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Economy

GDP numbers for FY24 show discrepancies of Rs 2.59 lakh crore

Discrepancies in computation of advance estimates of the country's Gross Domestic Product for 2023-24 stood at Rs 2.59 lakh crore as against (-) Rs 3.80 lakh crore in 2022-23 and (-) Rs 4.47 lakh crore in 2021-22, according to National Statistical Office (NSO). On Friday, the NSO released its first advance estimates of national accounts which showed that the Gross Domestic Product (GDP) or Indian economy will grow at 7.3 per cent in 2023-24, slightly higher than 7.2 per cent in 2022-23. According to data, there were discrepancies of Rs 2.59 lakh crore as against (-) Rs 3.80 lakh crore in 2022-23 and (-) Rs 4.47 lakh crore in 2021-22. Discrepancies in the statistical GDP data refer to the difference in national income under production method and expenditure method.

<https://economictimes.indiatimes.com/news/economy/indicators/gdp-numbers-for-fy24-show-discrepancies-of-rs-2-59-lakh-crore/articleshow/106608498.cms>

Interim Budget 2024-25 likely to set nominal GDP growth at 10-10.5%

The Interim Budget for 2024-25 (FY25) to be presented on February 1 is likely to assume 10-10.5 per cent nominal gross domestic product (GDP) growth against 8.9 per cent estimated for FY24 by the National Statistical Office (NSO). "We were waiting for the First Advance Estimates GDP numbers for FY24. We will finalise the nominal GDP growth assumption for FY25 Interim Budget in a couple of days. Back of the envelope calculation suggests nominal GDP growth could be in the range of 10-10.5 per cent for FY25," a government official said, requesting anonymity.

https://www.business-standard.com/budget/news/interim-budget-2024-25-likely-to-set-nominal-gdp-growth-at-10-5-124010700633_1.html

Pick up in consumption contingent on controlling inflation: Ind-Ra

The Indian economy is facing the challenge of lower consumption growth as high inflation is impacting people in the lower income bracket, India Ratings and Research Chief Economist Devendra Kumar Pant said on Sunday. He said although the country's economy is now resilient enough to deal with the dual shocks of below-normal monsoon and high global oil prices, the challenge is to bring down inflation so that people can have more disposable income in their hands. "One percentage point reduction in inflation will lead to 64 basis points increase in GDP or 1.12 percentage points increase in PFCE (Private final consumption expenditure) growth... If inflation can be brought down by 1 percentage point, it would be a win win," Pant said in an interview to PTI.

https://www.business-standard.com/economy/news/pick-up-in-consumption-contingent-on-controlling-inflation-india-ratings-research-124010700188_1.html

Banking and Finance

Bank borrowings increase by 67 per cent in 2023

Borrowing by banks climbed last year, on average by as much as two-thirds in aggregate, as the central bank's liquidity mop-up to tame consumer prices coincided with higher demand for credit and trailing deposit growth. HDFC Bank's mid-July merger with mortgage-lending pioneer HDFC also caused borrowings to swell for mainstream lenders under the central bank's watch. Reserve Bank of India (RBI) data showed average bank borrowings on a

fortnightly basis were at Rs 6.39 lakh crore from January 13 to December 15, 2023. That's 67% higher than average fortnightly borrowing of Rs 3.81 lakh crore over the comparable period in 2022.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-borrowings-increase-by-67-per-cent-in-2023/articleshow/106617390.cms>

Mandatory linking of e-invoice with e-way bill may cause operational disruption: Experts

Mandatory linking of e-invoice with e-way bill, applicable from March 1 for certain types of transactions, may cause disruption in operation and has created confusion among tax planners who are seeking clarification from the authorities, experts said on Sunday. The move was initiated after the mismatch in e-way bills and e-invoice statements was noticed in several cases, they said. "Blocking the generation of e-way bill without e-invoice/IRN details for B2B (business to business) and B2E transactions for e-invoice enabled taxpayers," said an advisory issued by the National Informatics Centre (NIC), which manages the indirect tax portal.

