



November 14, 2023 – Tuesday

Economy

Retail inflation falls again in October, hits 5-month low of 4.87%

India's consumer price index (CPI)-based retail inflation rate declined for the second consecutive month to a five-month low in October, providing relief to the government on the macroeconomic front as the long festival season is underway. Data released by the National Statistical Office on Monday showed that retail inflation eased to 4.87 per cent year-on-year in October from 5.02 per cent in September, driven by a favourable base effect and moderation in the prices of clothing, footwear, housing, fuel, and transport, among other things.

https://www.business-standard.com/economy/news/retail-inflation-eases-to-five-month-low-food-inflation-remains-sticky-123111301078_1.html

Banking and Finance

Govt looks to offload 5-10% in some public sector banks

The government is considering the divestment of 5-10% stake in public sector lenders in which it currently holds over 80% equity. A detailed roadmap is expected to be firmed up soon, said people with knowledge of the matter. Government ownership exceeds 80% in six state-run banks - Bank of India, Indian Overseas Bank, Punjab & Sind Bank, Bank of Maharashtra, Central Bank of India and Uco Bank. The government is keen to take advantage of the sharp rally in share prices of public sector banks (PSBs) that are riding on much-improved financial performance and fundamentals.

<https://economictimes.indiatimes.com/news/economy/policy/govt-looks-to-offload-5-10-in-some-public-sector-banks/articleshow/105195973.cms>

Small finance banks thinking big likely to switch on the M&A mode

More small finance banks, that began operations less than a decade ago, may explore mergers either with competitors, non-bank lenders or financial technology companies as they look to achieve economies of scale faster and diversify their product bouquet. AU Small Finance Bank's move to acquire Fincare Small Finance Bank may encourage others to explore inorganic opportunities, industry captains believe, as bigger balance sheets would put them on a stronger platform to take on their bulge-bracket rivals, especially when it comes to mobilising public deposits.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/small-finance-banks-thinking-big-likely-to-switch-on-the-ma-mode/articleshow/105192690.cms>

Industry

Manufacturing accelerates in Q2, likely to sustain in FY24: FICCI study

Growth in India's manufacturing growth sector accelerated in the June-September quarter (Q2) and is likely to continue for the rest of the Financial Year 2023-24 (FY24) despite developed nations slowing down, said a survey by business chamber Ficci on Monday. As many as 79 per cent respondents reported a higher production level in Q2 FY24 compared to the year-ago period, said the survey. The average capacity utilisation in manufacturing was over

74 per cent in Q2 FY24, reflecting sustained economic activity in the sector. It is slightly higher than 73 per cent capacity utilisation reported in the previous quarters.

https://www.business-standard.com/economy/news/manufacturing-growth-in-september-quarter-set-to-sustain-ficci-study-123111300517_1.html

Centre to seek bids for \$960 million EV battery production program

India is planning to invite bids for an 80 billion rupees (\$960 million) incentive program for production of electric vehicle batteries, according to people familiar with the matter. The program will require winning bidders to set up advanced chemistry battery plants with a total output of 20 gigawatt hour, said the people, declining to be named as the plans are private. The government will seek bids from potential investors next month, they said.

https://www.business-standard.com/economy/news/centre-to-seek-bids-for-960-million-ev-battery-production-program-123111300864_1.html

Procurement from GeM portal crosses Rs 2 trillion so far this fiscal

The procurement of goods and services from the government portal GeM has crossed Rs 2 lakh crore so far this fiscal due to higher buying activities by different ministries and departments. The government e-Market (GeM) portal was launched on August 9, 2016, for online purchases of goods and services by all the central government ministries and departments. "Gem of a landmark! Government e-Marketplace achieves an impressive Rs 2 lakh crore gross merchandise value in just eight months of 2023-24," Commerce and Industry Minister Piyush Goyal said on social media platform X. In 2021-22, the procurement value stood at Rs 1.06 lakh crore. It crossed Rs 2 lakh crore last year, and going by the trend this year, it may cross Rs 3 lakh crore.

https://www.business-standard.com/economy/news/procurement-from-gem-portal-crosses-rs-2-trillion-so-far-this-fiscal-123111300443_1.html

Agriculture

Procurement of millets to be raised 3-fold in current FY

The government plans to increase the procurement of millets threefold to 2 million tonnes in this financial year, from 0.73 in 2022-23, to replace some quantities of wheat and rice from the public distribution system (PDS), said a senior official. The purchase at the minimum support price will give a boost to the cultivation of coarse grains which are eco-friendly, climate resistant and powerhouse of nutrients, the official said, adding that the strategy will play a significant role in crop diversification and enhancing nutrition in dietary patterns.

