



February 21, 2024 – Wednesday

## Economy

### **Economic outlook appears bright, 7% GDP growth expected in FY25: FinMin**

The outlook for the Indian economy appears 'bright' with GDP likely to clock 7 per cent growth rate next fiscal although the nation needs to keep a watch on global headwinds emanating from geopolitical tensions and volatility in international financial markets, a finance ministry report said on Tuesday. During the current financial year, the Indian economy is estimated to grow at 7.3 per cent. This would be the third year in the row when the GDP would grow in excess of 7 per cent.

[https://www.business-standard.com/economy/news/economic-outlook-appears-bright-7-gdp-growth-expected-in-fy25-finmin-124022000913\\_1.html](https://www.business-standard.com/economy/news/economic-outlook-appears-bright-7-gdp-growth-expected-in-fy25-finmin-124022000913_1.html)

### **India Inc must get its act together on capex: RBI's state of economy report**

The Indian corporate sector must get its act together to take advantage of the lower borrowing cost to make capital expenditure (capex) and relieve the government of heavy lifting, according to the Reserve Bank of India's (RBI's) state of the economy report released on Tuesday. The report, authored by RBI staff, including Deputy Governor Michael Debabrata Patra, expects the current liquidity conditions to ease with government spending, and inflation expectations to edge down, while observing that unsecured loans continued to grow despite an increase in risk weighting.

[https://www.business-standard.com/economy/news/india-inc-must-get-its-act-together-on-capex-rbi-s-state-of-economy-report-124022001002\\_1.html](https://www.business-standard.com/economy/news/india-inc-must-get-its-act-together-on-capex-rbi-s-state-of-economy-report-124022001002_1.html)

### **Fresh formal job creation surges to three-month high in December 2023**

The labour market recovered slightly in December as fresh formal job creation touched a three-month high, latest payroll data released by the Employee Provident Fund Organisation (EPFO) on Tuesday shows. In December 2023, the number of new monthly subscribers under the Employees' Provident Fund (EPF) increased by nearly 10 per cent to 840,584. It was 762,513 in November, the data shows.

[https://www.business-standard.com/economy/news/fresh-formal-job-creation-bounces-to-a-three-month-high-in-december-124022000949\\_1.html](https://www.business-standard.com/economy/news/fresh-formal-job-creation-bounces-to-a-three-month-high-in-december-124022000949_1.html)

### **Retail inflation for farm, rural workers eases marginally in January**

Retail inflation for farm workers and rural labourers eased marginally to 7.52 per cent and 7.37 per cent in January as compared to the previous month, mainly due to lower prices of certain food items. In December 2023, Consumer Price Index-Agricultural Labourers (CPI-AL) and Consumer Price Index-Rural Labourers (CPI-RL) was 7.71 per cent and 7.46 per cent, respectively.

[https://www.business-standard.com/economy/news/retail-inflation-for-farm-rural-workers-eases-marginally-in-january-124022000932\\_1.html](https://www.business-standard.com/economy/news/retail-inflation-for-farm-rural-workers-eases-marginally-in-january-124022000932_1.html)

### **Focus on exports to achieve 10% growth: 16th Finance Commission chairman Arvind Panagariya**

India must focus on exports to achieve a 10% growth rate for the economy, said Arvind Panagariya, chairman of the Sixteenth Finance Commission. "I've looked at successful countries such as Hong Kong, Singapore, Taiwan, South

Korea, China, and India – these are the six high-growth examples. My conclusion is very clear – countries that have been open are the ones that have grown rapidly,” Panagariya said. “Even if we can capture the global market for a few products, that’s it! We don’t have to do anything else. That really is the China story – it acquired a very large share in certain products. And that gave China such a huge boost; for 3-4 decades, it grew at 10% a year,” he pointed out, noting that the global export market, at \$32 trillion in 2022, was almost 10 times India’s GDP.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/focus-on-exports-to-achieve-10-growth-16th-finance-commission-chairman-arvind-panagariya/articleshow/107855544.cms>

