



October 04, 2023 – Wednesday

Economy

Manufacturing PMI at five-month low in Sept but remains strong: Survey

Indian manufacturing expanded at the slowest pace in five months in September but demand and output significantly improved despite increased inflationary pressures, said a survey by the credit rating agency S&P Global. The Manufacturing Purchasing Managers' Index (PMI) fell to 57.5 in September, compared to 58.6 in August. A print above 50 is considered expansion and that below 50 contraction in manufacturing activity. Although the lowest for five months, the latest reading remained firmly above the no-change mark of 50.0.

https://www.business-standard.com/economy/news/india-manufacturing-pmi-at-five-month-low-in-september-s-p-global-123100300680_1.html

World Bank raises India's retail inflation forecast to 5.9% for FY24

The World Bank on Tuesday increased its retail inflation forecast for India for 2023-24 to 5.9 per cent from the 5.2 per cent estimate made in April. Its economic growth forecast for the country remains at 6.3 per cent, underpinned by strong investment growth. "Abnormal rainfall during the monsoon months caused a sharp increase in food prices in July 2023. Though eased in August, it is expected to continue to weigh on headline inflation through the rest of the fiscal year," the World Bank said in its half-yearly India Development Update.

https://www.business-standard.com/economy/news/world-bank-maintains-india-gdp-growth-at-6-3-for-fy24-cites-investments-123100300624_1.html

Higher coal movement takes rail freight growth to 6.7% in September

After months of sluggish growth, movement of goods through Indian Railways recorded a growth of 6.67 per cent in September, with 123.53 million tonnes (mt) of volumes achieved, according to data released by the ministry of railways. "Freight revenue of Rs 12,956.95 crore has been achieved in September 2023, against Rs 12,332.70 crore freight earnings in September 2022, thereby showing an improvement of about 5.06 per cent over the last year," the ministry said.

https://www.business-standard.com/economy/news/higher-coal-movement-takes-rail-freight-growth-to-6-7-in-september-123100301227_1.html

E-recruitment activities drop by 8% yearly in Sep 2023

Hiring saw a 2 per cent month-over-month decline, and e-recruitment activities in India dropped by 8 per cent in September 2023 compared to the same month in 2022, according to foundit Insights Tracker (fit). The index dropped from 277 in September 2022 to 255 in September 2023, showcasing a stagnation in hiring. With the onset of the festive season, Kolkata stood out with a 2 percent increase in hiring, with the city gearing up for Durga Puja. However, the majority of Indian cities exhibited stagnant or negative hiring trends, with Hyderabad, Pune, and Chennai showing no significant change in hiring percentages, suggesting a relatively stable but not necessarily expanding job market.

<https://www.thehindubusinessline.com/economy/e-recruitment-activities-drop-by-8-yearly-in-sep-2023/article67375221.ece>

Banking and Finance

e-Kuber to be functional on March 31 for govt transactions: RBI

Reserve Bank of India's core banking solution for the government e-Kuber will be functional on March 31, 2024, which is a Sunday. Usually e-Kuber is not operational on holidays like January 26 (Republic Day), August 15 (Independence Day), and October 2 (Gandhi Jayanti), all second and fourth Saturdays of every month and on all Sundays. The office of Controller General of Accounts, Government of India has advised that in order to account for all the government transactions relating to receipts and payments in the financial year 2023-24 itself, it has been decided that March 31, 2024 (Sunday) be marked as a working day for such transactions, RBI said in a notification on Tuesday.

<https://economictimes.indiatimes.com/news/economy/finance/e-kuber-to-be-functional-on-march-31-for-govt-transactions-rbi/articleshow/104137813.cms>

Mudra loans surge at record 38% in H1 to ₹1.92-lakh crore

The disbursal of small business loans under Pradhan Mantri Mudra Yojana (PMMY) registered a record 38 per cent growth in the first half of the current financial year ended September 2023, compared to the same period last year. As on September 2023, the total disbursal of PMMY loans stood at ₹1,91,863 crore, against ₹1,37,785 crore in the corresponding quarter of the previous year, according to government data. "The disbursement in the first half of the current fiscal year is a record because the 38 per cent growth was much higher than the 30 per cent growth registered in the first half of FY23," a senior Mudra official told businessline on Tuesday.

