



August 02, 2023 – Wednesday

## Economy

### India manufacturing PMI softens in July to three-month low: S&P Global

Indian manufacturing continued to maintain strong growth momentum at the start of the third quarter amid ongoing buoyant demand, even as the Purchasing Managers' Index (PMI) for the sector fell slightly to a three-month low of 57.7 in July from 57.8 in June, said a private survey on Tuesday. The July figure marked 25 months of the index remaining above the 50-mark, separating expansion from contraction. A survey print above 50 indicates manufacturing expansion and below marks contraction.

[https://www.business-standard.com/economy/news/india-manufacturing-pmi-softens-in-july-to-three-month-low-s-p-global-123080100399\\_1.html](https://www.business-standard.com/economy/news/india-manufacturing-pmi-softens-in-july-to-three-month-low-s-p-global-123080100399_1.html)

### July GST collection comes at Rs 1.65 trillion, rises 11% YoY

The goods and services tax (GST) collection for the month of July came at Rs 1.65 trillion. This is up 11 per cent year-on-year. Of the Rs 1,65,105 crore, the Central GST is Rs 29,773 crore, State GST is Rs 37,623 crore, Integrated GST is Rs 85,930 crore (including Rs 41,239 crore collected on import of goods) and cess is Rs 11,779 crore (including Rs 840 crore collected on import of goods).

[https://www.business-standard.com/economy/news/july-gst-collection-comes-at-rs-1-65-trillion-rises-11-yoy-123080100460\\_1.html](https://www.business-standard.com/economy/news/july-gst-collection-comes-at-rs-1-65-trillion-rises-11-yoy-123080100460_1.html)

### Centre's debt stands at Rs 155.6 trn in March 2023, 57.1% of GDP

The central government's debt stood at Rs 155.6 lakh crore or 57.1 per cent of the GDP at the end of March 2023, Parliament was informed on Tuesday. "The Central Government's debt was Rs 155.6 lakh crore as on March 31, 2023. It has reduced from 61.5 per cent of GDP in 2020-21 to 57.1 per cent of GDP in FY 2022-23," Minister of State for Finance Pankaj Chaudhary said in a written reply to the Rajya Sabha.

[https://www.business-standard.com/economy/news/centre-s-debt-stands-at-rs-155-6-trn-in-march-2023-57-1-of-gdp-123080100749\\_1.html](https://www.business-standard.com/economy/news/centre-s-debt-stands-at-rs-155-6-trn-in-march-2023-57-1-of-gdp-123080100749_1.html)

### India's road map for \$5-trillion economy focusses on growth and 'all-inclusive welfare': Finance Ministry

The government's road map for turning India into a \$5-trillion economy focusses on growth at the macro level and complementing it with 'all-inclusive welfare' at the micro level, the finance ministry said on Tuesday. In a written reply in the Rajya Sabha, minister of state for finance Pankaj Chaudhary said the road map also relies on a "virtuous cycle of investment and growth". It also promotes the digital economy and fintech, technology-enabled development, energy transition and climate action, Chaudhary added.

<https://economictimes.indiatimes.com/news/economy/finance/road-map-for-5-trillion-economy-focusses-on-growth-and-all-inclusive-welfare-finmin/articleshow/102316785.cms>

## Banking and Finance

### RBI sends fresh draft to ESMA on CCIL oversight, said to hold firm

The Reserve Bank of India is said to have sent a fresh draft to the European Securities and Markets Authority regarding the contentious issue of oversight over the Clearing Corporation of India, with the domestic central bank unlikely to have made any significant concessions. "The RBI sent a draft to the ESMA in the first week of July, there are some dilutions in the language, but they have not made any relaxations on the sticking point, which is the right to audit, inspect and potentially levy fines on the CCIL," a source aware of the development said.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-sends-fresh-draft-to-esma-on-ccil-oversight-said-to-hold-firm/articleshow/102328185.cms>

#### **RBI says 88 pc of Rs 2,000 notes returned to banks**

India's central bank Tuesday said 88% of its highest-denomination banknote was withdrawn in about two months, potentially adding to a liquidity surplus and helping hold down borrowing costs despite rising credit demand, after Mint Road late May ordered a recall of the Rs 2,000 bills. As on July 31, about Rs 3.14 lakh crore worth of notes were recalled, the Reserve Bank of India (RBI) said, having announced the withdrawal on May 19. These banknotes, which the RBI said had served the purpose of urgently filling a systemic void caused by the November 2016 currency swap, continue to remain legally valid.