## Banking and Finance

### Self monitoring of credit scores up 73% in 2023: Report

Self monitoring of credit scores by Indian has risen by 73 percent in 2023 as this credit discipline helps to access new borrowing opportunities and also helps them better manage debt according to a report by credit bureau Transunion Cibil. With the number of Indian consumers enrolling to monitor their credit Score rising 73% in 2023, a new global study by the credit bureau has found that the benefits are shown to lead to better credit profiles, greater access to credit, or an improved ability to pay down debt, depending on the intent of consumers who monitor credit.

<https://economictimes.indiatimes.com/news/economy/finance/self-monitoring-of-credit-scores-up-73-in-2023-report/articleshow/107860005.cms>

### Thousands of debtors resolving cases before admission under insolvency law: IBBI

Over 27,500 applications for resolution process against corporate debtors have been withdrawn before their admission, with regulator IBBI emphasising that the credible threat of the insolvency law that ownership of debtors might change has changed the behaviour of debtors. These Corporate Debtors (CDs) had an underlying default of Rs 9.74 lakh crore. The Insolvency and Bankruptcy Code (IBC), introduced in December 2016, provides for a time-bound and market-linked resolution of stressed assets. “The credible threat of the Code, that a CD may change hands, has changed the behaviour of debtors. Thousands of debtors are resolving distress in early stages of distress.

<https://economictimes.indiatimes.com/news/economy/policy/thousands-of-debtors-resolving-cases-before-admission-under-insolvency-law-ibbi/articleshow/107853944.cms>

### Fundraising in India to be stronger than ever over next 2 years: BofA

Fundraising activity in India will be stronger than ever over the next two years as conglomerates, tech firms and financial services providers hunt for capital to fuel growth and owners seize the moment to sell holdings, Bank of America Corp.’s co-head of investment banking in the country said. “2023 was the year of block trades, 2024 is going to be the year of IPOs — and that momentum will most likely carry into 2025,” Debasish Purohit said in an interview with Bloomberg News in Mumbai. “2024 and 2025 as a block will be the busiest years of IPOs in our lifetime.”

[https://www.business-standard.com/finance/news/fundraising-in-india-to-be-stronger-than-ever-over-next-2-years-bofa-124022000074\\_1.html](https://www.business-standard.com/finance/news/fundraising-in-india-to-be-stronger-than-ever-over-next-2-years-bofa-124022000074_1.html)

## Industry

### GeM portal: Purchase of MSME goods by govt in current FY surpasses FY23 volume

The public procurement portal Government e-Marketplace (GeM) for MSMEs to sell goods directly to the government and public enterprises has surpassed the previous fiscal’s order volume in the current financial year. The total volume of goods and services procured by the government via GeM, which stood at 50.36 lakh in FY23, was surpassed earlier this month, data from the portal showed. As of Tuesday, GeM had processed 50.60 lakh orders in the current financial year, indicating growth in the purchase of goods and services by different government departments and public sector enterprises from MSMEs.

<https://www.financialexpress.com/business/sme/gem-portal-purchase-of-msme-goods-by-govt-in-current-fy-surpasses-fy23-volume/3399619/>

### Global research firm Kantar predicts continued decline in demand for FMCG products in India

Demand for daily groceries, essentials and household products will likely worsen over next few quarters in India, global research firm Kantar said Tuesday, further deferring the timelines for volume recovery in the fast-moving

consumer goods (FMCG) industry after the slowdown became more pronounced in the December quarter. Overall volumes, which indicate number of products consumers bought, expanded 5.2% in the December quarter, lower than 6.9% in the September quarter. Sales volumes in rural markets climbed 4.8%, and in cities by 5.6%, from a year earlier, data from Kantar showed. Kantar monitors branded and unorganised products, including unpackaged voluminous commodities. Nielsen, on the other hand, tracks primarily branded retail sales.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/global-research-firm-kantar-predicts-continued-decline-in-demand-for-fmcg-products-in-india/articleshow/107862076.cms>

