



May 08, 2024 – Wednesday

Economy

Household savings dip over Rs 9 lakh cr in 3 years to Rs 14.16 lakh cr in 2022-23

Net household savings declined sharply by Rs 9 lakh crore to Rs 14.16 lakh crore in three years to 2022-23, according to the latest National Account Statistics 2024 of the Ministry of Statistics and Programme Implementation. The net household savings peaked at Rs 23.29 lakh crore in 2020-21. These have been on the decline since then, the data showed. The net household savings declined to Rs 17.12 lakh crore in 2021-22 and dipped further to a five-year low of Rs 14.16 lakh crore in 2022-23.

<https://economictimes.indiatimes.com/news/economy/indicators/household-savings-dip-over-rs-9-lakh-cr-in-3-years-to-rs-14-16-lakh-cr-in-2022-23/articleshow/109922085.cms>

Government exploring options to roll out labour codes

The government is considering various strategies to ensure a nationwide rollout of the four labour codes even though some states and Union territories are yet to come out with draft rules under one or more of these codes. The ministry of labour and employment is considering several options including a gradual repeal of the old labour laws to ensure there is no legal void in states that are yet to draft rules. Besides, the ministry is holding talks with states that are behind in publishing rules, urging them to expedite their compliance.

<https://economictimes.indiatimes.com/news/economy/policy/government-exploring-options-to-roll-out-labour-codes/articleshow/109927445.cms>

MCA mulls faster transfer of old unclaimed shares to beneficiaries

The corporate affairs ministry is considering a faster way of transferring to beneficiaries shares, dividends and matured debentures in inactive accounts that have not been claimed for years, said a person privy to the development. Such securities, dividends and debentures that remain unclaimed for more than seven years are transferred by companies to the Investor Education and Protection Fund Authority (IEPFA) under the ministry. The ministry is planning to enable the companies concerned to settle such claims after following the due processes and obtaining the IEPFA approval, said the person, who did not wish to be identified.

<https://economictimes.indiatimes.com/news/economy/policy/mca-mulls-faster-transfer-of-old-unclaimed-shares-to-beneficiaries/articleshow/109927433.cms>

India to emerge as third largest consumer market by 2026: Report

Indian economy is expected to emerge as the world's third largest consumer market by 2026. In 2023, India's consumption grew at a faster pace than that of China, US and Germany. But consumption growth lagged investment growth, post pandemic since mid-2022, said a report by UBS Securities. "India remains one of the fastest growing economies and the fifth largest consumer market in the world. India's household consumption nearly doubled in the past decade to \$2.1trn in 2023, with an annual compound growth rate of 7.2%, higher than China, the US and Germany" said a report by UBS Securities titled "India's consumption story- the big divide" by Tanvee Gupta Jain.

<https://economictimes.indiatimes.com/news/economy/indicators/india-to-emerge-as-third-largest-consumer-market-by-2026-report/articleshow/109924919.cms>

Finance

Govt evaluating RBI proposal for higher infrastructure provisioning; bankers, NBFCs voice concern

The government is evaluating Reserve Bank of India draft rules calling for higher provisioning in infrastructure projects, while lenders are likely to oppose them on multiple forums. Officials cited concerns that they could lead to a rise in interest rates and derail capital expenditure momentum. After the evaluation exercise, the draft rules will be discussed with the banking regulator during consultations, said people with knowledge of the matter. The unveiling of the proposals led to a slide a day earlier, in the stocks of state-owned banks, non-banking finance companies (NBFCs) and infrastructure firms, over investor worries that the norms could take a toll on financials, if implemented.

<https://economictimes.indiatimes.com/news/economy/infrastructure/govt-evaluating-rbi-proposal-for-higher-infrastructure-provisioning-bankers-nbfc-voice-concern/articleshow/109927548.cms>

RBI's draft project funding norms may create funding challenge: CareEdge

Reserve Bank of India's (RBI) draft norms for project financing, if implemented, are likely to present funding challenges for both under-construction and operational infrastructure projects. A mandatory tail period accounting for 15 per cent of a project's economic life will restrict the ability of infrastructure projects to secure additional top-up loans, according to rating agency CareEdge Ratings.

https://www.business-standard.com/economy/news/rbi-s-draft-project-funding-norms-may-create-funding-challenge-careedge-124050701347_1.html

Commercial banks for 1-2% project finance provisioning; RBI proposed 5%

Commercial banks are planning to write to the Reserve Bank of India (RBI), seeking a lower provision rate of 1-2 per cent as compared to the 5 per cent proposed in the recent draft norms on project finance. These draft norms propose to increase standard asset provision to 5 per cent, even for existing loans, from 0.4 per cent currently. Such an increase in provisioning requirements could push the financing cost of projects, potentially rendering them unviable, argue bankers and experts. According to industry executives, lenders would suggest a 1 per cent standard asset provision for government or public sector projects, given the lower risk involved. For other projects, they would propose a 2 per cent provision.

https://www.business-standard.com/industry/banking/banks-for-1-2-project-finance-provisioning-plan-to-approach-rbi-124050701450_1.html

Industry

PLI for all could hurt competitive export sectors: Panagariya

To the extent India's production-linked incentives (PLIs) are targeted at larger firms, rather than smaller, "inefficient" ones, these shouldn't be equated with indiscriminate protection for domestic industry, Arvind Panagariya, chairman of the 16th Finance Commission, said on Monday. He, however, cautioned that if the incentives were made available to "all sectors and everybody," with focus on import-substitution industries, it would amount to "punishing competitive export industries".

