



November 28, 2023 – Tuesday

## Economy

### Keeping an eye on rupee & Fed policy, says FM Nirmala Sitharaman

Finance minister Nirmala Sitharaman said on Monday that while the domestic market and India's macroeconomic fundamentals are fairly well-rooted, the government continues to monitor external factors such as the US Fed interest rate policy and the currency exchange rate. "Our growth rate, which has the comfort of a wide domestic captive market and also the bulk middle class, which has the purchasing power to give us comfort, is certainly one of the factors necessary for our growth. The others, I would think, are challenges from outside," she said. Participating in a debate organised virtually by the India Global Forum, Sitharaman said investors "need not be jittery at all" about the outcome of general elections due in April-May 2024. "...keeping their (investors) fingers crossed is normal and I can understand that. But, here I am and also, there are several people who are observing the Indian economy, observing the political environment, observing the ground level realities and the situation as it prevails today; Prime Minister Modi is coming back and coming back with a good majority," she emphasised.

<https://economictimes.indiatimes.com/news/economy/policy/keeping-an-eye-on-rupee-fed-policy-says-fm-nirmala-sitharaman/articleshow/105541368.cms>

### S&P Global raises India's FY24 growth forecast on 'robust momentum'

S&P Global Ratings has raised India's gross domestic product (GDP) growth forecast for the current financial year (FY24), saying robust domestic momentum seems to have offset headwinds from high food inflation and weak exports. The US-based ratings agency, in its report released on Monday on the growth outlook for the Asia-Pacific region, revised upwards India's growth projection for FY24 by 0.4 percentage points to 6.4 per cent. However, S&P has cut the country's growth estimates for FY25 to 6.4 per cent. "We expect growth to slow in the second half of the fiscal year amid subdued global growth, a higher base, and the lagged impact of rate hikes. As a result, we have lowered our outlook for growth in FY25 to 6.4 per cent from 6.9 per cent," the report stated.

[https://www.business-standard.com/economy/news/s-p-raises-india-s-growth-forecast-for-fy24-to-6-4-cuts-fy25-projection-123112700777\\_1.html](https://www.business-standard.com/economy/news/s-p-raises-india-s-growth-forecast-for-fy24-to-6-4-cuts-fy25-projection-123112700777_1.html)

## Banking and Finance

### India braces for a Rs 50,000 crore rise in its subsidy bill for FY24

India's overall subsidy bill may surge by ₹50,000 crore this fiscal year because of increased expenditure on fertiliser, cooking gas and food security. The government expects to meet this higher spending from savings under other heads in its ₹45-lakh crore FY24 budget. Subsidy outgo for FY24 had been budgeted at ₹4.03 lakh crore, but may shoot up to ₹4.53 lakh crore. However, even this stretched welfare spend would be far less than the previous fiscal's subsidy bill of ₹5.62 lakh crore.

<https://economictimes.indiatimes.com/news/economy/finance/india-braces-for-a-rs-50000-crore-rise-in-its-subsidy-bill-for-fy24/articleshow/105545237.cms>

## Industry

### **FMCG companies chart fast-moving sales growth path for kiranas to beat retail slowdown**

Fast-moving consumer goods sales have slowed down in kirana stores or traditional shops, said chief executives of companies such as Marico, Dabur, Emami and Bajaj Consumer, owing to factors such as fewer product launches than in e-commerce and organised retail, decline in credit from distributors and weakening of rural demand. This has prompted the companies to reinvest in kirana stores, which continue to account for four-fifths of the total FMCG sales in the country, they said. A focus on kirana stores will pay off, according to them, since consumer sentiment in rural areas is expected to improve in the next few quarters. Marico managing director Saugata Gupta said companies need to reinvest in general trade to rekindle growth in the sector, especially since the industry has developed ecommerce and modern trade much more in the past three years with most of the new launches in these channels. "It will be an 'and' growth and not an 'or' growth," he told analysts recently. "Over the next few quarters, we will systematically address this general trade issue and the deflation tapering off in the second half will also help."