#### **40% consumers want EV range to be above 400 kms per charge: Deloitte survey**

40 per cent of Indian consumers want the range of an electric vehicle (EV) to be above 400 kilometres per charge while 52 per cent expect it to be between 200 and 400 kilometres, according to a survey by Deloitte. According to the survey, the preference for an internal combustion engine-run vehicle fell to 49 per cent in 2024 from 53 per cent in 2023. In India, the survey polled 1,000 consumers.

[https://www.business-standard.com/industry/auto/40-consumers-want-ev-range-to-be-above-400-kms-per-charge-deloitte-survey-124021900620\\_1.html](https://www.business-standard.com/industry/auto/40-consumers-want-ev-range-to-be-above-400-kms-per-charge-deloitte-survey-124021900620_1.html)

#### **CPCB directs producers to procure EPR certificates for tyre disposal**

The government has mandated that producers of waste tyres fulfil their Extended Producer Responsibility (EPR) obligations by purchasing EPR Certificates from registered recyclers. The Central Pollution Control Board has asked all producers to fulfil their assigned EPR obligations for fiscal years 2023 and 2024.

[https://www.business-standard.com/india-news/cpcb-directs-producers-to-procure-epr-certificates-for-tire-disposal-124022000980\\_1.html](https://www.business-standard.com/india-news/cpcb-directs-producers-to-procure-epr-certificates-for-tire-disposal-124022000980_1.html)

#### **Indian hotel industry poised for robust growth in FY25 despite election-driven business travel lull**

The Indian hotel industry is poised to witness a 7-9 per cent revenue growth in the fiscal year 2025, slightly down from the expected 14-16 per cent growth in FY2024, according to ICRA (Investment Information and Credit Rating Agency). The sustained demand for domestic leisure travel, coupled with the resurgence of meetings, incentives, conferences, and exhibitions (MICE), including weddings and business travel post the election period, is projected to be the driving force behind this positive outlook.

<https://www.thehindubusinessline.com/economy/indian-hotel-industry-poised-for-robust-growth-in-fy25-despite-election-driven-business-travel-lull/article67867293.ece>

### **Infrastructure**

#### **Projects running behind schedule declined to a 15-month low in January; cost overruns dip**

The number of central government projects running behind schedule in January declined to its lowest level in 15 months, with 42.8% running late compared with 46.6% in the previous month, according to a report released Tuesday. Of the 1,821 projects registered on the ministry's portal, 617 were on schedule, whereas 780 were delayed; 431 faced cost overrun, and 255 faced both time and cost overrun. Of the 780 delayed projects, 25% were delayed for 1-12 months; another 24% were delayed for 1-2 years, and 51% were delayed for over two years. "The average time overrun in these 780 delayed projects is 36.13 months," it said. During January, 22 projects were added, and 13 were completed.

<https://economictimes.indiatimes.com/news/economy/infrastructure/projects-running-behind-schedule-declined-to-a-15-month-low-in-january-cost-overruns-dip/articleshow/107849962.cms>

#### **India's longest transportation tunnel opens in Jammu on Udhampur-Srinagar-Baramulla Rail Link**

The longest transportation tunnel of the country on the Udhampur-Srinagar-Baramulla Rail Link (USBRL) was opened by Prime Minister Narendra Modi on Monday as he flagged off the first electrified trains of the Kashmir valley. "Prime Minister Modi was present in Jammu and he virtually flagged off two electrified trains simultaneously -- one from Srinagar to Sangaldan in the down direction and the other from Sangaldan to Srinagar in the up direction," a railway official said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/indias-longest-rail-tunnel-opens-in-jammu-on-udhampur-srinagar-baramulla-rail-link/articleshow/107849165.cms>

## Energy

### **In a first, Centre taps private sector to invest Rs 2.16 lakh crore in nuclear energy**

The Centre will invite private companies to invest about \$26 billion (₹2.16 lakh crore) in nuclear energy to increase the amount of electricity from sources that don't produce carbon dioxide emissions, said two government officials who are directly involved in the matter. This is the first time the government is pursuing private investment in nuclear power, a non-carbon-emitting energy source that contributes less than 2% of India's total electricity generation. The funding would help India to achieve its target of having 50% of its installed electric generation capacity use non-fossil fuels by 2030, up from 42% now.

