



September 01, 2023 – Friday

## Economy

### India's GDP growth accelerates to four-quarter high of 7.8% in Q1 FY24

India's economy grew at the fastest pace in four quarters -- at 7.8 per cent -- in the April-June period of FY24, which is a little below the central bank's estimate, aided by a supportive base along with a robust increase in investment. The Reserve Bank of India (RBI) had estimated gross domestic product (GDP) to grow by 8 per cent in Q1 of FY24 while a Bloomberg survey put it at 7.8 per cent.

[https://www.business-standard.com/economy/news/india-s-gdp-growth-at-7-8-in-april-june-highest-in-four-quarters-123083101172\\_1.html](https://www.business-standard.com/economy/news/india-s-gdp-growth-at-7-8-in-april-june-highest-in-four-quarters-123083101172_1.html)

### Core sector growth eases marginally to 8% in July

India's core sector registered an 8% growth in July, compared with 8.3% in the previous month, as all eight sectors recorded a positive growth for the first time in 14 months, according to data released Friday. While the continuation of government capex (both centre and states) in July led to a strong performance in steel and cement sectors, economists noted that the growth in cement and electricity sector, despite seasonal rains, indicated a progression of economic activity.

<https://economictimes.indiatimes.com/news/economy/indicators/core-sector-growth-eases-marginally-to-8-in-july/articleshow/103254670.cms>

### Fiscal deficit touches 33.9% of full-year target at end-July: CGA data

The Centre's fiscal deficit in the first four months of 2023-24 touched 33.9 per cent of the full-year target, government data showed on Monday. In absolute terms, the fiscal deficit -- the gap between expenditure and revenue -- was Rs 6.06 lakh crore as of end-July, according to the data released by the Controller General of Accounts (CGA).

[https://www.business-standard.com/economy/news/fiscal-deficit-touches-33-9-of-full-year-target-at-end-july-cga-data-123083100797\\_1.html](https://www.business-standard.com/economy/news/fiscal-deficit-touches-33-9-of-full-year-target-at-end-july-cga-data-123083100797_1.html)

### Growth prospects remain solid for next year, says CEA

The robust momentum in investments and consumption will "underpin solid growth prospects" for India in the coming year, chief economic adviser V Anantha Nageswaran said on Thursday, asserting that the country's growth outlook remains bright despite risks from external factors. Briefing reporters after the gross domestic product data showed the economy grew as much as 7.8% in the June quarter, the CEA said high-frequency indicators for July signal a good start to the second quarter of FY24 as well. India remained the world's fastest-growing major economy in the June quarter, ahead of China (6.3% growth), Indonesia (5.2%), Mexico (3.6%) and Japan and the US (2.1% each), he said.

<https://economictimes.indiatimes.com/news/economy/indicators/growth-prospects-remain-solid-for-next-year-says-cea/articleshow/103257810.cms>

### All-India House Price Index rises 5.1 per cent in Q1FY24: RBI data

The all-India House Price Index (HPI) rose by 5.1 per cent in the April-June quarter of 2023-24 as compared with 3.4 per cent a year ago, according to data released by the Reserve Bank of India on Thursday. The RBI releases quarterly HPI based on transaction-level data received from the registration authorities in ten major cities. The cities are Ahmedabad, Bengaluru, Chennai, Delhi, Jaipur, Kanpur, Kochi, Kolkata, Lucknow, and Mumbai. "All India HPI growth (y-o-y) inched up to 5.1 per cent in Q1:2023-24 from 4.6 per cent in the previous quarter and 3.4 per cent a year ago; annual growth in HPI varied widely across the cities - ranging from the high growth of 14.9 per cent (Delhi) to a contraction of 6.6 per cent (Kolkata)," the RBI said.

<https://economictimes.indiatimes.com/news/economy/indicators/all-india-house-price-index-rises-5-1-per-cent-in-q1fy24-rbi-data/articleshow/103255658.cms>

## Banking and Finance

### India clocks 10 billion UPI transactions for the first time in a month

India made history in August with its instant payment system Unified Payment Interface (UPI) crossing 10 billion transactions in volume for the first time in a month. Based on data available until August 30, released by the National Payments Corporation of India (NPCI), the transaction volume reached 10.241 billion. In terms of value as well, UPI transactions are poised to reach a new high, having already reached Rs 15.18 trillion, within striking distance of the previous high of Rs 15.34 trillion, which was recorded in July of this year.

