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Economy

Concerns around sampling design of govt surveys not tenable: MoSPI minister

The concerns raised on the sampling design of the National Sample Surveys are not tenable, as the conclusions have been drawn on the basis of faulty approaches, Rao Inderjit Singh, minister of state, Ministry of Statistics and Programme Implementation, said Wednesday. "It has been found that the concerns raised on the NSS sampling design are not tenable, since the conclusions drawn have been based on the assessment of sampling design with faulty application inapplicable method/approach," the minister said, responding to queries on the concerns regarding the representativeness of the National Sample Survey in Lok Sabha.

<https://economictimes.indiatimes.com/news/economy/indicators/concerns-around-sampling-design-of-govt-surveys-not-tenable-mospi-minister/articleshow/107493220.cms>

Vegetarian thali costlier in last one year, non-veg thali cheaper: CRISIL

The cost of a vegetarian thali has gone up by 5 per cent in the last one year, while for a non-vegetarian thali it has decreased by 13 per cent, a report released by CRISIL on Wednesday showed. According to the Roti Rice Rate (RRR) report, a veg thali comprises roti, onion, tomato and potato, rice, dal, curd and salad. On the other hand, a non-veg thali has the same elements as the veg thali, except for dal, which is replaced by chicken (broiler).

https://www.business-standard.com/economy/news/vegetarian-thali-costlier-in-last-one-year-non-veg-thali-cheaper-crisil-124020700368_1.html

M Nirmala Sitharaman says reassuring measures being taken to lower debt-to-GDP ratio

Finance Minister Nirmala Sitharaman on Wednesday said the government is taking "reassuring" measures to bring down the debt-to-GDP ratio, which remains lower than in some of the developed countries, and indicated that concerns about India's debt sustainability are overblown. Sitharaman said the government is moving faster towards the goal of restricting the deficit at 4.5% by FY26, as it's aiming to contain it at 5.1% next fiscal. It's also reducing its core debt, she added.

<https://economictimes.indiatimes.com/news/economy/policy/fm-nirmala-sitharaman-says-reassuring-measures-being-taken-to-lower-debt-to-gdp-ratio/articleshow/107503209.cms>

Banking and Finance

Banks seek incentives for sustainability-linked loans from RBI and Centre

Banks have sought incentives from the Reserve Bank of India (RBI) and the Centre on sustainability-linked loans, a category of financing that plays an important role in the country's push toward meeting climate challenges but has commercial risks due to unproven application history. "Banks have requested relaxed norms on RWA (risk-weighted assets) for sustainability-linked loans as well as some dispensation on maintenance of CRR (cash reserve ratio) for sums disbursed as such loans," a source aware of the developments said to ET. "There is an ongoing discussion on green financing models and how best banks can adapt to these models," the source said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-look-for-sustainability-linked-loans-from-rbi-and-centre/articleshow/107503408.cms>

Borrow more, buy more: Credit still king of shopper street

Credit-driven purchases picked up pace in 2023, with credit card dues surging to a six-year high, gold loans increasing in high teens and vehicle and home loans expanding in double digits year-on-year, showed the latest RBI data. Chief executives said last year saw increased use of credit cards owing to attractive offers of cashbacks and no-cost EMIs, whose share went up in purchases of smartphones, televisions, home appliances and even fashion products. Both asset-backed and collateral-free borrowings went up, indicating a diversified consumer base, leading to a sharp increase in retail credit growth. As consumers relied more on credit cards for purchases, growth in bank loans for consumer durables moderated.

<https://economictimes.indiatimes.com/industry/banking/finance/borrow-more-buy-more-credit-still-king-of-shopper-street/articleshow/107507093.cms>

IRDAI moots changes in rural, social and motor third party norms

The Insurance Regulatory and Development Authority of India (IRDAI) is planning to change norms on rural, social sector and motor third party obligations for the insurers. In an Exposure Draft on IRDAI (Rural, Social Sector and Motor Third Party Obligations) Regulations, 2024, the insurance regulator proposed to keep gram panchayat as the unit for measurement of rural sector obligations. For life insurers, number of lives under individual policies and under group policies will be considered while for general insurers, number of individual dwellings under fire segment and number of vehicles under motor insurance segment will be counted

<https://www.thehindubusinessline.com/money-and-banking/irdai-moots-changes-in-rural-social-and-motor-third-party-norms/article67821875.ece>

Firms raising funds via IPOs under SEBI scrutiny

The Securities and Exchange Board of India (SEBI) has tightened its scrutiny on the objectives for raising fresh capital through initial public offerings (IPOs), said two people in the know. The regulator has expressed its displeasure over companies opting to raise money largely for debt repayment and is asking for more disclosures.

