



April 16, 2024 – Tuesday

Economy

Wholesale price inflation rises to three-month high of 0.53% in March

The headline wholesale price index (WPI)-based inflation inched up to a three-month high of 0.53 per cent in March from 0.2 per cent in February. It thus remained in positive terrain for the fifth consecutive month, after it was in deflationary territory for the major part of financial year 2023-24 (FY24). Data released by the Ministry of Commerce and Industry on Monday showed that the uptick in factory gate inflation during March was driven by increase in prices of food articles, electricity, crude petroleum and natural gas, among others.

https://www.business-standard.com/economy/news/wholesale-inflation-inches-to-a-three-month-high-of-0-53-in-march-124041500791_1.html

Gods have already voted: Expect a normal monsoon; expected to be 106% of LPA, as La Niña kicks in

The India Meteorological Department (IMD) forecast “above normal” rain for the June-September monsoon, boosting prospects of a bountiful agricultural harvest that will likely ease inflationary pressure and bolster growth. This follows uneven rain in 2023, mainly due to the El Niño effect, leading to patchy farm output that pushed up food prices and kept the central bank from cutting interest rates. “During the years when La Niña is preceded by El Niño (such as this year), we have got more than normal rainfall during the season,” said Mrutyunjay Mohapatra, director general of meteorology, IMD. Nine such years have been recorded, all with above-normal rains, according to data from 1951 to 2023, he said.

<https://economictimes.indiatimes.com/news/economy/indicators/gods-have-already-voted-expect-a-normal-monsoon-expected-to-be-106-of-lpa-as-la-nia-kicks-in/articleshow/109323808.cms>

India may remain poor even after becoming 3rd largest economy: Ex-RBI chief

Even after becoming the third largest economy in the world by 2029 as envisaged by Prime Minister Narendra Modi, India may still be a poor country and therefore there is no reason for celebration, former Reserve Bank Governor D Subbarao said here on Monday. Addressing a gathering at a book launch programme, Subbarao also said, citing Saudi Arabia, that becoming a rich country does not necessarily mean becoming a developed nation.

https://www.business-standard.com/economy/news/india-may-remain-poor-even-after-becoming-3rd-largest-economy-ex-rbi-chief-124041500939_1.html

Funds for rural housing scheme okayed till September

The finance ministry has approved the release of funds for six more months through September 2024 under the government's flagship housing scheme, a move that will enable completion of about 3.5 million rural houses, a senior official told ET. The government had set a target of building 29.5 million houses under the Pradhan Mantri Awas Yojana-Gramin (PMAY-G) by March 2024 to realise its "housing for all" goal. Approval was granted to construct nearly all these. About 26 million houses have already been built since November 2016 when the scheme was rolled out revamping the erstwhile Indira Awas Yojana.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/funds-for-rural-housing-scheme-okayed-till-september/articleshow/109323340.cms>

Finance

Banks can't charge additional than key facts statement, says RBI

Banks and other regulated entities cannot charge additional fees throughout the loan term which are not mentioned in the Key Fact Statement without the consent of the borrower, the Reserve Bank of India said in a notification on Monday. The notification said that all new retail and MSME term loans sanctioned on or after October 1, including fresh loans to existing customers, must adhere to the KFS guidelines without exception.

https://www.business-standard.com/finance/news/banks-can-t-charge-additional-beyond-key-facts-statement-says-rbi-124041500993_1.html

Govt collects Rs 27k cr in taxes from sr citizens on FD interest: SBI

Govt collects Rs 27k cr in taxes from sr citizens on interest earned from fixed deposits: SBI report Mumbai, Apr 15 (PTI) The government has likely mopped up over Rs 27,000 crore in taxes from senior citizens on the interest they earned on term deposits last fiscal, researchers at the country's largest lender SBI said. According to the report by SBI researchers, the total amount of deposits has risen by 143 per cent in the last five years to Rs 34 lakh crore at the end of FY24 from Rs 14 lakh crore.

https://www.business-standard.com/economy/news/govt-collects-rs-27k-cr-in-taxes-from-sr-citizens-on-fd-interest-sbi-124041501148_1.html