[https://www.business-standard.com/finance/news/india-clocks-10-billion-upi-transactions-for-the-first-time-in-a-month-123083101324\\_1.html](https://www.business-standard.com/finance/news/india-clocks-10-billion-upi-transactions-for-the-first-time-in-a-month-123083101324_1.html)

### Industrial credit growth slumped in July; House Price Index up 5.1% in Q1

While the pace of lending in the retail segment moderated slightly year-on year (Y-o-Y), the credit to services and agriculture and allied activities gathered further steam amid resilient economic growth. The growth of the industrial segment, however, saw a sharp decline YoY across all three segments – micro and small, medium, and large industry, Reserve Bank of India data (RBI) showed.

[https://www.business-standard.com/economy/news/retail-credit-growth-moderates-industrial-credit-yoy-growth-slumps-in-july-123083101179\\_1.html](https://www.business-standard.com/economy/news/retail-credit-growth-moderates-industrial-credit-yoy-growth-slumps-in-july-123083101179_1.html)

### Banks for doubling home loan amount under priority sector

Lenders have reached out to the banking sector regulator, making a case for almost doubling the housing loan amount to be considered priority sector lending. If the Reserve Bank of India (RBI) approves this proposal, the housing sector is expected to get a push, considering that under existing regulations a housing loan of ₹35 lakh in a metropolitan city is considered priority sector lending. Banks are mandated to meet priority sector targets. The limits set by the RBI on bank loans to the housing sector which were to be considered priority sector loans were issued in 2018, said a senior bank executive.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-for-doubling-home-loan-amount-under-priority-sector/articleshow/103257857.cms>

## Industry

### 40 firms commit to make IT hardware worth Rs 4.65 lakh cr under PLI scheme

The production-linked incentive (PLI) scheme for IT hardware 2.0 has been oversubscribed with interest from 40 companies, with expected incremental investments of ₹5,010 crore for additional production worth ₹4.65 lakh crore over six years, including exports of Rs 28,288 crore, the government said on Thursday. "Large IT hardware companies such as Dell and HP are participating directly under the scheme while other major players such as HPE, Lenovo, Acer, ASUS (and) Thomson participating through EMS (electronic manufacturing services) companies — Flextronics, Rising Star (Foxconn), etc. — having manufacturing facilities in India," it said.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/40-firms-commit-to-make-it-hardware-worth-rs-4-65-lakh-cr-under-pli-scheme/articleshow/103256405.cms>

### Textiles Ministry extends deadline for fresh applications for PLI scheme till Oct 31

The Textiles Ministry has decided to extend the deadline for fresh applications under the Production Linked Incentive (PLI) scheme for textiles, covering MMF (man made fibre) apparel, MMF fabrics and products of technical textiles, by another two months, till October 31 2023. "The decision was taken in view of requests from industry stakeholders," per an official release issued by the Textiles Ministry on Thursday. Earlier, the Ministry decided to re-open the PLI Portal till 31st August 2023 for inviting fresh applications from interested companies under the scheme. <https://www.thehindubusinessline.com/economy/textiles-ministry-extends-deadline-for-fresh-applications-for-pli-scheme-till-oct-31/article67256627.ece>

#### **ONDC can support growth of financial services, e-commerce: Deloitte**

The government's initiative ONDC is providing a huge platform for growth of four key sectors, including financial services, agriculture, manufacturing, and e-commerce retail, a Deloitte report said on Thursday. The Open Network for Digital Commerce (ONDC) is an initiative of the commerce and industry ministry to create a facilitative model to help small retailers take advantage of digital commerce.

[https://www.business-standard.com/industry/news/ondc-can-support-growth-of-financial-services-e-commerce-deloitte-123083100347\\_1.html](https://www.business-standard.com/industry/news/ondc-can-support-growth-of-financial-services-e-commerce-deloitte-123083100347_1.html)

#### **ICEA urges govt to rethink new laptop, tablet and PC import policy**

India Cellular and Electronics Association (ICEA) – which represents leading electronics and smartphone players – urged the government to rethink the new import policy on laptops, tablets, and servers, raising concerns about consumer prices, bilateral relationships, and growth of the digital economy in India. The development came a day after Ashwini Vaishnaw, minister for communications and IT, said the industry had not raised concerns on the import licensing requirement.

