



April 17, 2024 – Wednesday

Economy

IMF raises India's GDP growth forecast by 30 bps to 6.8% for FY25

The International Monetary Fund (IMF) on Tuesday raised India's GDP growth projection for 2024-25 by 30 basis points to 6.8 per cent in its update to the World Economic Outlook (WEO), citing buoyant domestic demand. However, the fund's estimate is below the 7 per cent growth projection by the government. "Growth in India is projected to remain strong at 6.8 per cent in 2024 (FY25) and 6.5 per cent in 2025 (FY26), with the robustness reflecting continuing strength in domestic demand and a rising working-age population," the IMF said in its report. For India, according to the report, data and forecasts are presented on a financial year basis.

https://www.business-standard.com/economy/news/imf-ups-india-s-gdp-forecast-for-fy25-to-6-8-per-cent-124041600941_1.html

UNCTAD raises India's 2024 growth forecast to 6.5%

Indian economy is likely to carry forward the momentum in 2024, growing 6.5% compared with 6.7% in the previous year, United Nations Trade and Development (UNCTAD) noted in its latest report released Tuesday, revising India's growth forecast by 0.3 percentage points. "The expansion in 2023 was driven by strong public investment outlays as well as the vitality of the services sector, which benefitted from robust local demand for consumer services and firm external demand for the country's business services exports. These factors are expected to continue to support growth in 2024," it pointed out.

<https://economictimes.indiatimes.com/news/economy/indicators/unctad-raises-indias-2024-growth-forecast-to-6-5/articleshow/109348681.cms>

Nearly 46 FDI proposals pending: DPIIT writes to 17 govt departments

The Department for Promotion of Industry and Internal Trade (DPIIT) has written to 17 government departments to expedite decision-making on foreign direct investment (FDI) proposals awaiting government clearance. As many as 46 FDI proposals are awaiting government decision and have breached the government-mandated 12-week time limit for grant of approval, according to a person familiar with the matter. DPIIT, in a letter, pointed out that government departments often do not adhere to the timeline, in keeping with the standard operating procedure for processing FDI proposals, the source told Business Standard.

https://www.business-standard.com/economy/news/nearly-46-fdi-proposals-pending-dpiit-writes-to-17-govt-departments-124041600909_1.html

Finance Ministry notifies new FDI limits for satellite-related activities under FEMA

The Finance Ministry has notified a new Foreign Direct Investment (FDI) limit for various satellite-related activities under Foreign Exchange Management (Non-Debt Instruments) Rules. This means that all key regulations are in place to implement the higher FDI limit.

<https://www.thehindubusinessline.com/news/science/finance-ministry-notifies-new-fdi-limits-for-satellite-related-activities-under-fema/article68074526.ece>

Unemployment rate to decline 97 basis points by 2028, says ORF report

India's unemployment rate is likely to decline by as much as 97 basis points by 2028 as the country's economy hits the USD 5 trillion mark, fuelling a rise in employment, a new report said on Tuesday. Unemployment rate -- the percentage of people in the labour force who are without jobs -- is projected to fall from 4.47 per cent in 2024 to 3.68 per cent in 2028, the India Employment Outlook 2030 report by thinktank Observer Research Foundation (ORF) said.

https://www.business-standard.com/economy/news/unemployment-rate-to-decline-97-basis-points-by-2028-says-orf-report-124041600572_1.html

Finance

RBI issues directive for cardholders, says no entity except card issuer, card networks can store transaction data from August 2025

The Reserve Bank of India (RBI) on Tuesday issued a significant directive, stating that from August 1, 2025, no entity involved in card transactions, except for the card issuer and card networks, will be permitted to store data. This directive aims to enhance the security and privacy of cardholders' information during transactions. This regulation will have implications for various stakeholders in the payment ecosystem, including banks, payment gateways, and merchants.