<https://www.financialexpress.com/business/industry-pli-for-all-could-hurt-competitive-export-sectors-panagariya-3479090/>

FMCG industry sees 6.5% growth; rural demand surpasses urban: NielsenIQ

The Indian FMCG industry experienced a 6.5 per cent growth in volume terms at a national level in the January-March period of 2024, with rural consumption surpassing urban for the first time in five quarters, according to consumer intelligence firm NielsenIQ. Both food and non-food sectors contributed to the growth in consumption in the first quarter of 2024, but non-food saw almost double the growth as compared to food, NielsenIQ (NIQ) said in its quarterly snapshot for Q1 2024.

https://www.business-standard.com/industry/news/fmcg-industry-sees-6-5-growth-rural-demand-surpass-urban-nielseni-124050700651_1.html

Infrastructure

Govt completed 281 central infra projects in FY24: MoSPI data

The government finished work on 281 central government projects costing over Rs 150 crore in FY24, compared with 329 in the previous year. However, this was the second-highest completion rate in nearly a decade, according to a government data release. The proportion of delayed projects rose to 41.6% in March compared with 41.2% in the previous month. The ratio of cost overruns also rose to a three-month high of 18.65% compared with 18.19% in the previous month, as the anticipated cost of 1,873 projects at Rs 31.9 lakh crore was Rs 5 lakh crore higher than the original cost.

<https://economictimes.indiatimes.com/news/economy/infrastructure/govt-completed-281-central-infra-projects-in-fy24-mospi-data/articleshow/109921247.cms>

Rail freight grows at 1.4% in April; coal cargo rises by 6.3%

Indian Railways in April rang up a tepid 1.45 per cent growth rate in its freight volumes, transporting 128.29 million tonnes of goods, according to government officials. While coal freight rose by 6.3 per cent year-on-year to 66 mt, weak growth in other commodities brought the growth rate down.

https://www.business-standard.com/india-news/rail-freight-in-april-grows-at-1-4-in-april-coal-cargo-falls-by-nearly-9-124050601095_1.html

Average daily domestic air traffic sees modest growth of 1.6% in April

The average daily domestic air traffic experienced a month-on-month increase of 1.6 per cent, reaching 442,783, fueled by sustained demand during the summer season, as per data from the Ministry of Civil Aviation analysed by Business Standard. In April, Air India surpassed SpiceJet to claim the title of the airline with the highest average daily load factor, standing at 90.81 per cent, according to the ministry's data.

https://www.business-standard.com/industry/news/average-daily-domestic-air-traffic-sees-modest-growth-of-1-6-in-april-124050701129_1.html

'Ghost' shopping centres expand 59% in 2023, largest rise in NCR: Report

Ghost shopping centres, so called because more than 40 per cent of their retail space is vacant, increased 59 per cent to 13.3 million square feet (msf) in 2023 compared to the year before, said a report on Tuesday. The "Think India Think Retail 2024" report, released by real estate consultancy Knight Frank, studied 340 shopping centres and 58 high streets in 29 Indian cities. There were 64 ghost shopping centres in 2023, up from 57 in 2022. The increase led to a value loss of Rs 6,700 crore.

https://www.business-standard.com/industry/news/ghost-shopping-centres-expand-59-in-2023-largest-rise-in-ncr-report-124050700597_1.html

Energy

April fuel consumption rises by 6.1% year-on-year: Oil ministry data

India's fuel consumption rose by 6.1 per cent year-on-year in April, data from the Petroleum Planning and Analysis Cell of the oil ministry showed on Tuesday. "The rise in total fuel consumption in April can be attributed to the increased activity in the run up to elections across the country," said Prashant Vasisht, vice president and co-head, corporate ratings at ICRA.

https://www.business-standard.com/economy/news/april-fuel-consumption-rises-by-6-1-year-on-year-oil-ministry-data-124050700643_1.html

Telecom

Telcos revenue to grow at over 13% CAGR over next four years

Anticipating frequent tariff hikes going forward, analysts estimate a 13% compound annual growth rate (CAGR) in the adjusted gross revenue (AGR) of telecom operators over the next four years. This means that telcos' AGR is will cross Rs 3.9 trillion by FY28. In FY24, the telecom operators' AGR is expected to be Rs 2.37 trillion, a YoY growth of over 8%, according to analysts' estimates. AGR is the revenue based on which the telcos pay licence fee and spectrum usage charges (SUC) to the government.

