



November 20, 2023 – Monday

Economy

Rural retail inflation higher than urban in 18 of the past 22 months

At a time when the central government has extended the free-food programme and rural demand has remained depressed, rural inflation was higher than its urban equivalent in 18 of the 22 months from January 2022 to October 2023. The latest data released by the National Statistical Office (NSO) last week showed the consumer price index-based (CPI-based) rural retail inflation rate topped the urban inflation rate for the fourth consecutive month in October. This comes after a brief interlude between March and June 2023, when the rural retail inflation rate was lower than the urban inflation rate.

https://www.business-standard.com/economy/news/rural-retail-inflation-remained-higher-than-urban-in-18-out-of-22-months-123111900670_1.html

Startups will play important role to help India be 3rd largest economy: CEA

Startups will play an important role in helping India become the third largest economy in the world, Chief Economic Advisor (CEA) to the Union government V Anantha Nageswaran has said. Nageswaran said that tier-2 and 3 cities, including Kerala's capital, have become game-changers in helping startups flourish in the country due to improvements in infrastructure and supportive policies of the government, according to a KSUM release.

https://www.business-standard.com/economy/news/startups-will-play-important-role-to-help-india-be-3rd-largest-economy-cea-123111900508_1.html

Banking and Finance

Women accorded top priority under PM Mudra Yojana scheme, says FM Nirmala Sitharaman

Union Finance and Corporate Affairs Minister Nirmala Sitharaman on Sunday said women entrepreneurs are accorded first priority under the Centre's flagship Pradhan Mantri Mudra Yojana scheme which offers financial assistance to beneficiaries. Distributing sanction letters to beneficiaries under the PM SVANidhi Se Samridhi programme which offers loans to street vendors, here, she said officials of the municipalities should identify the uncovered street vendors and help them avail benefits of this scheme. Recalling the launch of Jan Dhan-Aadhaar-Mobile Trinity, Sitharaman said that through JAM Trinity, an AADHAR card was provided to a beneficiary, after which he or she can open a bank account and, directly, the financial aid from the Centre has been transferred to the accounts of a beneficiary, thereby avoiding 'middlemen'.

<https://economictimes.indiatimes.com/news/economy/policy/women-accorded-top-priority-under-pm-mudra-yojana-scheme-says-fm-nirmala-sitharaman/articleshow/105335019.cms>

BFSI industry faces a talent crunch in cybersecurity roles

Cybersecurity is among the top three important segments for companies in the Indian financial services industry but there is a gap in the industry needs and the availability of skills. Companies in general are looking for experienced professionals but this being a nascent segment, Indian universities have not been producing as many skilled professionals as the industry needs. "The Indian curriculum is more focused on AI, ML, and other data science

courses but not cybersecurity," said Abhik Chatterjee at Boston Consulting Group, which advises top banks in the country. "There are very few Indian colleges that offer good, practical heavy cybersecurity courses. This is why a graduate from India is at a disadvantage when compared to a person who has graduated from a foreign university." <https://economictimes.indiatimes.com/industry/banking/finance/bfsi-industry-faces-a-talent-crunch-in-cybersecurity-roles/articleshow/105337574.cms>

Attractive credit schemes fuel sales of auto, electronics

Longer-tenure EMIs (equated monthly instalments), buyback guarantees, and other sweeteners are fuelling sales of automobiles, consumer durable and electronic goods as a spike in prices and a propensity to up-trade to higher trim models are making such borrowing schemes more popular. However, brands said they may have to forsake some of their margin if the cost of borrowing goes up for such consumer loans - especially for no-cost EMIs whose interest cost they either bear alone or with retailers - after the Reserve Bank of India increased the risk weight on consumer credit including credit card receivables and bank loans to NBFCs by a fourth.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/attractive-credit-schemes-fuel-sales-of-auto-electronics/articleshow/105337506.cms>

Industry

China-Plus-One strategy powers up India's exports of solar modules

Exports of solar modules from India are on a rise, gaining from the China Plus-One strategy which opened opportunities for large Indian players, and the Industry experts are hopeful that the trend will continue to be a part of the policy for most manufacturers. Coined way back in 2013, China-Plus-One is a global business strategy in which companies avoid investing only in China and diversify their businesses to alternative destinations. In the first half of FY24, solar cells and modules exported from India were worth Rs 8,307 crore, a multi-fold growth from Rs 1,453 crore in the same period a year ago, according to data from rating agency Icria.

