



April 12, 2024 – Friday

Economy

CPI inflation may hit 5-month low of 4.9% in March

India's retail inflation, based on the Consumer Price Index (CPI) likely eased to a five-month low of 4.9% in March from 5.09% in February, primarily due to the statistical effect of a high base and cut in prices of LPG, according to a poll of 20 economists. In March 2022, CPI inflation was at 5.66%. The forecasts for March CPI print range from 4.57-5.10%. The National Statistical Office (NSO) will release the March CPI inflation data on Friday.

<https://www.financialexpress.com/policy/economy-cpi-inflation-may-hit-5-month-low-of-4-9-in-marchnbsp-3452984/>

India's economy doing good, efforts needed to sustain it: Sanjeev Sanyal

India's economic growth performance is 'good' and efforts now will be needed to sustain it, as there are concerns about the external environment, which are not quite settled, Economic Advisory Council to the Prime Minister (EAC-PM) member Sanjeev Sanyal said on Thursday. Sanyal noted that if the weather condition and the monsoon turns out to be favorable, then food prices will hopefully get tempered as well. This will lay out conditions that will be quite conducive for a growth momentum of 7 per cent or so, to be carried through even under somewhat uncertain global situations.

https://www.business-standard.com/economy/news/india-s-economy-doing-good-efforts-needed-to-sustain-it-sanjeev-sanyal-124041100262_1.html

Finance

Banks seek flexible reserve norms as RBI weighs risks

Banks have made representations to the Reserve Bank of India (RBI) urging flexibility on maintenance of a key reserve requirement at a time when the central bank is taking stock of lenders' preparedness for sudden deposit outflows in the era of 24x7 banking transactions, especially after such events roiled US regional banks last year. Lenders have asked the RBI to permit the compulsory portion of funds set aside for the maintenance of the Cash Reserve Ratio (CRR) to be made eligible as High Quality Liquid Assets (HQLA) for the purpose of computing Liquidity Coverage Ratio (LCR), sources aware of the developments told ET. Such a step would give banks breathing space to meet a potentially increased LCR requirement in the event of a change in the RBI's classification of certain categories of deposits, sources said.

<https://economictimes.indiatimes.com/news/economy/policy/banks-seek-flexible-reserve-norms-as-rbi-weighs-risks/articleshow/109226844.cms>

Govt's focus on infra development to nurture sustained revival in investment cycle: RBI report

The government's focus on infrastructure development, coupled with buoyant business optimism, could nurture a sustained revival in the investment cycle, according to a Reserve Bank report. According to the RBI's Monetary Policy Report- April 2024, domestic economic activity, backed by strong fundamentals, remained robust in the first half of 2023-24, weathering challenges from muted global demand. The report further said that while the fixed investment

and the lower drag from net external demand propelled real GDP growth, private consumption received support from steady urban demand. On the supply side, it added, manufacturing activity strengthened further, benefiting from lower input costs and the improvement in global supply chains.

<https://economictimes.indiatimes.com/news/economy/infrastructure/govts-focus-on-infra-development-to-nurture-sustained-revival-in-investment-cycle-rbi-report/articleshow/109221210.cms>

Indian startup funding sees revival, VC investments double in Q1 2024

There are incipient signs that venture capital and private equity funding into startups, which has been on the ebb over the last 15-18 months, is seeing distinct signs of revival. Many of the larger funds that had stayed away from India are returning in a big way.

<https://www.thehindubusinessline.com/economy/indian-startup-funding-sees-revival-vc-investments-double-in-q1-2024/article68054448.ece>

CBDT issues FY25 interim action plan to ensure quick disposal of appeals

The income tax department has come out with an interim action plan for 2024-25 fiscal year, which include identification of potential cases of prosecution, wherein there is short-payment of TDS and faster disposal of appeals. The action plan also stipulates timeline for approval of refunds, identification of cases where seized assets are due for release and release the same by June 30, 2024.

https://www.business-standard.com/economy/news/cbd-t-issues-fy25-interim-action-plan-to-ensure-quick-disposal-of-appeals-124041100281_1.html

Industry

Public procurement from micro, small enterprises declines in FY24 from previous year: Govt data

Goods and services procured by various government departments and central public sector enterprises (CPSEs) from micro and small enterprises (MSEs) in the financial year 2023-24 declined by 9.2 per cent from the previous financial year 2022-23, showed the official data from the MSME Ministry's Sambandh portal. According to the data as of April 11, procurement from MSEs in FY24 stood at Rs 58,744 crore – 34.2 per cent of the overall procurement worth Rs 1.71 lakh crore made by CPSEs during the year.

