



February 20, 2024 – Tuesday

Economy

Piyush Goyal confident of rate cut by Reserve Bank in coming months

Commerce and Industry Minister Piyush Goyal on Monday exuded confidence that the Reserve Bank will cut interest rates as inflation is under control. The RBI has been maintaining the benchmark interest rate at an elevated level of 6.5 per cent since February 2023. Goyal said that the economic fundamentals of the country are strong and inflation is under check. "Of-course in the last year and a half, post Ukraine-crisis, interest rates have again gone up by 250 basis points. But now that inflation is pretty much in control, I suspect we will soon see the reversal of the rate hikes starting in India, whether it happens in the next or the second monetary policy from now. I think it's only a matter of time," Goyal said.

<https://economictimes.indiatimes.com/news/economy/policy/piyush-goyal-confident-of-rate-cut-by-reserve-bank-in-coming-months/articleshow/107827308.cms>

Banking and Finance

FM Nirmala Sitharaman to meet fintech heads next week

Finance minister Nirmala Sitharaman will meet heads of fintech firms along with a Reserve Bank of India (RBI) deputy governor and top officials of stakeholder ministries on February 26 in the backdrop of the banking regulator's action against Paytm Payments Bank, ET has learnt. The meeting has been called to reassure the fintech industry that the sector remains a key priority for the government and allay any concerns in view of the RBI action. "The idea is to understand what their fears are and reassure them," atop government official said. Officials from the ministries of finance, information technology and the Department for Promotion of Industry and Internal Trade (DPIIT) will attend the meeting scheduled for next Monday.

<https://economictimes.indiatimes.com/news/economy/policy/fm-nirmala-sitharaman-to-meet-fintech-heads-next-week/articleshow/107831902.cms>

IRDAI to enhance scrutiny of health & savings plans aimed at individuals over 55 to curb misselling

The insurance regulator is eyeing enhanced scrutiny of complex insurance products, especially those aimed at individuals over 55, including health and savings plans to curb misselling. The Insurance Regulatory and Development Authority of India, IRDAI, is in discussions with all stakeholders, including banks, about ensuring transparency in sales and introducing mandatory video verification before policy acceptance, said people aware of the matter.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/irdai-to-enhance-scrutiny-of-health-savings-plans-aimed-at-individuals-over-55-to-curb-misselling/articleshow/107831427.cms>

Panel on insolvency proposes mediation at pre-default stage

An expert committee set up by the insolvency regulator has recommended mediation between lenders and borrowers even at the pre-default stage to "achieve faster out-of-court outcomes". The panel, headed by former legal affairs secretary TK Viswanathan, has said mediation at the pre-default stage would aid in resolutions "without recourse to insolvency", while also suggesting mediation where insolvency proceedings have been applied for or initiated under the Insolvency and Bankruptcy Code (IBC). "The committee is of the view that since this (pre-default)

stage falls outside the formal insolvency framework of the Code, the use of mediation here may be encouraged by institutional lenders to achieve faster 'out of court' outcomes, where necessary," the panel said in its report reviewed by ET.

<https://economictimes.indiatimes.com/industry/banking/finance/panel-on-insolvency-proposes-mediation-at-pre-default-stage/articleshow/107831525.cms>

Industry

FMCG companies to limit B2B sales to level field for distributors

Leading consumer goods companies Britannia, Dabur, Amul and Parle said they are restricting sales to organised wholesalers such as Flipkart Wholesale, Udaan and Reliance Cash and Carry to avoid margin issues arising among their traditional distributors or those cannibalising their sales. "We do not want to actively participate in the B2B (business to business) because that gets us onto the wrong foot with our distribution agenda with our distributors and can disrupt through pricing actions our distribution chain in the country," Britannia's managing director Varun Berry told investors.

<https://economictimes.indiatimes.com/industry/cons-products/fmcf/fmcf-companies-to-limit-b2b-sales-to-level-field-for-distributors/articleshow/107831482.cms>

Tyre industry accelerating towards \$5 billion tyre exports

The Indian tyre industry is aiming to increase its export value to \$5 billion-plus and emerge among the top-3 global tyre hubs by 2030, said Anshuman Singhania, Chairman Automotive Tyre Manufacturers Association (ATMA). He was speaking at the ATMA Annual Conclave 2024, tyre industry flagship event.

