



October 06, 2023 – Friday

## Economy

### Services sector in Sept sees strongest output in 13 years; PMI rises to 61

The services sector growth strengthened in September with the Purchasing Managers' Index (PMI) tally rising from 60.1 in August to 61.0 in September, signalling one of the strongest upturn in aggregate new business in over 13 years, the survey by credit rating agency S&P Global showed on Thursday. "The latest data showed a substantial increase in new business placed with Indian service providers, one that was the second-fastest since June 2010. Anecdotal evidence indicated that market dynamics remained favourable, supporting demand. Advertising was also cited as a key factor boosting sales," the survey said.

[https://www.business-standard.com/markets/news/services-sector-in-sept-sees-strongest-output-in-13-years-pmi-rises-to-61-123100500904\\_1.html](https://www.business-standard.com/markets/news/services-sector-in-sept-sees-strongest-output-in-13-years-pmi-rises-to-61-123100500904_1.html)

### Work demand under rural jobs scheme rises in H1

Demand for work under the government's flagship rural employment scheme rose in the first half of FY24 from a year before, belying expectations of a moderation and casting doubts about the depth of an industrial recovery. About 93% of the FY24 budgetary allocation of ₹60,000 crore for the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been released, a person familiar with the details told ET. This has prompted the rural development ministry to seek "substantial" supplementary demands for funds to run the scheme throughout this fiscal year, he said.

<https://economictimes.indiatimes.com/news/economy/indicators/work-demand-under-rural-jobs-scheme-rises-in-h1/articleshow/104195784.cms>

### CRISIL's monthly food plate cost indicator: Price for thalis fall as tomato gets cheaper

The cost of a vegetarian thali fell 17 percent on-month in September due to a significant drop in tomato prices while the decline in non-vegetarian thali has been around 9 percent, according to CRISIL's monthly indicator of food plate cost. Onion prices rose 12% on month in September and are expected to remain firm amid the expected lower output in Kharif 2023. The cost of a non-vegetarian thali declined 9% on month due to a 2-3% estimated on-month increase in prices of broiler (more than 50% share in the total thali cost).

<https://economictimes.indiatimes.com/news/economy/indicators/crisils-monthly-food-plate-cost-indicator-price-for-thalis-fall-as-tomato-gets-cheaper/articleshow/104179349.cms>

### A 5x increase in Indians earning over Rs 5 lakh is driving India's consumption surge

With individuals sliding into higher income slab groups, richer Indians are scripting the nation's consumption surge, data shows. From 3.8 million in FY12 to 18 million in FY21, individuals in India earning above Rs 5 lakh per annum have surged 5 times, a BNP Paribas analysis of the I-T department's data has shown. "Income has risen for these households over the last decade, complemented by improved credit availability. Thus their propensity to consume and invest has grown," BNP Paribas said in a report. The I-T department data provides insights only till FY21. However, the report suggests that the numbers only grew stronger post that. "While the income tax data is available only till FY21, a pandemic-hit year, we think these numbers should have been even stronger in FY22 and FY23, which were recovery years with strong wage inflation," it said.

<https://economictimes.indiatimes.com/news/economy/indicators/a-5x-increase-in-indians-earning-over-rs-5-lakh-is-driving-indias-consumption-surge/articleshow/104192412.cms>

## Banking and Finance

### **Banks to report healthy bottom line on high credit growth, low credit costs**

Benefitting from a rise in lending rates, high credit offtake, and lower credit costs, banks are likely to report about an 18 per cent rise in net interest income (NII) and 23 per cent in profit year-on-year (Y-o-Y) in the first quarter ended September 2023 (Q1FY24). NII, a key earning source for lenders, may show higher growth in private banks (24.4 per cent Y-o-Y) compared to public sector banks (12.1 per cent Y-o-Y) in Q2FY24.

