



August 28, 2023 – Monday

## Economy

### Supply-side issues on top priority as Govt unleash measures to control food inflation

Close after Prime Minister Narendra Modi announced that the government would take a host of inflation control measures, several ministries have accelerated efforts in supply-side management so that domestic availability of food and other commodities is improved. Also, micro-monitoring has been started to check any malpractices that could disrupt domestic supplies. The Commerce Ministry on Sunday issued a statement in which there is enough indication that proper monitoring has started to check traders do not take benefits of loopholes and start violating the larger objective set by the government.

<https://www.thehindubusinessline.com/economy/supply-side-issues-on-top-priority-as-govt-unleash-measures-to-control-food-inflation/article67241326.ece>

### For full economic empowerment, G20 economies need to spend additional \$21 trillion by 2030: McKinsey

Lifting everyone in the G20 economies to full economic empowerment and getting on track for net zero by 2030 implies larger spending shifts, equivalent to 8 per cent of global GDP annually, or 6 percent of G20's combined GDP annually, a new McKinsey research has revealed. In particular, closing the economic empowerment gap in the G20 would require a cumulative increase in spending on essentials of some \$21 trillion by 2030 (\$37 trillion globally), according to McKinsey.

<https://www.thehindubusinessline.com/economy/for-full-economic-empowerment-g20-economies-need-to-spend-additional-21-trillion-by-2030-mckinsey/article67241601.ece>

## Banking and Finance

### Banks can put money into stalled real estate projects to make them viable

Banks can fund stalled real estate projects after taking permission from the Reserve Bank of India, a senior Finance Ministry official has said. He also informed that SWAMIH (Special Window for Affordable and Mid-Income Housing) fund corpus is yet to be fully utilised. The Indian Banks' Association (IBA) has estimated that 4.12 lakh stressed dwelling units involving ₹4.08 lakh crores are impacted in various stalled real estate projects. About 2.40 lakh stressed dwelling units of this are situated in NCR. If 75 per cent of these stressed units are resolved, it will add about three lakh units to the housing sector. The resolution of these stressed units will assist the middle and lower middle class in getting houses for which they have already paid a substantial amount. In addition, it will provide a major impetus to economic activity and growth.

<https://www.thehindubusinessline.com/news/real-estate/banks-can-put-money-into-stalled-real-estate-projects-to-make-them-viable/article67241155.ece>

### Banks won't auction stressed loans covertly

Private and hush-hush deals that some banks cut with acquirers of stressed loans will soon come to an end. Under a new framework that high-street banks agreed on last week, lenders will have to ensure that the decision to auction loans is notified to all key players in the market. This will end the practice of pushing through a sale by putting out the auction advertisement in an innocuous newspaper while keeping many potential bidders in the dark. Banks have

also come together to lay down a timeline to close such deals within seven working days after lending banks give a final approval to the transaction. A model process document for transfer of stressed loans along with a checklist of information that banks would share with bidders at pre-deal stage was finalised and circulated among lenders last week, a senior banker told ET.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-wont-auction-stressed-loans-covertly/articleshow/103114180.cms>

#### **Government unlikely to infuse capital in PSU general insurers in FY24**

The four public sector general insurance companies are unlikely to get capital funding from the government in the current fiscal, a senior official said. He said one of the PSU non-life insurance companies is likely to give a dividend to the government in the current fiscal and they will be able to meet their solvency margins. The government last year provided Rs 5,000 crore capital to three insurers --National Insurance Company, Oriental Insurance Company and United India Insurance Company. The Budget 2023-24 has not provided for the capital infusion for insurance companies.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/government-unlikely-to-infuse-capital-in-psu-general-insurers-in-fy24/articleshow/103102720.cms>

### **Industry**

#### **E-bus penetration to grow to very high levels in 5-7 years**

The electric bus market is expected to witness more than 70% penetration by 2030 in multiple applications like city, intercity, staff, tarmac, and school among many other products as demand aggregation brings economies of scale in the segment, says JBM Auto, a leading electric bus maker in the country.

