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Economy

Railways plans PLI scheme for train parts

The government is planning to introduce a production-linked incentive (PLI) scheme for train component makers as part of its efforts to attract foreign manufacturing firms and reduce dependence on imports, people aware of the matter said. The contours of the PLI scheme will be worked out with the help of a consultancy firm, which will be selected through a bidding process this month, officials told ET. The consultant will prepare a list of components that are largely imported and used in making engines and coaches, also called rolling stock.

<https://economictimes.indiatimes.com/industry/transportation/railways/railways-plans-pli-scheme-for-train-parts/articleshow/102752283.cms>

Indian per capita income to grow sevenfold by FY47, says SBI Research

The per capita income of Indians as gleaned from income-tax filing is expected to increase from Rs 2 lakh in FY23 to Rs 14.9 lakh in FY47, coinciding with 100 years of the country's Independence, according to SBI Research. In dollar terms it will increase from about \$2,500 in FY23 to \$12,400 in FY47.

https://www.business-standard.com/companies/news/indian-per-capita-income-to-grow-sevenfold-by-fy47-says-sbi-research-123081500552_1.html

India steps up exploration for critical minerals, including lithium

India has stepped up its exploration for critical and strategic minerals, including lithium, rare earth elements, and vanadium, among others. Minerals such as antimony, cobalt, gallium, graphite, lithium, nickel, niobium, and strontium, among others, are critical for green technologies, high-tech equipment, aviation, and national defence manufacturing needs. As per the Geographical Survey of India's (GSI) field season 2023-24 report, lithium exploration projects are underway in at least three states, including Korba district in Chhattisgarh; South Garo Hills and East Garo Hills in Meghalaya; and Jammu, Ramban, Resai, Rajoury and Udhampur in Jammu and Kashmir. These explorations are mostly at the G4 stages — namely reconnaissance surveys to narrow down the area for further studies.

<https://www.thehindubusinessline.com/news/india-steps-up-exploration-for-critical-minerals-including-lithium/article67197083.ece>

Banking and Finance

Imposing ICRR may prompt banks to raise deposit rates

RBI's move to raise incremental CRR that has come as a shock to banks could also end up increasing transmission of deposit rates as the move will force banks to review their deposit rates to absorb more durable liquidity. " This temporary measure announced by the Reserve Bank has come as a shock to banks, " said Madan Sabnavis, chief economist at Bank of Baroda. " Some of them will be forced to review their interest rates" Based on the available data the incremental NDTL from May 19 is Rs 10 trillion and there would be additional CRR requirement of Rs 1trillion for the system. This implies that some banks may require to raise deposit rates and help improve transmission of deposit rates. " Monetary transmission is still underway" said the ICICI Securities Report.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/imposing-icrr-may-prompt-banks-to-raise-deposit-rates/articleshow/102750702.cms>

Industry

CSR spending goes greener; health gets highest dose as companies rejig focus

India Inc. is reprioritising its spending under corporate social responsibility (CSR) obligations. As the focus on sustainability gathered traction, CSR expenditure on the environment more than doubled in FY22 from a year before to ₹2,837 crore and the sector emerged as the biggest recipient of such funds after health and education. Similarly, the pandemic prompted companies to sharply raise spending on health, which has now beaten education as the top sector for CSR expenditure. Spending on health stood at ₹9,987 crore in FY22, against ₹8,382 crore on education, according to an ET analysis of the latest segregated (provisional) data by the Ministry of Corporate Affairs (MCA). The health category also includes initiatives on hunger, poverty and malnutrition, safe drinking water and sanitation.

<https://economictimes.indiatimes.com/news/company/corporate-trends/csr-spending-goes-greener-health-gets-highest-dose-as-companies-rejig-focus/articleshow/102755437.cms>

Independence Day consumer sentiment breaks free of slowdown

Sales of smartphones, laptops, television sets, refrigerators, daily consumables and fast-moving consumer goods (FMCG) have surged 25-30% in the ongoing Independence Day sales from last year's levels, industry executives said. Attractive offers and new movie releases lifted footfall in malls by 15-20%, driving sales of eateries and other stores such as apparel and fashion. Executives said the robust buying signals a significant improvement in consumer sentiment just ahead of the crucial festive season.

