



September 29, 2023 – Friday

Economy

India retains its 40th position in the Global Innovation Index 2023

India retained its 40th position on the annual Global Innovation Index (GII) 2023 with a score of 38.1, due to its vibrant start-up ecosystem, knowledge capital and the work done by public and private research organisations. The index by the World Intellectual Property Organisation (WIPO) was released on Thursday and ranked 132 economies on the Innovation Index. India also retained its top position in the lower-middle-income group and the Central and South Asian region.

https://www.business-standard.com/economy/news/india-retains-its-40th-position-in-the-global-innovation-index-2023-123092800876_1.html

India may have more elderly persons than children by 2050: UN report

United Nations Population Fund's (UNFPA) "India Ageing Report 2023" has said that India's elderly population is increasing fast and may surpass the number of children (aged 0-14 years) in the country by 2050. The report said that globally, there are 1.1 billion people aged 60 years or above as per 2022 data, which amounts to 13.9 per cent of the global population, which is 7.9 billion.

https://www.business-standard.com/india-news/india-may-have-more-elderly-persons-than-children-by-2050-un-report-123092800179_1.html

Banking and Finance

Sebi asks MCX to put launch of new platform on hold

Multi Commodity Exchange of India (MCX) on Friday said the country's markets regulator Sebi has asked the company to put on hold the proposed go-live of its new commodity derivatives platform planned for next week. The above action has been taken by the market regulator in view of the writ petitions filed by Chennai Financial Markets and Accountability (CFMA) on Commodity Derivatives Platform (CDP). "It may be noted that writ petitions filed by CFMA on CDP are pending before the Hon'ble Madras High Court for disposal," MCX said in an exchange filing said.

<https://economictimes.indiatimes.com/markets/stocks/news/india-markets-regulator-asks-multi-commodity-exchange-to-put-launch-of-new-platform-on-hold/articleshow/104030537.cms>

Credit to retail sector dips to 18.3% in August 2023, shows RBI data

The pace of bank credit to retail segments including housing, vehicle and credit cards, among others, moderated marginally to 18.3 per cent on a year-on-year (Y-o-Y) basis in August 2023 from 19.4 per cent year in the corresponding period last year. The housing segment, which is the largest component of bank retail credit, clocked a growth of 13.8 per cent Y-o-Y in August 2023, down from 16.3 per cent in August 2022, according to Reserve Bank of India (RBI) data. The growth does not factor in the impact of HDFC's merger with HDFC Bank in July 2023.

https://www.business-standard.com/economy/news/credit-to-retail-industry-moderates-marginally-to-18-3-in-august-2023-123092801087_1.html

Banks plan rating model for startups' risk profiling

Banks are eyeing a separate rating framework or model for risk profiling startups and have initiated discussions with concerned stakeholders including the ratings agencies, the government and the banking regulator. The move comes in the backdrop of the government wanting banks to play a more significant role in financing startups. Banks are of the view that a common rating framework will help reduce turnaround time and ensure faster execution of approvals besides timely disbursements. Experts believe that a separate framework will help assess the viability of startup funding based on an assessment of the product or service itself and its monetisation abilities, thereby making a clear case for the pros and cons of funding the startup.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-plan-rating-model-for-startups-risk-profiling/articleshow/104026344.cms>

India's bank credit growth likely to moderate to 13-13.5% in FY24: CRISIL

After clocking a robust 15.9 per cent growth in FY23, the bank credit growth in India is likely to moderate to 13-13.5 per cent in the current financial year (FY24). It will improve to 13.5-14 per cent in the next financial year (FY25) as economic growth picks up, according to rating agency CRISIL. The strong growth in the last financial year (FY23) came on the back of broad-based economic recovery, stronger, cleaner balance sheets and the lower base of the preceding two financial years.

https://www.business-standard.com/industry/banking/india-s-bank-credit-growth-likely-to-moderate-to-13-13-5-in-fy24-crisil-123092800887_1.html

Increased monthly GST collections mainly on account of higher compliance: CBIC chief

CBIC chief Sanjay Kumar Agarwal on Thursday said increased monthly GST collections are mainly on account of higher compliance, and the GST Council's decision to tighten return filing and registration process would help reduce fake ITC claims in evasion prone sectors, including iron and steel. Agarwal said the Central Board of Indirect Taxes and Customs (CBIC) has received suggestions regarding streamlining tax rates in evasion-prone sectors and all that is being discussed.

