



October 12, 2023 – Thursday

Economy

Salaried employment slips in 12 major states, UTs, shows PLFS data

The quality of employment has deteriorated in 12 of the 21 major states and Union Territories, as the proportion of workers in regular or salaried jobs declined between July 2022 and June 2023 compared to the previous year, according to a Business Standard analysis of the latest Periodic Labour Force Survey (PLFS) released by the National Statistical Office.

https://www.business-standard.com/economy/news/salaried-employment-slips-in-12-major-states-uts-shows-plfs-data-123101101220_1.html

Foreign cos without PAN can open bank a/cs in IFSC-Gift City

Non-residents and foreign companies opening bank accounts in IFSC Gift City will not have to furnish PAN and instead file a declaration. The non-resident or the foreign company opening a bank account at the International Financial Services Centres (IFSC) will have to file a declaration in Form 60 and should not have any tax liabilities in India. The Finance Ministry has amended Income Tax Rules exempting non-residents opening a bank account from the requirement of submitting PAN.

<https://economictimes.indiatimes.com/news/economy/policy/foreign-cos-without-pan-can-open-bank-a/cs-in-ifsc-gift-city/articleshow/104344670.cms>

Industry

Govt tweaks PLI white goods scheme norms for simplifying operation

The central government has introduced changes to the rules governing the production-linked incentive (PLI) scheme for white goods, specifically air conditioners and light-emitting diode lights, with the goal of 'simplifying the scheme's operations' and promoting the ease of doing business, according to an official statement on Wednesday. These changes include investment criteria for determining eligibility, extending the deadline for filing claims to receive incentives, permitting administrative ministry visits to manufacturing facilities, and extending the time frame for the establishment of additional manufacturing facilities, among other adjustments.

https://www.business-standard.com/industry/news/govt-tweaks-pli-white-goods-scheme-norms-for-simplifying-operation-123101101069_1.html

Govt to hold off on introducing PLI schemes, evaluates existing initiatives

The government has decided to hold off introducing the production-linked incentive (PLI) scheme for additional sectors until it verifies the efficacy of existing initiatives. Top government officials have received mixed feedback on the scheme, including insights from the Economic Advisory Council to the Prime Minister, people aware of the matter said. "There are no new PLI schemes in the offing. Top government officials believe that there is a need to wait and watch, since the kind of performance they were expecting from the scheme is yet to happen. Of the 14 schemes, only a handful are performing well," one of the persons told Business Standard.

https://www.business-standard.com/economy/news/centre-to-not-initiate-new-pli-schemes-verifying-efficacy-of-existing-ones-123101100967_1.html

Cabinet approves royalty rates for lithium mining, niobium and rare earth elements

The Union Cabinet on Wednesday fixed the royalty rates for lithium, niobium and rare earth elements (REEs). Under the new regime, while the mines will be auctioned by the Centre, the royalty will continue to be accrued to the states where these minerals lie. Prior to this decision, there was no royalty rate specified for these minerals and it was pegged at 12% of the average sale price (ASP), similar to other unspecified ones. It has now been decided that royalty for lithium will be 3% of London Metal Exchange price. For niobium, royalty rate has been fixed at 3% of average sale price (both for primary and secondary sources), while it has been set at 1% of ASP for rare earth oxide.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/cabinet-approves-royalty-rates-for-lithium-mining-niobium-and-rare-earth-elements/articleshow/104351073.cms>

Strong domestic demand, raw material cost, pushing up steel prices

Strong demand in the domestic market, coupled with an increase in raw material prices, is pushing up steel prices. According to SteelMint, a market intelligence and price reporting firm, the list price of flat steel has seen an increase of Rs 750-2,000 per tonne for October deliveries. The long steel price witnessed an increase of Rs 1,500 per tonne towards the end of September.

https://www.business-standard.com/industry/news/strong-domestic-demand-raw-material-cost-pushing-up-steel-prices-123101100910_1.html

Copper prices rebound on weaker US dollar, new Chinese demand

Amid the ongoing geopolitical tension in Israel, prices of copper rebounded on Wednesday due to a weaker US dollar and on hopes of renewed demand from China as there is the possibility of the world's top metal consumer issuing new stimulus to boost its economy. Increasing demand for copper in the green energy sector is also giving support to the metal. Gnanasekar Thiagarajan, cofounder & CEO of Commtrendz Research, said copper continues to be the flavour among investors as the metal, which is needed in the alternative energy sector, might still be in deficit considering the lack of expansion in mining for the past few decades.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/copper-prices-rebound-on-weaker-us-dollar-new-chinese-demand/articleshow/104350872.cms>

Govt panel wants car ratings tied to improved connectivity

An Indian government panel has recommended that automakers who step up connectivity features in cars to communicate with other vehicles and external systems should win better ratings on crash tests, a draft report showed, in a bid to boost road safety. In a country with high accident rates, the advice could force automakers to equip the connected cars, as they are known, with technology using the airwaves to send warnings between drivers, and communicate with road systems like traffic lights. "Most traffic issues occur because of non-line-of-sight scenarios," the government panel said in its 58-page draft, which is being reported for the first time by Reuters.