<https://economictimes.indiatimes.com/news/india/mandatory-linking-of-e-invoice-with-e-way-bill-may-cause-operational-disruption-experts/articleshow/106614346.cms>

Payout by life insurers moderates in FY23 compared to previous year

Payout by life insurance companies declined by about Rs 6,000 crore during 2022-23 because of lesser number of death claims as compared to previous financial year which was impacted by COVID-19. The life insurance industry paid a total benefit of Rs 4.96 lakh crore in 2022-23 as compared to Rs 5.02 lakh crore in FY22, according to the latest annual report released by sector regulator IRDAI.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/payout-by-life-insurers-moderates-in-fy23-compared-to-previous-year/articleshow/106611681.cms>

Centre may rake in ₹55,000 crore in dividends from key CPSEs

The government's dividend collection from non-financial central public sector enterprises (CPSEs) and other investments in this financial year could amount to about ₹55,000 crore, more than a quarter higher than the budgetary target of ₹43,000 crore, said a senior official. However, the Centre could reduce its combined disinvestment and dividend (from non-financial CPSEs) mop-up in the revised estimate for 2023-24 from the budgeted ₹94,000 crore given the expected steep shortfall in divestment proceeds from the targeted ₹51,000 crore due to the IDBI Bank strategic sale process spilling over to 2024-25, the official told ET.

<https://economictimes.indiatimes.com/news/economy/finance/centre-may-rake-in-55000-crore-in-dividends-from-key-cpses/articleshow/106617507.cms>

Industry

Consumer companies do not want to leave distributors on margins

About a dozen major consumer goods companies such as Hindustan Unilever, Marico, Parle, Nestle and Dabur are revamping their distribution strategies as part of a broader strategy to boost sales especially of slow-moving products, and in rural markets which have been under pressure for more than a year. These companies are either reworking their distributor margin structure by including higher variables linked to sales or incentivising kirana stores and general trade. While most distributors earn fixed margins between 3-6% irrespective of sales, variables usually include additional margins on reaching defined sales targets. After piloting a 60-100 bps lower fixed margin to its distributors to 3.3% and raising variable margins by over 100-150 bps for nearly a year, HUL rolled out the structure across 110 top cities in October. HUL said the move is aimed at improving overall service efficiency and offers distributors a higher earning potential.

<https://economictimes.indiatimes.com/industry/cons-products/fmcbg/consumer-companies-do-not-want-to-leave-distributors-on-margins/articleshow/106617748.cms>

IT companies expected to report soft Q3 as higher furloughs to weigh on revenue growth

Indian IT companies are expected to report a "soft" third quarter with higher-than-usual furloughs weighing on revenue growth, industry watchers said cautioning that demand outlook commentary is likely to be unchanged as clients continue to scrutinise discretionary spends and prioritise cost optimisation. The big earnings week for tech

heavyweights is up ahead, with the top tier IT companies slated to announce their December quarter numbers this week.

<https://www.financialexpress.com/business/industry-it-companies-expected-to-report-soft-q3-as-higher-furloughs-to-weigh-on-revenue-growth-3357871/>

FMCG makers expect low to mid-single-digit volume growth in Q3; rural market continues to lag

Leading FMCG makers are expecting a low to mid-single-digit volume growth in the October-December quarter, with an improvement in consumer demand on a sequential basis. Consumer demand from the rural market is lagging, though the urban markets stayed steady in the third quarter as exhibited in the September quarter, said leading listed FMCG firms such as Dabur, Marico and Godrej Consumer Products in their quarterly updates.

