



January 30, 2024 – Tuesday

Economy

FY25 likely to see 7% growth: Finance ministry ahead of Interim Budget

The Indian economy is expected to expand at around 7 per cent in FY25, the finance ministry's review of the economy estimated on Monday. This, the government said, will mark the fourth consecutive post-pandemic year for the Indian economy to register growth at or over 7 per cent. "It now appears very likely that the Indian economy will achieve a growth rate at or above 7 per cent for FY24, and some predict it will achieve another year of 7 per cent real growth in FY25 as well. If the prognosis for FY25 turns out to be right, that will mark the fourth year post-pandemic that the Indian economy will have grown at or over 7 per cent. That would be an impressive achievement, testifying to the resilience and potential of the Indian economy. It augurs well for the future," the finance ministry said in a report titled "The Indian Economy: A Review".

https://www.business-standard.com/economy/news/indian-economy-likely-to-expand-at-around-7-in-fy25-says-finmin-124012900891_1.html

Household consumption to revive in FY25, growth at 6.3%: Standard Chartered

Household consumption will need to pick up if India is to achieve a GDP growth of 6% or higher in the coming fiscal, according to a report by Standard Chartered released Monday. The research group of the global bank revised its FY25 forecast upward to 6.3% from 6% projected earlier, as it projected muted inflation and higher food spending to help household consumption drive growth in the coming fiscal. "A revival in consumption could offset, partially if not fully, the impact of (1) the flattening effect of lower commodity prices on the manufacturing sector, (2) slower global growth, and (3) a moderation in government capex amid national elections," its economists noted.

<https://economictimes.indiatimes.com/news/economy/indicators/household-consumption-to-revive-in-fy25-growth-at-6-3-standard-chartered/articleshow/107237337.cms>

Banking and Finance

RBI to conduct overnight VRR to infuse Rs 25,000 crore on Tuesday

The Reserve Bank of India (RBI) will conduct an overnight variable rate repo auction (VRR) on Tuesday to inject up to Rs 25,000 crore into the banking system, the central bank said on Monday. The RBI has been conducting variable rate repo auctions to infuse liquidity into the banking system. In the two-day VRR auction conducted by the RBI on Monday, bids were received for Rs 73,290 crore, against a notified amount of Rs 25,000 crore.

https://www.business-standard.com/economy/news/rbi-to-conduct-an-overnight-vrr-on-tuesday-to-inject-up-to-rs-25-000-crore-124012900768_1.html

Loans from small time borrowers surge post COVID: Report

Lenders including banks and NBFCs together have lent the most to small time borrowers including micro enterprises in the MSME space and retail individual borrowers post COVID, said a report by credit bureau CRIF Highmark. The Portfolio outstanding of retail individual loans or consumption loans stands at Rs 78 lakh crore as of Jun'23, up 17.4 percent year on year. Home loans rose 61% in terms of value of originations from FY20 to FY23 Home Loans dominate the market (by Value) and Consumer Durable Loans constitute the least share. The portfolio at risk across various buckets ranged from 0.3 to 2.1 percent as of June 2023. The Portfolio outstanding

of Individual MSME loans stands at Rs 28.5 Lakh crore as of June' 23 with a year-on-year growth of 13.5 percent according to credit bureau CRIF Highmark in its latest report titled " How India Lends".

<https://economictimes.indiatimes.com/industry/banking/finance/loans-from-small-time-borrowers-surge-post-covid-report/articleshow/107232010.cms>

BFSI firms ramp up legal teams

Demand for specialist legal and compliance professionals has surged in the banking, financial services and insurance (BFSI) sector in the past one year with banks, non-banking financial companies (NBFCs), insurance and fintech companies beefing up their senior leadership teams, driven by an increasing need for regulatory adherence and zero tolerance from boards. There was a sixfold jump in managing director level movement in legal and compliance functions in the financial services sector in the past one year, according to data from executive search firm Native.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/bfsi-firms-ramp-up-legal-teams/articleshow/107240872.cms>

Industry

Domestic auto component aftermarket expected to touch \$14 bn mark by 2028: ACMA study