<https://www.financialexpress.com/business/sme/public-procurement-from-micro-small-enterprises-declines-in-fy24-from-previous-year-govt-data/3453959/>

FMCG hopes hinge on rains, polls & inflation: Britannia MD

There has been a marginal uptick in sales volume growth of fast-moving consumer goods, but several extraneous factors could weigh on future demand outlook, said Varun Berry, executive vice-chairman and managing director of Britannia Industries, India's largest biscuits maker. "We are closely monitoring input costs and competitive pricing activities to take appropriate actions," said Berry in an interview. On Tuesday, private forecaster Skymet predicted a normal monsoon for the year, lifting optimism for farm output and rural demand, crucial for sustained revival of the FMCG sector. Last year saw irregular monsoons with either below normal or erratic rains. India's villages contribute nearly 40% of annual FMCG sales.

<https://economictimes.indiatimes.com/industry/cons-products/fmcf/fmcf-hopes-hinge-on-rains-polls-inflation-britannia-md/articleshow/109226930.cms>

Cola, beverage, ice cream makers expect surge in sales as temp soars

With a gradual rise in temperature and the start of heatwave, FMCG and dairy firms selling cola-based fizz drinks, juices, mineral water, ice creams and milk-based beverages expect a spike in sales and have ramped up their production and stocks to meet the anticipated consumer demand. The makers are launching new products keeping in mind the evolving consumer preferences and also investing substantially on promotions and expansion of the channels this season, company executives of beverage and ice cream makers said. Beverages major PepsiCo said summer months are naturally the most favourable season for its category and it is "optimistic" that its portfolio of brands will continue to delight consumers during the period.

<https://economictimes.indiatimes.com/industry/cons-products/fmcf/cola-beverage-ice-cream-makers-expect-surge-in-sales-as-temp-soars/articleshow/109220346.cms>

Agriculture

Govt may repeal Warehousing Corporations Act, 1962, paving way for its disinvestment

The Central Warehousing Corporation (CWC), a Schedule 'A' Mini Ratna company, may be corporatised on the lines of Indian Airlines before it is divested or privatised after repealing the Warehousing Corporations Act, 1962. The CWC was constituted under the Act. However, the disinvestment may be complicated since CWC holds 50 per cent stake each in 19 State Warehousing Corporations (SWCs), which were also set up under the same law.

<https://www.thehindubusinessline.com/economy/agri-business/govt-may-repeal-warehousing-corporations-act-1962-paving-way-for-its-disinvestment/article68054572.ece>

Infrastructure

Real estate players target tier-II, tier-III cities due to lower land cost

In response to rapid urbanisation and land scarcity in metropolitan areas, real estate developers are increasingly setting foot into Tier-II and Tier-III cities. Lower cost of land, untapped growth prospects, and government initiatives to boost connectivity are some of the factors driving realtors to expand beyond the metros. Mumbai-based real estate firm IndiaLand Group said that rapid development in infrastructure is attracting businesses and settlers in Tier-II cities. "In addition, the lower cost of properties further makes them attractive to investors seeking high returns and diversification. In the case of Tier-III cities, the slower rate of development is the primary reason why the value of the assets in the regions is still relatively low, and so is the cost of land and construction materials. These aspects paint the Tier-III cities as lucrative investment opportunities for investors with a long-term vision," said Harish Fabiani, chairman, IndiaLand Group.

https://www.business-standard.com/india-news/real-estate-players-target-tier-ii-tier-iii-cities-due-to-lower-land-cost-124041100548_1.html

