



November 01, 2023 – Wednesday

Economy

Core sector output slows to a four-month low of 8.1% in September

The output of eight key infrastructure industries — known as the core sector — slowed to a four-month low of 8.1 per cent in September, on the back of a high base and a slowdown in seven constituent sectors. In September last year, the core sector output had grown 8.3 per cent. The print for August 2023 was also revised slightly upwards to 12.5 per cent, from 12.1 per cent estimated earlier. According to data released by the Ministry of Commerce and Industry on Tuesday, while growth in the output of fertiliser (4.2 per cent) accelerated in September vis-a-vis previous month, that of coal (16.1 per cent), natural gas (6.5 per cent), refinery products (5.5 per cent), cement (4.7 per cent), steel (9.6 per cent), and electricity (9.3 per cent) decelerated.

https://www.business-standard.com/economy/news/core-sector-output-slows-down-to-4-month-low-of-8-1-in-september-123103101155_1.html

Retail inflation for industrial workers eases to 4.72 pc in September

Retail inflation for industrial workers eased to 4.72 per cent in September, compared to 6.91 per cent in August this year, mainly due to lower prices of certain food items and cooking gas. "Year-on-year inflation for the month stood at 4.72 per cent compared to 6.91 per cent for the previous month (August 2023) and 6.49 per cent during the corresponding month (September 2022) a year before," a labour ministry statement said. Similarly, it stated that the food inflation also reduced to 6.52 per cent against 10.06 per cent of the previous month and 7.76 per cent during the corresponding month a year ago. According to the statement, the All-India CPI-IW (Consumer Price Index-Industrial Workers) for September 2023 decreased by 1.7 points and stood at 137.5. It was 139.2 points in August 2023.

<https://economictimes.indiatimes.com/news/economy/indicators/retail-inflation-for-industrial-workers-eases-to-4-72-pc-in-september/articleshow/104860196.cms>

India's gross tax receipts remain robust; fiscal deficit at Rs 7.02 trn

India's gross tax receipts, comprising both direct and indirect taxes, increased by 16.3 per cent to Rs 16.19 trillion on an annual basis in the first half (H1) of 2023–24 (FY24). This upward trend persists after August, primarily driven by a surge in corporation tax collections following a challenging start to the financial year. During this period, net tax revenue reached Rs 11.6 trillion, representing 49.8 per cent of the budgetary target, according to data released by the Controller General of Accounts on Tuesday.

https://www.business-standard.com/economy/news/gross-tax-receipts-remain-robust-123103101303_1.html

Centre looking to bring in new Food Safety Bill

The government is looking to revamp the Food Safety and Standards Act 2006. The Health Ministry has been working on finalising the amendments and efforts are underway to introduce it in the upcoming Parliament session. Speaking to media persons at the sideline of an event, Health Secretary and FSSAI Chairperson Sudhanshu Pant said that the government is hopeful of bringing the new Food Safety Bill very soon. This Bill will bring a wide range of amendments to the Food Safety and Standards Act 2006. This is being done to ensure food safety regulations are in line with the fast-evolving food ecosystem.

<https://www.thehindubusinessline.com/economy/centre-looking-to-bring-in-new-food-safety-bill/article67481287.ece>

Banking and Finance

RBI issues regulations to govern payment aggregators in cross-border transactions

The Reserve Bank of India (RBI) on Tuesday issued regulations aimed at governing entities that facilitate payment and settlement for online cross-border export/import transactions. These regulations encompass Payment Aggregators (PAs), which are entities that support the processing of domestic transactions in online mode. The central bank's regulations aim to bring all entities involved in facilitating cross-border payment transactions for the import and export of goods and services under direct RBI regulation, considering the developments in cross-border payments. This includes Authorised Dealer (AD) banks, PAs, and PAs-CB (Payment Aggregators for Cross-Border transactions).