<https://economictimes.indiatimes.com/news/economy/policy/indian-govt-panel-wants-car-ratings-tied-to-improved-connectivity/articleshow/104337496.cms>

Kitchen staples may not pinch in festive season

Retail prices of kitchen staples products are expected to stay under control during the peak festival season because of the strict measures taken by the government, said experts from across the industry. Food inflation, though high, has started to cool off from recent highs, after the government took a series of measures such as imposing export restrictions and stock holding limits, as well as offloading wheat, rice, chana and onions in the local market to augur supplies and tame prices.

<https://economictimes.indiatimes.com/news/economy/indicators/kitchen-staples-may-not-pinch-in-festive-season/articleshow/104351119.cms>

Israel-Palestine conflict not likely to impact India's gem, jewellery sector: GJEPC

Rising tension between Israel and Palestine is not likely to have any adverse impact on the gem and jewellery industry's exports, GJEPC has said. India has witnessed substantial exports of gem and jewellery to Israel, amounting to USD 1,279.76 million in 2022-23, according to data by the Gem Jewellery Export Promotion Council (GJEPC). It is significant to note that Israel being a very important trading centre exports rough diamonds to the tune of USD

1,782.80 million, it added. "Israel primarily serves as a re-export market. While the ongoing situation in Israel is of grave concern to us, we express our solidarity with the Israeli diamond trade during this hour of crisis for their nation. It is too early to definitively assess the impact and we are keeping a strict watch on the situation.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/israel-palestine-conflict-not-likely-to-impact-indias-gem-jewellery-sector-gjepec/articleshow/104350668.cms>

Price drop drives solitaire diamond sales in top cities

Sales of solitaire diamonds of 1 carat and above have picked up in India's top cities after the pandemic, as weak demand in the western markets and a resultant drop in prices have made the precious stone more affordable for local buyers. Global diamond conglomerate De Beers as well as local chains such as Senco Gold & Diamonds and Malabar Gold & Diamonds estimate the increase in demand for solitaire, or one-piece, diamonds in India to as much as 20% compared with the pre-Covid period. Many in the age group of 25-30 years are purchasing solitaire diamond jewellery for wedding, while among the wealthy aged 40-45 years, it has become a favourite anniversary gifting option, said industry executives.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/price-drop-drives-solitaire-diamond-sales-in-top-cities/articleshow/104351105.cms>

Agriculture

Agrochemicals sector to witness 3% dip in revenue in FY24 on tepid demand: Report

The Indian agrochemicals sector is likely to witness 3 per cent decline in revenue in this financial year due to falling prices, tepid demand and lower reservoir levels, a Crisil report said on Wednesday. For the first time in a decade, agrochemical makers will see a 3 per cent drop in revenue in 2023-24 due to falling prices globally following a supply deluge from China, muted demand for exports (53 per cent of revenues) owing to destocking by global manufacturers and the impact of lower reserv .. For the first time in a decade, agrochemical makers will see a 3 per cent drop in revenue in 2023-24 due to falling prices globally following a supply deluge from China, muted demand for exports (53 per cent of revenues) owing to destocking by global manufacturers and the impact of lower reservoir levels on rabi sowing, the report said. Operating margins too may plunge by 400-450 basis points (bps) to a decadal low of 10-11 per cent this fiscal due to lower volumes and realisations, impacting cash accruals for agrochemical players, it stated.

<https://economictimes.indiatimes.com/news/economy/agriculture/agrochemicals-sector-to-witness-3-dip-in-revenue-in-fy24-on-tepid-demand-report/articleshow/104348703.cms>

Tur, chana prices fall 4% on rising imports, government actions, fall in demand

Increased imports of arhar/tur from Africa and masoor from Canada, and the government's strict action on stock limits and aggressive selling of chana, along with reduced consumer demand amid high prices, have brought down prices of pulses by about 4% in one month. Wholesale price of tur/arhar dal, the most expensive dal in the market, has declined by 4% in the past one month due to the stock limit imposed by the central government on traders and processors, trade body Indian Pulses and Grains Association (IPGA) said in a report.

