



March 13, 2024 – Wednesday

Economy

India's inflation almost flat at 5.1% in February; food inflation rises

India's inflation remained almost unchanged at 5.09% in February, compared with 5.1% in the previous month, owing to a rise in food inflation, prompting experts to indicate no action by the Reserve Bank of India in the April meeting. "...three successive quarters of 8% plus GDP expansion, and the CPI print of 5.1% for February 2024, suggest status quo on the rates and stance in April 2024," said Aditi Nayar, chief economist, Icmra. The Monetary Policy Committee will likely hold the policy rate at 6.5% for the seventh consecutive time at its meeting scheduled for April 3-5. "Given that the RBI Governor has been highlighting the aim of getting inflation to 4% on a durable basis, the policy rates are likely to be kept on hold in the upcoming policy meeting, with no change in stance," said Rajani Sinha, chief economist, CareEdge.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-inflation-almost-flat-at-5-1-in-february-food-inflation-rises/articleshow/108440019.cms>

Industrial production grows 3.8 pc in Jan

India's industrial production grew 3.8 per cent in January 2024, according to official data released on Tuesday. Factory output measured in terms of the Index of Industrial Production (IIP) witnessed a growth of 5.8 per cent in January 2023. "India's Index of Industrial Production grows by 3.8 per cent in January 2024," an official statement said. The data released by the National Statistical Office (NSO) showed that the manufacturing sector's output grew 3.2 per cent in January 2024, down from 4.5 per cent in the year-ago month.

<https://economictimes.indiatimes.com/news/economy/indicators/industrial-production-grows-3-8-pc-in-jan/articleshow/108437260.cms>

FM Nirmala Sitharaman in huddle with experts on developed India goal

FM Nirmala Sitharaman on Tuesday held deliberations with stakeholders from various sectors to identify actionable ideas to boost growth and realise the goal of turning India into a developed nation by 2047. The participants included experts from various industries, start-ups, sunrise and emerging sectors, fintech, infrastructure, banking and financial services, social sector, academia and think tanks, the finance ministry said in a statement. The deliberations focused on ways to leverage digital public infrastructure to bolster banking and insurance sectors; use of technology to promote ease of living; inclusive growth and socio-economic development; achieving goals for Atmanirbhar Bharat; green and sustainable growth, the ministry said.

<https://economictimes.indiatimes.com/news/economy/policy/fm-nirmala-sitharaman-in-huddle-with-experts-on-developed-india-goal/articleshow/108443524.cms>

Digital Panel submits report on Digital Competition Law to Finance Minister

The Centre-appointed 16-member Committee on Digital Competition Law (CDCL) has submitted its report to Finance and Corporate Affairs Minister Nirmala Sitharaman. The CDCL, headed by Corporate Affairs Secretary Manoj Govil, has also submitted a draft Bill on proposed Digital Competition law, sources familiar with the development said. The Corporate Affairs Ministry (MCA) had, on February 6, last year, constituted a 16-member inter-ministerial committee

to examine the need for a separate law on competition in digital markets. The digital panel has been, among other things, tasked with preparing a draft Digital Competition Act and submitting a report in three months.

<https://www.thehindubusinessline.com/info-tech/digital-panel-submits-report-on-digital-competition-law-to-finance-minister/article67944065.ece>

FY24 GDP growth to be closer to 8% on higher activity in industry: CEA

India's real GDP growth in FY24 will be "closer" to 8 per cent on higher activity in industry and services verticals, Chief Economic Advisor V Anantha Nageswaran said on Tuesday. Addressing a conference organised by ARIA (Association of Registered Investment Advisors) virtually, Nageswaran said the growth will be higher than the Ministry of Statistics' estimate of 7.6 per cent, and added that there is much reason to be optimistic in the near term about the prospects in India.

https://www.business-standard.com/economy/news/fy24-gdp-growth-to-be-closer-to-8-on-higher-activity-in-industry-cea-124031200668_1.html

Unorganised workers to be urged to enlist on E-Shram portal for social security plan

The government plans to persuade unorganised workers registered on its e-Shram portal to opt for pension and health insurance schemes, as the Aadhaar-authenticated database with an estimated 300 million enrolments by December 2024 will likely form the basis for launching universal social security benefits in future.