<https://economictimes.indiatimes.com/industry/cons-products/fmcf/fmcf-companies-chart-fast-moving-sales-growth-path-for-kiranas-to-beat-retail-slowdown/articleshow/105545129.cms>

### **Electric buses to account for 13% of new bus sales by FY25, says ICRA**

Electric buses (e-buses) are expected to represent up to 13 per cent of new bus sales by FY2025, rating agency ICRA said on Monday. "ICRA foresees electric buses to be at the forefront of India's electrification drive, with the segment expected to witness healthy traction going forward. ICRA estimates e-buses to account for 11-13 per cent of new bus sales by FY2025," ICRA said in a statement.

[https://www.business-standard.com/industry/news/electric-buses-to-account-up-to-13-of-new-bus-sales-by-fy25-icra-123112700900\\_1.html](https://www.business-standard.com/industry/news/electric-buses-to-account-up-to-13-of-new-bus-sales-by-fy25-icra-123112700900_1.html)

### **Promoting district-level products through e-commerce detrimental to small businesses: CAIT**

The Confederation of All India Traders (CAIT) came down heavily on the Directorate General of Foreign Trade (DGFT) for promoting e-commerce players to leverage district-specific products and their exports from the country. Terming the idea of the foreign trade policy formulator idea as "good," it noted that it would be detrimental to the interests of small businesses and the manufacturers located in districts. It is apprehended that such e-commerce players will monopolise the small businesses of the districts to their own interests, said CAIT in a media statement.

<https://www.financialexpress.com/business/sme/promoting-district-level-products-through-e-commerce-detrimental-to-small-businesses-cait/3318400/>

## Agriculture

### **India's milk output up 4% to record 231 MT in 2022-23**

India's milk production is estimated to increase by 4.2% on year to a record 230.58 million tonne (MT) in 2022-23, allaying fears about the possibility of stagnation in output because of lumpy skin diseases (LSDs) in cattle reported last year. This the slowest rate of growth in the milk production reported in the last five year. In 2018-19, the milk output was 187.7 MT, an increase of 6.47% compared to previous year.

<https://www.financialexpress.com/policy/economy-indias-milk-output-up-4-to-record-231-mt-in-2022-23-3318354/>

### **Govt to increase procurement of tur dal to tame prices**

The government plans to sharply increase its procurement of tur dal from a few metric tonnes to around 8-10 lakh metric tonnes (LMT) to keep prices of the commodity under control in a year when the acreage under the pulse has shrunk and production is expected to be low, said a senior official. The all India retail price of tur dal jumped over 40% from Rs 112 per kg last year to Rs 158 per kg this year, according to government data. Retail inflation in pulses as a category rose to 18.79% year-on-year in October mainly due to a sharp spike in prices of tur, chana and moong, against 6.61% food inflation in the same month. This is despite the government's effort to increase the imports from African nations and Burma by scrapping the import duty on tur in March.

<https://economictimes.indiatimes.com/news/economy/agriculture/govt-to-increase-procurement-of-tur-dal-to-tame-prices/articleshow/105535750.cms>

## Infrastructure

### India projected to see domestic air passenger traffic of 155 mn in FY24

India is projected to see a domestic air passenger traffic of around 155 million in the current financial year while the number of grounded aircraft of the domestic carriers is expected to be around 200, according to a report released on Monday. Aviation advisory firm CAPA India said the international air passenger traffic is anticipated to be about 70 million in the year ending March 2024.

[https://www.business-standard.com/industry/news/india-projected-to-see-domestic-air-passenger-traffic-of-155-mn-in-fy24-123112701025\\_1.html](https://www.business-standard.com/industry/news/india-projected-to-see-domestic-air-passenger-traffic-of-155-mn-in-fy24-123112701025_1.html)

## Energy

### Oil regulator adds Mizoram to 12th city gas bid round

Oil regulator PNGRB has added Mizoram to the areas it has offered for bidding for a licence to retail CNG and piped cooking gas in the latest city gas bid round. In a notice, the Petroleum and Natural Gas Regulatory Board (PNGRB) said in continuation of the bids invited on October 13 for the development of the city gas distribution network for seven geographical areas, electronic bids are invited for the same in the state of Mizoram. Last date of bidding is February 23, it said. PNGRB had offered seven geographical areas (GAs) of Arunachal Pradesh, Meghalaya, Manipur, Nagaland, Sikkim, Union territory (UT) of Jammu & Kashmir and Ladakh under the 12th city gas distribution (CGD) bidding round for retailing of CNG to automobiles and piping the fuel to household kitchens and industries.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/oil-regulator-adds-mizoram-to-12th-city-gas-bid-round/articleshow/105534005.cms>

