



September 04, 2023 – Monday

## Economy

### India's growth is sustainable; economy strong enough to weather high US rates, says CEA V Anantha Nageswaran

India's economy is strong enough to weather high US interest rates, chief economic adviser V Anantha Nageswaran tells Deepshikha Sikarwar and Vinay Pandey in an interview. The medium-term risk for the country is securing energy supplies while the merchandise trade deficit is not a concern, he says. Edited excerpts:

<https://economictimes.indiatimes.com/news/economy/finance/asset-monetisation-selloff-proceeds-should-be-earmarked-to-reduce-debt-cea/articleshow/103332230.cms>

### India's economy 16.5 years behind China's, says Bernstein research report

India is a median 16.5 years behind China on broad business and economic parameters, according to latest research by Bernstein. According to International Monetary Fund (IMF) estimates, India should move into fourth place by 2025 and third by 2027 with an economy size of \$5.4 trillion.

[https://www.business-standard.com/economy/news/overall-india-is-at-a-median-16-5-years-behind-china-economically-123090300495\\_1.html](https://www.business-standard.com/economy/news/overall-india-is-at-a-median-16-5-years-behind-china-economically-123090300495_1.html)

### Consumption & compliance aided by inflation boosted GST collection in key States

Consumption, clubbed with inflation and compliance, boosted GST collection in key States between February and July of this calendar year. Most of these States have recorded double-digit growth, with Maharashtra maintaining the lead over all States not just in terms of collection but also in growth. As GST is a consumption-based taxation system and it affects prices of both input (consumed by the producer) and output (consumed by the consumer), both wholesale and retail inflation have an impact on GST collection. Experts find a correlation between Inflation and GST collection. Also, they expect some components of GST to be related to WPI and others to CPI.

<https://www.thehindubusinessline.com/economy/consumption-compliance-aided-by-inflation-boosted-gst-collection-in-key-states/article67266203.ece>

## Banking and Finance

### Bank credit outstanding to real estate hits record Rs 28 trn in July: RBI

Bank credit to housing as well as commercial real estate witnessed nearly 38 per cent annual growth in July, taking the loan outstanding to the realty sector to a record Rs 28 lakh crore, as per the latest RBI data. It is evident from the Reserve Bank's loan outstanding data as well as property consultants data on housing sales and new launches across major cities that activities in the real estate sector are moving at a fast pace.

[https://www.business-standard.com/finance/news/bank-credit-outstanding-to-real-estate-hits-record-rs-28-trn-in-july-rbi-123090300299\\_1.html](https://www.business-standard.com/finance/news/bank-credit-outstanding-to-real-estate-hits-record-rs-28-trn-in-july-rbi-123090300299_1.html)

### PFRDA's Rural Push: NPS expansion through RRBs gain momentum

In a significant move aimed at expanding the reach of the National Pension System (NPS) across rural India, the Pension Fund Regulatory and Development Authority (PFRDA) is actively working to onboard Regional Rural

Banks (RRBs) as Points of Presence (PoPs). This strategic initiative, spearheaded by PFRDA Chairman Deepak Mohanty, seeks to emulate the successful distribution model of the Atal Pension Yojana (APY) through RRBs.

<https://www.thehindubusinessline.com/economy/pfrdas-rural-push-nps-expansion-through-rrbs-gain-momentum/article67266477.ece>

## Industry

### Centre to soon come up with PLI scheme for basic chemicals: Mandaviya

The Centre will soon come up with a Production-Linked Incentive (PLI) scheme for basic chemicals for the promotion of the overall chemical sector, Union minister Mansukh Mandaviya said here on Saturday. Mandaviya also said that his ministry has been working on an international-standard drugs and cosmetic bill which will be introduced in the Cabinet in a month's time before being passed in Parliament.

[https://www.business-standard.com/economy/news/centre-to-come-up-with-pli-scheme-for-basic-chemicals-soon-mandaviya-123090200810\\_1.html](https://www.business-standard.com/economy/news/centre-to-come-up-with-pli-scheme-for-basic-chemicals-soon-mandaviya-123090200810_1.html)

### Stronger valuation rules in works for assets under IBC

The Ministry of Corporate Affairs (MCA) will bolster the regulatory regime relating to registered valuers and develop this profession to ensure better resolution of stressed companies and maximisation of toxic asset value under the Insolvency and Bankruptcy Code (IBC), according to an internal communication of the ministry. The proposal comes at a time when stressed firms worth tens of thousands of crores are up for grabs under the IBC but there are no uniform standards for valuing these assets, nor is there a proper regulatory framework governing the valuation profession. Proper valuation of a company is also an important part of any merger and acquisition.

