



August 11, 2023 – Friday

Economy

Rural volumes grow for second straight quarter in 2023, shows NIQ data

The rural fast-moving consumer goods (FMCG) market grew 4 per cent year-on-year (Y-o-Y) in the April-June 2023 quarter, as against 0.3 per cent growth in the previous quarter, on rising consumption, a report by NIQ India (formerly NielsenIQ) showed on Thursday. According to the report, rural market recovery was primarily driven by the non-food category. The report marks a significant change, as rural markets were in negative territory for several preceding quarters, with a decline of 2.4 per cent in the same quarter of the last calendar year.

https://www.business-standard.com/economy/news/rural-volumes-grow-for-second-straight-quarter-in-2023-shows-niq-data-123081000696_1.html

Consumer spending likely to cross \$4 trillion by 2030, says report

Consumer spending in India is expected to cross the \$4 trillion mark by 2030, growing at a compound annual growth rate of around 10 per cent, owing to the massive domestic consumer expenditure and consumption market, a report by Shiprocket said. Moreover, consumer spending on food, housing, apparel, personal care, transport, and communication is expected to increase around two-fold by 2030.

https://www.business-standard.com/industry/news/consumer-spending-in-india-to-exceed-4-trillion-by-2030-says-report-123081000582_1.html

Labour Bureau to release report of pan-India surveys of migrant & domestic workers soon

The Labour Bureau in India has completed field work for surveys on migrant workers and domestic workers. The surveys are expected to lead to targeted policy interventions, offering social security and other benefits to workers. The labour ministry had set a target of completing the surveys by October 2022, however, the field surveys were delayed due to operational inefficiencies.

<https://economictimes.indiatimes.com/news/economy/policy/pan-india-surveys-of-migrant-domestic-workers-to-start-soon/articleshow/102583273.cms>

Banking and Finance

Banks to maintain 10% additional CRR from Aug 12 as temporary measure: RBI

Banks have to maintain a 10 per cent additional cash reserve ratio (CRR) from August 12, said Reserve Bank of India governor Shaktikanta Das on Thursday. The action is part of the central bank's efforts to reduce surplus liquidity. Das said the measure is temporary and the prevailing CRR will remain unchanged. The central bank's Monetary Policy Committee kept the repo rate unchanged for the third time in a row in this financial year.

https://www.business-standard.com/finance/news/banks-to-maintain-10-additional-crr-from-aug-12-as-temporary-measure-rbi-123081000254_1.html

Repo rate, GDP & inflation: 10 key takeaways from RBI policy that flags keeping Arjuna's eye is not enough

Lingering worries about retail inflation owing to the recent spike in prices of essential food items meant that the Monetary Policy Committee (MPC) opted to pause again, leaving the key benchmark lending rate at 6.5 per cent for the third consecutive time. The Reserve Bank of India (RBI) governor Shaktikanta Das announced on Tuesday that the six-member MPC unanimously decided to stay put. However, the panel decided with a 5:1 majority to retain a policy stance focused on “withdrawal of accommodation.”

<https://economictimes.indiatimes.com/news/economy/indicators/repo-rate-gdp-inflation-10-key-takeaways-from-rbi-policy-that-flags-keeping-arjunas-eye-is-not-enough/articleshow/102596492.cms>

RBI raises per transaction limit for UPI Lite to Rs 500 from Rs 200 to promote digital transaction

Reserve Bank on Thursday proposed to increase the per transaction payment limit to Rs 500 for UPI Lite in offline mode and announced other measures to further deepen the reach and use of digital payments in the country. Presently, a limit of Rs 200 per transaction and an overall limit of Rs 2,000 per payment instrument has been prescribed by the Reserve Bank for small value digital payments in offline mode, including for National Common Mobility Card (NCMC) and UPI Lite.

