



February 09, 2024 – Friday

Economy

White Paper on economy: Govt says it trumped UPA regime in policy execution

The Narendra Modi-led NDA government on Thursday said it has excelled in policy execution, blended technology with traditional governance tools for social empowerment and plugged leakages in the public delivery system, in a stark contrast with the poor implementation of key schemes during the UPA regime. In a white paper on the economy, the government said it has unlocked the potential of the so-called JAM (Jan Dhan, Aadhaar and mobile) Trinity, using which it has transferred as much as ₹34 lakh crore directly to more than 11.67 billion beneficiaries.

<https://economictimes.indiatimes.com/news/economy/indicators/white-paper-on-economy-govt-says-it-trumped-upa-regime-in-policy-execution/articleshow/107534591.cms>

India inflation likely cooled to a three month low in January: Reuters poll

India's retail inflation likely eased to a three-month low of 5.09% in January on slowing food price rises and favourable base effects, according to economists polled by Reuters who also predicted a moderation in core inflation to 3.70%. After surging since November, food prices, which make up about half of the consumer price index (CPI) basket, eased last month, according to economists in the Feb. 5-8 Reuters poll.

<https://economictimes.indiatimes.com/news/economy/indicators/india-inflation-likely-cooled-to-a-three-month-low-in-january-reuters-poll/articleshow/107539509.cms>

Banking and Finance

RBI keeps rates unchanged for sixth time in a row

The Reserve Bank of India (RBI) Thursday maintained the policy interest rate and monetary stance for the sixth straight meeting citing geopolitical tensions and an uncertain food price trajectory, but forecast robust economic growth next fiscal on sustained capital expenditure by both the public and private sectors. Hopes of an early reduction in rates have, however, been dashed with RBI predicting inflation to remain above its target and the money market is being kept on its toes with the promise of the RBI actively managing liquidity fluctuations. Thursday marked a status quo in rates for a year, with the last increase in the current cycle of rate hardening taking effect in February 2023. But the cracks in the MPC began to widen to interest rates from monetary stance, with both decisions voted 5 to 1 as the panel retained its 'focus on the withdrawal of accommodation'. External member JR Varma voted for a reduction in interest rates by 25 basis points.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-keeps-rates-unchanged-for-sixth-time-in-a-row/articleshow/107538882.cms>

EPFO likely to credit 8% in poll year

The Central Board of Trustees (CBT) of the Employees' Provident Fund Organisation (EPFO) is likely to recommend an interest rate of about 8% for FY24 when it meets on Saturday, people familiar with the matter told ET. The EPFO had credited 8.15% interest in FY23 and 8.10% in FY22. The retirement fund body is also likely to seek the board's approval to substantially increase its investment in stocks to 15% from around 10% now to enhance the return on

investments. "This being an election year, the government will ensure a sustainable rate of return on provident fund (PF) deposits which is also at par with the existing rates to avoid any backlash," said an EPFO board member.

<https://economictimes.indiatimes.com/news/economy/finance/epfo-likely-to-credit-8-in-poll-year/articleshow/107542542.cms>

RBI proposes new authentication mode for digital payment transactions

The Reserve Bank of India (RBI) on Thursday proposed to adopt a principle-based framework for authentication of digital payment transactions to promote alternative mechanisms other than the popular SMS-based One Time Passwords (OTP). Speaking during the monetary policy statement address, RBI Governor Shaktikanta Das said although the central bank had not specified any particular Additional Factor of Authentication (AFA) mechanism, SMS-based OTP has become very popular.

https://www.business-standard.com/finance/news/rbi-proposes-alternate-authentication-framework-streamlining-in-aeps-124020801406_1.html