<https://www.thehindubusinessline.com/economy/tyre-industry-accelerating-towards-5-billion-tyre-exports/article67863168.ece>

GenAI likely to add \$66-80 billion to financial services GVA by 2030

The impact of generative artificial intelligence (GenAI) on the gross value added (GVA) within financial services can go up to 26 per cent, and it could add \$66-80 billion in value by 2030, according to recent estimates from Ernst & Young (EY). According to a report titled "The Aldea of India: Generative AI's Potential to Accelerate India's Digital Transformation", around 78 per cent of the respondents surveyed said that they had either implemented GenAI in at least one use case or had plans to pilot it over the next 12 months.

https://www.business-standard.com/industry/news/genai-could-add-80-billion-to-financial-services-gva-by-2030-shows-data-124021900907_1.html

Hospitality industry expects 11-13% revenue growth on domestic demand

The hospitality industry is expected to clock 11-13 per cent revenue growth in 2024-25 on steady domestic demand and a rise in foreign travellers, a report said on Monday. This revenue growth will follow a likely 15-17 per cent growth in the current financial year, backed by steady domestic demand and ramp-up in foreign travellers, Crisil Ratings said in a report on Monday.

https://www.business-standard.com/industry/news/hospitality-industry-expects-11-13-revenue-growth-on-domestic-demand-124021900595_1.html

Incentives for tech, infra needed to develop critical mineral sector: GTRI

Measures such as fiscal incentives, investments in technology and infrastructure, mining operations abroad and conducive regulatory environment are a must for developing India's critical mineral sector, a report by think tank GTRI said on Monday. The Global Trade Research Initiative (GTRI) said in its report that India is focusing on developing its critical mineral sector as it is vital for high-tech and renewable energy technologies.

https://www.business-standard.com/industry/news/incentives-for-tech-infra-needed-to-develop-critical-mineral-sector-gtri-124021900270_1.html

Agriculture

Centre proposes 5-year guaranteed procurement at MSP for 5 crops – cotton, maize, tur, urad and masur

In a bid to find a solution to the farmers' agitation over the demand for legal enforcement of minimum support price (MSP), the Centre has proposed that it will buy cotton, maize, tur, urad and masur for five years directly from farmers at MSP without any quantitative limit. However, there is no commitment on a law which the farmers have been asking for and that could even force private traders to buy at least at the benchmark rate, if not more.

<https://www.thehindubusinessline.com/economy/agri-business/centre-proposes-5-year-guaranteed-procurement-at-msp-for-5-crops-cotton-maize-tur-urad-and-masur/article67862534.ece>

Onion exporters warn of major shortage in onion supply; price hike from early March

India is expected to face a major shortage in onion supply until it harvests the next kharif crop, said industry representatives. This will mark a reversal from the current scenario with the country facing a glut in supplies of the bulb vegetable and stable prices amid an export ban. The industry representatives warned of a 30% drop in rabi harvest, potentially leading to a spike in onion prices around Ramadan in early March.

<https://economictimes.indiatimes.com/news/economy/agriculture/onion-exporters-warn-of-major-shortage-in-onion-supply-price-hike-from-early-march/articleshow/107826777.cms>

Sugar output falls 2.48% to 22.36 mn tonnes till Feb 15 of FY24: ISMA

The country's sugar production dipped 2.48 per cent to 22.36 million tonnes till February 15 of the ongoing 2023-24 marketing year, as per the industry body ISMA's latest data. Sugar production stood at 22.93 million tonnes in the year-ago period. Sugar marketing year runs from October to September. In its second estimate, the Indian Sugar Mills Association (ISMA) has projected sugar output to decline by 10 per cent to 33.05 million tonnes in the current 2023-24 marketing year as against 36.62 million tonnes in the previous year. According to ISMA, sugar production in Maharashtra, Karnataka, Gujarat, and Tamil Nadu remained lower till February 15 of the ongoing marketing year.

https://www.business-standard.com/industry/news/sugar-output-falls-2-48-to-22-36-mn-tonnes-till-feb-15-of-fy24-isma-124021900424_1.html

Department of Fisheries, ONDC in deal to help fish farmers sell produce online

The Department of Fisheries on Monday announced that it has signed a Memorandum of Understanding (MoU) with the Open Network for Digital Commerce (ONDC) platform to help traditional fishermen, fish farmers producer organisations, entrepreneurs from fisheries sector to buy and sell their products through the e-market place.

