



May 03, 2024 – Friday

## Economy

### India's mineral production rises 8 pc in Feb

India's mineral output rose 8 per cent in February as compared to the year-ago period, the government said on Thursday. The index of mineral production of the mining and quarrying sector for February 2024 at 139.6 is 8 per cent than February last year. The cumulative growth for the April-February period of 2023-24 over the corresponding period of the previous year is 8.2 per cent, as per the provisional statistics of Indian Bureau of Mines (IBM), the mines ministry said in a statement.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/indias-mineral-production-rises-8-pc-in-feb/articleshow/109793174.cms>

### OECD raises India's FY25 GDP growth projection by 40 basis points to 6.6%

The Organisation for Economic Co-operation and Development (OECD) on Thursday raised its growth forecast for India by 40 basis points to 6.6 per cent for 2024-25, holding that buoyant public investment and improved business confidence are expected to propel India's gross domestic product (GDP) growth. "Domestic demand will be driven by gross capital formation, particularly in the public sector, with private consumption growth remaining sluggish. Exports will continue to grow, especially of services such as information technology and consulting, where India will continue to increase its global market share, supported by foreign investment," the inter-governmental group of 38 high-income economies said in its latest Economic Outlook.

[https://www.business-standard.com/economy/news/oecd-raises-india-s-growth-forecast-by-40-basis-points-to-6-6-for-fy25-124050201206\\_1.html](https://www.business-standard.com/economy/news/oecd-raises-india-s-growth-forecast-by-40-basis-points-to-6-6-for-fy25-124050201206_1.html)

### Manufacturing PMI slips to 58.8 in April from March's 16-year high

Indian manufacturing slowed down a bit in April but growth stayed robust to signal the second-best improvement in the sector's health in three and a half years, said a private business on Thursday. The headline Purchasing Managers' Index (PMI), released by HSBC, slipped to 58.8 in April from a 16-year high of 59.1 recorded in March. "Firms experienced a sharp upturn in new business intakes and scaled up production accordingly. With sales expected to remain positive, buying levels were raised, and input stocks were increased to one of the greatest extents seen in over 19 years of data collection. Cost pressures ticked higher, though they remained historically mild, pushing up charge inflation to the strongest since January," said the survey.

[https://www.business-standard.com/economy/news/manufacturing-pmi-slips-to-58-8-in-april-from-march-s-16-year-high-124050200504\\_1.html](https://www.business-standard.com/economy/news/manufacturing-pmi-slips-to-58-8-in-april-from-march-s-16-year-high-124050200504_1.html)

### Public procurement order: DPIIT wants 'local content' calculation narrowed

The industry department has written to the Cabinet secretariat, asking it to do away with certain components of services in calculating local content under public procurement rules. The components include transportation, insurance, installation, profit, commissioning, training, and after-sales support. Including such services in the calculating local content is believed to lead to overestimating value added through domestic manufacturing. This allows companies to meet local-content requirements without necessarily indigenising production, which undermines the goal of promoting local manufacturing and production.

[https://www.business-standard.com/economy/news/dpiit-seeks-removal-of-services-components-in-local-content-calculation-124050201199\\_1.html](https://www.business-standard.com/economy/news/dpiit-seeks-removal-of-services-components-in-local-content-calculation-124050201199_1.html)

### **India seeks more presence at decision-making level of ILO**

India has made a case before the International Labour Organisation to increase its representation at decision-making level of the international body, seeking a revision in its assessment criteria to make it more equitable. A senior government official told ET that India has suggested inclusion of population and labour workforce of the country in the ILO's assessment criteria for determining a desirable range for a country's representation, so that it is more equitable going forward. "Given India's demographic dividend, which is well placed to meet the global demand-supply gap, it will be strategic for ILO in its approach towards global workforce to have more Indians at decision-making level," India told ILO.

<https://economictimes.indiatimes.com/news/economy/policy/india-seeks-more-presence-at-decision-making-level-of-ilo/articleshow/109795269.cms>

## **Finance**

### **CFA bats for enhanced climate accountability measures in RBI's draft norms**

The Centre for Financial Accountability (CFA) has urged the Reserve Bank of India (RBI) to broaden its understanding of climate risk, increase the level of disclosures by financial institutions, and explore additional oversight mechanisms to ensure comprehensive climate accountability. CFA's reaction came in response to RBI's draft disclosure framework on climate. In February this year, the RBI introduced a Draft Disclosure Framework on Climate-Related Financial Risks.