<https://economictimes.indiatimes.com/news/economy/finance/rbi-issues-directive-for-cardholders-says-no-entity-except-card-issuer-card-networks-can-store-transaction-data-from-august-2025/articleshow/109353368.cms>

RBI directs payment aggregators to undertake due diligence of merchants on boarded

The Reserve Bank of India on Tuesday directed all payment aggregators to undertake due diligence of merchants on boarded as per RBI's norms, to regulate the payment ecosystem. The KYC and due diligence norms, according to the RBI, shall be applicable 3 months from Tuesday's circular and the due diligence of all merchants by payment aggregators shall be completed by September 30, 2025. The apex bank has directed the aggregators to monitor transaction activity of merchant on an ongoing basis. "Based on its transaction pattern, the merchant shall be migrated to higher category of CDD. Upon migration, the PA shall immediately undertake the additional due diligence of the merchant as prescribed in the guidelines above," RBI said in a notification.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-directs-payment-aggregators-to-undertake-due-diligence-of-merchants-on-boarded/articleshow/109353526.cms>

RBI asks banks to look at setting up central fund to pay internal ombudsmen

The Reserve Bank of India (RBI) has asked lenders to examine the possibility of establishing a central fund to pay the salaries of banks' internal ombudsman (IO). This move seeks to enhance their independence to further protect customer rights. The banking sector regulator has also asked lenders to look at appointing sign language interpreters in banks to facilitate hearing and speech-impaired customers. A government official confirmed the development and said the RBI is in discussion with lenders on measures to enhance customer service and protect their rights.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-asks-banks-to-look-at-setting-up-central-fund-to-pay-internal-ombudsmen/articleshow/109354829.cms>

RBI likely to leave rates unchanged in FY25, help maintain India's 'Goldilocks' environment: Morgan Stanley

Given the higher-than-targetted inflation in India, improving productivity growth alongside external factors, economists now expect the Reserve Bank of India to hold the rates steady and expect no easing in FY25. A report by Morgan Stanley on Tuesday said that the RBI is likely to keep the policy rate steady at 6.5 per cent due to global factors such as higher commodity prices, delayed start or shallower easing from the Fed and a stronger dollar.

<https://economictimes.indiatimes.com/news/economy/indicators/rbi-likely-to-leave-rates-unchanged-in-fy25-help-maintain-indias-goldilocks-environment-ms/articleshow/109339343.cms>

UCB advances to priority sector up over 27% in FY23, shows RBI data

The advances of Urban Co-operative Banks (UCBs) to the priority sector surged more than 27 per cent in the financial year 2023, compared to the previous year, the Reserve Bank of India's recent report--Primary (Urban) Co-operative

Banks' Outlook 2022-23-- showed. The RBI report put the advances for UCBs in FY23 at Rs 2.2 trillion, up from Rs 1.73 trillion in FY22.

https://www.business-standard.com/industry/banking/ucb-advances-to-priority-sector-up-over-27-in-fy23-shows-rbi-data-124041501055_1.html

CBDT signs record number of 125 Advance Pricing Agreements in FY24

The Central Board of Direct Taxes (CBDT) has entered into a record 125 Advance Pricing Agreements (APAs) with Indian taxpayers in 2023-24. This includes 86 Unilateral APAs (UAPAs) and 39 Bilateral APAs (BAPAs), the finance ministry said in a statement on Tuesday. This marks the highest ever APA signings in any financial year since the launch of the APA programme, it said. The number of APAs signed in 2023-24 also represents a 31 per cent increase compared to the 95 APAs signed during the preceding financial year. With this, the total number of APAs since inception of the APA programme has gone up to 641, comprising 506 UAPAs and 135 BAPAs, it said.

<https://economictimes.indiatimes.com/news/economy/finance/cbd-t-signs-record-number-of-125-advance-pricing-agreements-in-fy24/articleshow/109353918.cms>

Insurance cos to curate policies with flexibility in wordings

Insurance companies are working to provide customers with greater choice and flexibility to tailor coverage, particularly benefiting mega-risk policies initially and later extending to retail products like motor own damage cover, following a recent notification from the regulator that allows them to change policy terms, conditions, clauses and wordings. The changes could be evident from July or October renewals, as it will take some time for insurance companies to implement these and come up with new and innovative policies, said industry experts.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/insurance-cos-to-curate-policies-with-flexibility-in-wordings/articleshow/109355343.cms>

Top financial regulators plan panel to weigh risks in derivatives market

India's top financial regulators will form a committee to assess stability risks emerging from a surge in derivatives markets and suggest policy changes if required, two sources familiar with the matter said. Options trading in India has soared in the last five years, fuelled mainly by retail investors. The notional value of index options traded more than doubled in 2023-24 to \$907.09 trillion from \$447.69 trillion a year ago, exchange operator NSE says.