<https://www.thehindubusinessline.com/markets/ipo-objects-for-raising-fresh-capital-under-sebi-lens/article67821360.ece>

EPFO mulls reinvesting 50% of ETF redemption proceeds in equity market

In a bid to enhance its equity exposure and earn higher returns for its nearly 65 million subscribers, the Employees' Provident Fund Organisation (EPFO) is considering reinvesting 50 per cent of its exchange-traded funds (ETFs) redemption proceeds back into equity. Sources close to the development said a proposal regarding this was discussed in the investment committee (IC) meeting in October last year, and the recommendation has been sent to the Central Board of Trustees (CBT), the apex decision-making body of the EPFO for its approval.

https://www.business-standard.com/economy/news/epfo-mulls-reinvesting-50-of-etf-redemption-proceeds-in-equity-market-124020701571_1.html

NPCI working on Digital Payments Score to scale up credit economy in India

The National Payments Corporation of India (NPCI) is planning to come up with a Digital Payments Score (DPS) aimed at strengthening the country's credit scoring system while creating more efficiency and growth, a top NPCI official said here on Wednesday. According to senior executives from NPCI, this will be piloted with a few lenders in the near future. "We at NPCI are working to look at whether there is an opportunity to create a digital payment score that can become part of the credit scoring process. We will be piloting this with a couple of lenders and then see how this really works out," said Praveena Rai, Chief Operating Officer (COO), NPCI.

https://www.business-standard.com/economy/news/npci-working-on-digital-payments-score-to-scale-up-credit-in-india-124020701528_1.html

Industry

Declining raw material prices help to boost tyre makers' profitability

Declining raw material prices have helped tyre makers improve profitability during the third quarter of financial year 2023-24 (FY24). Manufacturers like CEAT, JK Tyre and Apollo Tyres posted significant increase in net profits, which was primarily attributed to decline in raw material costs. Among raw materials used by the tyre industry, Brent crude oil prices saw a 6 per cent drop year-on-year (Y-o-Y). Sequentially, however, Brent crude was down 3.5 per cent. Rubber prices, however, were up 3.2 per cent Y-o-Y.

https://www.business-standard.com/industry/auto/declining-raw-material-prices-help-to-boost-tyre-makers-profitability-124020701377_1.html

Niti Aayog moots sops, extension of PLI to LNG vehicles

The Niti Aayog has proposed a host of fiscal and non-fiscal incentives, including extension of the production-linked incentive scheme to vehicles run on liquified natural gas and setting up a demand aggregator, to encourage use of LNG in medium and heavy commercial vehicles. This will help lower carbon dioxide emissions and contribute towards the national goal of a gas-based economy by increasing the share of natural gas in the primary energy mix to 15% by 2030, the Aayog said in a report jointly prepared with the Netherlands embassy.

<https://economictimes.indiatimes.com/industry/auto/lcv-hcv/niti-aayog-moots-sops-extension-of-pli-to-lng-vehicles/articleshow/107503434.cms>

Most of the new cars to hit Indian roads next fiscal may be electric

A dozen out of 14 new car brands slated for launch in the next financial year will be electric as carmakers align themselves to the government's aim of having a third of sales powered by battery electric vehicles (BEVs) by 2030. However, the new nameplates are unlikely to become a major driver in boosting overall volumes, industry executives said. This even as the total number of new models planned for FY25 will widely outpace the current fiscal's eight launched so far with all except one featuring petrol or diesel engines, underscoring the industry's heavy reliance on fossil fuels.

<https://economictimes.indiatimes.com/industry/auto/cars-uvs/most-of-the-new-cars-to-hit-indian-roads-next-fiscal-may-be-electric/articleshow/107503270.cms>

Agriculture

Productivity of sugar mills increased, over 99% cane dues cleared: Goyal

Over 99 per cent sugar cane dues to farmers in the country have been cleared by mills which amounts to over Rs 1.14 lakh crore out of the Rs 1.15 lakh crore outstanding, Union Minister Piyush Goyal said in the Lok Sabha on Wednesday. He also said that now only Rs 516 crore outstanding is due with regards to three sugar mills in Uttar Pradesh against whom action is being taken.

https://www.business-standard.com/industry/news/productivity-of-sugar-mills-increased-over-99-cane-dues-cleared-goyal-124020700599_1.html

Over 83 lakh hectares brought under micro-irrigation since FY16

The top ten States in micro-irrigation have a share of over 70 per cent in the total area of 83.46 lakh hectares (lh) coverage recorded during the past nine years under a government scheme aimed at boosting assured water supply in area not reached by canal irrigation, the government said in Parliament.

