



July 13, 2023 – Thursday

## Economy

### Retail inflation rises to 3-month high

India's retail inflation reversed its four-month downward trend in June on surging food prices, though it remained within the Reserve Bank of India's (RBI's) upper tolerance limit, prompting some analysts to predict an extended pause on policy rates. The Consumer Price Index (CPI)-based inflation rate rose to a three-month high of 4.81 per cent year-on-year (YoY) in June, as against 4.31 per cent in the previous month, because of a sharp increase in the prices of food & beverages and services, data released by the National Statistical Office (NSO) showed on Wednesday.

[https://www.business-standard.com/economy/news/retail-inflation-at-3-month-high-hits-4-81-in-june-iip-recovers-in-may-123071200884\\_1.html](https://www.business-standard.com/economy/news/retail-inflation-at-3-month-high-hits-4-81-in-june-iip-recovers-in-may-123071200884_1.html)

### India's industrial production output up 5.2% in May from 4.5% in April

India's industrial production rose to 5.2 per cent in May from 4.5 per cent in April 2023, mainly due to good performance by the manufacturing and mining sectors, according to the official data released on Wednesday. The factory output growth measured in terms of the Index of Industrial Production (IIP) stood at 19.7 per cent in May 2022, mainly due to a lower base effect.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-industrial-production-output-up-5-2-in-may-from-4-2-in-april/articleshow/101700157.cms>

### Digital Competition law: Centre extends tenure of inter-ministerial digital panel by a month

The Centre has extended the tenure of the Committee on Digital Competition Law (that had been set up to recommend a draft of the proposed Digital Competition Law) by one more month. The inter-ministerial panel's earlier extended tenure was to end on July 5. Now the Corporate Affairs Ministry, has given one more month, a member of this panel said.

<https://www.thehindubusinessline.com/economy/digital-competition-law-centre-extends-tenure-of-inter-ministerial-digital-panel-by-a-month/article67072289.ece>

### IMD issues moderate flash flood risk

The India Meteorological Department (IMD) has issued a moderate flash flood risk forecast for Uttarakhand, sub-Himalayan West Bengal, Sikkim adjoining extreme northeast Bihar, northeast Assam, south Meghalaya and northeast Arunachal Pradesh. "Surface runoff or inundation may occur at some fully saturated soils and lowlying areas over areas of concern due to expected rainfall occurrence in next 24 hours," it said on Wednesday.

<https://economictimes.indiatimes.com/news/india/imd-issues-moderate-flash-flood-risk/articleshow/101707703.cms>

### Average household spends on FMCG products up 8 per cent: Kantar

Average household spends on FMCG products grew by 8 per cent in the 12 months ended April 2023, as per estimates by Kantar. It expects FMCG spends per households to touch the ₹20,000-mark by 2025. The market

research agency noted that the high growth in spends was seen on the back of general increase in spends across many categories and has accelerated in the last two quarters.

<https://www.thehindubusinessline.com/economy/average-household-spends-on-fm-cg-products-up-8-per-cent-kantar/article67072274.ece>

## Banking and Finance

### Niti Aayog to draw up plan to bond with investors

The government is considering measures to make green and blue bonds attractive to investors, including changes to the pricing regulations and ways to deepen the bond market. The move is aimed at giving a big push to sustainable green financing of projects, said a senior official. The NITI Aayog has been tasked to look at ways to scale up issuances of green and blue bonds and come up with a detailed action plan based on global best practices, said the official, adding that the think tank will also look at ways to make the bonds more accessible. The Aayog will submit its suggestions to the market regulator, the Securities and Exchange Board of India.

<https://economictimes.indiatimes.com/news/economy/policy/green-blue-niti-aayog-to-draw-up-plan-to-bond-with-investors/articleshow/101707964.cms>

### Vehicle loans outstanding rise 22 pc in May despite high interest rates

Vehicle loans outstanding increased by 22 per cent year-on-year to Rs 5.09 lakh crore in May, notwithstanding the Reserve Bank's rate hike spree in 2022-23. As per the latest RBI data, the total vehicle loan outstanding climbed from Rs 3.65 lakh crore in May 2021 to Rs 4.16 lakh crore in May 2022, and further to Rs 5.09 lakh crore as of May 19, 2023. The annual rise in loan outstanding was only 14 per cent in May 2022. The RBI started raising the interest rate in May last year to check inflation in the wake of the Russia-Ukraine war and cumulatively increased the repo rate (benchmark interest rate) by 250 basis points in six tranches before pressing the pause button at the beginning of the current fiscal.

