



March 05, 2024 – Tuesday

Economy

India's unemployment rate in 2023 dropped to 3.1%, shows NSO data

India's unemployment rate dropped to 3.1 per cent in 2023 from 3.6 per cent in the preceding year, reflecting continued improvement in the labour markets, revealed the latest employment-unemployment indicators report released by the National Statistical Office (NSO) on Monday. During the calendar year 2023 (CY23), the unemployment rate in both rural and urban areas declined to 2.4 per cent and 5.2 per cent, respectively, from 2.8 per cent and 5.9 per cent in 2022.

https://www.business-standard.com/economy/news/india-s-unemployment-rate-in-2023-fell-to-3-1-shows-nso-data-124030401117_1.html

India ranks 113 out of 190 countries in the World Bank's legal gender gap index

India's ranked improved to 113 out of 190 countries in the World Bank's Women, Business and Law index, according to the 10th edition of the report released Monday. The index indicates the gap between legal rights enjoyed by men and women, Indian women enjoyed 60% of the legal rights given to men as per the new report, lower than the global average of 64.2%, as per the 2024 index report. India's performance was much lower when it came to supportive frameworks, which include measures like national policies, plans, programs, services, budgets, procedures, inspections, and sanctions for noncompliance with quality standards.

<https://economictimes.indiatimes.com/news/india/india-ranks-113-out-of-190-countries-in-the-world-banks-legal-gender-gap-index/articleshow/108212920.cms>

Work demand under NREGS drops in Feb

Demand for work under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) fell marginally in February from a year before, recording a fourth straight month of moderation as the broader economic activity gained traction. About 26.21 million individuals sought work under the scheme last month, against 26.23 million a year earlier, according to preliminary data compiled by the rural development ministry.

<https://economictimes.indiatimes.com/news/economy/indicators/work-demand-under-nregs-drops-in-feb/articleshow/108214760.cms>

At 4.3% in FY25, inflation may head lower than RBI forecast, estimates CMIE

Inflation may decline for two years in a row. Inflation is likely to fall to 4.3 per cent in the financial year 2024-25 from 5.4 per cent in the financial year 2023-24, according to an estimate by the Centre for Monitoring Indian Economy (CMIE). This is lower than the consumer price index (CPI) projection by the Reserve Bank of India (RBI) for the next financial year at 4.5 per cent. In the financial year 2022-23, the inflation rate had increased by 6.7 per cent, the highest in nine years, including the financial year 2014-15. The inflation rate in January this year had declined to 5.1 per cent from 5.7 per cent in December 2023. The forecast of 5.4 per cent for the financial year 2023-24 would make this the lowest annual inflation rate since the pandemic began.

https://www.business-standard.com/economy/news/at-4-3-in-fy25-inflation-may-head-lower-than-rbi-forecast-estimates-cmie-124030400389_1.html

Moody's raises India growth forecast to 6.8% on stronger economic data

Global rating agency Moody's on Monday raised India's growth forecast for 2024 calendar year to 6.8 per cent, from 6.1 per cent estimated earlier, on the back of 'stronger-than-expected' economic data of 2023 and fading global economic headwinds. India's real GDP expanded 8.4 per cent year-over-year in the fourth quarter of calendar year 2023, resulting in a 7.7 per cent growth for full-year 2023.

https://www.business-standard.com/economy/news/moody-s-raises-india-growth-forecast-to-6-8-on-stronger-economic-data-124030400207_1.html

Investors should grab opportunity presented by India's growth: Romal Shetty

Investors should grab the opportunity presented by India's rapid growth, said Romal Shetty, CEO, Deloitte South Asia, emphasising the country's potential as a global economic powerhouse. He said that India will grow at a pace of 10 per cent for the next 10 to 20 years. "There is only one country outside China that can match the scale, both from domestic consumption and export consumption. Looking at all the macroeconomic indicators, India is probably growing at about 10 per cent in the next 10 to 20 years, and by 2047, we will be a developed country," Shetty said at the World Trade Centre Association's (WTCA) 54th Global Business Forum held in Bengaluru on Monday.