<https://www.thehindubusinessline.com/economy/agri-business/over-83-lakh-hectares-brought-under-micro-irrigation-since-fy16/article67821483.ece>

India rice procurement deficit narrows as Govt buys more in January from Chhattisgarh, MP

Rice procurement in the first four months since the season began on October 1 has dropped nearly eight per cent to 397.40 lakh tonnes (lt) from 429.85 lt in the year-ago period. However, thanks to a 20 per cent increase in purchases only during January, the deficit has narrowed from 14 per cent as on December 31, 2023.

<https://www.thehindubusinessline.com/economy/agri-business/india-rice-procurement-deficit-narrows-as-govt-buys-more-in-january-from-chhattisgarh-mp/article67821994.ece>

Infrastructure

One size fits all doesn't work in affordable housing: Expert at BS IMLC

India Mortgage Leadership Conclave 2024: One size does not fit all in affordable housing due to differences in geography, land costs, and construction costs, said T Adhikari, managing director and CEO of LIC Housing Finance, on Wednesday. During a panel discussion with Manojit Saha, banking editor of Business Standard, at the third edition of the India Mortgage Leadership Conclave 2024 in Mumbai, Adhikari stated, "I personally believe there needs to be a rethinking of affordable housing. The affordable housing cap is set at Rs 45,00,000. There is also a carpet area cap of 60 square meters in urban conglomerates in all major cities and 90 square meters in others. The underlying issue, in my opinion, is that we do not need to have various caps in different cities.

https://www.business-standard.com/specials/bs-events/one-size-fits-all-doesn-t-work-in-affordable-housing-expert-at-bs-implc-124020701439_1.html

Housing ministry asks state RERAs to set recovery mechanism for homebuyers' refunds

The Ministry of Housing & Urban Affairs (MoHUA) has sent an advisory to states, union territories and all state-specific real estate regulatory authorities (RERA) to formulate a recovery mechanism and appoint a recovery officer under their respective recovery laws on the lines of the mechanism adapted by the Gujarat Real Estate Regulatory Authority. This is aimed at ensuring recovery of dues from defaulting realty developers. Homebuyers have been raising concerns regarding non-compliance or delay in enforcement of recovery orders issued by the authorities against defaulting developers.

<https://economictimes.indiatimes.com/industry/services/property/-/construction/housing-ministry-asks-state-reras-to-set-recovery-mechanism-for-homebuyers-refunds/articleshow/107503556.cms>

Threshold to prepare road DPRs may be hiked to ₹5 lakh/km

The government plans to set a threshold of ₹5 lakh per km for awarding detailed project report (DPR) contracts to road consultants, as against the average of ₹1 lakh per km, as it moves from least cost to fixed cost model, said a senior government official. The move is aimed at improving the quality of DPRs to bring them on a par with international standards and avoiding project delays, the official told ET on condition of anonymity. The road transport and highways ministry has sought views from stakeholders on the proposed changes and will firm up new rules for DPRs soon, according to people in the know.

<https://economictimes.indiatimes.com/industry/transportation/roadways/threshold-to-prepare-road-dprs-may-be-hiked-to-5-lakh/km/articleshow/107503048.cms>

Energy

India will be world's biggest oil demand growth driver through 2030: IEA

In the next seven years, India is poised to become the primary source of global oil demand growth, even as its domestic production is projected to decrease by 22 per cent, according to the latest projections by the International Energy Agency (IEA). These divergent trends are anticipated to have major implications for the country, with India already emerging as the second-largest importer of crude globally. This was highlighted by IEA officials at India Energy Week 2024.

https://www.business-standard.com/economy/news/india-will-be-world-s-biggest-oil-demand-growth-driver-through-2030-iea-124020700694_1.html

Incentives on cards to boost carbon capture

Viability gap funding (VGF), carbon credit, or subsidies may be introduced, among other options, to support and facilitate Carbon Capture, Utilisation, and Storage (CCUS) that has a \$10-billion potential. A CCUS policy is likely to be published later this year, officials said. "Options like carbon credits, subsidies, or providing VGF for projects are being considered to give a push to carbon capture and usage," said a senior industry official, adding that such incentives will open up a \$10 billion opportunity for the industry over the next five years as new product lines like green ammonia, green urea, green hydrogen etc will open up.