Govt bonds reverse gains after monetary policy committee outcome

Government bonds reversed gains on Thursday as the Monetary Policy Committee (MPC) outcome was not as dovish as the market had expected, participants said. The yield on the benchmark bond fell up to 7.04 per cent in the early trade ahead of the monetary policy outcome. The benchmark yield settled at 7.08 per cent on Thursday, as against 7.07 per cent on Wednesday. Before the policy outcome, a segment of the market held optimism that the central bank might implement some instrument to ease the liquidity deficit in the system as the liquidity was largely in the deficit mode for the past four months.

https://www.business-standard.com/economy/news/govt-bonds-reverse-gain-post-monetary-policy-committee-outcome-124020801457_1.html

Industry

Steelmakers put de-carbonisation plans on fast track

The domestic steel industry, which accounts for 12% of the country's CO2 emissions, is fast adopting scalable, future-oriented technologies to reduce its carbon footprint, but expects all stakeholders, as well as the government, to chip in and support their initiatives. The industry, which contributes over 2% to the GDP, emits 2.55 total carbon dioxide content (TCO2) per tonne of crude steel (tcs), compared to the global average of 1.85 TCO2/tcs.

<https://www.financialexpress.com/business/industry-steelmakers-put-de-carbonisation-plans-on-fast-track-3387391/>

India mobile phone manufacturing industry likely to create up to 2,50,000 jobs in next 12-16 months

India's booming mobile phone manufacturing industry is likely to create 150,000 to 250,000 direct and indirect jobs in the next 12-16 months sparked by a government push towards local manufacturing and increase in mobile users globally, according to industry officials and staffing companies. Apple and its three contract manufacturers in India – Foxconn, Wistron and Pegatron, as well as homegrown Dixon Technologies are set to significantly expand their workforce to meet domestic and export demand, industry officials said. In recent years, companies like Apple have turned aggressive in their efforts to manufacture in India and diversify their supply chains out of China.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/india-mobile-phone-manufacturing-industry-likely-to-create-up-to-250000-jobs-in-next-12-16-months/articleshow/107529562.cms>

Elections, capex push, and stability in commodity prices to aid demand: Nestle chairman

The government's infrastructure spending, moderating inflation and the upcoming elections are likely to boost consumption and lessen the polarities in consumer trends where premiumisation has been booming amid tepid mainstream demand, Suresh Narayanan, chairman and managing director of Nestle India, said. The infrastructure investment of Rs 11 trillion committed by the government in the recent vote-on-account budget will fuel job creation and household incomes, "a lot of which will be flowing into consumption of essentials", Narayanan said at a select roundtable in New Delhi on Thursday.

<https://economictimes.indiatimes.com/industry/cons-products/fmcbg/elections-capex-push-and-stability-in-commodity-prices-to-aid-demand-nestle-chairman/articleshow/107533807.cms>

CCEA nod to mandatory packaging of food grains, 20% sugar in jute bags till June'2024

To give an impetus to the diversification of the jute industry, the Cabinet Committee on Economic Affairs (CCEA) Friday extended the norms for mandatory packaging of 100% food grains and 20% sugar in diversified jute bags for the the Jute Year 2023-24 (July 1, 2023 to June 30, 2024) The decision will give relief to 4,00,000 workers employed in jute mills and ancillary units as well as support to the livelihood of around 40 lakh farmer families "Reservation for packaging in jute packaging material consumed around 65% of the raw jute produced in the country (in 2022-23)," textiles ministry said in a statement.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/packaging/ccea-nod-to-mandatory-packaging-of-food-grains-20-sugar-in-jute-bags-till-june2024/articleshow/105847103.cms>

Agriculture

Govt's wheat sales cross 8 MT, against target of 10 MT

The government's open market sale of wheat from the Food Corporation of India (FCI) stock on Wednesday crossed 8 million tonne (MT) with a record sales of 0.47 MT in the weekly e-auction for bulk buyers. To curb spike prices, the government is aiming to sell a record 10 MT of wheat this fiscal since e-auction for the bulk buyers commenced in June. The corporation had sold 3.3 MT of wheat in the open market in 2022-23. The highest quantity of wheat sold was 8.1 MT in 2018-19 for bulk buyers such as flour millers.

