



December 19, 2023 – Tuesday

Economy

India shines as a global growth leader, contributing over 16% to the world's growth: IMF

India's robust economic growth, propelled by key reforms in digitisation and infrastructure, positions it as a leading global contributor, accounting for over 16 per cent of the world's growth, according to the International Monetary Fund (IMF). In an interview with PTI, Nada Choueiri, the Mission of India at IMF, highlighted India's exceptional performance among its peer countries, citing it as one of the fastest-growing large emerging markets. The recently released annual Article IV consultation with India by the IMF affirms the nation's trajectory to become one of the fastest-growing major economies globally. Despite this positive outlook, India faces global challenges, including a slowdown in worldwide growth in an increasingly fragmented world, cautioned Choueiri.

<https://economictimes.indiatimes.com/news/economy/indicators/india-shines-as-a-global-growth-leader-contributing-over-16-to-the-worlds-growth-imf/articleshow/106106869.cms>

ICRA revises FY24 GDP growth forecast to 6.5%, still below RBI's estimate

Domestic rating agency IcrA on Monday revised its FY24 GDP growth forecast to 6.5 per cent from 6.2 per cent earlier. However, the revised forecast is still much lower than the Reserve Bank of India's (RBI's) 7 per cent real Gross Domestic Product (GDP) growth estimate for the ongoing fiscal. Earlier this month, the RBI had revised upwards its GDP estimate to 7 per cent from 6.5 per cent, calling the revised number a "conservative" one. The rating agency did not specify reasons for the lower growth estimate made in its business activity monitor.

https://www.business-standard.com/economy/news/domestic-rating-agency-icra-revises-fy24-gdp-growth-forecast-to-6-5-123121800890_1.html

Curry mix adds some spice to inflation: Impact on retail prices expected

Spices inflation has remained above 22% since July, and economists said it could add another 0.6 percentage point to retail inflation between December and March as prices are unlikely to ease until the next harvest. The category has only a 2.5% weight in the inflation basket, but they influence prices of many food products. "For spices, the weight is lower, but the higher prices feed into the costs of other food products such as sauces, packed foods, masalas, jams, confectionery, etc," said Madan Sabnavis, chief economist at Bank of Baroda.

<https://economictimes.indiatimes.com/news/economy/indicators/curry-mix-adds-some-spice-to-inflation-impact-on-retail-prices-expected/articleshow/106103050.cms>

Finance

Banks want norm barring penal interest rate deferred by three months

Banks have approached the Reserve Bank of India (RBI), seeking deferral of a guideline that prevents them imposing penal interest rates on non-compliant borrowers by three months to the next financial year. The guideline, issued by the RBI in August, mandates banks to levy a charge and not raise interest rate of a borrower who fails to meet the terms and conditions of a loan contract from January 1, 2024. Lenders argued in a representation to the RBI earlier this month that penal interest rates lead to better credit discipline. They also said they needed time to reconfigure their internal systems.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-want-norm-barring-penal-interest-rate-deferred-by-three-months/articleshow/106102626.cms>

Direct taxes up 21% till Nov 17, advance tax collections rise 20%

The direct taxes after refunds grew 20.66 per cent at Rs 13.7 trillion till November 17 of the current financial year compared to Rs 11.36 trillion during the corresponding period of the previous financial year, backed by a 20 per cent rise in advance tax revenues. This reflected economic recovery as well as improved administrative skills of the tax department. With this, direct taxes have yielded a bit over three-fourth of the Budget Estimates (BE) at Rs 18.23 trillion for 2023-24. With a bit less than four and a half months still remaining for the financial year to end, the projection for direct tax mop-up would be easily exceeded. The Budget has projected an 11.57 per cent rise in direct tax collections for 2023-24.

https://www.business-standard.com/economy/news/direct-taxes-up-21-till-nov-17-advance-tax-collections-rise-20-123121801077_1.html

High attrition, pricey loans key hurdles in MFI segment: Experts

The microfinance industry has put disruptions relating to Covid-19 and demonetisation behind it. But the segment is still grappling with challenges due to high attrition rate and steep interest rates, say experts. In its Inclusive Finance India Report 2023, ACCESS Development Services pegs the microfinance industry's attrition at 49%. The figure is much higher at 64% in smaller microfinance institutions. "The attrition is higher among field level staff, and around 70% of MFI staff are on the field. The field-level job is quite tough, and so many not be able to cope," says Jiji Mammen, executive director and chief executive officer, Sa-Dhan.