https://www.business-standard.com/finance/news/top-financial-regulators-plan-panel-to-weigh-risks-in-derivatives-market-124041600214_1.html

Industry

Deal activity on the rise in consumer & retail sector

India's consumer and retail sector saw a surge in M&A and private equity deal activity in the March quarter with deal value growing by nearly a third and volume by a fifth from a year earlier. The segment recorded 102 deals valued at \$1.74 billion in the first quarter of 2024, up from 85 deals totalling \$1.28 billion a year ago, Grant Thornton Bharat said in a report shared exclusively with ET. The consumer space also saw 88 PE deals, highest in five quarters by volume. However, the consumer industry reported a decline in M&A activity with volumes declining to 14 deals from 17 a year ago although the value surged to \$925 million from \$79 million in 2023.

<https://economictimes.indiatimes.com/industry/services/retail/deal-activity-on-the-rise-in-consumer-retail-sector/articleshow/109355054.cms>

Govt likely to construct 5-8% more roads in 2024-25, says ICRA report

India is expected to maintain current road construction momentum, adding up to 13,000 kilometres in the 12 months through March 2025, an annual increase of 5-8%, ICRA, the Indian arm of the Fitch ratings agency said on Tuesday. Since Prime Minister Narendra Modi took office in 2014, India has built about 90,000 kilometres of national highway, almost double that constructed in the previous decade, according to government estimates.

https://www.business-standard.com/industry/news/govt-likely-to-construct-5-8-more-roads-in-2024-25-says-icra-report-124041600949_1.html

Indians would prefer using super app to access digital services: Report

Almost 90 per cent of consumers in India would prefer a single or a so-called super app to access digital services in media and non-media categories, according to a report by Accenture. "Partnerships in lifestyle bundles (through single app access) could emerge as a strategic avenue for traditional players, offering a streamlined path to attract and keep subscribers," said the 'Media Thrive Index' report on Tuesday.

https://www.business-standard.com/industry/news/indians-prefer-using-super-app-to-access-digital-services-accenture-study-124041600936_1.html

Agriculture

Area under kharif pulses may go up by 15% driven by higher prices

The acreage under pulses like tur, urad and moong is expected to increase in the coming kharif season. Trade and industry experts said record high prices and forecast of above normal monsoon rains would likely draw farmers to these key kharif pulses, as returns from soyabean have been below expectation. Low domestic production of pulses has kept its price high in the country over the last two years. Even the government's move to remove import duty has not helped much. Consumers have been paying ₹180-200/kg of tur dal.

<https://economictimes.indiatimes.com/news/economy/agriculture/area-under-kharif-pulses-may-go-up-by-15-driven-by-higher-prices/articleshow/109354742.cms>

Sugar output remains slightly lower at 31.09 MT till April 15: ISMA

The country's sugar production remained slightly lower at 31.09 million tonnes till April 15 of the ongoing 2023-24 season on lower output in Karnataka, according to industry body ISMA data released on Tuesday. Sugar production stood at 31.23 million tonnes in the same period of the 2022-23 season. India is a major sugar producing country in the world. Sugar season runs from October to September. Currently, there are curbs on sugar exports for an indefinite period.

https://www.business-standard.com/industry/news/sugar-output-remains-slightly-lower-at-31-09-mt-till-april-15-isma-124041600635_1.html

No reports of impact of rains on wheat, other crops: Agriculture ministry officials

There are no reports of impact of recent rains on wheat and other main rabi crops as of now, and harvesting continues in full swing, senior agriculture ministry officials said on Tuesday. The India Meteorological Department (IMD) has predicted that due to fresh western disturbance, rain and hailstorms continue in many states. "As of now, there are no reports of damage to wheat and other crops due to rains. In fact these rains will help zaid (summer) crops like rice," Agriculture Commissioner P K Singh told PTI.