<https://economictimes.indiatimes.com/news/economy/policy/stronger-valuation-rules-in-works-for-assets-under-ibc/articleshow/103332518.cms>

## Agriculture

### Steep 8% MSP hike likely for rabi wheat

The government is likely to announce a big hike of around 8% in the Minimum Support Price (MSP) of wheat for the forthcoming rabi marketing season (2024-25), in the wake of the high market prices of the grain. Sources said that the government is likely to announce a higher increase in MSP for all the rabi crops including wheat, chana and mustard, as there are several elections to states especially in Madhya Pradesh, Rajasthan and Chhattisgarh followed by general elections in May next year.

<https://www.financialexpress.com/policy/economy-steep-8-msp-hike-likely-for-rabi-wheat-3231751/>

## Infrastructure

### Centre approves 30 railway projects worth over Rs 83,000 crore for Telangana: Union Minister Kishan Reddy

The Central government has decided to take up 30 railway projects including 15 new railway lines in Telangana with a total outlay of Rs 83,543 crore, Union Tourism and Culture Minister G Kishan Reddy said on Sunday. Speaking to reporters, the Union Minister alleged that due to the "non-cooperation" of the ruling BRS government, works on laying over 700 km railway tracks have been stalled. "We (the Centre) have asked the state government to speed up the land acquisition for railway projects. We seek the state government's support for projects such as Phase II of Multi-Modal Transport System (MMTS) in Hyderabad.

<https://economictimes.indiatimes.com/industry/transportation/railways/centre-approves-30-railway-projects-worth-over-rs-83000-crore-for-telangana-union-minister-kishan-reddy/articleshow/103331859.cms>

### Mangalore port gears up to handle surge in cargo by 2030

New Mangalore Port Authority (NMPA), which handled 41.42 million tonnes (mt) of cargo in 2022-23, targets a throughput of 58-plus mt by 2030, according to AV Ramana, Chairman of NMPA. Ramana told businessline that NMPA has taken up several projects to modernise the port infrastructure through PPP (public-private partnership)

mode and for capacity augmentation, coupled with measures to unlock value in existing facilities to increase capacity and throughput.

<https://www.thehindubusinessline.com/economy/logistics/mangalore-port-gears-up-to-handle-surge-in-cargo-by-2030/article67259767.ece>

## Energy

### Diversity best bet, no one-size-fits-all solution to energy transition: PM Modi

Prime Minister Narendra Modi has made a renewed pitch for diversity in the energy mix, saying there is no one-size-fits-all solution for a world looking to transition from fossil fuels to cleaner sources like solar and hydrogen. India, the world's third-largest energy consumer, has repeatedly stressed on energy transition being just and orderly and nations having a free hand in decisions on the pathway based on the availability of resources. "Our principle is simple - diversity is our best bet, whether in society or in terms of our energy mix," he told PTI in an exclusive interview here ahead of the G20 summit. "There are no one-size-fits-all solutions. Given the different pathways countries are on, our pathways for energy transition will be different."

<https://economictimes.indiatimes.com/industry/renewables/diversity-best-bet-no-one-size-fits-all-solution-to-energy-transition-pm-modi/articleshow/103325905.cms>

### India steps up coal use to stop outages triggered by unusually dry weather

India has stepped up the use of coal to generate electricity in a bid to stop outages caused by lower hydroelectricity output, and as an increase in renewables is struggling to keep pace with record power demand. It is unusual for India's electricity use to spike in August, when temperatures are lower due to the annual monsoon that runs between June and September. Demand typically peaks in May, when Indians crank up air-conditioners to beat the heat, and industries operate without rain-related disruptions. However, the driest August in more than a century has resulted in power generation surging to a record 162.7 billion kilowatt hours (units), a Reuters analysis of data from the federal grid operator Grid India showed.

<https://economictimes.indiatimes.com/industry/energy/power/india-steps-up-coal-use-to-stop-outages-triggered-by-unusually-dry-weather/articleshow/103336105.cms>

### Solar installations see 3.2% growth at 872 MW in January-June: Mercom

Rooftop solar installations in the country grew by 3.2 per cent to 872 megawatt (MW) during January-June period of 2023, Mercom India said. In H1 or first half of 2022, 845 MW of rooftop solar capacities were installed in India, the research firm said. India's cumulative rooftop solar capacity reached 9.6 gigawatts (GW) at the end June 2023, the 'Mercom India Rooftop Solar Market Report' said.