<https://www.financialexpress.com/policy/economy-govts-wheat-sales-cross-8-mt-against-target-of-10-mt-3387428/>

Millet prices rule above MSP on higher demand from food companies

Rise in private trade purchase of millets, especially bajra (pearl millet), maize and ragi (finger millet), from farmers have ensured that prices rule 15-20% above the minimum support (MSP) across key growing states including Karnataka, Rajasthan, Maharashtra and Uttar Pradesh. Robust demand from value-added millets based products introduced by the several corporates including ITC Foods and Tata Soufull and the demand for animal feed especially poultry and starch industries have have contributed to the rise in prices of these coarse cereals.

<https://www.financialexpress.com/policy/economy-millet-prices-rule-above-msp-on-higher-demand-from-food-companies-3387354/>

Govt launches SARATHI portal to help insurance companies reach out to farmers

The Centre on Thursday launched a portal 'SARATHI' that aims to help insurance companies reach out to farmers and rural population with tailored products as well as the government's subsidised insurance products including Pradhan Mantri Fasal Bima Yojana (PMFBY).

<https://www.thehindubusinessline.com/economy/agri-business/govt-launches-sarathi-portal-to-help-insurance-companies-reach-out-to-farmers/article67826221.ece>

Infrastructure

NHAI's total asset monetization program crosses Rs 1 lakh crore

The National Highways Authority of India (NHAI) has raised the highest ever concession value of Rs 15,624.90 crore through 'InvIT Round-3' which includes monetizing 10 stretches with an aggregate length of about 890 km. This is spread across Assam, Karnataka, Madhya Pradesh, Uttar Pradesh and West Bengal. The monetized value is expected to be realized in March 2024, the ministry of road transport and highways said on Tuesday. Earlier, two rounds of InvIT with aggregate length of about 635 km worth Rs 10,200 crore were monetized. "With this, NHAI's total asset monetization program has crossed Rs 1 lakh crore which includes Rs 42,334 crore through toll-operate-transfer (TOT), Rs 26,125 crore through InvIT and Rs 42,000 crore through securitization," it added.

<https://economictimes.indiatimes.com/news/economy/infrastructure/nhais-total-asset-monetization-program-crosses-rs-1-lakh-crore/articleshow/107530389.cms>

Energy

Discoms outstanding dues reduce to Rs 50,000 cr in Jan: Power Minister

Total outstanding dues of power distribution companies have come down to around Rs 50,000 crore following the implementation of Electricity (LPS and Related Matters) Rules, 2022, Parliament was informed Thursday. Total outstanding dues of distribution companies (discoms) were at Rs 1,39,947 crore in June 2022, Power Minister R. K. Singh said in a reply to the Lok Sabha. "With the implementation of the rules, a remarkable improvement has been seen in recovery of outstanding dues. The dues have reduced to Rs 49,452 crores after timely payment of eighteen (18) monthly installments as on 31.01.2024," he said

<https://economictimes.indiatimes.com/industry/energy/power/discoms-outstanding-dues-reduce-to-rs-50000-cr-in-jan-power-minister/articleshow/107530254.cms>

Fuel consumption rises 8.2% in January on strong industrial activity

India's fuel consumption rose 8.2% year-on-year in January, government data showed on Thursday, helped by strong industrial activity in the world's third largest oil consumer. Total consumption, a proxy for oil demand, totalled 20.04 million tonnes in January, up from 18.51 million tonnes a year earlier, data from the Petroleum Planning and Analysis Cell (PPAC) of the oil ministry showed.

https://www.business-standard.com/economy/news/fuel-consumption-rises-8-2-in-january-on-strong-industrial-activity-124020801112_1.html

India ranks 3rd in USGBC's list on green building certification for 2023

India ranked third in the US Green Building Council's (USGBC) annual list of top 10 countries and regions in the world for LEED (Leadership in Energy and Environmental Design) certification in 2023. The United States has not been included in the list. LEED is a green building rating system and the certification is a globally recognised symbol of sustainability achievement and leadership. The rating system is available for virtually all building types, thereby providing a framework for healthy, highly efficient and cost-saving green buildings, USGBC said in a statement.

