



October 03, 2023 – Tuesday

Economy

India to clock GDP growth of 6.5% in FY24: NITI Aayog Ex-VC Rajiv Kumar

The Indian economy will grow at around 6.5 per cent in the current financial year as the country's macroeconomic situation is benefiting from the reforms that have been taken up in the last nine years by the Narendra Modi-led government, former NITI Aayog Vice-Chairman Rajiv Kumar said on Monday. Kumar further said that India needs and can grow at 8 per cent-plus as that level of economic growth is required to meet aspirations of the country's young population and to generate sufficient jobs for its workforce.

https://www.business-standard.com/economy/news/india-to-clock-gdp-growth-of-6-5-in-fy24-former-niti-aayog-vice-chairman-123100200682_1.html

World Bank slashes 2023 growth forecast for East Asia and Pacific to 5%

The World Bank on Monday slashed the growth forecast for the East Asia and Pacific (EAP) region to 5 per cent from its April forecast of 5 per cent. It said that while China is expected to grow at 5.1 per cent this year, up from 3 per cent in 2022, the rest of the countries in the region are expected to see a slowdown to 4.6 per cent from 5.8 per cent. However, among the region, the Pacific countries are expected to grow at a higher 5.2 per cent.

https://www.business-standard.com/world-news/world-bank-slashes-2023-growth-forecast-for-east-asia-and-pacific-to-5-123100200266_1.html

Banking and Finance

UPI growth flat in September, but over 10 billion payments processed

After making history by reaching the 10-billion mark for the first time in August, India's instant payment system Unified Payment Interface (UPI) showed a slight decline in September, recording 10.56 billion transactions. This was down 0.2 per cent from 10.58 billion in August. In value terms as well, it was marginally up, increasing 0.3 per cent to Rs 15.8 trillion from Rs 15.76 trillion in August.

https://www.business-standard.com/economy/news/india-s-upi-transactions-fall-marginally-in-sept-hold-on-to-10-bn-mark-123100100516_1.html

Depositors benefit more in this rate hike cycle

This may be the first-rate tightening cycle where depositors are benefiting as banks scramble for funds while borrowers felt the pinch due to the linking of rates to repo rate. But banks could face the heat as margins are under pressure. While weighted average lending rates rose 110 bps (one basis point is 0.01 percent) since the 250 bps rate hike from 1 May 2022 onwards, weighted average term deposit rates on outstanding deposits rose 157 bps till August, according to central bank data. This is in juxtaposition of past occasions when central bankers often complained that banks are quick in transmitting rate hikes to loans and not so fast in raising deposit rates.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/depositors-benefit-more-in-this-rate-hike-cycle/articleshow/104110637.cms>

Banks propose easing top up of study loans for higher studies

Students seeking an additional loan for higher studies may stand to benefit if the Reserve Bank of India (RBI) accepts a proposal submitted by banks to reclassify the first unpaid education loan as 'standard' and to extend the repayment period. Banks argued, in a representation to the RBI in September, that this will help the borrowers who opt to gain some work experience after an initial degree before pursuing higher studies. Under the existing norms, lenders have to classify an existing loan as 'restructured' if it is partly repaid by a borrower. This results in higher interest rates for the borrowers if they take a fresh loan.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-propose-easing-top-up-of-study-loans-for-higher-studies/articleshow/104113840.cms>

Over 30 lakh audit reports filed on Income Tax Department portal

The Income Tax Department's e-filing portal received more than 30 lakh audit reports (TAR) up till September 30, the tax authority of India reported on Monday. In a release, the Income-tax Department expressed its gratitude to taxpayers and tax experts for timely compliance. The tax audit report had to be submitted by September 30 of the applicable assessment year by those who had their books audited. "More than 30.75 lakh audit reports, including about 29.5 lakh Tax Audit Reports have been filed for AY 2023-24 on the e-filing portal till the end of the due date (September 30)," the release added. There were substantial outreach programmes carried out to help the taxpayers.

<https://economictimes.indiatimes.com/news/economy/finance/over-30-lakh-audit-reports-filed-on-income-tax-department-portal/articleshow/104110758.cms>

Industry

Govt to soon come up with rules for direct listing of Indian companies abroad

The ministries of finance and corporate affairs are at an advanced stage of firming up a much-awaited framework for direct listing of Indian companies abroad, which could be introduced later this financial year, said people with knowledge of the matter. The move would set the stage for unicorns and other entities to have easier access to a larger pool of foreign capital, they said, adding that it could also encourage a greater number of startups, with Indians at the helm, to incorporate within the country instead of jurisdictions like Singapore. Initially, the framework will be used to allow direct listing at the International Financial Services Centre (IFSC) at Gujarat's GIFT City. Subsequently, it will govern listings in other jurisdictions as and when the government decides to allow that, the people told ET.