https://www.business-standard.com/economy/news/investors-should-grab-opportunity-presented-by-india-s-growth-romal-shetty-124030400663_1.html

Finance

Finance Minister Sitharaman asks CBIC to settle classification issues

Finance Minister Nirmala Sitharaman has asked enforcement heads of state and central goods and services tax (GST) to settle tax cases linked to classification at its earliest. In her address at a conference of enforcement chief of the state and the central GST formations in New Delhi, she told officials to engage with stakeholders to understand their concerns, enhance compliance, streamline processes, and work collaboratively towards making the tax system more transparent and efficient. "Clarity on classification related issues should be looked into at the earliest through appropriate channels," the Finance Ministry said in a statement quoting Sitharaman.

<https://economictimes.indiatimes.com/news/economy/policy/finance-minister-sitharaman-asks-cbic-to-settle-classification-issues/articleshow/108215061.cms>

Banks' NPAs at record lows as recoveries up

Banks' bad loans have fallen to record lows as recoveries from defaulters rise and many who missed payments have regularised, but lenders are looking at building buffers anticipating some stress, said CareEdge Ratings. Bad loans fell 21% in the last calendar to Rs 4.85 lakh crore, from a year earlier. The ratio of gross bad loans could improve to 2.8% this year from 2.9% last year. Write-offs stood at Rs 34,000 crore from Rs 29,000 crore in the December quarter last year. "The gross non-performing assets ratio of banks has moved past the pre-asset quality review (AQR) levels in Q3FY24," said Sanjay Agarwal, senior director at CareEdge Ratings. "This trend is expected to be maintained in FY24 due to several factors, including healthy growth in advances driven by an uptick in economic activities, lower incremental slippages."

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-npas-at-record-lows-as-recoveries-up/articleshow/108215108.cms>

Centre sets conditions for even untied capex loans to states

To receive interest-free capital expenditure loans from the Centre under the "untied" category, states will have to comply with the branding norms for centrally sponsored schemes (CSSs) and deposit interest accrued on the unutilised central-schemes funds lying with the state-level single nodal agencies (SNA) by March 31. The scheme for providing financial assistance to the states for capital expenditure, introduced in FY21, was extended to FY25 in the interm Budget with an outlay of Rs 1.3 trillion as against the revised estimate of Rs 1.05 trillion for FY24.

<https://www.financialexpress.com/policy/economy-centre-sets-conditions-for-even-untied-capex-loans-to-states-3412162/>

RBI prohibits IIFL Finance from sanctioning, disbursing gold loans

The Reserve Bank on Monday barred IIFL Finance with immediate effect from sanctioning or disbursing gold loans after certain material supervisory concerns were observed in its gold loan portfolio. IIFL Finance can, however, continue to service its existing gold loan portfolio through the usual collection and recovery processes, the RBI said in a statement.

https://www.business-standard.com/finance/news/rbi-prohibits-iifl-finance-from-sanctioning-disbursing-gold-loans-124030400770_1.html

10-year govt bond yield remain flat in absence of any major triggers

Indian government bond yields ended little changed on Monday after falling earlier in the session, while traders continue to await major market-moving triggers. The benchmark Indian 10-year yield ended at 7.0601%, after closing at 7.0572% in the previous session. Indian bond markets continue to trade in a range in the absence of any major triggers, Puneet Pal, head - fixed income at PGIM India Mutual Fund, said. "The yield curve has flattened and can continue to stay flat given the positive demand-supply dynamics and (interest) rate cut prospects going into FY25."

https://www.business-standard.com/finance/news/10-year-govt-bond-yield-remain-flat-in-absence-of-any-major-triggers-124030400741_1.html