<https://economictimes.indiatimes.com/news/economy/finance/increased-monthly-gst-collections-mainly-on-account-of-higher-compliance-cbic-chief/articleshow/104016358.cms>

Higher 20% TCS on overseas remittances, foreign tour kicks in from Oct 1

The higher rate of 20 per cent TCS to be levied on spending above Rs 7 lakh on foreign tour packages and liberalised remittance scheme (LRS) will kick in from October 1. Currently, funds transferred overseas under the Reserve Bank's LRS attract 5 per cent Tax Collection at Source (TCS) on amounts exceeding Rs 7 lakh.

https://www.business-standard.com/economy/news/higher-20-tcs-on-overseas-remittances-foreign-tour-kicks-in-from-oct-1-123092800751_1.html

Industry

Govt approves 18 R&D projects of technical textiles worth Rs 46.74 crore

Union Minister Piyush Goyal on Thursday chaired the 7th meeting of the Mission Steering Group of National Technical Textiles Mission, and 18 R&D projects worth Rs 46.74 crore were approved, according to an official statement. The cleared projects include those under key strategic areas of Geotech, Protech, Indutech, Sustainable Textiles, Sportech, Smart E-Textiles and Meditech segments.

https://www.business-standard.com/economy/news/govt-approves-18-r-d-projects-of-technical-textiles-123092801294_1.html

MCA looks to turbocharge IBC process

The Corporate Affairs Ministry (MCA) is looking to bring in legal amendments to the insolvency and bankruptcy code (IBC) 2016 in the upcoming winter session as part of its overall effort to crunch the time taken for completion of Corporate Insolvency Resolution Process (CIRP) and avoid delays. Inter-Ministerial consultations have been done and the draft cabinet note is ready, official sources said. The outcomes and efficiency of the entire IBC process has recently come under question with the average time taken for completing CIRP exceeding six months.

<https://www.thehindubusinessline.com/economy/mca-looks-to-turbocharge-ibc-process/article67357696.ece>

Car sales in September set to touch fresh highs on strong festive demand

Car sales in India are estimated to scale new highs in September taking the monthly, quarterly and first half (fiscal year) volumes to a record high. Fueled by an encouraging consumer demand in the ongoing festive season and spate of new model launches in the SUV segment that has helped sustain buyer interest, car makers are likely to dispatch around 365,000-370,000 units in September 2023 implying a growth of 3-4%, according to the industry sources. Auto firms in India count dispatches to dealers. "We do expect the September sales to be one of the highest ever for the industry crossing 360,000 units. Even as the absolute volumes are expected to be high, the percentage growth may not be high on account of a high base of September 2022 when the wholesales stood at 355,000 units," said Shashank Srivastava, senior executive officer- sales and marketing at car market leader, Maruti Suzuki India.

<https://economictimes.indiatimes.com/industry/auto/cars-uvs/car-sales-in-september-set-to-touch-fresh-highs-on-strong-festive-demand/articleshow/104012998.cms>

Sales of alternative fuel vehicles double in three years

One in every five cars sold in the country's top metros is electric, hybrid or runs on CNG as the share of alternative powertrains has more than doubled in the last three years amid high petrol and diesel prices. Growing consumer awareness about environmental challenges and improving infrastructure and availability are expected to speed up this trend and carmakers are gearing up to meet the growing demand. The market share of alternative powertrains - or, those not exclusively based on internal combustion engines - has increased to 12.95% in urban centres this year from 4.68% in 2020 and to 8.39% from 3.75% in rural centres, data collated by automotive consultancy Jato Dynamics shows.

<https://economictimes.indiatimes.com/industry/renewables/sales-of-alternative-fuel-vehicles-double-in-three-years/articleshow/104026660.cms>

Demand for EV charger to grow at 65% CAGR to reach 3 mn by 2030: Report

The domestic demand for EV chargers is likely to grow at a CAGR of 65 per cent to reach the 3 million unit mark by 2030, according to a report. More than 17,000 units of electric vehicle (EV) chargers were sold in 2021, the joint report of Customized Energy Solutions(CES) and India Energy Storage Alliance (IESA) said. The Indian EV charger market is poised to expand at an impressive CAGR of 65 per cent between 2022 and 2030 to achieve annual sales of 3 million units to meet the requirement of chargers to meet the national EV scenario (NEV) by 2030, the report titled 'India Electric Vehicle Charging Infrastructure & Battery Swapping Market Overview' said.

https://www.business-standard.com/industry/auto/demand-for-ev-charger-to-grow-at-65-cagr-to-reach-30-mn-by-2030-report-123092700950_1.html

Steel Ministry explores use of bamboo, biochar as low carbon emitting alternatives in steel-making

India's Steel Ministry is looking at the use of bamboo and other biomass sources as low carbon emitting alternatives in steel-making. Policy decisions could be worked on, if required, Secretary Nagendra Nath Sinha said on Thursday. Sinha said biomass can be considered as a low carbon-emission resource, thereby making it an attractive option to reduce emissions from iron and steel production.