Energy

India doubled new coal power capacity in 2023: Global Energy Monitor

This year marked a doubling in new coal capacity compared to 2022, and it represented the lowest rate of coal-fired generating capacity retirement in India in eight years, with no units over 30 megawatts (MW) retired. The survey also revealed a substantial increase in coal power proposals in India, with both public and private sectors proposing 11.4 GW of new capacity, the highest level since 2016. This includes the revival of long-stalled projects, indicating a significant push to expand coal power infrastructure.

https://www.business-standard.com/industry/news/india-doubled-new-coal-power-capacity-in-2023-global-energy-monitor-124041100234_1.html

Telecom

Telecom tariff hike imminent, expect 15-17% rise after elections: Report

The telecom industry is expected to take a 15-17 per cent tariff hike post general elections, according to an analyst report that termed the tariff increase in the sector as "imminent" with Airtel as the biggest beneficiary. The general election in the world's largest democracy is scheduled to be held in seven phases between April 19 and June 1, and results will be declared on June 4.

https://www.business-standard.com/elections/lok-sabha-election/telecom-tariff-hike-imminent-expect-15-17-rise-after-elections-report-124041100325_1.html

Healthcare

IPC issues alert on painkiller drug nimesulide over adverse reaction

Pharma standards body Indian Pharmacopoeia Commission (IPC) has issued a drug safety alert over nimesulide, saying the pill can trigger rashes on the skin (fixed drug eruption). It asked consumers and healthcare professionals to closely monitor the use of the drug and report any adverse reaction to the National Coordination Centre-

Pharmacovigilance Programme of India of the IPC. According to the IPC, the drug is used in inflammatory conditions including joint disorders like rheumatoid arthritis, post-traumatic and post-operative painful conditions and fever, as well as in acute pain in orthopaedic, ENT and dental conditions. According to the IPC, the drug is used in inflammatory conditions including joint disorders like rheumatoid arthritis, post-traumatic and post-operative painful conditions and fever, as well as in acute pain in orthopaedic, ENT and dental conditions.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/ipc-issues-alert-on-painkiller-drug-nimesulide-over-adverse-reaction/articleshow/109227061.cms>

External

Majority of commodities exported to China record positive growth in 2023

As many as 90 principal commodities like iron ore, telecom instruments and electronic components exported to China have recorded a positive growth in 2023 out of the total 161 such goods shipped to the neighbouring country, according to commerce ministry data. These 90 commodities account for 67.7 per cent of India's export basket to China, while 71 products that have registered a negative export growth in 2023 constitute 32.3 per cent, the data showed.

https://www.business-standard.com/economy/news/majority-of-commodities-exported-to-china-record-positive-growth-in-2023-124041100423_1.html

Global merchandise trade growth in volume terms may dip 1.2% in 2024: GTRI

The growth in the global merchandise trade is likely to decline by 1.2 per cent, in value terms, due to the ongoing geopolitical uncertainties, economic think tank Global Trade Research Initiative (GTRI) said on Thursday. The US dollar value of world merchandise trade fell 5 per cent in 2023 to USD 24.01 trillion, but this decline was mostly offset by a strong increase in commercial services trade, which rose 9 per cent to USD 7.54 trillion, it said.

https://www.business-standard.com/world-news/global-merchandise-trade-growth-in-volume-terms-may-dip-1-2-in-2024-gtri-124041100408_1.html

India's March palm oil imports drop to 10-month low as sunoil jumps

India's palm oil imports in March plunged to their lowest level in 10 months as higher prices prompted refiners to substitute palm oil with sunoil, resulting in sunoil imports reaching the second-highest on record, a leading trade body said. Lower palm oil purchases by India, the world's biggest importer of vegetable oils, could cap the rally in benchmark Malaysian palm oil futures that are trading near their highest in a year. Palm oil imports fell about 2.5% in March from the previous month to stand at 485,354 metric tons, the lowest since May 2023, the Solvent Extractors' Association of India (SEA) said in a statement on Thursday.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-march-palm-oil-imports-slip-2-5-m/m-trade-body-says/articleshow/109214618.cms>