[https://www.business-standard.com/companies/news/icea-urges-govt-to-rethink-on-new-laptop-and-pcs-import-policy-123083101144\\_1.html](https://www.business-standard.com/companies/news/icea-urges-govt-to-rethink-on-new-laptop-and-pcs-import-policy-123083101144_1.html)

### **Agriculture**

#### **India gets record low August rains, IMD says**

India witnessed the driest August in more than a century as the country received 36% less rainfall than normal in 2023, according to data compiled by the India Meteorological Department (IMD) on Thursday. The country has received 10% lower rainfall than normal from June 1 to August 31, the IMD data showed. The monsoon, vital for the \$ 3 trillion economy, delivers nearly 70% of the rain India needs to water farms and refill reservoirs and aquifers.

<https://economictimes.indiatimes.com/news/economy/agriculture/india-gets-record-low-august-rains-imd-says/articleshow/103245472.cms>

#### **Tea production increases by 6.2% to 165 million kg during July 2023**

Tea production in the country increased marginally by 6.2 per cent at 165.01 million kilogramme during July 2023 as compared to 155.29 million kilogramme in previous similar period. As per the latest Tea Board data, North India tea production during July this year stood at 143.05 million kilogramme, as against 135.77 million kilogramme in the corresponding previous period.

[https://www.business-standard.com/industry/news/tea-production-increases-by-6-2-to-165-million-kg-during-july-2023-123083100292\\_1.html](https://www.business-standard.com/industry/news/tea-production-increases-by-6-2-to-165-million-kg-during-july-2023-123083100292_1.html)

### **Infrastructure**

#### **India house prices on track for steady rises, affordability to worsen: Poll**

Home prices in India are set to rise steadily in single digit percentages over the coming years along with economic growth, according to a Reuters poll of property analysts who expect affordability for first-time buyers to worsen. Average home prices were expected to rise 7.0% nationally this year and next, according to the Aug. 14-31 Reuters poll of 12 property analysts, up from 6.0% and 5.5% in a June poll. The outlook was more upbeat and stable compared with companion polls of property markets in developed economies, where house prices are expected to fall or stagnate after surging as much as 50% during the COVID-19 pandemic.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/india-house-prices-on-track-for-steady-rises-affordability-to-worsen-poll/articleshow/103263058.cms>

### **'PM-eBus Sewa' scheme to be rolled out in 5-6 months: Urban affairs ministry**

The 'PM-eBus Sewa' scheme, under which 10,000 electric buses will be provided to 169 cities under a public-private partnership (PPP) model, will be rolled out in the next five-six months, the Union housing and urban affairs ministry said on Thursday. At a press conference here, Union Urban Affairs Minister Hardeep Singh Puri said the central government is going to procure air-conditioned buses for this soon. Secretary, Housing and Urban Affairs, Manoj Joshi said the scheme will be rolled out in 169 cities and states are required to submit their proposals by September 30. He said the guidelines were issued two days back. Travelling on these electric buses will be a metro-like experience, the official said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/pm-ebus-sewa-scheme-to-be-rolled-out-in-5-6-months-urban-affairs-ministry/articleshow/103251331.cms>

## **Energy**

### **Govt slashes import duty, agri and infra cess on LPG import to nil**

The centre has reduced import duty and Agri and Infra cess on domestic Liquid Petroleum Gas (LPG) from 15% to zero. The LPG imported by private companies used to attract 15% import duty and 15% agri and infra cess. The new rates will be effective from September 1, a Central Board of Indirect Taxes and Customs notification said. On July 1, the government had raised the basic customs duty on domestic LPG cylinders to 15% from 5%. It has also imposed an Agriculture Infrastructure and Development Cess (AIDC) of 15% on the import of LPG cylinders.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/govt-exempts-lpg-imports-from-agri-cess/articleshow/103262108.cms>

## **States**

### **Uttar Pradesh CM Yogi Adityanath asks officials to start work on state green hydrogen policy**

To encourage clean and green energy production sources in Uttar Pradesh in view of global warming and climate change, Chief Minister Yogi Adityanath on Thursday directed officials to prepare an effective draft for the UP Green Hydrogen Policy-2023. Adityanath gave these directions at a meeting with the officials of UP NEDA (UP New and Renewable Energy Development Agency) here at his official residence. The chief minister instructed the officials to prepare an effective draft by consulting the stakeholders working in this area so that investors and users can get maximum benefit from the policy, an official statement issued here said. During the meeting, the chief minister said that green hydrogen, being a clean energy and industrial fuel, would prove helpful in achieving the goal of net zero. In this case, the department should draft an effective policy after carefully examining the Government of India's green hydrogen policy, he said.

