



January 11, 2024 – Thursday

## Economy

### Real wage growth positive for 2nd straight year in 2022: ILO study

Signalling a recovery from the Covid-19-induced pandemic, growth in the real wages stayed positive in India for the second consecutive year in 2022, the latest study by the International Labour Organisation (ILO) shows. Along with Turkiye, India is the only country among the G20 grouping that saw positive growth in real wages for the second consecutive year after the pandemic, according to the study titled 'World Employment and Social Outlook'. It said a vast majority of G20 countries' real wages declined because of high inflation, despite having low unemployment and positive employment growth.

[https://www.business-standard.com/economy/news/real-wage-growth-positive-in-india-for-second-consecutive-year-ilo-study-124011000807\\_1.html](https://www.business-standard.com/economy/news/real-wage-growth-positive-in-india-for-second-consecutive-year-ilo-study-124011000807_1.html)

### India growing rapidly, to be \$30 trn economy by 2047: FM Sitharaman

India would be the world's third largest economy by 2027-28 and have a GDP of more than \$5 trillion, said Finance Minister Nirmala Sitharaman on Wednesday as she called for partnership between the centre and the states. It would be a \$30 trillion economy by 2047 by conservative estimate, she said at the Vibrant Gujarat Summit in Gandhinagar. Rapid growth is possible as the people of India have met with the challenges created by Covid-19 and put economic recovery on a strong footing.

[https://www.business-standard.com/economy/news/india-s-economy-to-be-worth-30-trillion-by-2047-fm-nirmala-sitharaman-124011000638\\_1.html](https://www.business-standard.com/economy/news/india-s-economy-to-be-worth-30-trillion-by-2047-fm-nirmala-sitharaman-124011000638_1.html)

### Low base may push CPI inflation to a 4-month high of 5.9 per cent in December

India's retail inflation based on the Consumer Price Index (CPI) likely rose to a four-month high of 5.9% in December. This is believed to be due to the statistical effect of a low base, as sequentially price pressures have eased, according to an FE poll of 20 economists. The estimates range from 5.5% to 6.4%. In November CPI inflation was at 5.55% and in December 2022, it was at 5.72%. At the projected 5.9%, the overall CPI index would be down 0.1% month-on-month in December.

<https://www.financialexpress.com/policy/economy-low-base-may-push-cpi-inflation-to-a-4-month-high-of-5-9-in-dec-3361231/>

### Domestic staff may get minimum wage, pension ahead of general elections

India could extend some form of social security to millions of domestic workers ahead of general elections set for April-May. This could be a step toward universal welfare payments as envisaged under the Social Security Code, 2020, which has not been rolled out yet. Some benefits being considered include a minimum wage, pension, medical insurance, maternity benefits and provident fund. "We are considering all options but a final call will be taken after we have exact number of domestic workers in India," a senior government official said.

<https://economictimes.indiatimes.com/news/economy/policy/domestic-staff-may-get-minimum-wage-pension/articleshow/106712272.cms>

## Banking and Finance

### PSBs set to evaluate legal companies roped in for insolvency cases

State-owned lenders will soon evaluate the performance of legal firms engaged by them for insolvency and bankruptcy cases. The move comes after government expressed concerns over large haircuts and delays in resolution under the Insolvency & Bankruptcy Code and directed lenders to build an effective framework for monitoring the progress of legal processes. Since the roll out of IBC in 2016, creditors have recovered 32.6% of their admitted claims against large, stressed firms.

<https://economictimes.indiatimes.com/industry/banking/finance/psbs-set-to-evaluate-legal-companies-roped-in-for-insolvency-cases/articleshow/106707742.cms>

### Rate cut expected only in first quarter of next fiscal: CRISIL

The monetary policy committee (MPC) is expected to keep rates unchanged for the remainder of this fiscal amid weak agricultural output and tight global food supplies posing upside risks to inflation, and global market volatility, according to a Crisil Market Intelligence and Analytics report.

<https://www.thehindubusinessline.com/money-and-banking/rate-cut-expected-only-in-the-first-quarter-of-next-fiscal-crisil/article67726469.ece>

## Industry

### Nine out of 10 MSMEs expect to make profits this year, says report

Nine out of 10 micro, small and medium enterprises (MSMEs) expect to book profits during the ongoing calendar year on the back of strong consumer demand and ease of doing business, according to a report by NeoGrowth. MSMEs also said they have benefited from government schemes. The report added that 60 per cent of the MSMEs met their business targets last year. Across all the sectors, six out of ten businesses anticipate the need for credit in 2024. The wholesale or trading services sector expects the highest demand for loans.