<https://www.financialexpress.com/industry/banking-finance/rbi-raises-per-transaction-limit-for-upi-lite-to-rs-500-from-rs-200-to-promote-digital-transaction/3206249/>

Regulator Sebi proposes to ease norms for borrowings by large corporates

The Securities and Exchange Board of India (Sebi) has proposed to remove penalty on large corporates for any shortfall in their incremental borrowings and introduce incentives on exceeding the threshold along with relaxation on several other norms. The present norms require large corporates to raise 25 per cent of their incremental borrowings in a financial year by way of issuance of debt securities.

https://www.business-standard.com/markets/news/regulator-sebi-proposes-to-ease-norms-for-borrowings-by-large-corporates-123081000876_1.html

Indian firms' funding costs from FPIs to rise by up to 40 bps: JPM analysts

Changes to India's withholding tax regime will increase borrowing costs for Indian companies raising money from foreign investors by about 30 to 40 basis points, analysts at J.P.Morgan said on Thursday. Corporate Research analyst Aman Aggarwal said the change could pose some downside risk to the supply of funds, as issuers could tap the onshore market that can provide decent liquidity at competitive rates.

https://www.business-standard.com/economy/news/indian-firms-funding-costs-from-fpis-to-rise-by-up-to-40-bps-jpm-analysts-123081000529_1.html

RBI asks banks to redouble recovery efforts

Reserve Bank Deputy Governor Swaminathan J on Thursday asked banks to double down on recovery efforts to limit the losses from the write-off of loans, saying it will help them post higher profits. The career commercial banker who recently joined the regulator also added that a bank's ability to recover or a borrower's liability to repay does not diminish with a loan write-off and recoveries can help a lender post higher profits.

<https://www.financialexpress.com/industry/banking-finance/rbi-asks-banks-to-redouble-recovery-efforts/3206679/>

Industry

Utility vehicle wholesales up 32% Y-o-Y; two-wheelers decline 7.2%: SIAM

Passenger vehicle (PV) wholesales reached the highest mark in July, growing 2.6 per cent year-on-year (YoY) and largely driven by demand for utility vehicles (UVs). Two-wheeler sales declined 7.2 per cent YoY and their exports fell too, by 15.6 per cent. UV production grew 28.5 per cent in July to signal an easing of the semiconductor crisis and an improvement in the supply chain, according to data issued by the Society of Indian Automobile Manufacturers (SIAM) on Thursday. In the year-to-date (April-July) period, UV production increased 19 per cent.

https://www.business-standard.com/industry/news/utility-vehicle-wholesales-up-32-two-wheelers-down-7-2-siam-data-123081000437_1.html

International jewellery exhibition generates over Rs 70,000 crore business: GJEPC

The Gem and Jewellery Export Promotion Council on Thursday said it generated business worth over Rs 70,000 crore during the six-day IIJS Premiere 2023, which ended on August 8. The 39th edition of India International Jewellery Show (IIJS) Premiere 2023 saw over 50,000 visitors across two venues of Jio World Convention Centre and Bombay Exhibition Centre with 2,100 foreign delegations, Gem and Jewellery Export Promotion Council (GJEPC) said in a statement.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-jewellery/international-jewellery-exhibition-generates-over-rs-70000-crore-business-gjepc/articleshow/102614553.cms>

Car companies gear up to celebrate festive season with a bang

Carmakers are gearing up for a record festive season, buoyed by easing supply concern, a flurry of new launches, and robust demand ahead of the festival period that starts with Onam and Raksha Bandhan later this month and concludes with Diwali and Bhai Dooj in November. More than a dozen new models, including face-lifts, are expected to go on sale this season and the industry estimates deliveries to customers to touch a million units - the highest yet - during the three-month period.

<https://auto.economictimes.indiatimes.com/news/passenger-vehicle/car-companies-gear-up-to-celebrate-festive-season-with-a-bang/102588817>

MSME delayed payments: Only 19% of complaints disposed so far; total applications cross 1.5 lakh

The number of applications or complaints filed by micro and small enterprises (MSEs) in the country against delay in their payments pending with central ministries, departments, central and state public sector units, and others for goods and services purchased has hit 1.56 lakh mark, according to the official data. The applications or cases disposed by MSE facilitation councils — set up across the country to act as an arbitrator for settlement of payments — were 30,527 or 19.5 per cent of the total applications.

<https://www.financialexpress.com/industry/sme/msme-delayed-payments-only-19-of-complaints-disposed-so-far-total-applications-cross-1-5-lakh/3205294/>

Agriculture

Prices of parboiled rice surge 12 per cent as global demand picks up

Overseas demand for parboiled rice has shot up following the Centre's decision to ban the export of raw, white rice on July 20, given apprehensions among global buyers that India may ban export of parboiled rice as well. Industry executives said if the government does not put an export duty on non-basmati parboiled rice, then the IR 64 variety, which is consumed by the common people, will go out of the reach of the people.