<https://www.financialexpress.com/policy/economy-high-attrition-pricey-loans-key-hurdles-in-mfi-segment-experts-3340779/>

Financial consumers largely unaware of data privacy rules: Home Credit India

Consumers of financial products, especially loan borrowers, in India remain largely uninformed about data privacy regulations despite ongoing efforts, a new study has revealed. Buoyancy in the economy is reflected at the ground level, bringing positivity to the entire environment. However organizations need to work to help people better understand data privacy and finance management, says the latest edition of 'How India Borrows' (HIB) Study 2023 conducted by Home Credit India, a local arm of international consumer finance provider Home Credit.

<https://www.thehindubusinessline.com/economy/financial-consumers-largely-unaware-of-data-privacy-rules-home-credit-india/article67651112.ece>

Industry

Govt considering termination of FAME subsidy for electric two-wheelers

The government is unlikely to continue subsidy for electric two-wheelers as the provisions for the same come to an end in a few weeks, according to a report published in The Times of India (ToI). In other words, the FAME III scheme will not be rolled out. FAME refers to Faster Adoption and Manufacturing of Electric vehicles, which the heavy industries ministry has implemented. Earlier, the finance ministry expressed its concerns about the continuation of the scheme, now, other government departments have also agreed to North Block's views.

https://www.business-standard.com/industry/auto/govt-considering-termination-of-fame-subsidy-for-electric-two-wheelers-123121800191_1.html

Transactions and seller base steadily growing on ONDC, says CBO Shireesh Joshi

The Open Network for Digital Commerce (ONDC), which has been steadily witnessing adoption from users and network partners, recently crossed the 2 lakh transactions per day-mark. The network is also looking to bring in a mechanism of "scores and badges" for feedback as well as to strengthen confidence of buyers and sellers. Shireesh Joshi, Chief Business Officer, ONDC told businessline, "By April, we had hit the 5000 orders per day-mark and by July-August we got to about 50,000 transactions. In the week leading up to Diwali, we saw orders averaging around 1.5 lakh per day and we saw nearly 12 lakh transactions happening in those seven days. Even after the festival season, we have been seeing steady growth in order momentum. A few days ago we hit a new milestones as we crossed the 2 lakh orders per day-mark."

<https://www.thehindubusinessline.com/info-tech/transactions-and-seller-base-steadily-growing-on-ondc-says-cbo-shireesh-joshi/article67650784.ece>

Imported luxury shoe brands trip on delayed BIS nod for sourcing units

The premium footwear industry selling designer, luxury labels and high-end sports shoes is in turmoil as manufacturers say consumers may not be able to buy the new spring-summer season launches. The footwear could go off retail shelves in the next few months as the Bureau of Indian Standards (BIS) has not certified their factories in China and Vietnam, a requirement for allowing imports from them. Footwear as a category has come under BIS Quality Control Orders (QCO) for leather shoes since July, while for sports shoes, sandals and slippers it's with effect from January 2024. As per QCO norms, all factories manufacturing these and some specified key components, such as rubber, PVC or polyurethane soles and heels, need to be certified by BIS to be able to import and sell such products.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/imported-luxury-shoe-brands-trip-on-delayed-bis-nod-for-sourcing-units/articleshow/106102774.cms>

E-buses to take 8% share in FY25 bus sales: Crisil

The share of electric buses (e-buses) in new bus sales in India is set to double to around 8% in the next fiscal year starting April compared with the year ended in March 2023, according to Crisil Ratings. The growth is driven by two factors. The first is the central government's focus on decarbonising the public transport sector through efforts to deploy e-buses under the Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicles (FAME) scheme and the National Electric Bus Programme.

<https://economictimes.indiatimes.com/industry/renewables/e-buses-to-take-8-share-in-fy25-bus-sales-crisil/articleshow/106090718.cms>

Agriculture

India's lentils output may rise on higher yield, says trade

The production of masur (lentils) will likely increase this crop year (July 2023-June 2024) with favourable weather supporting the crop despite the acreage trailing marginally till mid-December compared with the year-ago period. The India Pulse and Grains Association (IPGA), in its latest market update, said the forthcoming domestic masur crop is projected to have higher yields due to favourable weather conditions in Madhya Pradesh and Uttar Pradesh, the key producing States. The upcoming crop period of December-January is crucial for plant growth and the yield potential hinges on the soil moisture availability. "If nothing goes wrong on the weather front, we should have a crop of 16.5-17 lakh tonnes, higher than last year's 15.5 lakh tonnes," said Bimal Kothari, Chairman, IPGA.

