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Economy

PM Gati Shakti to aid in expanding social security

The labour and employment ministry has boarded the PM Gati Shakti portal to identify and bridge gaps in social security coverage across the country and expand its health infrastructure to industrial clusters as well as special economic zones (SEZs) for the benefit of workers, said the secretary to the ministry Sumita Dawra. She told ET that the idea is to leverage the infrastructure data available on the portal to extend social security coverage to workers engaged in existing and upcoming industrial clusters around these projects while also ensuring availability of Employees' State Insurance Corporation's hospital and dispensary in the closest vicinity to these clusters.

<https://economictimes.indiatimes.com/news/economy/policy/pm-gati-shakti-to-aid-in-expanding-social-security/articleshow/110060588.cms>

India needs to focus on market reforms to achieve double digit growth: ADB

India needs to focus on factor market reforms like land and labour to propel India's growth to a double-digit trajectory, ADB Chief Economist Albert Park has said. "There are still concerns that the basic factor markets like land and labour in the formal sector of unemployment in India are still small. So, you really want to formalise those," he told PTI in an interview. The factor market reforms include land, labour, energy, and access to credit, among others, which are critical factors for production.

https://www.business-standard.com/economy/news/india-needs-to-focus-on-market-reforms-to-achieve-double-digit-growth-adb-124051200248_1.html

Finance

Draft project finance norms: Finmin may soon take up infra lenders' concerns with RBI

The Department of Economic Affairs (DEA) in the Finance Ministry will soon take feedback of the concerns of banks and other infrastructure lenders on the draft project finance guidelines issued by the Reserve Bank of India (RBI). Post this consultation exercise, senior DEA officials are likely to meet RBI at Mumbai to convey the government's thinking on the same, sources said. RBI had fixed June 15 as the last date by when stakeholder comments would have to be submitted for the draft guidelines.

<https://www.thehindubusinessline.com/economy/draft-project-finance-norms-finmin-may-soon-take-up-infra-lenders-concerns-with-rbi/article68167798.ece>

Large PSUs spend Rs 50,200 crore in capex in April FY25, says official

Large public sector companies have spent a little over Rs 50,200 crore towards capital expenditure in April FY25 alone, which is 6.46 per cent of their full fiscal target of Rs 7.77 trillion, an official said. The pace albeit is slower than Rs 54,177 crore capex spent in April FY24, about 7.3 per cent of the full year budget target of Rs 7.42 trillion.

https://www.business-standard.com/industry/news/large-psus-spend-rs-50-200-crore-in-capex-in-april-fy25-says-official-124051200191_1.html

Industry

FMCG firms expect volume-led growth in FY25 with improvement in revenue

Leading FMCG makers expect a volume-led growth in FY25, with a revival in consumption supported by a lower inflationary environment, projections of a normal monsoon and good rabi crop. Companies such as Britannia, Marico, Dabur, GCPL and HUL in their latest March quarter earnings also expect a revenue growth in the new financial year as the deflationary cycle is over.

https://www.business-standard.com/industry/news/fmcg-companies-expect-volume-growth-in-fy25-with-improvement-in-revenue-124051200372_1.html

Despite headwinds, Chinese smartphones continue to dominate India market

Make in India's efforts to localise production of smartphones to the Indian soil has made no dent in the dominance of Chinese smartphones in the Indian market. Data from Counterpoint Research revealed that market share breakup for smartphones sold by Chinese brands, Indian brands and global brands have largely remained the same in the last five years. This is after several efforts have been made by the government in the intermittent period to force out Chinese players from the market.

<https://www.thehindubusinessline.com/info-tech/chinese-smartphones-despite-headwinds-they-continue-to-dominate-india-market/article68167388.ece>

Agriculture

Govt to purchase chana at market rate from farmers for buffer

With prices ruling above minimum support price (MSP), the government has asked agencies — farmers cooperative Nafed and National Cooperative Consumers' Federation of India (NCCF) — to purchase chana (gram) from farmers in Madhya Pradesh, Rajasthan and Maharashtra at predetermined market driven prices. Sources told FE that two agencies will produce chana, which has 50% share in country's pulses output, from the farmers under the mechanism such as minimum assured procurement price (MAPP) or dynamic buffer procurement price derived on the basis of average prices of previous three days across all the three key producing states.