<https://economictimes.indiatimes.com/news/economy/policy/unorganised-workers-to-be-urged-to-enlist-on-e-shram-portal-for-social-security-plan/articleshow/108443395.cms>

Current Account Deficit expected to reach year's high of 1.2 % of GDP in FY24 third quarter, predicts ratings agency

India Ratings and Research (Ind-Ra) has released its analysis on the current account balance (CAB) for the third quarter of the fiscal year 2023-24 (3QFY24), projecting a deficit of approximately USD11 billion, equivalent to 1.2 per cent of the Gross Domestic Product (GDP). According to a press release, this forecast represents a marginal increase from the previous quarter's deficit of 1.0 per cent of GDP and marks a year's high, surpassing the deficit recorded in the corresponding quarter of the previous fiscal year (3QFY23: USD16.8 billion, 2.0 per cent of GDP). Sunil Kumar Sinha, Principal Economist at Ind-Ra, expressed expectations for a dip in the current account deficit in the subsequent quarter, attributing this outlook to signs of economic recovery amidst the global economic environment's uncertainties.

<https://economictimes.indiatimes.com/news/economy/indicators/current-account-deficit-expected-to-reach-years-high-of-1-2-of-gdp-in-fy24-third-quarter-predicts-ratings-agency/articleshow/108439456.cms>

Finance

Give top priority to regulatory concerns, redressal: FIDC to member firms

Taking note of the spate of regulatory actions against large finance firms, the Finance Industry Development Council (FIDC), today, asked member firms to give the highest priority to concerns and observations from regulators. They should take suitable action within the prescribed time-frame. "It is equally important to keep the regulator informed on the remedial measures being taken to address their concerns, as and when required," FIDC, an industry lobby group, said in a letter to member firms.

https://www.business-standard.com/finance/news/give-top-priority-to-regulatory-concerns-redressal-fidc-to-member-firms-124031101223_1.html

RBI asks for info on gold loan frauds

The Reserve Bank of India has asked banks to share with it information on frauds reported in gold loans, actions taken by them to recover the money and defaults in the portfolio, said people with knowledge of the matter. The RBI also asked banks to review their lending processes to check if they are in compliance with the regulator's gold loan guidelines. The RBI sought this information after it found that employees of two state-run banks manipulated its system to meet gold loan targets, they said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-asks-for-info-on-gold-loan-frauds/articleshow/108443392.cms>

Centre in talks with banks to stop fertiliser subsidy funding

The government is in discussion with banks on the possibility of discontinuing financing fertiliser subsidy receivables. This follows the government's move to offer direct benefit transfer (DBT) to fertiliser companies based on actual sales of retailers to beneficiaries. "This was meant to be a short-term measure. It is being reviewed, but no final decision has been made. We have received some suggestions from banks, and those are being examined," said an official aware of the matter. Under the fertiliser DBT system, 100% subsidy on various fertiliser grades is released to fertiliser companies based on actual sales made by the retailers to the beneficiaries.

<https://economictimes.indiatimes.com/news/economy/policy/centre-in-talks-with-banks-to-stop-fertiliser-subsidy-funding/articleshow/108442645.cms>

Non-life insurers post 13% rise in premium in Feb but with dip in revenue

Non-life insurers posted a nearly 13 per cent year-on-year (YoY) growth in gross direct premium underwritten in February 2024. But there was a sequential dip in their revenue. According to the monthly data released by the General Insurance Council (GIC), the gross direct premium underwritten (GDPW) of the non-life insurers in February was Rs 22,387.39 crore, up 12.6 per cent from Rs 19,873.62 crore in the year-ago month. But in January, it was over Rs 27,200 crore.

https://www.business-standard.com/finance/insurance/non-life-insurers-post-13-rise-in-premium-in-feb-but-with-dip-in-revenue-124031100920_1.html

Insurance cos plan to file writ petition seeking GST clarity

Insurance players are planning to file a writ petition over the tax demand on commission paid for co-insurance, seeking a clarity from the court as levying Goods and Services Tax (GST) on the commission will amount to double taxation. Staring at a collective tax demand of ₹12,000 crore, the insurance sector was waiting for the GST Council meeting to get clarity over the issue.

