



September 18, 2023 – Monday

Economy

PM Narendra Modi launches Rs 13,000-crore 'PM Vishwakarma scheme'

Indians need to be “vocal for local” products and then help them achieve global status, Prime Minister Narendra Modi said on Sunday at the launch of the PM Vishwakarma scheme. The scheme, with an initial outlay of Rs 13,000 crore, will provide a global market for traditional crafts and products, and will enable local artisans to become part of the global supply chain, he added while also inaugurating the first phase of India International Convention and Expo Centre (IICC), Yashobhoomi, on Sunday.

https://www.business-standard.com/india-news/vishwakarma-scheme-will-integrate-craftsmen-with-global-supply-chains-pm-123091700756_1.html

Being the 5th largest economy ‘impressive,’ but per capita income must also rise, says Ex RBI Governor C Rangarajan

While India becoming the fifth largest economy in the world is an ‘impressive achievement,’ there is a need to grow fast to increase the per capita income of the country from the present levels, former Reserve Bank of India Governor C Rangarajan said on Saturday. In his address at the 13th Convocation of the ICFAI Foundation for Higher Education, Rangarajan said post Covid-19 and the Russia-Ukraine war, there is a need to lay down a clear roadmap for India’s future development and the first and foremost task is to raise the growth rate.

<https://www.financialexpress.com/policy/economy-being-the-5th-largest-economy-impressive-but-per-capita-income-must-also-rise-says-ex-rbi-governor-c-rangarajan-3245494/>

National policy for emergency and trauma care on the table

India is working on developing a comprehensive emergency and trauma care system which will be woven into the Ayushman Bharat scheme to expand its outreach to people at the lowest levels and reduce cost of emergency services. The move is aimed at providing worldclass emergency services to prevent large numbers of deaths from road accidents and providing trauma care in other emergencies, including disasters. The plan is to develop a national policy for triage (preliminary assessment of patients or casualties) while laying out standardised protocols for care, establishing world-class ambulance services with effective paramedics and significantly enhancing the number of blood banks.

<https://economictimes.indiatimes.com/news/economy/policy/national-policy-for-emergency-and-trauma-care-on-the-table/articleshow/103738677.cms>

As India gets closer to its GDP goal, experts warn of subdued nominal growth

India may inch closer to its target of 6.5% real GDP growth in FY24, but economists contend that nominal growth may be lower than budgeted, challenging the fiscal math and pushing the target to become a \$5 trillion economy by another year. Subdued wholesale inflation may keep nominal GDP growth at least a percentage point below the Union Budget estimate of 10.5% in this fiscal year, according to experts. “Our estimate of nominal FY24 GDP growth is tracking at 9% with downside risk,” said Gaura Sengupta, economist, IDFC First Bank. She predicted wholesale inflation to average 0.2% this fiscal, compared with 9.6% in the previous year.

<https://economictimes.indiatimes.com/news/economy/indicators/india-may-touch-its-gdp-target-but-experts-warn-of-subdued-nominal-growth/articleshow/103738428.cms>

Banking and Finance

Strategic-sector CPSEs to get more investment autonomy

In line with the policy to give more operational freedom to central public sector enterprises (CPSEs), the government is considering giving more autonomy to CPSEs to make investment decisions up to 60% or more of their net worth from up to 40% now without Cabinet approval in projects, downstream companies or joint ventures (JVs). However, the changes will likely apply to CPSEs in strategic sectors such as power, petroleum, coal and other minerals. The move may further the country's energy and critical mineral security with the CPSEs in these sectors likely to be encouraged to acquire assets overseas.

<https://www.financialexpress.com/policy/economy-strategic-sector-cpses-to-get-more-investment-autonomy-3245171/>

Asset reconstruction cos urge RBI to let rich individual investors bet on security receipts of stressed assets

India's stressed asset players are lobbying for opening the market to rich individual investors. These investors - unlike their small, retail counterparts in mutual funds - are believed to have the stomach for such high-risk, high-reward bets. With more and more banks insisting on being paid in cash for the sticky loans they sell, a direct entry of high net worth individual (HNI) investors would increase the fund flow in the market, feel the asset reconstruction companies (ARCs) - the stressed asset firms which are the prime buyers of non-performing assets from banks.

<https://economictimes.indiatimes.com/industry/banking/finance/asset-reconstruction-cos-urge-rbi-to-let-rich-individual-investors-bet-on-security-receipts-of-stressed-assets/articleshow/103739279.cms>

Amid calls for more licences, deposit-taking NBFCs at record low of 34 in FY23

The number of deposit-taking NBFCs has fallen to a record low of 34 in FY23, from 69 in pre-pandemic FY20, and 254 a decade ago, as per data from RBI's Handbook of Statistics on the Indian Economy for FY23. "Number of NBFCs collecting deposits decreased consistently due to the changed norm of acceptance of deposits," the central bank said in the notes. The sharpest fall was in FY19, when the number of deposit-taking NBFCs more than halved to 81 from 168 in the previous year. RBI has been cautious in allowing NBFCs to public deposits citing the objective of protection of depositors' interest. In August 2017, then Deputy Governor N.S. Vishwanathan had said that the central bank is not in favour of allowing NBFCs to accept deposits, and will not be giving more licences in the future.