[https://www.business-standard.com/industry/banking/banks-to-report-healthy-bottom-line-on-high-credit-growth-low-credit-costs-123100501239\\_1.html](https://www.business-standard.com/industry/banking/banks-to-report-healthy-bottom-line-on-high-credit-growth-low-credit-costs-123100501239_1.html)

### **Search for unclaimed deposits in 30 banks available on UDGAM: RBI**

The search facility for unclaimed deposits in thirty banks has been made available on the Reserve Bank of India's Centralised Web Portal, UDGAM (Unclaimed Deposits – Gateway to Access inforMation), from September 28, 2023. "The members of the public are hereby informed that the search facility for 30 banks was made available on the portal on September 28, 2023, which covers around 90 per cent of such unclaimed deposits (in value terms) in the Depositor Education and Awareness (DEA) Fund," the RBI stated in a press release on Thursday.

[https://www.business-standard.com/industry/banking/search-for-unclaimed-deposits-in-30-banks-available-on-udgam-rbi-123100501064\\_1.html](https://www.business-standard.com/industry/banking/search-for-unclaimed-deposits-in-30-banks-available-on-udgam-rbi-123100501064_1.html)

### **India's inclusion in JPMorgan Bond Index may spur inflows of \$23b: FM Sitharaman**

Finance minister Nirmala Sitharaman on Thursday said JPMorgan's decision to include Indian government bonds in its widely tracked emerging market debt index could potentially lead to annual inflows of about \$23 billion into the country. The minister said political stability, policy consistency and decisive reforms brought about by the NDA government have kept the economy in good stead and will help the country emerge as the world's third-largest economy in a few years.

<https://economictimes.indiatimes.com/news/economy/finance/indias-inclusion-in-jpmorgan-bond-index-may-spur-inflows-of-23b-fm/articleshow/104195673.cms>

### **Cyber insurance gains momentum in India; set to witness exponential growth: Deloitte**

The cyber insurance market in India is expected to grow by 27-30 per cent in the coming years, a Deloitte report said forecasting cyber insurance gaining momentum. The report indicates that the current Indian cyber insurance market is valued at USD 50-60 million, maintaining a steady 27-30 per cent compound annual growth rate (CAGR) in the past three years. "This growth is expected to continue for the next 3-5 years, driven by an increased awareness of the need for cyber insurance," the report 'Cyber Insurance in India' said. It identifies industries heavily involved in digitisation, such as IT, pharma, and manufacturing, as well as those integrated with broader economic sectors like supply chain, retail, critical industries, and finance, to be the prime targets of cybercriminals.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/cyber-insurance-gains-momentum-in-india-set-to-witness-exponential-growth-deloitte/articleshow/104189297.cms>

### **FY24 excise duty collection target may be cut by Rs 45,000 crore**

The Centre may revise the FY24 excise duty collection target downwards by ₹45,000 crore, factoring in some possible fiscal support if crude oil prices continue to remain elevated, people familiar with deliberations told ET. This revision is not likely to impact the overall revenue mopup as the other resources may make up for the shortfall. "Excise collection target may be revised downwards in the revised estimates by about ₹45,000 crore than in BE (budget estimates)," a senior finance ministry official said. A final call on any reduction would be taken at the highest political level. The Centre is starting the budgetary exercise from next week. The official said the Centre's excise collection is already lower than anticipated and the government also wants to take into account higher international crude prices. "We are keeping a close watch on the oil prices... There is no immediate concern but going forward we are budgeting for some headroom to absorb any future shock," the official added.

<https://economictimes.indiatimes.com/news/economy/policy/fy24-excise-duty-collection-target-may-be-cut-by-rs-45000-crore/articleshow/104196060.cms>

## Industry

### Prices of soaps, edible oils ease on softer raw material prices, competition

Competitive intensity and softer raw material prices have resulted in a reduction in prices of soaps and edible oils in the second quarter, but fast moving consumer goods companies will avoid taking further price cuts as they are focused on protecting margins with some raw material prices inching up, BNP Paribas said in a note. Some categories such as oral care and value-added hair oil have seen prices hikes in the quarter, it said.

