



September 11, 2023 – Monday

Key Developments

Sustainable growth: Voice of India in the G20 New Delhi Summit 2023

Beyond the headline initiatives, such as the inclusion of the African Union into the G20 fold or the launch of the Global Biofuel Alliance, the much-negotiated final outcome document of the G20 New Delhi Summit has an extensive India footprint throughout. A large number of initiatives adopted at various G20 forums and working groups held throughout the year have found their way into the declaration. These include the memorably named “Deccan high-level principles on food security”, the “Goa road map for tourism”, and the “Jaipur call for enhanced MSMEs”.

https://www.business-standard.com/india-news/g20-summit-2023-major-india-footprint-permeates-new-delhi-declaration-123091000683_1.html

Economy

Finance minister, World Bank to work closely to create market structure from CSR demand side for maximising social impact

The World Bank and the finance ministry on Sunday agreed to work closely to create a market structure from the CSR demand side for maximising social impact. World Bank President Ajay Banga, who was in Delhi to attend the G20 Leaders' Summit, on Sunday met Finance Minister Nirmala Sitharaman. The two leaders during the bilateral meeting discussed the outcomes of G20 India Presidency, the evolution of the World Bank Group and their engagement with India through knowledge exchange and financial assistance for developmental projects, among other issues. "During the meeting, Mr. Banga agreed to work closely with the Department of Economic Affairs, Ministry of Finance @FinMinIndia to create a market structure from the Corporate Social Responsibility #CSR demand side for maximising social impact," the ministry said in a post on X.

<https://economictimes.indiatimes.com/news/economy/policy/finance-minister-world-bank-to-work-closely-to-create-market-structure-from-csr-demand-side-for-maximising-social-impact/articleshow/103558554.cms>

PM's Vishwakarma Scheme launch on Sept 17: 70 ministers to attend event at 70 locations

Prime Minister Narendra Modi will be launching the 'PM Vishwakarma Scheme' virtually on September 17 from Delhi on 'Vishwakarma Day' that will be attended by 70 ministers from 70 different locations across the country. PM Modi had mentioned the scheme during his Independence Day speech. The scheme was cleared by the Union cabinet. Union home minister Amit Shah will be attending the program from Ahmedabad while defence minister Rajnath Singh will attend from Lucknow. Union minister Nitin Gadkari will be present in Nagpur, Smriti Irani in Jhansi, Bhupender Yadav in Jaipur while S Jaishankar will join the program from Thiruvananthapuram. Similarly, other ministers have also been deputed mostly in their home states to attend the program.

<https://economictimes.indiatimes.com/news/politics-and-nation/pms-vishwakarma-scheme-launch-on-sept-17-70-ministers-to-attend-event-at-70-locations/articleshow/103559849.cms>

India's external debt-service ratio at 5.3 pc within comfort zone, says FM

India's external debt of USD 624.7 billion at March-end 2023 with a debt-service ratio of 5.3 per cent is within the comfort zone and modest from a cross-country perspective, Finance Minister Nirmala Sitharaman has said. In her

foreword to 'India's External Debt: A Status Report 2022-23' released earlier this month, Sitharaman said the ratio of external debt to GDP declined to 18.9 per cent at March-end 2022-23 from 20 per cent a year ago. The long-term debt constituted 79.4 per cent of total external debt, while short-term debt, which is 20.6 per cent of the total external borrowing, is basically incurred to finance imports, enhancing the stability aspects of the total external debt, she said.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-external-debt-service-ratio-at-5-3-pc-within-comfort-zone-says-fm/articleshow/103552590.cms>

G20's Delhi Declaration goes as far as it can on global issues, says CEA V Anantha Nageswaran

The G20 New Delhi Leaders' Declaration, under the prevailing global circumstances, goes as far as it can in recognising and comprehensively dealing with diverse global challenges, chief economic advisor V Anantha Nageswaran has said. The Indian G20 presidency has significantly added momentum and direction to future work in a number of critical areas, he told Deepshikha Sikarwar in an interview. Edited excerpts:

<https://economictimes.indiatimes.com/news/india/declaration-goes-as-far-as-it-can-on-global-issues-v-anantha-nageswaran/articleshow/103559957.cms>

