



November 03, 2023 – Friday

Economy

Erratic rains force farm labour to stick to NREGS

In an unusual trend, demand for work under the government's flagship rural job scheme grew at a fast pace in the monsoon season this fiscal year while remaining subdued in the key summer months when such demand typically stays elevated, according to the official data. This suggests erratic seasonal rains this year have prevented the typical large-scale migration of rural workers into farming, forcing them to hold on to work under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), experts said. Work demand from individuals under the MGNREGS, which had moderated marginally in the June quarter, grew in the range of 9.5% to 19.5% each month between July and October from a year before, driving up the expenditure under the programme, showed the preliminary data compiled by the rural development ministry.

<https://economictimes.indiatimes.com/news/economy/indicators/erratic-rains-force-farm-labour-to-stick-to-nregs/articleshow/104925440.cms>

CEA Nageswaran sees RBI holding fire if Fed hikes again

India's central bank won't face pressure to hike interest rates if the US Federal Reserve tightens monetary policy further, the country's top economic adviser to the government said. "The RBI cycle has not been so tightly linked to the Fed cycle mainly because external finances and financial stability are much better now," India's Chief Economic Adviser V Anantha Nageswaran said in an interview with Bloomberg TV's Haslinda Amin on Thursday. "If the Fed were to hike 25 basis points, or even two times, that will not put pressure on the RBI to follow suit."

<https://economictimes.indiatimes.com/news/economy/indicators/cea-nageswaran-sees-rbi-holding-fire-if-fed-hikes-again/articleshow/104906281.cms>

Labour issues increasingly getting discussed in trade agreements: Labour Secretary

Maintaining high industrial safety standards is necessary as these are influencing free trade agreements and their non-compliance can lead to trade barriers affecting India's economic growth, a senior official said. Addressing the 10th FICCI Awards & Conference for Excellence in Safety Systems here, Union Labour Secretary Arti Ahuja underscored the pivotal role of robust industrial safety standards in safeguarding India's trajectory towards becoming the third-largest global economy. With safety provisions increasingly influencing free trade agreements (FTAs), Ahuja highlighted the imperative of maintaining high safety standards to avoid these being used as potential trade barriers that could restrict India's growth.

<https://economictimes.indiatimes.com/news/economy/policy/labour-issues-increasingly-getting-discussed-in-trade-agreements-labour-secretary/articleshow/104915116.cms>

Banking and Finance

RBI Deputy Guv pitches for institute to train regulators across sectors

Reserve Bank Deputy Governor M Rajeshwar Rao on Thursday pitched for creating a dedicated institute to train regulators across sectors. Regulation has to be far-sighted and requires fine drafting which makes it a fine art, Rao said, stressing the need to focus on training and skilling of the practitioners. I think maybe it is time that we should

look at the theoretical framework for regulation making and training for regulation making a critical aspect, which should be incorporated by all the sectors. Maybe there is a need for a training institute to look at this issue, Rao said addressing a conference here.

https://www.business-standard.com/economy/news/rbi-deputy-guv-pitches-for-institute-to-train-regulators-across-sectors-123110200828_1.html

Industry

Diamond industry plans to cut bank financing by a third

India's diamond industry plans to reduce its bank financing needs by a third to \$4 billion for the current financial year from \$6 billion in FY23, as waning global demand for the gems threatens to make accounts sticky. They are now busy clearing their inventory instead of creating new stocks that would require additional borrowing. Diamond traders have already stopped imports of rough diamonds for the two months till December 15. The sharp decline in diamond financing was divulged by bankers at a meeting recently with big diamond exporters. The diamond trade has become more transparent in dealing with banks. They are no longer hiding their problems and upfront talking about the current situation in the global markets to the banks," said Bhargava Vaidya, a gem and jewellery trade analyst.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/diamond-industry-plans-to-cut-bank-financing-by-a-third/articleshow/104925382.cms>

Finance ministry not inclined to charge up FAME 3

The finance ministry has questioned the rationale behind a proposal mooted continuation of subsidy for electric vehicles in the country under Faster Adoption and Manufacturing of Electric Vehicles (FAME) scheme beyond the current fiscal year. According to officials aware of the development, the ministry has pointed out that major electric two-wheeler makers (the largest beneficiaries of FAME I and II schemes) do not require any more government support. The heavy industries ministry has proposed extending subsidies for EV under FAME III with a higher allocation for another five years to further push electric and alternate fuel vehicle sales.

<https://economictimes.indiatimes.com/industry/renewables/finance-ministry-not-inclined-to-charge-up-fame-3/articleshow/104925122.cms>

Energy

Coal India's production rises by 15% in October, output increases by 42 MT in Apr-Oct FY24 to 394 MTs

State-owned coal miner Coal India on Thursday posted the Provisional Production and Off-take Performance of the company and its subsidiary companies for the month of October 2023 and for the period April 2023- October 2023. Coal India said that it posted a strong 12 per cent on-year production growth ending October FY24. CIL produced 394 million tonnes (MTs) of coal in the April-October 2023 period with a 42 MT increase compared to 352 MTs during the year ago period. The output growth was higher than the annual asking growth rate of 11 per cent, it said.