<https://www.thehindubusinessline.com/companies/prices-of-soaps-edible-oils-ease-on-softer-raw-material-prices-competition/article67384592.ece>

### India Inc's overseas fundraising slows down on weak private capex

After making a record borrowing in the first quarter, India Inc seems to be going slow on overseas fundraising. According to latest RBI data, Indian corporates collectively raised \$2.6 billion in July, followed by \$2.8 billion in August, in external commercial borrowings (ECBs). The ECB fundraise in the last two months is a significant decline from the \$7.5 billion and \$7.9 billion that Indian companies raised in May and June. In Q1 FY24, overseas fundraising touched a historic quarterly high of \$21 billion.

<https://www.thehindubusinessline.com/companies/india-incs-overseas-fundraising-slows-down-on-weak-private-capex/article67384566.ece>

### Weak Rupee may perk up slowing garment, handicraft exports

India's slowing exports could get a fillip with the rupee weakening against the dollar. Exporters of labour-intensive products such as ready-made garments, carpets, leather and handicrafts expect a 2-10% rise in outbound shipments aided by the depreciating rupee. However, they said sectors with a low dependence on imports would gain while others will lose their benefits to higher oil and commodity prices. "Rupee depreciation needs to be seen in comparison with our competing currencies. Any depreciation of the rupee will benefit labour-intensive exports except gems and jewellery because they have a huge import component," said Ajay Sahai, director general, Federation of Indian Export Organisations (FIEO).

<https://economictimes.indiatimes.com/industry/cons-products/garments/-textiles/weak-rupee-may-perk-up-slowng-garment-handicraft-exports/articleshow/104195661.cms>

### Footwear industry likely to register moderate growth of 7-8% in FY24: ICRA

The footwear industry is likely to register a moderate growth of 7-8 per cent in the current fiscal against 28 per cent in FY23, a report by Icra said on Thursday. The industry witnessed a muted revenue growth in the first half of FY24, mainly on account of factors like sluggish volume growth and no significant increase in average selling price, it added.

[https://www.business-standard.com/industry/news/footwear-industry-likely-to-register-moderate-growth-of-7-8-in-fy24-icra-123100501424\\_1.html](https://www.business-standard.com/industry/news/footwear-industry-likely-to-register-moderate-growth-of-7-8-in-fy24-icra-123100501424_1.html)

## Agriculture

### Govt begins kharif paddy procurement; purchases 12.21 lakh tonne so far

The government has started procuring paddy and about 12.21 lakh tonne of the grain has been purchased from farmers at minimum support price (MSP) so far, according to the food ministry. Paddy worth Rs 2,689.77 crore has been procured from 99,675 farmers in Tamil Nadu, Punjab and Haryana at MSP, the ministry said in a statement on Thursday. The harvesting of kharif paddy, which has been sown on a slightly higher area of 411.96 lakh hectare this year, started last week. Food Corporation of India (FCI) and state agencies have undertaken procurement at MSP to create a buffer stock as well as protect the interest of farmers.

<https://economictimes.indiatimes.com/news/economy/agriculture/govt-begins-kharif-paddy-procurement-purchases-12-21-lakh-tonne-so-far/articleshow/104182707.cms>

### Drought roils crops in 42 lakh hectares in Karnataka worth Rs 30,433 crore

The deficit rainfall in Karnataka this year has led to crop losses in about 42 lakh hectares worth about Rs 30,433 crore in the six-month kharif season beginning April. The drought destroyed agricultural crops in 39.74 lakh hectares, and horticultural crops in 1.82 lakh hectares. Revenue Minister Krishna Byre Gowda and his team of senior officials briefed the 10-member inter-ministerial central team led by Ajeet Kumar Sahu, Joint Secretary, at the dept of agriculture and farmers welfare. Karnataka received 497 mm rainfall from June 1 to August 31, a 28% deficit. The shortfall showed this was also the third lowest rainfall in the state since 1973.