https://www.business-standard.com/india-news/solar-module-makers-court-export-markets-build-own-green-supply-chains-123111900519_1.html

Local & foreign EV companies will be offered equal incentives: Government officials

Any incentives that India offers to facilitate local manufacturing of electric vehicles will be equal for foreign as well as domestic investors, government officials said, amid concerns raised by automakers in India over possible concessions in import duty to American carmaker Tesla. Senior government officials in the know told ET that Tesla has sought provisional tariff concessions as a prerequisite for setting up a manufacturing facility in India, but New Delhi is not in favour of any company-specific exemptions. "The government's approach is for the industry as a whole and not for any specific company because we have very strong domestic companies in this sector," said an official, adding that any incentives offered will be equal for domestic and foreign investors. The government is in the process of drawing up a policy to incentivise local manufacturing of electric cars, at a time when US EV maker Tesla and its relatively lesser-known Vietnamese rival VinFast are firming up their India entry strategy. While policy guidelines are yet to be finalised, local carmakers said offering concessional tariffs to Tesla will adversely impact investments that have already been made or are being made by them to produce electric vehicles.

<https://economictimes.indiatimes.com/industry/renewables/local-foreign-ev-companies-will-be-offered-equal-incentives-government-officials/articleshow/105337609.cms>

Flexi office companies bet on big revenue boost

India's top five flexible workspace providers are expected to post 30-60% growth in revenues this financial year, thanks to a surge in demand with companies calling employees back to the office. WeWork India, Smartworks, Awfis, Table Space and IndiQube - which contribute more than half of the domestic flexible workspace industry - are also looking to add 12 million sq ft in the next financial year even as SoftBank Group-backed startup WeWork filed for US bankruptcy protection earlier this month.

<https://economictimes.indiatimes.com/news/company/corporate-trends/flexi-office-companies-bet-on-big-revenue-boost/articleshow/105337553.cms>

Infrastructure

411 infra projects show cost overruns of Rs 4.31 trillion in Oct: Report

As many as 411 infrastructure projects, each entailing an investment of Rs 150 crore or more, have been hit by cost overruns of more than Rs 4.31 trillion in October 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 1,788 projects, 411 reported cost overruns and 837 projects were delayed.

https://www.business-standard.com/economy/news/411-infra-projects-show-cost-overruns-of-rs-4-31-trillion-in-oct-report-123111900161_1.html

Shipping Ministry looks to push sea plane ops in Andaman, Lakshadweep

India's Shipping Ministry has zeroed in on 10 locations, four across Andaman and six Lakshadweep, as probable ones to ramp up infrastructure and begin sea-plane operations in the initial phase. According to the official, the Union Ministry of Ports, Shipping and Waterways (MoPSW) will be setting up the infrastructure across these islands which include floating navigation systems, water-aerodromes, among other requirements. Routes will be managed by private players.

<https://www.thehindubusinessline.com/economy/logistics/shipping-ministry-looks-to-push-sea-plane-ops-in-andaman-lakshadweep/article67550782.ece>

Energy

Demand for coal increases during second half to 424 MT

Coal requirement for power generation in the second half of this financial year has increased to 424 million tonnes compared with 404 million tonnes projected earlier amid higher demand, said people with knowledge of the matter. Additionally, 18 million tonnes will be required to maintain a desirable closing stock of 40 million tonnes by March-end, they said. Power generation from coal-based plants is now projected at 657 billion units for the second half of 2023-24 against 619 billion units expected earlier, said one of the persons, who did not wish to be identified.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/demand-for-coal-increases-during-second-half-to-424-mt/articleshow/105337632.cms>

States

Realty developers to approach Maharashtra govt to reconsider Dharavi TDR usage move

Real estate developers are planning to approach the Maharashtra government seeking a review of its notification making usage of 40% transferable development rights (TDRs) from the Dharavi redevelopment project mandatory for their projects in the country's commercial capital, said persons with direct knowledge of the development. The directive, according to property developers operating in the city, to source 40% of TDRs from one specific special purpose vehicle is certainly not a fair market practice and therefore needs a renewed assessment. Maharashtra government, through a notification, has made usage of 40% of TDRs to be generated from the Dharavi redevelopment project mandatory for realty developers for their projects in the city.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/realty-developers-to-approach-maharashtra-govt-to-reconsider-dharavi-tdr-usage-move/articleshow/105336434.cms>