<https://www.thehindubusinessline.com/companies/economies-of-scale-e-bus-penetration-to-grow-to-very-high-levels-in-5-7-years/article67241307.ece>

#### **E-commerce, FMCG demand for EVs in superfast lane**

Demand for electric vehicles (EVs) by ecommerce companies and consumer goods makers of daily essentials has doubled from last year as they look to save costs by over half and meet carbon emission reduction targets, executives said. Amazon, Hindustan Unilever, Swiggy, Coca-Cola, Zomato, Amul, Flipkart, BigBasket and Bisleri are among the larger companies switching to EVs to service consumers and retailers. "We have started EVs for last-mile deliveries for ice-cream vending," said Jayen Mehta, managing director of India's largest dairy maker Amul, which sells ice-cream, milk, butter and cheese. "Our milk distributors too are using EVs in Delhi, Uttar Pradesh, Haryana and Punjab."

<https://economictimes.indiatimes.com/industry/renewables/e-commerce-fmcg-demand-for-evs-in-superfast-lane/articleshow/103114187.cms>

#### **Cell companies seek flexible terms on capacity under PLI plan**

Companies manufacturing cells - a key component of batteries used in electric vehicles, consumer electronics and high-tech electricity grids - have asked the government to make flexible the minimum capacity required to be set up for availing of incentives under the ₹18,100 crore production linked incentive (PLI) scheme for advanced chemistry cells (ACC). The government has been pushing the shift towards EVs in its bid to clamp down on crude oil imports and vehicular pollution. The PLI scheme for ACC has been floated to make India self-reliant in the transition to clean energy, when the country is projected to see sales of a million electric cars and 22 million electric two-wheelers by 2030.

<https://economictimes.indiatimes.com/industry/renewables/cell-companies-seek-flexible-terms-on-capacity-under-pli-plan/articleshow/103110730.cms>

### **Infrastructure**

#### **'REITs, InvITs set to gain from Sebi move on follow-on rules'**

The Securities & Exchange Board of India's plan to roll out norms for follow-on offers by real estate investment trusts (REITs) and infrastructure investment trusts (InvITs) is expected to provide an additional avenue for fundraising and liquidity to these business trusts. The move, along with its recent decisions to introduce the concept of self-sponsored REITs and allowing REIT unit holders to appoint representatives to the boards, will boost retail investors' confidence and enhance the depth of the market. "REIT and InvITs act as a platform for institutional and retail investors to diversify their investment portfolio to real estate and infrastructure projects, respectively. Sebi's move to allow follow-on-offer on both these products will optimise avenues for fundraising and liquidity through a structured and well-governed mechanism, which will overall drive the future growth of India in the infrastructure sector," said Hemal Mehta, partner, Deloitte India.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/reits-invits-set-to-gain-from-sebi-move-on-follow-on-rules/articleshow/103110651.cms>

## External

### Centre imposes 20% export duty on parboiled rice; MEP on basmati rice

With paddy production under cloud due to excess rains in Punjab and Haryana and deficient showers in east India, the government in a late night notification clamped an export duty of 20 per cent on parboiled rice which will be applicable with immediate effect. For parboiled rice exports for which have already entered the customs zone before August 25 and those which have irrevocable letters of credit, the duty will kick in from October 16, 2023.

[https://www.business-standard.com/economy/news/centre-imposes-20-export-duty-on-parboiled-rice-mep-on-basmati-rice-123082600238\\_1.html](https://www.business-standard.com/economy/news/centre-imposes-20-export-duty-on-parboiled-rice-mep-on-basmati-rice-123082600238_1.html)

### Higher diesel exports help refined products shipment grow 15% y-o-y in July

India's petroleum products (POL) exports rose 8 per cent m-o-m and 15 per cent on an annual basis in July 2023 aided by higher outbound shipments of diesel during the months, the highest so far in FY24. According to the Petroleum Planning and Analysis Cell (PPAC), India's POL exports stood at 5.4 million tonnes (MT) in July. Diesel exports accounted for more than 44 per cent of the total outbound shipments of refined petroleum products during the month.