[https://www.business-standard.com/industry/sme/nine-out-of-ten-msmes-expect-to-make-profits-in-2024-says-report-124011000775\\_1.html](https://www.business-standard.com/industry/sme/nine-out-of-ten-msmes-expect-to-make-profits-in-2024-says-report-124011000775_1.html)

### 2024 could match or surpass last year's record hotel room supply additions

This year could match or even surpass last year's record hotel room additions in India, industry estimates showed, pointing to continued robustness in the hospitality industry in the world's fastest-expanding major economy. This year could match or even surpass last year's record hotel room additions in India, industry estimates showed, pointing to continued robustness in the hospitality industry in the world's fastest-expanding major economy.

<https://economictimes.indiatimes.com/industry/services/hotels/-/restaurants/2024-could-match-or-surpass-last-years-record-hotel-room-supply-additions/articleshow/106707775.cms>

## Agriculture

### FCI to build 3.4 MT wheat silos under PPP mode in next 18 months

The Food Corporation of India (FCI) is aiming to construct wheat silos with combined capacity of 3.4 million tonne (MT) across the country in the next one and half years, under the public private partnership (PPP) model. Sources told FE that contracts for the construction of these silos have been awarded to private entities including Adani Agri Logistics and KCC Infrastructure.

<https://www.financialexpress.com/policy/economy-fci-to-build-3-4-mt-wheat-silos-under-ppp-mode-in-next-18-months-3361286/>

### Ban on sugar for ethanol: Centre files caveats in High Courts of Bombay and Karnataka fearing stay order

The central government has filed a caveat in the High Courts of Bombay and Karnataka, seeking to be heard before the courts pass any stay order on the restrictions imposed on usage of sugar for ethanol production, an official told ET. Several sugar firms have approached various courts seeking a stay on the Centre's December 7 order prohibiting mills from producing ethanol from sugarcane juice in the 2023-24 season. In the absence of a caveat, the courts can pass a stay order without hearing the government, explained the official cited above.

<https://economictimes.indiatimes.com/news/economy/agriculture/ban-on-sugar-for-ethanol-centre-files-caveats-in-high-courts-of-bombay-and-karnataka-fearing-stay-order/articleshow/106708018.cms>

## Infrastructure

### PM GatiShakti helping in better planning of infrastructure projects: Goyal

Commerce and Industry Minister Piyush Goyal on Wednesday said the interconnectivity of data layers is helping in better planning, monitoring, and implementation of infrastructure projects through PM GatiShakti.

Speaking at the Vibrant Gujarat Global Summit 2024 at Gandhinagar, the minister said that delayed infrastructure projects lead to cost overruns, affecting citizens' finances. He noted the significant contribution of PM GatiShakti for faster, more efficient, and cost-effective infrastructure development to deliver maximum benefits to citizens.

[https://www.business-standard.com/industry/news/pm-gatishakti-helping-in-better-planning-of-infrastructure-projects-goyal-124011000937\\_1.html](https://www.business-standard.com/industry/news/pm-gatishakti-helping-in-better-planning-of-infrastructure-projects-goyal-124011000937_1.html)

### Housing demand set to touch 93 million by 2036

Housing demand in India is projected to grow more than threefold and reach 93 million units by 2036 spurred by robust demand and supply in several tier-II and -III cities, according to Confederation of Real Estate Developers' Associations of India (CREDAI). Demand stood at 30 million units in 2021. The surge in demand will be fuelled by population growth in both urban and rural areas, healthy macroeconomic indicators, and favourable demographics, the industry body said in a report, prepared in association with real estate data analytics firm Liasis Foras.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/housing-demand-set-to-touch-93-million-by-2036/articleshow/106715323.cms>

## States

### Vibrant Gujarat Summit: Big names pledge megabucks

Gautam Adani, Mukesh Ambani, Lakshmi Mittal and N Chandrasekaran were among those pledging billions of dollars in investment in Prime Minister Narendra Modi's home state on the opening day of the 10th Vibrant Gujarat Global Summit. The Adani Group, Reliance Industries and Tata Sons, along with big overseas names such as ArcelorMittal, Suzuki, US chipmaker Micron, chip component maker Simmtech and AI computing firm Nvidia announced projects located in Gujarat. The proposed investments spanned green hydrogen, battery storage, semiconductors, steel and auto among others. The Adani Group said it will invest \$24 billion in Gujarat over the next five years creating 100,000 jobs.

