



July 26, 2023 – Wednesday

Economy

IMF raises India's FY24 GDP growth forecast by 20 basis points to 6.1%

The International Monetary Fund (IMF) on Tuesday raised the FY24 economic growth forecast for India by 20 basis points to 6.1 per cent, citing the country's stronger-than-expected growth momentum in the March quarter of FY23. "Growth in India is projected at 6.1 per cent in 2023, a 0.2 percentage point upward revision compared with the April projection, reflecting momentum from stronger-than-expected growth in the fourth quarter of 2022 as a result of stronger domestic investment," said IMF in an update to its 'World Economic Outlook' (WEO) released in April.

https://www.business-standard.com/economy/news/imf-raises-india-growth-forecast-to-6-1-for-fy24-on-strong-growth-momentum-123072500727_1.html

Low-paying jobs fare better amid muted employment creation in May

Formal job creation remained muted in May after a stellar rise in April even as less-paying jobs increased, official data released on Tuesday showed. New subscriptions to the Employees' Provident Fund Scheme declined 1% sequentially in May, while the Employees' State Insurance Corporation, which applies to smaller establishments and less remunerative jobs, showed 11% rise in new subscribers month on month. The number of people re-subscribing to the EPF scheme declined 16% in May compared to April, labour and employment ministry data showed. The National Pension Scheme also saw a decline in new subscribers, with monthly additions falling 14.6% to 57,695 in May compared with 67,534 in April.

<https://economictimes.indiatimes.com/news/economy/indicators/low-paying-jobs-fare-better-amid-muted-employment-creation-in-may/articleshow/102116292.cms>

Widespread cereal shortages may further fuel India's inflation, says HSBC

The widespread cereal shortages in India could drive inflation higher in Asia's third largest economy, even as the vegetable price shock is set to ease in the coming months, according to HSBC Holdings Plc. "Although concerns about rising food prices are warranted, the real problem is not with tomatoes, but elsewhere," economists Pranjul Bhandari and Aayushi Chaudhary wrote in a report. The worry on cereals, including rice and wheat, are "legitimate" and may push prices higher.

https://www.business-standard.com/economy/news/widespread-cereal-shortages-may-further-fuel-india-s-inflation-says-hsbc-123072500329_1.html

Banking and Finance

SrGBs will facilitate price discovery for other fin instruments: RBI's Rao

The issuance of sovereign green bonds (SrGBs) will facilitate price discovery for other financial instruments, and foster the growth of a green financing ecosystem in the country, Reserve Bank of India (RBI) deputy governor, M Rajeshwar Rao, has said. Rao made these comments during a panel discussion on Climate Implications for Central Banking Organised by the IMF and Centre for Social and Economic Forum on July 19.

https://www.business-standard.com/economy/news/srgbs-will-facilitate-price-discovery-for-other-financial-instruments-rbi-123072500667_1.html

Public sector banks' lending to state govt units down 20% in FY23

Lending by public-sector banks (PSBs) to entities owned by state governments and Union Territories (UTs) declined about 20 per cent year-on-year in FY23 on the back of continuous growth for four years. The moderation in lending follows the Reserve Bank of India's missive to lenders for not doing enough due diligence and monitoring the end use of funds.

https://www.business-standard.com/finance/news/public-sector-banks-reduce-lending-to-state-govt-entities-in-fy23-123072500635_1.html

General govt debt moderates to 80.9% in FY23

India's general government debt moderated to 80.9% of the Gross Domestic Product (GDP) in 2022-23 from 83.3% in 2021-22, minister of state for finance Pankaj Chaudhary told Rajya Sabha on Tuesday. The general government debt, which comprises the debts of the centre and states, had soared to 87.8% in FY21, the highest in at least four decades, as government expenditure rose during the Covid-19 pandemic, amid revenue slump.