<https://economictimes.indiatimes.com/news/economy/agriculture/procurement-of-millets-to-be-raised-3-fold-in-current-fy/articleshow/105191996.cms>

Infrastructure

Major ports log FY24's 1st double-digit cargo growth, shows IPA data

Central government-owned ports, which are major ports and had been showing slow growth this financial year, saw a turnaround in October. There was 13 per cent growth in cargo and the ports handled 70 million tonnes (mt) of goods, the provisional data by the Indian Ports Association showed. This is the first time in 2023-24 (FY24) that major ports have seen double-digit percentage growth and handled over 70 mt. Despite investment in infrastructure for modernisation and capacity expansion, major ports had been seeing sluggish growth in parts of the previous financial year owing to the Russia-Ukraine war, with a tepid performance this financial year as well, partly due to global headwinds. The rate of growth in cargo between April and September was 2.4 per cent. The surge in the previous month has pushed FY24 cargo growth in major ports to almost 4 per cent.

https://www.business-standard.com/economy/news/major-ports-log-fy24-s-1st-double-digit-cargo-growth-shows-ipa-data-123111200743_1.html

As many as 417 infra projects show cost overruns of Rs 4.77 lakh crore in Sept: Official report

As many as 417 infrastructure projects, each entailing an investment of Rs 150 crore or more, have been hit by cost overruns of more than Rs 4.77 lakh crore in September this year, an official report said. According to the Ministry of Statistics and Programme Implementation, which monitors infrastructure projects worth Rs 150 crore and above,

out of 1,763 projects, 417 reported cost overruns and as many as 842 projects were delayed. "Total original cost of implementation of the 1,763 projects was Rs 24,86,402.70 crore and their anticipated completion cost is likely to be Rs 29,64,345.13 crore, which reflects overall cost overruns of Rs 4,77,942.43 crore (19.22 per cent of original cost)," the ministry's latest report for September 2023 said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/as-many-as-417-infra-projects-show-cost-overruns-of-rs-4-77-lakh-crore-in-sept-official-report/articleshow/105185770.cms>

Energy

Coal Ministry unveils plan to produce 1,404 million tonnes per annum by 2027

The Ministry of Coal has laid out comprehensive plans to significantly boost coal production, targeting 1404 million tonnes (MT) by 2027 and a staggering 1577 MT by 2030, at the current level production of about one billion tonnes per annum, read an official statement from Ministry of Coal. The Ministry of Coal has taken note of the additional coal requirement for supplying to additional 80 GW thermal capacity to be added in the country by 2030. The coal requirement for additional thermal capacity would be around 400 MT at 85 per cent PLF, and the actual requirement may be lower depending on the generation requirements in the coming times due to contributions from renewable sources.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/coal-ministry-unveils-plan-to-produce-1404-million-tonnes-per-annum-by-2027/articleshow/105190848.cms>

India asks Opec to ensure oil market stability for global economy's benefit

India, the world's third largest oil consumer, has asked oil producers cartel OPEC to maintain and ensure market stability for the benefit of consumers, producers and global economy. Oil Minister Hardeep Singh Puri said this at the 6th India-OPEC Energy Dialogue that took place on November 9 in Vienna, an official press statement said on Monday. The meeting was co-chaired by OPEC secretary general Haitham Al Ghais and Puri. "The open and candid discussions at the meeting focused on key issues related to oil and energy markets with a specific emphasis on ensuring availability, affordability and sustainability, which are necessary in ensuring the stability of energy markets. The two sides discussed the short, medium and long-term outlooks for the industry and recognized the important role of India in global economic growth and energy demand," the statement said.

https://www.business-standard.com/world-news/india-asks-opec-to-ensure-oil-market-stability-for-global-economy-s-benefit-123111300939_1.html

