



March 21, 2024 – Thursday

Economy

India needs to grow at 8% to create sufficient jobs: IMF's KV Subramanian

India needs to grow at 8 per cent on sustained basis to create sufficient jobs to reduce poverty and inequality, India's executive director at International Monetary Fund (IMF) Krishnamurthy Venkata Subramanian said on Wednesday. India's economy grew by better-than-expected 8.4 per cent in the final three months of 2023 - the fastest pace in one-and-half years.

https://www.business-standard.com/economy/news/india-needs-to-grow-at-8-to-create-sufficient-jobs-imf-s-kv-subramanian-124032000827_1.html

India's income inequality at 100-year high; worse than colonial era: Study

India's richest people now have a larger share of national income than in more than a century. The top 1 per cent of Indians earns 22.6 per cent of the national income compared to 15 per cent earned by the bottom 50 per cent of the population, according to a study by the World Inequality Lab. Wealth inequality is also near historic highs and calls for changing tax policies to ensure better redistribution, according to the study entitled 'Income and Wealth Inequality in India 1992-2023: The Rise of the Billionaire Raj' by World Inequality Lab authors including New York University's Nitin Kumar Bharti, Lucas Chancel of the Harvard Kennedy School, as well as Thomas Piketty and Anmol Somanchi from the Paris School of Economics.

https://www.business-standard.com/india-news/india-s-income-inequality-at-100-year-high-worse-than-colonial-era-study-124032000636_1.html

Finance

RBI directs all bank branches dealing in govt biz to remain open on Mar 31

The Reserve Bank of India (RBI) on Wednesday advised banks to keep its branches dealing with government business to remain open on March 31. The last day of the current financial year is a Sunday. "The Government of India has made a request to keep all branches of the banks dealing with Government receipts and payments open for transactions on March 31, 2024 (Sunday) so as to account for all the Government transactions relating to receipts and payments in the FY2023-24 itself," the RBI said in a statement.

https://www.business-standard.com/industry/banking/rbi-directs-all-bank-branches-dealing-in-govt-biz-to-remain-open-on-mar-31-124032000912_1.html

Collection efficiency for personal loans reduces in December: ICRA

The collection efficiency for personal loans has reduced from 95 per cent in June 2023 to 93 per cent in December last year on the back of higher spending by customers during the festival season and the relatively low priority of personal loan repayment, according to rating agency ICRA. These loans are given without collateral.

https://www.business-standard.com/finance/news/collection-efficiency-for-personal-loans-reduces-in-december-icra-124032000913_1.html

Loan distribution by FACE members rise by 12.2% to 24.8 mn in Q3FY24

Fintech Association for Consumer Empowerment (FACE), an industry body for digital lenders, in its ninth edition of its FACETS report, said its member companies distributed 24.8 million loans during the third quarter (Q3 FY24). This is a 12.2 per cent year-on-year (Y-o-Y) increase from 22.1 million loans. On a sequential basis, the growth in loan disbursements remained stagnant after companies distributed 24.8 million loans in Q2.

https://www.business-standard.com/industry/news/face-member-fintech-firms-loan-distribution-rise-by-12-2-to-24-8-mn-in-q3-124032001060_1.html

High base effect of last year to hit March growth business of life insurers

New business premium (NBP) growth of life insurers in March is expected to be weak owing to the high base effect in the year-ago period due to revision in taxation norms for high-value policies, insurers said. In the Budget, Finance Minister Nirmala Sitharaman proposed that insurance policies (excluding unit-linked insurance plans or Ulips) with an aggregate premium exceeding Rs 5 lakh would be taxed. This rule came into effect on April 1, 2023.

https://www.business-standard.com/industry/news/high-base-effect-of-last-year-to-hit-march-growth-business-of-life-insurers-124032000710_1.html

Maharashtra, Uttar Pradesh to raise ₹12,000 crore each thru auction on Thursday

After 16 States and one Union Territory successfully mopped up ₹50,206 crore via auction of State Government Securities (SGS) on March 19, two States – Maharashtra and Uttar Pradesh – have decided to raise ₹12,000 crore each on March 21.