<https://www.thehindubusinessline.com/money-and-banking/mudra-loans-surge-at-record-38-in-h1-to-192-lakh-crore/article67375677.ece>

Finance ministry seeks expenditure proposals from ministries for supplementary demands for grants

The finance ministry on Tuesday invited proposals for funds from various departments and ministries for inclusion in the first batch of supplementary demands for grants for FY24, asking them to be realistic and objective in their assessment of additional requirements. In an office memorandum, the Department of Economic Affairs (DEA) has asked them to submit supplementary proposals within seven days of the completion of their pre-budget meetings with the finance ministry, scheduled to take place between October 10 and November 14. The supplementary demands for grants will be placed before Parliament for approval in the next session.

<https://economictimes.indiatimes.com/news/economy/finance/finance-ministry-seeks-expenditure-proposals-from-ministries-for-supplementary-demands-for-grants/articleshow/104137945.cms>

States' borrowing cost soars to 23-week high of 7.56%

States' borrowing cost jumped 10 basis points to 7.56 per cent at the first weekly debt auction of the third quarter on Tuesday and is the highest in the the past 23 weeks. Fourteen states raised Rs 22,500 crore through the issuance of state government securities in line with the indicated amount for this weekly auction for the third quarter calendar. According to Aditi Nayar, the chief economist at IcrA Ratings, the auctions saw a steep increase in the cut-offs across tenors leading to the weighted average cost jumping to a 23-week high of 7.56 per cent.

<https://economictimes.indiatimes.com/news/economy/finance/states-borrowing-cost-soars-to-23-week-high-of-7-56/articleshow/104139349.cms>

Industry

Corporate Affairs Ministry to revamp company law rules

The Corporate Affairs Ministry (MCA) plans to revamp its company law rules, and seek public input in alignment with the Finance Minister's Budget announcement this year. The initiative aims to improve regulation in the areas overseen by MCA and simplify compliance. The MCA intends to complete these stakeholder consultations by this fiscal year-end, utilising both online feedback and in-person stakeholder events in various cities. Additionally, other financial sector regulators, such as PFRDA, IBBI, and IRDAI, have already started similar public consultation exercises.

<https://www.thehindubusinessline.com/economy/corporate-affairs-ministry-to-revamp-company-law-rules/article67376188.ece>

Rating upgrades for Indian companies at decadal high

Credit rating upgrades for Indian firms relying on local consumption are averaging near the highest in a decade as infrastructure, automotive and cement companies harness robust cash flows to bolster balance sheets, pointing to an imminent revival in private-sector capital expenditure. But merchandise exporters, such as textiles, jewellery, and specialty chemicals companies, are facing global trade headwinds. There has been a secular improvement in the financials of rated companies for the third straight fiscal year, rating agencies said Tuesday after their debt-servicing assessment of borrowing corporates. Although the relative pace of upgrades has slowed, even the junk-bond category is witnessing upgrades, reducing the possibility of defaults.

<https://economictimes.indiatimes.com/news/company/corporate-trends/rating-upgrades-for-indian-companies-at-decadal-high/articleshow/104144431.cms>

Two-wheeler sales of four major companies grow by 0.7% in September

The domestic two-wheeler sales of four major companies -- Hero MotoCorp, Honda Motorcycle and Scooter India, TVS Motor and Bajaj Auto -- rose by just 0.7 per cent Year-on-Year (Y-o-Y) to 1.51 million units in September this year. This contrasts sharply with the passenger vehicle (PV) market, where automotive manufacturers are posting record sales numbers. In September, the Indian automobile industry achieved a record-breaking monthly domestic PV wholesale figure of 363,733 units, representing a 2.36 per cent Y-o-Y growth.

https://www.business-standard.com/industry/news/two-wheeler-sales-of-four-major-companies-grow-by-0-7-in-september-123100301283_1.html

CNG car sales set to cross half a million in FY24 on positive perception of buyers

The total sales of CNG (compressed natural gas)-powered cars in the country are expected to surpass half a million in FY24 given the current strong sales momentum. Over the past several months, CNG-powered cars have been witnessing a strong demand as an increasing number of car buyers are now choosing vehicles powered by alternative fuels. Now, CNG as a fuel with its wide availability and accessibility has gained a lot of acceptance.