<https://www.financialexpress.com/economy/general-govt-debt-moderates-to-80-9-in-fy23/3186821/>

Industry

'Mass' consumers with income between Rs 2.5-10 lakh to be growth engine for eCommerce market: Report

The retail boom in India will be driven mainly by those who are earning between Rs 2.5-10 lakh annually and presents a \$1.3 trillion opportunity by 2030, a new report has stated. This segment of 'mass' consumers is projected to drive ~US\$ 1.3 trillion in the overall Indian retail market and nearly 45% of the \$300 billion eCommerce opportunity in India by 2030. 'Mass' consumers may drive more than ~USD 135 Bn GMV of the USD 300 Bn total eCommerce opportunity in India by 2030. The report said that this segment looks for 'bang for buck' or products that offer the highest value for money. Internet has become a major source in their purchase decision making journey to locate the best deals and has made them equally tech-savvy as the affluent segment.

<https://economictimes.indiatimes.com/news/economy/indicators/mass-consumers-with-income-between-rs-2-5-10-lakh-to-be-growth-engine-for-ecommerce-market-report/articleshow/102121728.cms>

Supply stock in retail industry up 148% to 1.09 m sq ft: Report

The supply stock in the retail industry increased by 148 per cent to 1.09 million square feet in the first six months of CY2023 from 0.44 million square feet in the same period last year, while total leasing stood at 2.87 million square feet compared to 2.31 million square feet (year over year), according to a CBRE report. Additionally, boosted by an increase in the appetite of shoppers, the top eight cities saw an 8 per cent growth in mall completions on a half-yearly basis. Bengaluru, Delhi-NCR, and Ahmedabad collectively accounted for a cumulative share of 65 per cent in leasing activity.

<https://www.thehindubusinessline.com/companies/supply-stock-in-retail-industry-up-148-to-109-m-sq-ft-report/article67119577.ece>

Highest number of MSME shutdowns and new registrations seen in post-Covid FY23

Nearly 25,000 units in the micro, small and medium enterprise (MSME) segment in the country closed their operations in the past three years — the post-COVID period — according to information in a reply given by Bhanu Pratap Singh Verma, Union Minister of State for MSMEs in the Rajya Sabha. As per Udyam Registration Portal, the total number of MSMEs shut down between July 1, 2020, and July 18, 2023, stood at 24,839. However, the last fiscal FY23 saw the highest number of shutdowns in the MSME segment — 13,290 Udyam-registered MSMEs downed their shutters when compared with 6,222 units that had wound up their operations in FY22 and 175 units in FY21. In the current fiscal (as of July 18), 5,152 units shut down their operations.

<https://www.thehindubusinessline.com/economy/highest-number-of-msme-shutdowns-and-new-registrations-seen-in-post-covid-fy23/article67118594.ece>

With a wealth of options, Indians embrace luxury travel in 2023: Survey

The travel preferences of Indian tourists have undergone a significant transformation in 2023, driven by changing global circumstances and a desire for enriching experiences. As the world gradually recovers from the Covid pandemic, Indian travellers are demonstrating a newfound appetite for luxury and a penchant for exploring offbeat destinations. According to a recent survey by TravClan, a prominent platform for travel agents, there has been a remarkable shift in the type of accommodations preferred by Indian tourists. In 2023, more than 50 per cent of the bookings were for branded hotel chains, representing a substantial increase from the 25 per cent recorded in mid-2022. Leading the list of the most booked hotel chains were Ramada, Taj, Novotel, and Marriott, showcasing a preference for upscale hospitality and opulent amenities.

<https://www.thehindubusinessline.com/books/reviews/business-economy/with-a-wealth-of-options-indians-embrace-luxury-travel-in-2023-survey/article67119119.ece>

Agriculture

ICAR Sees Normal Paddy Sowing This Season

The country will see "normal sowing" of paddy this kharif season, the National Rice Research Institute at the Indian Council of Agricultural Research (ICAR) said, allaying fears of any further increase in the food grain's prices that had peaked on account of sluggish sowing and higher exports. There is no cause of worry for the paddy crop either in rainfall-deficient states or even in those states witnessing excessive rainfall and flooding, said AK Nayak, director at the apex rice research institute in the country. Retail prices of non-basmati rice had increased 3% in the past one month and 11.5% in one year, despite the imposition of a 20% export duty in September 2022. This prompted the government to impose a ban on the export of non-basmati white rice.