<https://www.thehindubusinessline.com/economy/agri-business/indias-lentils-output-may-rise-on-higher-yield-says-trade/article67650977.ece>

Infrastructure

NHAI awards toll, operate and transfer projects of 273 km for Rs 9,384 cr

State-owned NHAI awarded Toll, Operate and Transfer (TOT) projects of a combined length of 273 km for Rs 9,384 crore to successful bidders, an official statement said on Monday. The financial bids were opened on November 14, 2023, and with the approval of the concerned authorities, the letters of award were issued within a day to the successful bidders.

https://www.business-standard.com/economy/news/nhai-awards-toll-operate-and-transfer-projects-of-273-km-for-rs-9-384-cr-123121800794_1.html

Ports shipping lines may charge more for fighting climate change

The 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28) held at Dubai is hailed as successful and historic because all the 198 countries signed up to the final declaration and for the first time, all the countries were asked to transition away from fossil fuels. No such declaration can satisfy all the constituencies and doubts can always be raised regarding whether the countries, especially the rich ones who

are responsible for most of the greenhouse gases (GHG) emissions and consequent global warming, will honour their pledges.

https://www.business-standard.com/opinion/columns/ports-shipping-lines-may-charge-more-for-fighting-climate-change-123121700931_1.html

India needs 1,000 scrapping centres, 400 fitness test points: Gadkari

Union Road Transport and Highways Minister Nitin Gadkari on Monday said the country needs 1,000 vehicle scrapping centres and 400 automated fitness test centres. Launching DigiELV', Gadkari said the road ministry has so far approved 85 vehicle scrapping facilities across the country."We need 1,000 vehicle scrapping centres in the country and at least 400 automated fitness test centres," he said. DigiELV is a trading platform for End of Life Vehicle Certificate of Deposit. Anyone who currently owns a Certificate of Deposit (CD) can sell the CD through the platform. A CD is issued when a user submits a vehicle for scrapping at an RVSF.

https://www.business-standard.com/industry/news/india-needs-1-000-scrapping-centres-400-fitness-test-points-gadkari-123121800799_1.html

Centre weighs requests for benefits in SEZ common areas

The government is examining industry's requests for a clarification by developers of special economic zones (SEZ) on returning the benefits taken for areas they would demarcate as domestic areas, officials said. Developers have sought clarity on retaining the customs benefits in common areas such as gym, cafeteria and creche. Before the amendment, benefits were applicable to common areas of SEZs but now the demarcated areas will not be able to enjoy those.

<https://economictimes.indiatimes.com/industry/services/property/-/construction/centre-weighs-requests-for-benefits-in-sez-common-areas/articleshow/106103189.cms>

India's office sector anticipates 20–22% y-o-y growth in 2024: report

The office sector anticipates strong 20–22 per cent year-on-year (y-o-y) growth in 2024, according to the JLL report. In 2023, net absorption in the office market is expected to be on par with 2022, closing at 37–39 million sq ft. With leasing activity expected to further pick up pace in the last quarter of 2023, the year is expected to surpass the 2017–2019 average. Further, the office markets' performance is a testament to the strong fundamentals of demand and the absence of any lasting effects of the global headwinds. In 2024, net absorption is further expected to increase by 20–22 per cent to touch 45-47 mn sq ft. Despite a 23.9 per cent year-on-year decrease in supply during the first nine months of 2023, it is anticipated to strengthen and reach approximately 47-49 mn sq ft by the end of the year.

<https://www.thehindubusinessline.com/news/real-estate/indias-office-sector-anticipates-2022-y-o-y-growth-in-2024-report/article67650488.ece>

Energy

Govt to offer 26 blocks at 9th round of commercial coal mine auction on Wed

The Centre will launch the ninth round of commercial coal mines auction on Wednesday, offering as many as 26 blocks to bidders. In pursuit of ensuring energy security and driving economic development, the Ministry of Coal is set to embark on another significant stride with the launch of the 9th round of Commercial Coal Mine Auctions here on 20th December 2023, the Coal Ministry said in a statement.

https://www.business-standard.com/industry/news/govt-to-offer-26-blocks-at-9th-round-of-commercial-coal-mine-auction-on-wed-123121800701_1.html

Centre cuts windfall tax on petroleum crude, diesel

India has cut the windfall tax on diesel and crude oil on Monday, according to a government notification. The government cut the windfall tax on crude oil to Rs 1,300 (\$15.64) a tonne from Rs 5,000 a tonne, while cutting the diesel windfall tax to Rs 0.5 per litre from Rs 1 per litre, the notification said. The windfall tax on aviation turbine fuel has been hiked to 1 rupee/litre from zero.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/centre-cuts-windfall-tax-on-petroleum-crude-diesel/articleshow/106102576.cms>

Domestic natural gas consumption up 6% in November

Domestic natural gas consumption rose 6% in November over the same month last year, helped by increased supply from domestic fields, the oil ministry data showed. Imports of liquefied natural gas (LNG) expanded 5% year-on-year in November while the output from domestic gas fields increased 7.6%. The overall domestic production was boosted by the 26% increase in output from fields operated by the private sector. ONGC's natural gas output dropped 3.6% in November. ONGC produces about half of the country's gas output.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/domestic-natural-gas-consumption-up-6-in-november/articleshow/106096171.cms>