<https://economictimes.indiatimes.com/industry/renewables/incentives-on-cards-to-boost-carbon-capture/articleshow/107502692.cms>

India, Lanka joint panel meet to take grid connectivity further

India and Sri Lanka's joint working committee on the power sector will likely meet this month to further discuss grid interconnectivity and renewable energy collaboration, the island country's power and energy minister Kanchana Wijesekera told ET. The two countries have been planning to connect their grid to trade power for almost two decades, but the deliberations have picked up pace in the last few years amid green energy ambitions of the countries.

<https://economictimes.indiatimes.com/industry/energy/power/india-lanka-joint-panel-meet-to-take-grid-connectivity-further/articleshow/107503165.cms>

Telecom

DPIIT stand may pave way for Starlink's India satcom entry

The Department for Promotion of Industry and Internal Trade (DPIIT) has clarified to the telecom department that undertakings given by companies on foreign shareholding should be accepted, a development that will pave the way for Elon Musk-owned Starlink to be granted the licence to start satellite communication services in India. "The clarity regarding foreign shareholding with reference to Press Note 3, 2020, has come from the DPIIT," an official aware of the details told ET.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dpiit-stand-may-pave-way-for-starlinks-india-satcom-entry/articleshow/107503228.cms>

External

WTO MC13: India to oppose any negotiation mandate on non-trade issues

India will oppose any work programme or a negotiation mandate on non-trade issues such as environment, gender and micro, small and medium enterprises (MSMEs) at the World Trade Organization's (WTO's) biennial meeting scheduled for the month-end. Government officials said India is against any work programme or a roadmap for these issues, as well as linking of MSMEs and gender with trade.

https://www.business-standard.com/economy/news/wto-mc13-india-to-oppose-any-negotiation-mandate-on-non-trade-issues-124020701091_1.html

Merchandise exports set to moderate to \$435 billion in FY24: Exim Bank

India's merchandise exports are likely to moderate to USD 435.3 billion in FY24 against 447.46 billion in FY23, the Exim Bank said on Wednesday. The merchandise exports are set to grow by nearly 3 per cent to USD 118.2 billion in the March quarter compared to the same period a year ago. It can be noted that the merchandise exports declined for the first two quarters of the ongoing 2023-24. In its quarterly study on the overall exports, the policy bank said the non-oil exports will grow 4.55 per cent to USD 95 billion in the January-March 2024 quarter.

https://www.business-standard.com/economy/news/merchandise-exports-set-to-moderate-to-435-billion-in-fy24-exim-bank-124020701358_1.html

Govt sets up task force to resolve non-tariff barriers, says Piyush Goyal

The government has set up a task force under the Department of Commerce to identify, categorise and develop tailored strategies for the resolution of non-tariff barriers, Parliament was informed on Wednesday. Such barriers include prior registration requirements in the exporting country, cumbersome testing and certification requirements and unreasonable domestic standards/rules. Different countries enforce various regulatory measures to ensure the safety and quality of the products placed in their territory.

These measures apply equally to domestic manufacturers and importers.

https://www.business-standard.com/economy/news/govt-sets-up-task-force-to-resolve-non-tariff-barriers-says-piyush-goyal-124020700902_1.html

China extends anti-dumping duties on Indian chemical for five years

Beijing, China has said that it will retain the anti-dumping duties on imports of o-chloro-p-nitroaniline originating in India for another five years. According to a Ministry of Commerce (MOFCOM) announcement here on Monday, the duties will be extended for another five years starting from February 13. MOFCOM's investigations found that India

has strong production capacity in this yellow crystalline powder, which is mainly used in dyes, and that there is serious overcapacity, with two-thirds of it relying on exports to overseas markets, state-run Global Times reported. <https://economictimes.indiatimes.com/news/economy/foreign-trade/china-extends-anti-dumping-duties-on-indian-chemical-for-five-years/articleshow/107501153.cms>

India eyes \$100 billion investment deal with Switzerland, Norway

India is close to finalizing a first-of-its-kind trade deal that could see a small group of European nations invest as much as \$100 billion over 15 years in exchange for easier trade access to the world's most populous nation, according to people with knowledge of the matter. The European Free Trade Association, which comprises Switzerland, Norway, Iceland and Liechtenstein, made a commitment to invest in India as part of a trade pact that's in the final stages of negotiations, the people said, asking not to be identified as the talks are still ongoing.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-eyes-100-billion-investment-deal-with-switzerland-norway/articleshow/107500302.cms>