<https://www.thehindubusinessline.com/money-and-banking/maharashtra-uttar-pradesh-to-raise-12000-crore-each-thru-auction-on-thursday/article67972933.ece>

Industry

India's mineral production grows nearly 6% in January

India's mineral production from mining and quarrying grew 5.9% year-on-year, a Press Information Bureau (PIB) report said on Wednesday. The country produced over 99.8 million tonnes of coal in the period on the back of rising power demand. Other minerals such as iron ore, a key raw material for steel, reported a nearly 41% year-on-year growth in sales value amid growing steel demand in the country. India produced 25.2 million tonnes of iron ore in the month.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/indias-mineral-production-grows-nearly-6-in-january/articleshow/108642283.cms>

Direct selling industry grew 12% in 2022-23, crosses Rs 21,000 crore in turnover: IDSA

India's direct selling industry grew over 12% year-on-year in 2022-23, clocking an overall industry turnover of Rs 21,282 crore, an annual survey report released by the Indian Direct Selling Association (IDSA) and compiled by market researcher Kantar said on Wednesday. The report noted that the sector grew 8.3% by CAGR in the four-year period between 2019-20 and 2022-23. According to the report, wellness and nutraceutical products contributed 73.5%, while cosmetics and personal care accounted for 11.3% of the industry's overall turnover. The number of active direct sellers touched around 86 lakh from 84 lakh in 2021-22, the survey said. Vivek Katoch, chairperson of IDSA, said in a statement: "The direct selling industry is poised to strengthen further in the years to come on the back of a promising regulatory framework by the government."

<https://economictimes.indiatimes.com/industry/services/retail/direct-selling-industry-grew-12-in-2022-23-crosses-rs-21000-crore-in-turnover-idsa/articleshow/108655727.cms>

Agriculture

Small tea growers voice concern over 'poor' quality teas flooding market

Confederation of Indian Small Tea Growers' Associations (CISTA), a body of small tea growers, has voiced concern over the alleged poor quality of teas flooding the market and urged the intervention of the Tea Board in this regard.

In a letter written to Tea Board chairman A S Bhatia, CISTA president Bijoy Gopal Chakraborty said that a generic campaign focussed on the health benefits of drinking tea should be carried out to promote consumption among the young people who are more enticed to partake soft drinks and coffee.

https://www.business-standard.com/industry/news/small-tea-growers-voice-concern-over-poor-quality-teas-flooding-market-124032000383_1.html

Farmers demand removal of onion exports ban from Apr 1, prices fall amid rabi crop arrivals

Stating that rabi crop arrivals have improved supplies, farmers have demanded lifting the ban on onion exports imposed till March 31, 2024. "Since the imposition of exports ban last year, the mandi prices has declined to Rs 1500/quintal on Tuesday from around Rs 4500/quintal prevailed prior to the imposition of shipment ban last year," Jaydutt Holkar, director, agricultural produce market committee (APMC), Lasalgaon, Nashik, Maharashtra, the hub of the country's wholesale trade told FE.

<https://www.financialexpress.com/policy/economy-farmers-demand-removal-of-onion-exports-ban-from-apr-1-prices-fall-amid-rabi-crop-arrivals-3430910/>

Infrastructure

Reits seek changes in regulations to get easier access to capital

Real estate investment trusts (Reits) are in talks with regulatory bodies — the Securities and Exchange Board of India (Sebi) and the Reserve Bank of India (RBI) — to seek changes in regulations that will allow easier access to capital. The Indian Reits Association (IRA) said it has approached the market regulator seeking to get classified as an 'equity' asset, which will open the path for their inclusion in equity indices and also make investment by mutual funds (MFs) easier.

https://www.business-standard.com/markets/news/reits-seek-changes-in-regulations-to-get-easier-access-to-capital-124032000975_1.html

India's aviation boom could support more hubs, says Air India CEO Wilson

India's airline industry is growing so fast that the country could support at least one other international hub beyond Mumbai and Delhi, Campbell Wilson, the chief executive officer of Air India Ltd., said. "India can be home to at least three hubs and plenty of point-to-point services," Wilson said at an industry event in Gurugram on Wednesday. "There aren't many other markets like India in the world. Northern India has a good east to west flow, while southern India can offer an Asia to Africa or Australia-Europe flow."

https://www.business-standard.com/industry/news/india-s-aviation-boom-could-support-more-hubs-says-air-india-ceo-wilson-124032000358_1.html

Energy

India prepares to start new LNG import terminal as demand increases

India is looking to purchase the inaugural shipment for its latest liquefied natural gas terminal, as the nation aims to rapidly increase consumption of the fuel this decade. Gujarat State Petroleum Corp. released a tender to buy a commissioning cargo for the Chhara terminal for delivery in April, according to traders with knowledge of the matter. The facility in Gujarat state is being developed by Hindustan Petroleum Corp., and will have the capacity to import 5 million tons per year of LNG.

https://www.business-standard.com/economy/news/india-prepares-to-start-new-lng-import-terminal-as-demand-increases-124032000108_1.html

Solar waste to rise six times by 2030 as India looks to add new capacities: Study

India's solar waste is expected to jump to 600,000 tonnes by 2030 from the current 100,000 tonnes due to rapid deployment of new solar capacities, a study by the Council on Energy, Environment and Water said on Wednesday. The country has seen acceleration in solar energy deployment to nearly 75 GW from 5-6 GW in 2015. With aspirations to reach 500 GW of renewable energy by 2050, the management of solar waste is a priority, the report said. Solar capacity of around 292 GW is likely to be deployed by 2030, making solar photovoltaic waste management crucial, it said. "India must proactively address solar waste, not just as an environmental imperative but as a strategic

necessity for ensuring energy security and building a circular economy," said Arunabha Ghosh, chief executive officer, Council on Energy, Environment and Water.