<https://economictimes.indiatimes.com/industry/banking/finance/vehicle-loans-outstanding-rise-22-pc-in-may-despite-high-interest-rates/articleshow/101697696.cms>

### Only 21 tonnes mobilised under gold monetisation scheme in 8 years

Only 21 tonnes of gold have been mobilised in the last eight years under the gold monetisation scheme (GMS) which was announced by the Government of India in November 2015. This could be considered as a failure as the scheme has undergone several changes with a revamped GMS announced in April 2021 to improve collections. This figure was released by the World Gold Council (WGC) on Wednesday in its report titled 'Gold Investment Market and Financialisation, in India gold market series'. According to the WGC, India's household holding stock of gold is estimated to be between 23,000 and 25,000 tonnes (valued at \$1.4 trillion).

[https://www.business-standard.com/economy/news/only-21-tonnes-mobilised-under-gold-monetisation-scheme-in-8-years-123071200928\\_1.html](https://www.business-standard.com/economy/news/only-21-tonnes-mobilised-under-gold-monetisation-scheme-in-8-years-123071200928_1.html)

## Industry

### Indian cabinet allows lithium's commercial mining to charge up EV ambitions

The Cabinet approved amendments to the Mines and Minerals (Development and Regulation) Act, 1957, on July 12, allowing for mining of lithium and other minerals, ET Now reported citing sources. Lithium, one of the most prominent minerals in the EV era, is expected to get a sizeable boost from the new changes. ET had earlier reported that the government was planning to amend the the act to encourage exploration of deep-seated minerals such as lithium, gold, silver, copper and zinc.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/cabinet-approves-amendments-to-mines-and-minerals-act-giving-lithium-mining-a-boost/articleshow/101695305.cms>

### Domestic sales of PVs, three-wheelers & two-wheelers up in June: SIAM

Sales of passenger vehicles, three-wheelers and two-wheelers in the local market went up last month amid an increase in economic activity and sustained consumer. As per data released by industry body Society of Indian

Automobile Manufacturers (SIAM), as many as 327,487 passenger vehicles were sold last month, which is an increase of 2% over 320,985 units sold in the year-ago period.

<https://economictimes.indiatimes.com/industry/auto/auto-news/domestic-sales-of-pvs-three-wheelers-two-wheelers-up-in-july-siam/articleshow/101691723.cms>

### **FAME III in the works, may cover alternative fuel vehicles this time**

The government has begun working on the third phase of the Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME III) financial support scheme, which is likely to cover hydrogen-powered vehicles, additional support for electric three-wheelers and a curtailed version for two-wheelers, said officials. "Vehicles powered by alternative fuels, such as hydrogen, which did not find support in the previous FAME scheme programmes, may be included in the next one," a senior government official told ET.

<https://economictimes.indiatimes.com/industry/renewables/fame-iii-in-the-works-may-cover-alternative-fuel-vehicles-this-time/articleshow/101707868.cms>

### **Big offline mobile retailers eyeing ONDC storefronts**

Big offline smartphone retailers are exploring entering the Open Network for Digital Commerce (ONDC), with around 50 of them looking to open storefronts on the government-backed ecommerce network that they expect will help them reduce cost and reach more consumers. A pan-India retailer association met top ONDC officials to understand how the platform works, and how they could be a part of it. Discussions are still in the early stages.

<https://economictimes.indiatimes.com/industry/services/retail/big-offline-mobile-retailers-eyeing-ondc-storefronts/articleshow/101707524.cms>

### **Corporate profit growth takes a dip**

While bulls have taken charge, aggregate results for a bigger sample of companies for March '07 quarter, sound a cautionary note. Profit growth for a sample of 2,685 companies (set excludes financial services and petroleum sector companies) for which results were available, has come down from a high of 59% in December '06 quarter to 43% in March '07. Sales growth has also declined, although marginally. As a result, net margin has come down by about 60 basis points (bps), whereas operating margin is down by 30 bps. Aggregate sales for the set has gone up to Rs 3,53,000 crore whereas net profit stands at Rs 39,112 crore.

