



November 09, 2023 – Thursday

Economy

Survey soon to gather data from informal sector firms

India will soon begin work on the 2023-24 round of the Annual Survey on Unincorporated Sector Enterprises (ASUSE) even though the results of the previous surveys, dating back to four years, are yet to be released. The aim of ASUSE, along with the Annual Survey of Service Sector Enterprises, is to fill the gap in national accounts reporting and present a better picture of the informal sector. "The Ministry of Statistics & Programme Implementation (MoSPI) is conducting training camps across its field offices to start work on the next round of the survey for 2023-24," a person familiar with the development told ET.

<https://economictimes.indiatimes.com/news/economy/indicators/survey-soon-to-gather-data-from-informal-sector-firms/articleshow/105077374.cms>

India's economy showed strong growth, retained 6% forecast in FY24: S&P

S&P Global Ratings on Wednesday said India's economy has a track record of strong growth and retained its 6 per cent growth forecast for current fiscal year. In Asia-Pacific Credit Outlook 2024 titled 'Slowing Dragons, Roaring Tigers', S&P said gradual capital deepening, favourable demographics, and improving productivity are essential growth factors. "India's economy has a track record of strong growth. We expect this momentum to continue and forecast growth of 6 per cent for FY 2024, then 6.9 per cent for FY 2025 and FY 2026," S&P said.

https://www.business-standard.com/economy/news/india-s-economy-has-track-record-of-strong-growth-s-p-123110800734_1.html

Broad-based capex spending to drive growth next fiscal, consumption to taper: UBS

India is likely to grow faster than earlier expected in the coming fiscal, but capex spending would be the primary growth driver instead of consumption, UBS Securities said Wednesday. "The pick-up in capex spending will likely become more broad-based. While public capex will likely stabilise on stretched government finances, we expect private corporate capex and residential housing demand to continue to improve," said Tanvee Gupta Jain, chief India economist, UBS Securities.

<https://economictimes.indiatimes.com/news/economy/indicators/broad-based-capex-spending-to-drive-growth-next-fiscal-consumption-to-taper-ubs/articleshow/105071209.cms>

Incomes lag inflation post Covid; low-end demand hit

Consumer incomes have not kept pace with post pandemic inflation, impacting consumption and shrinking demand especially for low end consumer goods, corporates and economists said. Latest CPI data showed consumer price inflation that averaged 3.7 percent in FY '19 has scaled 6.7 percent in FY23 driven by a sharp rise in food and beverages inflation which accounts for a big chunk of the average Indian's consumption basket. Corporates said city workers who went back to their hometowns during covid in 2020 and returned in 2022 lost incomes and did not regain that spending power owing to inflation. Mass end consumers earning Rs 10 lakh to Rs 15 lakh annually comprise 70% of the consumer goods market, which is registering a degrowth, they said.

<https://economictimes.indiatimes.com/news/economy/indicators/incomes-lag-inflation-post-covid-low-end-demand-hit/articleshow/105074131.cms>

Banking and Finance

Central banks cannot remain spectators to climate change: RBI Deputy Guv Michael Patra

Governments may be the most influential agency to address the climate change issue, but central banks and other financial sector regulators are also stakeholders in it as their mandates of financial and price stability could be impacted by deteriorating environment, Reserve Bank of India (RBI) deputy governor Michael Patra said. "Climate change can affect price stability through supply shocks such as food and energy shortages and through a decline in productive capacity. Demand shocks can arise due to the loss of wealth of firms and households on account of frequent natural disasters. Physical and transition risks can affect the balance sheets of financial institutions and banks, limiting the flow of credit to the real economy," Patra said in a speech at the New York Fed Central Banking Seminar organised by the Federal Reserve Bank, New York.

