexpress.com/industry/sme/msme-skil-gig-workers-participation-in-the-workforce-increased-by-55-per-cent-taskmo-report/3157409/>

Banking and Finance

RBI issues draft circular on issuance of debit, credit, prepaid cards

The Reserve Bank of India (RBI) has issued a draft circular addressing the arrangements between card networks and card issuers when it comes to the issuance of debit, credit, and prepaid cards. The circular aims to enhance customer choice and ensure a competitive market for card networks. As things stand, card networks collaborate with banks and non-banking institutions for the issuance of debit, credit, and prepaid cards. When a card is issued to a customer, the choice of the affiliated network is determined by the card issuer. This selection is based on the previous arrangements established between the card issuer and the card networks through bilateral agreements.

https://www.business-standard.com/finance/news/rbi-issues-draft-circular-on-issuance-of-debit-credit-prepaid-cards-123070500782_1.html

RBI working group proposes steps to broaden rupee's global reach

The increasing use of the Indian rupee in invoicing and settlement of international trade, as well as in capital account transactions, will give the local currency international acceptance, a working group of the Reserve Bank of India said. "The internationalisation of a currency is also closely interlinked with the nation's economic progress, especially its prominence in global trade," the working group said in the report, which was made public on the RBI's website on Wednesday.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-working-group-proposes-steps-to-broaden-rupees-global-reach/articleshow/101518241.cms>

RBI asks card issuers to explore more networks, increase customer choices

To provide more choices to customers, the Reserve Bank of India has suggested mandating bank and non-bank card issuers to issue debt, credit and prepaid cards on more than one network. Customers can choose any one either at the time of issue of the card or anytime later, according to draft norms released by the Reserve Bank of India on Wednesday. The RBI said card issuers would also be barred from signing agreements that limit their ability to tie-up with other card-networks, according to the draft. Suggestions and feedback on the draft norms can be submitted to the RBI till August 4.

https://www.business-standard.com/economy/news/rbi-asks-card-issuers-to-explore-more-networks-increase-customer-choices-123070500833_1.html

Banks, NBFCs' provisional Q1 figures show robust credit, deposit growth

Provisional figures for Q1FY24 released by banks and NBFCs show that both credit and deposit growth remained robust during the quarter led by sustained demand for retail credit and pick-up in corporate loans. Of the numbers declared so far, most lenders posted growth in advances or AUM (assets under management) of over 14 per cent with sector leaders HDFC Bank and Bajaj Finance seeing growth of 16 per cent and 32 per cent y-o-y, respectively. Other major lenders such as M&M Financial Services, IndusInd Bank, IDFC First Bank, RBL Bank, and Federal Bank saw loan growth of 20-28 per cent, similar to last quarter.

<https://www.thehindubusinessline.com/money-and-banking/banks-nbfc-provisional-q1-figures-show-robust-credit-deposit-growth/article67046210.ece>

Industry

FMCG sector to witness a lower 7-9% rise in revenue this year: CRISIL

The fast-moving consumer goods (FMCG) sector in India is likely to witness a revenue growth of 7 to 9 per cent in 2023-24 (FY24), marginally lower than 8-9 per cent in the last two years, ratings agency CRISIL said on Wednesday. The year is likely to see a higher volume amid a gradual recovery in rural demand and a stable growth in urban demand. However, the prices are expected to be range-bound due to rate cuts in several products on the back of the cooling of raw material prices.

https://www.business-standard.com/industry/news/fmcg-sector-to-witness-a-lower-7-9-rise-in-revenue-this-year-crisil-123070500671_1.html

M&A value nosedives 75 pc to USD 32.6 billion in first half of 2023 despite record volume

The value of merger and acquisition (M&A) deals plunged 75 per cent to USD 32.6 billion in the first half of 2023 even as the number of such deals crossed an all-time high of 1,400, according to industry data. More than 1,400 transactions in the first half, up 5.2 per cent on-year, made the first half of 2023 busiest semiannual period in terms of number of deals since records began in 1980. But the overall value of M&As fell 75 per cent to USD 32.6 billion during the period due to the lack of mega deals above USD 5 billion, unlike last year when the HDFC twins announced the USD 40 billion record-breaking deal last April, according to financial markets data provider Refinitiv, a part of the London Stock Exchange Group.