<https://www.financialexpress.com/business/industry-fmkg-makers-expect-low-to-mid-single-digit-volume-growth-in-q3-rural-market-continues-to-lag-3357808/>

Passenger vehicle makers miss fuel efficiency targets

India has missed its fuel efficiency target for passenger vehicles in the last financial year, the first time since the initiative's inception five years ago. This could have major repercussions for the country's ambitious climate goals, especially its aim to reduce carbon dioxide emissions by 45% by 2030 from the 2005 levels. Indian makers of passenger vehicles comprising cars, vans, and utility vehicles achieved corporate average fuel economy (CAFE)—a measure of carbon emission of a vehicle—of 116.078 gm per km in the year ended March 31 2023, missing the target of 113 gm per km set by the Ministry of Road Transport & Highways (MoRTH), said several people aware of developments.

<https://economictimes.indiatimes.com/industry/auto/auto-news/passenger-vehicle-makers-miss-fuel-efficiency-targets/articleshow/106617808.cms>

Rural startups seek better supply chain, infra, easier access to funds

Rural startups are making a strong pitch for new programmes to foster research and innovation, as the grassroots-level entrepreneurs seek support for streamlined supply chains, subsidies, improved infrastructure, and easy access to finance. As the Budget and the Lok Sabha elections draw closer, startups working in various sectors, especially in smaller towns and villages, said they expect the government to look at various teething issues, even as their "overall performance has improved owing to various policy changes in the past couple of years".

https://www.business-standard.com/companies/start-ups/rural-startups-seek-better-supply-chain-infra-easier-access-to-funds-124010700514_1.html

Infrastructure

Vision 2047: Mega plan for building highways soon

India could soon roll out a new mega highways construction programme, in line with Narendra Modi-led NDA government vision 2047, replacing Bharatmala Pariyojana to enhance connectivity in the country. The proposed programme will clearly spell out parameters for eligibility criterion of roads to be identified as a national priority coupled with changes in Model Concession Agreement for expeditious infrastructure creation and minimising contract disputes and litigation. "Future projects will be awarded under a new scheme. It will be different from Bharatmala," a senior government official told ET.

<https://economictimes.indiatimes.com/news/economy/infrastructure/vision-2047-mega-plan-for-building-highways-soon/articleshow/106617338.cms>

Energy

Nepal, India to strengthen power transmission systems; help each other in energy sector

India and Nepal have decided to strengthen the power transmission systems between the two countries and help each other to progress in the energy sector, according to a statement issued by the Indian Embassy in Nepal. The statement came two days after the Nepal-India Joint Steering Committee (JSC) on Power Sector Cooperation meeting concluded in Chitwan district of central Nepal on Friday and was followed by the signing of the agreement on Long Term Power Trade between the two nations. "The Nepal-India Joint Steering Committee (JSC) on Power

Sector Cooperation meeting concluded in Chitwan district of central Nepal on Friday. During the meeting the two sides have agreed on strengthening the power transmission system between the two countries," said the statement. <https://economictimes.indiatimes.com/industry/energy/power/nepal-india-to-strengthen-power-transmission-systems-help-each-other-in-energy-sector/articleshow/106616597.cms>

Telecom

DoT may not include 600 MHz band in its next spectrum sale

The department of telecommunications (DoT) will not auction the 600 MHz spectrum in the upcoming sale as it wants to conduct more studies to ensure there is no interference with satellite operations. Interestingly, the spectrum band was put on sale in the last auction in August 2022, but found no takers. The price of 600 MHz, at ₹3,927 crore per unit, was the same as the coveted 700 MHz band, which makes it the costliest among the 10 bands put on sale. The DoT plans to conduct the next spectrum sale in March as permits of Bharti Airtel and Vodafone Idea (Vi) expire in 2024 in some circles such as West Bengal, Assam, Bihar and Odisha. The auction is unlikely to see heavy bidding as 5G spectrum needs have been met for the time being.

