



January 02, 2024 – Tuesday

Economy

India's mineral output rose 13% in Oct: Govt

India's mineral production went up 13.1 per cent in October 2023, over the same month a year ago, the government said on Monday. The index of mineral production of the mining and quarrying sector for October was 127.4, 13.1 per cent higher than October 2022, as per the provisional figures of Indian Bureau of Mines (IBM). The cumulative growth for the April-October period of the current fiscal over that of the year-ago period is 9.4 per cent. The minerals that showed positive growth in October included iron ore, manganese ore, gold, and coal. Important minerals showing negative growth included lignite, copper conc, and bauxite.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/indias-mineral-output-rose-13-in-oct-govt/articleshow/106458391.cms>

Work demand under rural job scheme declines again in December

Demand for work under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) moderated for a second straight month in December from a year before, official data showed, reflecting the impact of improved economic activities. The preliminary data compiled by the rural development ministry showed 24.08 million individuals opted for work under the MGNREGS in December, down 7.1% from a year before. Data for the last two months of 2023 - demand fell 6.9% in November - show a dramatic reversal from a 17.6% jump in October. Most of the demand came from Tamil Nadu (3.35 million), Rajasthan (2.60 million), Madhya Pradesh (2.38 million), Uttar Pradesh (2.34 million) and Bihar (1.59 million).

<https://economictimes.indiatimes.com/news/economy/indicators/work-demand-under-rural-job-scheme-declines-again-in-december/articleshow/106459434.cms>

GDP growth to 'comfortably' exceed 6.5% in 2023-24: FinMin

The Finance Ministry expects the country's GDP growth rate in 2023-24 to "comfortably" exceed its earlier forecast of 6.5 per cent on the back of Q2 GDP growth performance that surprised on the upside at 7.6 per cent. Already the country's GDP grew 7.7 per cent in the first half this fiscal. The Union Budget for 2023-24 had pencilled in a nominal GDP of 10.5 per cent for current fiscal.

<https://www.thehindubusinessline.com/economy/gdp-growth-to-comfortably-exceed-65-in-2023-24-finmin/article67696072.ece>

India starts four-year term as UN Statistical Commission member

India started its four-year term as a member of the United Nations Statistical Commission on Monday. The country had won the election to the global statistics body in April after a gap of nearly two decades. The period of India's term corresponds with the time that the 24-member body will decide on new norms for national accounts, which will also play an important role in changing India's GDP calculations. The last revision to national accounts was made in 2008, which forms the basis of India's current GDP series, with 2012 as a base year.

<https://economictimes.indiatimes.com/news/economy/policy/india-starts-four-year-term-as-un-statistical-commission-member/articleshow/106445998.cms>

Banking and Finance

97.38 percent of Rs 2000 notes back with RBI

The Reserve Bank has managed to get back almost the entire stock of Rs 2000 notes in the country. 97.38 percent of the Rs 2000 banknotes in circulation as on May 19, 2023, has since been returned, a release by the Reserve Bank of India said. The ₹2000 banknotes continue to be legal tender the central bank clarified. The total value of ₹2000 banknotes in circulation, which was ₹3.56 lakh crore at the close of business on May 19, 2023, when the withdrawal of ₹2000 banknotes was announced, has declined to ₹9,330 crore at the close of business on December 29, 2023, RBI said

<https://economictimes.indiatimes.com/news/economy/finance/97-38-percent-of-rs-2000-notes-back-with-rbi/articleshow/106456844.cms>

RBI simplifies reactivation of dormant accounts; tightens norms to curb frauds

The Reserve Bank of India has eased the process to reactivate the dormant accounts and at the same time tightened norms to ensure that frauds are limited in the inoperative accounts where funds remain unclaimed. The central bank said that activation of such accounts can simply be done by re-submission of know your customer (KYC) details across branches including non-home branches. The process can also be done through video-customer identification process (V-CIP) on account holders' request, if the facility is being provided by the bank.