NARCL offers to buy debt of three more bankrupt companies

National Asset Reconstruction Company Ltd (NARCL) has offered lenders base bids for the bad loan accounts of Hitodi Infra, Sion Panvel Tollways and Morarjee Textile with total consolidated debt of more than ₹4,000 crore. Based on binding bids from the government-backed bad bank, lenders have initiated a Swiss challenge auction for Hitodi Infra. The lenders, including Bank of Baroda, ICICI Bank, Axis Bank, Bank of India, IDBI Bank and State Bank of India, have appointed BoB Capital as the process advisor. NARCL has offered ₹465 crore for the outstanding loans of ₹2,101 crore. The lenders have asked bidders to either bid in all cash or on a cash-and-security receipt basis. NARCL buys debt under a 15:85 structure where 15% is paid in cash and 85% in security receipts. The minimum markup will be 5% of the anchor bid. The Swiss auction will be held on March 26.

<https://economictimes.indiatimes.com/news/economy/finance/narcl-offers-to-buy-debt-of-three-more-bankrupt-companies/articleshow/108215358.cms>

Industry

Govt's AI advisory only for large platforms, not for startups: MeitY

Union minister Rajeev Chandrasekhar provided clarity on the recent advisory issued for Artificial Intelligence (AI) platforms by the Ministry of Electronics and Information Technology (MeitY) on Monday. He stated that the advisory only applies to large platforms and is not meant for startups. The minister took to social media platform X and wrote, "The recent advisory of MeitY needs to be understood. It is aimed at significant platforms, and permission-seeking from the ministry is only for large platforms and will not apply to startups."

https://www.business-standard.com/industry/news/govt-s-ai-advisory-only-for-large-platforms-not-for-startups-meity-124030400468_1.html

Vehicle registrations in the slow lane, dragged by CVs

Sales of motor vehicles, as captured by registrations on the Ministry of Road Transport and Highways Vahan portal, appears to be on the slow lane. The number of new vehicles registered between April 2023 and February 2024 was 2.20 crore, registering 8.96 per cent increase compared with the same period last year. The growth was primarily led by two-wheelers while registrations of new commercial vehicles declined.

<https://www.thehindubusinessline.com/data-stories/data-focus/vehicle-registrations-in-the-slow-lane-dragged-by-cvs/article67913801.ece>

Nearly 66% greenfield units under PLI scheme for bulk drugs completed

Two-thirds of all greenfield plants planned under the production-linked incentive (PLI) scheme for bulk drugs and medical devices have been completed so far, said a senior government official. Arunish Chawla, secretary, department of pharmaceuticals, told Business Standard that two-thirds of the greenfield plants planned under the scheme for bulk drugs and medical devices have now been inaugurated, and the rest will be completed in the next

two years. “The 40 plants inaugurated today have come up in three years since the scheme’s launch, and another 30 to 40 plants are scheduled to start manufacturing in the next two years”, he added.

https://www.business-standard.com/industry/news/two-thirds-of-bulk-drug-plants-planned-under-pli-completed-says-dop-124030300348_1.html

Global tax deal: Large Indian companies check readiness, assess impact

Large Indian corporations such as Reliance Industries, Tata Group and Adani Group are assessing their data readiness and analysing how the Organisation for Economic Co-operation and Development's (OECD's) Pillar Two model rules could impact merger and acquisition transactions and investment decisions, people aware of the development said. The Pillar Two model rules under Global Anti-Base Erosion Regulation have been crafted to ensure that large multinationals pay a minimum level of tax. They apply to companies that are members of a multinational group and have had annual sales of ₹750 million or more in the ultimate parent entity's consolidated financial statements for at least two of the four fiscal years before the tested year.

<https://economictimes.indiatimes.com/industry/banking/finance/global-tax-deal-large-indian-companies-check-readiness-assess-impact/articleshow/108215207.cms>

Agriculture

Agri trade via e-NAM set to cross Rs 80,000 crore in FY24

With more states opening up or facilitating trade of agricultural commodities on electronic – National Agriculture Market (e-NAM), trade on the platform is projected to touch Rs 80,000 crore in FY24. In April-February this fiscal, e-NAM turnover has crossed Rs 70,000 crore and there has been spurt in inter-mandi and inter-state trading of agricultural commodities on the platform.