<https://economictimes.indiatimes.com/industry/energy/power/in-a-first-centre-taps-private-sector-to-invest-26-billion-in-nuclear-energy/articleshow/107861787.cms>

### **India stands firm on buying Russian oil amidst sanctions; EAM Jaishankar says Moscow has never hurt New Delhi**

External Affairs Minister S Jaishankar reaffirmed India's stance on buying Russian oil despite sanctions on Moscow amid military conflict with Ukraine. He said that India and Russia have always shared "stable and friendly ties" and Moscow has never hurt the interests of New Delhi. In an interview with the German economic daily, Handelsblatt during his visit to Germany for the Munich Security Conference, Jaishankar stated that Europe should understand that India cannot have a view of Russia that is identical to the European one. On being asked about India purchasing Russian oil, Jaishankar said, "Everyone conducts a relationship based on their past experiences. If I look at the history of India post-independence, Russia has never hurt our interests."

<https://economictimes.indiatimes.com/industry/energy/oil-gas/india-stands-firm-on-buying-russian-oil-amidst-sanctions-eam-jaishankar-says-moscow-has-never-hurt-new-delhi/articleshow/107846694.cms>

## States

### **Karnataka Assembly passes bill slashing penalty on property tax in Bengaluru by 50 percent**

The Karnataka Assembly on Tuesday passed a bill to slash the penalty on property taxes in Bengaluru city limits by 50 percent. The bill is titled Bruhat Bengaluru Mahanagara Palike (BBMP) Amendment Bill 2024. Deputy Chief Minister D K Shivakumar, who holds the Bengaluru development portfolio, tabled the bill in the Legislative Assembly. "With the passing of this Amendment Bill, the penalty amount is halved, saving Bengalureans a whopping Rs 2,700 crores. The BBMP will be able to collect penalties worth Rs 1000 crore," a statement issued by Shivakumar's office said.

<https://economictimes.indiatimes.com/news/india/karnataka-assembly-passes-bill-slashing-penalty-on-property-tax-in-bengaluru-by-50-percent/articleshow/107862366.cms>

### **PFC, Goa govt sign pact for green energy initiatives**

State-owned PFC on Tuesday said it has signed an agreement with the Goa government to support various green energy initiatives in the state to tackle climate change. A Memorandum of Understanding (MoU) was signed in the presence of Goa Chief Minister Pramod Sawant, Power Finance Corporation (PFC) said in a statement. "Under the MoU, PFC, through innovative blended finance mechanisms in cooperation with this facility, will fund key climate projects such as renewable energy, green hydrogen, electric vehicles, waste-to-wealth technology and nature-based solutions leading to energy transition," it said.

The Goa government will facilitate the implementation of the facility by identifying and developing a pipeline of climate projects, promoting policy decisions and facilitating collaboration among stakeholders, it said.