Industry

Steelmakers fall short of investment target due to delays linked to China

Leading Indian steelmakers fell short of an investment target for the fiscal year to March 2024 due to a delay in importing machinery from China and securing visas for Chinese experts, according to a government document reviewed by Reuters and sources. Under a production-linked incentive programme, launched in 2020, 27 steelmakers including JSW Steel Ltd, Tata Steel Ltd, and ArcelorMittal Nippon Steel Ltd signed 57 agreements with the government, promising to invest 210 billion rupees (\$2.52 billion) in the 2023/24 fiscal year.

https://www.business-standard.com/industry/news/steelmakers-fall-short-of-investment-target-due-to-delays-linked-to-china-124041500382_1.html

Jewellery chains take a shine to malls as buyers go for brands

The glittering storefronts of jewellery shops are fast becoming a prominent feature in shopping malls in India underscoring a shift in consumer preference towards established retailers. Each mall currently has about 8-10 jewellery stores, up from just one or two in 2021. These stores now occupy nearly 5% of total mall space, up from just 1% two years ago, said five leading mall operators running more than two dozen malls across the country. With many buyers shifting from smaller jewellers, the organised jewellery retail segment has been outpacing other consumer discretionary segments since April 2023. This is evident in the jewellery segment contributing 15-20% of mall revenues despite occupying only about 5% space.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/jewellery-chains-take-a-shine-to-malls-as-buyers-go-for-brands/articleshow/109322652.cms>

US, European buyers begin asking for source of Indian diamond exports

Diamond exporters in India are in a dilemma as their buyers of cut and polished diamonds in the US and Europe are demanding source declarations for even small diamonds that are currently exempt from sanctions imposed on Russia following the Ukraine invasion. Diamond exporters in India are in a dilemma as their buyers of cut and polished diamonds in the US and Europe are demanding source declarations for even small diamonds that are currently exempt from sanctions imposed on Russia following the Ukraine invasion. Exporters said many dealers and jewellers in G7 nations have declined to purchase polished diamonds without origin confirmation despite the new ban on Russian goods applying only to 1 carat and larger stones.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/us-european-buyers-begin-asking-for-source-of-indian-diamond-exports/articleshow/109323330.cms>

FADA commences dealer satisfaction study with finance, insurance firms

Automotive dealers' body Fada on Monday said it has commenced a dealer satisfaction study with a focus on finance and insurance firms. The Federation of Automobile Dealers Associations (Fada) will undertake the study at dealerships in association with Singapore-based PremonAsia. The study will look at key factors and attributes impacting the business relationship of dealerships with finance and insurance organisations, Fada said in a statement.

https://www.business-standard.com/industry/news/fada-commences-dealer-satisfaction-study-with-finance-insurance-firms-124041500572_1.html

India's passenger EV market will hot up in next 3-4 years; Tesla, Maruti may shake up Tata's dominance

In 2023, India's passenger vehicle sales grew 10 per cent YoY, but its electric vehicle (EV) sales nearly doubled to account for 2 per cent of the overall PV sales. This EV surge in EV sales can be attributed to factors like, government incentive schemes like PLIs, infrastructure development like more EV charging points, increasing urban consumer interest, and government push to meet green target. Now with reports of Tesla's entry in the Indian market, and its CEO Elon Musk India visit this month, experts say Indian EV market will see immense growth in next few years.

<https://economictimes.indiatimes.com/industry/renewables/indias-passenger-ev-market-will-hot-up-in-next-3-4-years/articleshow/109308045.cms>

India consumer firms gear up to cash in on a sizzling summer

Indian consumer goods companies such as makers of cooling systems, beer and ice cream are attempting to capitalise on a hotter-than-usual summer season by cranking up output, launching new products and ramping up spending on marketing. The searing heat is why appliances maker Blue Star has launched dozens of new home airconditioner products as it targets a 25% jump in revenue from that business this summer versus just a 5% increase last year, according to its Managing Director B. Thiagarajan.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/india-consumer-firms-gear-up-to-cash-in-on-a-sizzling-summer/articleshow/109307407.cms>