<https://www.thehindubusinessline.com/companies/steel-ministry-explores-use-of-bamboo-biochar-as-low-carbon-emitting-alternatives-in-steel-making/article67357336.ece>

Infrastructure

National Highways to be pothole free by December this year: Nitin Gadkari

The government will soon firm up a roadmap to make India's national highways pothole free by December 2023 with construction focus shifting from the engineering, procurement and construction (EPC) model to build-operate-transfer (BOT) model and the hybrid annuity model (HAM) for government projects under the ministry of road transport and highways. "Under BOT mode, the maintenance of the highways lies with the contractor and hence good quality roads are made which minimises their maintenance cost," road transport minister Nitin Gadkari said on Thursday. According to Gadkari, a policy is being made to ensure potholes free national highways and young engineers will be roped in to make the project a success.

<https://economictimes.indiatimes.com/news/economy/infrastructure/national-highways-to-be-pothole-free-by-december-this-year-nitin-gadkari/articleshow/104014174.cms>

PM Gati Shakti: Six infra projects worth Rs 52,000 crore recommended for approval

As many as six infrastructure projects of roads and railways worth Rs 52,000 crore have been recommended for approval under the PM Gati Shakti initiative, an official statement said on Thursday. This takes the total number of projects assessed by NPG to 112 with a total value of about Rs 11.53 lakh crore, since the launch of PM Gati Shakti, it said. These six projects were assessed in the 56th Network Planning Group (NPG) meeting on September 27. The "Group meeting under PM Gati Shakti six project proposals, including four projects of Ministry of Road Transport and Highways and two projects of Ministry of Railways with the total project cost of about Rs 52,000 crore were assessed," the commerce and industry ministry said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/pm-gati-shakti-six-infra-projects-worth-rs-52000-crore-recommended-for-approval/articleshow/104011727.cms>

Energy

Govt releases bids timelines for developing offshore wind energy in Tamil Nadu in FY24, FY25

The Ministry of New & Renewable Energy (MNRE) on Thursday released the timelines for bidding for the allocation of seabed to develop offshore wind sites off the coast of Tamil Nadu in for FY24 and FY25. The Ministry has identified a total of 1,443 sq km of seabed at the Gulf of Mannar off the coast of Tamil Nadu for a cumulative capacity of 7,215 megawatts (MW) in the current and next financial year. In FY24, the MNRE will open the bids on February 1, 2024 for 828 sq km of seabed in Zone B for four sites with a total capacity of 4,140 MW, while in FY25, it has identified 3 sites spread over 615 sq km for a capacity of 3,075 MW. No date has been identified for FY25 yet. "The Ministry of New & Renewable Energy proposes to hold bids for the allocation of offshore wind sites off the Tamil Nadu coast through its nodal agency National Institute of Wind Energy (NIWE) for the development of offshore wind energy projects for sale of power under Open Access Mode/Third Party Sale/sale through Power Exchanges or for captive consumption," the Ministry said.

<https://www.thehindubusinessline.com/companies/govt-releases-bids-timelines-for-developing-offshore-wind-energy-in-tamil-nadu-in-fy24-fy25/article67357932.ece>

Telecom

Revenue share with telcos will be end of net neutrality: Startup founders to Trai

As many as 129 startup founders including Paytm's Vijay Shekhar Sharma, Zerodha's Nithin Kamath, PhonePe's Sameer Nigam, Razorpay's Harshil Mathur, Toppr's Zishaan Hayath, on Tuesday urged the Telecom Regulatory Authority of India (Trai) not to accept any demand by telcos to charge network fees from over-the-top (OTT) operators.