<https://economictimes.indiatimes.com/news/economy/agriculture/no-reports-of-impact-of-rains-on-wheat-other-crops-agriculture-ministry-officials/articleshow/109343085.cms>

Infrastructure

Scaling up transmission, hydro policy in power ministry's 100-day plan

The power ministry is likely to focus on augmenting transmission lines, finalising the hydro policy, viability gap funding for battery storage systems and boosting pumped hydro storage projects in the first 100 days of the new government. A senior government official told ET that the ministry will look at approving more capacity of transmission lines to strengthen the network. "We will go for the final notification of the transmission plan. The government is working on sanctioning of projects. We need the system to evacuate the incremental power," the official said.

<https://economictimes.indiatimes.com/industry/energy/power/scaling-up-transmission-hydro-policy-in-power-ministrys-100-day-plan/articleshow/109354772.cms>

Warehousing companies, institutional investors pivot to meet shifting demands

A major transformation is underway in India's warehousing sector propelled by the convergence of industrial, e-commerce, and third-party logistics (3PL) companies, driving demand for specialised facilities like build-to-suit (BTS) warehouses, urban fulfilment centres, and warehouses in tier II cities and towns. This is leading global and domestic warehousing firms and investors such as Blackstone, LOGOS, Welspun One, and Hiranandani Group to pursue

strategic equity deals and implement streamlined financial deals to exploit this opportunity. "India's demographic makeup, consumption trends, and promising economic growth prospects all point towards significant opportunities in logistics, warehousing, and industrial real estate. The government's comprehensive strategy to overhaul the logistics sector will undoubtedly bolster its growth potential," said Asheesh Mohta, Senior MD & Head of Real Estate Acquisitions in India for Blackstone.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/warehousing-companies-institutional-investors-pivot-to-meet-shifting-demands/articleshow/109354071.cms>

Road execution to grow 5-8 per cent in FY25 to 12,500-13,000 km: Icra

Road execution in India is likely to grow 5-8 per cent to 12,500-13,000 km in the current fiscal, after recording a robust expansion of 20 per cent in 2023-24, rating agency Icra said on Tuesday. It added that the pace of execution in this fiscal will be supported by a healthy pipeline of projects, increased capital outlay by the government and focus on completion of projects by Ministry of Road Transport and Highways (MoRTH). Icra noted that road execution was impacted in the first half of FY24 on account of a prolonged monsoon in certain geographies, which affected productive days. According to Icra, the ministry's project award pipeline is healthy, at above 45,000 km as of March 2024.

<https://economictimes.indiatimes.com/news/economy/infrastructure/road-execution-to-grow-5-8-per-cent-in-fy25-to-12500-13000-km-icra/articleshow/109341732.cms>

Now, India shooting for home-made bullet trains

India has begun work on a home-built bullet train that will exceed 250 kilometres per hour (kmph), a top government official told ET. The official said it will be faster than any of the trains now running on the Indian Railways. "It is being built on the Vande Bharat platform that can already clock a maximum speed of 220 kmph," the official said. "It is being built on the Vande Bharat platform that can already clock a maximum speed of 220 kmph," the official said.

<https://economictimes.indiatimes.com/industry/transportation/railways/now-india-shooting-for-home-made-bullet-trains/articleshow/109355371.cms>

Energy

April sees 7% rise in petrol use, diesel sales fall 9.5% as summers start

India's petrol consumption soared 7 per cent in the first half of April but diesel sales were down 9.5 per cent ahead of the onset of a harsh summer season that is set to crank up fuel demand, preliminary data of state-owned firms showed on Tuesday. Petrol sales of three state-owned firms, which control 90 per cent of the fuel market, rose to 1.22 million tonnes during April 1 to 15 when compared to 1.14 million tonnes of consumption in the same period last year.

https://www.business-standard.com/industry/news/april-sees-7-rise-in-petrol-use-diesel-sales-fall-9-5-as-summer-start-124041600628_1.html

Coal fuels India's power demand as growing economy crushes green hopes

Built along a stretch of salt flats in southern India, the Tuticorin power plant epitomizes a quagmire for the world's fastest-growing major economy: how to provide reliable energy to 1.4 billion people. For starters, the 1,050-megawatt coal plant, one of the region's largest, was supposed to shut down. Opened four decades ago, the facility is too cramped to install retrofits to meet the government's pollution norms, prompting India's power ministry to plan its closure by 2022. Yet the facility continues to run at full blast, clocking 90% utilization in February. Aging boilers guzzle coal from mines nearly 2,000 kilometers away — a transport distance that only adds to the nation's emissions footprint.

https://www.business-standard.com/industry/news/coal-fuels-india-s-power-demand-as-growing-economy-crushes-green-hopes-124041600060_1.html

States

Uttar Pradesh govt eyeing investment of Rs 32K cr in hospitality sector

The Uttar Pradesh government is eyeing investments of Rs 32,000 crore in the hospitality and tourism sector, a senior government official has said. The state's annual tourist footfall is estimated to reach 850 million by 2028.