<https://economictimes.indiatimes.com/news/economy/indicators/independence-day-consumer-sentiment-breaks-free-of-slowdown/articleshow/102755464.cms>

Agriculture

CAI maintains cotton crop estimate at 311.18 lakh bales for 2022-23 season

The Cotton Association of India (CAI) on Tuesday maintained the cotton crop production forecast for the 2022-23 season at 311.18 lakh bales. In the last cotton season, the total cotton production was at 307.05 lakh bales, CAI said in a statement. The cotton season runs from October to September. The total cotton supply for October 2022 to July 2023 is estimated at 332.30 lakh bales, which consists of arrivals of 296.80 lakh bales, imports of 11.50 lakh bales and the opening stock estimated by the CAI at 24 lakh bales at the beginning of the season. Further, the CAI has estimated cotton consumption for the months of October 2022 to July 2023 at 265 lakh bales, while the export shipments up to July 31, are estimated at 14 lakh bales.

<https://economictimes.indiatimes.com/news/economy/agriculture/cai-maintains-cotton-crop-estimate-at-311-18-lakh-bales-for-2022-23-season/articleshow/102748696.cms>

Infrastructure

MahaRERA asks realty developers to set up redressal cells for homebuyers' issues

The Maharashtra Real Estate Regulatory Authority (MahaRERA) has asked realty developers to set up grievance redressal cells to address complaints of their homebuyers. These cells for the developers' projects are expected to have at least one grievance redressal officer. Compliance with this provision will be an important criterion in the proposed evaluation of projects by the regulatory authority. The homebuyer usually interacts with the sales and marketing team of the project while purchasing or registering the property. However, if there are any issues that arise later, these homebuyers are not aware of any project-specific mechanism to resolve the problems.

<https://economictimes.indiatimes.com/industry/services/property/-construction/maharera-asks-realty-developers-to-set-up-redressal-cells-for-homebuyers-issues/articleshow/102745483.cms>

Energy

Govt hikes windfall tax on domestic crude, diesel export, ATF from Aug 15

The government on Monday hiked special additional excise duty on crude petroleum to Rs 7,100 per tonne with effect from August 15. In the last fortnightly review, windfall tax on domestically produced crude oil was set at Rs 4,250 per tonne.

https://www.business-standard.com/economy/news/govt-hikes-windfall-tax-on-domestic-crude-diesel-export-atf-from-aug-15-123081400949_1.html

CNG sales volume grows 51% in 6 months to March

City gas companies have grown their super-profitable CNG sales volume at a faster rate in the past two years than the less profitable segment of gas supplies meant for homes. City gas distributors sold 19.4 million metric standard cubic meters a day (mmscmd) of CNG in six months to March 2023, up 51% from October 2020 to March 2021 period, oil ministry data showed. In the same period, the sale of piped natural gas (PNG) meant for cooking at home rose 11% to 2.9 mmscmd.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/cng-sales-volume-grows-51-in-6-months-to-march/articleshow/102752754.cms>

Decline in renewable PPAs: Lower auctions lead to 41% drop in capacity signed by DISCOMs

The quantum of capacity for renewable power purchase agreements signed by the DISCOMs has dropped significantly (41 per cent) in FY23 compared with FY22, mainly due to lower auctions. Various DISCOMs for renewable energy projects have signed power purchase agreements of over 35 GW capacity during the last two years and the current year, according to information provided by MNRE (Union Ministry of New and Renewable Energy). During FY23, renewable power purchase agreements of 11,800 MW capacity were signed by various DISCOMs. This is much lower when compared with PPAs signed for a total capacity of 19,944 MW in FY22.