Banking and Finance

RBI expands its toolkit to tackle liquidity, inflation

The Reserve Bank of India has resumed the use of largescale transactions in the forwards segment of the foreign exchange market, as it seeks to nimbly manage surplus banking system liquidity and tackle inflation risks without disrupting smooth flow of credit in the economy. Several treasury executives told ET that the RBI conducted multiple tranches of short-term 'sell-buy' swaps in the foreign exchange market for a cumulative amount of around \$8 billion over the last few days. The central bank has not conducted these transactions for such a magnitude for at least three months prior to this, currency market players said. The move also comes at a time when hardening crude oil prices and elevated US market rates have resulted in the rupee hovering near its lifetime lows versus the dollar — although the depreciation in the Indian unit has been much milder than last year.

<https://economictimes.indiatimes.com/news/economy/indicators/rbi-expands-its-toolkit-to-tackle-liquidity-inflation/articleshow/103559806.cms>

Debit card usage slow for three years and UPI transactions up 428%

Debit card payments remained sluggish due to the surge in digital transactions after the pandemic, and the Unified Payments Interface (UPI) has emerged as the most popular mode of money transfer, particularly for small value transactions, according to RBI data. In July 2020, the total debit card spends stood at Rs 2.81 trillion, as compared to Rs 3.15 trillion in July 2023, reflecting a growth of 11.96 per cent.

https://www.business-standard.com/finance/news/debit-card-usage-remain-sluggish-as-upi-transactions-gathers-pace-123091000581_1.html

FM Sitharaman discusses capital adequacy framework with World Bank, ADB

Finance Minister Nirmala Sitharaman on Sunday met World Bank President Ajay Banga and Asian Development Bank (ADB) chief Masasugu Asakawa on the sidelines of the G20 Leaders' Summit and called for speedier implementation of capital adequacy framework measures by multilateral development banks (MDBs). Banga and Sitharaman discussed the outcomes of G20 India Presidency, the evolution of the World Bank Group and their engagement with India through knowledge exchange and financial assistance for developmental projects, among other issues.

https://www.business-standard.com/economy/news/sitharaman-calls-wb-ADB-to-step-up-execution-of-capital-adequacy-framework-123091000849_1.html

NBFC-MFI disbursements increase 45.8% to Rs 30,398 crore in Q1FY24

Loan disbursed by non-banking companies acting as Micro Finance Institutions (NBFC-MFIs) rose by 45.8 per cent year-on-year to Rs 30,398 crore in April-June 2023 (Q1 FY24) as against Rs 20,845 crore in April-June 2022 (Q1 FY23), according to Micro Finance Institutions Network (MFIN) data. The surge in disbursements should be seen in the context of a slowdown in activity in April-June 2022, when lenders were in the midst of reorganising working

operations as the Reserve Bank of India (RBI) revised regulatory norms. The changed norms provided a level playing field for NBFC-MFIs vis-a-vis banks, which are also formidable players in the microfinance space.

https://www.business-standard.com/companies/news/nbfc-mfi-disbursements-increase-45-8-to-rs-30-398-crore-in-q1fy24-123091000769_1.html

In a first, PSU general insurers' market share below a third of industry

For the first time, state-run general insurers account for less than a third of the industry premium at 32.5 per cent, as larger private non-life insurers have consolidated their position in the first five months of the current fiscal, according to the General Insurance Council data. Public sector insurers saw their premium income fall by 1 per cent to Rs 34,203 crore during the first five months of the current fiscal. As a result, their market share plunged to less than a third at 32.5 per cent from 33.4 per cent, while premium income slipped from Rs 37,100 crore to Rs 34,203 crore. In another first, driven by the health segment, standalone health insurers' market share also rose to double digits at 10.4 per cent during this period from 9.2 per cent.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/in-a-first-psu-general-insurers-market-share-below-a-third-of-industry/articleshow/103552047.cms>

India to take final call on crypto regulations after talks: Official

India will hold extensive deliberations with other countries before adopting any framework to regulate crypto assets, building on the momentum gained from its G20 presidency, a senior government official said on Sunday, indicating, however, that a blanket ban on such assets seems unlikely at this stage. The release of a paper that synthesised separate recommendations by the International Monetary Fund (IMF) and the Financial Stability Board (FSB) to coordinate measures to stop crypto assets from undermining macroeconomic and financial stability was advanced by about a month so that G20 members could form their assessment on that before the Leadership Summit on September 9-10, he said.

