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Economy

Minimum wages may be hiked before polls

The central government could fix a higher mandatory minimum wage rate applicable across the country ahead of the general elections, adopting recommendations of a high-level expert panel looking into the matter, officials said. An expert committee headed by SP Mukherjee, set up in 2021 for a period of three years till June 2024, is expected to submit its report soon, and the new floor wage could be notified ahead of the elections likely to be held during April-May, officials said.

<https://economictimes.indiatimes.com/news/economy/policy/minimum-wages-may-be-hiked-before-polls/articleshow/106842841.cms>

Interim Budget may raise pension floor for unorganised sector workers

The government is learnt to be considering raising the minimum pension amount under the Atal Pension Yojana (APY), its flagship scheme for unorganised sector workers. "We are considering the proposal. A decision is likely either in the Interim Budget or outside of it," a government official said, requesting anonymity. The Pension Fund Regulatory and Development Authority (PFRDA) had earlier written to the government seeking an increase in the guaranteed pension amount under the scheme, as the current amount may not be attractive enough for potential subscribers to enroll. "We have requested the government to raise the limit. In the case of guaranteed pensions, the government has to make budgetary proposals. If the pension amount is increased, the funding must also be increased.

https://www.business-standard.com/finance/news/interim-budget-may-raise-pension-floor-for-unorganised-sector-workers-124011400257_1.html

India ready to grow into a \$35-trillion economy in 24 years, says Piyush Goyal

There is great excitement about India globally and the country stands at a crucial juncture, ready to catapult into a \$35-trillion economy in the next 24 years, marking an era of unprecedented growth, commerce and industry minister Piyush Goyal said. "We are at the cusp of our nation's history that will catapult India into a high-growth economy," Goyal said at the ET NOW Leaders of Tomorrow Awards on Friday. Emphasising India's stature as a large and trusted economy, Goyal commended the global interest in investing, citing a meeting with a US investment house planning to double their \$13-billion investment. Swarup Bose of Celcius Logistics Solutions was awarded Entrepreneur of The Year, Mohammad Hamza of Engineering & Environmental Solutions was recognised as Young Entrepreneur of The Year and Jayashree Nair of BDH Industries as Women Entrepreneur of The Year.

<https://economictimes.indiatimes.com/news/economy/indicators/india-ready-to-grow-into-a-35-trillion-economy-in-24-years-says-piyush-goyal/articleshow/106843376.cms>

There's no real reason and hurry for RBI to cut rates: Neeraj Gambhir, Axis Bank

Interest rate cut expectations may be building up but inflation is not coming to target anytime soon, which could delay cuts by the RBI, said Neeraj Gambhir, head-treasury and markets at Axis Bank. In an interview with Bhaskar Dutta, he said the rupee may appreciate a bit but the central bank may intervene with competitiveness in mind. Edited excerpts:

<https://economictimes.indiatimes.com/news/economy/policy/theres-no-real-reason-and-hurry-for-rbi-to-cut-rates-neeraj-gambhir-axis-bank/articleshow/106843211.cms>

Banking and Finance

Hitting the mark: Govt on course to stick to FY24 borrowing target

The government is unlikely to overshoot its borrowing target for the current financial year (FY24) as the Centre plans to stick to its fiscal consolidation path, bond market participants said. It plans to borrow Rs 15.43 trillion (gross) in FY25, out of which Rs 6.6 trillion is likely to be taken in the second half. Market participants suggested that the central government's borrowing plan for the upcoming financial year may not be significantly higher compared to this financial year.

https://www.business-standard.com/finance/news/bond-market-sees-government-adhering-to-its-borrowing-target-in-fy24-124011400186_1.html

Record 273 stressed cases resolved via IBC in 2023

A record 273 stressed firms were rescued through the insolvency law in 2023 and the resolutions fetched their creditors more than three times the amount raised through 160 such debt resolutions in 2022, a senior official told ET, citing data compiled by the bankruptcy regulator. The realisation proceeds were to the tune of ₹67,000 crore in 2023 against ₹20,860 crore in 2022, according to the Insolvency and Bankruptcy Board of India (IBBI) data yet to be made public. The jump indicates a "robust upward trajectory" in the IBC's (Insolvency and Bankruptcy Code's) effectiveness, the official said.