<https://economictimes.indiatimes.com/news/economy/indicators/ma-value-nosedives-75-pc-to-usd-32-6-billion-in-first-half-of-2023-despite-record-volume/articleshow/101521797.cms>

Auto Inc puts pay hikes in top gear as profits surge

As sales at Maruti Suzuki, Tata Motors, Hyundai Motor India and Hero MotoCorp rise, these companies are rewarding their employees with salary increases averaging more than 10%. "With the excellent efforts of employees, Maruti Suzuki has performed well in FY23," said Rajesh Uppal, member executive board, HR, Maruti Suzuki, which recorded the highest-ever turnover of ₹1 lakh crore. "Our sales of 19.66 lakh units were the highest ever... the company recognises the efforts of employees and shares the fruit of their good work with them," Uppal told ET.

<https://economictimes.indiatimes.com/industry/auto/auto-news/auto-inc-puts-pay-hikes-in-top-gear-as-profits-surge/articleshow/101524415.cms>

UV's share in total PV sales to rise further in FY24 as more new models hit the market

The share of utility vehicles (including SUVs, MUVs, and MPVs) in overall passenger vehicle sales is expected to see a further surge this year and to reach about 56 per cent in FY24, supported by the growing shift from cars to expensive SUVs amidst a flurry of new product introductions in this segment. Passenger vehicles (PV) witnessed healthy growth in the past two years on account of pent-up demand in the post-pandemic phase. In FY23, domestic PV volumes grew by 27 per cent at 3.9 million units, while in FY22, the growth was 13 per cent at 3.1 million units. The share of UVs in overall PV volumes stood at 52 per cent in FY23.

<https://www.thehindubusinessline.com/economy/uvs-share-in-total-pv-sales-to-rise-further-in-fy24-as-more-new-models-hit-the-market/article67045291.ece>

Agriculture

Expert panel recommends legal framework for MNI platform

An expert committee set up to promote inter-mandi and inter-state trade through Market Yard of National Importance (MNI) has recommended the implementation and legal framework for the proposed platform. The Centre constituted a high-level expert committee on April 21, 2023, to promote inter-mandi and inter-state trade through the conceptualisation and implementation of MNI. The panel was chaired by Manoj Rajan, Special Secretary (Agriculture), Government of Karnataka with members from State Agri Marketing Boards of Uttar Pradesh, Karnataka, Rajasthan, Telangana, Odisha and Bihar. Apart from state representatives, Director (Agriculture Marketing), DA&FW, GoI, Deputy AMA, DMI, representative from SFAC and Strategic Partner for e-NAM were also the members of the said commi ..

<https://economictimes.indiatimes.com/news/economy/agriculture/expert-panel-recommends-legal-framework-for-mni-platform/articleshow/101522552.cms>

Ask Centre to make MSP mandatory for rabi crops, farmers tell CACP

Leaders of farmers' associations have requested the Commission for Agricultural Costs and Prices (CACP) to recommend to the government to make the minimum support price (MSP) for rabi crops mandatory. Though any such recommendation of CACP will not be binding on the government, it may put pressure on the Centre due to the general election next year. "We have requested the commission to recommend MSP guarantee for farmers. It is up to the CACP to accept our views," said Rampal Jat, president of Kisan Mahapanchayat. He pleaded that the CACP has to ensure that MSP is received by farmers and to not avoid the issue by stating agriculture as a State subject.

