



August 21, 2023 – Monday

## Economy

### **Vegetable prices likely to cool down next month, rising crude a concern: FinMin official**

The government expects vegetable prices to start cooling off from next month with the advent of new crops in the market, but rising crude oil prices is a concern even though it is still within the tolerable zone of \$90 a barrel, a finance ministry official said. The official further said that reduction in excise duty is not on cards and the government is driving infrastructure investment, and private sector capital investment is yet to gather steam. He further said that the Centre's capital expenditure which was 28 per cent of Budget estimates at the end of June quarter, will reach 50 per cent by September end. In the 2023-24 budget, the government had hiked capital investment outlay by 33 per cent to Rs 10 lakh crore in the current fiscal.

<https://economictimes.indiatimes.com/news/economy/indicators/vegetable-prices-likely-to-cool-down-next-month-rising-crude-a-concern-finmin-official/articleshow/102880716.cms>

### **National e-commerce policy in final stages; to be presented before top-level: official**

The proposed national e-commerce policy being formulated by the commerce and industry ministry is in the final stages and no new draft policy will be issued now for seeking views of stakeholders, a senior government official said. The Department for Promotion of Industry and Internal Trade (DPIIT) on August 2 held a detailed discussion with representatives of e-commerce firms and a domestic traders' body on the proposed policy. In that meeting, a broad level of consensus emerged among the concerned stakeholders on the proposed policy. "Now no draft policy will come. That exercise is over now. We are just getting a final sign off," the official, who did not wish to be named, said, adding there will be a presentation of the proposed policy at the top level of the government.

<https://economictimes.indiatimes.com/industry/services/retail/national-e-commerce-policy-in-final-stages-to-be-presented-before-top-level-official/articleshow/102870096.cms>

## Banking and Finance

### **16th Finance Commission expected to be set up by end of November, says Finance Secy Somanathan**

The 16th Finance Commission, that gives suggestions on Centre-state financial relations, may be constituted by November end this year, PTI reported on Saturday citing Finance Secretary T V Somanathan. As part of its many functions, the commission suggests the ratio in which tax is to be divided between the Centre and states for five years, beginning April 1, 2026. "The Finance Commission is expected to be constituted by end of November because that's the statutory requirement," he told PTI in an interview. In its advanced stages, Somanathan said that Terms of Reference (ToR) for the commission is being finalised. The previous Finance Commission submitted its report on November 9, 2020, for the 5 fiscals -- 2021-22 to 2025-26 -- to the President.

<https://economictimes.indiatimes.com/news/economy/finance/finance-commission-expected-to-be-constituted-by-november-end-finance-secretary/articleshow/102870511.cms>

### **Corporate NPA addition slows, loan recoveries may have peaked**

Bank recoveries are likely at their peak and trending lower as the addition of lumpy corporate non-performing assets (NPAs) has slowed. Recoveries are expected to normalise as fresh slippages will mostly come from retail and micro,

small and medium enterprises (MSME), accounts that are by nature smaller loans. Bank earnings analysed by ET after the first-quarter results show that bank recoveries have been sliding over the last one year. Recoveries for all large banks were lower than a year ago and down from what they were in March. For example, State Bank of India's (SBI) recoveries and upgrades were at Rs 3,607 crore in June 2023 down from Rs 5,208 crore a year ago and Rs 4,200 crore reported in March 2023. The trend is the same for Punjab National Bank (PNB), Bank of Baroda (BoB), ICICI Bank, HDFC Bank and Axis Bank.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/corporate-npa-addition-slows-loan-recoveries-may-have-peaked/articleshow/102881125.cms>

## Industry

### Companies to power up production capacity for festive season by 20 per cent

Automobile and consumer electronics manufacturers are stepping up production for the festive season by around 10-20% from last year's levels, with companies bullish about a strong demand recovery, several chief executives said. Also, supplies are set to improve significantly over last year as component shortages ease. Maruti Suzuki, Hyundai, Tata, Toyota, Mahindra & Mahindra (M&M) and others have already started running plants at full capacity, a month earlier than usual, expecting to clock record festive sales on the back of easing of supplies, executives said.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/companies-to-power-up-production-capacity-for-festive-season-by-20-per-cent/articleshow/102884174.cms>

### FMCG in June qtr: Volume & margins grow as inflation moderates, small players make comeback

The FMCG industry witnessed growth in volume and expansion in gross margins in the June quarter aided by moderation in inflation which also boosted small players in select categories. Several small players, which had earlier vacated some of the market segments during the peak of inflation, returned back and intensified the competition at the local level, forcing several big FMCG players to go for price corrections. Most of the listed FMCG entities reported volume-based growth in home care, personal care, beauty and foods products business, except the ice cream and beverages portfolio which was impacted by unseasonal rains in April and early May during the quarter.