The domestic auto component aftermarket is expected to touch USD 14 billion mark by 2028 on the back of robust growth in vehicle parc in the country, a report commissioned by industry body ACMA in partnership with Ernst & Young said. As per the Global Automotive Aftermarket Research Report, the size of the automotive aftermarket stood at USD 10 billion in 2023. The growth of aftermarket in India is being fuelled by a steady increase in the vehicle parc -- number of vehicles running on the road -- which currently stands at 340 million and is expected to grow at a CAGR of over 8 per cent for the next five years, it added. "The Indian domestic aftermarket, valued at USD 10 billion in 2023, is poised to surge almost 1.4 times over the next five years on the back of growing vehicle demand and promising capabilities of the Indian aftermarket players," ACMA President Shradha Suri Marwah said in a statement.

<https://economictimes.indiatimes.com/industry/auto/auto-components/domestic-auto-component-aftermarket-expected-to-touch-14-bn-mark-by-2028-acma-study/articleshow/107234750.cms>

More than 1 in 4 organisations banned use of GenAI over privacy and data security risks: Study

Most organisations are limiting the use of Generative AI (GenAI) over data privacy and security issues. 27 per cent had banned its use, at least temporarily, according to the Cisco 2024 Data Privacy Benchmark Study. Among the top concerns, businesses cited the threats to an organisation's legal and Intellectual Property rights (69 per cent), and the risk of disclosure of information to the public or competitors (68 per cent).

<https://www.thehindubusinessline.com/info-tech/more-than-1-in-4-organizations-banned-use-of-genai-over-privacy-and-data-security-risks-study/article67789212.ece>

Agriculture

Wholesale Tur prices rise 5% in a month

Wholesale prices of tur dal have increased 5% in the last one month despite the arrival of new crops and continuing imports from Myanmar as reduced acreage and decreased production for a second consecutive year impact supply, industry representatives said. The retail prices of tur/arhar, which had hit a high of ₹200/kg in 2023, had declined by 5-10% in December due to the price control measures like opening of import of the yellow peas, tightening of government monitoring of stock limit, and sale of subsidised Bharat chana dal.

<https://economictimes.indiatimes.com/news/economy/agriculture/wholesale-tur-prices-rise-5-in-a-month/articleshow/107240808.cms>

Cold snap helps India's wheat crop but warm weather forecasts pose risk

The current cold snap sweeping central and northern India could help farmers harvest a bumper wheat crop this year, but any sudden, abnormal rise in temperatures will hit yields, officials and growers said, forcing the country to import the staple. This year's wheat harvest is critical for India, the world's biggest producer of the grain after China. Hot and unseasonably warm weather cut India's wheat output in 2022 and 2023, leading to a sharp drawdown in state reserves. A third straight poor harvest will leave no choice for India but to import some wheat. The government has so far resisted calls for wheat imports - a seemingly unpopular step ahead of a general election early this year.

<https://economictimes.indiatimes.com/news/economy/agriculture/cold-snap-helps-indias-wheat-crop-but-warm-weather-forecasts-pose-risk/articleshow/107228116.cms>

AISTA's 1st estimate pegs sugar output 4 pc lower at 31.6 mn tons for 2023-24 season

Sugar trade body AISTA on Monday projected the country's sugar production to be around 31.6 million tonnes for the 2023-24 season (October-September), about four per cent lower than the previous season. The estimated net domestic sugar production excludes diversion of sucrose of about 2 million tonnes for ethanol production, it said releasing the first production estimates. With estimated sugar production of 31.6 million tonnes and opening stock of 5.7 million tonnes, the availability of sugar in the country is likely to be 37.3 million tonnes, which is higher than the estimated domestic consumption of 29 million tonnes, it added.

