



October 19, 2023 – Thursday

Economy

GDP to grow at 6.5-6.8% in FY24; festive, govt spends key drivers: Deloitte

Deloitte India on Wednesday said it expects GDP growth in the current fiscal to be in the range of 6.5-6.8 per cent primarily due to upcoming festive spending as well as higher government expenditure before the national elections mid-next year. In its India economic outlook report, released earlier this month, Deloitte said India will need at least 6.5 per cent growth every fiscal to become the world's third largest economy by 2027, with its Gross Domestic Product (GDP) crossing \$ 5 trillion. The country needs 8-9 per cent economic growth to become a developed country by 2047, it added.

https://www.business-standard.com/economy/news/gdp-to-grow-at-6-5-6-8-in-fy24-festive-govt-spends-key-drivers-deloitte-123101800889_1.html

Poverty in India eased in '21, but was above '18 level: World Bank data

Extreme poverty in India declined by 38 million in 2021 to 167.49 million after a surge in the two preceding years, but remained above the 2018 level, the latest World Bank data shows. While for most countries poverty rose in 2020, when the Covid-19 pandemic hit the global economy, the data shows poverty shot up in India a year earlier in 2019 to 176.09 million from 151.79 million in 2018, the lowest pre-pandemic count. India's poverty rate at 11.9 per cent in 2021 also remained higher than the 2018 level of 11.09 per cent, though easing from 14.72 per cent in 2020.

https://www.business-standard.com/economy/news/extreme-poverty-in-india-eased-in-2021-but-remained-above-2018-level-123101801314_1.html

Banking and Finance

GST intelligence detects tax evasion of Rs 1.36 trillion so far in FY24

The Directorate General of Goods and Services Tax Intelligence (DGGI) has detected tax evasion amounting to Rs 1.36 trillion in the current financial year, recovering Rs 14,108 crore, the finance ministry disclosed on Wednesday. This figure includes 1,040 cases of bogus input tax credit, valued at Rs 14,000 crore. So far, 91 individuals involved in fraud have been apprehended.

https://www.business-standard.com/economy/news/gst-intelligence-detects-tax-evasion-of-rs-1-36-trillion-so-far-in-fy24-123101801282_1.html

Banking liquidity moves to surplus due to govt spending, RBI concerned

The liquidity in the banking system moved back into surplus mode on Tuesday on the back of government spending, market participants said. However, the market believes that the banking liquidity might again fall back into deficit mode as the Reserve Bank of India (RBI) is not comfortable with the surplus liquidity. "Only aid to liquidity is the government spending," a dealer at a state-owned bank said. "It will again fall into deficit because the RBI seems to be comfortable when the liquidity is negative. Also, the market is now used to borrowing at MSF rate," he added.

https://www.business-standard.com/industry/banking/banking-liquidity-moves-to-surplus-due-to-govt-spending-rbi-dissatisfied-123101801080_1.html

Industry

Festive car discounts soar this year as supplies improve: Car dealers

As the festive season gains momentum, car dealerships across India are offering discounts ranging from Rs 25,000 to over Rs 1 lakh for various models. Dealer sources reveal that festival discounts are higher than those offered in the 2022 festive period which was affected by supply chain issues of electronic components for cars. The average increase in discounts from 2022 to 2023 is around 40 - 50 per cent depending on the car model and dealership location.

https://www.business-standard.com/industry/auto/festive-car-discounts-soar-this-year-as-supplies-improve-car-dealers-123101800634_1.html

Consumer companies anticipate rural mandate with Assembly polls around the corner

Consumer goods companies and automakers are hoping that the elections in five states next month, followed by the general elections in April-May 2024, will fuel a robust recovery in rural demand. Executives at these companies say elections typically lead to an increase in government initiatives, which, in turn, spur rural incomes and liquidity. Elevated food prices and below-average monsoons have delayed a sustained rebound in the rural economy, Marico, Dabur and Godrej Consumer Products noted in their September quarter earnings' calls.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/consumer-companies-seek-rural-mandate-with-polls/articleshow/104539731.cms>

CCI seeks comments on framework to offer incentives to cos for identifying other cartel activities

Competition Commission has sought stakeholders' comments on draft leniency plus regulations that will offer incentives to companies already under probe for cartelisation for providing information about other cartels. As incentives, the entity giving information could get an additional reduction in monetary fine could be as much as 30 per cent with regard to the first cartel besides a reduction in penalty of up to 100 per cent in respect of newly disclosed cartels. "The benefit for the applicant is that it will be eligible to receive an additional reduction in penalty for the first cartel besides reduction in penalty as per priority status in respect of first cartel, subject to fulfilment of prescribed terms and conditions," the Competition Commission of India (CCI) said.