<https://economictimes.indiatimes.com/news/economy/agriculture/prices-of-parboiled-rice-surge-12-as-global-demand-picks-up/articleshow/102620283.cms>

India to import tomatoes from Nepal amid surge in price, says Nirmala Sitharaman

Union finance minister Nirmala Sitharaman on Thursday said that India will be importing tomatoes from Nepal, amid a record high surge in prices in the country. During her speech in Parliament, Sitharaman informed that the first lot of imports are likely to reach in Varanasi, Lucknow and Kanpur cities in northern India by Friday.

<https://economictimes.indiatimes.com/news/economy/agriculture/india-to-import-tomatoes-from-nepal-amid-surge-in-price-says-nirmala-sitharaman/articleshow/102602718.cms>

Infrastructure

RBI relaxes infrastructure debt funds guidelines

The Reserve Bank of India has relaxed regulations on Infrastructure Debt Funds to expand infrastructure financing. IDFs will now be able to access funds without a sponsor, finance Toll Operate Transfer projects as direct lenders and access external commercial borrowings. Additionally, tripartite agreements have been made optional for PPP projects.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-relaxes-infrastructure-debt-funds-guidelines/articleshow/102603339.cms>

PAC calls for stricter measures while undertaking railways maintenance works

The Public Accounts Committee (PAC) of India calls for strict safety measures and adherence to Joint Procedure Orders (JPO) by Indian Railways, following procedural lapses during maintenance works that led to cable faults. The PAC report also highlights that the recent derailment of Coromandel Express is a reminder of the severe consequences of such incidents and requires immediate action, including investing in advanced technology.

<https://economictimes.indiatimes.com/industry/transportation/railways/pac-calls-for-stricter-measures-while-undertaking-railways-maintenance-works/articleshow/102617234.cms>

Indian Railways hopes to save 200,000 litres diesel a day by electrifying pit lines

The Indian Railways hopes to save around 200,000 litres of diesel per day by electrifying all pit lines on its network. A pit line is where train coaches are checked for any electrical faults in equipment such as lights, fans and mobile charging points, before charting for their next journey. This move is in line with the national transporter's steps towards its goal of becoming a net zero carbon emitter by 2030.

<https://economictimes.indiatimes.com/industry/transportation/railways/indian-railways-hopes-to-save-200000-litres-diesel-a-day-by-electrifying-pit-lines/articleshow/102621492.cms>

External

Tagging genuine exporter as 'risky' to hurt exports; set up committee to look into issues: Report

Tagging a genuine exporter as "risky" will hurt India's exports and an inter-ministerial committee comprising representatives from finance and commerce ministries is required to consider all aspects before branding them under this category, a report said on Thursday. Exporters are identified as "risky" based on specific risk indicators based on customs, GST (Goods and Services Tax), income tax and DGFT (Directorate General of Foreign Trade) data.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/tagging-genuine-exporter-as-risky-to-hurt-exports-set-up-committee-to-look-into-issues-report/articleshow/102610684.cms>

Peru looks at exporting avocados, fresh grapes, blueberries, gold to India

With India and Peru agreeing to resume talks for a free trade agreement, the South American nation is looking to export avocados, fresh grapes, blueberries, and gold to India, Vice Foreign Trade Minister of Peru Teresa Stella Mera Gomez said. She said that technical teams of India and Peru would meet to start talks on modalities and scope of the proposed agreement.

https://www.business-standard.com/economy/news/peru-looks-at-exporting-avocados-fresh-grapes-blueberries-gold-to-india-123081000957_1.html

Non-tariff barriers emerging as tool to disrupt textiles trade: AEPC

Non-tariff barriers (NTBs) are gradually emerging as a potent tool to damage and even disrupt legitimate textiles trade, apparel export promotion council (AEPC) said on Thursday. As many as 131 NTB notifications are issued related to the textile sector since 2019 with Uganda at the top position with 71 notifications, it said. It was followed by Ecuador (10), China (8), Taiwan (7), Israel (5), USA (4), and Peru (3).

https://www.business-standard.com/economy/news/non-tariff-barriers-emerging-as-tool-to-disrupt-textiles-trade-aepc-123081000575_1.html