<https://www.financialexpress.com/business/industry-telcos-revenue-to-grow-at-over-13-cagr-over-next-four-years-3478951/>

DoT's likely 100-day aim: Govt to crack down on rising spam calls, messages

The Department of Telecommunications (DoT) is planning to check rising spam calls and text messages through multiple interventions within the first 100 days of the new government taking office, according to officials. A new inter-ministerial panel to check spam, updates to the Chakshu portal, and the mandatory implementation of artificial intelligence-based digital consent-acquisition (DCA) technology by telcos are among the steps being planned by the department, they added.

https://www.business-standard.com/industry/news/cracking-down-on-rising-spam-on-dot-s-100-day-agenda-of-new-govt-124050701341_1.html

Telecom data centres prepare to take the heat of summer months

Prolonged heatwave conditions are set to increase the cooling challenges at telecom data centres, a key piece of broadband communications infrastructure used for call/data routing and housing vital customer data. Bharti Airtel's data centre arm, Nextra Data, and Reliance Jio are counting on a combination of renewable energy integration, energy efficiency boosters and latest cooling technologies to optimise costs and ensure unhindered operation of their data centres amid rising ambient temperatures, executives aware of the matter said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/telecom-data-centres-prepare-to-take-the-heat-of-summer-months/articleshow/109927490.cms>

Healthcare

'Govt and industry should work together to reduce import dependence in Medtech sector'

The government and the industry should work together to reduce the import dependence in the Medtech sector, said Arunish Chawla, secretary, Department of Pharmaceuticals at the Medtech Stackathon today. India's MedTech industry is poised for an exponential growth, set to reach USD 50 bn by 2030 from the current USD 14 billion. The secretary said that the aim should be to reduce import dependence in the Meditech sector from 75% to 50% in five years. "If we do this policy stack exercise well, this will lay the foundation of med tech policy for next 10-15 years. 'We have to work towards improving export competitiveness in Meditech sector through value added manufacturing and improve import coverage ratio to 1.0,"he said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/govt-and-industry-should-work-together-to-reduce-import-dependence-in-medtech-sector/articleshow/109925809.cms>

External

Onion exporters find new conditions impractical

The government's decision to allow onion exports at a minimum price of \$ 770/tonne might not result in significant shipments from the country because of the higher price band approved compared to prices offered by other countries such as Pakistan and China, traders said. On Saturday the government lifted a ban on onion exports imposed in December last year and put a minimum export price (MEP) of \$550/tonne and 40% export duty on the staple vegetable. This made effectively onion shipments to be allowed at a minimum price of \$ 770/tonne or around Rs 64/kg.

<https://www.financialexpress.com/business/industry-onion-exporters-find-new-conditions-impractical-3478984/>

Toy exports down at \$152 mn in 2023-24, need strategy to push it: GTRI

The country's toy exports declined marginally to USD 152.34 million in 2023-24 from USD 153.89 million in the previous financial year, according to a report by economic think tank GTRI. The Global Trade Research Initiative (GTRI) said that India's toy exports did not benefit much from the mandatory quality control orders.

https://www.business-standard.com/industry/news/toy-exports-down-at-152-mn-in-2023-24-need-strategy-to-push-it-gtri-124050700889_1.html

Apparel exports to FTA countries grow

The impact of free trade agreements (FTAs) has been positive for the traditional export sector of readymade garments, with exports to Australia growing 5.7% on year in the first 11 months of the last fiscal, while shipments to Mauritius grew 16.8% even though the overall exports fell. "The advantages from FTAs are now visible...The signing of FTA in the near future with the UK, which accounts for roughly 8% of Indian apparel exports, will provide a much-needed fillip to the garment industry," Sudhir Sekhri, chairman of Apparel Export Promotion Council (AEPC), said. <https://www.financialexpress.com/business/industry-apparel-exports-to-fta-countries-grow-3480126/>

Diesel, petrol export revenues dip 20% to \$33 bn in 2023-24

India's exports of diesel and petrol fell by a fifth year-on-year to \$33 billion in 2023-24 as international prices declined. The combined export volumes of petrol and diesel, however, changed little in a year at 41.6 million metric tonnes in 2023-24, according to the oil ministry data. Diesel generates the largest share of export revenues for Indian refiners. Diesel alone fetched \$22 billion of the \$48 billion earned by exports of refined fuels in 2023-24. <https://economictimes.indiatimes.com/news/economy/foreign-trade/diesel-petrol-export-revenues-dip-20-to-33-bn-in-2023-24/articleshow/109927551.cms>

India offered sugarcane sop vastly in excess of WTO limits: US and Australia

US and Australia alleged India of giving subsidies to sugarcane farmers far exceeding limits set in global trade norms. The two countries told the WTO that they estimated that over the period 2018-19 to 2021-22, New Delhi provided sugarcane subsidy between 91-100%, which was "vastly in excess of the limits set out" at 10% of value of food production in the case of India and other developing countries. These subsidies or domestic support is called aggregate measurement of support (AMS) in trade parlance. <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-offered-sugarcane-sop-vastly-in-excess-of-wto-limits-us-and-australia/articleshow/109927731.cms>