[https://www.business-standard.com/finance/news/cfa-calls-for-enhanced-climate-accountability-measures-in-rbi-s-draft-norms-124050200548\\_1.html](https://www.business-standard.com/finance/news/cfa-calls-for-enhanced-climate-accountability-measures-in-rbi-s-draft-norms-124050200548_1.html)

### **RBI's forex intervention eases as conditions turn favourable for rupee**

India's improving trade deficit, inflows into bonds and reduced pressure on the rupee in the offshore market has lowered the need for the Reserve Bank of India (RBI) to intervene aggressively in the foreign exchange market. The RBI's interventions eased significantly earlier this year, with the RBI buying \$8.5 billion in February and not making any sales, its latest monthly bulletin showed. Its gross FX intervention in February was the lowest in six months and about an eighth of the average monthly intervention during October-December.

[https://www.business-standard.com/finance/news/rbi-s-forex-intervention-eases-as-conditions-turn-favourable-for-rupee-124050200518\\_1.html](https://www.business-standard.com/finance/news/rbi-s-forex-intervention-eases-as-conditions-turn-favourable-for-rupee-124050200518_1.html)

### **India's government bond outflows in April not normal, say analysts**

The recent sharp foreign investor selling in Indian government bonds in April, marking the highest monthly sales since the Covid-19 pandemic, is only an aberration, with inflows likely to continue in the coming months, senior market participants said. A large part of these outflows have happened on the back of weakness in the local currency and a jump in US yields as investors repriced rate cut expectations, they said.

[https://www.business-standard.com/finance/news/india-s-government-bond-outflows-in-april-not-normal-say-analysts-124050200517\\_1.html](https://www.business-standard.com/finance/news/india-s-government-bond-outflows-in-april-not-normal-say-analysts-124050200517_1.html)

### **Economists push out RBI's interest rate cut forecasts to end of year**

The Reserve Bank of India will likely delay cutting interest rates until the final quarter of the year, the latest Bloomberg survey shows, as inflation risks rise and the US Federal Reserve keeps rates on hold for longer. The RBI may start cutting its benchmark repurchase rate, currently at 6.5 per cent, by a total of 50 basis points in the October-December period before pausing for a few months, the monthly survey shows. In the previous survey, economists had predicted a reduction in July-September quarter.

[https://www.business-standard.com/finance/news/economists-push-out-rbi-s-interest-rate-cut-forecasts-to-end-of-year-124050200362\\_1.html](https://www.business-standard.com/finance/news/economists-push-out-rbi-s-interest-rate-cut-forecasts-to-end-of-year-124050200362_1.html)

### **Banks deployed Rs 24.6 lakh crore credit to MSMEs in March: RBI data**

Deployment of gross bank credit to micro, small and medium enterprises (MSMEs) under priority sector lending during March this year stood at Rs 24.67 lakh crore, according to the latest data on sectoral deployment by the Reserve Bank of India (RBI). The credit deployment in March grew by 19.2 per cent from Rs 20.69 lakh crore deployed in March 2023. Total bank credit to MSMEs under priority sector lending in March was 15 per cent of Rs 164.11 lakh crore in India's non-food credit during the month.

<https://www.financialexpress.com/business/sme/banks-deployed-rs-24-6-lakh-crore-credit-to-msmes-in-march-rbi-data/3475236/>

### **GST National Coordination meeting on Friday may discuss tightening noose on fake registrations**

Central and state GST officers will meet on Friday under the chairmanship of Revenue Secretary Sanjay Malhotra and are likely to discuss various issues like stricter registration norms to deter fake companies set up to evade taxes, sources said. The meeting comes within days of GST collections scaling a record high of Rs 2.10 lakh crore in April on the back of strong economic momentum, increased domestic transactions and tighter audit and scrutiny. The third National Co-ordination Meeting of senior officers of Central and State Tax administrations would, among other things, discuss further tightening of registration under Goods and Services Tax (GST) to curb fake companies, set up only to claim an input tax credit (ITC).

<https://economictimes.indiatimes.com/news/economy/policy/gst-national-coordination-meeting-on-friday-may-discuss-tightening-noose-on-fake-registrations/articleshow/109791287.cms>

## **Industry**

### **Two-wheeler makers report double digit growth in April sales**

Two-wheeler manufacturers including Hero MotoCorp, Honda Motorcycle & Scooter India (HMSI), Bajaj Auto and TVS Motor Company have reported double digit growth in their domestic wholesales (dispatches to dealers) in April 2024 compared with the same month last year. Two-wheelers have performed better compared with passenger vehicles which posted low single digit growth during the month.