<https://economictimes.indiatimes.com/news/economy/policy/central-banks-cannot-remain-spectators-to-climate-change-rbi-deputy-guv-michael-patra/articleshow/105072223.cms>

Microfinance portfolio up 24% in June quarter, delinquencies contained

Small ticket borrowers from the bottom of the pyramid borrowed 24 percent higher during the June quarter and have also managed to contain delinquencies, a report by credit bureau Crif High Mark said. The outstanding portfolio of the micro-finance sector is at Rs 3.55 lakh crore as of June 2023, up 24.3 percent year-on-year, the credit bureau said. "This growth can largely be attributed to the large-scale adoption of digitisation by the sector as well as the positive regulatory amendments brought in by RBI that have bridged the gap between rural and urban markets" said Sanjeet Dawar, managing director, CRIF High Mark.

<https://economictimes.indiatimes.com/industry/banking/finance/microfinance-portfolio-up-24-in-june-quarter-delinquencies-contained/articleshow/105073518.cms>

Sebi eases access to unclaimed funds in REITs, InvITs, debt securities

Capital markets regulator Sebi on Wednesday came out with detailed procedures for dealing with unclaimed funds of investors lying with entities having listed non-convertible securities, REITs and InvITs. Also, the regulator has put in place a manner of claiming such unclaimed amounts by investors. The new framework will come into effect from March 1, 2024, the Securities and Exchange Board of India (Sebi) said in three separate circulars. The move is aimed at prescribing a uniform process of claim for such unclaimed funds in a streamlined manner for the ease and convenience of investors.

https://www.business-standard.com/economy/news/sebi-eases-access-to-unclaimed-funds-in-reits-invits-debt-securities-123110801116_1.html

GST exemptions disrupt input tax credit chain, will complex GST: CBIC chief

Exemptions or lower rate of taxation sought by industry on some items breaks the input tax credit (ITC) chain, leading to complexity in the goods and services tax (GST) structure, Central Board of Indirect Taxes and Customs (CBIC) Chairman Sanjay Agarwal said on Wednesday. Agarwal also said that indirect tax authorities would soon start sending intimation to businesses that do not comply with rules on e-invoicing, a mandatory requirement for availing of input tax credit (ITC).

https://www.business-standard.com/economy/news/gst-exemptions-disrupt-input-tax-credit-chain-will-complex-gst-cbic-chief-123110801335_1.html

Every 4th Indian uses cash for 25% of monthly household items: LocalCircles

Nearly one in every four Indians used cash for over 25 per cent of their monthly household purchases in the past 12 months, a survey by LocalCircles found. Close to 56 per cent of the respondents polled in the survey added that around 5 to 25 per cent of their monthly household purchases during the same period were transacted in cash and without a receipt. 15 per cent did not use any cash for these purchases .

https://www.business-standard.com/india-news/every-4th-indian-uses-cash-for-25-of-monthly-household-items-localcircles-123110701161_1.html

Industry

PLI scheme: Govt frames process for streamlining visa approvals for Chinese professionals

The government has formulated a standard operating procedure for streamlining visa approvals for Chinese professionals whose expertise is required by vendors under the PLI scheme, an official said on Wednesday. Some players had flagged the visa issue in a stakeholder consultation meeting on the production-linked incentive (PLI) scheme in August. The government at that time stated that it was trying to sort out visa-related matters where vendors require Chinese professionals' expertise.

<https://economictimes.indiatimes.com/news/economy/policy/pli-scheme-govt-frames-process-for-streamlining-visa-approvals-for-chinese-professionals/articleshow/105068363.cms>

40% consumers plan to shop from D2C merchants this festive season: Report

With the onset of the festive season, more than two out of five, or 40 per cent, consumers across the country have expressed their intent to shop online from Direct-to-Consumer (D2C) merchants, a survey conducted by Simpl revealed. The surge in consumer interest can be attributed to the growing number of individuals turning to D2C merchants in recent years to meet their evolving needs. To gauge consumer sentiment during the festive season, Simpl conducted a survey to get insights about consumer's festive purchase plans.

https://www.business-standard.com/industry/news/40-consumers-plan-to-shop-from-d2c-merchants-this-festive-season-report-123110800801_1.html

Sales of entry-level discretionary products rising; discounts, launches, financing spur demand

