



November 21, 2023 – Tuesday

## Economy

### Fresh formal job creation declines to six-month low, shows EPFO data

Fresh formal job creation cooled for the second consecutive month to decline to a six-month low in September, signalling a downturn in the labour markets this financial year. The number of new monthly subscribers under the Employees' Provident Fund (EPF) declined by 6.45 per cent to 891,583 in September from 953,092 in August, shows the latest payroll data released by the Employees' Provident Fund Organisation (EPFO) on Monday. Besides, the net payroll additions -- calculated by taking into account the number of new subscribers, the number of exits, and the return of old subscribers -- increased by 14.9 per cent to 1.72 million in September from 1.49 million in August.

[https://www.business-standard.com/economy/news/fresh-formal-job-creation-dips-to-6-month-low-in-september-epfo-data-123112000919\\_1.html](https://www.business-standard.com/economy/news/fresh-formal-job-creation-dips-to-6-month-low-in-september-epfo-data-123112000919_1.html)

### Retail inflation for agricultural, rural workers marginally up in Oct

Retail inflation for agricultural labourers and rural workers rose marginally to 7.08 per cent and 6.92 per cent in October, respectively, from 6.70 per cent and 6.55 per cent respectively in September 2023 due to higher prices of certain food items. Point to point rate of inflation based on CPI-AL (Consumer Price Index-Agricultural Labourers) and CPI-RL (Consumer Price Index-Rural Labourers) stood at 7.22 per cent and 7.34 per cent, respectively in October 2022, a labour ministry statement said.

[https://www.business-standard.com/economy/news/retail-inflation-for-agricultural-rural-workers-marginally-up-in-oct-123112001017\\_1.html](https://www.business-standard.com/economy/news/retail-inflation-for-agricultural-rural-workers-marginally-up-in-oct-123112001017_1.html)

### Goldman Sachs sees India GDP growth at 6.3% in 2024

Goldman Sachs expects the Indian economy to grow at 6.3 per cent in 2024 riding on macro-economic resilience and lower vulnerability to external shocks compared to its peers in the Asia Pacific region. In its 'India 2024 outlook' released today, the global investment bank said that repeated supply side shocks are likely to keep headline inflation above 5.1 per cent in 2024 with core inflation facing resistance at 4.5 per cent.

<https://www.thehindubusinessline.com/economy/goldman-sachs-sees-india-gdp-growth-at-63-in-2024/article67554156.ece>

## Banking and Finance

### Medium & small NBFCs may require debt funding worth Rs 2.2 trn: ICRA

Credit rating agency ICRA projected the debt funding for Medium & Small Non-Banking Financial Companies (NBFCs) to be at Rs 2.2 trillion over the next two years, i.e., by the financial years 2024 and 2025, due to high growth and limited fundraise expected by most of the entities. As per the agency's projections, the Assets Under Management (AUM) of the industry is expected to grow at a rate of 25 to 30 per cent compound annual growth rate (CAGR) in this time period.

[https://www.business-standard.com/finance/news/medium-small-nbfc-may-require-debt-funding-worth-rs-2-2-trn-icra-123111600838\\_1.html](https://www.business-standard.com/finance/news/medium-small-nbfc-may-require-debt-funding-worth-rs-2-2-trn-icra-123111600838_1.html)

### **Fintechs may witness slowdown in loan disbursals**

Fintechs may witness a slowdown in loan disbursals as the cost of customer acquisition will rise as a result of the recent Reserve Bank of India (RBI) norms on consumer loans and bank credit to non-bank lenders. This is because the requirement to maintain higher risk weights for certain loan segments will hamper the ability of their lending partners to provide capital at a low cost, say experts. "It (RBI norms) is likely to significantly impact digital lenders like paytm and other fintechs, given bulk of their loans are from NBFCs," Ranadurjay Talukdar, Partner and Payments Sector Leader, EY India said. He added that some of the increase in cost of capital will be passed on to end borrowers, which might make digital lending products less attractive and push consumers to informal lending channels.