<https://economictimes.indiatimes.com/news/economy/agriculture/drought-roils-crops-in-42-lakh-hectares-in-karnataka-worth-rs-30433-crore/articleshow/104190349.cms>

## Infrastructure

### Global infra faces losses worth \$300 bn due to climate change: Report

The global annual average loss (AAL) in key infrastructure sectors due to disasters and climate change is currently estimated to be between \$301 billion and \$330 billion, according to a report by the Coalition for Disaster Resilient Infrastructure (CDRI). If health and education infrastructure, along with building stock, are included, the range escalates to \$732 billion to \$845 billion. This accounts for nearly one-seventh of the global Gross Domestic Product (GDP) growth in the financial year 2021-2022 (FY22). Almost half of this contingent liability is held by low- and middle-income countries, the report added.

[https://www.business-standard.com/economy/news/global-infra-faces-losses-worth-300-bn-due-to-climate-change-report-123100500714\\_1.html](https://www.business-standard.com/economy/news/global-infra-faces-losses-worth-300-bn-due-to-climate-change-report-123100500714_1.html)

## Energy

### Centre to assess damage to hydropower plants in Sikkim after flood water recedes: Power Ministry

The central government will make a detailed assessment of damage to hydropower projects in Sikkim after the flood water recedes, the Ministry of Power said on Thursday. The state-owned hydro power giant NHPC is taking all possible measures to get the hydropower projects operational at the earliest, the ministry said, adding that the Ministry of Power is continuously monitoring the situation arising out of flash floods in Teesta Basin in Sikkim. According to the statement, Union Power Secretary Pankaj Agrawal held an emergency meeting on Wednesday with NHPC, wherein senior officers of the ministry and Central Electricity Authority were also present.

<https://economictimes.indiatimes.com/industry/energy/power/centre-to-assess-damage-to-hydropower-plants-in-sikkim-after-flood-water-recedes-power-ministry/articleshow/104195072.cms>

### Gas price drop to make industrial users shun dirtier fossil fuels, says Indian Gas Exchange head

The head of India's only gas trading platform is optimistic that the drop in prices this year will encourage industrial users in the country to switch from dirtier fossil fuels. Trading volumes on the Indian Gas Exchange are set to rise due to a greater availability of cheaper supplies, Chief Executive Officer Rajesh Kumar Mediratta told Bloomberg Television in an interview. The bourse is looking to offer some longer-duration contracts to help buyers access gas at set prices, he said.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/gas-price-drop-to-make-industrial-users-shun-dirtier-fossil-fuels-says-indian-gas-exchange-head/articleshow/104184286.cms>

## States

### AP seeks Centre's nod to borrow ₹7,000 cr during current fiscal

Andhra Pradesh has sought permission for borrowing of ₹7,000 crore for the remaining part of current fiscal — 2023-24 (FY24). The State's Chief Minister, YS Jagan Mohan Reddy, met Union Finance Minister, Nirmala Sitharaman, in the national capital on Thursday.

<https://www.thehindubusinessline.com/news/national/ap-seeks-centres-nod-to-borrow-7000-cr-during-current-fiscal/article67385529.ece>

### Tamil Nadu has got proposals to add 5,000 MW new capacity in the wind energy sector

Tamil Nadu has received proposals to add about 5,000 MW of new capacity in the wind energy sector this year, said Beela Rajesh, Principal Secretary – Energy, Government of Tamil Nadu.

<https://thehindubusinessline.com/news/national/tamil-nadu-has-got-proposals-to-add-5000-mw-new-capacity-in-the-wind-energy-sector/article67384388.ece>

## External

### India-UK FTA talks gain steam: Commerce secy, team in London to push deal

Officials from India and the United Kingdom (UK) are working overtime to address the contentious issues related to the proposed free trade agreement (FTA) between the two nations, in a final push to conclude the deal by the year-end. Commerce Secretary Sunil Barthwal was headed to London on Thursday after completing his four-day visit to Brazil. Other key officials from India's negotiating team will be joining Barthwal in the UK capital, hoping to make headway in the FTA negotiations, which started in January last year, a person aware of the matter told Business Standard.