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-issues-regulations-to-govern-payment-aggregators-in-cross-border-transactions/articleshow/104861819.cms>

GIFT taps RBI, finance ministry on family funds

Family offices, used by the rich to park some of their wealth overseas, have found a policy patron in the GIFT City regulator amid a broader, unstated dilemma of allowing unchecked outflows of money. The International Financial Services Centres Authority (IFSCA) is learnt to have approached the ministry of finance and RBI to explore regulatory changes that could pave the way for setting up family offices in GIFT City, the country's only financial services centre, a person familiar with the matter told ET. Though permitted on paper, the formation of 'family investment funds' (FIF), or family office, in GIFT City, is caught in a regulatory tangle. The confusion stems from the legal interpretation of the new Overseas Investment (OI) Regulations issued a year ago as well as concerns that family offices in GIFT City could encourage many to sidestep restrictions on annual overseas investments by residents to transfer funds beyond what New Delhi and regulators are comfortable with.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/gift-taps-rbi-finance-ministry-on-family-funds/articleshow/104866718.cms>

Industry

Auto dispatches may hit a peak in October and move to the slow lane soon

Carmakers in India are estimated to have dispatched record volumes to dealers in October anticipating strong demand. They are likely to have shipped 380,000-385,000 cars during the month, surpassing the previous high of 362,000 cars in September, as per industry estimates. This would imply a growth of 13.5-14.5% from the previous year - the highest monthly increase in more than a year. Car sales are expected to hit a record high this festive season, with October likely being one of the last months of such strong growth, as the festive season comes to an end in two weeks with the major festival of Diwali. The likelihood of manufacturers curtailing dispatches from November to re-align supplies to demand may moderate sales volumes in the coming months.

<https://economictimes.indiatimes.com/industry/auto/auto-news/indian-carmakers-set-new-sales-records-in-october-as-festive-demand-surges/articleshow/104866395.cms>

Auto sector to see moderate growth in FY24, uneven monsoon's impact on rural demand a concern: ICRA

India's domestic automobile industry is expected to record moderate growth in volumes in FY24, but a sustained recovery in demand sentiments remains to be seen, amid concerns over the impact of an uneven monsoon on rural demand, ratings agency ICRA said on Tuesday. The industry has been on a comeback trail over the past two years, aided by a recovery in economic activities and increased mobility although the pace of revival across the various automotive segments has been somewhat mixed, ICRA said in a statement. The passenger vehicle segment reached all-time high volume levels in FY23, aided by preference for personal mobility and stable semiconductor supplies and the demand sentiments are expected to remain healthy in the segment, 6-9 per cent year-on-year (YoY) growth in FY2024, it added.

<https://economictimes.indiatimes.com/industry/auto/auto-news/auto-sector-to-see-moderate-growth-in-fy24-uneven-monsoons-impact-on-rural-demand-a-concern-icra/articleshow/104850078.cms>

Indians splurge big on festive season sales, buoying economy

India's festive season spending is booming as consumers splurge on cars, smartphones and TVs, buoying growth in one of the world's fastest-expanding economies. Sales at online platforms like Amazon.com Inc., and Walmart Inc.-owned Flipkart was up by almost a fifth in the first week of the festive sales from a year ago. Digital transactions recorded by Unified Payments Interface surged about 40% in October from a year earlier.

<https://economictimes.indiatimes.com/news/economy/indicators/indians-splurge-big-on-festive-season-sales-buoying-economy/articleshow/104872068.cms>

Electric vehicle market set to be on full charge by 2025: ICRA report

Electric vehicle penetration continues to improve at a healthy pace, spurred by government support in the form of subsidies, enhanced awareness, and increasing product launches, according to ICRA's research, published on Tuesday. It expects electric bus, two-wheeler and three-wheeler penetration to grow significantly by FY25. The report highlights that the electric two-wheeler (e2W) segment has emerged as a frontrunner, accounting for 85-90 per cent of total EV sales in FY23. Penetration of e2Ws in the overall two-wheeler sales increased nearly 5 per cent. The segment is projected to increase its penetration by 10-12 per cent in FY25, indicative of its ongoing popularity.

https://www.business-standard.com/industry/news/robust-growth-predicted-in-indian-electric-vehicle-market-by-2025-icra-123103100843_1.html

Agriculture

'Rainfall deficiency in October likely to affect sowing, production of rabi crops'

New Delhi: High rainfall deficiency of over 32.6% across the country in October coupled with low reservoir levels could affect the sowing and yield of the primary rabi crops such as wheat and masoor dal adding to inflationary pressure, said economists tracking agriculture. "Late sowing could affect sentiment and exacerbate stickiness in pulses and cereal inflation," said Aditi Nayar, chief economist ICRA, adding that with reservoir levels low by historical standards, timely rainfall holds the key to a broad-based momentum in rabi sowing.