<https://economictimes.indiatimes.com/news/economy/agriculture/tur-chana-prices-fall-4-on-rising-imports-government-actions-fall-in-demand/articleshow/104332751.cms>

Cheap sunflower oil from Russia, Ukraine rattles palm oil market

A flood of cheap sunflower oil from Russia and Ukraine is putting downward pressure on palm oil prices as the two top producers take advantage of currency depreciation to grab a larger share of the edible oils market. Last year, palm oil prices soared after Russia's invasion of Ukraine disrupted sunflower oil supplies from the Black Sea region. Now, sunflower oil, which typically commands a hefty premium, is cheaper than soyoil and holding a negligible premium over palm oil, said Vipin Gupta, chief executive officer of Dubai-based trader Glentech Group.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/cheap-sunflower-oil-from-russia-ukraine-rattles-palm-oil-market/articleshow/104340305.cms>

Infrastructure

Average daily domestic traffic increased by 1.65%, Oct upswing anticipated

Average daily domestic traffic increased by 1.65 per cent month-on-month (M-o-M) to 408,906 in September, according to the Ministry of Civil Aviation's data reviewed by Business Standard. This small increase can be attributed to the lean travel season and the reduction of flights by Akasa Air. The peak travel season in India falls between October and December, and industry officials anticipate an upswing in both domestic and international passenger traffic in October.

https://www.business-standard.com/industry/news/average-daily-domestic-traffic-increased-by-1-65-oct-upswing-anticipated-123101101457_1.html

India outpaces peers in recovery of int'l flight capacity, report reveals

India is the only one in a list of 11 Asian nations that has recovered and increased its international seat capacity in August 2023 over the pre-pandemic levels of 2019, says a report by OAG that provides global aviation data. Other Asian countries studied, such as China, Taiwan, Singapore and Japan, are in the negative zone. However, India has seen a recovery of 4 per cent in international seat capacity in August 2023 compared to 2019. Vietnam is still in a negative zone (-8 per cent) and while Singapore is 11 per cent lower, Indonesia is still down 12 per cent.

https://www.business-standard.com/industry/news/india-outpaces-peers-in-recovery-of-int-l-flight-capacity-report-reveals-123101101241_1.html

Road logistics industry anticipates favourable demand in FY2024: ICRA

Rating agency ICRA on Wednesday said that it anticipates a favourable demand scenario for the road logistics sector in FY2024, aided by stable domestic consumption and investment demand. It said the industry's revenue growth is pegged at 6-9 per cent in FY2024 on an elevated base of FY2023, driven primarily by demand from varied segments like e-commerce, FMCG, retail, chemicals, pharmaceuticals, and industrial goods. "ICRA expects the outlook for the sector to remain stable," it said.

https://www.business-standard.com/industry/news/road-logistics-industry-anticipates-favourable-demand-in-fy2024-icra-123101100956_1.html

Spending so much on highways and trains, but is it helping people? Govt wants to know

The finance ministry has proposed that the railways, road transport, and shipping ministries should conduct productivity tests for their completed projects. Similar assessments should also be carried out for Metro Rail projects. This continuous exercise will enable the government to evaluate the impact of these projects on the economy and people's lives, considering the significant investment in creating infrastructure. The finance ministry has also requested the Niti Aayog to monitor the data generated by these tests and provide recommendations in consultation with the relevant ministries, a TOI report by Dipak K Dash stated.

<https://economictimes.indiatimes.com/news/economy/infrastructure/spending-so-much-on-highways-and-trains-but-is-it-helping-people-govt-wants-to-know/articleshow/104335321.cms>

Energy

Russian oil price to India for August hits highest since December

The average price of Russian oil delivered to India in August rose to the highest level since G-7 nations imposed a price cap in December last year, Indian government data showed, indicating narrowing discounts. India received Russian oil at an average price of about \$86 per barrel, compared to \$68.09 per barrel in July and \$94 in August 2022 before the cap was imposed, according to Reuters' calculations based on the latest data posted on the Indian Trade Ministry's website.

https://www.business-standard.com/economy/news/russian-oil-price-to-india-for-august-hits-highest-since-december-123101101123_1.html

India's Sept diesel flows to Europe reach all-time peak, Oct volumes slowing

India's September-loading diesel exports to Europe hit an unprecedented high as traders cashed in on arbitrage profits to the West, although the likelihood of such volumes continuing through October was unlikely, traders and analysts said. Exports also got a boost from a seasonal lull in domestic demand, an India-based trading source said. "This trade flow was mainly attributed to the opened arbitrage for India-origin cargoes to head West, with traders

potentially preparing for the loss of Russian diesel barrels to Turkey as well due to the export ban," said Vortexa's head of APAC analysis, Serena Huang.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/indias-sept-diesel-flows-to-europe-reach-all-time-peak-oct-volumes-slowing/articleshow/104340169.cms>

Healthcare

Centre to push pharma exports to Japan

The Centre will give a special push to Indian pharma exports to Japan in the upcoming investment and trade promotion road show to be held from October 25 to 27 in Tokyo. The roadshow will be led by the Union Minister for Commerce and Industries Piyush Goyal to promote India as an attractive investment destination and to promote Indian products in Japan. "In this context, pharmaceuticals and biomedical-related sectors have been identified as potential sectors for trade promotion in consultation with our Mission Japan," R Uday Bhaskar, Director-General, Pharmaceuticals Export Promotion Council (Pharmexcil) told businessline.