[https://www.business-standard.com/economy/news/senior-officials-head-to-london-as-india-uk-fta-talks-near-completion-123100501020\\_1.html](https://www.business-standard.com/economy/news/senior-officials-head-to-london-as-india-uk-fta-talks-near-completion-123100501020_1.html)

### WTO halves 2023 global merchandise trade growth forecast to 0.8%

The World Trade Organization (WTO) on Thursday more than halved its growth projection for world merchandise trade volume for 2023. It now expects a 0.8 per cent growth compared to the 1.7 per cent forecast in April due to a continued slump in goods trade. That's well below the average of 2.6 per cent annual growth registered since the global financial crisis. The gloomy forecast does not augur well for Indian exports that have been contracting for seven consecutive months till August in value terms. However, the world trade body marginally increased its forecast for goods trade for 2024 to 3.3 per cent from 3.2 per cent estimated earlier.

[https://www.business-standard.com/economy/news/wto-halves-forecast-for-2023-global-merchandise-trade-growth-to-0-8-123100501286\\_1.html](https://www.business-standard.com/economy/news/wto-halves-forecast-for-2023-global-merchandise-trade-growth-to-0-8-123100501286_1.html)

### India, UAE ink MoU to enhance cooperation in industries, advanced tech

India and the UAE on Thursday signed a Memorandum of Understanding on increasing cooperation in the field of industries and advanced technologies. The MoU aims at strengthening and developing industries in both nations through investments, technology transfer and deployment of key technologies in industries, by benefitting from joint funds and mutual efforts.

[https://www.business-standard.com/economy/news/india-uae-ink-mou-to-enhance-cooperation-in-industries-advanced-tech-123100500781\\_1.html](https://www.business-standard.com/economy/news/india-uae-ink-mou-to-enhance-cooperation-in-industries-advanced-tech-123100500781_1.html)

### India invites Brazilian industries to become part of its growing supply chain

India has invited Brazilian companies to participate in its growing supply chain with a view to strengthen economic ties between the two countries, an official statement said on Thursday. Commerce Secretary Sunil Barthwal, who was in Brazil from October 1 to 4, also discussed ways to promote trade between the two countries. He was there for the sixth meeting of the India-Brazil Trade Monitoring Mechanism (TMM). Both sides extensively discussed matters related to bilateral trade and outlined a roadmap for its further enhancement, the commerce ministry said. The secretary "invited Brazilian industries to be part of the growing supply chain," it said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-invites-brazilian-industries-to-become-part-of-its-growing-supply-chain/articleshow/104181093.cms>

### Russia surpasses UAE as India's top naphtha supplier amid discounts

Russia has overtaken the United Arab Emirates (UAE) to become India's top naphtha supplier, data shows, as New Delhi takes advantage of discounted Russian oil products and the re-routing of trade flows in the aftermath of Moscow's Ukraine invasion. The nearby UAE had long been India's top source of imported naphtha, used to manufacture petrochemicals that end up as plastics and polyester fibres, while India previously bought little Russian naphtha because of high logistical costs.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/russia-surpasses-uae-as-indias-top-naphtha-supplier-amid-discounts/articleshow/104176743.cms>

### **Coffee exports down a tad on lower green beans offtake**

The country's coffee exports fell marginally in volume during the first half of the current financial year on reduced off-take of green beans. But shipments value increased. Exporters said the outlook for the remaining year would depend on the crop size, which is seen influenced by erratic weather pattern.

<https://www.thehindubusinessline.com/economy/agri-business/coffee-exports-down-a-tad-on-lower-green-beans-offtake/article67385646.ece>