<https://economictimes.indiatimes.com/news/economy/agriculture/rainfall-deficiency-in-october-likely-to-affect-sowing-production-of-rabi-crops/articleshow/104866403.cms>

Isma projects 9% fall in sugar output, says sufficient to meet local demand

Industry body ISMA on Tuesday projected a 9 per cent fall in gross sugar production at 337 lakh tonnes for the current marketing year starting this month but asserted the output will be enough to meet domestic demand. It has not estimated the diversion of sugar for ethanol production. "Gross sugar production for the 2023-24 sugar season has been estimated at around 337 lakh tonnes," Indian Sugar Mills Association (ISMA) said in a statement. The sugar marketing year runs from October to September.

https://www.business-standard.com/economy/news/isma-projects-9-fall-in-sugar-output-says-sufficient-to-meet-local-demand-123103101355_1.html

Infrastructure

PM GatiShakti reduces DPR preparation time

India has planned around 8,890 km of roads, 27,000 km of railway tracks and 920 km of petroleum and natgas pipelines based on PM GatiShakti National Master Plan, two years after it was launched. The platform has led to a sharp reduction in time taken by the road transport and highways ministry to prepare the detailed project report (DPR). The time is reduced to about 15 days from six months. "PM GatiShakti has seen onboarding of central ministries and all states and UTs. Usage across infrastructure ministries and many states has showcased the strong benefits the PM GatiShakti principles are delivering," said Sumita Dawra, special secretary, logistics, Department for Promotion of Industry and Internal Trade (DPIIT).

<https://economictimes.indiatimes.com/news/economy/infrastructure/pm-gatishakti-reduces-dpr-preparation-time/articleshow/104866471.cms>

Despite festival season, domestic air traffic down by 0.26% in Oct

Average daily domestic traffic in India decreased by 0.26 per cent month-on-month (M-o-M) to 407,828 in October, according to the Ministry of Civil Aviation's data reviewed by Business Standard. While the festival season has begun, demand did not see a significant growth in October as capacity remains limited and airfares remain high due to rising fuel prices, according to airline executives. Even the average daily load factor of airlines in October remained more or less the same as that in September.

https://www.business-standard.com/industry/news/despite-festival-season-domestic-air-traffic-down-by-0-26-in-oct-123103101550_1.html

Registration of properties in Mumbai up 26 pc to 10,607 units in Oct

New Delhi: Registration of properties in Mumbai municipal region rose 26 per cent annually to 10,607 units during October, according to Knight Frank India. Total 8,422 properties were registered in October last year in Mumbai city (area under BMC jurisdiction). Of the overall registered properties, residential units constituted 80 per cent. The registration in October 2023 has been the highest in the past 11 years.

<https://economictimes.indiatimes.com/industry/services/property/-cstruction/registration-of-properties-in-mumbai-up-26-pc-to-10607-units-in-oct/articleshow/104865460.cms>

Energy

Govt hikes windfall tax on crude to Rs 9,800 per ton, reduces on diesel

The Indian government has increased the windfall tax on petroleum crude to 9,800 Indian rupees (\$117.70) per ton from 9,050 rupees per ton starting Wednesday, according to a government notification on Tuesday. The windfall tax on aviation turbine fuel that had been 1 rupee/litre has been removed, the notification said. The government has also reduced the windfall tax on diesel to 2 rupees/litre from 4 rupees/litre.

https://www.business-standard.com/economy/news/govt-hikes-windfall-tax-on-crude-to-rs-9-800-per-ton-reduces-on-diesel-123103101201_1.html