<https://economictimes.indiatimes.com/industry/banking/finance/rbi-simplifies-reactivation-of-dormant-accounts-tightens-norms-to-curb-frauds/articleshow/106457652.cms>

UPI ends 2023 with record transactions worth ₹18-lakh crore, up 42% y-o-y

Unified Payments Interface (UPI) ended 2023 at a high, recording over 1,200 crore transactions worth more than ₹18-lakh crore in December, a peak for both the transaction count and value. Over 11,765 UPI transactions worth ₹182.2-lakh crore were processed in 2023, up 59 per cent in terms of volume and 45 per cent in terms of value compared with 2022, as per data by the National Payments Corporation of India (NPCI).

<https://www.thehindubusinessline.com/money-and-banking/upi-ends-2023-with-record-transactions-worth-18-lakh-crore-up-42-y-o-y/article67695992.ece>

FinMin allows 30th tranche of electoral bonds from Tuesday

The Centre has approved the issuance of the 30th tranche of electoral bonds that will open for sale on Tuesday. The window for purchase and encashment of electoral bonds will be available till January 11. Electoral bonds have been pitched as an alternative to cash donations made to political parties as part of efforts to bring transparency to political funding. The sale of the first batch of electoral bonds happened in March 2018.

<https://www.thehindubusinessline.com/money-and-banking/finmin-allows-30th-tranche-of-electoral-bonds-from-tuesday/article67696214.ece>

GST receipts decline to three-month low but hold on to Rs 1.65 trn in Dec

Goods and services tax (GST) collection in December declined to a three-month low due to economic activities winding down after Diwali but remained elevated at Rs 1.65 trillion. The growth rate year-on-year fell to a three-month low of 10.3 per cent over Rs 1.49 trillion in December 2022-23. GST collection in a particular month is on account of production, sales, and purchases in the previous month. Thus, collection in December pertained to transactions in November, which was marked by holidays after Diwali, slowing receipts.

https://www.business-standard.com/economy/news/gst-receipts-decline-to-three-month-low-but-hold-on-to-rs-1-65-tn-in-dec-124010100800_1.html

Centre notifies creation of principal bench of GST Appellate Tribunal

The Centre on Monday notified creation of the principal bench of Goods and Services Tax Appellate Tribunal (GSTAT). On February 18, 2023, the GST Council had recommended setting up GSTAT with one Principal Bench and a number of State Benches. The Principal Bench will be set up in New Delhi and regional Benches in different States are expected to provide a unified structure for resolution of disputes under GST. The Centre had notified setting up 31 state benches of GSTAT on September 15.

<https://economictimes.indiatimes.com/news/economy/policy/centre-notifies-creation-of-principal-bench-of-gst-appellate-tribunal/articleshow/106459396.cms>

Centre's FY25 interest outgo may rise 11 to 12% from ongoing FY24

The central government's interest pay-out in the next financial year is expected to climb 11-12% from the ongoing fiscal 2024, a senior government official said. The interest pay-out for FY24 is projected to be Rs 10.80 lakh crore, or about 24% of the budgeted expenditure for the financial year. In the pre-Covid FY20, interest payment at Rs 6.12 lakh crore had accounted for 22.8% of the total expenditure. "Interest payments are likely to go up by 11-12% in the next fiscal year but it's manageable," the official told ET. Higher interest payments indicate an increase in borrowings. The official said Covid shock had bloated the government's overall debt as it increased the spending pressure.

<https://economictimes.indiatimes.com/news/economy/centres-fy25-interest-outgo-may-rise-11-to-12-from-ongoing-fy24/articleshow/106459465.cms>

Industry

Centre extends auto PLI by a year

The centre has extended the Production Linked Incentive (PLI) Scheme for Automobile and Auto Components by a year. A statement from the Ministry of Heavy Industries (MHI) said this decision has been made after receiving the approval of the Empowered Group of Secretaries (EGoS). These amendments aim to provide clarity and flexibility to the scheme. The incentive will now be applicable for five consecutive financial years, starting from fiscal 2023-24. "Disbursement of the incentive will take place in the financial year 2024-25. The scheme also specifies that an approved applicant will be eligible for benefits for five consecutive financial years, but not beyond the financial year ending on March 31, 2028," the statement said.