<https://www.thehindubusinessline.com/companies/cng-car-sales-set-to-cross-half-a-million-in-fy24-on-positive-perception-of-buyers/article67376399.ece>

5G smartphones buck industry trend; launches gather steam

India has seen a surge in 5G smartphone launches in the past year, since the rollout of this next-generation technology. A total of 96 5G models have been launched so far this year, led by Samsung and Vivo, adding to the 100-odd models launched in 2022. This contrasts with a sharp drop in total smartphone launches this year. Smartphone brands launched a total of 151 models since January. This trails the more than 181 models launched in the same period last year, which eventually touched 203 models by December-end, according to ET research. "Last year, brands were launching 5G devices just to be ahead of the curve. A shortage of 5G chipsets also kept brands from launching too many models, and if they did launch them at affordable prices, there would be compromises such as an LCD display instead of a high-quality OLED display," said Shilpi Jain, senior research analyst, Counterpoint Research.

<https://economictimes.indiatimes.com/top-trending-products/electronics/5g-smartphones-buck-industry-trend-launches-gather-steam/articleshow/104140802.cms>

GJEPC reaffirms commitment to facilitating co-operation to address G7's concerns

The Gem & Jewellery Export Promotion Council (GJEPC), the apex body of Indian gem and jewellery exporters, has reaffirmed its commitment to facilitating cooperation to address the G7's concerns with regard to industry compliance. The commitment from the industry comes following the visit of a high-powered delegation from G7 countries to Mumbai and Surat in the last week of September to learn more about the Indian gem and jewellery industry and to explore ways of helping it meet G7 sanctions requirements with minimal or no disruption to the sector.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/gjepc-reaffirms-commitment-to-facilitating-co-operation-to-address-g7s-concerns/articleshow/104131537.cms>

India competent to become global manufacturing hub of gems & jewellery, says Union Min Piyush Goyal

India has tremendous potential not only as a market but as a global manufacturing hub of gems and jewellery, Union Commerce and Industry Minister Piyush Goyal said on Tuesday at the annual World Jewellery Confederation (CIBJO) Congress being held for the first time in India in Jaipur. The Congress is being organised from 3rd to 5th October and is being hosted by the Gem & Jewellery Export Promotion Council (GJEPC) and the National Gem & Jewellery Council of India (NGJCI) supported by the Ministry of Commerce and Industry and MSME Ministry.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/india-competent-to-become-global-manufacturing-hub-of-gems-jewellery-says-union-min-piyush-goyal/articleshow/104136027.cms>

Infrastructure

Small spaces drive office lease transactions in September quarter

Office leasing transactions in the September quarter were driven by demand for small spaces ranging from less than 10,000 square feet to 50,000 square feet, further evidence of the ongoing depression in the commercial real estate sector. In its update for the quarter, property consultant CBRE said that take-up of small and medium-sized spaces accounted for an overwhelming 86 per cent of the transactions, on par with that seen in the previous quarter. The share of large-sized deals of more than 1 lakh square feet saw a marginal uptick of 1 percentage point.

<https://www.thehindubusinessline.com/news/real-estate/small-spaces-drive-office-lease-transactions-in-september-quarter/article67375580.ece>

Energy

State-run agency suggests mandatory green hydrogen norms for oil refineries

State-run Bureau of Energy Efficiency (BEE) has proposed mandatory green hydrogen norms for oil refineries, seeking to push the country's target of having an annual production of 5 million tonnes (MT) of the fuel by 2030. BEE has suggested giving refineries three years to meet green hydrogen obligations. BEE, which comes under the ministry power, serves as the nodal authority for accrediting agencies monitoring, verifying, and certifying green hydrogen production projects. BEE made the proposal during its seventh Public Advisory Committee Meeting in September.

https://www.business-standard.com/economy/news/bureau-of-energy-efficiency-suggests-green-hydrogen-norms-for-refineries-123100300784_1.html

Uniform tariff for renewable energy on the anvil

The government is in the process of finalising procedures to pool tariffs of renewable energy capacities that are auctioned through designated agencies, which will help make the electricity tariff uniform for power distribution companies. The plan is to create separate pools for solar, wind, hybrid, and other projects based on the technologies for around five years, people aware of the development told ET. A weighted average of the tariffs from the capacities in the pool will be determined, which could be revised monthly, they said.