### Solar capacity installations in India fall 47% to 5.6 GW during January-September: Report

India has reported a 47 per cent fall in solar installations at 5.6 GW during January-September 2023, amid delay in project execution, according to research firm Mercom India. The installations were also down in the July-September quarter this year at 1.9 GW, a 34 per cent fall, over 2.8 GW solar capacity installed in the same period a year ago, the research firm said. However, on a quarter-on-quarter (QoQ) basis, the installations increased almost 6 per cent compared to 1.8 GW in Q2 2023. "During the first nine months of 2023, 5.6 GW of solar was installed in India. Solar capacity additions fell nearly 47 per cent compared to 10.5 GW installed in 9M 2022," Mercom India Solar Market Update report said.

<https://www.financialexpress.com/business/industry/solar-capacity-installations-in-india-fall-47-to-5-6-gw-during-january-september-report/3318795/>

## External

### Onion exports decline 85% after Centre's minimum export price cap

Onion export from India slumped in the first 21 days of November this year as against the same month last year ever since the Centre notified a minimum export price (MEP) of \$800 per tonne and also due to delay in harvest because of uneven weather. The data sourced from private agencies shows exports, which were going down since the Centre imposed a hefty import tax of 40 per cent in August, further dropped after the MEP was imposed in late October.

[https://www.business-standard.com/economy/news/onion-exports-dip-85-in-november-as-minimum-export-price-kicks-in-123112700934\\_1.html](https://www.business-standard.com/economy/news/onion-exports-dip-85-in-november-as-minimum-export-price-kicks-in-123112700934_1.html)

### India's engineering exports surge in US, Saudi Arabia, and UAE in October

Exports of engineering products from India witnessed growth from countries such as the US, Saudi Arabia, and the United Arab Emirates (UAE) during October but contracted from several nations in the European Union (EU), China, and Southeast Asia, according to government data. After a slump during the first half of this year, India's engineering exports recorded positive year-on-year growth for the third straight month in October at 7.2 per cent, even as the cumulative growth in exports of such products during the first seven months of the current financial year (2023-24) saw a 1.6 per cent contraction.

[https://www.business-standard.com/industry/news/india-s-engineering-exports-surge-in-us-saudi-arabia-and-uae-in-october-123112700815\\_1.html](https://www.business-standard.com/industry/news/india-s-engineering-exports-surge-in-us-saudi-arabia-and-uae-in-october-123112700815_1.html)

**Amid China outbreaks, India can position itself as manufacturing hub: GTRI**

With China witnessing repeated outbreaks of respiratory ailments, India can position itself as a global manufacturing hub by enhancing its supply chain capabilities and investing in healthcare infrastructure, think tank GTRI said in a report. India can leverage its workforce and manufacturing potential in sectors like mobile phones and laptops, the Global Trade Research Initiative (GTRI) said.

[https://www.business-standard.com/economy/news/amid-china-outbreaks-india-can-position-itself-as-manufacturing-hub-gtri-123112700711\\_1.html](https://www.business-standard.com/economy/news/amid-china-outbreaks-india-can-position-itself-as-manufacturing-hub-gtri-123112700711_1.html)

**Commerce ministry working to remove trade barriers, boost exports in sub-Saharan Africa, Gulf nations**

The commerce ministry is working to address issues related to non-tariff barriers and market access for domestic products in sub-Saharan African countries like Nigeria, Ethiopia, Ghana and Gulf nations to boost India's exports, an official said. The official said meetings have been held with Indian missions of the sub-Saharan African countries with which India has significant bilateral trade. "A virtual meeting with Indian Mission of top 10 countries (bilateral trade-wise) in sub-Saharan African region was held in September to discuss the overall economic and commercial relations with those countries, export performance and non-tariff barriers which are acting as impediments to bilateral trade and enhance exports," the official said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/commerce-ministry-working-to-remove-trade-barriers-boost-exports-in-sub-saharan-africa-gulf-nations/articleshow/105535935.cms>