<https://www.financialexpress.com/business/banking-finance-fintechs-may-witness-slowdown-in-loan-disbursals-3311203/>

### **GST net widens for real estate firms**

The Directorate General of GST Intelligence (DGGI) is understood to be sending notices to various real estate companies, demanding that GST be paid for a clutch of transactions among group companies or joint venture partners. The move is seen as part of a strategy to widen the tax net for the sector. These intra-group and intra-JV transactions are common among large real estate firms, as part of their operational strategies, and cash management and joint venture arrangements. Tax experts are divided on the legal tenability of the current set of tax demands.

<https://www.financialexpress.com/policy/economy-gst-net-widens-for-real-estate-firms-3311183/>

## **Industry**

### **India Inc net profit share in GDP now just shy of 5% after robust Q2**

India Inc's net profit as a percentage of the country's gross domestic product (GDP) is just shy of reaching 5 per cent, bolstered by strong earnings growth in the second quarter of 2023-24. Analysts interpret this as an indication that a corporate profit upcycle is in progress, with projections suggesting that this share could exceed 8 per cent within the next five years, driven by bullish earnings growth expectations.

[https://www.business-standard.com/economy/news/india-inc-s-net-profit-share-in-gdp-nears-5-after-robust-growth-in-q2-123112000894\\_1.html](https://www.business-standard.com/economy/news/india-inc-s-net-profit-share-in-gdp-nears-5-after-robust-growth-in-q2-123112000894_1.html)

### **Commercial vehicles set for heavy-duty FY24 sales, revenue expected to rise 30%**

Sales of commercial vehicles, a barometer of economic activity, are expected to hit an all-time high in FY24, fetching record revenue for companies such as Tata Motors, Ashok Leyland and VE Commercial Vehicles. Pricier heavy-duty vehicles are driving demand amid record government spending on infrastructure and increased freight movement. FY24 sales may marginally surpass the previous peak of 1,007,311 units in the pre-Covid year of FY19, but revenue is expected to rise about 30% from that year. Vehicles have become costlier due to more stringent emission norms and there's been growing demand for trucks with higher payloads-both contributing to higher per-unit revenue.

<https://economictimes.indiatimes.com/industry/auto/lcv-hcv/commercial-vehicles-set-for-heavy-duty-fy24-sales-revenue-expected-to-rise-30/articleshow/105368708.cms>

### **Fight for top talent gets fast & furious in auto space as traditional firms look to hire CXOs to drive EV plans**

In the highly competitive automobile industry in the country, companies - including traditional auto majors, emerging electric vehicle (EV) makers and component makers - are engaged in an intense race for talent, poaching CXOs and senior-level executives from one another. In an industry undergoing rapid transformation amid technological advancement and the global need to check CO2 emissions, traditional companies are looking for senior executives to drive their EV expansion plans while nascent EV companies are going all out to attract senior executives from legacy automobile firms and related industries, company officials and search consultants said.

<https://economictimes.indiatimes.com/jobs/c-suite/fight-for-top-talent-gets-fast-furious-in-auto-space-as-traditional-firms-look-to-hire-cxos-to-drive-ev-plans/articleshow/105365150.cms>

### **FSSAI operationalises amended micronutrients limits in premix for fortified rice kernels**

The Food Safety and Standards Authority of India (FSSAI) has decided to operationalise draft amendment regulations regarding standards of vitamin and mineral premix used for manufacturing fortified rice kernels (FRKs). These

amendment regulations define limits for addition of micronutrients in vitamin and mineral premix used to make FRKs. In its latest order, the food safety authority noted that the amendment regulations were being operationalised to strengthen the national fortification programme.

<https://www.thehindubusinessline.com/economy/fssai-operationalises-amended-micronutrients-limits-in-premix-for-fortified-rice-kernels/article67554788.ece>

### **Consumer durable makers see 25 per cent growth this festive season**

Consumer durable makers saw a 25 per cent growth year-on-year this festive season on the back of the ICC Men's Cricket World Cup and a longer festive period. "The growth is largely driven by the premium segment and is concentrated more in the urban market. Last year, the festivities were only in October whereas this year the festivals were spread across two months. There is a growth of 20-25 per cent y-o-y. We see two types of segment consuming very high, one is the affluent class which is consuming premium products and second segment comprises the new young consumers who are moving straight to premium segment because of easy availability of finance," said Kamal Nandi, Business Head and Executive Vice-President of Godrej Appliances, part of Godrej & Boyce.