<https://www.thehindubusinessline.com/economy/agri-business/ask-centre-to-make-msp-mandatory-for-rabi-crops-farmers-tell-cacp/article67045865.ece>

Record procurement and distribution of millets planned for 2023-24

A comprehensive strategy to increase the procurement of coarse grains was discussed and formulated at the conference of State Food Ministers on Wednesday, the Union Food Ministry said in a statement. Accordingly, it is estimated that a total of 26.14 lakh tonnes (lt) of coarse grains would be procured in the Kharif Marketing Season (KMS) 2023-2024 starting October 1. The expected distribution is 22.31 lt. "This strategic focus on coarse grains/millets reflects a broader objective to strengthen the nutritional security of the beneficiaries" it said.

<https://www.thehindubusinessline.com/economy/agri-business/record-procurement-and-distribution-of-millets-planned-for-2023-24/article67045756.ece>

Infrastructure

Gross absorption of office space improves marginally by 2% YoY: Report

The gross absorption of office space reached 14.6 million square feet, a marginal growth of 2 per cent compared to 14.3 million square feet during the same period last year across the top 6 cities during the second quarter of 2023. The technology, engineering, and manufacturing sectors played a dominant role, accounting for 47 per cent of the total leasing space, according to Colliers. Amidst global economic headwinds, the report stated that demand continued to grow on a sequential basis, indicating continued occupier confidence, with Bengaluru and Chennai leading the demand during Q2 2023, accounting for about half of the total leasing across the top 6 cities.

<https://www.thehindubusinessline.com/news/real-estate/gross-absorption-of-office-space-improves-marginally-by-2-yoy-report/article67045855.ece>

Energy

Indian refiners saved \$7 billion from Russian crude imports in 14 months

Indian crude oil refining companies were able to save around \$7.17 billion in foreign exchange in the 14 months up to May 2023 by increasing their purchase of discounted Russian crude oil in the aftermath of the breakout of war in Ukraine, The Indian Express (IE) has reported. India is the world's third-largest crude oil consumer and imports more than 85 per cent of its oil needs. Since Western countries cut their oil imports from Russia as President Putin decided to invade Ukraine in February 2022, Moscow has been selling its crude at steep discounts.

https://www.business-standard.com/industry/news/indian-refiners-saved-7-billion-from-russian-crude-imports-in-14-months-123070500457_1.html

India will put retaliatory barriers on green hydrogen trade, says R K Singh

India will put up barriers in green hydrogen trade in response to other nations imposing restrictions, the nation's renewable energy ministry said at a conference on Wednesday. As one of the world's biggest emitters of climate-warming gases, India is betting on green hydrogen to help cut its emissions and to reach its target of achieving net-zero carbon emissions by 2070. "Some countries are putting barriers on green hydrogen (trade and technology). If they are putting up barriers we will also put up barriers, then you will be losing out on our market," Power and Renewable Energy Minister R K Singh said at the International Conference on Green Hydrogen.

https://www.business-standard.com/economy/news/india-will-put-retaliatory-barriers-on-green-hydrogen-trade-says-r-k-singh-123070500413_1.html

Gujarat, Tamil Nadu ports set to develop hydrogen hubs

India's plans to introduce hydrogen as a fuel have gained momentum with the VO Chidambaranar (VOC) Port in Tamil Nadu and the Deendayal Port in Gujarat all set to develop hydrogen hubs. The shipping ministry has asked these two ports to also buy hydrogen powered 'green tug' boats, used for ushering large ships into berths, said officials aware of the development. The Cochin Shipyard is in advanced stages of developing green tugs that run on hydrogen, they said. "Under the green tug transition programme, the Jawaharlal Nehru Port, Paradip Port, VOC Port and the Deendayal Port will be buying two green tugs each. In addition, hydrogen hubs will be set up at VOC and Deendayal ports to catalyse the transition towards green fuel," a senior official aware of the development told ET.