<https://economictimes.indiatimes.com/news/economy/agriculture/icar-sees-normal-paddy-sowing-this-season/articleshow/102115651.cms>

Multi-State Cooperative Societies (Amendment) Bill passed in Lok Sabha

The Lok Sabha on Tuesday passed the Multi-State Cooperative Societies (Amendment) Bill by voice vote amid din as Opposition Members were demanding discussion on Manipur issue. The Bill seeks to strengthen governance, reform the electoral process, improve the monitoring mechanism, and ensure ease of doing business in multi-state cooperative societies. The Bill was referred to a Joint Committee of Parliament in December last year. Piloting the bill, Cooperation Minister Amit Shah said the provisions in the bill will initiate a new era for the sector which has been ignored by the previous governments. The bill was approved after a short discussion during which only three members participated.

<https://www.thehindubusinessline.com/economy/agri-business/multi-state-cooperative-societies-amendment-bill-passed-in-lok-sabha/article67120462.ece>

Infrastructure

Jyotiraditya Scindia unveils UDAN 5.2, says aviation sector fleet size has expanded 75 pc since 2013

Union Civil Aviation Minister Jyotiraditya Scindia on Tuesday said the aviation sector has seen an exponential growth in the last few years with the fleet size expanding from 400 aircraft in 2013 to 700 now and this number is likely to rise up to 1,500 in five years. Attending a summit here, Scindia launched UDAN (Ude Desh ka Aam Naagrik) 5.2 programme for small aircraft, aimed at enhancing air connectivity to remote areas of the country, and a mobile application for chopper operators to seek approvals from government authorities.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/scindia-unveils-udan-5-2-says-aviation-sector-fleet-size-has-expanded-75-pc-since-2013/articleshow/102114082.cms>

Retail leasing in India jumped 24% between January and July: CBRE report

The leasing of retail property in India jumped 24 per cent in the first six months of 2023 compared to the same period last year, a report released on Tuesday said. The total leasing between January and June this year stood at 2.87 million sq ft. It was 2.31 million sq ft last year. According to real estate consultancy CBRE South Asia's "India Market Monitor Q2 2023", Bangalore, Delhi-NCR, and Ahmedabad collectively accounted for a share of 65 per cent in leasing activity during the first six months this year.

https://www.business-standard.com/industry/news/retail-leasing-in-india-jumped-24-between-january-and-july-cbre-report-123072500390_1.html

Sentiments for real estate sector remain bullish for next 6 months: Survey

The sentiment index for the real estate sector remained positive during the April-June period with an improvement from previous quarter while the outlook for the next six months is also bullish, according to Knight Frank India and NAREDCO survey. In its 37th edition of the Real Estate Sentiment Index Q2 2023 (April-June), real estate consultant Knight Frank and industry body NAREDCO said that the current sentiment score has scaled up from the previous quarter's 57 to 63, in the optimistic zone.

https://www.business-standard.com/industry/news/sentiments-for-real-estate-sector-remain-bullish-for-next-6-months-survey-123072500686_1.html

Energy

Operating profits of OMCs may reach Rs 1 trillion in FY24: CRISIL

Oil marketing companies (OMCs) may see operating profit rebound to Rs 1 trillion in the current financial year of 2023-24 (FY24), rising by more than three-times from FY23's low of Rs 33,000 crore, Crisil Ratings said in a research report on Tuesday. The higher profitability would help improve the sector's credit metrics, which had weakened significantly in the past few years amid muted profitability and significant capital expenditure (capex), Crisil Ratings said. Average operating profits for OMCs stood at Rs 60,000 crore between FY17 and FY22.

https://www.business-standard.com/economy/news/omc-operating-profits-may-reach-rs-1-trillion-in-fy24-crisil-ratings-123072500838_1.html