Market leader Hero MotoCorp reported domestic sales of 5,13,296 units in April 2024, a jump of 33 per cent compared with 3,86,184 units sold during the corresponding month last year.

<https://www.thehindubusinessline.com/economy/two-wheeler-makers-report-double-digit-growth-in-april-sales/article68132376.ece>

### **FSSAI to launch quality check of food items like dairy products, spices**

After starting a probe into alleged violation of norms in branded spices, food regulator FSSAI plans to launch surveillance on other food items like fortified rice, dairy products and spices sold in the domestic market. According to sources, the Food Safety and Standards Authority of India (FSSAI) is planning surveillance on food items like fruit and vegetables, salmonella in fish products; spice and culinary herbs; fortified rice; and milk and milk products.

[https://www.business-standard.com/industry/news/fssai-to-launch-quality-check-of-food-items-like-dairy-products-spices-124050200989\\_1.html](https://www.business-standard.com/industry/news/fssai-to-launch-quality-check-of-food-items-like-dairy-products-spices-124050200989_1.html)

### **Electric bike sales decline 50% in April amid subsidy changes**

Electric two-wheeler sales saw an about 50% month-on-month drop in overall sales in April as a seasonal slump was exacerbated by a shift in subsidies for the industry. Overall EV scooter sales stood at just over 64,000 in April, with market leader Ola Electric contributing about half of that with over 33,000 units. However, Ola itself saw its sales retreat from a record high of over 50,000 units in March 2024. In March, the overall market saw record sales of over 136,000 units, according to data from government transportation portal Vahan. On the other hand, legacy firms like Bajaj and TVS Motors also saw a slump in their sales. Bajaj only sold over 7,500 units in April, compared to over 18,000 units in the previous month. On the other hand, TVS sold just over 7,600 units in April, compared to sales of around 26,000 units in March.

<https://economictimes.indiatimes.com/industry/renewables/electric-bike-sales-decline-50-in-april-amid-subsidy-changes/articleshow/109786879.cms>

## **Infrastructure**

### **53 mn sq ft office space eligible to be monetised via SM-REIT for Rs 70K cr**

Rating agency ICRA has estimated that around 53 million square feet of office spaces are eligible for small and medium REITs (SM-REIT) listing, creating a monetisation opportunity of Rs 67,000-71,000 crore. In November last year, the Sebi board cleared the amendments to the REITs Regulations, 2014, in order to create a regulatory framework for the facilitation of SM REITs, with an asset value of at least Rs 50 crore vis-a-vis minimum asset value of Rs 500 crore for existing REITs.

[https://www.business-standard.com/industry/news/53-mn-sq-ft-office-space-eligible-to-be-monetised-via-sm-reit-for-rs-70k-cr-124050200581\\_1.html](https://www.business-standard.com/industry/news/53-mn-sq-ft-office-space-eligible-to-be-monetised-via-sm-reit-for-rs-70k-cr-124050200581_1.html)

### **Ships moved 9% faster at Indian major ports in FY24 as infra improved**

India's major ports in Financial Year 2023-24 (FY24) registered a 9 per cent improvement in turnaround time, of 48 hours, compared to 52.9 hours the year before as infrastructure and processes are strengthened. "Faster movement through major ports has also resulted in a higher cargo loading ability as well, as major ports saw a 4.5 per cent increase in total traffic at 819 million metric tonnes (mmt) in FY24," said a senior government officer. [https://www.business-standard.com/industry/news/ships-moved-9-faster-at-indian-major-ports-in-fy24-shows-data-124043000992\\_1.html](https://www.business-standard.com/industry/news/ships-moved-9-faster-at-indian-major-ports-in-fy24-shows-data-124043000992_1.html)

## Energy

### Energy storage systems crucial to up RE share in power generation: ICRA

Energy storage systems are critical to increase the share of power generated through renewable energy sources, according to Icra. The share of renewable energy power generation, including large hydro, to India's total power production will increase to close to 40 per cent by FY2030 from less than 25 per cent currently, the rating agency said in a report. The increase will be driven by the large RE capacity addition process, it said.