The official said the investment would likely create an additional 80,000 accommodation units by way of hotels, and resorts to bridge the deficit in room availability. "To cater to this increasing demand, the state is looking to create a robust supply of accommodation units with the development of hotels, resorts, and homestays," the official said.

https://www.business-standard.com/india-news/uttar-pradesh-govt-eyeing-investment-of-rs-32k-cr-in-hospitality-sector-124041600779_1.html

External

India's pulses import almost doubled in 2023-24, it may rise further this year

Despite several measures, including various incentives to farmers, India is still dependent on imports of pulses for its domestic requirements. Pulses imports have almost doubled in 2023-24 to USD 3.74 billion. However, the official figure is yet to be disclosed, and estimates suggest shipments have crossed 45 lakh tonnes in the just-concluded financial year 2023-24 as against 24.5 lakh tonnes a year ago.

<https://economictimes.indiatimes.com/news/economy/agriculture/indias-pulses-import-almost-doubled-in-2023-24-it-may-rise-further-this-year/articleshow/109361102.cms>

India allows onion export to Sri Lanka, gives additional quota to UAE

India has allowed a limited quantity of onion exports to the United Arab Emirates (UAE) and Sri Lanka, at a time when the staple vegetable's outward shipments have been kept under restrictions. The Ministry of Commerce and Industry, through the Directorate General of Foreign Trade (DGFT), issued a notification late Monday evening, permitting the export of an additional 10,000 metric tons (MT) of onions to the UAE (above 24,000 tonne already allowed) and 10,000 tonne to Sri Lanka, facilitated through the National Cooperative Exports Limited (NCEL).

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-allows-onion-export-to-sri-lanka-gives-additional-quota-to-uae/articleshow/109336817.cms>

India's outward FDI rises to \$3.91 billion in March, shows RBI data

India's outward foreign direct investment (FDI) commitments rose significantly to \$3.91 billion in March 2024, compared to \$2.63 billion in March 2023. Sequentially, they were also higher than \$3.67 billion in February 2024, according to Reserve Bank of India (RBI) data. Outbound FDI, expressed as a financial commitment, comprises three components: equity, loans, and guarantees. The equity commitments grew more than twofold to \$2.03 billion in March 2024 from \$758.22 million in March 2023. It was also higher than the \$616.46 million recorded in February 2024.

https://www.business-standard.com/economy/news/india-s-outward-fdi-rises-to-3-91-billion-in-march-shows-rbi-data-124041601111_1.html

Working towards ambitious deal with India, says UK as FTA talks resume

The UK government on Tuesday said that it continues to work towards striking an ambitious trade deal with India as a negotiating team from Delhi resumed talks with their British counterparts in London this week. The Department for Business and Trade (DBT) reiterated its stance of only signing a free trade agreement (FTA) that was in the best interests of the British people and economy. Last month, DBT officials had indicated that formal trade negotiations were being paused for the course of India's phased general election, though some talks were expected to carry on until the poll results are declared on June 4.

https://www.business-standard.com/industry/news/working-towards-ambitious-deal-with-india-says-uk-as-fta-talks-resume-124041601114_1.html

India's tariff removal on several US products benefiting farmers: Katherine Tai

US Trade Representative Katherine Tai said on Tuesday that India's decision to remove retaliatory tariffs on several US products has improved access to chickpeas, lentils, almonds, walnuts, and apples and is benefiting farmers across the country. In her testimony before the House Ways and Means Committee Hearing on the President's 2024 Trade Policy Agenda, Tai mentioned that India and the US resolved the final outstanding WTO dispute in September last year, and India agreed to reduce tariffs on several US products.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-tariff-removal-on-several-us-products-benefiting-farmers-katherine-tai/articleshow/109360448.cms>