<https://economictimes.indiatimes.com/industry/telecom/dot-may-not-include-600-mhz-band-in-its-next-spectrum-sale/articleshow/106617722.cms>

States

Singapore firms to invest Rs 31,000 cr in Tamil Nadu during investors meet

Singapore and its companies will extend economic cooperation with the state of Tamil Nadu. According to the country's high commission, Singapore-based companies are set to sign a memorandum of understanding worth Singapore dollars 5 billion or Rs 31,000 crore with the Tamil Nadu government at the upcoming Global Investors Meet 2024, to be held in Chennai on January 7 and 8. This will be achieved through expanded investments in Tamil Nadu's green economy and sustainability sector, as well as infrastructure development, including data centres, information technology parks, and logistics sectors. Singapore is one of the partner countries in the event and will set up a dedicated pavilion to showcase its companies already operating in Tamil Nadu.

https://www.business-standard.com/industry/news/singapore-firms-to-invest-rs-31-000-cr-in-tamil-nadu-during-investors-meet-124010600687_1.html

Healthcare

MedTech industry seeks action to reduce import dependency, boost growth

The Association of Indian Medical Device Industry (AiMeD), in its pre-budget recommendations, has urged the Centre to address the soaring import bill, which currently stands at over Rs 63,200 crore. According to the Global Trade Research Initiative (GTRI) report on August 2023, the Indian medical devices industry has the potential to expand from \$12 billion to \$50 billion by 2030. This expansion could reduce import reliance by 35 per cent and boost exports from the current level of \$3.4 billion to \$18 billion by 2030.

https://www.business-standard.com/industry/news/medtech-industry-seeks-action-to-reduce-import-dependency-boost-growth-124010700236_1.html

External

India-US forum to discuss import monitoring system for laptops, PCs

India's decision to implement an import monitoring system for laptops, personal computers and information technology (IT) hardware will come up for discussions when the Trade Policy Forum (TPF) — the country's bilateral platform with the US — convenes a meeting later this week. India has earlier cited national security concerns as a rationale behind its decision, which remains a sticking point as the US has once again sought an explanation. Last month, the US had raised questions regarding India's decision at the World Trade Organization.

https://www.business-standard.com/economy/news/india-us-tpf-to-discuss-new-import-monitoring-system-for-it-hardware-124010700482_1.html

Green channel based on China model likely to speed up ecommerce shipments

India is looking to create a green channel for ecommerce exports on the lines of China's cross-border ecommerce-integrated pilot zones which offer streamlined customs procedures to promote faster movement of such shipments. The commerce department is in talks with the revenue department to ease procedures for ecommerce exports and develop a roadmap to create a green channel for ecommerce exports and speed up such shipments, officials told ET. "Preliminary talks are on with the revenue department to see what kind of ecosystem and regulatory environment can be put in place to facilitate ecommerce exports," said an official, who did not wish to be identified. <https://economictimes.indiatimes.com/news/economy/foreign-trade/green-channel-based-on-china-model-likely-to-speed-up-ecommerce-shipments/articleshow/106620414.cms>

Shoe imports ban, sops to help footwear industry hit \$90 bn mark: Report

Market size of the Indian footwear industry can increase by over three times to \$ 90 billion by 2030 provided a host of measures such as a ban on shoe imports, fiscal incentives, more design centres and Taiwanese contract manufacturers setting up shops in the country are taken, a report said on Sunday. Economic think tank Global Trade Research Initiative (GTRI) said that the Indian footwear market, valued at \$ 26 billion, is projected to reach \$ 90 billion by 2030.

https://www.business-standard.com/industry/news/shoe-imports-ban-sops-to-help-footwear-industry-hit-90-bn-mark-report-124010700381_1.html

Duty concessions on petrochemical products a sticking point in India-Oman FTA talks

Customs duty concession demand on petrochemical products such as polypropylene and polyethylene, used primarily in the plastics industry, may act as a sticking point in the early conclusion of talks for the proposed free-trade agreement (FTA) between India and Oman, according to an official. Negotiations for the pact, officially dubbed the Comprehensive Economic Partnership Agreement (CEPA), are in the last phase. Certain domestic players from both public and private sectors are opposing duty concessions on these products under the agreement.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/duty-concessions-on-petrochemical-products-a-sticking-point-in-india-oman-fta-talks/articleshow/106610423.cms>