<https://economictimes.indiatimes.com/news/economy/policy/cci-seeks-comments-on-framework-to-offer-incentives-to-cos-for-identifying-other-cartel-activities/articleshow/104534309.cms>

Agriculture

Centre hikes wheat MSP by 7% ahead of polls, highest increase since 2014

The Centre on Wednesday raised the minimum support price (MSP) of wheat by Rs 150 per quintal, or 7.06 per cent, to Rs 2,275 for the 2024-25 rabi marketing season, which will start from April. This is the highest increase in the MSP of wheat — the most preferred staple in India after rice — since the Narendra Modi government came to power in 2014. The decision comes ahead of the Assembly elections in five states, including Madhya Pradesh and Rajasthan, which are among the top wheat-growing states. The Bharatiya Janata Party (BJP) and the Congress are locked in a tough fight in Madhya Pradesh and Rajasthan, which will go to the polls on November 17 and November 23, respectively.

https://www.business-standard.com/economy/news/centre-hikes-wheat-msp-by-7-ahead-of-polls-highest-increase-since-2014-123101800823_1.html

Rising concerns over delayed arrival of kharif crop push wholesale onion prices up in Maha

Wholesale onion prices have shot up around 30% in a week at the mandis in Maharashtra's Nashik district owing to concerns over the delay in arrival of the kharif crop. In other states, where the government is selling onions in wholesale markets, the price increase is lower than in Nashik, which is considered the benchmark for the country's onion prices. According to data provided by Agmarknet, in most of the wholesale markets in Nashik district, including the benchmark Lasalgaon agricultural produce marketing committee, onion prices have increased to ₹32-33 per kg from ₹23-24 per kg last week.

<https://economictimes.indiatimes.com/news/economy/agriculture/rising-concerns-over-delayed-arrival-of-kharif-crop-push-wholesale-onion-prices-up-in-maha/articleshow/104535701.cms>

Horticulture output rises to 351.92 million tonne in 2022-23: Government data

India's horticulture production is estimated to have risen annually by 1.37 per cent to 351.92 million tonne in 2022-23 due to better productivity, according to government data. Ministry of Agriculture and Farmers Welfare on Wednesday released the second advance estimates of the area and production of various horticultural crops for the year 2022-23. According to this estimate, total horticulture production in the country is expected to be a record 351.92 million tonne in 2022-23, with an increase of about 4.74 million tonne (1.37 per cent) as compared to the previous year, an official statement said.

<https://economictimes.indiatimes.com/news/economy/agriculture/horticulture-output-rises-to-351-92-million-tonne-in-2022-23-government-data/articleshow/104530866.cms>

Infrastructure

Festival season gains momentum, leads to surge in airfares, hotel tariffs

Airfares and hotel tariffs are shooting through the roof as the festival season kicks off. During the Diwali week (November 10-16), airfares on major routes across the country have surged by up to 44 per cent from the previous Diwali week. Robust demand and limited capacity, aided by Go First's insolvency and SpiceJet's financial stress, seem to be driving the extraordinary rise in fares.

https://www.business-standard.com/economy/news/festival-season-gains-momentum-leads-to-surge-in-airfares-hotel-tariffs-123101800916_1.html

PM Gati Shakti: 4 infra projects worth Rs 19,520 cr put up for approval

Four infrastructure projects of roads and railways worth Rs 19,520.77 crore have been recommended for approval under the PM Gati Shakti initiative, an official statement said on Wednesday. This takes the total number of projects assessed by Network Planning Group (NPG) to 115 with a total value of about Rs 11.70 lakh crore, since the launch of PM Gati Shakti, it said. These four projects were assessed in the 57th NPG meeting on October 17.

https://www.business-standard.com/economy/news/pm-gati-shakti-4-infra-projects-worth-rs-19-520-cr-put-up-for-approval-123101801285_1.html

NIIF looks to sell over \$1 billion worth of maiden roads portfolio

India's sovereign-backed National Investment and Infrastructure Fund (NIIF) is looking to sell its maiden portfolio of five road projects, worth around Rs 10,000 crore (\$1.2 billion) on an enterprise value basis, sources aware of the development told ET. NIIF has appointed investment bank JP Morgan to run a sale process for the roads portfolio, the sources said. Formal conversations are yet to begin, added the sources mentioned above on the condition of anonymity as these discussions are still in private domain. "This is one of the biggest road portfolios, value wise, to hit the market in recent times." said one of the sources cited above.

<https://economictimes.indiatimes.com/news/economy/infrastructure/niif-looks-to-sell-over-1-billion-worth-of-maiden-roads-portfolio/articleshow/104536058.cms>

States

Arunachal cabinet approves amendment of state industrial & investment policy

Arunachal Pradesh cabinet has approved the amendment of Arunachal Pradesh State Industrial and Investment Policy 2020. The amendment includes measures to make Arunachal Pradesh a favoured destination for investment, driven by state-of-art infrastructure, imparting skills of latest technology and providing a conducive ecosystem for generating employment and balanced regional development. The policy also includes special incentive in the form of amended power subsidy, among others to large scale industries and attract investors to boost the state economy and provide more employment. The policy further includes tax incentives with single window clearance for all mandatory licenses.