<https://economictimes.indiatimes.com/industry/banking/finance/record-273-stressed-cases-resolved-via-ibc-in-2023/articleshow/106843081.cms>

SEBI mulls new framework for illiquid AIF investments

The Securities and Exchange Board of India (SEBI) is considering permitting alternative investment funds (AIFs) to choose a dissolution period for handling unliquidated investments rather than mandating a distinct liquidation scheme. The new proposals come in the backdrop of pushback from the industry given the hurdles in setting up and managing liquidation schemes and potential tax implications on account of transfer of assets.

<https://www.thehindubusinessline.com/markets/sebi-mulls-new-framework-for-illiquid-aif-investments/article67740716.ece>

Industry

Value growth hit in 2023, volumes fill consumer baskets

Sales of groceries, household and personal care items expanded 2% by value in 2023, significantly slower than 7% in 2022. Sales remained flat for discretionary products such as smartphones, refrigerators and televisions, for which volume growth fell 2-5%. For fast-moving consumer goods, a sharp price cut in edible oil dragged down value growth. A cooler summer and erratic rainfall impacted beverages and food, while rural markets stayed under pressure due to inflation. Value sales fell 4.5% during October-December, according to Bizom, which analyses data based on orders at nearly 7.5 million kirana stores. "After hiking prices 20-25% in 2022, most companies partially rolled them back, (cutting them) by 12-15%, which affected value sales even as demand, or volumes, came back towards the last few months of 2023," said Mayank Shah, vice-president, Parle Products. "Monsoon, especially in populous, rural-dependent states such as Bihar and Uttar Pradesh, was sporadic, which impacted sales."

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/value-growth-hit-in-2023-volumes-fill-consumer-baskets/articleshow/106847239.cms>

Recovery in chemicals may be delayed until FY25, more downgrades ahead

The chemicals sector's recovery could be delayed until FY25 if the current trends of weak demand and flat pricing continue. Following a subdued September quarter, the revenue and profit performance of listed chemical companies are anticipated to fall short of initial expectations of an improvement. Despite some price stability, the demand trajectory remains uncertain. A disappointing Q3 and ongoing demand issues could lead to further downgrades for companies in the sector.

https://www.business-standard.com/markets/news/recovery-in-chemicals-may-be-delayed-until-fy25-more-downgrades-ahead-124011000103_1.html

Global IT mega deals recover strongly in 2023

Mega global IT deals saw strong recovery in 2023. There were more deals with annual contract value (ACV) of \$100 million in 2023 than there have been since 2014. Deals worth \$6 billion were awarded in 2023 against \$3.50 billion the previous year, but less than the high of \$6.75 billion in 2014, according to data by the US-based research firm ISG. There were more awards with \$100 million of ACT in 2023 than there have been since 2014. Mega awards made up almost 15 per cent of the total ACV in the industry last year, and were one of the key reasons for the strong ACV growth.

<https://www.thehindubusinessline.com/info-tech/global-it-mega-deals-recover-strongly-in-2023/article67740819.ece>

Investors line up investments for Ayodhya hospitality sector

Investors have signed various agreements for big investments in the hospitality sector here, as the upcoming Ram Temple provides immense potential for religious tourism. Famous hotel brands are establishing their branches in Ayodhya, and approximately 50 major hotel construction projects are currently underway in the city, official sources said. With several small hotels, resorts, and homestays investing in the region, Ayodhya is emerging as a new hotspot in the hotel industry.