Global companies pick India for their digital services, says Nasscom

India continues to be the preferred destination for global businesses aiming to build and expand their digital services portfolio, according to a recent study by industry body Nasscom-Avasant. Over 50 per cent companies in the travel and transportation, telecom, media and entertainment, and construction and engineering sectors said they would choose India for outsourcing their digital services' needs, it said.

https://www.business-standard.com/industry/news/india-continues-to-be-preferred-digital-services-destination-in-the-world-124041500917_1.html

Flexi staffing industry grows 3.6% in December quarter of FY24: Report

The staffing industry grew 3.6 per cent in October-December 2023 as compared to the previous quarter, the Indian Staffing Federation (ISF) said on Monday. ISF, the apex industry body representing manpower outsourcing industry, released the Flexi Staffing Industry Employment growth report for Q3 FY2024 (October-December 2023).

https://www.business-standard.com/industry/news/flexi-staffing-industry-grows-3-6-in-december-quarter-of-fy24-report-124041500560_1.html

Infrastructure

PE deal value in Indian real estate down 30% from 2019-20: Anarock

The aggregate value of private equity (PE) deals in Indian real estate has declined nearly 30 per cent to \$3.6 billion in 2023-24 (FY24) as compared to \$5.1 billion in FY20, according to a report released on Monday. It is 16 per cent lower than \$4.3 billion in FY23. According to Anarock Capital's 'FLUX: FY24 Annual Edition' report, in the last five years, FY21 witnessed the highest PE deals value of \$6.3 billion.

https://www.business-standard.com/industry/news/pe-deal-value-in-indian-real-estate-down-30-from-2019-20-anarock-124041500434_1.html

Domestic air traffic rises 3.7% to 13.3 million passengers in March

Domestic airlines carried 133.68 lakh passengers in March, an increase of nearly 3.7 per cent on an annual basis, according to official data released on Monday. In March 2023, domestic air traffic stood at 128.93 lakh and the count stood at 126.48 lakh in February this year. In terms of On Time Performance (OTP), Akasa Air topped the list at 84.5 per cent, followed by AIX Connect (83 per cent), IndiGo (81.3 per cent), Vistara (76.6 per cent), Air India (71.9 per cent) and SpiceJet (63.6 per cent).

https://www.business-standard.com/industry/news/domestic-air-traffic-rises-3-7-to-13-3-million-passengers-in-march-124041501131_1.html

Energy

Govt asks imported coal-based plants to run full capacity till October 15

The Ministry of Power has asked all thermal plants using imported coal to operate at full capacity for another three and a half months till October 15 to avoid electricity shortage amid rising demand in the country. The ministry has projected peak power demand of 260 GW during the summer season (April to June) in view of longer heat wave duration. Peak power demand had touched all-time higher of 243 GW in September 2023.

https://www.business-standard.com/industry/news/govt-asks-imported-coal-based-plants-to-run-full-capacity-till-october-15-124041500490_1.html

Telecom

DoT extends spectrum auction application deadline by 14 days to May 6

The Department of Telecom has extended the last date for submission of applications for spectrum auction by 14 days to May 6, according to an amended notice issued on Monday. The last date for withdrawal of applications has been extended by 9 days to May 17, and the final list of bidders will be declared on May 20, as per the amendment. "Application must be submitted in hard copy...on May 6, 2024, during office hours," the amendment to the Notice Inviting Application (NIA) said.

https://www.business-standard.com/industry/news/dot-extends-spectrum-auction-application-deadline-by-14-days-to-may-6-124041501083_1.html

Healthcare

India rubbishes Lancet report, says spending on healthcare is at all-time high

After a Lancet report that asserted that the Indian government spends just 1.2 per cent of GDP on healthcare and noted that it was among the lowest among G20 countries, sources in the government said that spending is at an all-time high and out-of-pocket expenditure as a per cent of the total health expenditure has decreased. "As per the National Health Policy, 2017, public investment in health is envisioned to reach 2.5% of GDP by 2025. Ministry of Health and Family Welfare (MoHFW) has taken up with States to prioritize allocation to the health sector and enhance their health budgets by at least 10 per cent every year to reach the goal as envisaged," one of the sources said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/india-rubbishes-lancet-report-says-spending-on-healthcare-is-at-all-time-high/articleshow/109306882.cms>