<https://www.financialexpress.com/business/industry-revenue-share-with-telcos-will-be-end-of-net-neutrality-startup-founders-to-trai-3255720/>

Govt may let satcom companies provide wireless service

The government is considering a proposal to allow broadband-from-space players such as Jio Satellite Communications, the satcom arm of Reliance Jio, and Bharti Group-backed OneWeb, to provide wireless connectivity to consumers with enabling handsets, officials said. The move to grant mobility services authorisation to Global Mobile Personal Communication by Satellite Services (GMPCS) licence holders will potentially pave the way for companies such as Elon Musk-owned Starlink – which has applied for the licence – to compete with mobile service providers, experts said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/govt-may-let-satcom-companies-provide-wireless-service/articleshow/104026232.cms>

External

Exporters seek more sops for value-added products under Rodtep scheme

Exporters have sought more benefits for value-added goods under the government's flagship Remission of Duties and Taxes on Exported Products (Rodtep) scheme. The current structure of the scheme provides higher refund rates

on “lesser value-added” goods, which exporters believe is contrary to the government’s policy of promoting value-added exports from the country.

https://www.business-standard.com/economy/news/exporters-seek-more-benefits-under-rodtep-scheme-for-value-added-goods-123092800970_1.html

India's external debt at \$629.1 bn at Jun-end, debt-GDP ratio declines: RBI

India's external debt rose marginally to USD 629.1 billion at June-end 2023, although the debt-GDP ratio declined, according to a Reserve Bank data released on Thursday. The debt rose by about USD 4.7 billion from USD 624.3 billion at March-end. "The external debt to GDP ratio declined to 18.6 per cent at end-June 2023 from 18.8 per cent at end-March 2023," RBI said. Valuation effect due to the appreciation of the US dollar vis-à-vis the major currencies such as yen and SDR amounted to USD 3.1 billion.

https://www.business-standard.com/economy/news/india-s-external-debt-at-629-1-bn-at-jun-end-debt-gdp-ratio-declines-rbi-123092800565_1.html

Jul-Sept FY24 goods exports seen 4.8% down on year: EXIM Bank

The Export-Import Bank of India expects the country to clock 4.8% lower merchandise exports in the second quarter of 2023-24 as against the previous fiscal, pulled down by a slowdown in its major trading partners and global geopolitical uncertainty. The Exim Bank has forecast India’s merchandise exports to amount to \$105.4 billion in July-September FY24. “India’s exports could be shadowed by continued slowdown in select major trade partners including advanced economies, continued uncertainty as a result of increasing geoeconomic fragmentation and high inflationary pressures leading to tighter global monetary and financial conditions,” the bank said in a statement Thursday.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/jul-sept-fy24-goods-exports-seen-4-8-down-on-yr-exim-bank/articleshow/104018192.cms>

Govt mulls sugar export restrictions to check prices

After wheat, rice and onion, India is mulling restrictions on exports of sugar to keep a check on prices and ensure supply in the country. Sources said that the department of consumer affairs is in favour of such export restrictions. “There could be restrictions or a very limited quota on outbound shipments,” an official in the know of the development said. The final decision on allowing sugar exports from India during the upcoming sugar season which starts from October 1 will be taken after mid October, said people aware of the matter.

<https://economictimes.indiatimes.com/news/economy/policy/govt-mulls-sugar-export-restrictions-to-check-prices/articleshow/104025482.cms>

Rice ban export is regulation rather than restriction for food security: India to WTO's agri committee meet

India has said that the export ban on rice is a regulation rather than a restriction and is crucial for securing the food security of 1.4 billion people, according to an official. This was stated by India in response to concerns raised by a group of countries including the US during a meeting of the WTO's Committee on Agriculture in Geneva on September 27. The Geneva-based official said that in the meeting, India reiterated its commitment to ensure food security in importing countries by granting exemptions to those in need upon their governments' requests. The Indian government has already allowed exports of non-basmati rice to Bhutan (79,000 tonnes), UAE (75,000 tonnes), Mauritius (14,000 tonnes) and Singapore (50,000 tonnes) through the National Cooperative Exports Ltd (NCEL). The Indian government has already allowed exports of non-basmati rice to Bhutan (79,000 tonnes), UAE (75,000 tonnes), Mauritius (14,000 tonnes) and Singapore (50,000 tonnes) through the National Cooperative Exports Ltd (NCEL).

<https://economictimes.indiatimes.com/news/economy/foreign-trade/rice-ban-export-is-regulation-rather-than-restriction-for-food-security-india-to-wtos-agri-committee-meet/articleshow/104019174.cms>