<https://economictimes.indiatimes.com/news/economy/policy/govt-to-soon-come-up-with-rules-for-direct-listing-of-indian-companies-abroad/articleshow/104092309.cms>

Passenger vehicle sales race to new high, GST mop-up above Rs 1.6 trillion

Ahead of the peak festival season, the figures for domestic passenger vehicle (PV) sales and goods and services tax (GST) collection suggested a healthy macroeconomic scenario prevailing in the country. While the monthly PV wholesales number at 363,733 units in September was a record high, the GST mop-up at Rs 1.62 trillion, up 10.2 per cent year-on-year (Y-o-Y), was the third highest. The average monthly gross GST collection at Rs 1.65 trillion in the first six months of 2023-24 was 11 per cent higher than in H1FY23.

https://www.business-standard.com/industry/auto/domestic-passenger-vehicle-wholesales-rise-2-36-in-sept-at-363-733-units-123100100714_1.html

New private projects decline 79% in second quarter, shows CMIE data

The private sector has announced lower investments in new factories, plants, and other new projects in the three months ending September than previously. The total value of new project announcements from the private sector was Rs 0.8 trillion, according to data released on Sunday by the project tracker Centre for Monitoring Indian Economy (CMIE). This is a 79.2 per cent decline from the Rs 3.8 trillion in new projects announced during the same period last year. It has fallen 85 per cent from the Rs 5.3 trillion worth of new projects announced in June.

https://www.business-standard.com/industry/news/new-projects-from-the-private-sector-decline-79-2-shows-cmie-data-123100100621_1.html

G7 eases a facet of India diamond trade

The G7 has no objections to Indian diamond traders purchasing roughs from Russia's Alrosa mines, but has drawn the line at accepting cut and polished Russian-origin stones of one carat and above. The communication is a breakthrough for domestic diamantaires as G7's sanctions on Russian stones have been a setback for the nearly 1.5 million-strong Surat diamond industry, which is also struggling with demand and global economic slowdowns. G7 representatives were exploring ways to help Indian diamond traders abide by the G7's sanctions on Moscow with minimal or no disruption, said Anoop Mehta, president of Bharat Diamond Bourse (BDB). The representatives also interacted with members of the Gem & Jewellery Export Promotion Council (GJEPC) and BDB.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/g7-eases-a-facet-of-india-diamond-trade/articleshow/104117689.cms>

Premium smartphone segment likely to party this festive season, drive overall shipment growth

It is a likely bonanza for the premium smartphone segment in the festive season, with distribution channels and financial institutions joining the party with deep discounts and attractive offers which is set to fuel strong on-year growth. This segment is expected to be the main driver for shipment growth which is likely to rise 7% on-year during the festive season starting from next week. Market trackers expect the average selling prices (ASP) to rise by 10% on-year during the festive season which also coincides with the Cricket World Cup this time. That said, affordable 5G smartphones under Rs 15,000 are also expected to drive volumes. "If you compare the past few years, ASP growth has been on an upward linear curve, despite declining shipments. In terms of shipments, we expect a 10% on-year growth in ASPs during the festive season," said Shilpi Singh, senior research analyst, Counterpoint Research.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/premium-smartphone-segment-likely-to-party-this-festive-season-drive-overall-shipment-growth/articleshow/104105432.cms>

IT firms to see muted revenue growth in Q2

Indian IT firms, set to post Q2 results, are expected to see muted revenue growth in a seasonally strong quarter. EBIT margins, too, will see a marginal decline for the quarter, as delayed execution and subdued discretionary spending play spoilsport. The earnings season follows a muted quarter marked by a cautious demand environment, with clients delaying decision-making. Major IT firms posted muted results and provided conservative guidance.

<https://www.thehindubusinessline.com/companies/it-firms-to-see-muted-revenue-growth-in-q2/article67372658.ece>

Agriculture

Prices of six key crops above MSPs in agri-terminal markets

Prices of six out of nine kharif-grown crops, whose arrivals have commenced at various agricultural produce marketing committee (APMC) yards across the country, are ruling above their respective minimum support prices (MSPs). While soyabean is near the support rate, moong (green gram) and bajra (millet) are ruling lower in leading producing States.