<https://economictimes.indiatimes.com/industry/cons-products/fmcf/fmcf-in-june-qtr-volume-margins-grow-as-inflation-moderates-small-players-make-comeback/articleshow/102878503.cms>

### Aerospace sector adopting AI in big way: HAL chief

Innovation is the need of the hour and the aerospace industry is reflecting rapid advancement on artificial intelligence-based tools to enhance safety of systems, Hindustan Aeronautics Ltd (HAL) chairman & managing director CB Ananthakrishnan said. Ananthakrishnan was speaking at Indian Institute of Management-Calcutta's annual business conclave here on Saturday. AI-based products and tools are being used for the maintenance of aircraft components. Also used are AI-based automated carbon recognition systems, he said, speaking through videoconferencing.

<https://economictimes.indiatimes.com/news/defence/aerospace-sector-adopting-ai-in-big-way-hal-chief/articleshow/102880059.cms>

### EV makers want government to relax Visa norms for Chinese professionals

Electric vehicle (EV) manufacturers and battery makers want the government to open up visas for the entry of Chinese nationals to India because they have better knowledge and technical know-how for in the industry. Sources told businessline that India requires 'thousands' of Chinese engineers to help them in manufacturing low cost and powerful batteries, especially for the electric two/three-wheelers, but due to restrictions on granting visas to Chinese nationals, projects are getting delayed.

<https://www.thehindubusinessline.com/economy/ev-makers-want-government-to-relax-visa-norms-for-chinese-professionals/article67215902.ece>

### Plastic market expected to reach Rs 10 trn by fiscal 2027-28: AIPMA

India has the potential to emerge as a global plastic supplier and the domestic plastic market is expected to more than triple to reach Rs 10 lakh crore by 2027-28, officials said on Sunday. According to the All India Plastics Manufacturers' Association, the market size of plastics in India was Rs 3.5 lakh crore.

[https://www.business-standard.com/industry/news/plastic-market-expected-to-reach-rs-10-trn-by-fiscal-2027-28-aipma-123082000294\\_1.html](https://www.business-standard.com/industry/news/plastic-market-expected-to-reach-rs-10-trn-by-fiscal-2027-28-aipma-123082000294_1.html)

#### **Hardware firms chary of govt definition of 'trusted sources'**

The IT hardware industry is increasingly concerned about what could be New Delhi's definition of "trusted hardware", with the Centre stressing that imposition of import curbs on laptops, tablets and servers is primarily due to national security reasons. Industry executives say that while the government has been successful in restricting Chinese players Huawei and ZTE from participating in India's 5G rollout after adoption of the "trusted sources" approach, replicating the same for IT hardware won't be feasible. That's because unlike telecom equipment, laptops/tablets are consumer devices.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/hardware-firms-chary-of-govt-definition-of-trusted-sources/articleshow/102881263.cms>

#### **Hotel industry's contribution to India's GDP to hit \$1 trn by 2047: HAI**

The direct contribution of Indian hotel industry to the country's GDP is estimated to touch \$ 1 trillion by 2047 driven by a significant jump in domestic tourist visits and international arrivals, according to a report. As per 'Vision 2047: Indian Hotel Industry' report by the Hotel Association of India (HAI) and Benori Knowledge, the direct contribution of the hotel industry to GDP was \$ 40 billion in 2022 and is expected to reach \$ 68 billion by 2027.