External

Merchandise trade deficit in March stands at \$15.6 billion, shows data

India's merchandise exports declined marginally in March to \$41.68 billion, while for the entire 2023-24 it dipped 3.11 per cent to \$437.06 billion, as geopolitical issues continued to hamper global shipments. Imports, too, declined 5.98 per cent to \$57.28 billion in March, taking the trade deficit to 15.6 billion during the month.

https://www.business-standard.com/economy/news/merchandise-trade-deficit-in-march-stands-at-15-6-billion-shows-data-124041500438_1.html

Engineering exports edge up to \$109 bn despite geo-political tensions

India's engineering exports edged up to \$109 billion in 2023-24 despite a slowdown in some of the major global markets amid geo-political tensions, EEPC said on Monday. India's engineering exports are competitive globally and expected to gain further market share in the coming years, with the country entering into more FTAs, it added. The apex body of engineering goods exporters expects the value of shipments from the sector to rise to \$300 billion by 2030 and generate a significant number of jobs and foreign exchange earnings in the process.

https://www.business-standard.com/economy/news/engineering-exports-edge-up-to-109-bn-despite-geo-political-tensions-124041500756_1.html

Will keep diversifying export basket, says Commerce secy Barthwal in view of Iran-Israel conflict

India has diversified its trade to shield it from regional conflicts, commerce secretary Sunil Barthwal said Monday, adding that it will diversify further in view of the ongoing Israel-Iran conflict. The government is monitoring developments in West Asia and will consider their impact before a policy response, he said. "Exports are well diversified across countries, and we are focusing on diversifying further," Barthwal said at a presser in New Delhi, adding that the government is trying to ensure that regional conflicts do not impact India's exports. He said policy interventions will come after the government understands what issues traders are facing. "This year, we are doing the same. Based on that exercise, whatever is needed will be done," he said, noting the strategy followed during the Suez Canal crisis last year.

<https://economictimes.indiatimes.com/news/economy/policy/will-keep-diversifying-export-basket-says-commerce-secy-barthwal-in-view-of-iran-israel-conflict/articleshow/109322982.cms>

India seeks global collaborations to explore use of methanol as ship fuel

An Indian delegation in Singapore has sought to partner with global shipping industry to explore new technologies and the potential of using methanol and ammonia as ship fuels, a senior government official said on Monday. The Indian delegation is here to participate in the Singapore Maritime Week, which is being attended by over 10,000 delegates from around the world. "We are here to seek out collaborations for all new technologies and explore the potential of using methanol and ammonia as ship fuels with the shipping industry stakeholders," Bhushan Kumar, joint secretary, Ministry of Ports, Shipping and Waterways, said on the sidelines of the event.

https://www.business-standard.com/industry/news/india-seeks-global-collaborations-to-explore-use-of-methanol-as-ship-fuel-124041500427_1.html

Govt rules out possibility of permitting sugar exports in 2023-24 season

The government on Monday ruled out possibility of allowing sugar exports in the current 2023-24 season ending October, the industry's persistent demand notwithstanding. Currently, there are curbs on export of sugar for an indefinite period. However, Indian Sugar Mills Association (ISMA) has requested the government to allow export of 10 lakh tonne of sugar in the 2023-24 season, anticipating healthy closing stock by the season-end.

https://www.business-standard.com/industry/news/govt-rules-out-possibility-of-permitting-sugar-exports-in-2023-24-season-124041500389_1.html

Government imposes port restrictions for exporting essential commodities to Maldives

Amid tensions between Maldives and India, the Directorate General of Foreign Trade on Monday issued a notification imposing port restrictions for export of essential commodities to the island nation during the fiscal year 2024-25. The notification, issued under the Foreign Trade (Development & Regulation) Act, 1992, incorporates specific conditions for exporting essential commodities under the prohibited/restricted category to Maldives. Export of essential commodities falling under the prohibited/restricted category to Maldives will now be permitted only through four designated Customs Stations which include Mundra Sea Port, Tuticorin Sea Port, Nhava Sheva Sea Port (JNPT), and ICD Tughlakabad.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/government-imposes-port-restrictions-for-exporting-essential-commodities-to-maldives/articleshow/109320534.cms>