<https://www.thehindubusinessline.com/economy/agri-business/prices-of-many-crops-rule-above-msps-at-agri-market-yards/article67372778.ece>

Tea production decreases by around 4 pc to 177.95 mkgs in August

Tea production across the country declined by around four per cent to 177.95 million kilograms in August this year as compared to the output in the year-ago month. The production volume in August last year was 185.48 million kgs (mkgs). According to Tea Board data, production in north India, primarily comprising the states of Assam and West Bengal, fell to 158.04 mkgs in the month under review from 170.97 mkgs produced in August, 2022. In Assam, production volumes decreased to 99.78 mkgs in August this year as against 109.81 mkgs in the year-ago month.

<https://economictimes.indiatimes.com/news/economy/agriculture/tea-production-decreases-by-around-4-pc-to-177-95-mkgs-in-august/articleshow/104113048.cms>

National Turmeric Board to harness potential of farmers, says Modi

Prime Minister Narendra Modi on Monday reiterated the government's commitment to the welfare of farmers by stressing that it is taking care of interests of each segment of growers. Replying to a social media post by Arvind Dharmapuri, the BJP MP from Nizamabad, which is one of the main trading centres of turmeric and maize, Prime

Minister Modi said, "The well-being and prosperity of our farmers has always been our top priority. By establishing the National Turmeric Board, we aim to harness the potential of our turmeric farmers and give them the support they rightly deserve."

<https://www.thehindubusinessline.com/economy/agri-business/national-turmeric-board-to-harness-potential-of-farmers-says-modi/article67372869.ece>

Infrastructure

Rajasthan: PM Modi unveils projects worth Rs 7,000 cr in Chittorgarh

Prime Minister Narendra Modi on Monday unveiled various development projects worth over Rs 7,000 crores in Chittorgarh, Rajasthan. Prime Minister dedicated the Mehsana-Bhatinda-Gurdaspur Gas Pipeline to promote a gas-based economy. "The pipeline has been built at a cost of about Rs 4500 crores. Prime Minister will also dedicate the LPG Plant of HPCL at Abu Road. This plant will bottle and distribute 86 lakh cylinders per annum and will also result in a net reduction in the running of trucks carrying cylinders per annum by around 0.75 million Km, which will help reduce about 0.5 million tons of CO2 emission per annum. He will also dedicate additional storage at Ajmer Bottling Plant, IOCL," added the release.

<https://economictimes.indiatimes.com/news/economy/infrastructure/rajasthan-pm-modi-unveils-projects-worth-rs-7000-cr-in-chittorgarh/articleshow/104101932.cms>

India's office space demand hits 18-month high in Q3: JLL India

The country's office net absorption recorded its strongest quarter in an 18-month period, touching 10.37 million sq ft in the third quarter, according to JLL India. The manufacturing sector led the gross leasing activity in Q3, while technology firms still remained slightly restrained. Moreover, the net absorption of office spaces during the quarter was higher in the top seven cities except Chennai and Kolkata. Hyderabad took the top spot with a 26.1 per cent share, followed by Bengaluru (22.9 per cent) and Delhi-NCR (16.4 per cent). However, from a year-to-date (YTD) comparison, net absorption in 2023 is slightly lower by 13.9 per cent compared to January–September 2022 as firms deferred growth plans and looked at portfolio optimisation given the global sluggishness. According to JLL India's forecast for the full year, it remains in the 36–39 million sq. ft. range.

<https://www.thehindubusinessline.com/economy/indias-office-space-demand-hits-18-month-high-in-q3-jll-india/article67372463.ece>

Energy

Govt hikes domestic natural gas prices to \$9.20 per mmBTu from Oct 1

The Union government has increased domestic natural gas prices from \$8.60 per metric million British thermal unit (mmBtu) to \$9.20 per mmBtu for October, reported CNBCTV. According to a notification released by the Ministry of Petroleum and Natural Gas on Saturday, the revised prices will be applicable from October 1 to October 31, 2023. This price adjustment is expected to impact consumers, as gas distribution companies are likely to raise the prices of Compressed Natural Gas (CNG) and Piped Natural Gas (PNG). The government had also hiked natural gas rates last month, revising them from \$7.85 per mmBtu to \$8.60 per mmBtu, according to the report.

https://www.business-standard.com/economy/news/domestic-natural-gas-prices-hiked-from-8-60-to-9-20-per-mmbtu-from-oct-1-123093000603_1.html