[https://www.business-standard.com/industry/news/hotel-industry-s-contribution-to-india-s-gdp-to-hit-1-trn-by-2047-hai-123082000135\\_1.html](https://www.business-standard.com/industry/news/hotel-industry-s-contribution-to-india-s-gdp-to-hit-1-trn-by-2047-hai-123082000135_1.html)

### **Agriculture**

#### **Govt raises onion buffer to 5 lk MT; NCCF to retail onions at Rs 25/kg**

The government on Sunday announced that it has raised the quantum of onion buffer to five lakh metric tonne this year, after achieving the initial procurement target of three lakh metric tonne. Consumer affairs department has also directed National Cooperative Consumers' Federation (NCCF) and National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) to procure around one lakh metric tonne of onions to further achieve the additional procurement target. Alongside procurement the said bodies will retail onions at Rs 25 per kg through outlets and mobile vans of NCCF from August 21 2023. "Retail sale of onion will be suitably enhanced in coming days by involving other agencies and e-commerce platforms," the government said in a release.

<https://economictimes.indiatimes.com/news/economy/agriculture/govt-raises-onion-buffer-to-5-lk-mt-nccf-to-retail-onions-at-rs-25/kg/articleshow/102875479.cms>

### **Infrastructure**

#### **As many as 388 infra projects show cost overruns of Rs 4.65 trn in July**

As many as 388 infrastructure projects, each entailing an investment of Rs 150 crore or more, have been hit by cost overruns of more than Rs 4.65 trillion in July 2023, an official report said. According to the Ministry of Statistics and Programme Implementation, which monitors infrastructure projects worth Rs 150 crore and above, out of 1,646 projects, 388 reported cost overruns and as many as 809 projects were delayed.

[https://www.business-standard.com/industry/news/as-many-as-388-infra-projects-show-cost-overruns-of-rs-4-65-trn-in-july-123082000136\\_1.html](https://www.business-standard.com/industry/news/as-many-as-388-infra-projects-show-cost-overruns-of-rs-4-65-trn-in-july-123082000136_1.html)

#### **In major recast, National Highway agencies likely to get dedicated cadre**

The Centre is eyeing a significant restructuring of the agencies executing highway projects to create a dedicated cadre so that executives from within the executing organizations can be promoted to top jobs, departing from the current practice of using officers on deputation to man key roles. These changes will make National Highways Authority of India (NHAI) and National Highways & Infrastructure Development Corp Ltd (NHIDCL) operate more like Public Sector Undertakings (PSUs) that do not have frequent transfers of officers from parent ministries. It is also expected to eliminate the culture of having a senior bureaucrat at the top, allowing cadre officers to climb to the highest rung of the organizational ladder.

<https://economictimes.indiatimes.com/news/economy/infrastructure/in-major-recast-national-highway-agencies-likely-to-get-dedicated-cadre/articleshow/102881093.cms>

#### **PPP push: FinMin asks infra depts to identify projects for private partnership**

The finance ministry has asked infrastructure departments to identify projects that can be executed with private partnership, a person aware of the details said. The move is aimed at drawing greater private capital into public infrastructure and reducing delays in project implementation, according to the person, who said the focus will also be on improving the fund flow into sectors such as urban infrastructure, railways and roads, where private participation remains either minimal or far from impressive.

<https://economictimes.indiatimes.com/news/economy/infrastructure/ppp-push-finmin-asks-infra-depts-to-identify-projects-for-private-partnership/articleshow/102881039.cms>

### **Energy**

#### **Trials for Coal India's in-house e-auction platform successful: Officials**

The trials for Coal India's in-house e-auction platform have been carried out satisfactorily, and the mechanism can have a full-fledged rollout across the company's coal-producing subsidiaries, officials said Sunday. A total of seven trial auctions involving nearly 18 million tonnes of coal have been conducted, they said. The mining major has entrusted its wholly owned subsidiary Central Mine Planning & Design Institute (CMPDI) to rollout the in-house e-auction system, with technical assistance from the National Informatics Centre. "During initial trials, there were some teething issues that were resolved by CMPDI and NIC officials. In subsequent e-auctions, the trials were conducted smoothly. The entire system is automated, without any manual intervention," one of the officials told PTI.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/trials-for-coal-indias-in-house-e-auction-platform-successful-officials/articleshow/102880452.cms>

#### **Assam-based Numaligarh Refinery Limited planning to enter Myanmar once situation improves in the country**

Assam-based Numaligarh Refinery Limited (NRL) plans to enter Myanmar once the situation in the country improves, the company is eyeing to export hydrocarbon products in Bangladesh and Nepal in bigger scale. In Myanmar, NRL plans to set up retail outlets. The regime change had delayed the plan of NRL. Myanmar's Tatmadaw (military) have often engaged in armed clashes with the civilian forces since February 2021 after the military junta seized power in the neighbouring country. Chairman and Managing Director of NRL, Bhaskar Jyoti Phukan on Saturday said in Guwahati on Saturday, " We have already penetrated into Bangladesh. We have a 130 KM Indo-Bangla Friendship Pipeline (IBFPL) from Siliguri to Parbatipur in Bangladesh which is a major consumption centre in Northern Bangladesh".