<https://economictimes.indiatimes.com/news/economy/indicators/corporate-profit-growth-takes-a-dip/articleshow/2190105.cms>

## **Agriculture**

### **Agri ministry asks banks to promote Rs 1 trillion Agriculture Infra Fund**

The Agriculture Ministry on Wednesday asked banks to promote Rs 1 lakh crore Agriculture Infrastructure Fund (AIF) for creation of necessary infrastructure in the farm sector. The AIF is a financing facility launched on July 8, 2020 for creation of post-harvest management infrastructure and community farm assets. Under this scheme, Rs 1 lakh crore is to be disbursed by financial year 2025-26 and the interest subvention and credit guarantee assistance will be given till the year 2032-33.

[https://www.business-standard.com/india-news/agri-ministry-asks-banks-to-promote-rs-1-trillion-agriculture-infra-fund-123071200979\\_1.html](https://www.business-standard.com/india-news/agri-ministry-asks-banks-to-promote-rs-1-trillion-agriculture-infra-fund-123071200979_1.html)

### **Govt to procure tomatoes from AP, Karnataka & Maharashtra amid price rise**

The Department of Consumer Affairs on Wednesday directed the National Agricultural Cooperative Marketing Federation (NAFED) and National Cooperative Consumers Federation (NCCF) to immediately procure Tomatoes from Mandis in Andhra Pradesh, Karnataka and Maharashtra for simultaneous distribution in major consumption centres where retail prices have skyrocketed in the last one month. The prices of tomatoes have risen 326.13% in the last one month, according to the government's own data. The procured produce will be distributed through retail outlets at discounted prices to the consumers in Delhi-NCR region by Friday, this week, the department said in a release.

<https://economictimes.indiatimes.com/news/economy/agriculture/dept-of-consumer-affairs-to-procure-tomatoes-from-ap-ktaka-maharashtra-amid-price-rise/articleshow/101691538.cms>

### **Erratic rain pushes rice prices up to 20% in last 10 days**

Uneven distribution of rainfall in the key rice-growing areas of the country has pushed up prices of the grain by up to 20% in the last 10 days, according to industry executives. Suraj Agarwal, the chief executive of RiceVilla, a rice marketing and exporting company, said that heavy rainfall in northern India has increased the price of the new basmati rice by 9% in the last one week, while scanty rains in Bihar, Jharkhand, West Bengal, Karnataka, and Andhra Pradesh have pushed up the prices of the common variety of rice -IR 64, which is distributed through public distribution system - by 20%.

<https://economictimes.indiatimes.com/news/economy/agriculture/erratic-rain-pushes-rice-prices-up-to-20-in-last-10-days/articleshow/101707744.cms>

## **Infrastructure**

### **Housing ministry to organise national conclave on urban planning**

The Ministry of Housing and Urban Affairs on Wednesday announced that it will organise a national conclave on urban planning on 13 and 14 July at Vigyan Bhawan. The conclave will provide a platform for states and union territories (UTs) to "share their experiences in showcasing good practices in urban planning". More than 700 participants including principal secretaries of state urban development departments, chief town planners, urban development authorities, officials from urban local bodies, and heads of leading academic institutions will attend the conclave, the ministry said.

[https://www.business-standard.com/india-news/housing-ministry-to-organise-national-conclave-on-urban-planning-123071200799\\_1.html](https://www.business-standard.com/india-news/housing-ministry-to-organise-national-conclave-on-urban-planning-123071200799_1.html)

### **Office space occupiers plan expansion to Tier-2 cities : Survey**

Tier-2 cities have emerged as attractive options for corporate expansion due to their cost- effectiveness in terms of lower real estate and operational costs, along with access to a diverse talent pool, according to a survey by flexible space provider Awfis. These cities have witnessed infrastructure development, including improved transportation and connectivity, making them more accessible for businesses. For employees, Tier-2 cities offer benefits such as a better work-life balance, lower rental costs, proximity to home, and shorter commute times.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/office-space-occupiers-plan-expansion-to-tier-2-cities-survey/articleshow/101690414.cms>

## **External**

### **Centre imposes import restrictions on certain gold jewellery, articles**

The government on Wednesday imposed import restrictions on certain gold jewellery and articles, a move which would help cut import of non-essential items. Now an importer would need a permission of licence from the government for importing these gold products. However, the directorate general of foreign trade (DGFT) said that the restrictions will not be there for imports under the India-UAE free trade agreement. In a notification, the DGFT said that the import policy of these products "has been amended from free to restricted with immediate effect".