<https://economictimes.indiatimes.com/news/economy/policy/arunachal-cabinet-approves-amendment-of-state-industrial-investment-policy/articleshow/104533137.cms>

TN Govt reduces power tariff for common service connections in small-sized apartments

In relief for residents of small-sized apartments, the Tamil Nadu government has reduced the power tariff from the present Rs 8 per unit to Rs 5.50 per unit for common service connections. This was announced by Chief Minister M K Stalin while addressing district collectors of Chennai and three suburban districts, and top state officials on Wednesday.

<https://www.thehindubusinessline.com/news/tn-govt-reduces-power-tariff-for-common-service-connections-in-small-sized-apartments/article67434900.ece>

Cabinet approves transmission system for 13 GW RE capacity in Ladakh

The Cabinet Committee on Economic Affairs (CCEA) on Wednesday approved the project on Green Energy Corridor (GEC) Phase-II – Inter-State Transmission System (ISTS) for 13 gigawatt (GW) Renewable Energy (RE) project in Ladakh. The project is targeted to be set up by FY30 with a total estimated cost of ₹20,773.70 crore and Central Financial Assistance (CFA) at 40 per cent of the project cost at ₹8,309.48 crore, the Ministry of New & Renewable Energy (MNRE) said.

<https://www.thehindubusinessline.com/news/national/cabinet-approves-transmission-system-for-13-gw-re-capacity-in-ladakh/article67434400.ece>

External

India to advocate for food security, WTO reforms at upcoming Geneva meeting

Commerce secretary Sunil Barthwal is set to attend a two-day meeting from October 23 at the World Trade Organization (WTO) headquarters in Geneva, that would focus on finding solutions and giving the 'necessary political push' for at least some crucial global trade issues. Next week's meeting comes ahead of the WTO's 13th ministerial conference (MC13), scheduled in Abu Dhabi in February 2024. It will see participation of senior government officials from all WTO member nations.

https://www.business-standard.com/economy/news/india-to-advocate-for-food-security-wto-reforms-at-upcoming-geneva-meeting-123101800966_1.html

Centre extends restriction on export of sugar beyond October: Govt order

The government on Wednesday again extended restrictions on sugar exports beyond October 31 next year, a move aimed at increasing the availability of the commodity in the domestic market during the festive season.

Earlier, the restrictions were imposed until October 31 of this year. "Restriction on export of sugar (raw sugar, white sugar, refined sugar, and organic sugar) is extended beyond October 31, 2023. Other conditions will remain unchanged, the directorate general of foreign trade (DGFT) said in a notification.

https://www.business-standard.com/economy/news/centre-extends-restriction-on-export-of-sugar-beyond-october-govt-order-123101800347_1.html

India to allow export of non-basmati white rice to some countries

India will allow exports of non-basmati white rice to Nepal, Cameroon, Malaysia, Philippines, Seychelles, Ivory Coast and the Republic of Guinea, a government notification showed on Wednesday. India in July banned exports of non-basmati white rice and later imposed a 20% duty on exports of parboiled rice.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-to-allow-export-of-non-basmati-white-rice-to-some-countries/articleshow/104517652.cms>

No decision yet on India joining trade pillar of IPEF, says official

The government has not yet taken any decision on the issue of India joining the trade pillar of the Indo-Pacific Economic Framework (IPEF), a 14-member grouping, a senior official said. The IPEF was launched jointly by the US and other partner countries of the Indo-Pacific region on May 23 in Tokyo. The 14 IPEF partners represent 40 per cent of global GDP and 28 per cent of global goods and services trade. The framework is structured around four pillars relating to trade, supply chains, clean economy, and fair economy (issues like tax and anti-corruption).

https://www.business-standard.com/economy/news/no-decision-yet-on-india-joining-trade-pillar-of-ipef-says-official-123101800254_1.html

IT hardware importers may require global certification

The government may ask laptop, server and other IT hardware importers to provide an international certification attesting that their product is from a trusted source before allowing a licence-free import of it, people in the know of the matter told ET. This certification, one of the people said, could be from an international organisation. This organisation could periodically verify that the components used in the hardware come from trusted supply chains and do not have any spyware or malware in them, this person said.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/it-hardware-importers-may-require-global-certification/articleshow/104539727.cms>

Oilmeals export up 29 per cent in H1 this fiscal

India exported 22.76 lakh tonnes (lt) of oilmeals during April-September of 2023-24 against 17.62 lt in the corresponding period a year ago, registering a growth of 29.15 per cent. Data provided by the Solvent Extractors' Association of India (SEA) showed that India exported 3.30 lt of oilmeals during September 2023 against 2.40 lt in September 2022, up 37.35 per cent.

<https://www.thehindubusinessline.com/markets/commodities/oilmeals-export-up-29-per-cent-in-h1-this-fiscal/article67433232.ece>