Sops for underground mining in the works, says Mines Minister Pralhad Joshi

Critical minerals supply is essential for advancement of many sectors, including high-tech electronics, telecommunications, transport and defence, and roll-out of auctions for their mining in the country was a crucial step in that direction, said Minister for coal, mines and parliamentary affairs Pralhad Joshi. In line with the country's strategy for critical minerals, the Centre will launch the next tranche of bids in February, he told Twesh Mishra in an interview. The Centre is also working on incentives to boost underground coal mining, he said. Edited excerpts:

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/sops-for-underground-mining-in-the-works-says-mines-minister-pralhad-joshi/articleshow/106102622.cms>

Telecom

Allow non-auction spectrum allocation in certain situations: Centre's plea in Supreme Court

The Centre has sought to know from the Supreme Court if it could allocate airwaves administratively — without holding competitive auctions — to address unanticipated state priorities such as national security, in broader public interest, or when techno-economic peculiarities preclude the sale of spectrum via a bidding process. "Issue appropriate clarifications that the government may consider the assignment of spectrum through an administrative process," the Centre urged the Supreme Court in its petition, a copy of which was seen by ET. "Pass such an order, or further orders as this court may deem fit and proper... in the interest of justice."

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/allow-non-auction-spectrum-allocation-in-certain-situations-centres-plea-in-supreme-court/articleshow/106106136.cms>

States

FDI inflows into Gujarat slowing for 2 yrs, dips 30% in the first six months of FY24

Since the last two years, foreign direct investment (FDI) inflows into Gujarat have remained subdued, despite the state topping the FDI charts in 2020–21. The third year has been no different. In the first six months of the current financial year 2023–24, FDI flows into the State dipped by almost 30 per cent, which is only second to Karnataka, where FDI fell by almost 44 per cent. Gujarat attracted ₹18,884 crore between April and September, which is lower than the ₹26,866 crore FDI for the same period in 2022–23, according to state figures published by the Department for Promotion of Industry and Internal Trade (DPIIT).

<https://www.thehindubusinessline.com/economy/fdi-inflows-to-gujarat-subdued-since-2-yrs-clocks-30-dip-in-1st-6-months-of-2023-24/article67650604.ece>

Healthcare

Centre asks states to stay vigilant, step up testing

The health ministry on Monday issued an advisory to states in view of a recent upsurge in Covid-19 cases and detection of the first case of the JN.1 subvariant in the country. States have been asked to maintain constant vigil over the situation and report and monitor district-wise cases of severe acute respiratory infections and influenza-like illnesses. "No new variant of the virus had been picked up, there are a number of actions that need state government's focus," health secretary Sudhansh Pant said on Monday.

<https://economictimes.indiatimes.com/news/india/centre-asks-states-to-stay-vigilant-step-up-testing/articleshow/106103051.cms>

External

UK plans to implement carbon tax on imported goods like steel from 2027, a year after EU's proposals

The British government announced plans Monday to charge a carbon levy on imported raw materials such as aluminum, iron, steel and cement from 2027, in an attempt to prevent firms being undercut by overseas producers. However, the plan has come under criticism from the body representing British steel as being too sluggish, as it will come into effect one year after similar proposals from the European Union (EU) are implemented.

<https://www.financialexpress.com/policy/economy-uk-plans-to-implement-carbon-tax-on-imported-goods-like-steel-from-2027-a-year-after-eus-proposals-3341648/>

Curbs on rice shipments pull down farm exports

Several restrictions imposed on rice exports to improve domestic supplies have adversely impacted India's farm exports in the first seven months of current fiscal. The shipment of agricultural items and processed foods, which had remained resilient in the last few fiscal years, dropped by 9.3% on year to \$ 13.98 billion during the April-October period of the current fiscal year.

<https://www.financialexpress.com/policy/economy-curbs-on-rice-shipments-pull-down-farm-exports-3340771/>

India, Oman trade ministers exhort officials to conclude talks for trade

Commerce ministers of India and Oman have asked their negotiators to conclude talks of the proposed free trade agreement at the earliest, an official statement said on Monday. Substantively, negotiations on the text of the India-Oman Comprehensive Economic Partnership Agreement (CEPA) have been largely completed. On the sidelines of the state visit of the Sultan of Oman, Haitham bin Tarik to India on December 16, Commerce and Industry Minister Piyush Goyal and Minister of Commerce, Industry and Investment Promotion of the Sultanate of Oman Qais Bin Mohammed Al Yousef, held discussions on bilateral trade and investment relations between the two countries here.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-oman-trade-ministers-exhort-officials-to-conclude-talks-for-trade/articleshow/106101322.cms>