<https://economictimes.indiatimes.com/industry/renewables/gujarat-tamil-nadu-ports-set-to-develop-hydrogen-hubs/articleshow/101524594.cms>

India in talks to supply green hydrogen to EU, Singapore: Sources

India has discussed a possible deal to supply more than 11 million metric tons a year of green hydrogen to the European Union and Singapore, who in turn would invest in these Indian clean energy projects, three government officials and one industry source said. Reuters reported on Tuesday that New Delhi will consider bilateral agreements which would allow countries to use carbon credits linked to producing so-called green hydrogen, which is made using renewable energy.

<https://economictimes.indiatimes.com/industry/renewables/india-in-talks-to-supply-green-hydrogen-to-eu-singapore-sources/articleshow/101521576.cms>

Telecom

Telecom department overhauls vigilance mechanism, revokes officers' power

The Department of Telecommunications (DoT) has revoked the authority of vigilance officers posted at 22 telecom circles to provide clearance to field officials as a part of a broader effort to restructure its vigilance setup. The vigilance clearance instead has to be taken at DoT's headquarters through a portal. Also, four additional directors have been appointed in the vigilance wing.

https://www.business-standard.com/india-news/telecom-department-overhauls-vigilance-mechanism-revokes-officers-power-123070500544_1.html

Trai meets OTT platforms over measures to curb pesky calls, phishing

The Telecom Regulatory Authority of India (Trai) held a meeting with over-the-top (OTT) platforms such as WhatsApp, Telegram, Meta, and Google on Monday to devise measures to check pesky calls and messages, and phishing attempts. Officials said the regulatory body will not disclose the details so as not to alert fraudsters, according to a report in The Economic Times (ET).

https://www.business-standard.com/technology/tech-news/trai-meets-ott-platforms-over-measures-to-curb-pesky-calls-phishing-123070500404_1.html

States

Bihar overtakes Tamil Nadu to become biggest MFI market in India

Bihar has overtaken Tamil Nadu to emerge as the state with the highest microlending borrowings as of March 2023, a report said on Wednesday. Bihar achieved the growth courtesy of a 13.5 per cent growth in the gross lending portfolio in the March quarter as compared with the preceding quarter, the report by a credit information company said. The report by Crif High Mark has put the overall Microfinance (MFI) borrowings in Bihar at Rs 48,900 crore as of March, which represents 14.5 per cent of the overall portfolio, while the same in Tamil Nadu stood at Rs 46,300 crore, representing 13.7 per cent of the overall outstanding. The overall MFI portfolio outstanding grew by 17.9 per cent to Rs 3.37 lakh crore at the end of March, the report said, adding that there was an improvement in the asset quality as well.

<https://economictimes.indiatimes.com/news/economy/finance/bihar-overtakes-tamil-nadu-to-become-biggest-mfi-market-in-india/articleshow/101519830.cms>

Odisha announces new long-term linkage policies for certain minerals

The Odisha government will offer long term ore linkage for iron ore, chrome, bauxite and limestone, mined and produced by the Odisha Mineral Corporation (OMC). The ore linkage will be for investors or companies that sets up end-use plants (greenfield/expansion), which are with or without mechanised evacuation systems. Odisha produces 55 per cent of India's iron ore and all the chrome ore available in the country. It has one-third of the iron ore reserves, over 50 per cent of the bauxite reserves, and 90 per cent of India's chromite reserves.

<https://www.thehindubusinessline.com/markets/commodities/odisha-announces-new-long-term-linkage-policies-for-certain-minerals/article67045649.ece>

Himachal govt signs MoUs for production of drones to promote technology-driven governance

The Himachal Pradesh government on Wednesday signed memorandums of understanding (MoUs) worth Rs 200 crore to manufacture drones with an aim to promote technology-driven governance in the state. The state government signed MoUs with FICCI to promote the use of drones in governance. They also signed agreements with Abecode Technologies Private Limited and Dronetech Solutions Private Limited for investment, a statement issued here said. An MoU was signed with SkyeAir for an unmanned traffic management solution to oversee flight operations, in collaboration with the Department of Digital Technologies and Governance, Chaudhary Sarwan Kumar Himachal Pradesh Agricultural University (CSKHPKV) and IIT Ropar, it added.