<https://economictimes.indiatimes.com/news/economy/agriculture/aistas-1st-estimate-pegs-sugar-output-4-pc-lower-at-31-6-mn-tons-for-2023-24-season/articleshow/107226952.cms>

Infrastructure

Mumbai-Ahmedabad HSR corridor: 28 seismometers to be installed for early earthquake warning

National High Speed Rail Corporation (NHSRCL) on Monday said twenty-eight seismometers will be installed for the Mumbai-Ahmedabad 'bullet train' corridor. In a release issued during the day, the NHSRCL said 'Early Earthquake Detection System' based on the Japanese Shinkansen technology will be installed to ensure the safety of passengers and critical infrastructure. "Out of the 28 seismometers, 22 will be installed along the alignment. Of these eight will be in Mumbai, Thane, Virar and Boisar in Maharashtra, while 14 will be in Gujarat's Vapi, Bilimora, Surat, Bharuch, Vadodara, Anand, Mahemabad and Ahmedabad," he said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/mumbai-ahmedabad-hsr-corridor-28-seismometers-to-be-installed-for-early-earthquake-warning/articleshow/107231969.cms>

Real estate sector in the middle of a growth cycle: Motilal Oswal

The Indian real estate sector is currently in the midst of a seven- to eight-year-long growth cycle. As a result, the momentum in demand and pricing is expected to continue, according to brokerage firm Motilal Oswal. "While the National Stock Exchange Nifty Realty Index has doubled in the past year, its returns since January 2022 (two years) have been 80 per cent, similar to pre-sales or cash flow growth for the top 12 listed players. Thus, the recent run-up has just been the catch-up, and future growth is yet to reflect," Motilal Oswal said in a report.

https://www.business-standard.com/industry/news/real-estate-sector-in-the-middle-of-a-growth-cycle-motilal-oswal-124012900506_1.html

Energy

41% still rely on biomass for cooking, emitting 340 mn tonnes CO2: Report

Forty-one percent of the Indian population still uses wood, cow dung or other biomass as cooking fuel and cumulatively emits around 340 million tonnes of carbon dioxide into the environment every year, which is about 13 per cent of India's greenhouse gas emissions, according to a new report. The report "India's Transition to E-cooking" by the independent think tank Centre for Science and Environment also said that the Pradhan Mantri Ujjwala Yojana led to a rapid expansion in access to liquified petroleum gas (LPG) in India, but it has "not guaranteed a sustained transition to clean cooking in households" that benefited from the scheme.

https://www.business-standard.com/economy/news/41-still-rely-on-biomass-for-cooking-emitting-340-mn-tonnes-co2-report-124012900791_1.html

Gail signs LNG import deal with UAE firm to buy 0.5 million tonne per annum

India's biggest gas firm GAIL on Monday said it has signed an agreement to buy 0.5 million tonne per annum of LNG from UAE's ADNOC-Gas, the second supply deal it has stitched this month as part of shoring up supplies to meet energy demands of the country. "This is pursuant to an MoU dated October 30, 2022, between GAIL and Abu Dhabi National Oil Company (ADNOC)" wherein the two had addressed to "explore opportunities, including the purchase of LNG by GAIL from ADNOC for a tenure ranging from short term to medium and long-term", the company said in a statement.

https://www.business-standard.com/industry/news/gail-signs-lng-import-deal-with-uae-firm-to-buy-0-5-million-tonne-per-annum-124012900962_1.html

Ministry of environment releases SOP for lead-acid battery recycle

The Ministry of Environment, Forest and Climate Change (MoEFCC) has released the standard operating procedure (SOP) for the recycling of lead scrap/used lead-acid batteries. The SOP aims to regulate the import, transport, and recycling of lead-bearing waste while minimising environmental and health risks. According to the SOP published by the Central Pollution Control Board in January, a statutory organisation under MoEFCC, all units engaged in scrapping should obtain valid authorisation from the relevant State Pollution Control Board or Pollution Control Committee in line with the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

https://www.business-standard.com/industry/news/ministry-of-environment-releases-sop-for-lead-acid-battery-recycle-124012900733_1.html

Over 60 battery, recycling, EV infrastructure firms to participate in Bharat Mobility Global Expo

More than 60 battery, recycling, and electric vehicle infrastructure firms will participate at Bharat Mobility Global Expo to be held from February 1 to 3, to showcase their innovations, a statement said on Monday. Industry body India Energy Storage Alliance (IESA) is organizing a dedicated pavilion on battery technologies, recycling, and EV infrastructure as part of this global expo, an IESA statement said. More than 60 leading companies including Amara Raja, LivGuard, GODI Energy, Epsilon Advanced Materials, Bhilwara Group, Replus, Himadri Speciality Chemical, Trontek Group, and Batrix are participating in the event.