External

Laptop, tablet imports surge 42% to \$715 million amid licensing fears

India's import of personal computers, including laptops and tablets, shot up in September by 42 per cent to \$715 million, reversing a year-long downward trend after the government announced it would impose import restrictions on such electronic hardware items in August. The rise in such imports were led by the largest source China (33 per cent) and Singapore (188 per cent), according to data released by the commerce department.

https://www.business-standard.com/economy/news/india-s-laptop-tablet-imports-surge-42-amid-fears-of-licencing-curbs-123111900529_1.html

India likely to keep rice export bans into 2024, to hold up global prices

India, the world's top rice exporter, is expected to maintain its curbs on overseas sales well into next year, a move likely to hold the staple grain at close to its highest price levels since the food crisis of 2008. Lower prices and ample stockpiles have helped make India one of the top shippers globally over the past decade, recently accounting for almost 40 per cent of the total. African nations like Benin and Senegal are among the top buyers.

But Prime Minister Narendra Modi, who will seek reelection next year, has repeatedly tightened restrictions on shipments in a bid to curb domestic price rises and shield Indian consumers.

https://www.business-standard.com/economy/news/india-seen-keeping-rice-export-bans-into-2024-holding-up-global-prices-123111900085_1.html

India, Australia to focus on ramping strategic cooperation at 2+2 dialogue

India and Australia are expected to focus on ramping up their overall defence ties and boost strategic cooperation in the Indo-Pacific at the second edition of the '2+2' ministerial dialogue here on November 20. Defence Minister Rajnath Singh, External Affairs Minister S Jaishankar and their Australian counterparts Richard Marles and Penny Wong will hold the talks to further advance cooperation under the India-Australia comprehensive strategic partnership, according to the Ministry of External Affairs (MEA).

https://www.business-standard.com/economy/news/india-australia-to-focus-on-ramping-strategic-cooperation-at-2-2-dialogue-123111800597_1.html

Indian e-commerce exports should touch \$200 billion in next 6-7 years: DGFT

India's e-commerce ecosystem is about to explode in the near future as exports may touch \$200 billion during the next six-seven years from the current \$1.2 billion, said Santosh Kumar Sarangi, director general (DG), Directorate General of Foreign Trade (DGFT) at an event on Friday. Addressing the 'E-commerce Exports' conference, organised by the Federation of Indian Chambers of Commerce and Industry (Ficci), he emphasised on the immense potential of e-commerce exports.

https://www.business-standard.com/economy/news/indian-e-commerce-exports-should-touch-200-billion-in-next-6-7-years-dgft-123111700846_1.html

Gem, jewellery exports decline 11.49% to Rs 22,873 cr in Oct: GJEPC data

India's overall gems and jewellery exports declined by 11.49 per cent to Rs 22,873.19 crore (\$ 2,748.01 million) in October, according to the Gem and Jewellery Export Promotion Council (GJEPC) data. The gross exports stood at Rs 25,843.84 crore (\$ 3,134.85 million) during October 2022, the data showed. Cut and Polished Diamonds (CPD) exports witnessed a fall of 32.70 per cent to Rs 10,495.06 crore (\$ 1,260.91 million) in the previous month compared to Rs 15,594.49 crore (\$ 1,891.2 million) in the year-ago period. Gross export of polished Lab Grown Diamonds (LGD) in October dropped by 23.01 per cent to Rs 1,135.16 crore (\$ 136.38 million) against Rs 1,474.38 crore (\$ 178.73 million) in the corresponding month of 2022.

https://www.business-standard.com/industry/news/gem-jewellery-exports-decline-11-49-to-rs-22-873-cr-in-oct-gjepc-data-123111800581_1.html

UK seeks higher protection for its GI products from agri sector under FTA with India

The UK's demand of a higher level of protection for its GI products from the agriculture sector under the proposed free trade agreement (FTA) with India remains an unresolved issue as the talks for the pact are on to iron out differences, an official said. British GI (Geographical Indication) products include Scotch whisky, Stilton cheese and Cheddar cheese. "Negotiations are going on between the two countries. There are some issues pending in the intellectual property rights (IPRs) chapter," the official added.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/uk-seeks-higher-protection-for-its-gi-products-from-agri-sector-under-fta-with-india/articleshow/105329742.cms>