Sales of several entry-level discretionary products are showing an increase in demand this festive season, rebounding from a recent downturn and offering a glimmer of hope to manufacturers. This is particularly evident in sales of entry-level smartphones costing up to ₹15,000, 32-40 inch televisions, semi-automatic washing machines and two-wheelers, which have so far been vulnerable to demand contractions amid inflation worries, showed data from market trackers, retailers and manufacturers.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/sales-of-entry-level-discretionary-products-rising-discounts-launches-financing-spur-demand/articleshow/105077570.cms>

Open Innovation can expedite start-ups' time to market by up to 70%: report

Indian tech start-ups can significantly reduce time to market up to 70 per cent by embracing external collaboration and open innovation in early stages according to Nasscom-Avasant report. The report titled "Open Innovation: The Catalyst for Transforming India's Technology Ecosystem" noted collaborative programs involving start-ups, academia, and corporates present opportunities to boost revenue, expand customer base, enhance operational efficiency, and optimize costs, showcasing the dynamic potential of open innovation and collaborative initiatives.

<https://www.thehindubusinessline.com/info-tech/open-innovation-can-expedite-start-ups-time-to-market-by-up-to-70-report/article67512785.ece>

Agriculture

India's November rice stocks at state warehouses around double target

India's rice stocks were around double its target at the start of November, government sources in the world's second-biggest producer country said on Thursday. Coupled with the new season crop that has started trickling into the market, the surplus indicates comfortable supplies for the domestic market.

https://www.business-standard.com/economy/news/india-s-november-rice-stocks-at-state-warehouses-around-double-target-123110800800_1.html

Coop minister Amit Shah launches 'Bharat Organics' brand of new cooperative body NCOL

Cooperation Minister Amit Shah on Wednesday launched the 'Bharat Organics' brand of the newly created National Cooperative Organics Ltd (NCOL) and asserted that it will emerge as the most "trusted" brand in India and abroad. Shah also launched the NCOL's logo, website and brochure. He gave away NCOL membership certificates to five cooperative societies. Addressing the national symposium on promotion of organic products through cooperatives

here, Shah said, "NCOL is a platform for organic growers. Today, we are launching six products under the 'Bharat Organics' brand and 20 products by December."

<https://economictimes.indiatimes.com/news/economy/agriculture/coop-minister-amit-shah-launches-bharat-organics-brand-of-new-cooperative-body-ncol/articleshow/105062557.cms>

Energy

India's CEC wants EVs to be used for energy storage to support national grid

The Central Electricity Authority (CEA) wants electric vehicles (EVs) to be used for energy storage in a bid to support the national grid, ET Energy reported, citing a CEA report. The report, prepared with contributions from experts at IIT Bombay, IIT Delhi, and IIT Roorkee, among others, envisions a future where EVs can support the grid by offering services like peak shaving and load balancing. Emphasising the significance of smart charging and vehicle-to-grid (V2G) services, the CEA report said that EVs can be used as flexible loads and decentralised storage resources, providing additional flexibility to support power system operations.

<https://economictimes.indiatimes.com/industry/renewables/indias-cec-wants-evs-to-be-used-for-energy-storage-to-support-national-grid/articleshow/105069725.cms>

African nations, Mongolia on Mines Ministry's radar for search of critical minerals

India's Mines Ministry is tapping into overseas markets across Africa and Mongolia in its search for critical minerals primarily cobalt and copper. While Congo is a market where the Ministry is keen to look into for both cobalt and copper, Zimbabwe is mostly for platinum group elements (PGE), chrome, lithium, among others. Mongolia is mostly for interests in copper (and coal).