<https://www.thehindubusinessline.com/economy/agri-business/department-of-fisheries-ondc-in-deal-to-help-fish-farmers-sell-produce-online/article67864004.ece>

Infrastructure

Infra to be vital component for India to become developed nation: Puri

Infrastructure will be a vital component for India to become a developed country by 2047, Union minister Hardeep Singh Puri said on Monday and asserted that the country will be the third-largest construction market globally by next year. Highlighting the vitality of the construction industry for the Indian economy, the Union housing and urban affairs minister said the construction industry is among the fastest growing industries in the country.

https://www.business-standard.com/economy/news/infrastructure-to-be-vital-component-to-become-developed-nation-puri-124021900935_1.html

Energy

Govt says 40 bids received via offline mode for coal mines auction under 9th round

The coal ministry on Monday said it has received 40 bids through offline mode for the coal mines put for sale under the ninth round of commercial auction. The government had launched the ninth round of commercial mines auction in December last year. "The Ministry of Coal has received an overwhelming response for the coal mines offered under the ninth round of commercial coal mine auctions. A total of 40 bids have been received in offline form," an official statement said. The ninth tranche of auction was launched for 32 coal mines. The last date for submission of bids was February 19, 2024.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/govt-says-40-bids-received-via-offline-mode-for-coal-mines-auction-under-9th-round/articleshow/107829801.cms>

State oil cos power up capex machine

Indian Oil Corporation, Hindustan Petroleum Corporation and GAIL have accelerated their capital spending, with each of them exceeding their annual capex target in just ten months. The combined capex of these three state-run oil companies during the April 2023-January 2024 period amounted to ₹51,000 crore, according to the petroleum and natural gas ministry data. All state-run oil companies together spent ₹1,03,000 crore in this period against the target of ₹1,06,000 crore for this financial year.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/state-oil-cos-power-up-capex-machine/articleshow/107832089.cms>

States

PM Modi launches 14,000 projects worth Rs 10 lakh crore in UP

Prime Minister Narendra Modi launched 14,000 projects across Uttar Pradesh worth more than Rs 10 lakh crore at the fourth ground-breaking ceremony here on Monday for investment proposals received during the UP Global Investors Summit. The projects relate to sectors such as manufacturing, renewable energy, food processing, housing and real estate, hospitality and entertainment, and education.

<https://economictimes.indiatimes.com/news/economy/infrastructure/pm-modi-launches-14000-projects-worth-rs-10-lakh-crore-in-up/articleshow/107820223.cms>

Tamil Nadu keeps industry and investments at the focus of latest budget

Tamil Nadu has announced a slew of initiatives with a focus on boosting industry and investment in the State as it marches towards its goal of being a \$1 trillion economy by 2030. In the Budget Estimates, a sum of Rs. 2,295 crore has been allocated for the Industries, Investment Promotion and Commerce Department. In his maiden Budget speech, the state's Finance Minister Thangam Thennarasu said that in order to create employment opportunities in Thanjavur region, SIPCOT will establish a new industrial park, spanning 300 acres near Sengipatti, at a cost of Rs.120 crore. He added that dedicated efforts would be made to focus on non polluting industries such as food processing and non leather footwear in this park.

<https://economictimes.indiatimes.com/news/india/tamil-nadu-keeps-industry-and-investments-at-the-focus-of-latest-budget/articleshow/107823939.cms>

External

8 sub-committees reviewing free trade agreement between India, Asean

Eight sub-committees have been constituted under the India-Asean free trade agreement joint committee for undertaking negotiations on different areas related to the review of the pact, an official statement said on Monday. India hosted the third meeting of the committee for undertaking the review here from February 16-19.

https://www.business-standard.com/economy/news/8-sub-committees-reviewing-free-trade-agreement-between-india-asean-124021901141_1.html

No decision to reduce import duty on rubber as of now, says govt

The government is not looking at reducing import duty on rubber as of now, a senior official said on Monday, amid a certain section of the industry demanding a duty cut. This is because the government believes the differential between local and international prices has been maintained. "If you see the local price vis-a-vis the international price, there has been a differential maintained on account of that import duty...I don't think there is any rethink on reducing import duty as of now," commerce department additional secretary Amarjeet Singh Bhatia said.

https://www.business-standard.com/economy/news/no-decision-to-reduce-import-duty-on-rubber-as-of-now-says-govt-124021900905_1.html

Tea exports decline by 1.17% to 207.14 mkgs in first 11 months of 2023

Tea exports from India have declined by 1.17 per cent to 207.14 million kgs in the January-November period of 2023, according to official data. The country shipped out 209.60 mkgs of tea during a similar 11-month period of the previous year. During the calendar year 2022, the total tea exports were 231.08 mkgs. Region-wise, exports from

North India, comprising primarily the states of Assam and West Bengal, stood at 125.27 mkg, down from 132.21 mkg in the comparable periods of 2023 and 2022 respectively, the Tea Board data said.

https://www.business-standard.com/industry/news/tea-exports-decline-by-1-17-to-207-14-mkgs-in-first-11-months-of-2023-124021900530_1.html