<https://economictimes.indiatimes.com/industry/renewables/solar-waste-to-rise-six-times-by-2030-as-india-looks-to-add-new-capacities-study/articleshow/108657422.cms>

Telecom

5G subscribers consuming 3.6-times more data than 4G users: Nokia

Finnish telecom gear maker Nokia on Wednesday said that India has now over 131 million 5G users, and that they were consuming nearly 3.6-times more data than the 4G users. Nokia, in its annual India Mobile Broadband Index report, has said that at the end of 2023, India had 131 million 5G users. The figure is set to rise to 575 million in 2026, or half of all subscribers in India, it added. The fifth generation services were launched in October 2022 by Bharti Airtel and Reliance Jio.

https://www.business-standard.com/industry/news/india-had-131-mn-5g-subscribers-in-2023-set-to-rise-575-mn-in-2026-report-124032000825_1.html

External

Exporters seek exemption from 45-day payment to MSMEs rule

Exporters across sectors have sought exemption from a new rule that requires them to pay any pending bills to micro and small units within 45 days. Around 150,000 exporters, represented by as many as 15 export promotion councils, including the Federation of Indian Export Organisations, have raised concerns over the provision, saying it will impact their liquidity as payments for exports are received with an average time lag of 120 days, although the Reserve Bank of India allows a nine-month period to realise export proceeds as sometimes it takes even longer. "Our exporters provide such credit terms to remain competitive internationally as countries, having much lower credit rates, offer more generous terms of payment with longer tenure," the exporters' bodies said in a representation to the finance ministry.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/exporters-seek-exemption-from-45-day-payment-to-msmes-rule/articleshow/108657378.cms>

Sponge iron producers urge govt to impose duties to curb iron ore exports

Indian sponge iron producers have urged the government to impose duties on exports of low-grade iron ore to stave off shortages of the main raw material in the world's second-biggest crude steel producer. "We have urged the government that there is a shortage of iron ore, (so) please intervene and levy export duty," Rahul Mittal, chairman of the Sponge Iron Manufacturers Association, told Reuters in an interview.

https://www.business-standard.com/economy/news/sponge-iron-producers-urge-govt-to-impose-duties-to-curb-iron-ore-exports-124032000318_1.html

February crude oil imports from Russia edged up from January trade

India's import of Russian oil edged up in February over January, reversing declines seen in the past two months, data from industry sources showed on Wednesday, as refiners received some parcels of Russian light sweet Sokol grade. The world's third biggest oil importer and consumer, India has been gorging on Russian oil since the West imposed sanctions on Moscow for its invasion on Ukraine in February 2022.

https://www.business-standard.com/industry/news/february-crude-oil-imports-from-russia-edged-up-from-january-trade-124032000586_1.html

India's exports growth at a 20-month high amid Red Sea crisis; impact on export contract renewals key monitorable, says CRISIL

India's merchandise exports surged 11.9 per cent on-year in February to \$41.4 billion, displaying strong momentum amid the ongoing Red Sea crisis and uneven economic growth outcomes among trade partners. This has been the fastest since June 2022 after a growth of 3.1 per cent in January. With this, the exports grew for the third consecutive month, indicating sustained momentum. The near-term challenge to India's exports due to the Red Sea crisis has been limited so far, however, the key monitorable going forward will be how the crisis will impact prices when export

contracts are renewed, said CRISIL. Barring this hiccup, CRISIL stated, the recent healthy export momentum and forecasts by major multilateral organisations of better trade growth this year over last year are encouraging. “The current account remains in a safe zone with robust services trade surplus and healthy remittances,” it said.

<https://www.financialexpress.com/policy/economy-indias-exports-growth-at-a-20-month-high-amid-red-sea-crisis-impact-on-export-contract-renewals-key-monitorable-says-crisil-3431806/>

India invokes MFN clause, lowers royalty, FTS tax rates in India-Spain treaty

India has announced lower tax rates on royalties and fees for technical services (FTS) in its double taxation avoidance agreement (DTAA) with Spain. The tax charged will not exceed 10 per cent of the gross amount of royalties or fees for technical services instead of the existing treaty rates which can be as high as 20 per cent.

<https://www.thehindubusinessline.com/markets/india-invokes-mfn-clause-lowers-royalty-fts-tax-rates-in-india-spain-treaty/article67973313.ece>