<https://economictimes.indiatimes.com/industry/auto/auto-news/centre-extends-auto-pli-by-a-year/articleshow/106456909.cms>

Deadline nearing, 70% of FAME target met, 1.22 mn vehicles supported so far

With the deadline for the Faster Adoption and Manufacturing of Electric (and Hybrid) Vehicles (FAME-II) programme nearing, the government has met 70 per cent (or 1.22 million) of the target of more than 1.74 million electric vehicles (EVs) since the launch of the scheme in March 2019. As monthly sales of EVs consistently surpassed 100,000 throughout 2023, the Centre is optimistic the target will be achieved before the March 31 deadline.

https://www.business-standard.com/industry/auto/deadline-nearing-70-of-fame-target-met-1-22-mn-vehicles-supported-so-far-124010100652_1.html

Cars and utility vehicles: 4,000,000 PV sales ride to a record high in 2023

Sales of cars and utility vehicles posted strong growth last month, helping the 2023 volume to top 4 million units a year for the first time. As per industry estimates, about 4.1 million passenger vehicles were sold in the local market in the last calendar year, an increase of around 8.2% compared with sales of 3.79 million units in 2022. Last month, carmakers reported a 4.4% rise in dispatches from factories at 287,904 units, the highest on record for December. Retail sales were substantially higher at 442,800 units, according to industry estimates, helping bring stocks down. The industry started the new year with an inventory of 176,500 units.

<https://economictimes.indiatimes.com/industry/auto/auto-news/cars-and-utility-vehicles-4000000-pv-sales-ride-to-a-record-high-in-2023/articleshow/106459416.cms>

Leading FMCG companies look to ramp up direct rural reach

Leading FMCG companies are stepping up focus on direct distribution in rural markets at a time when rural consumption trends continues to lag behind urban consumption. The renewed focus on deepening rural reach also comes at a time when competition from small and regional players has intensified. In an analyst note released on Monday, Abneesh Roy, Executive Director, Nuvama Institutional Equities noted, "The efforts to expand direct distribution in rural markets have been stepped up. FMCG companies hope this would help them tide over the challenges of slowing rural demand, which has been further aggravated by the stressed wholesale trade channel due to the liquidity crunch."

<https://www.thehindubusinessline.com/companies/leading-fmcg-companies-look-to-ramp-up-direct-rural-reach/article67696063.ece>

Printing 'date of mfg', 'sale price' on packaged items mandatory from Jan 1

Printing the 'date of manufacturing' and 'unit sale price' has become mandatory on all packaged commodities effective from Monday, according to Consumer Affairs Secretary Rohit Kumar Singh. Earlier, companies were given the option to either print the 'date of manufacturing' or 'date of import' or date of packaging on the packaged commodities. Now, companies have been mandated to print only the 'date of manufacturing', along with the 'unit sale price', as per the latest notification issued by the Consumer Affairs Ministry. "Since packaged items are sold in different quantities, it is important that consumers are aware about the 'unit sale price' of what is packed and make an informed purchase decision," the consumer affairs secretary told PTI.

https://www.business-standard.com/industry/news/printing-date-of-mfg-sale-price-on-packaged-items-mandatory-from-jan-1-124010100621_1.html

Agriculture

Govt procures 25,000 tonnes of kharif onion so far for buffer stock

The Centre has so far procured 25,000 tonnes of onion grown in the 2023 kharif season for maintaining a buffer stock, Consumer Affairs Secretary Rohit Kumar Singh said on Monday. The government is procuring onion to maintain a buffer stock and use it for market intervention to boost domestic availability and keep prices in check. The government has raised the buffer stock target to 7 lakh tonnes for the 2023-24 fiscal, against the actual stock of 3 lakh tonnes last year.