<https://economictimes.indiatimes.com/news/economy/indicators/rbi-says-88-pc-of-rs-2000-notes-returned-to-banks/articleshow/102311357.cms>

#### **UPI transaction value up 4% in July; inches closer to 10 million in volume**

After a marginal dip in last month, transactions under the Unified Payment Interface (UPI) touched a new high of Rs 15.34 trillion in the month of July, up 4 per cent from Rs 14.75 trillion in June 2023. In terms of volume too, transactions saw a 7 per cent increase from 9.34 billion in June to 9.96 billion in July. According to a data shared by the National Payments Corporation of India (NPCI), transaction volume increased by 58 per cent and value increased by 44 per cent compared to the same month last year. In July 2022, NPCI processed 6.3 billion transactions in volume terms with a value of Rs 10.63 trillion. On the other hand, May 2023 saw transactions worth Rs 14.31 trillion with a volume of around 9.41 billion.

[https://www.business-standard.com/finance/news/upi-transaction-value-up-4-in-july-inches-closer-to-1-million-in-volume-123080101013\\_1.html](https://www.business-standard.com/finance/news/upi-transaction-value-up-4-in-july-inches-closer-to-1-million-in-volume-123080101013_1.html)

#### **Centre extends PM crop insurance scheme registration deadline: Official**

The Centre has extended the deadline for registration under Pradhan Mantri Fasal Bima Yojana (PMFBY), with the last date for farmers in Uttar Pradesh to enrol themselves being pushed to August 10, state officials said on Tuesday. The central government had earlier set July 31 as the last date for registration under the PMFBY but some states had urged it to extend the deadline so that more farmers could join the scheme, they said.

[https://www.business-standard.com/india-news/centre-extends-pm-crop-insurance-scheme-registration-deadline-official-123080101064\\_1.html](https://www.business-standard.com/india-news/centre-extends-pm-crop-insurance-scheme-registration-deadline-official-123080101064_1.html)

#### **Centre's gross market borrowing hits Rs 5.77 lakh cr until July this fiscal: FM**

The Central government has raised more than 37% of its FY24 target of gross market borrowing through dated securities in the first four months, finance minister Nirmala Sitharaman informed Parliament on Tuesday. It has mobilised gross and net borrowing amount of Rs 5.77 lakh crore and Rs 4.18 lakh crore, respectively, through dated securities up to July 31 this fiscal, the minister said in a reply in the Rajya Sabha. The net borrowing (through dated papers alone) was over 35% of the FY24 target until end-July.

<https://economictimes.indiatimes.com/news/economy/indicators/centres-gross-market-borrowing-hits-rs-5-77-lakh-cr-until-july-this-fiscal-fm/articleshow/102319296.cms>

### **Industry**

#### **Govt rolls out mandatory quality norms for smart meters, welding rods**

The government on Tuesday said it has issued mandatory quality norms for smart meters and welding rods to curb the import of sub-standard goods and boost domestic manufacturing of these products. A notification in this regard was issued by the Department for Promotion of Industry and Internal Trade (DPIIT) on July 14. These items cannot be produced, sold/traded, imported and stocked unless they bear the Bureau of Indian Standards (BIS) mark, the

notification stated. Now, manufacturing, storing and sale of non-BIS certified products are prohibited as per the BIS Act, 2016.

<https://economictimes.indiatimes.com/news/economy/policy/govt-rolls-out-mandatory-quality-norms-for-smart-meters-welding-rods/articleshow/102324302.cms>

### **India to review items with concessional basic customs duty rates or conditional exemptions**

India has initiated a review of items that have conditional exemptions or have concessional basic customs duty. And at least two Ministries — the Ministry of Steel and the Ministry of Mines — have reportedly been asked by the Ministry of Finance to submit a list of items that needs to be reviewed. The two Ministries have been asked to provide a list of items, not manufactured domestically, where conditional exemptions or basic customs duty are applicable; and such exemptions lapse on or before March 31, 2024. Ministries have also been asked to explain whether such concession or exemptions need not continue or not. In case such exemptions are expected to continue, the Ministries will have to provide a “detailed justification” for their recommendations.

<https://www.thehindubusinessline.com/companies/india-to-review-items-with-concessional-basic-customs-duty-rates-or-conditional-exemptions/article67146590.ece>

### **Automakers may need to use 20% recycled inputs from 2026-27**

Automobile makers may have to mandatorily use 20% recycled materials out of the total weight of metals they need from 2026-27 onwards, according to the Extended Production Responsibility (EPR) being prepared by the Centre. The quantum of recycled materials will progressively increase as more vehicle scrapping centres become active, as per the policy under discussion.