<https://economictimes.indiatimes.com/news/economy/policy/india-to-take-final-call-on-crypto-regulations-after-talks-official/articleshow/103559270.cms>

Industry

India's steel output grows 5 pc in Jan-Jun; trend to continue in second half: SteelMint

India has produced 66.14 MT crude steel in January-June 2023, registering a 5 per cent year-on-year growth and the uptrend is likely to continue in second half of the year as well, according to SteelMint. The domestic industry had produced 63 million tonnes (MT) crude steel in the January-June period of 2022, the research firm said. The increase in production was mainly on account of improved capacity utilisation rates coupled with the ramping up of capacities by key Indian steel players, it said. According to SteelMint these factors will continue to support the growth in production in the second half of the ongoing year, SteelMint added.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/indias-steel-output-grows-5-pc-in-jan-jun-trend-to-continue-in-second-half-steelmint/articleshow/103551283.cms>

Proposed tax on international card purchases may drive sale of luxury brands in India

The government's proposal to impose a 20% tax on expenditures made abroad under the Liberalised Remittance Scheme, in case of amounts exceeding ₹7 lakh in a financial year from October 1, is likely to push the sale of luxury brands in India, experts said. Covid had helped boost demand for luxury brands in India as international travel restrictions shifted sales to domestic stores. That is now set to get another boost due to narrowing of the price gap between foreign and local markets after accounting for the 20% tax collected at source (TCS), mall owners said. "An Indian consumer earlier used to go abroad and shop in Dubai or London, but when the pandemic happened, many of those brands like Chanel or Hermes called their Indian consumers to do small events inside the store. There are customers who come for the first time to the brand's store in India and realise the price difference is hardly 15%. Millennials also prefer luxury brands, leading to the growth," said Pushpa Bector, senior executive director at DLF Retail, which operates premium malls across the Delhi-National Capital Region.

<https://economictimes.indiatimes.com/industry/services/retail/proposed-tax-on-international-card-purchases-may-drive-sale-of-luxury-brands-in-india/articleshow/103559492.cms>

Handset Industry to Ramp Up Hiring to Meet Festive Demand

The handset industry is expected to see around a 15% increase in hiring activity in the upcoming festive season, as compared to around 10% last year. The hiring will be led mainly by the retail side and lean towards contractual roles, as brands push to maximise the crucial sale period, staffing experts said. The increase in hiring activity comes even as the past few quarters saw handset makers pull back on hiring due to muted shipments. However, the pick-up in 5G shipments, coupled with expected positive customer sentiment around the festive season will prompt brands to increase their sales and support workforce for this period, they added.

<https://economictimes.indiatimes.com/jobs/mid-career/handset-industry-to-ramp-up-hiring-to-meet-festive-demand/articleshow/103559386.cms>

Agriculture

Over 81,000 farmers deemed ineligible for PM-Kisan scheme in Bihar

Over 81,000 farmers have been deemed ineligible for the Pradhan Mantri Kisan Samman Nidhi (PM-Kisan) scheme in Bihar, and the government has asked state-owned banks to expedite the process of collecting refunds from them, a senior official said. These farmers were found disentitled for the central government programme on account of paying income tax and other reasons, he said. "After proper scrutiny, a total 81,595 farmers (45,879 income tax payees since 2020 and 35,716 for other reasons) have been identified as ineligible beneficiaries in Bihar. The state's agriculture department has asked all the banks concerned to expedite the process of collecting the refund amount worth around Rs 81.6 crore from the farmers," Alok Ranjan Ghosh, Director (Agriculture), told PTI.