[https://www.business-standard.com/industry/news/energy-storage-systems-crucial-to-up-re-share-in-power-generation-icra-124050200644\\_1.html](https://www.business-standard.com/industry/news/energy-storage-systems-crucial-to-up-re-share-in-power-generation-icra-124050200644_1.html)

## Telecom

### Rising heatwave could set AC costs of telecom towers soaring

Rising temperatures in many parts of India are set to inflate air-conditioning costs at telecom tower installations, crucial for ensuring uninterrupted operations of base stations for 24x7 mobile connectivity, industry executives and analysts said. They added that power and fuel costs of telecom operators could potentially rise if heatwave conditions persist for the next one month as any change in energy costs is typically passed on to telcos by tower companies. Industry experts cautioned the current scenario could also lead to a slowdown in tower network expansions in the near term, even though Indian tower companies are used to working in hot weather conditions.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/rising-heatwave-could-set-ac-costs-of-telecom-towers-soaring/articleshow/109795234.cms>

## Healthcare

### India needs to expand universal health coverage for ageing population: ADB

India is one of the lowest among the Asia Pacific nations when it comes to health insurance for older people and needs to expand universal health coverage to meet the needs of rapidly ageing population and sustain growth momentum, a report by ADB said on Thursday. While the South Korea and Thailand have achieved universal health coverage, others lag behind with India having the lowest health insurance coverage among older people at 21 per cent, a report titled 'Aging Well In Asia' prepared by ADB said.

[https://www.business-standard.com/economy/news/india-needs-to-expand-universal-health-coverage-for-ageing-population-adb-124050200594\\_1.html](https://www.business-standard.com/economy/news/india-needs-to-expand-universal-health-coverage-for-ageing-population-adb-124050200594_1.html)

### Govt calls meet to discuss measures to bring gloves under quality control

The Union government will hold a high-level meeting this week to check imports of "substandard" gloves, which are getting dumped in the country from Southeast Asian countries like Malaysia and Vietnam, people aware of the development told ET. The meeting to be held by the department of pharmaceuticals (DoP) will discuss bringing surgical gloves and single-use medical examination gloves under the quality control order (QCO) to ensure better standards for these products whether imported or manufactured in the country, sources said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/govt-calls-meet-to-discuss-measures-to-bring-gloves-under-quality-control/articleshow/109795184.cms>

## External

### India's services exports decline marginally in March to \$30 billion

India's services exports declined 1.3 per cent in March to \$30 billion while imports fell by 2.1 per cent to \$16.61 billion, showed Reserve Bank data released on Thursday. As per RBI's data on India's international trade in services, the trade surplus during March 2024 was \$13.4 billion. Both exports and imports of services were in positive zone in the preceding two months. According to the commerce ministry data, the services export during

fiscal 2023-24 is estimated at \$339.62 billion and imports at \$177.56 billion. The trade surplus or difference between exports and imports works out to be \$162 billion during the year.

[https://www.business-standard.com/economy/news/india-s-services-exports-decline-marginally-in-march-to-30-billion-124050201121\\_1.html](https://www.business-standard.com/economy/news/india-s-services-exports-decline-marginally-in-march-to-30-billion-124050201121_1.html)

#### **From spices to steel to drugs, India's exports are being hammered**

If India has to become a developed country, it must push its exports because there is only so much it can consume domestically. China's stupendous economic growth was boosted by its exports. India must focus on exports to achieve a consistent 10 per cent economic growth in the long run, Arvind Panagariya, Chairman of the 16th Finance Commission, has said. The government is already trying to increase exports through various measures. Despite global trade uncertainties, India's exports are charting a new course with bilateral agreements, free trade agreements (FTA) and uncharted territories like Africa, Latin America, and Central Asia. India has seen a surprising surge in exports of precious metals, minerals, automobiles, electronics, pharmaceuticals, organic chemicals, textiles, spices and defence equipment.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/from-spices-to-steel-to-drugs-indias-exports-are-being-hammered/articleshow/109781450.cms>

#### **China, Hong Kong account for 56 pc of India 's total imports of electronics, telecom, electrical products: GTRI**

India's imports of electronics, telecom, and electrical products soared to USD 89.8 billion in 2023-24 and over half of these imports are sourced from China and Hong Kong, economic think tank GTRI said in its report. China dominates with a commanding 43.9 per cent share of India's imports in electronics, telecom, and electrical sectors, the Global Trade Research Initiative (GTRI) said. The data highlights a deep-seated dependency on these two countries that has seen a dramatic escalation over the years, it added. It said that reducing this dependency is crucial, not merely to boost economic resilience but to safeguard India's digital and technological sovereignty in a world that is becoming ever more interconnected. "These sectors are integral to the daily lives of millions, enhancing communication, commerce, and information access. However, India's heavy dependence on imports, especially from China, presents formidable challenges to the nation's strategic autonomy and economic security," the report said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/china-hong-kong-account-for-56-pc-of-india-s-total-imports-of-electronics-telecom-electrical-products-gtri/articleshow/109787013.cms>