<https://economictimes.indiatimes.com/industry/auto/auto-news/automakers-may-need-to-use-20-recycled-inputs-from-2026-27/articleshow/102328243.cms>

### **Domestic passenger vehicle sales jump 3.1% as strong base effect continues**

Sales of passenger vehicles (PVs) in India in July, despite being the highest ever for the month, increased just 3.1 per cent year-on-year (YoY) to 352,492 units due to a continuing strong base effect. However, sales of sport utility vehicles (SUVs) were high. In this area, Maruti Suzuki India (MSIL) led the rest. “In July, our SUV sales were 42,620 units as compared to 36,124 units of Mahindra & Mahindra (M&M), which came next,” Shashank Srivastava, senior executive director, marketing & sales, told reporters on Tuesday.

[https://www.business-standard.com/industry/auto/domestic-pv-sales-jump-by-3-1-as-strong-base-s-impact-continues-123080100814\\_1.html](https://www.business-standard.com/industry/auto/domestic-pv-sales-jump-by-3-1-as-strong-base-s-impact-continues-123080100814_1.html)

### **E2Ws bounce back in July, E3Ws see acceleration in sales**

July saw a bounce-back in electric two-wheeler (E2W) registrations, after hitting a 12-month low in June due to subsidy reduction, and a revival in demand for electric three-wheelers, which appear to enter an upward growth curve with monthly registrations hitting 50,000 plus. Total E2W registrations stood at 54,232 units in July compared to 45,988 units in June. The bounce-back comes as a surprise amid uncertainty over the FAME subsidy extension and the subdued outlook projected by industry analysts. With the forthcoming festival season, sentiments are likely to get better and registrations are expected to grow further.

<https://www.thehindubusinessline.com/economy/e2ws-bounce-back-in-july-e3ws-see-acceleration-in-sales/article67146955.ece>

### **Centre plans to scrap mandatory electric vehicle incentive-linked tests**

The Centre is planning to scrap the mandatory battery safety tests required to get incentives under the government’s production-linked incentive (PLI) schemes. The decision comes after a committee headed by the Automotive Research Association of India (ARAI) director submitted its re-examination report to the Ministry of Heavy Industries last month, Business Standard has learnt.

[https://www.business-standard.com/industry/auto/centre-plans-to-scrap-mandatory-electric-vehicle-incentive-linked-tests-123080100526\\_1.html](https://www.business-standard.com/industry/auto/centre-plans-to-scrap-mandatory-electric-vehicle-incentive-linked-tests-123080100526_1.html)

## **Agriculture**

### **Govt launches digital crop survey in 12 states on pilot basis**

The Centre has launched digital crop survey in 12 states on a pilot basis from kharif (summer-sown) season of this year for better sowing data collection. "Government has launched pilot on Digital Crop Survey (DCS) in the 12 states from Kharif -2023," agriculture minister Narendra Singh Tomar said in a written reply to Lok Sabha. DCS reference application has been developed as an open source, open standard and inter operable public good, he said. "Further, geo-referenced cadastral maps with Geographic Information System (GIS) and Global Positioning System (GPS) Technologies are used to ensure the farmland position," Tomar said.

<https://economictimes.indiatimes.com/news/economy/agriculture/govt-launches-digital-crop-survey-in-12-states-on-pilot-basis/articleshow/102326400.cms>

### **Government to revamp Kisan Call Centers with advanced communication technologies amid decline in calls**

Amid a decline in calls received at Kisan Call Centres, Agriculture Minister Narendra Singh Tomar on Tuesday said his ministry has decided to revamp call centres by using advanced technologies to provide contextually relevant and customised technical solutions to farmers. Tomar, in his written reply to the Lok Sabha, said advanced communication tools like a chatbot, video calling, two-way video/audio clips, two-way SMS, artificial intelligence/machine learning (AI/ML) based Decision Support Systems (DSS) will be used to support real-time response to farmers' queries.

<https://economictimes.indiatimes.com/news/economy/agriculture/government-to-revamp-kisan-call-centers-with-advanced-communication-technologies-amid-decline-in-calls/articleshow/102326340.cms>

### **Government forms panel to suggest ways to restructure ICAR**

The government has constituted a high level committee to suggest ways for rationalising and right-sizing of the Indian Council of Agricultural Research (ICAR). In a written reply to Lok Sabha on Tuesday, Agriculture Minister Narendra Singh Tomar replied in the affirmative when asked whether the government has constituted a high powered committee to restructure the ICAR to make the organisation stronger.