<https://economictimes.indiatimes.com/industry/services/hotels/-restaurants/investors-line-up-investments-for-ayodhya-hospitality-sector/articleshow/106839060.cms>

Agriculture

Goyal asks FCI to adopt tech, cut operational cost, be corruption-free

Union Minister Piyush Goyal on Sunday asked state-owned FCI to adopt modern technologies in its overall functioning, reduce the cost of operations and prevent any wrong-doings besides winning the trust of farmers and poor beneficiaries under the public distribution system. The Food and Consumer Affairs Minister also asked FCI and its employees not to tolerate corruption in its operations.

https://www.business-standard.com/india-news/goyal-asks-fci-to-adopt-tech-cut-operational-cost-be-corruption-free-124011400249_1.html

APEDA readies big plan for organic exports from Uttarakhand

Faced with 66 per cent decline in organic exports from Uttarakhand in 2022-23, Agricultural and Processed Food Products Export Development Authority (APEDA) and the state government have chalked out plans to promote products to boost shipments. The state is all set to set up mandis for organic produce so that once 50 per cent area target under organic is achieved by 2025, farmers will not face any hurdles in marketing their products.

<https://www.thehindubusinessline.com/economy/agri-business/apeda-readies-big-plan-for-organic-exports-from-uttarakhand/article67740853.ece>

Infrastructure

REITs, InvITs experience robust growth; fund mobilisation rises to Rs 11,474 crore in 2023

REITs and InvITs have gained popularity as preferred investment options, with fundraising, through the route, surging 10-fold year-on-year to Rs 11,474 crore in 2023, supported by measures taken by regulator Sebi and attractive returns offered by the instruments. Going ahead, fund mobilisation by REITs (real estate investment trusts) and InvITs (infrastructure investment trusts) is poised for significant growth in 2024, driven by several key factors, including anticipation of rate cuts and introduction of a range of policies aimed at encouraging investments like tax incentives and relaxed investment norms, Claravest Technologies co-founder Manaki Parulekar said.

<https://www.financialexpress.com/business/industry-reits-invits-experience-robust-growth-fund-mobilisation-rises-to-rs-11474-crore-in-2023-3364196/>

PSUs to charge up government's rooftop solar scheme

The government is set to enlist state-run power sector companies such as NTPC, NHPC, Power Grid Corporation and SJVN to support its efforts to push households to adopt the rooftop solar programme. Guidelines to be announced soon would allow these public sector units to cover the installation cost for the solar systems and offer a rent for using the rooftop of houses having a low power demand to make the proposition attractive, people privy to the plan told ET. The companies could recover the investment by the sale of excess electricity after the consumption by the households.

<https://economictimes.indiatimes.com/industry/renewables/psus-to-charge-up-governments-rooftop-solar-scheme/articleshow/106847853.cms>

Energy

ONGC makes back-to-back gas discoveries in Mahanadi basin block

New Delhi, State-owned Oil and Natural Gas Corporation (ONGC) has made two significant back-to-back natural gas discoveries in a Mahanadi basin deepwater block in the Bay of Bengal as its calculated game plan of venturing into high-risk deep water exploration starts yielding results. The firm made the discoveries in the block MN-DWHP-2018/1, which it had won in the third round of auction under the open acreage licensing policy in 2019, two sources with direct knowledge of the development said.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/ongc-makes-back-to-back-gas-discoveries-in-mahanadi-basin-block/articleshow/106834638.cms>

Healthcare

Pharma industry seeks incentives for R&D, conducive policies in Budget

The pharma industry has sought fiscal incentives to promote research and development (R&D) in the sector, as it is likely to reach \$ 400-450 billion market size by 2047. In a statement, Indian Pharmaceutical Alliance Secretary General Sudarshan Jain said there is a high risk, long gestation period and low success rate in research, and therefore, there is a need for continuous investments.

https://www.business-standard.com/budget/news/budget-pharma-industry-seeks-incentives-for-r-d-conducive-policies-124011400206_1.html

Youth no longer shy of seeking psychiatric help: Gen Z demand for mental health drugs lifts sales 9 per cent to ₹11,774 crore