<https://economictimes.indiatimes.com/news/economy/agriculture/govt-procures-25000-tonnes-of-kharif-onion-so-far-for-buffer-stock/articleshow/106455794.cms>

India's rice procurement continues to trail, may miss target

Rice procurement by the Food Corporation of India (FCI) for the Centre's buffer stocks in the first three months since the season began on October 1 dropped 14 per cent to 299.33 lakh tonnes (lt) from 347.87 lt in the year-ago period. During October-December in 2022, rice procurement was 11 per cent higher from the 2021-22 level, experts see the current year's purchase missing the target by a big margin. According to latest data, procurement in Punjab, Haryana and other northern States were completed in December, while in western Uttar Pradesh, it will continue until the end of January. The FCI has managed to buy 125.08 lt in Punjab, which is 2 per cent higher from 121.91 lt a year ago and in Haryana it is 39.42 lt against 39.51 lt in 2022-23. The target in Punjab was 122 lt and in Haryana was 40 lt this year.

<https://www.thehindubusinessline.com/economy/agri-business/indias-rice-procurement-continues-to-trail-may-miss-target/article67695886.ece>

Infrastructure

Indian real estate in 2023 saw highest investment inflows since 2020

In 2023, Indian real estate witnessed the highest level of investment inflows since 2020, according to real estate consultancy Colliers. These inflows in 2023 were \$5.4 billion, 10 per cent higher as compared to 2022. In the sector, the office sector continued to be the most significant contributor for 2023 with a 56 per cent share in total inflows. The leading sources of foreign capital in Indian real estate were Canada and Singapore. These two countries accounted for 78 per cent of the global real estate inflows into India during 2023. Moreover, inflows from Asia-Pacific countries have been rising every year and have surged to 3.6 times in 2023 compared to 2020.

https://www.business-standard.com/industry/news/indian-real-estate-in-2023-saw-highest-investment-inflows-since-2020-colliers-124010100274_1.html

Energy

ATF price cut by 4%; commercial LPG rate down Rs 1.5 per cylinder

Jet fuel or ATF price on Monday was cut by 4 per cent, the third straight monthly reduction, and commercial cooking gas (LPG) rates were marginally lowered by Rs 1.50 per 19-kg cylinder in line with international benchmarks. However, the price of domestic LPG -- used in household kitchens for cooking purposes -- remained unchanged at Rs 903 per 14.2-kg cylinder.

https://www.business-standard.com/economy/news/atf-price-cut-by-4-commercial-lpg-rate-down-rs-1-5-per-cylinder-124010100444_1.html

Shortage of EPC players slows down wind energy projects

The wind energy sector is facing a unique shortage-- of EPC players. Four wind energy companies have gone bankrupt and over a dozen have changed business models in the past five years, leading to a scarcity of engineering, procurement, and construction (EPC) services in the sector. This is slowing down wind energy projects, according to industry officials. These companies include Wind World, RRB Energy, NEPC Micon, Pioneer Windcon, etc. among others. "There were 32 players in 2016-17, now it is down to 12. And of these, four are in NCLT," said Ajay Devaraj, secretary general, the Indian Wind Power Association (IWPA), adding that in 2017, after the government changed the wind energy bidding norms from feed-in-tariff to auction regime, the business model of these companies changed and captive generation died.

<https://economictimes.indiatimes.com/industry/renewables/shortage-of-epc-players-slows-down-wind-energy-projects/articleshow/106459271.cms>

Windfall levy on domestically produced crude raised, lowered on export-bound diesel, ATF

The Finance Ministry has raised the Special Additional Excise Duty (SAED), better known as windfall gain levy on domestically produced crude, to ₹2300 per tonne from ₹1300. However, such levy on export-bound diesel and jet fuel reduced to NIL. To date, windfall levies on diesel and jet fuel (Aviation Turbine Fuel or ATF) were ₹0.50 and ₹1. All the changes are coming into effect from Tuesday. Such a levy on export-bound petrol will continue at NIL. This decision has been taken as crude prices saw some rise earlier. This will likely impact oil exploration companies such as ONGC and Oil India. Product prices have come down, so the windfall gain tax has been revised downward. Cutting the windfall levy on diesel and ATF for export will impact Reliance Industries and Rosneft-backed Nayara Energy as primary fuel exporters.