<https://www.thehindubusinessline.com/markets/commodities/decline-in-renewable-ppas-lower-auctions-lead-to-41-drop-in-capacity-signed-by-discoms/article67197620.ece>

Telecom

5G rollouts in India: Progress so far, in three charts

Almost a year into the rollout of 5G services by Reliance Jio and Bharti Airtel, the two now cover nearly 10,000 cities and towns and aim to have pan-India coverage by the end of the current calendar year or March 2024. While 5G-specific tariffs are still a few quarters away, Airtel has made some efforts towards 5G monetisation with its fixed wireless access (FWA) offering announced earlier this month, and Jio is expected to follow suit soon. ET takes a look at the extent of the 5G rollouts in India so far.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/5g-rollouts-in-india-progress-so-far-in-three-charts/articleshow/102753212.cms>

States

59% increase in tourism in J&K After G20 meet: Lieutenant governor Manoj Sinha

Jammu and Kashmir lieutenant governor Manoj Sinha on Tuesday said that foreign tourists' arrival in the region increased by 59% after the recent G20 working group meeting in Srinagar. The meeting not only strengthened political relations but also opened new possibilities in the tourism sector, he said. Sinha, while addressing the Independence Day function at Bakshi Stadium in Srinagar, said people have embarked on a new journey of peace, love and stability, which will lead to development and a golden future. Hundreds of people including government officials, for whom attendance was mandatory, participated in the function at the redeveloped stadium.

<https://economictimes.indiatimes.com/news/india/59-increase-in-tourism-in-jk-after-g20-meet-lieutenant-governor-manoj-sinha/articleshow/102752571.cms>

External

Indian diamond industry set to focus on domestic markets, ASEAN countries

The Indian diamond industry is set to focus on domestic markets and emerging markets in ASEAN countries in an attempt to neutralise the impact of reduced demand from the US and the European Union (EU). The move came after it was reported that diamonds originating from Russia may be banned. Vipul Shah, chairman of the Gem and Jewellery Export Promotion Council (GJEPC), said that the outcome of the ongoing discussions on future business prospects involving diamonds originating from Russia is still unclear.

https://www.business-standard.com/industry/news/indian-diamond-industry-set-to-focus-on-domestic-markets-asean-countries-123081500195_1.html

India's imports from Russia doubled to \$20.45 bn in April-July period

India's imports from Russia doubled to USD 20.45 billion during the April-July period of this fiscal due to increasing inbound shipments of crude oil and fertiliser from that country, according to the commerce ministry data.

With this, Russia has become India's second largest import source during the first four months of this fiscal. The imports were USD 10.42 billion during April-July 2022. From a market share of less than 1 per cent in India's import basket before the start of the Russia-Ukraine conflict, Russia's share of India's oil imports rose to over 40 per cent.

https://www.business-standard.com/economy/news/india-s-imports-from-russia-doubled-to-20-45-bn-in-april-july-period-123081500475_1.html

Swift removal of non-tariff barriers key to trn-dollar exports: GTRI report

India needs to act in a fast-track manner for removal of non-trade barriers (NTBs), being faced by domestic exporters in different countries like the US, China and Japan, to achieve one trillion dollar outbound shipment target for goods by 2030, a report by think-tank GTRI said on Tuesday.

The Global Trade Research Initiative (GTRI) has suggested a two-pronged strategy to mitigate the influence of NTBs on exports. It asked for upgrading domestic systems, in cases where Indian products are rejected due to quality issues; and retaliating if unreasonable standards or rules continue to obstruct exports from New Delhi.

https://www.business-standard.com/economy/news/swift-removal-of-non-tariff-barriers-key-to-trn-dollar-exports-gtri-rpt-123081500269_1.html

'No plans to reconsider rice export ban as food inflation spikes'

With food inflation hitting a 39-month high in July 2023, the Centre is not in a position to reconsider the recent export ban on non-basmati rice as ensuring food security within the country remains top priority, top officials have said.

<https://www.thehindubusinessline.com/economy/policy/no-plans-to-reconsider-rice-export-ban-as-food-inflation-spikes/article67198299.ece>