<https://economictimes.indiatimes.com/news/economy/policy/insurance-cos-plan-to-file-writ-petition-seeking-gst-clarity/articleshow/108443394.cms>

Higher receipts may pull down FY24 fiscal deficit to Rs 17 trillion

The Centre's fiscal deficit, in absolute terms, may come in close to Rs 17 trillion in the current financial year, lower than Rs 17.3 trillion pegged in the revised estimate (RE), on account of a sharp rise in total receipts of the Centre, say economists. This would mean, the Centre's fiscal deficit as a percentage of GDP would be similar to that pegged in the RE, that's 5.8%. Presently, according to the second advance estimate (SAE) of GDP released by the statistics ministry last month, the Centre's fiscal deficit may come in at 5.9% of the GDP in FY24.

<https://www.financialexpress.com/policy/economy-higher-receipts-may-pull-down-fy24-fiscal-deficit-to-rs-17-trillion-3421747/>

Industry

Passenger vehicles record their best February with sales of 370,000 units

Passenger vehicles in India recorded their highest-ever February domestic sales of 370,786 units this year, 10.8 per cent higher than 334,790 units in February last year, according to the data released by the Society of Indian Automobile Manufacturers (SIAM) on Tuesday. Two-wheelers and three-wheelers also witnessed higher sales in February this year as compared to the last year.

https://www.business-standard.com/industry/news/passenger-vehicles-record-their-best-february-with-sales-of-370-000-units-124031200358_1.html

E-Car sales fall to 5-month low in February despite steep price cuts

Electric car sales in India fell to their lowest level in five months in February even as companies took steep price cuts, indicating it would take more than just a lower acquisition cost to nudge buyers to shift to EVs in India where automakers are committing billions of dollars for the switch to electric mobility. Cumulative sales in February dropped to 7,277 vehicles, the lowest since October, showed data from the government's Vahan portal. So far, this month, EV registrations have fallen to 204 units per day on average, the lowest in 11 months, signalling that the softening of sales is set to continue.

<https://economictimes.indiatimes.com/industry/renewables/e-car-sales-fall-to-5-month-low-in-february-despite-steep-price-cuts/articleshow/108443567.cms>

Tractor exports show revival signals in Feb, domestic sales lowest in 4 years

After reporting degrowth for a year, tractor exports from India reported a positive year-on-year (y-o-y) growth in February this year. But the domestic market registered the lowest monthly volumes in the last four years.

<https://www.thehindubusinessline.com/economy/agri-business/tractor-exports-show-revival-signals-in-feb-domestic-sales-lowest-in-4-years/article67943498.ece>

Centre relaxes quality control regime on steel and textiles

The centre has exempted inputs used in products meant for export from quality control orders (QCOs) issued by the Steel Ministry. According to a gazette notification, this relaxation has also been extended to QCOs issued by the Department for Promotion of Industry and Internal Trade (DPIIT), and the Textiles Ministry. These changes have been made by the Directorate General of Foreign Trade to the Foreign Trade Policy, 2023. Under the quality control regime, manufacturers need to get prior approvals from the Bureau of Indian Standards (BIS) certifying compliance for selling regulated items in the country. Import of goods under the QCO regime is also restricted and only pre-certified products can be brought into the country.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/centre-relaxes-quality-control-regime-on-steel-and-textiles/articleshow/108437931.cms>

PM Modi to address 'India's Techade', lay foundation stone of 3 semiconductor projects

Prime Minister Narendra Modi will participate in 'India's Techade: Chips for Viksit Bharat' and lay the foundation stone of three semiconductor projects worth about Rs 1.25 lakh crore on Wednesday via video-conferencing. He will also address youth across the country on the occasion, the Prime Minister's Office (PMO) said in a statement. It said that in line with his vision to position India as a global hub for semiconductor design, manufacturing and technology development, and boosting employment opportunities for the youth, Modi will lay the foundation stone for semiconductor projects in the Dholera Special Investment Region and Sanand in Gujarat and in Morigaon in Assam. The semiconductor fabrication facility at the Dholera Special Investment Region will be set up by Tata Electronics Private Limited under the modified scheme for setting up of "Semiconductor Fabs" in India. With a total investment of more than Rs 91,000 crore, this will be the first commercial semiconductor fab in the country, it said.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/pm-modi-to-address-indias-techade-lay-foundation-stone-of-3-semiconductor-projects/articleshow/108437482.cms>