<https://economictimes.indiatimes.com/industry/renewables/over-60-battery-recycling-ev-infrastructure-firms-to-participate-in-bharat-mobility-global-expo/articleshow/107238527.cms>

Telecom

Cybersecurity Co claims data leak of 750 million telecom users, DoT asks telcos for security audit

The Department of Telecom has asked service operators for a security audit of their systems following claims by a cybersecurity firm that data of 750 million Indian subscribers has been leaked, a government official said. Cybersecurity firm CloudSEK has claimed that its researchers have found that hackers are selling 1.8 terabyte of a database comprising 750 million Indian mobile consumers on the dark web. "The DoT has asked telecom operators to get a security audit of their systems," a senior government official said. The officer, however, said that telecom operators have informally shared with the department that the leaked information claimed in the ClouSEK report seems to be a compilation of old data sets of telecom subscribers and it is not due to any vulnerability in their system.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/cybersecurity-co-claims-data-leak-of-750-mn-telecom-users-dot-asks-telcos-for-security-audit/articleshow/107239398.cms>

States

TN economy to be worth \$2.6 trn by FY48, needs \$111 bn investment: Study

Tamil Nadu's nominal gross state domestic product (GSDP) would grow to \$2.6 trillion by Financial Year 2047-48 (FY48), said a report by real estate consultancy on Friday, calling for investments in industrialisation and urbanisation. The report is published by Knight Frank India in association with the Confederation of Real Estate Developers' Associations of India, Tamil Nadu.

https://www.business-standard.com/economy/news/tn-economy-to-be-worth-2-6-trn-by-fy48-needs-111-bn-investment-study-124012900347_1.html

Chhattisgarh's Raipur Municipal Corporation plans to issue green bonds

Raipur Municipal Corporation (RMC), the civic body in Chhattisgarh's capital, is planning to launch green bonds in the current financial year to execute infrastructure projects. Under the plan, the RMC is seeking to raise Rs 200 crore. The proposal is in the final stages. And, a detailed project report (DPR) has been prepared to utilise the funds raised from the bonds, a senior RMC official said.

https://www.business-standard.com/india-news/chhattisgarh-s-raipur-municipal-corporation-plans-to-issue-green-bonds-124012900634_1.html

Healthcare

Budget 2024: Indian Medical Association seeks investment in public sector hospitals

Investment in health has stagnated and hospitals in the government sector and their human resources must be strengthened, Dr RV Asokan, President of the Indian Medical Association (IMA) said. Speaking to ANI ahead of

the interim budget, Asokan said that investment in the health space has stagnated even as disease burdens have risen. "Our health investment has stagnated at 1.1 per cent of the GDP for many years. This underfunding is a reason for poor infrastructure and lack of human resources. So we feel without including the budget of drinking water sanitation, which we call health determinants, the core health budget should be at least 2.5 per cent..." he told ANI over an online video interview.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/budget-2024-indian-medical-association-seeks-investment-in-public-sector-hospitals/articleshow/107226947.cms>

External

Gold imports rise 26.7% to \$35.95 billion in Apr-Dec on healthy demand

India's gold imports, which have a bearing on the country's current account deficit (CAD), increased 26.7 per cent to \$35.95 billion during the April-December of this fiscal due to healthy demand, according to government data. The imports stood at \$28.4 billion during the same period a year ago. In December 2023, imports of the precious metal jumped by 156.5 per cent to \$3 billion, as per the data released by the commerce ministry.

https://www.business-standard.com/economy/news/gold-imports-rise-26-7-to-35-95-billion-in-apr-dec-on-healthy-demand-124012900710_1.html