<https://www.financialexpress.com/business/industry/solar-installations-see-3-2-growth-at-872-mw-in-january-june-mercom/3231252/>

## States

### UP sees highest number of electric vehicle registrations

Uttar Pradesh has emerged with the highest adoption rate of electric vehicles in the country, with 1,70,269 electric vehicles registered in the state between January and September. According to Vahan, which tracks vehicle registrations, there has been a 4.9 per cent jump in the overall number of electric vehicles registered between January and September of CY23 as compared to CY22, with 10,24,781 registered in India. As per the statistics, after Uttar Pradesh, Maharashtra registered the highest number of electric vehicles with 1,24,558 and Karnataka with 1,00,235.

<https://www.thehindubusinessline.com/news/up-sees-highest-number-of-electric-vehicle-registrations/article67266581.ece>

### Rs 2,000 crore loss for HP's tourism sector in July-Aug; hoteliers offer discounts to increase footfall

The tourism sector in Himachal Pradesh suffered losses of about Rs 2,000 crore in July and August, owing to which hoteliers in the state have started offering attractive packages to get back on track. The tourism industry in the hill state, which was in the revival process after Covid-19, received another blow as the monsoon wreaked havoc, leading

to low tourist footfall. This sector, which contributes over Rs 14,000 crore annually to Himachal Pradesh's GDP, lost around Rs 2,000 crore during July and August as heavy rains damaged road infrastructure -- the lifeline of the hill state -- and also cast a shadow on the already restricted air and rail connectivity, officials of the tourism department said.

<https://economictimes.indiatimes.com/industry/services/hotels/-restaurants/rs-2000-crore-loss-for-hps-tourism-sector-in-july-aug-hoteliars-offer-discounts-to-increase-footfall/articleshow/103327539.cms>

## External

### **Six new members' combined share of Brics GDP to be just 11%: Report**

GDP share of the six new members, being added to the five-member BRICS grouping of emerging economies from January, will be just 11 per cent, with Saudi Arabia's contribution the highest at 4 per cent, an analysis shows. The proposed addition of Argentina, Egypt, Ethiopia, Iran, Saudi Arabia and the United Arab Emirates to the five-member BRICS, or Brazil, Russia, India, China and South Africa, will also see the grouping's share in the global GDP rising to 30 per cent from 26 per cent now and that of the population to 46 per cent, according to an analysis by the SBI Research.

[https://www.business-standard.com/economy/news/gdp-share-of-6-new-members-being-added-to-brics-to-be-just-11-report-123090300400\\_1.html](https://www.business-standard.com/economy/news/gdp-share-of-6-new-members-being-added-to-brics-to-be-just-11-report-123090300400_1.html)

### **Share of Russia crude in oil imports falls to 34 per cent in August**

Russia's share in India's crude oil imports fell to 34% in August from 42% in July as state-run refiners sharply reduced imports from Russia. Supplies from Russia fell 23% month-on-month to 1.47 million barrels per day (mbd) in August, even as India's overall crude imports fell 5% to 4.35 mbd, according to energy cargo tracker Vortexa. Russia's seaborne crude exports to China, however, increased to 1.4 mbd in August from 1.3 mbd in July. Indian state refiners took 852,000 barrels per day of Russian oil in August, 30% less than in July while private sector refiners' intake of 617,000 barrels per day was 13% lower than in July.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/share-of-russia-crude-in-oil-imports-falls-to-34-per-cent-in-august/articleshow/103331963.cms>

### **India's POL exports healthy in August, with softening expected from September**

India's petroleum products (POL) exports are expected to be healthy, with shipments clocking 13 per cent M-o-M growth in the first three weeks of August, aided by weaker domestic demand and strong export demand, particularly from Southeast Asia and Africa. However, exports from the world's fourth-largest refiner are likely to soften beginning in September due to Autumn maintenance at some refineries as well as refiners stocking auto fuel ahead of the festival season, when domestic fuel consumption picks up after the seasonally low July-September.

<https://www.thehindubusinessline.com/economy/indias-pol-exports-healthy-in-august-with-softening-expected-from-september/article67266325.ece>