<https://www.thehindubusinessline.com/money-and-banking/amid-calls-for-more-licences-deposit-taking-nbfc-at-record-low-of-34-in-fy23/article67319116.ece>

Corporate banking profitability at an all-time low

The heightened pricing war in the corporate or wholesale lending market is beginning to pinch banks more than what was anticipated. According to senior executives in the industry, NIM or net interest margin, which is the measure of profitability, is at a all-time low of 1.5-1.75 per cent for the wholesale banking business. This converts to a profitability erosion of over 100-120 basis points over the last five years. To be sure, despite the 250 basis points increase in the repo rate since May 2022 (now at 6.5 per cent), well-rated corporates, those with credit rating of A and above, continue to access bank loans at the near about the benchmark rates. businessline had reported earlier that entities with AAA rating continue to access bank loans at 7.25 - 7.75 per cent, while those with A and above rating access debt at 7.5 - 8.75 per cent.

<https://www.thehindubusinessline.com/money-and-banking/corporate-banking-profitability-at-an-all-time-low/article67318460.ece>

Industry

Top automakers readying clean tech to power up future vehicles

Maruti Suzuki, Bajaj Auto, TVS Motor Company and Eicher Motors are among Indian automakers working on range of eco-friendly technologies, including biogas, flex-fuel and ethanol, to achieve the government's goal of clean mobility in line with the Global Biofuels Alliance (GBA) announced at the G20 Summit. While two-wheeler makers

such as Hero MotoCorp, Bajaj Auto, and TVS are looking to commercially launch one model each running on flex fuel by October 2024, carmakers such as Maruti Suzuki are developing vehicles powered by biogas which would be carbon neutral. For passenger vehicles, the timelines for mass introduction of flex fuel vehicles have been set at April 2027 given the complex product mix and volume constraints.

<https://economictimes.indiatimes.com/industry/renewables/indian-automakers-adapt-to-eco-friendly-technologies-to-meet-governments-clean-mobility-goals/articleshow/103736945.cms>

'Domestic manufacturing of premium lighting products may double in 3 yrs'

The Indian premium decorative lighting industry is focusing on domestic value addition to replace imports, and expects the localisation level to double from the current stage in the next three years as the demand is on the rise, a senior company official said. Localisation refers to locally producing or manufacturing components. It is beneficial for a sector as it cuts down the cost of the component or the whole product.

https://www.business-standard.com/industry/news/domestic-manufacturing-of-premium-lighting-products-may-double-in-3-yrs-123091600759_1.html

Local firms plan to take millets-based foods overseas

Indian companies have started to take millets-based products to international markets to get a first-mover advantage globally amid the spotlight on them at the just-concluded G20 Summit in New Delhi and the UN recognising 2023 as International Year of Millets, executives at large companies said. Suhasini Sampath, cofounder of ITC-backed health foods brand Yoga Bar, which makes millet-based snack bars, muesli, choccos and now infant foods under its brand franchise Yoga Baby, said: "We are working very closely with the ITC exports team to take our products to the US and UAE." Sampath added: "We were sorting our trademarks in other world markets and now that we've gotten those in place, we are going to go aggressive on taking millets overseas. Companies are taking to the trend despite cultivation challenges of millets due to climatic changes, and limited storage and processing facilities domestically.

<https://economictimes.indiatimes.com/industry/cons-products/food/local-firms-plan-to-take-millets-based-foods-overseas/articleshow/103739117.cms>

Energy

Diesel sales fall in September amid rains, petrol consumption up in India

Diesel sales in India fell for the second straight month in September as rains dampened demand and slowed industrial activity in some parts of the country, preliminary data of state-owned firms showed. While diesel sales by three state-owned fuel retailers fell year-on-year in the first half of September, petrol sales were up marginally.

https://www.business-standard.com/economy/news/diesel-sales-fall-in-september-amid-rains-petrol-consumption-up-in-india-123091700298_1.html

Telecom

Government firm on net neutrality as telcos look for 5G leeway

The Centre is likely to retain its earlier stance on net neutrality and the principles governing it despite calls from telecom companies to revise the rules so that they can make the best possible use of 5G technology, two senior government officials told ET. It is also likely to ask both service layer apps as well as telecom companies to work together to find a solution that does not impact connectivity for the average user, an official said. "The disagreements between your service layer apps such as Netflix or Prime and telecom companies are between them to sort out. As far as the consumer is concerned, we are absolutely clear that the basic principle of net neutrality should not be violated," the person added. "As far as we are concerned, we are absolutely sure that the principle behind net neutrality, which is that the pipe through which the connectivity flows cannot give differential treatment to different users or apps and restrict the flow to others, should be maintained," an official said.