<https://economictimes.indiatimes.com/news/economy/agriculture/government-forms-panel-to-suggest-ways-to-restructure-icar/articleshow/102326635.cms>

### **Sugar industry seeks hike in ethanol price by 6.5% in 2022-23**

The sugar industry has requested the government to increase the ethanol price (made from cane juice/syrup) to ₹69.85 per litre from the current ₹65.61/litre. The increase is essential for the industry which needs further investment of ₹17,500 crore to raise capacity, an industry body said. In a letter to the Department of Food and Public Distribution, Indian Sugar Mills Association (ISMA) has said to achieve the 20 per cent blending target by 2025, about 1,200 crore litres of ethanol is required. The sugar industry has contracted for supply of 400 crore litres in 2022-23 ethanol supply year (December-October), it said.

<https://www.thehindubusinessline.com/economy/agri-business/sugar-industry-seeks-hike-in-ethanol-price-by-65-in-2022-23/article67147025.ece>

## **Infrastructure**

### **Cumulative proptech investments in India surpass \$4 billion: Report**

In the first half of 2023, cumulative proptech investments in India surpassed the \$4 billion milestone since 2009 with segments including co-living and co-working securing the majority share, according to Housing.com. Between 2009 and mid-2023, proptech investments in India witnessed the shared economy sector as the frontrunner, comprising 40 per cent of total investments, followed by sales and marketing with a 24 per cent share. Furthermore, the investments in India have grown at a CAGR of 49 per cent since 2010 with segment such as shared economy and sales and marketing seeing significant investments in value terms. Additionally, funding in proptech firms reached \$719 million, showing a slight decrease from the previous year's \$742 million. Even though the funding saw a marginally decline, certain segments within the industry drew substantial investor interest, such as co-living and co-working, which secured the majority share, accounting for 64 per cent of the total fund inflow.

<https://www.thehindubusinessline.com/companies/cumulative-proptech-investments-in-india-surpass-4-billion-report/article67145336.ece>

## Energy

### **National power consumption grows by 8.4% to 139 billion units in July**

The country's power consumption grew by 8.4 per cent to 139 billion units in July this year compared to the same month last year. In the year-ago period, power consumption stood at 128.25 billion units (BU), higher than 123.72 BU in July 2021, according to the government data. The peak power demand met, which is the highest supply in a day, rose to 208.82 GW in July 2023. The peak power supply stood at 190.35 GW in July 2022 and 200.53 GW in July 2021. The power ministry had estimated the country's electricity demand to touch 229 GW during the summer season. But the demand did not reach the projected level in April-May this year due to unseasonal rains.

[https://www.business-standard.com/economy/news/national-power-consumption-grows-by-8-4-to-139-billion-units-in-july-123080100519\\_1.html](https://www.business-standard.com/economy/news/national-power-consumption-grows-by-8-4-to-139-billion-units-in-july-123080100519_1.html)

## External

### **Commerce Ministry urged to ease non-basmati rice exports ban**

Rice exporters have approached the commerce ministry over the ban on the export of non-basmati rice, saying that many of them have letters of credit from foreign buyers and if they do not fulfil the contracts, they could face international arbitration. Failing to fulfil export commitments could also hurt India's image in the global markets, they said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/commerce-ministry-urged-to-ease-non-basmati-rice-exports-ban/articleshow/102327791.cms>

### **GTRI wants India to prep exporters to deal with EU deforestation compliance**

India should increase awareness among exporters regarding the compliance requirements of the European Union's (EU's) Deforestation Regulation, rather than expecting any exemptions from the trade bloc, according to think tank Global Trade Research Initiative (GTRI). GTRI suggested that India should collaborate with other affected countries to address the issue at the World Trade Organization, as the regulation infringes upon the principles of the most-favoured nation.

[https://www.business-standard.com/india-news/india-should-up-awareness-among-exporters-on-eu-deforestation-compliance-123080100744\\_1.html](https://www.business-standard.com/india-news/india-should-up-awareness-among-exporters-on-eu-deforestation-compliance-123080100744_1.html)

### **India's services trade surplus drops to three-quarter low in first quarter**

India's services trade surplus fell to \$36.4 billion in the April-June quarter of 2023-24, the lowest in three quarters, as services export growth slowed down amid the economic downturn in developed economies. Data released by the Reserve Bank of India (RBI) showed that India's services exports grew by 6.6 per cent to \$80.8 billion, while services imports contracted 1.4 per cent to \$44.4 billion during the same period.

[https://www.business-standard.com/economy/news/india-s-services-trade-surplus-drops-to-a-three-quarter-low-in-apr-june-123080100926\\_1.html](https://www.business-standard.com/economy/news/india-s-services-trade-surplus-drops-to-a-three-quarter-low-in-apr-june-123080100926_1.html)