<https://www.thehindubusinessline.com/markets/commodities/govt-increases-windfall-tax-on-crude-oil-slashes-levies-on-diesel-and-atf/article67697394.ece>

DGCA issues decade-high commercial pilot licenses for second time in a row

Aviation regulator DGCA issued 1,622 commercial pilot licenses (CPL) in 2023, which is the highest for any year in the last decade, according to official data. 2023 was the second consecutive year of decade-high CPL issuances after 2022. CPL issuances grew 39 per cent year-on-year (YoY) from 1,165 licenses issued in 2022. "This is the second consecutive year where the number of licenses issued has witnessed a decade-high," the Directorate General of Civil Aviation (DGCA) said in a statement. In 2023, the regulator issued nearly one out of every five CPLs to women. DGCA said the number of CPLs given to women rose by 22.5 per cent year-on-year (YoY). DGCA estimates that 14 per cent of all the pilots employed with scheduled airlines are women pilots.

https://www.business-standard.com/industry/news/dgca-issues-decade-high-commercial-pilot-licenses-for-second-time-in-a-row-124010100815_1.html

Telecom

Alert subscribers about fake SMS in regulator's name: Trai to Telcos

The Telecom Regulatory Authority of India (Trai) has asked telecom service providers to warn subscribers against messages being sent by fraudsters in the name of the telecom regulator. "Nowadays, in the name of Trai, many messages are being sent and the public are being defrauded," Trai secretary V Raghunandan told ET. "In order to create awareness and advise the public at large, we want to send an advisory and a cautionary message to all subscribers."

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/alert-subscribers-about-fake-sms-in-regulators-name-trai-to-telcos/articleshow/106459265.cms>

States

Kerala launches K-Smart tech solution to streamline local self-government services

Aimed at making available all services of local self-government institutions over a uniform digital platform, Kerala has introduced K-Smart (Kerala Solutions for Managing Administrative Reformation and Transformation), the first of its kind project in the country. Speaking after the launch, Chief Minister Pinarayi Vijayan said that the State is once again setting a model for the rest of the country in the modern technology sector through K-Smart. It is for the first time that a system that makes available the entire gamut of services of a department in a single click is being introduced in the country. K-Smart is the latest example of Kerala in utilising the development in technology for multi-faceted development of the State, he said.

<https://www.thehindubusinessline.com/news/national/kerala-launches-k-smart-tech-solution-to-streamline-local-self-government-services/article67695547.ece>

External

Onion export ban may be lifted as prices drop, supplies rise

The Centre is planning to lift the ban on onion exports as the price of the vegetable has dropped significantly in the main producing regions, said a senior official. India, one of the biggest exporters of onions, banned shipments of the bulb vegetable on December 8, after domestic prices more than doubled in three months following a drop in production. In the last few days, the price has dropped around 20% to Rs 1,500 per quintal from Rs 1,870 as arrivals increased. Since the ban was imposed on exports, the price has dropped 60% in the main wholesale market of Lasalgaon in Maharashtra, said traders in the area. The arrival of fresh kharif onions has increased to 15,000 quintals a day.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/onion-export-ban-may-be-lifted-as-prices-drop-supplies-rise/articleshow/106459394.cms>

India's pulses imports may touch 3 mt in current fiscal

Pulses imports are seen rebounding to a six-year high in the current financial year on shortfall in domestic output following deficit rainfall in growing areas. Trade estimates that pulses imports are likely to touch 3 million tonnes(mt) during the current financial year, an increase of around 31 per cent over last year's 2.29 mt. The shortfall in domestic output due to weather vagaries led to prices spiralling in recent months. The government, besides opening up imports of yellow peas till March 31, 2024, has extended the window for duty-free imports of pulses such as lentils (masur), tur (pigeon pea) and urad (black matpe) till March 2025, to boost the supplies and keep prices under check.

<https://www.thehindubusinessline.com/economy/agri-business/indias-pulses-imports-may-touch-3-mt-in-current-fiscal/article67695840.ece>