<https://economictimes.indiatimes.com/industry/renewables/uttar-pradesh-cm-yogi-adityanath-asks-officials-to-start-work-on-state-green-hydrogen-policy/articleshow/103256324.cms>

## **External**

### **India's Russian crude imports decline sharply in Aug to lowest in 7 months**

Indian imports of Russian oil plunged by a record in August month-on-month (MoM) as discounts on the fuel shrank in tandem with rising Brent oil prices. Higher crude prices will drive inflation or hurt earnings at oil companies and India's fiscal position if such spikes are not passed on to consumers. Indian purchases of Russian crude declined by around 24 per cent in August from July to the lowest level since January, with refiners expecting volumes to drop further amid rising rates of Russian benchmark Urals grade, substantial stocks at refiners, and planned maintenance at Indian refineries, according to ship tracking data and industry officials.

[https://www.business-standard.com/economy/news/india-s-russian-crude-imports-decline-sharply-in-aug-to-lowest-in-7-months-123083100631\\_1.html](https://www.business-standard.com/economy/news/india-s-russian-crude-imports-decline-sharply-in-aug-to-lowest-in-7-months-123083100631_1.html)

### **India's April-July finished steel imports from China at five-year high**

India's finished steel imports from China touched a five-year high in the first four months of the fiscal year that began in April, according to provisional government data reviewed by Reuters. During April-July, China was the second-biggest steel exporter to India, selling 0.6 million metric tons, up 62% from the same period a year earlier. In all, India imported 2 million metric tons of finished steel in the period, the highest since 2020 and up 23% from a year earlier.

[https://www.business-standard.com/economy/news/india-s-april-july-finished-steel-imports-from-china-at-five-year-high-123083100660\\_1.html](https://www.business-standard.com/economy/news/india-s-april-july-finished-steel-imports-from-china-at-five-year-high-123083100660_1.html)

#### **As Indian mkt matures, global automakers aim to make India an export hub**

Global automakers are looking to turn India into an export hub, as people are shifting from local demand to pricier vehicles and that may spur more 'India-first' models, Nikkei Asia reported. India had already surpassed Japan and become the world's third-largest car market and now it seems that they are turning the global manufacturers towards them. As Indian drivers are opting for more expensive cars, global manufacturers are also designing the automobile for India.

[https://www.business-standard.com/industry/news/as-indian-mkt-matures-global-automakers-aim-to-make-india-an-export-hub-123083100136\\_1.html](https://www.business-standard.com/industry/news/as-indian-mkt-matures-global-automakers-aim-to-make-india-an-export-hub-123083100136_1.html)

#### **India, UK officials to start 13th round of FTA talks from Sep 4**

Senior officials of India and the UK will start the 13th round of negotiations for the proposed free trade agreement from September 4, an official said on Thursday. The two sides concluded the 12th round of negotiations on August 31. Commerce and Industry Minister Piyush Goyal has recently stated that the negotiations between India and the UK for the proposed agreement are progressing and both countries are committed to concluding the talks as early as possible. UK Business and Trade Secretary Kemi Badenoch was here recently to review the progress of talks. She also held bilateral meetings with Goyal and Finance Minister Nirmala Sitharaman.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-uk-officials-to-start-13th-round-of-fta-talks-from-sep-4/articleshow/103257392.cms>

#### **MEA tightens rules for partner visas and consular services to check predatory pricing**

In a bid to address concerns related to predatory pricing, the Ministry of External Affairs (MEA) has implemented stricter regulations regarding the selection of partner visas and consular services for the Indian diaspora and foreign visitors. The MEA's primary objective is to enhance the quality and reliability of services provided to Indians migrating and foreigners visiting India, thereby bolstering the country's image and reputation. The Indian Missions under the MEA play a pivotal role as the initial touchpoints for international travelers arriving in India, which includes Indian Citizens, Persons of Indian Origin (PIO), and Foreigners traveling to the country from overseas.

<https://economictimes.indiatimes.com/nri/latest-updates/mea-tightens-rules-for-partner-visas-and-consular-services-to-check-predatory-pricing/articleshow/103261945.cms>