<https://www.thehindubusinessline.com/companies/consumer-durable-makers-see-25-per-cent-growth-this-festive-season/article67554429.ece>

## **Agriculture**

### **Sugar prices to stay firm due to likely output fall**

Sugar prices are set to rule high this year, even during the lean season, because of lower carry forward stock and an expected fall in output. Prices have not eased even though the festive season has come to an end and the new sugarcane crushing season has begun across the country. "This year, we have not seen any substantial decline in sugar prices after the beginning of the crushing season," said sugar trader Abhijit Ghorpade.

<https://economictimes.indiatimes.com/news/economy/agriculture/sugar-prices-to-stay-firm-due-to-likely-output-fall/articleshow/105364952.cms>

## **Infrastructure**

### **Project costs double under Bharatmala Pariyojana: ICRA**

Project costs under Bharatmala Pariyojana (BMP) have more than doubled to ₹10.64-lakh crore at an average cost of ₹31.6 crore per km relative to the initially expected amount, owing to steep rise in input cost and the increase in land acquisition cost, ICRA said on Monday. Pending the cabinet approval for the revised cost of Bharatmala Phase-I, project awarding activity in the recent quarters took a beating, declining by 48 per cent y-o-y to 2,595 km during the first seven months of FY24 compared with 5,007 km during the same time in FY23, the ratings agency said.

<https://www.thehindubusinessline.com/economy/project-costs-double-under-bharatmala-pariyojana-icra/article67554331.ece>

### **Office market sees a slump in new supply and leasing activity in Bengaluru: Report**

The Bengaluru office market saw a 28 per cent year-on-year decrease in gross leasing activity, with new supply dropping by 25 per cent y-o-y in the July–September period, according to Vestian. In contrast, office space absorption across the top seven cities, including Bengaluru, Hyderabad, Chennai, Mumbai, Pune, Delhi-NCR, and Kolkata, rose by 21 per cent y-o-y to reach 15.9 million sq ft, while new supply grew by 26 per cent to 13.4 million square feet during the third quarter of this calendar year. "In Q3 2023, the Indian office sector witnessed heightened real estate activities as absorption reached the highest level since pandemic and new completions increased to a five-quarter high," said Shrinivas Rao, CEO, Vestian.

<https://www.thehindubusinessline.com/news/real-estate/office-market-sees-a-slump-in-new-supply-and-leasing-activity-in-bengaluru-report/article67554036.ece>

## **Energy**

### **Plans afoot to build strategic natural gas reserve**

India is drawing up a plan to build a strategic natural gas reserve with a capacity to store up to 4 billion cubic metres (BCM) of imported gas, which can be used in case of supply emergencies and to smoothen the domestic market, according to people familiar with the matter. After oil minister Hardeep Singh Puri recently gave a green signal to the idea of setting up the gas reserve, the oil ministry directed Oil and Natural Gas Corp (ONGC), Oil India and GAIL to jointly prepare a detailed feasibility report on the same, people said. The companies are expected to submit the report in three months.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/plans-afoot-to-build-strategic-natural-gas-reserve/articleshow/105364929.cms>

## States

### Uttar Pradesh government eyes 10-12% share in India's pharma sector

The Uttar Pradesh (UP) government has earmarked 2,350 acres of land for setting up mega drug parks as part of its ambitious bid to boost manufacturing and make the state a market leader in pharmaceutical and medical devices production. The proposed manufacturing parks will come up in Lalitpur, Pilibhit, and Gautam Buddha Nagar (Noida) districts. The government has roped in top scientific institutions, including the Council of Scientific and Industrial Research (CSIR) and Defence Research and Development Organisation (DRDO), as knowledge partners to develop low-cost drugs and medical devices.