<https://economictimes.indiatimes.com/industry/renewables/pfc-go-govt-sign-pact-for-green-energy-initiatives/articleshow/107860377.cms>

## Healthcare

### **Global companies account for 60% of Indian vaccine sales by value**

Global drug makers are leading the Indian vaccine market for vaccines with as much as 60% of the value share. India's vaccine market is steadily recovering after the impact from Covid-19 and multinationals are back to slowly gaining

traction, suggest data from research firm PharmaTrac. With their higher priced products, the value market share of MNCs is growing faster than that of the local drug makers which are recording robust volume growth. British pharmaceutical firm GlaxoSmithKline is the leader of the vaccine market in India.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/global-companies-account-for-60-of-indian-vaccine-sales-by-value/articleshow/107862022.cms>

## External

### After PMO review, India makes likely final push for UK free trade agreement

In what may turn out to be a last push before the Lok Sabha elections, a team of officials from the commerce department, headed by secretary Sunil Barthwal, will be travelling to London to iron out sticky issues pertaining to the proposed trade deal between India and the United Kingdom (UK). The timing remains crucial since the poll panel can announce the model code of conduct (MCC) for the general elections any time now. And, both the countries are trying to conclude the free-trade agreement (FTA) before that, people aware of the matter said.

[https://www.business-standard.com/economy/news/commerce-department-team-heads-to-london-for-india-uk-trade-deal-talks-124022000644\\_1.html](https://www.business-standard.com/economy/news/commerce-department-team-heads-to-london-for-india-uk-trade-deal-talks-124022000644_1.html)

### Onion export ban to continue till Mar 31 to keep prices under check: Govt

The ban on export of onion will continue till its previously announced deadline of March 31 as the government is keen to keep prices under check and ensure domestic availability, a top official said on Tuesday. On December 8, 2023, the government had banned export of onion till March 31. "Ban on onion exports has not been lifted. It is in force and there is no change in the status," Consumer Affairs Secretary Rohit Kumar Singh told PTI. The government's supreme priority is to ensure enough domestic availability of onion at reasonable prices to consumers, he added.

[https://www.business-standard.com/economy/news/onion-export-ban-to-continue-till-mar-31-to-keep-prices-under-check-govt-124022000429\\_1.html](https://www.business-standard.com/economy/news/onion-export-ban-to-continue-till-mar-31-to-keep-prices-under-check-govt-124022000429_1.html)

### India opposes China-led investment facilitation proposal at WTO

India opposes the move led by countries such as China to push a proposal on investment facilitation at the World Trade Organization (WTO), a senior government official said on Tuesday. This is because investment, as a subject, falls outside the mandate of the WTO. Besides, India is fundamentally against plurilateral pacts on multilateral platforms such as the WTO.

[https://www.business-standard.com/economy/news/india-against-proposal-on-china-led-investment-facilitation-at-wto-124022001021\\_1.html](https://www.business-standard.com/economy/news/india-against-proposal-on-china-led-investment-facilitation-at-wto-124022001021_1.html)

### India cuts import duty to 5-10% on some fresh, processed food items

India has cut import duty to 5-10 per cent on some fresh and processed food items, a move that is set to help the United States (US) get a greater market for products such as fresh, frozen, dried and preserved cranberries and blueberries, as well as frozen turkey. The duty cut came into effect from Tuesday, according to a finance ministry notification. Currently, these items attract import duty of around 30-45 per cent.

[https://www.business-standard.com/economy/news/india-cuts-import-duty-to-5-10-on-some-fresh-processed-food-items-124022000870\\_1.html](https://www.business-standard.com/economy/news/india-cuts-import-duty-to-5-10-on-some-fresh-processed-food-items-124022000870_1.html)

### Govt cuts import duty on turkeys; exempts extra long staple cotton from tax

The government has fully exempted customs duty on import of extra long staple cotton, and has cut duties on specified varieties of imported blueberries, cranberries and frozen turkeys. In a notification, the Finance Ministry has slashed import duty on certain items of blueberries and cranberries from 30 per cent to 10 per cent in some cases and 5 per cent in other cases.

[https://www.business-standard.com/economy/news/govt-cuts-import-duty-on-turkeys-exempts-extra-long-staple-cotton-from-tax-124022000855\\_1.html](https://www.business-standard.com/economy/news/govt-cuts-import-duty-on-turkeys-exempts-extra-long-staple-cotton-from-tax-124022000855_1.html)