India's coal import surged 4% in September to 20.61 million tonnes

India's coal import increased by 4.3 per cent to 20.61 million tonnes (MT) in September compared to that of the corresponding month of previous fiscal. The country had imported 19.75 MT of coal in September last fiscal, according to data compiled by B2B e-commerce firm mjunction services limited. Of the total imports in September, non-coking coal imports stood at 13.89 MT, against 12.08 MT imported in September last financial year. Coking coal imports dropped to 4.59 MT from 4.88 MT imported in September FY23.

https://www.business-standard.com/economy/news/india-s-coal-import-surged-4-in-september-to-20-61-million-tonnes-123111300641_1.html

States

West Bengal to reduce intrastate e-way bill threshold to Rs 50,000

West Bengal will reduce the intrastate e-way bill threshold from Rs 1 lakh to Rs 50,000 from December to bring parity with the rest of the country and prevent GST slippage. A recent West Bengal GST notification said that an e-way bill will be required for the movement of goods valued at over Rs 50,000 within the state. The provision will also apply to job work goods. State GST commissioner Khalid Anwar told PTI that there are two main reasons for tweaking the e-way bill threshold. "One is to bring parity with the rest of the country, which is already Rs 50,000 for interstate movement of goods. The Rs one lakh threshold for the intrastate movement was often misinterpreted as applying to interstate movement of goods and traders were penalised," he said.

<https://economictimes.indiatimes.com/news/economy/policy/west-bengal-to-reduce-intrastate-e-way-bill-threshold-to-rs-50000/articleshow/105185927.cms>

External

FinMin asks ministries/departments to follow guidelines on issuance of mobiles, laptops to officers

The finance ministry has asked various departments and ministries to follow the guidelines with regard to issuance of mobiles, laptops and similar devices to officers and withdraw any policy which is at variance with the Department of Expenditure's guidelines. The Department of Expenditure under the finance ministry had in July issued guidelines for issue of mobile, laptop, tablet, phablet, notebook, notepad, ultra-book, net-book or devices of similar categories to eligible officers of Government of India for official work. Issuing a fresh office memorandum, the Department of Expenditure said it has come to its notice that various ministries/departments have issued their own policies regarding this which are not in line with the spirit of the finance ministry's guidelines.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/finmin-asks-ministries/departments-to-follow-guidelines-on-issuance-of-mobiles-laptops-to-officers/articleshow/105185655.cms>

Palm and sun oil imports rise to record highs on rebound in consumption

India's imports of palm oil and sunflower oil in 2022/23 surged by 24% and 54%, respectively, to record highs on a rebound in consumption and as both oils were available at a steep discount compared to rival soyoil, a leading trade body said on Monday. Higher purchases by the world's biggest importer of vegetable oils could help to lower palm oil stocks in Indonesia and Malaysia and support benchmark futures. The buying could reduce inventories in sunflower oil-producing Black Sea countries.

https://www.business-standard.com/economy/news/palm-and-sun-oil-imports-rise-to-record-highs-on-rebound-in-consumption-123111300475_1.html

Pilot launch of upgraded electronic bank realisation certificate system for exporters from Nov 15

The commerce ministry on November 15 will do a soft launch of the revamped electronic bank realisation certificate for self-certification by exporters to promote ease of doing business for traders. An electronic Bank Realisation Certificate (eBRC) is an important document for exporters and is issued by a bank as a confirmation that the exporter has received the payment from a foreign buyer against the export of goods or services. This certificate validates repatriation of export proceeds to the country and ensure compliance with provisions of foreign exchange rules. eBRCs can be generated for outbound shipments of goods, services and deemed exports.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/pilot-launch-of-upgraded-electronic-bank-realisation-certificate-system-for-exporters-from-nov-15/articleshow/105185227.cms>

India, ADB sign \$400-million loan pact for urban reforms

Asian Development Bank (ADB) will extend a \$400-million "policy-based loan" to the Indian government to support its urban reform agenda for creating quality urban infrastructure, improving service delivery and promoting efficient governance systems, the finance ministry said on Friday. The agreement was signed on Friday between Juhí Mukherjee, joint secretary in the finance ministry and Takeo Konishi, the country director of ADB's India Resident Mission. It deals with the "sub-programme 2 of the Sustainable Urban Development and Service Delivery programme".

<https://economictimes.indiatimes.com/news/economy/finance/india-ADB-sign-400-mln-loan-pact-for-urban-reforms/articleshow/105187769.cms>