Antidepressants and mood elevators are among the highest-sold medicine categories as the country's youth increasingly seek help for mental health disorders. One upside is that Gen Z do not consider it a taboo to seek psychological help, experts say. Consider this. Neuro-psychiatry medicines are among the top 10 therapies in the country and the category is valued ₹11,774 crore, data from pharmaceuticals market research firm Pharmarack show. Mental health platform Mind Peers says the number of people seeking therapies has increased 80% in the last few months and almost 85% of these patients are below the age of 35 years.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/youth-no-longer-shy-of-seeking-psychiatric-help-gen-z-demand-for-mental-health-drugs-lifts-sales-9-per-cent-to-11774-crore/articleshow/106842599.cms>

External

Centre, state, exporters to discuss ways to boost exports on Jan 16

The Centre, state governments and industry representatives will meet on January 16 to discuss ways to boost the country's exports, an official said. Issues which are expected to figure in the meeting include rupee payment challenges, need of global shipping, and challenges being faced by traders on account of the Red Sea crisis, and uncertain global economic situation due to the Russia-Ukraine war and Israel-Hamas conflict. The meeting will be chaired by Commerce and Industry Minister Piyush Goyal. They all are members of the Board of Trade (BoT).

"There are over 135 members of BoT. It is meeting on January 16 at Bharat Mandapam," the official said.

https://www.business-standard.com/economy/news/centre-state-exporters-to-discuss-ways-to-boost-exports-on-jan-16-124011400147_1.html

India electronics exports to US jump two-fold to \$6.6 bn in Jan-Sep 2023

Electronics exports from India to the US jumped over two-fold year-on-year to USD 6.6 billion during January-September 2023, industry body ICEA has said. India Cellular and Electronics Association Chairman Pankaj Mahindroo told PTI that this is an all-time high electronics export from India, while the share of electronics imported from China into the US market has declined.

https://www.business-standard.com/industry/news/india-electronics-exports-to-us-jump-two-fold-to-6-6-bn-in-jan-sep-2023-124011400325_1.html

Decision on laptops and tablets import system after September data

The government will take a decision after September on the existing import management system on certain IT hardware products such as laptops and tablets after evaluating the import data, which it is monitoring, an official said. In October last year, India put in place an import management system under which importers of these products have to seek authorisation from the government.

https://www.business-standard.com/industry/news/decision-on-laptops-and-tablets-import-system-after-september-data-124011400657_1.html

Auto exports dip 21% in 2023 as markets abroad face monetary crisis: Siam

Automobile shipments from India declined 21 per cent last year as many overseas markets continued to face monetary and geopolitical crises, as per the latest SIAM data. Overall exports stood at 42,85,809 units last year compared to 52,04,966 units in 2022. Passenger vehicle shipments rose 5 per cent to 6,77,956 units last year from 6,44,842 units in 2022. However, other segments like commercial vehicles, two-wheelers and three-wheelers saw a decline in exports last year. Two-wheeler exports slipped 20 per cent to 32,43,673 units last year from 40,53,254 units in 2022. Similarly, commercial vehicle shipments declined to 68,473 units last year from 88,305 units.

https://www.business-standard.com/industry/news/auto-exports-dip-21-in-2023-as-markets-abroad-face-monetary-crisis-siam-124011400109_1.html

Nepal, India express commitment to implementing bilateral initiatives for strengthening cross-border connectivity

Nepal and India have expressed a commitment to implementing bilateral initiatives aimed at further strengthening the seamless cross-border connectivity, as the officials from the two sides met to discuss ways to fortify the economic and commercial linkages. The India-Nepal Inter-Governmental Sub-Committee (IGSC) on Trade, Transit, and Cooperation to Combat Unauthorised Trade convened its latest session in Kathmandu on January 12-13. Both sides also discussed mutual market access for pharmaceuticals and Ayurvedic products. The Indian side highlighted the need for an IPR regime by the provisions of the Paris Convention for encouraging Foreign direct investment (FDI).

<https://economictimes.indiatimes.com/news/economy/foreign-trade/nepal-india-express-commitment-to-implementing-bilateral-initiatives-for-strengthening-cross-border-connectivity/articleshow/106831571.cms>