<https://www.financialexpress.com/policy/economy-agri-trade-via-e-nam-set-to-cross-rs-80000-crore-in-fy24-3412138/>

India to lower security deposit to 1% for farmers at WDRA-accredited warehouses

Launching a digital platform for farmers to secure loans against their produce when kept in officially accredited warehouses, Food Minister Piyush Goyal on Monday announced that the security deposit charges will soon be reduced.

<https://www.thehindubusinessline.com/economy/agri-business/india-to-lower-security-deposit-to-1-for-farmers-at-wdra-accredited-warehouses/article67914109.ece>

Sugar output marginally declines to 25.53 MT so far in this marketing year: ISMA

The country's sugar production declined 1.19 per cent to 25.53 million tonne so far in the ongoing 2023-24 marketing year, industry body ISMA said on Monday. Sugar production stood at 25.84 MT till February 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 MT in the current 2023-24 marketing year as against 36.62 MT in the previous year.

<https://economictimes.indiatimes.com/news/economy/agriculture/sugar-output-marginally-declines-to-25-53-mt-so-far-in-this-marketing-year-isma/articleshow/108204313.cms>

Telangana wants basic Customs duty on crude palm oil reimposed

The Telangana Government has asked the Union Government to reimpose the basic customs duty on crude palm oil to stabilise domestic prices and make them remunerative for oil palm farmers in the country and ensure a price of ₹18,000 to infuse confidence among the farmers.

<https://www.thehindubusinessline.com/economy/agri-business/telangana-wants-basic-customs-duty-on-crude-palm-oil-reimposed/article67913437.ece>

Infrastructure

Sitharaman virtually launches 7 infra projects worth Rs 1,000 cr

Finance Minister Nirmala Sitharaman on Friday virtually launched seven infrastructure projects worth over Rs 1,000 crore, the finance ministry said. In her address on the occasion, Sitharaman said it is important to ensure that projects are planned and completed without delays and the department concerned should ensure that construction begins on time and projects are completed within the given time frame. "Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman virtually launched seven infrastructure projects worth over Rs 1,000 crore from New Delhi, today," the ministry said. The projects included unveiling the plaque for the construction of residential quarters of Income Tax Department officers at Faridabad and Gurugram.

<https://economictimes.indiatimes.com/news/economy/infrastructure/sitharaman-virtually-launches-7-infra-projects-worth-rs-1000-cr/articleshow/108145097.cms>

Energy

Peak power demand estimated to rise 7% to 260 GW this summer: Report

Peak power demand in the country is estimated to rise by seven per cent year-on-year to 260 GW this summer, according to a senior official. The peak power demand during the summer of 2023 touched 243 GW against a projection of 229 GW. "We expect the peak power demand this year (in summers) at 260GW," Central Electricity Authority Chairperson Ghanshyam Prasad told reporters on the sidelines of the Fourth Edition of Lineman Diwas in the capital.

https://www.business-standard.com/india-news/peak-power-demand-estimated-to-rise-7-to-260-gw-this-summer-report-124030400655_1.html

Scindia inaugurates Jindal Stainless' first green hydrogen project in India

Union Minister Jyotiraditya M Scindia on Monday inaugurated the country's first green hydrogen project of the stainless steel sector in Hisar, Haryana set up by Jindal Stainless Ltd. The green hydrogen facility, which has been set up by JSL in collaboration with Hygenco, aims to reduce carbon emissions by around 2,700 metric tonnes per annum and 54,000 tonnes of CO2 emission over 20 years.

https://www.business-standard.com/industry/news/scindia-inaugurates-jindal-stainless-first-green-hydrogen-project-in-india-124030400578_1.html

Power Ministry directs plants to continue importing coal for blending till June 2024

The Power Ministry on Monday advised all the coal-fired thermal power plants (TPPs) to continue importing coal at 6 per cent for blending in a bid to prepare for the upcoming peak demand season.