States

Global slowdown may take sheen off gems & jewellery industry in Rajasthan

Jaipur's gems and jewellery exports, which were on a rise before the pandemic, may see a muted growth this financial year amid global slowdown, trade experts say. The overseas demand has also shifted to light-weight stone-studded jewellery, of both precious and non-precious stones. In 2022-23, the gems and jewellery exports from the city were estimated at over \$1,177 million. The exports may clock a similar figure for this financial year as well, say experts. Till September, the exports stood at over \$650 million.

https://www.business-standard.com/industry/news/global-slowdown-may-take-sheen-off-gems-jewellery-industry-in-rajasthan-123103100820_1.html

Uttar Pradesh finance minister Khanna likely to be convener of GST rate rationalisation panel

Uttar Pradesh Finance Minister Suresh Kumar Khanna is likely to be named the convener of the 7-member GST rate rationalisation panel, an official said. Besides, Bihar Finance Minister Vijay Kumar Choudhary would replace Tarkishore Prasad as a member in the Group of Ministers (GoM). Also, Karnataka Revenue Minister Krishna Byre Gowda will be included as a member in the panel. An office memorandum in this regard is likely to be issued shortly, the official said.

<https://economictimes.indiatimes.com/news/economy/policy/uttar-pradesh-finance-minister-khanna-likely-to-be-convener-of-gst-rate-rationalisation-panel/articleshow/104853075.cms>

Karnataka: Industries urge govt to appeal HC order on minimum wages

The Karnataka state government has come under pressure from industry bodies to appeal a recent judgment of the High Court on minimum wages as they fear a steep increase could land manufacturing units and service industry in trouble. The minimum wages in the neighbouring states, they have said in representations to the government, are less, and a further hike could make them less competitive compared to the industries in towns in neighbouring states. The minimum wages in Karnataka are the second highest in the country, and another round of increase could

hurt the state's investment prospects, they have said. The industry associations have submitted letters to the departments of Industry and Labour, as well as the chief secretary calling for government intervention.

<https://economictimes.indiatimes.com/news/india/karnataka-industries-urge-govt-to-appeal-hc-order-on-minimum-wages/articleshow/104864680.cms>

External

Global rice prices are not expected to cool down before 2025: World Bank

Global rice prices are not expected to cool down significantly before 2025 due to export curbs from major producing nations and a continuing threat of El Niño, the latest World Bank Global Commodity Outlook said. The report, which was released recently, also said that global rice prices that averaged 28 per cent higher in 2023 than in 2022 are expected to increase by another 6 per cent in 2024. This is partly due to the threat of El Niño, policy response from significant exporters and importers, and the geographical and market concentration of rice production and exports.

https://www.business-standard.com/india-news/global-rice-prices-might-not-come-down-before-2025-says-world-bank-report-123103101221_1.html

India's oil imports from Russia fall in October

India's Russian oil imports eased in October after prices climbed although supply from Saudi Arabia rose, according to preliminary data from ship tracking agencies Kpler and Vortexa. However, Indian refiners have slowed Russian oil imports in recent months from the nearly 2 million barrels per (bpd) peak seen earlier this year as discounts have narrowed. Data from Kpler and Vortexa showed a 12% and 8% decline in India's monthly intake of Russian oil in October from the previous month to 1.57 million bpd and 1.49 million bpd, respectively.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-oil-imports-from-russia-fall-in-october/articleshow/104855469.cms>

Brazil offers ethanol tech to India, eyes to resolve sugar dispute at WTO

Brazil has offered to share its ethanol production technology with India as part of efforts to resolve a sugar related dispute between the two countries at WTO (World Trade Organisation), an official said. The South American nation in its proposal has stated that the ethanol production technology would help India to use surplus sugar in making ethanol. The offer can help India utilise its excess sugar output and ease competition for Brazil in the international sugar market.

https://www.business-standard.com/economy/news/brazil-offers-ethanol-tech-to-india-eyes-to-resolve-sugar-dispute-at-wto-123103100921_1.html