[https://www.business-standard.com/economy/news/centre-imposes-import-restrictions-on-certain-gold-jewellery-articles-123071200985\\_1.html](https://www.business-standard.com/economy/news/centre-imposes-import-restrictions-on-certain-gold-jewellery-articles-123071200985_1.html)

### **India-UK FTA: Goyal, Badenoch discuss thorny issues in negotiations**

Commerce and industry minister Piyush Goyal's meeting with his counterpart Kemi Badenoch on Wednesday saw the "closure of several chapters" in free trade agreement (FTA) negotiations between India and the United Kingdom. The meeting between Goyal and Badenoch aimed at resolving thorny issues, where negotiators were encountering major hurdles. During Goyal's interaction with businesses and industry, he urged businesses in India and the UK to take advantage of various initiatives of the government of India. He also interacted with the members of the UK chapter of Institute of Chartered Accountants of India. Till now, out of 26 policy areas or chapters, 14 chapters were substantially closed for negotiations, while significant progress was made in other chapters, according to the information shared by the commerce department in June.

[https://www.business-standard.com/economy/news/india-uk-fta-goyal-badenoch-discuss-thorny-issues-in-negotiations-123071201005\\_1.html](https://www.business-standard.com/economy/news/india-uk-fta-goyal-badenoch-discuss-thorny-issues-in-negotiations-123071201005_1.html)

### **India's outward FDI shrinks by half YoY in June 2023, shows RBI data**

India's outward foreign direct investment (FDI) halved to just below the \$ one billion mark in June 2023 from \$ 1.93 billion in June 2022. Sequentially also FDI declined from \$ 1.29 billion in May 2023. The outward FDI expressed as total financial commitment has three components – equity, loan and guarantees issued. The commitments (outward FDI) stood at \$ 2.44 billion in April 2023, according to Reserve Bank of India data.

[https://www.business-standard.com/economy/news/india-s-outward-fdi-shrinks-by-half-yoy-in-june-2023-shows-rbi-data-123071200938\\_1.html](https://www.business-standard.com/economy/news/india-s-outward-fdi-shrinks-by-half-yoy-in-june-2023-shows-rbi-data-123071200938_1.html)

### **India, EFTA agree for early conclusion of talks for free trade agreement**

India and the four-nation bloc EFTA have agreed for early conclusion of negotiations for a free trade agreement, which aims at increasing economic ties between the countries, the commerce ministry said on Wednesday. India and European Free Trade Association (EFTA) states -- Iceland, Liechtenstein, Norway, and Switzerland -- are negotiating the Trade and Economic Partnership Agreement (TEPA).

[https://www.business-standard.com/economy/news/india-efta-agree-for-early-conclusion-of-talks-for-free-trade-agreement-123071200870\\_1.html](https://www.business-standard.com/economy/news/india-efta-agree-for-early-conclusion-of-talks-for-free-trade-agreement-123071200870_1.html)

### **Petroleum products dominate trade between India, France, shows data**

The trade ties between India and France are at their deepest they have been in recent memory. The total value of imports and exports are higher than they have been for any period since at least 1990-91, the earliest year for which data was available from the Centre for Monitoring Indian Economy (CMIE). Prime Minister Modi's visit to France will serve to bolster various such areas of major bilateral cooperation. The surge in recent years has been led by higher exports than imports. India's exports to France totaled \$7.6 billion in 2022-23. This is 14 per cent higher than it was in the previous year.

[https://www.business-standard.com/economy/news/trade-ties-between-india-and-france-at-multi-decade-high-shows-data-123071200879\\_1.html](https://www.business-standard.com/economy/news/trade-ties-between-india-and-france-at-multi-decade-high-shows-data-123071200879_1.html)

### **India proposes ease of business norms at G20**

India has proposed a global legal framework for ease of doing business at the G20 with emphasis on greater opening up of trade and investment to lift growth, people familiar with the development told ET. The first draft revised declaration, to be discussed by the G20 sherpas at their third meeting under the Indian presidency beginning Thursday, has also received overwhelming backing from all members on Prime Minister Narendra Modi's proposal to include the African Union as a member.

<https://economictimes.indiatimes.com/news/economy/policy/india-proposes-ease-of-business-norms-at-g20/articleshow/101707860.cms>