<https://www.thehindubusinessline.com/news/centre-to-push-pharma-exports-to-japan/article67407591.ece>

External

Centre set to restrict sugar exports after poor monsoon rains: Report

India's government is set to restrict sugar exports after poor monsoon rains, broadcaster ET Now reported on Wednesday, citing agencies. The seasonal monsoon rainfall is vital for India's \$3 trillion economy and brings nearly 70% of the rain the country needs to water crops and replenish reservoirs and aquifers. Monsoon rain this year was the lowest since 2018 due to the El Nino weather pattern - a warming of Pacific waters that is typically accompanied by drier conditions over the Indian subcontinent, according to the state-run weather office.

https://www.business-standard.com/economy/news/centre-set-to-restrict-sugar-exports-after-poor-monsoon-rains-report-123101100543_1.html

Govt requests mills to stop raw jute imports on domestic oversupply

The Centre has advised mills to stop importing raw jute because of its oversupply in the domestic market and instructed jute importers to provide daily transaction reports in a prescribed format until December. The jute commissioner's office, representing the Union textile ministry, in a notice on Tuesday also recommended mills not to import jute of TD 4 to TD 8 variants (as per the old classification used in the trade) since these are adequately available within the country.

https://www.business-standard.com/economy/news/govt-requests-mills-to-stop-raw-jute-imports-on-domestic-oversupply-123101100993_1.html

India keen to engage with IMF to pursue G20 agenda on domestic resource mobilisation

Finance Minister Nirmala Sitharaman on Wednesday expressed India's keenness to engage with IMF to work with developing countries in facilitating domestic resource mobilisation as endorsed by G20 leaders. Last month, the G20 New Delhi Leaders' Declaration urged the IMF and the World Bank, in coordination with other relevant international institutions, to support efforts at enhancing domestic resource mobilisation in emerging markets and developing economies (EMDEs). During the meeting with International Monetary Fund (IMF) managing director Kristalina Georgieva on the sidelines of the Annual Meetings of IMF-WB, in Marrakech, Morocco, Sitharaman thanked IMF for support during the G20 India Presidency, including Digital Public Infrastructure (DPI) related work and promotion for tech-driven economic growth and productivity gains.

<https://economictimes.indiatimes.com/news/economy/policy/india-keen-to-engage-with-imf-to-pursue-g20-agenda-on-domestic-resource-mobilisation/articleshow/104349936.cms>

India mulls extension of parboiled rice curbs ahead of key polls

India, the world's top rice exporter, may extend an export levy on parboiled rice to control local prices ahead of key polls, keeping the market tight and raising the risk of higher global food inflation. The government is considering an extension to a 20% export levy, which is due to expire on Oct. 15, according to people familiar with the matter who

asked not to be identified as the talks are confidential. There are no plans to raise the tax to 40%, as speculated by some market participants, they said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-mulls-extension-of-parboiled-rice-curbs-ahead-of-key-polls/articleshow/104344180.cms>

DGFT puts new import registration regime in place for laptops, tablets from November 1

The Directorate General of Foreign Trade (DGFT) is gearing up to activate its import management system for registration of laptops, computers, and tablets from November 1, as there may be no further postponement of the government's decision to switch to an import authorisation system beyond October 31, sources have said.

However, the registration process will be "simple and non-restrictive" to begin with. Importers will be required to just register on the DGFT's system, specifying the quantity they intend to import, following which they will be issued import authorisation for the same, an official tracking the matter told businessline.

<https://www.thehindubusinessline.com/economy/dgft-puts-new-import-registration-regime-in-place-for-laptops-tablets-from-november-1/article67408501.ece>

Solar module exports up 1000% as US keeps China out

Exports of solar cells and modules from India have gone up to \$ 628.38 million in April – July 2023, which is 1,062 per cent higher than \$ 54.04 million recorded in the same period of 2022, according to government data. (Cells go into the manufacture of modules.)

<https://www.thehindubusinessline.com/economy/solar-module-exports-up-1000-pc-as-us-keeps-china-out/article67408232.ece>