India identifies three ports in Kandla, Paradip, and Tuticorin to develop as export hubs for Hydrogen, Ammonia, and Methanol

In a move to expedite India's goal of becoming a significant player in the global hydrogen market, the Ministry of Shipping and Ports has identified three key ports—Kandla, Paradip, and Tuticorin—as focal points for the export of green hydrogen, green ammonia, and green methanol within the next seven years, a TOI report stated. The primary objective now is to establish the essential infrastructure at these ports, facilitating the storage, handling, and bunkering of these eco-friendly fuels and their derivatives. India's ambitious target is to create a capacity for exporting approximately 5 million tonnes of green hydrogen and its derivatives annually by the year 2030.

<https://economictimes.indiatimes.com/industry/renewables/india-identifies-three-ports-in-kandla-paradip-and-tuticorin-to-develop-as-export-hubs-for-hydrogen-ammonia-and-methanol/articleshow/104106875.cms>

CIL's coal supply to power sector rises 3.4% to 294.8 MT during Apr-Sept

Supply of coal to the power sector by state-owned Coal India increased 3.4 per cent to 294.8 million tonnes in the first six months of the current fiscal even as the demand for electricity touched record highs in the past two months, the maharatna firm said on Monday. The total amount of coal supplied was 1.8 MT more than the 293 MT demand projected for this period, Coal India Ltd (CIL) said in a statement.

https://www.business-standard.com/economy/news/cil-s-coal-supply-to-power-sector-rises-3-4-to-294-8-mt-during-apr-sept-123100200634_1.html

Power consumption grows 10.7% due to increase in use of cooling appliances

The country's power consumption grew 10.7 per cent to 140.49 billion units in September mainly due to increased use of cooling appliances amid unusually humid weather conditions. In the year-ago period, power consumption stood at 126.91 Billion Units (BU), higher than 112.43 billion units in September 2021, according to government data. The peak power demand met -- the highest supply in a day -- rose to 239.97 GW in September. The peak power supply stood at 199.50 GW in September 2022 and 180.73 GW in September 2021. The power ministry had estimated the country's electricity demand to touch 229 GW during summer. The demand did not reach the projected level in April-July due to unseasonal rain.

https://www.business-standard.com/economy/news/power-consumption-grows-10-7-due-to-increase-in-use-of-cooling-appliances-123100200543_1.html

Growing car market fuels petrol, diesel consumption

Consumption of petrol and diesel rose 5.6% and 2.5%, respectively, month-on-month in September on increased vehicle sales and expanding economic activity, according to the state-run fuel retailers' sales data. Sales of diesel for state-run oil companies, however, fell 3% year-on-year in September though sales of petrol rose 5.4%. Last year, private retailers cut their pump sales after public sector oil companies started selling fuel at below-market prices. Now private players are boosting retail sales and regaining lost market share, which is showing up in a decline in diesel sales for state companies. The government releases sales data for the entire industry, including private retailers, by the 10th of every month, which gives a more accurate picture of monthly fuel demand.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/growing-car-market-fuels-petrol-diesel-consumption/articleshow/104113572.cms>

Telecom

'Remarkable' 5G adoption drives India's global speed ranking 72 places higher: Ookla

The mobile download speeds in India have seen significant boost with launch of 5G services, and the country has climbed 72 places higher to clinch 47th spot in Speedtest Global Index, according to Ookla. This puts India not only ahead of its neighbours like Bangladesh, Sri Lanka, and Pakistan, but also some G20 countries, such as Mexico (90th), Turkey (68th), the UK (62nd), Japan (58th), Brazil (50th place), and South Africa (48th place). India's speed performance has seen a 3.59 times increase since the introduction of 5G, with median download speeds improving to 50.21 Mbps in August 2023, from 13.87 Mbps in September 2022. "This improvement has led to India's rise in the Speedtest Global Index, moving up 72 places, from 119th place to the 47th position," it said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/remarkable-5g-adoption-drives-indias-global-speed-ranking-72-places-higher-ookla/articleshow/104111139.cms>

States

Karnataka Industries Minister explores investment prospects in Houston

Karnataka Industries Minister M. B. Patil discussed investment opportunities with the Consul General in Houston, Texas, during a meeting held in Houston on Sunday. During the meeting with the Consul General of India, Patil conveyed the state's keen interest in nurturing global partnerships and exploring potential collaborations between the United States of America and Karnataka. They also explored avenues to enhance economic and business relations.