<https://economictimes.indiatimes.com/news/economy/policy/himachal-govt-sign-mous-for-production-of-drones-to-promote-technology-driven-governance/articleshow/101518242.cms>

Healthcare

Medical devices industry will be brought under full regulation by October: DCGI

The entire medical devices industry will be brought under full regulation by October, according to Rajeev Singh Raghuvanshi, Drugs Controller General of India (DCGI). Speaking to newsmen on the sidelines of the inaugural session of the 9th International Pharmaceutical Exhibition (IPHEX) being organised by the Pharmaceuticals Exports Promotion Council (Pharmexil) here today, the official said 50 percent of the medical devices (two out of total four categories) is already under regulations.

<https://www.thehindubusinessline.com/economy/medical-devices-industry-will-be-brought-under-full-regulation-by-october-dcgi/article67044559.ece>

External

Commerce & industry ministry prepares plan to promote trade, investment; identifies 12 priority countries

The commerce and industry ministry has worked out a detailed plan to promote trade and investment and identified 12 countries including the US and UK for priority action, an official said. The plan was formulated by a task force comprising officials from the department of commerce, department for promotion of industry and internal trade, Indian missions abroad and Invest India. Under the plan, the task force has identified calendar of activities for these 12 priority nations -- US, Brazil, Canada, UAE, Saudi Arabia, UK, Germany, Sweden, Japan, Taiwan, South Korea and Russia, said the official who did not wish to be named. The plan was prepared after an in-depth analysis of export-import trends, outbound investments trends and strategic engagements with over 20 countries.

<https://economictimes.indiatimes.com/news/economy/policy/commerce-industry-ministry-prepares-plan-to-promote-trade-investment-identifies-12-priority-countries/articleshow/101515656.cms>

India begins anti-dumping probe into import of Chinese aluminium frames for solar panels

India has initiated an anti-dumping probe into imports of aluminium frames for solar panels from China following a complaint by a domestic manufacturer, according to a notification. The commerce ministry's investigation arm Directorate General of Trade Remedies (DGTR) is probing the alleged dumping of 'aluminium frame for solar panels/modules' originating in or exported from China. The application for the investigations has been filed by Vishakha Metals. The DGTR in a notification said the applicant has alleged that the product is exported by China into India at dumped prices in significant quantities for a prolonged period and that is impacting the industry.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-begins-anti-dumping-probe-into-import-of-chinese-aluminium-frames-for-solar-panels/articleshow/101522346.cms>

FDI inflows into India rise 10%, outflows shrink 16% in 2022: Unctad

Foreign Direct Investment (FDI) flows into India rose by 10 per cent to \$49 billion in 2022, making it the third largest host country for announced greenfield projects and the second largest for international project finance deals, according to a report released by United Nations Conference on Trade and Development (Unctad) on Wednesday. Amid declining trends in global FDI, India stayed at eighth position in terms of FDI inflows, the latest World Investment Report by the Unctad said.

https://www.business-standard.com/economy/news/fdi-inflows-into-india-rise-10-outflows-shrink-16-in-2022-unctad-123070500711_1.html

Experts suggest G20 countries utilise India's IT talent for advanced drug development

The G20 countries can make use of IT talent available in India for speedy and advanced drug development and research, according to experts. "There are opportunities for G20 countries to come together and collaborate on developing certain platforms. India has ample IT talent and Pharma and IT can be merged," Mahesh Bhalgat, COO, Syngene International Ltd, said in a CEO round table at the 9th Edition of the International Pharma Exhibition (IPHEX) being organised by the Pharmaceutical Export Promotion Council here on Wednesday.

<https://www.thehindubusinessline.com/economy/experts-suggest-g20-countries-utilise-indias-it-talent-for-advanced-drug-development/article67045929.ece>