<https://economictimes.indiatimes.com/news/economy/agriculture/over-81000-farmers-deemed-ineligible-for-pm-kisan-scheme-in-bihar/articleshow/103555468.cms>

Infrastructure

59% Indians prefer mid, high-range homes despite price rise: Anarock

59 per cent of Indians prefer to buy homes priced between Rs 45 lakh and Rs 1.5 crore, despite a rise in residential prices, real estate consultancy Anarock said in a survey released on Sunday. The homes priced between Rs 45 lakh and Rs 90 lakh fall in the mid-range, while those priced in the range of Rs 90 lakh and Rs 1.5 crore are considered premium. In its "Consumer Sentiment Survey" for the first six months of 2023, Anarock said that the number of people who want to buy mid and high-range homes this year is 10 per cent higher than in the first six months of 2020. This is despite high inflation impacting the disposable income of 66 per cent of respondents.

https://www.business-standard.com/industry/news/59-indians-prefer-mid-high-range-homes-despite-price-rise-anarock-123091000513_1.html

Real estate leasing companies in a fix over blocked credit eligibility

Commercial real estate developers leasing their properties are receiving notices about blocked credit eligibility under sections 17 (5) C and 17 (5) D even as the case is being argued at the Supreme Court, say real estate industry stakeholders. If a developer constructs a commercial building and sells it before obtaining an occupancy certificate, they may be eligible to claim credit, provided they pay the output GST on the sale transaction. However, if the developer uses the building for leasing, such an ITC is not available for set-off.

<https://economictimes.indiatimes.com/industry/services/property/-cstruction/real-estate-leasing-companies-in-a-fix-over-blocked-credit-eligibility/articleshow/103559443.cms>

Healthcare

DCGI asks states to keep vigil on sale of falsified versions of 2 drugs

The Drugs Controller General of India (DCGI) has directed the drugs controllers of all states and Union territories to keep a strict vigil on the sale and distribution of falsified versions of two drugs, liver medication Defitelio and Takeda's cancer drug Adcetris (injection), following alerts issued by the World Health Organisation (WHO). In an advisory on September 5, the DCGI said the WHO has issued a safety alert identified with multiple falsified versions of Adcetris injection 50 mg manufactured by Takeda Pharmaceutical Company Limited, identified in four different countries including India.

https://www.business-standard.com/industry/news/dcgi-asks-states-to-keep-vigil-on-sale-of-falsified-versions-of-2-drugs-123091000385_1.html

External

India agrees to cut import duty to 5-10% on some processed food items

India has agreed to bring down the import duty to 5-10 per cent on some fresh and processed food items as part of a larger dispute settlement between New Delhi and Washington at the World Trade Organization (WTO). The duties will be reduced on import of frozen turkey, frozen duck, fresh/frozen/dried/processed blueberries, and cranberries. Currently, these items attract import duty of around 30-45 per cent.

https://www.business-standard.com/economy/news/india-agrees-to-bring-down-import-duty-on-some-fresh-processed-food-items-123091000533_1.html

India, Brazil to work for expansion of PTA with Mercosur bloc

India and Brazil on Sunday agreed to work together for the expansion of India-Mercosur preferential trade agreement (PTA) to further promote economic ties, an official statement said. Mercosur is a trading bloc in Latin America, comprising Brazil, Argentina, Uruguay and Paraguay. The issue came up for discussion during the meeting of Prime Minister Narendra Modi and Brazilian President Luiz Inacio Lula da Silva here at the sidelines of the G20 Summit. "Expressing satisfaction over the growing trade between India and Mercosur, both leaders agreed to work together for the expansion of India-Mercosur PTA during Brazil's Mercosur Presidency, to leverage the full potential of this economic partnership," a joint statement issued after the meeting said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-brazil-to-work-for-expansion-of-pta-with-mercotur-bloc/articleshow/103558598.cms>

India to offer Russia to invest trapped Rupees, Foreign Minister Sergei Lavrov says

India will offer Russia options to invest the billions in rupees it has accumulated for exports, Foreign Minister Sergei Lavrov said Sunday in New Delhi. "Our Indian friends said they would propose promising areas they can be invested in," Lavrov told reporters, citing talks with Indian counterpart Subrahmanyam Jaishankar in Jakarta, Indonesia, on the sidelines of the East Asia summit prior to his arrival to India. "Right now our governments are talking how to use and invest them to mutual benefit."

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-to-offer-russia-to-invest-trapped-rupees-foreign-minister-sergei-lavrov-says/articleshow/103553643.cms>