<https://economictimes.indiatimes.com/news/india/vibrant-gujarat-summit-big-names-pledge-megabucks/articleshow/106713393.cms>

### Telangana government to bring in 'New Power (Electricity) Policy'

Electricity being a very political sensitive issue and States having a major role to play, Telangana Chief Minister A Revanth Reddy, laid out his intent to strengthen the sector. He stressed for the need to implement a comprehensive power policy in the State after conducting a detailed study of the existing power policies adopted by various state governments and discussing with Energy experts in the State Legislative Assembly.

<https://www.thehindubusinessline.com/news/telangana-government-to-bring-in-new-power-electricity-policy/article67728005.ece>

## Healthcare

### India could see drug shortages, price rise owing to new rule: Industry executives

India may see drug shortages and an escalation in drug prices in the coming days, according to industry executives, as several lobby groups and associations that represent medium and small enterprises have expressed their inability to follow the rules recently mandated by the health ministry and said they expect closure of several units. A recent notification by the health ministry covers the revised Schedule M rules for good manufacturing practices and requirements of premises, plant and equipment for pharmaceutical products, with provisions for an annual product quality review as well as quality risk management and a pharmaceutical quality system.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/india-could-see-drug-shortages-price-rise-owing-to-new-rule-industry-executives/articleshow/106708032.cms>

## External

### **Duty cut on mobile phone inputs to boost local production, boost exports**

Import duty cut on mobile phone components can increase domestic production of handsets by 28 per cent to \$82 billion and boost export, crucial to support indigenous manufacturing, industry body ICEA said on Wednesday. India Cellular and Electronics Association (ICEA) Chairman Pankaj Mohindroo said that the next phase of mobile manufacturing growth has to come from exports as the production for the local market is close to saturation.

[https://www.business-standard.com/industry/news/duty-cut-on-mobile-phone-inputs-to-boost-local-production-boost-exports-124011000929\\_1.html](https://www.business-standard.com/industry/news/duty-cut-on-mobile-phone-inputs-to-boost-local-production-boost-exports-124011000929_1.html)

### **India-UAE CEPA Council launched at 'UAE-India Business Summit' in Ahmedabad**

At the ongoing Vibrant Gujarat Global Summit in Ahmedabad, hosts India and the UAE on Wednesday launched the UAE-India CEPA Council (UICC) to encourage close partnerships and tangible cooperation across all levels of the UAE and Indian business communities, according to an official press statement. The launch was attended by the UAE Minister of State for Foreign Trade, Dr. Thani bin Ahmed Al Zeyoudi and Union Minister of Commerce and Trade, Piyush Goyal.

[https://www.business-standard.com/india-news/india-uae-cepa-council-launched-at-uae-india-business-summit-in-ahmedabad-124011100015\\_1.html](https://www.business-standard.com/india-news/india-uae-cepa-council-launched-at-uae-india-business-summit-in-ahmedabad-124011100015_1.html)

### **India imposes anti-dumping duty on 3 Chinese products for 5 years**

India has imposed anti-dumping duties on three Chinese products — wheel loaders, gypsum tiles, and industrial laser machinery — for five years to guard local manufacturers from cheap imports from the neighbouring country. These duties were imposed following recommendations of the commerce ministry's investigation arm Directorate General of Trade Remedies (DGTR). The DGTR in separate probes have concluded that these products have been exported at a price below normal value in Indian markets, which has resulted in dumping.

<https://www.financialexpress.com/policy/economy-india-imposes-anti-dumping-duty-on-3-chinese-products-for-5-years-3360880/>

### **Trade department backs lower tax on hybrid vehicles in green push**

India's trade department has backed lowering taxes on hybrid vehicles to help the transition to cleaner energy sources, following demands by Japanese car makers, five government and industry sources told Reuters.

The move could irk some local carmakers. India's combined sales and additional taxes on hybrid vehicles sales are as high as 43 per cent, based on the size of the car, compared with the highest rate of 50 per cent imposed on petrol and diesel cars. India taxes electric vehicles (EVs) at just 5 per cent.

[https://www.business-standard.com/industry/auto/trade-department-backs-lower-tax-on-hybrid-vehicles-in-green-push-124011000848\\_1.html](https://www.business-standard.com/industry/auto/trade-department-backs-lower-tax-on-hybrid-vehicles-in-green-push-124011000848_1.html)

### **Russia sanctions help push India's diesel exports to EU by 42% in December**

India's diesel exports to Europe rose 42% year-on-year in December on a combination of winter demand and the near absence of Russian supplies in the continent. India exported 248,000 barrels per day (bpd) of diesel to Europe in December, up from 175,000 bpd in December 2022 and 247,000 bpd in November, according to energy cargo tracker Vortexa.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/russia-sanctions-help-push-indias-diesel-exports-to-eu-by-42-in-december/articleshow/106707927.cms>