<https://economictimes.indiatimes.com/industry/energy/oil-gas/assam-based-numaligarh-refinery-limited-planning-to-enter-myanmar-once-situation-improves-in-the-country/articleshow/102878448.cms>

### **External**

#### **India, Asian decision on review of FTA in goods expected tomorrow**

A decision on a long pending issue of initiating a review of the existing free trade agreement on goods between India and the 10-nation Asean bloc may be taken up during a meeting in Indonesia on Monday, an official said. The issue will come up for discussion and decision during the India-Asean economic ministers meeting on Monday. The meeting is being held on the sidelines of the ongoing meeting of the Economic ministers of ASEAN.

[https://www.business-standard.com/economy/news/india-asian-decision-on-review-of-fta-in-goods-expected-tomorrow-123082000447\\_1.html](https://www.business-standard.com/economy/news/india-asian-decision-on-review-of-fta-in-goods-expected-tomorrow-123082000447_1.html)

#### **FTA talks: Investment treaty to figure prominently during UK's high-level team visit to India this week**

Issues pertaining to the proposed bilateral investment treaty being negotiated between India and the UK along with a free trade agreement will figure prominently during the visit of a high-level team from Britain here, an official said. UK Secretary of State for Business and Trade Kemi Badenoch and Director General for Trade Negotiations at the Department for Business and Trade (DBT) Amanda Brooks are visiting India this week. Besides participating in the

G20 Trade and Investment Ministerial Meeting in Jaipur on August 24-25, the UK minister will hold bilateral talks with Commerce and Industry Minister Piyush Goyal on August 26 here and review the progress of talks on the free trade agreement.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/fta-talks-investment-treaty-to-figure-prominently-during-uks-high-level-team-visit-to-india-this-week/articleshow/102871765.cms>

#### **India's trade policy is working great — for Vietnam**

The printed circuit board assembly, the camera module, the touch-screen display and the glass cover. Together, they account for three-fourths of the bill-of-materials cost of a smartphone. Vietnam, the world's second-biggest exporter of handsets after China, sources these and most other components at zero tariffs from free-trade partners. But India, which has few such accords of its own but is still keen to emulate the manufacturing powerhouse in its neighborhood, has customs duties as high as 22%.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-trade-policy-is-working-great-for-vietnam/articleshow/102884486.cms>

#### **Centre imposes 40% export duty on onion to improve local supplies**

The government on Saturday imposed a 40 per cent duty on the export of onions to increase domestic availability amid signs of increasing prices. The export duty, which is the first time ever on onion, has been imposed as the retail sale price of the kitchen staple, according to government data, touched Rs 37/kg on Saturday in Delhi.

[https://www.business-standard.com/economy/news/centre-imposes-40-export-duty-on-onion-to-improve-local-supplies-123081900494\\_1.html](https://www.business-standard.com/economy/news/centre-imposes-40-export-duty-on-onion-to-improve-local-supplies-123081900494_1.html)

#### **BRICS currency: India unlikely to endorse the move; may just ignore**

India is unlikely to endorse a common BRICS currency, which is being envisaged by some as an alternative to the US dollar, as it fears that it would increase China's dominance in the bloc and also further strengthen the yuan. But it may not, at the moment, make definite moves to block discussions as not much movement on the proposed common currency is expected at the BRICS Summit in Johannesburg later this week, sources tracking the matter said. "New Delhi is clear about not being part of the proposed BRICS currency as it sees it as China's attempt to gain hegemony. But whether it will use its veto power to stop the attempt or allow other members to go ahead with their plans is a call that need not be taken immediately. It may take a long time for the plan to take a concrete shape because of the different levels of economic development of members," the source said.

<https://www.thehindubusinessline.com/economy/brics-currency-india-unlikely-to-endorse-the-move-may-just-ignore/article67215868.ece>