<https://www.thehindubusinessline.com/economy/higher-diesel-exports-help-refined-products-shipment-grow-15-y-o-y-in-july/article67241058.ece>

### Direct export of fruits from Assam to Singapore successful: officials

The trial exercise of directly exporting fresh fruits and vegetables from Assam to Singapore under the supervision of the island country's Ministry of Trade and Industry was successful, officials said on Saturday. The cargo included coffee plum, star fruit, jackfruit, Assam lemon, and pineapple, the exporter Achintya Kumar Das, the Founder of KADlien Innovations and Export Centre, told PTI. The project is a collaborative effort of Singapore's Ministry of Trade and Industry and India's Ministry of Commerce and Industry, with support from the Federation of Indian Export Organisation (FIEO), APEDA, and KADlien, he said.

<https://www.thehindubusinessline.com/news/direct-export-of-fruits-from-assam-to-singapore-successful-officials/article67240875.ece>

### India, US must map out economies, form supply chains in complementary ways: Katherine Tai

US Trade Representative (USTR) Katherine Tai said the India-US relationship is on an upward trajectory and the two sides should map out their economies to develop supply chains in complementary ways. In an interview with ET's Kirtika Suneja and Deepshikha Sikarwar, Tai, who was on a visit to India to attend the G20 trade ministers meeting, said the upcoming conference of the World Trade Organization (WTO) will be the first of the "reform ministerials". Edited excerpts:

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-us-must-map-out-economies-form-supply-chains-in-complementary-ways-katherine-tai/articleshow/103110736.cms>

### FDI inflows decline 34% to \$10.9 billion in April-June

Foreign direct investment (FDI) into India declined 34% year-on-year to \$10.94 billion during April-June this fiscal. FDI inflows were \$16.59 billion during April-June 2022-23, data released by the Department for Promotion of

Industry and Internal Trade (DPIIT) showed. Total FDI inflows, including fresh FDI equity inflows, reinvested earnings and other capital, were \$17.56 billion against \$22.34 billion a year ago. Singapore was the top source of FDI with inflows of almost \$3 billion, followed by the Netherlands, at \$1.5 billion. FDI from Mauritius, Singapore, the US and the UAE declined in the first quarter of FY24.

<https://economictimes.indiatimes.com/news/economy/indicators/fdi-inflows-decline-34-to-10-9-billion-in-april-june/articleshow/103110666.cms>

#### **India, UK to continue FTA negotiations till Aug-end**

Indian and UK officials will continue their negotiations till the month-end to iron out differences on the proposed free trade agreement (FTA), the commerce ministry said on Sunday. This meeting will be followed by a review at the higher level, it said. Following the G20 Trade and Investment Ministers Meeting (TIMM) at Jaipur, the progress of the negotiations was reviewed by Commerce and Industry Minister Piyush Goyal and UK's Secretary of State for Trade Kemi Badenoch on August 26. "Teams are going to continue negotiations till the end of August 2023 which will be followed by stock taking at the higher level," it said. While expressing satisfaction over the last 12 rounds of negotiations wherein several chapters have been finalized, both exuded confidence that the next round of talks to be similarly successful.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-uk-to-continue-fta-negotiations-till-aug-end/articleshow/103109166.cms>

#### **Steel exports down by a third on weak demand, Chinese competition**

Tepid demand around the world and increasing competition from China have resulted in India's steel exports falling by a third, but local producers will have a limited impact given robust sales in the domestic markets, experts said. Domestic demand will also help in keeping the price of the alloy stable in the country, they said. China's steel exports, including to India, have seen a sharp jump in recent months. Its shipments to India, for instance, hit a multi-year high in the June quarter.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/steel-exports-down-by-a-third-on-weak-demand-chinese-competition/articleshow/103110982.cms>