<https://www.financialexpress.com/policy/economy-govt-to-purchase-chana-at-market-rate-from-farmers-for-buffer-3483939/>

Infrastructure

449 infra projects hit by cost overrun of Rs 5.01 trillion in March: MoSPI

As many as 449 infrastructure projects, each entailing an investment of Rs 150 crore or above, were hit by cost overrun of more than Rs 5.01 trillion in March 2024, an official report stated. According to Ministry of Statistics and Programme Implementation (MoSPI), which monitors infrastructure projects worth Rs 150 crore and above, out of 1,873 projects, 449 reported cost overrun and 779 projects were delayed.

https://www.business-standard.com/industry/news/449-infra-projects-hit-by-cost-overrun-of-rs-5-01-trillion-in-march-mospi-124051200131_1.html

Evaluation of infra needs for \$1 tn exports by Aug-Sep: Official

A study to assess required infrastructure and identify main industry clusters for achieving the \$ 1 trillion merchandise exports target by 2030 may be submitted by August-September to the commerce ministry, an official said. The official said that the Asian Development Bank (ADB) is doing that study for the ministry. In 2023-24, India's merchandise exports dipped by over 3 per cent to \$ 437 billion. Imports during the last fiscal dipped by 5.7 per cent to \$ 675.4 billion.

https://www.business-standard.com/industry/news/evaluation-of-infra-needs-for-1-tn-exports-by-aug-sep-official-124051200207_1.html

Energy

India's coal import surges 8% to 268 MT in FY24 due to rise in power demand

India's coal import rose by 7.7 per cent to 268.24 million tonne (MT) in FY24 driven by softness in seaborne prices and likelihood of increase in power demand during summer. The country's coal import was 249.06 MT in FY23, according to data compiled by B2B e-commerce company mjunction services. Coal import in March FY24 also rose to 23.96 MT, over 21.12 MT in the corresponding month of the previous fiscal.

https://www.business-standard.com/industry/news/india-s-coal-import-surges-8-to-268-mt-in-fy24-due-to-rise-in-power-demand-124051200141_1.html

Despite India's renewables push, it's fossil, fossil burning bright

Despite a four-time jump in the country's renewable-energy capacity since 2014, the mainstay of power supply in India continues to be coal-based thermal power. The installed capacity of green-energy sources, chiefly solar and wind, grew to 136 gigawatt (Gw) in March 2024 against 35 Gw in March 2014. But its contribution to electricity supply has increased to only 12 per cent to date, the data analysed by Business Standard showed.

https://www.business-standard.com/industry/news/more-renewable-runs-more-coal-burns-as-summer-looming-over-the-country-124051200345_1.html

External

Cotton exports estimated to rise 27% to 2.8 mn bales in 2023-24 season: CAI

The Cotton Association of India (CAI) on Saturday estimated cotton exports to rise about 27 per cent to 28 lakh bales during 2023-24 crop year ending September. In 2022-23 crop season (October-September), cotton exports were at 22 lakh bales, CAI said. One bale is equal to 170 kilogram. "The demand for Indian cotton went up as the prices ruled 8-10 per cent lower than the international prices during December 2023 till March 2024. Our cotton is mainly exported to countries like Bangladesh, China and Vietnam," CAI President Atul Ganatra told PTI.

https://www.business-standard.com/industry/news/cotton-exports-estimated-to-rise-27-to-2-8-mn-bales-in-2023-24-season-cai-124051100483_1.html

Govt to give focused attention to promote textiles' exports, says secy

The government will accord focused attention to promote India's textiles exports, which declined for the second year in a row in 2023-24, Textiles Secretary Rachna Shah said. The government has set an ambitious target to achieve \$ 100 billion export for textile products by 2030. The cumulative exports of textiles and apparel from India during April 2023-March 2024 registered a de-growth of 3.24 per cent at \$ 34.4 billion, as compared to \$ 35.5 billion in April 2022-March 2023.

https://www.business-standard.com/industry/news/govt-to-give-focused-attention-to-promote-textiles-exports-says-secy-124051200107_1.html

China beats US to emerge as largest trading partner of India in FY24: GTRI

China has emerged as the largest trading partner of India with \$ 118.4 billion two-way commerce in 2023-24, slightly edging past the US, according to the data of economic think tank GTRI. The bilateral trade between India and the US stood at \$ 118.3 billion in 2023-24. Washington was the top trading partner of New Delhi during 2021-22 and 2022-23.

https://www.business-standard.com/economy/news/china-beats-us-to-emerge-as-largest-trading-partner-of-india-in-fy24-gtri-124051200126_1.html

Next round of India-Asean trade pact review talks in July

Senior officials of India and the 10-nation Association of Southeast Asian Nations (Asean) bloc of will hold the next round of talks in July to review the existing free trade pact in Indonesia, the government said Sunday. The last round of the three-day negotiations concluded on May 9 in Malaysia. The discussions for review of the ASEAN-India Trade in Goods Agreement (AITIGA), to make it more trade-facilitative and beneficial for businesses across the region, started in May 2023. "The upgradation of AITIGA will further boost bilateral trade," the commerce and industry ministry said in a statement.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/next-round-of-india-asean-trade-pact-review-talks-in-july/articleshow/110056220.cms>