US trade mission to visit India to explore opportunities in agribusiness

A high-powered US trade delegation will visit India later this month to explore opportunities in the country's huge agribusiness sector and further promote American products among India's rising middle class. "India represents a growth economy for the US agribusinesses seeking to capture an increasing share of the household food purchases in the fifth-largest economy in the world," said Under Secretary of Agriculture for Trade and Foreign Agricultural Affairs Alexis Taylor. From April 22 to 25, Taylor will lead a US Department of Agriculture (USDA) agribusiness trade mission to Delhi. "India's rising middle-class consumers' familiarity with American food products and increased purchasing power is a real opportunity for US producers," Taylor said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/us-trade-mission-to-visit-india-to-explore-opportunities-in-agribusiness/articleshow/109213179.cms>

Red Sea crisis: RBI, IRDAI called in to help limit impact on Indian exports

The Ministry of Finance has written to the Reserve Bank of India (RBI) and the Insurance Regulatory and Development Authority of India (Irdai) to monitor export credit availability, and insurance premium increases to help Indian exporters deal with trade disruptions in the Red Sea due to Houthi attacks on cargo ships. Last month, the finance ministry sent a letter to the RBI, Irdai, and the state-run export finance institution Exim Bank, urging these

entities to closely monitor and address the issues flagged by exporters to the Ministry of Commerce and Industry regarding disruptions that could potentially drive up India's export expenses, according to a report in The Economic Times (ET).

https://www.business-standard.com/india-news/red-sea-crisis-rbi-irdai-called-in-to-help-limit-impact-on-indian-exports-124041100190_1.html

India reviewing Asean trade pact with an eye to boost domestic manufacturing

India has begun looking at several products where taxes on input items are higher compared to the finished goods as part of a comprehensive review of its trade pact with the 10-member Asean to correct several anomalies that have undermined domestic manufacturing. Imbalances in import duties, rules of origin, and non-tariff barriers will come in for a closer look, people familiar with the details told ET. The commerce and industry ministry has asked the industry for inputs to identify products where an inverted duty structure is causing a disadvantage to local manufacturers. The ongoing review of the pact, which came into effect in 2010, is slated to conclude next year.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/with-eye-on-make-in-india-asean-pact-review-begins/articleshow/109226880.cms>

Substantial convergence in India-Peru Trade Agreement 7th round talks: Govt

Substantial convergence in the text of the India-Peru Trade Agreement was achieved in the seventh round of negotiations which took place from April 8-11, the government said Thursday. In a statement, the commerce and industry ministry said that discussions happened across chapters such as trade in goods, services, movement of natural persons, trade remedies and dispute settlement and cooperation. "The discussions involved understanding priorities and concerns of each other and ensuring that the negotiations are rooted in mutual respect and benefit...Detailed discussions were held on the aspirations and sensitivities between both parties," the ministry said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/substantial-convergence-in-india-peru-trade-agreement-7th-round-talks-govt/articleshow/109224861.cms>

Commerce Ministry may seek five-year extension of interest equalisation scheme for exporters

The Commerce Ministry is likely to seek further extension of the interest equalisation scheme on pre- and post-shipment rupee export credit for another five years to promote the country's outbound shipments, an official has said.

<https://www.thehindubusinessline.com/economy/commerce-ministry-may-seek-five-year-extension-of-interest-equalisation-scheme-for-exporters/article68056787.ece>

Soyameal exports up 14% at 13.47 lakh tonnes during Oct-March period of 2023-24 oil year

India's soyameal exports were up 14 per cent during the first six months (October-March) of the oil year 2023-24 at 13.47 lakh tonnes over same period last year's 11.79 lakh tonnes (lt) on strong demand from Asian countries.

<https://www.thehindubusinessline.com/economy/agri-business/soyameal-exports-up-14-at-1347-lakh-tonnes-during-oct-march-period-oil-year-2023-24/article68054278.ece>