India's food safety regulator working on stricter rules for health supplements

The Food Safety and Standards Authority of India (FSSAI) is working on making regulations for nutraceuticals and health supplements more stringent after it found many non-compliant products in the market, said officials. Nutraceuticals are products derived from food sources that are believed to provide extra health benefits, besides the basic nutritional value found in foods, and can be available in the form of pills, syrups, capsules, powders, gummies and chewables. "The popularity of these products has increased manifold as consumers have become more health conscious," said a senior FSSAI official, who did not wish to be identified. "We want to make the standards more stringent for the safety of consumers."

<https://economictimes.indiatimes.com/industry/cons-products/food/indias-food-safety-regulator-working-on-stricter-rules-for-health-supplements/articleshow/108443475.cms>

The Digital Competition Law: Big Tech firms opposed to ex-ante norms

Big Tech firms such as Google, Apple, Flipkart, Amazon, and Uber have opposed ex-ante regulation while responding to the suggestions of the expert committee on digital competition law. While Twitter and Paytm are among those in favour, the latter in its stakeholder submission said it was in favour as long as only large digital enterprises with a critical mass were subject to the regulations. The Ministry of Corporate Affairs had invited public comments on the expert committee report and the draft Bill.

https://www.business-standard.com/companies/news/the-digital-competition-law-big-tech-firms-opposed-to-ex-ante-norms-124031201254_1.html

Agriculture

Mandatory 100% auction of dust tea grades heats up debate in tea industry

The Centre-mandated 100 per cent auction of dust tea grades from North India is being backed by most of the stakeholders, but there are fissures. On February 23, the Centre notified an amendment to the Tea (Marketing) Control Order, 2003, saying that 100 per cent of dust grades tea manufactured in a calendar year in its manufacturing units located in the geographical area of the states of Arunachal Pradesh, Assam, Bihar, Himachal Pradesh, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Uttarakhand, and West Bengal is to be sold through public tea auctions. It is effective April 1, 2024, for a period of three months.

https://www.business-standard.com/industry/news/mandatory-100-auction-of-dust-tea-grades-heats-up-debate-in-tea-industry-124031200989_1.html

Bumper harvest, imports depress mustard prices

Projection of a bumper harvest and higher imports of edible oils has impacted domestic mandi prices of mustard, a key oil seed, which is currently ruling below the minimum support price (MSP), traders and farmers said. While harvesting is currently in the full swing in key producing states, mandi prices of mustard seed, at Bharatpur (Rajasthan), the hub of the country's trade was ruling around average price of Rs 5100/quintal on Monday against a minimum support price of Rs 5650/quintal for 2023-2024 season.

<https://www.financialexpress.com/policy/economy-bumper-harvest-imports-depress-mustard-prices-3421712/>

Infrastructure

PM Modi unveils India's 1st auto in-plant railway siding project of MSIL

Prime Minister Narendra Modi on Tuesday inaugurated India's first automobile in-plant railway siding project of Maruti Suzuki (MSIL) at its plant at Hansalpur in Gujarat's Mehsana district virtually from a function here. PM Modi, who visited Gujarat on Tuesday, inaugurated and laid the foundation stone of Rs 85,000 crore railway projects, including the launch of 10 new Vande Bharat trains, from Sabarmati area of Ahmedabad in Gujarat after visiting the Dedicated Freight Corridor's (DFC) Operation Control Centre here. The MSIL's in-plant railway siding project was also inaugurated during the event.

https://www.business-standard.com/industry/news/pm-modi-unveils-india-s-1st-auto-in-plant-railway-siding-project-of-msil-124031200426_1.html