[https://www.business-standard.com/india-news/uttar-pradesh-government-eyes-10-12-share-in-india-s-pharma-sector-123112000850\\_1.html](https://www.business-standard.com/india-news/uttar-pradesh-government-eyes-10-12-share-in-india-s-pharma-sector-123112000850_1.html)

### Karnataka to consider parking govt funds in Co-Op banks, says CM Siddaramaiah

Chief Minister Siddaramaiah on Monday said the government would examine if it could park government funds in cooperative banks rather than in nationalised banks. The CM made the remarks at the valedictory of the All-India Convention on Cooperation at Vijayapura, attended by his Cabinet colleagues. Cooperative banks, the CM added, should be stable. Only then could they lend to farmers. "If farmers get timely loans, it will lead to better farm productivity." Cooperative banks became stronger after his government waived farm loans of up to Rs 50,000 during his earlier stint as CM, and reimbursed them for that.

<https://economictimes.indiatimes.com/news/economy/finance/karnataka-to-consider-parking-govt-funds-in-co-op-banks-says-cm-siddaramaiah/articleshow/105361028.cms>

## Healthcare

### Health ministry releases draft National Pharmacy Commission Bill, seeks comments

The Centre has proposed a National Pharmacy Register with details of all pharmacy professionals as part of a draft Bill that seeks to repeal the nearly 75-year-old Pharmacy Act and replace the Pharmacy Council of India with a national commission. The Union Health Ministry uploaded a draft National Pharmacy Commission Bill, 2023, on its website on November 10, seeking comments from the public. The draft Bill aims to provide for a pharmacy education system that improves access to quality and affordable pharmaceutical education, ensures availability of adequate and high-quality professionals in all parts of the country, promotes equitable and universal health care and makes services of pharmacy professionals accessible to all citizens.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/health-ministry-releases-draft-national-pharmacy-commission-bill-seeks-comments/articleshow/105360678.cms>

## External

### India-Australia ECTA: 77% utilisation by Indian exporters in 9 months

The utilisation of the India-Australia Economic Cooperation and Trade Agreement (ECTA) by Indian exporters has reached 77 per cent during the first nine months since the implementation of the interim trade deal, according to official data. This means that during the January-September period, of the total value of trade eligible for concessional tariffs under the trade agreement, 77 per cent of the value of Indian goods is being exported using the preferential or ECTA route.

[https://www.business-standard.com/economy/news/india-australia-ecta-sees-77-utilisation-by-indian-exporters-in-9-months-123112000892\\_1.html](https://www.business-standard.com/economy/news/india-australia-ecta-sees-77-utilisation-by-indian-exporters-in-9-months-123112000892_1.html)

#### **High inflation in US, Europe robs Tiruppur exporters of festive cheer**

Christmas and New Year demand from US and European buyers amid persistently high inflation in those markets has failed to bring cheer to the country's apparel trade. Exporters from Tiruppur, the Tamil Nadu town that accounts for 55% of the country's apparel exports, said global brands have bought low-priced garments like simple t-shirts that cost around \$2 per piece, in contrast to fashion garments and jackets priced \$8-10 per item that they bought last year during the holiday season. Traditionally, shoppers in the US and Europe prefer to buy high-priced items during the Christmas and New Year period. "Surprisingly, our overseas bulk buyers say that this year the shoppers are buying items like innerwear and t-shirts, and are not much inclined to costlier garments," said Raja Shanmugam, managing director of Tiruppur-based knitwear company Warsaw International.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/high-inflation-in-us-europe-robs-tiruppur-exporters-of-festive-cheer/articleshow/105365014.cms>

#### **Govt allows valid quota holders under India-UAE trade pact to import gold through bullion exchange**

The government on Monday said that Indian jewellers having a valid license to import a specified quantity of gold at concessional customs duty from the UAE, under the free trade agreement, can import it through the India International Bullion Exchange (IIBX). In a notification, the Directorate General of Foreign Trade (DGFT) said that those companies can obtain the physical delivery of the consignment through International Financial Services Centres Authority (IFSCA)-registered vaults located in special economic zones.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/govt-allows-valid-quota-holders-under-india-uae-trade-pact-to-import-gold-through-bullion-exchange/articleshow/105362972.cms>