<https://www.thehindubusinessline.com/economy/african-nations-on-mines-ministrys-radar-for-search-of-critical-minerals/article67513438.ece>

Telecom

Trai extends deadline for views on critical topics

Without a full-time chairman for more than a month, the Telecom Regulatory Authority of India (Trai) has extended the deadline several times to receive comments and counter-comments for an unprecedented 12 papers, including critical ones on national broadcasting policy and E and V band airwaves, besides quality of services. PD Vaghela retired as the Trai chairman on September 30 and since then the post has been lying vacant. Following are the papers for which the deadlines for comments and counter-comments have been extended.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/trai-extends-deadline-for-views-on-critical-topics/articleshow/105076865.cms>

Healthcare

Centre taking steps to promote AYUSH system of medicine: MoS Mahendrabhai

Union Minister of State for Ayush Munjpara Mahendrabhai on Wednesday said the Centre is taking steps for the promotion and propagation of the Ayush system of medicine in the country. Under the visionary leadership of Prime Minister Narendra Modi, India has made significant progress in reinventing the proven benefits of the traditional system of medicine to enrich the quality of lives of the people, he said. Our traditional medicine systems are efficacious, Mahendrabhai, who was accompanied by Rajesh Kotecha, Special Secretary in the Ayush Ministry, said at a press conference here.

https://www.business-standard.com/industry/news/centre-taking-steps-to-promote-ayush-system-of-medicine-mos-mahendrabhai-123110801130_1.html

External

India proposes slashing EV import taxes to clinch UK free trade deal

India is proposing reducing import taxes on some electric vehicles from the UK in an effort to clinch a free-trade deal between the two nations by the end of the year, according to two people familiar with the discussions. New Delhi is

considering a concessional tariff of 30% on 2,500 electric vehicles imported annually from the UK priced above \$80,000, the people said, asking not to be identified as the talks are private. India currently levies taxes between 70% and 100% on cars imported as completely built units, depending on their value.

https://www.business-standard.com/economy/news/india-proposes-slashing-ev-import-taxes-to-clinch-uk-free-trade-deal-123110800510_1.html

Centre to revise SEZ Act, limiting tax sops and enhancing integration

The Centre is unlikely to offer new direct tax incentives for units operating in special economic zones (SEZs) and may instead allow the grandfathering of previous exemptions that such units were entitled to, according to proposed amendments to the SEZ Act, 2005, people aware of the matter said. The amendments, proposed by the commerce department, will soon be considered by the Cabinet for approval. This represents a departure from the department's earlier plan to introduce these changes through the Development Enterprises and Services Hubs (DESH) Bill, 2023, which faced strong criticism from the Ministry of Finance.

https://www.business-standard.com/economy/news/centre-unlikely-to-offer-new-direct-tax-sops-for-units-operating-in-sezs-123110800777_1.html

India, Malaysia looking at reviewing 2011 trade pact, says Malaysian Foreign Minister Kadir

India and Malaysia are firming up a framework for conducting trade in national currencies and initiating a process to review the 12-year-old comprehensive economic cooperation agreement to include new domains and items, Malaysian Foreign Minister Zambry Abdul Kadir said. At the end of a three-day visit to India, Kadir told PTI that both sides are keen to expand trade engagement in new and emerging areas such as electronics, semiconductors, fintech, renewable energy, new technology and startups. Ways to further boost the overall trajectory of ties were discussed extensively during talks between External Affairs Minister S Jaishankar and his Malaysian counterpart on Tuesday night.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-malaysia-looking-at-reviewing-2011-trade-pact-says-malaysian-foreign-minister-kadir/articleshow/105060635.cms>

India keen to collaborate with Ethiopia on digital payments, local currency trade

India has sought to collaborate with Ethiopia, one of the fastest growing economies in Africa, in digital payment solutions used by the two countries -- India's Unified Payment Interface (UPI) and Ethiopia's Ethswitch. Further, the two countries should explore settlement of trade transactions in the local currency to boost bilateral trade and conserve foreign exchange. The two sides have identified several areas for cooperation, including health and pharmaceuticals, automobiles, textiles, infrastructure projects, food and agro processing, at the 6th Session of the India-Ethiopia Joint Trade Committee (JTC) in Addis Ababa, Ethiopia from November 6-7, an official release said.

<https://www.thehindubusinessline.com/economy/india-keen-to-collaborate-with-ethiopia-on-digital-payments-local-currency-trade/article67513379.ece>