Telecom

Wireless data revenue rises 22% to Rs 1.74 trn in FY23, teledensity down

Revenue from wireless data usage in the country increased by about 22 per cent to Rs 1.74 lakh crore in the financial year 2022-23, a report by telecom regulator Trai said on Tuesday. According to the report, the revenue from wireless data services was Rs 1.43 lakh crore in the financial year 2021-22. "Total revenue from wireless data usage increased from Rs 1,43,169 crore in the year 2021-22 to Rs 1,74,144 crore in the year 2022-23 with yearly rate of growth of 21.63 per cent," Trai's Yearly Telecom Services Performance Indicator Report for the year 2022-23 said. The increase in wireless data revenue usage was mainly on account of growth in user base as telecom operators are yet to monetise 5G data services that were launched in October 2022.

https://www.business-standard.com/industry/news/wireless-data-revenue-rises-22-to-rs-1-74-trn-in-fy23-teledensity-down-124031201123_1.html

DoT abolishes wireless operating licenses for ease of doing biz

The Department of Telecommunications (DoT) Tuesday abolished wireless operating licenses for establishing and maintaining telecommunications, paving the way for a simplified regulatory regime and would also enable faster rollout of networks and increase mobile broadband penetration in the country. As per a notification issued by DoT dated March 11, the requirement to obtain a WOL for unified license, national long distance (NLD), international long distance (ILD), VSAT, GMPCS, machine to machine service etc have been removed with immediate effect. "However, for entities who intend to establish or operate a transmitting station and have not been granted any

license under section 4 of Indian Telegraph Act, 1885, WOL will continue to be required as per existing procedure,” DoT said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-abolishes-wireless-operating-licenses-for-establishing-and-maintaining-telecommunications/articleshow/108439833.cms>

Healthcare

Govt notifies new marketing code for pharma cos to curb unethical practices

The Department of Pharmaceuticals on Tuesday notified a new code which prohibits pharma companies from offering gifts and travel facilities to healthcare professionals or their family members. The Uniform Code for Pharmaceuticals Marketing Practices (UCPMP) 2024 also bans supply of free samples to those who are not qualified to prescribe such a product.

https://www.business-standard.com/industry/news/govt-notifies-new-marketing-code-for-pharma-cos-to-curb-unethical-practices-124031201222_1.html

Panel to review prices of drugs, medical devices

A new Drugs and Medical Devices (Control) Order for regulating the prices of essential medicines and medical devices is in the offing. The government has constituted a panel to look for reforms in pricing for drugs and medical devices. The committee will evaluate the availability of medicines and medical devices, the pricing of essential medicines while providing incentives to the industry to maintain growth and build sustainability in exports.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/panel-to-review-prices-of-drugs-medical-devices/articleshow/108443251.cms>

External

Exports to close fiscal at same level as FY23-24 amid uncertainties: Goyal

Commerce and Industry minister Piyush Goyal has exuded confidence that during this fiscal, the country's goods and services export numbers will be at the same level; as it was last year despite slowdown and uncertainties in the global trade. He also said that the government measures such production-linked incentives schemes and focus on high-quality goods and services would help in containing the country's trade deficit.

https://www.business-standard.com/economy/news/exports-to-close-fiscal-at-same-level-as-fy23-24-amid-uncertainties-goyal-124031200354_1.html

India remains world's top arms importer, Pakistan ranks 8th: SIPRI report

India remained the world's top arms importer, but its imports declined by 11 per cent between 2013-17 and 2018-22, according to a report released on Monday by Stockholm-based defence think-tank SIPRI. The decline was linked to a complex procurement process, efforts to diversify arms suppliers and attempts to replace imports with local designs, the report said.

https://www.business-standard.com/industry/news/india-remains-world-s-top-arms-importer-but-declines-11-sipri-report-123031301110_1.html

PM Modi talks with UK counterpart Sunak to review progress of FTA

Prime Minister Narendra Modi spoke to his British counterpart Rishi Sunak on Tuesday as they welcomed the progress made in the ongoing discussion between the two countries for an early conclusion of a free trade agreement (FTA). During their telephonic conversation, they reaffirmed their commitment to strengthening the bilateral comprehensive strategic partnership, a statement said.

https://www.business-standard.com/industry/news/pm-modi-talks-with-uk-counterpart-sunak-to-review-progress-of-fta-124031201116_1.html