Telecom

DoT panel undecided on 6 GHz waves

The public-private committee formed by the Department of Telecommunications (DoT) last year to study and recommend licence exemption and feasibility of co-existence of mobile services and Wi-Fi with satellite services in the 5925 MHz-7125 MHz (6 GHz) or mid band has been unable to come to a decision. "No consensus could be achieved by the committee on the prospects of permitting licence-exempt usage of 5925 MHz-7125 MHz range by WAS/RLAN equipment under the LPI/VLP (indoor/outdoor) configurations. Therefore, DoT would be requested to take a final view in the matter itself," said a 23-page report submitted by the committee earlier this month.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/dot-panel-undecided-on-6-ghz-waves/articleshow/102116053.cms>

States

Tamil Nadu has the highest outstanding debt in the country

Tamil Nadu has the highest amount of outstanding debt among all States and Union Territories. The State's outstanding debt stood, as per budget estimates for 2022-23, at ₹7.54-lakh crore followed by the country's most populous State Uttar Pradesh at ₹7.10-lakh crore, according to a written response shared by the Union Finance Minister Nirmala Sitharaman in response to questions raised by a member of parliament, Velusamy P. The outstanding liabilities of Maharashtra, the country's largest economy measured in terms of Gross State Domestic Product (GSDP), stood at ₹6.80-lakh crore as per budget estimates for 2022-23. It was followed by West Bengal (₹6.08-lakh crore), Rajasthan (₹5.37-lakh crore) and Karnataka (₹5.35-lakh crore). The union territory of Puducherry had the lowest outstanding debt of ₹11,651 crore.

<https://www.thehindubusinessline.com/news/tamil-nadu-has-the-highest-outstanding-debt-in-the-country/article67120106.ece>

Healthcare

Govt says ceiling prices fixed for 915 formulations

The government on Tuesday said that till July 17, ceiling prices have been fixed for 915 scheduled formulations. Out of the total, ceiling prices of 691 formulations have been fixed under the National List of Essential Medicines (NLEM) 2022 and 224 formulations under NLEM 2015, Union Minister of State for Chemicals and Fertilisers Bhagwanth Khuba said in a written reply to Rajya Sabha. Besides, the retail price of around 2,450 new drugs under Drugs (Prices Control) Order, 2013 has been fixed till July 7, 2023, he noted. The minister also stated that a total of 5,772 complaints alleging overcharging were received by drug pricing regulatory body NPPA over the five-year period ranging between 2018-19 and 2022-23.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/govt-says-ceiling-prices-fixed-for-915-formulations/articleshow/102113866.cms>

Indian pharma to grow at 7-9% in FY24 despite regulatory risks: ICRA

Credit rating agency ICRA has projected steady growth for the Indian pharmaceutical industry, despite headwinds and regulatory challenges. According to the report released on Tuesday, the revenues of ICRA's sample set of 25 Indian companies (which account for 60 per cent of the overall domestic pharma industry) are expected to grow by 7-9 per cent in FY24, following a YoY growth of 10 per cent in FY23.

https://www.business-standard.com/industry/news/indian-pharma-to-grow-at-7-9-in-fy24-despite-regulatory-risks-icra-123072500492_1.html

External

India pharma exports surging despite cough syrup deaths - trade body

India's pharmaceutical exports this fiscal year are set to grow nearly twice as fast as last year to hit sales of \$27 billion, driven by strong U.S. buying, a government-backed trade body told Reuters, despite deaths linked to Indian-made cough syrups. The robust forecast comes against the backdrop of earlier concerns from the government that last year's deaths of dozens of children in Gambia, which the World Health Organization (WHO) linked to drugs made in India, had "adversely impacted the image of India's pharmaceutical products across the globe". "As far as the Gambia and Uzbekistan incidents are concerned, if you see in terms of the image of the country, there is a dent," Bhaskar, director general of the Pharmaceuticals Export Promotion Council of India (Pharmexcil), told Reuters on Tuesday.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/india-pharma-exports-surging-despite-cough-syrup-deaths-trade-body/articleshow/102114298.cms>