<https://www.thehindubusinessline.com/economy/power-ministry-directs-plants-to-continue-importing-coal-for-blending-till-june-2024/article67913995.ece>

States

Odisha approves 22 industrial projects worth investment of Rs 4,000 crore

Furthering its industrialisation process, Odisha government on Monday approved 22 projects worth an investment of Rs 4,066 crore. The proposals got the state government's nod at the State Level Single Window Clearance Authority (SLSWCA) meeting chaired by Chief Secretary PK Jena.

https://www.business-standard.com/industry/news/odisha-approves-22-industrial-projects-worth-investment-of-rs-4-000-crore-124030401041_1.html

External

Trade pact with EFTA may be the first for India with committed investments, jobs, says official

The proposed free trade agreement between India and the European Free Trade Association (EFTA) countries, with a commitment of \$100-billion investments from the four-country bloc into India over the next 15 years generating an estimated 1 million jobs, may be formalised soon as the pact "is ready" and going through legal scrutiny, sources have said.

<https://www.thehindubusinessline.com/economy/trade-pact-with-efta-may-be-the-first-for-india-with-committed-investments-jobs-says-official/article67914167.ece>

Govt permits 64,400 tonnes of onion exports to UAE, Bangladesh via NCEL

The government has permitted exports of 64,400 tonnes of onion to the UAE and Bangladesh through the National Cooperative Exports Ltd (NCEL), according to notifications of the commerce ministry. While export of 50,000 tonnes of onion is permitted to Bangladesh, shipments of 14,400 tonnes were allowed to the UAE. "Export of 14,400 tonnes of onions, with a quantity ceiling of 3,600 MT (metric tonnes) quarterly, to UAE through NCEL is notified," the directorate general of foreign trade (DGFT) said in a notification. DGFT is an arm of the commerce ministry, which deals with norms related to imports and exports.

https://www.business-standard.com/economy/news/govt-permits-64-400-tonnes-of-onion-exports-to-uae-bangladesh-via-ncel-124030400234_1.html

Govt allows export of 30,000 tonnes of non-basmati white rice to Tanzania

The government has permitted exports of 30,000 tonne of non-basmati white rice to Tanzania and 80,000 tonne of broken rice to Djibouti and Guinea Bissau. The export is permitted through National Cooperative Exports Limited (NCEL), the Directorate General of Foreign Trade (DGFT) has said in a notification. Though exports of non-basmati white rice have been banned since July 20, 2023 to boost domestic supply, exports are allowed on the basis of permission granted by the government to certain countries to meet their food security needs on request.

Tanzania is an East African nation, while Djibouti is at the northeast coast of the African continent.

https://www.business-standard.com/economy/news/govt-allows-export-of-30-000-tonnes-of-non-basmati-white-rice-to-tanzania-124030400248_1.html

India likely to buy more soyoil in 2024, reduce palm oil purchases, top dealer says

India, the world's biggest vegetable oil importer, is expected to buy larger volumes of soyoil in 2024, while purchases of palm oil are likely to decline, a top dealer said on Monday. Sandeep Bajoria, chief executive of Sunvin Group, a vegetable oil brokerage and consultancy firm, said India's soyoil imports will rise to 4.3 million metric tons in the 2023/24 marketing year from 3.5 million tons in 2022/23. Palm oil imports will be lower at 9.2 million tons in 2023/24, compared with 10 million tons in 2022/23, Bajoria said on the sidelines of the Palm and Lauric Oils Price Outlook Conference 2024.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-likely-to-buy-more-soyoil-in-2024-reduce-palm-oil-purchases-top-dealer-says/articleshow/108197870.cms>

WTO MC13: India blocks EU proposal to link trade with industrial policy

India blocked the move by the European Union to launch deliberations linking international trade policy with industrial policy of economies at the just concluded 13th World Trade Organisation (WTO) ministerial (MC13). India argued that since industrial policy is in the concurrent list and involves policy making by states which may not impact international trade, such scrutiny beyond the current level of analysis of export subsidies is not required.

https://www.business-standard.com/economy/news/india-blocks-eu-proposal-to-link-trade-with-industrial-policy-at-wto-mc13-124030400933_1.html