https://www.business-standard.com/industry/news/india-ranks-3rd-in-usgbc-s-list-on-green-building-certification-for-2023-124020701347_1.html

Telecom

Cabinet approves telecom spectrum auctions at base price of Rs 96,317.65 crore

The Union Cabinet chaired by Prime Minister Narendra Modi on Thursday approved auctions in eight spectrum bands for mobile phone services at a base price of Rs 96,317.65 crore to improve the quality of telecom services and coverage for consumers. The Ministry of Communication has announced auctions for spectrum in 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 2500 MHz, 3300 MHz and 26 GHz frequency bands. The said spectrum will be offered with a validity period of 20 years.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/cabinet-approves-telecom-spectrum-auctions-at-base-price-of-rs-96317-65-crore/articleshow/107532730.cms>

States

West Bengal Budget: State govt presents ₹3.7-lakh crore budget

West Bengal Finance Minister Chandrima Bhattacharya on Thursday presented the State budget for the financial year 2024-25, announcing various programmes and schemes for social welfare, employment generation and developing new infrastructure. Bhattacharya, however, alleged that the Centre continued to deny the State's rights in a federal polity by depriving the citizens from their entitlements. "Under very important rural development programmes viz. MGNREGA, Prime Minister Awas Yojna and Prime Minister Grameen Sadak Yojna, and also under other important development programmes like National Health Mission, 15th Finance Commission, Food Subsidy, the Centre has immorally withheld our due money," she said, adding in total, the State has a due of ₹1.18 lakh crore from the Centre.

<https://www.thehindubusinessline.com/news/west-bengal-budget-state-govt-presents-34-lakh-crore-budget/article67826379.ece>

Healthcare

Anti-obesity drug market gaining traction in India

India is seeing a significant spurt in the anti obesity market after the launch of Novo Nordisk's semaglutide (anti-obesity drug) in 2022. According to research firm Pharmarack, the market has tripled in two years after witnessing a sluggish growth till 2021. Over the last five years, the market has grown at 32% CAGR to 474 crore in January 2024. The overweight prevalence rate in the country today is close to 22% for the main population 23% for the female population and close to 11% children. Sheetal Sapale, VP commercial, Pharmarack, said: "One in four adults falls in the overweight category. Almost 5% of Indian population of 1.4 billion falls in the morbidly obese category. These statistics indicate that as India grows to become a superpower, it is also adapting disease patterns of countries in this bracket," she said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/anti-obesity-drug-market-gaining-traction-in-india/articleshow/107534403.cms>

External

Govt will seek an end to WTO's 1998 tariff freeze on trade of digital goods

India is seeking to end a freeze on countries taxing electronic trade, a move that would allow tariffs to be imposed on anything from software downloads to video games. New Delhi will ask World Trade Organization members to lift a moratorium on customs duties on electronic transmissions, according to a person familiar with the matter, who asked not to be identified as the discussions aren't public. The issue will come up for discussion at the WTO's ministerial meeting in Abu Dhabi in February.

https://www.business-standard.com/economy/news/govt-will-seek-an-end-to-wto-s-1998-tariff-freeze-on-trade-of-digital-goods-124020801048_1.html

PMO likely to review Red Sea crisis impact on trade and logistics

Top officials at the Prime Minister's Office (PMO) are expected to review the developments related to the troubled Red Sea region and its impact on trade and logistics in the week, people aware of the matter said. Senior commerce department officials are expected to meet those of the PMO on Monday regarding this, although any government support or incentive to help exporters deal with high freight and insurance costs is unlikely.

https://www.business-standard.com/economy/news/pmo-likely-to-review-red-sea-crisis-impact-on-trade-and-logistics-124020801006_1.html