<https://www.financialexpress.com/business/industry-coal-indias-production-rises-by-15-in-october-output-increases-by-42-mt-in-apr-oct-fy24-to-394-mts-3294963/>

India weighs local tax options to avoid EU carbon levy: Minister

India is looking at potentially taxing high-carbon goods locally, and then using the proceeds to support its green energy transition, to avoid the European Union's carbon tax on imports, the country's trade minister said on Thursday. The EU's plan to impose a carbon levy from 2026 on high-carbon goods such as steel and iron ore, approved in April, has drawn concerns from India and the two sides are holding talks to discuss the issue.

<https://economictimes.indiatimes.com/industry/renewables/india-weighs-local-tax-options-to-avoid-eu-carbon-levy-minister/articleshow/104923126.cms>

Healthcare

Indian and Russian medical device makers collaborate to boost bilateral trade

A forum representing Indian medical device makers has joined hands with a Russian trade organisation to promote bilateral trade in the segment. The Association of Indian Medical Device Industry (AIMED) and the Centre for the Development of Russia Strategic Partnership (DRISP) signed a Memorandum of Understanding (MoU), even as authorities in the two countries project an overall \$30 billion mutual trade by 2025, an AIMED note said.

<https://www.thehindubusinessline.com/economy/indian-and-russian-medical-device-makers-collaborate-to-boost-bilateral-trade/article67485808.ece>

External

FM Nirmala Sitharaman pitches for economic integration with Sri Lanka

Finance Minister Nirmala Sitharaman on Thursday urged industry leaders for economic integration with Sri Lanka to mitigate the risk of the foreign exchange-driven crisis. Sitharaman assured India will continue to work closely with the island nation on debt restructuring discussions and extend support for its economic recovery. "The task is cut out for industry leaders and it is for us to make sure that both countries will have economic integration to avoid supply chain disruptions so that there will be no foreign exchange-driven crisis impact on the country and also reduce dependency on any one economy," the finance minister said on Thursday, at the India-Sri Lanka business summit in Colombo.

https://www.business-standard.com/economy/news/fm-nirmala-sitharaman-pitches-for-economic-integration-with-sri-lanka-123110201398_1.html

After RoDTEP, govt likely to extend export-boosting textile scheme

After Remission of Duties and Taxes on Exported Products (RoDTEP), the government may extend the tenure of another export-boosting scheme that mainly seeks to benefit the textiles sector till 2025-26, people aware of the matter said.

https://www.business-standard.com/economy/news/after-rodtep-govt-may-extend-tenure-of-another-export-boosting-scheme-123110200707_1.html

Standards should not act as non-tariff barriers: Commerce Secretary Sunil Barthwal

New Delhi Standards for goods and services should help in promoting global trade and not act as non-tariff barriers, Commerce Secretary Sunil Barthwal said on Thursday. He said that standards should not be considered as non-tariff barriers but as some kind of non-tariff measures which can help in optimal results for both consumers as well as producers. "If this becomes the right oil for the trade system, I think a lot of trade restrictions will come down in trade and it will help us take the world trade to USD 30 trillion by 2025 and USD 2 trillion by 2030 for India," Barthwal said here at a G20 standards conclave organised by Bureau of Indian Standards.

<https://economictimes.indiatimes.com/news/economy/policy/standards-should-not-act-as-non-tariff-barriers-commerce-secy/articleshow/104918386.cms>

Top buyer India's Oct palm oil, soyoil imports hit multi-month lows

India's edible oil imports in October plunged to their lowest level in 16 months as higher stocks prompted refiners to curtail purchases of palm oil, soyoil and sunflower oil, six dealers told Reuters. Lower purchases by the world's biggest importer of vegetable oils could lead to higher stocks of palm oil in key producers Indonesia and Malaysia, weighing on benchmark futures.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/top-buyer-indias-oct-palm-oil-soyoil-imports-hit-multi-month-lows/articleshow/104915872.cms>

Abu Dhabi plans \$50 billion investment in fast-growing India

The United Arab Emirates is considering investing as much as \$50 billion in India, its second-largest trading partner, as part of a broader bet on the world's fastest-growing major economy. Provisional pledges from the UAE could be announced early next year, people familiar with the matter said, asking not to be named as the information is not public. Any new investments would follow Narendra Modi's meetings with UAE President Sheikh Mohammed bin Zayed in July.

<https://economictimes.indiatimes.com/news/economy/finance/abu-dhabi-plans-50-billion-investment-in-fast-growing-india/articleshow/104912342.cms>