<https://economictimes.indiatimes.com/tech/technology/government-firm-on-net-neutrality-as-telcos-look-for-5g-leeway/articleshow/103738281.cms>

Telcos may spend only half of last year's outlay on ads during cricket world cup: Media planners

India's top telcos - Reliance Jio, Bharti Airtel and Vodafone Idea - are expected to limit media spending in the upcoming ICC Cricket World Cup, media planners said, adding their cumulative spends for the festive season could well be around half of the ₹350 crore they spent last year. The World Cup, which coincides with the Diwali season this year, will form part of the media plan, but may be restricted to digital activations and point-of-sale promotions, as opposed to mainline television campaigns with only two meaningful telecom advertisers in the market and the need for aggressive high-cost marketing being low, they added. However, the longer festive season - September end to December end - may see the telcos loosen their purse strings, especially if 5G smartphone shipments show signs of pick-up.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/telcos-may-spend-only-half-of-last-years-outlay-on-ads-during-cricket-world-cup-media-planners/articleshow/103739457.cms>

Healthcare

Pharmexcil launches capacity-building initiative for industry

The Pharmaceuticals Export Promotion Council (Pharmexcil) launched a capacity-building programme for the industry with support from the Ministry of Commerce and Industry. As the Indian pharma units, especially in the MSME sector, are facing new challenges such as poor resources to meet global as well as domestic expectations in healthcare, the Centre is contemplating to implement the Draft Schedule M (Good Manufacturing Practice) published in 2018 soon. "In this context, Pharmexcil felt the need to educate small and medium-scale manufacturers to improve their understanding of Regulatory, GMP, and quality and safety norms and at the same time to keep up the momentum of upholding export potentials," the Council said in a release.

<https://www.thehindubusinessline.com/news/pharmexcil-launches-capacity-building-initiative-for-industry/article67318290.ece>

External

India's exports shrink 6.9% in August; trade deficit hits 10-month high

India's merchandise exports contracted for a seventh consecutive month in August, declining 6.9 per cent year-on-year to \$34.48 billion, owing to weak external demand, data released by the commerce department showed on Friday. The government, however, said that exports had started "stabilising" and "greenshoots" were clearly visible. The merchandise trade deficit, or the gap between exports and imports, on the other hand, widened to a 10-month high of \$24.16 billion in August as higher crude oil prices and robust domestic demand led to a nearly 11 per cent jump in imports on a sequential basis.

https://www.business-standard.com/economy/news/trade-deficit-widens-to-10-month-high-in-august-exports-dip-6-9-123091501098_1.html

India, Brazil begin talks to resolve sugar related trade dispute at WTO

India and Brazil have started talks to mutually resolve a sugar related trade dispute at the World Trade Organisation (WTO) and as part of the solution the South American nation may share ethanol production technology with New Delhi, an official said. Brazil is the largest producer of sugarcane and ethanol in the world. It is also a leader in the technology used for ethanol production.

https://www.business-standard.com/india-news/india-brazil-begin-talks-to-resolve-sugar-related-trade-dispute-at-wto-123091700291_1.html

International Trade Centre begins work on G20 MSME portal

The International Trade Centre (ITC), a United Nations-WTO joint venture, has begun work on developing a prototype of Global Trade Helpdesk to enhance information access for small businesses in line with the G20 plan for trade endorsed at the New Delhi summit, Pamela Coke Hamilton, its executive director, told ET. The 'Jaipur Call for Action' under India's G20 presidency has roped in Geneva-based ITC for "appropriate, aggregated, trade-related information relevant for MSMEs (micro, small and medium enterprises)" available on a single portal and a non-exhaustive list of links to relevant government websites for MSMEs.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/international-trade-centre-begins-work-on-g20-msme-portal/articleshow/103738815.cms>

Laptop import curbs: Centre considering further postponement; replacing licensing with registration

To address industry concerns on import curbs on laptops, computers and tablets announced recently, the Centre is examining options such as allowing importers to register online instead of going through the hassles of getting a licence, like in case of steel, or postponing implementation of the restrictions by a year or more, sources said. “MeitY (Ministry of Electronics and Information Technology) is holding consultations with the industry on their concerns on the import restrictions that are to kick in from November 1. It will discuss its proposals with the DGFT (Directorate-General of Foreign Trade) by the end of September,” a source tracking the matter told businessline. The options being discussed between the industry and the government include going in for an online registration of importers instead of the cumbersome licencing process. “The government already has the steel import monitoring system in place where importers don’t need a licence to import but get registered online. A unique code is generated that has to be put in the bill of entry for carrying out imports. Something similar could be tried out for laptops and computers if required,” the source said.

<https://www.thehindubusinessline.com/economy/laptop-import-curbs-centre-considering-further-postponement-replacing-licensing-with-registration/article67318778.ece>