<https://www.thehindubusinessline.com/news/karnataka-industries-minister-explores-investment-prospects-in-houston/article67372327.ece>

External

Indian pharma exports to Iran decline thanks to its lower rupee reserves

India's pharmaceutical exports to Iran have been affected due to depleting rupee reserves in the West Asian country. This is a result of India ceasing its crude oil imports from Iran in mid-2019, following US sanctions on Tehran. The geopolitical shifts have impacted India's pharmaceutical exports to Iran, which fell by 71.25 per cent in the April to August period this year compared with the same period last year. Data from the Pharmaceutical Exports Promotion Council (Pharmexcil) indicates that exports to Iran declined by 31.29 per cent in the financial year FY23 compared with the previous financial year.

https://www.business-standard.com/economy/news/indian-pharma-exports-to-iran-decline-thanks-to-its-lower-rupee-reserves-123100100306_1.html

India's share in exports in labour-intensive sectors declining: FIEO

India's labour-intensive export sectors such as apparels, marine products, plastics, and gems and jewellery are showing a "troubling pattern" as the country is experiencing a decline in global market share across these segments during the last five years, a FIEO report has said. Apex exporters body Federation of Indian Export Organisations (FIEO) also said that a note of caution is warranted regarding a distinct spike in export growth of roughly \$ 40 billion as this particular surge is likely attributed to a rerouting of crude oil trade routes via India to Europe.

https://www.business-standard.com/economy/news/india-s-share-in-exports-in-labour-intensive-sectors-declining-fieo-123100100366_1.html

Poorest monsoon in five years likely to dim India's sugar export outlook

India recorded the weakest monsoon rains in five years, increasing the risk to crops in the fields and raising the probability of longer curbs on exports of farm commodities such as sugar, rice and wheat. The Asian nation, which relies on rains to irrigate about half of its farmland, received 820 millimeters (32.3 inches) of rainfall during the June-September monsoon season, 6% less than the long-term average, according to the India Meteorological Department.

https://www.business-standard.com/economy/news/poorest-monsoon-in-five-years-likely-to-dim-india-s-sugar-export-outlook-123093000683_1.html

Over 400 Indian companies have invested in Vietnam: Indian envoy

India's Consul General in Ho Chi Minh City, Vietnam, Madan Mohan Sethi highlighted the cordial and friendly relationship between India and Vietnam, emphasizing their historical ties through civilization that spans over 2,000 years. "More than 400 Indian companies, small and big have invested in Vietnam for a cumulative value of more than USD 1 billion," he said. He mentioned that both countries have collaborated in various areas, including trade, defense, and strategic cooperation. He noted the increasing number of Indian tourists visiting Vietnam, with over 400,000 Indian tourists estimated to have visited the country in recent times. "As far as the relationship between India and Vietnam is concerned, both countries enjoy a very cordial and friendly relationship," Sethi said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/over-400-indian-companies-have-invested-in-vietnam-indian-envoy/articleshow/104117204.cms>

Exporters seek govt intervention in providing affordable credit to MSMEs, seek ECLGS extension

Exporters have sought the central government's intervention in providing affordable and easy availability of credit to MSMEs amid global headwinds due to lack of liquidity. In a letter to Finance Minister Nirmala Sitharaman, apex exporters' body Federation of Indian Export Organisations (FIEO) requested for the extension of Emergency Credit Linked Guarantee Scheme (ECLGS) till March 31, 2024 and restoration of interest subsidy benefit of 5 per cent to manufacturer MSMEs. It said some of the MSME sectors are affected due to a dip in exports on account of a global demand slowdown. FIEO has urged extending the ECLGS "till March 31, 2024" as it will help micro, small and medium enterprises sail through this difficult time and bounce back when the situation improves.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/exporters-seek-govt-intervention-in-providing-affordable-credit-to-msmes-see-eclgs-extension/articleshow/104109216.cms>

India's crude oil imports decline for second consecutive month

India's crude oil imports fell for the second consecutive month in September 2023 impacted by rising prices of medium sour grades Urals and Arab Light as well as lower requirements due to autumn refinery maintenance and low consumption during monsoons. The world's third largest crude oil importer bought around 4.2 million barrels per day (mb/d), which is the lowest in FY24. The decline was partly compensated by lifting more cargoes of Iraq's Basrah, which is also a medium sour grade similar to Urals and preferred by Indian refiners.

<https://www.thehindubusinessline.com/markets/commodities/indias-crude-oil-imports-decline-for-second-consecutive-month/article67372995.ece>