<https://economictimes.indiatimes.com/industry/renewables/uniform-tariff-for-renewable-energy-on-the-anvil/articleshow/104140878.cms>

CEA forms panel to study geological surprises in hydropower projects

The Central Electricity Authority (CEA) will constitute a committee to study issues in the event of any geological surprise faced in hydroelectric projects and offer recommendations. The authority pointed out that development of hydroelectric projects has been impacted due to various issues including geological uncertainties or constraints, resulting in significant time and cost overruns. In this regard, the Techno Economic Concurrence issued by the CEA, in general, provides that a project developer shall systematically maintain a record of geological surprises, which are encountered and treatment provided.

<https://www.thehindubusinessline.com/economy/cea-forms-panel-to-study-geological-surprises-in-hydropower-projects/article67376549.ece>

Telecom

India to add additional 31 million 5G users in 2023: Ericsson

Amid the rise in adoption of ultra high-speed services in the country, as many as 31 million additional users in India are expected to upgrade to 5G phones in 2023, said a report on Tuesday. The current base of 5G handset users in India is expected to be around 100 million driven by two players — Bharti Airtel and Reliance Jio — that launched 5G services in October last year. “In India, almost half of respondents plan to purchase a new handset in the next six months. Our assessment considers not only consumer intent, but also affordability, taking into account household income and the age of their current phones. As a result, 18 per cent are more inclined to buy a 5G phone, and we estimate that 31 million users may upgrade to a 5G phone in 2023,” said the Ericsson ConsumerLab report.
<https://www.thehindubusinessline.com/info-tech/india-to-add-additional-31-million-5g-users-in-2023-ericsson/article67376560.ece>

Healthcare

Many high-risk medical device manufacturers stop production

Many high-risk medical device makers have stopped manufacturing products as they await a manufacturing licence from the drug regulator. Earlier this year, the Central Drugs Standard Organisation (CDSCO) had set the October 1 deadline for bringing 'class C' and 'class D' medical devices under regulation to control quality. According to the new regulation, medical devices belonging to these categories, such as ventilators, imagining equipment, oxygen therapy equipment, nebulisers, x-ray equipment, surgical robots and oncology treatment linear accelerator, can't be sold from October 1 without a manufacturing licence.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/many-high-risk-medical-device-manufacturers-stop-production/articleshow/104140793.cms>

External

Overall engineering exports from India affected by global slowdown: EEPC

Engineering Exports Promotion Council (EEPC) said that overall exports of engineering goods from the country have been affected by the global slowdown. Overall engineering exports during April to August in 2023 dropped 4.55 per cent to \$ 44.62 billion as against \$ 46.74 billion in the previous similar period of 2022. According to an EEPC spokesman, engineering exports to Russia surged 178 per cent to \$ 568.41 million during April to August of fiscal 2023-24, which was \$ 204.17 million in the corresponding previous period.

https://www.business-standard.com/economy/news/overall-engineering-exports-from-india-affected-by-global-slowdown-eepc-123100300464_1.html

India urges WTO members to start text-based talks on finding permanent solution to public food stockholding

India has urged WTO members to start text-based negotiations from this month on finding a permanent solution to the issue of public stockholding for food security purposes, an official has said. The official added that the European Union (EU) is ready for talks with India on the stockholding issue. The issue came up for discussion at an agriculture negotiations meeting on October 2 in Geneva. It was chaired by Ambassador Alparslan Acarsoy of Turkiye. At that meeting, the EU offered a positive response to the chair's textual suggestions related to the safeguards mechanism aimed at preventing illegitimate exports stemming from excessive food stocks, the official said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-urges-wto-members-to-start-text-based-talks-on-finding-permanent-solution-to-public-food-stockholding/articleshow/104122555.cms>