



May 15, 2024 – Wednesday

Economy

India's WPI-based inflation reaches 13-month high of 1.26% in April

April's Wholesale Price Index (WPI)-based inflation surged to a 13-month high of 1.26 per cent in April, surpassing the estimated one per cent mark. Comparatively, March wholesale inflation was 0.53 per cent, outperforming the forecast 0.20 per cent. January's wholesale inflation stood at 0.27 per cent.

https://www.business-standard.com/economy/news/india-s-wholesale-price-index-reaches-thirteen-month-high-of-1-26-in-april-124051400446_1.html

India's GDP to expand at 6.6% in FY25; will fuel NBFCs' growth: Moody's

Moody's Ratings on Tuesday said the Indian economy is projected to expand 6.6 per cent in the current fiscal year and said strong credit demand fuelled by robust economic growth will support the NBFC sector's profitability. "We expect India's economy to expand 6.6 per cent in the year ended March 2025 (FY25) and 6.2 per cent the following year, and this will lead to robust loan growth at NBFCs, mitigating the impact of rising funding costs on their profitability," Moody's Ratings said.

https://www.business-standard.com/economy/news/india-s-gdp-to-expand-at-6-6-in-fy25-will-fuel-nbfc-growth-moody-s-124051401330_1.html

1,366 tenders worth Rs 60,276 cr procurement violate Make-in-India norms

As many as 1,366 government tenders worth Rs 60,276 crore have been found non-compliant with public procurement norms, an analysis by the Department for Promotion of Industry and Internal Trade (DPIIT) showed. Of these, 369 tenders were non-compliant with Public Procurement (Preference to Make in India) Order 2017 as these sought specific brands while 40 tenders violated the condition of specific foreign certification. DPIIT's discovery followed scrutiny of more than 3,103 bid documents worth procurement of goods, works and services totalling Rs1.61 lakh crore. "The tenders are scrutinised based on certain parameters such as inclusion of provisions of the order, turnover and experience requirements," a government official said.

<https://economictimes.indiatimes.com/news/economy/policy/1366-tenders-worth-rs-60276-cr-procurement-violate-make-in-india-norms/articleshow/110112821.cms>

Food inflation likely to remain a cause for concern due to heatwave: ICRA

The wholesale food inflation, which is at a four-month high, will continue to be a cause for concern in May and June as heatwave is likely to jack up prices of perishable commodities, ICRA Chief Economist Aditi Nayar said on Tuesday. Although the impact of high base of last year will play out in July and August, the impact of monsoon will determine the price conditions in the subsequent months. As per data released on Tuesday, the wholesale price index (WPI)-based food inflation was at a four-month high of 7.74 per cent in April. Retail food inflation also remained stubbornly high at 8.70 per cent in April 2024, as against 3.84 per cent in April 2023.

<https://economictimes.indiatimes.com/news/economy/indicators/food-inflation-likely-to-remain-a-cause-for-concern-due-to-heatwave-icra/articleshow/110119221.cms>

Finance

Indian banking industry increases their cyber insurance cover in FY24

The increase in cyber-related incidents, frequency of claims, and enhanced regulatory focus is nudging banks to increase their cyber insurance cover. The coverage by banks and financial institutions has increased by nearly eight per cent in FY24 compared to the previous financial year, according to insurance brokers. The cyber insurance claims ratio by the banking industry in India has increased to over 50 per cent in the financial year 2022-23 compared to 40 per cent in the financial year 2021-22.

https://www.business-standard.com/industry/banking/indian-banking-industry-increases-their-cyber-insurance-cover-in-fy24-124051401041_1.html

NBFCs' profitability to moderate on higher borrowing costs: Moody's

NBFCs' profitability will moderate somewhat in the next 12-18 months as funding costs for them will increase according to ratings firm Moody's. but the loans extended by them will increase by 15 percent during the period, it said. "We expect loans at NBFCs to grow about 15% in the next 12-18 months, driven by various types of lending, including infrastructure financing by large government-owned NBFCs and loans to small and medium-sized enterprises" Moody's said in a report. "We also expect the sector's credit costs to increase from cyclically low levels, especially as unsecured loans mature".

<https://economictimes.indiatimes.com/industry/banking/finance/nbfc-profitability-to-moderate-on-higher-borrowing-costs-moodys/articleshow/110123447.cms>

Corp tax collections as proportion to GDP yet to reach pre-tax cut levels

After rationalisation of corporation tax to attract companies to invest in India, the receipts from this head as per cent of the economy's size is crawling up but have not reached the levels of pre-2019-20 when this tax was overhauled. In fact, it is projected to fall short of 2018-19 and 2017-18 levels even in 2024-25 even as the reduced 15 per cent tax for those setting up new production units was withdrawn.

https://www.business-standard.com/economy/news/corp-tax-collections-as-proportion-to-gdp-yet-to-reach-pre-tax-cut-levels-124051401091_1.html

Industry

Passenger vehicle, 2W exports rose by over 20% in April: Siam monthly data

Exports of passenger vehicles and two-wheelers (2W) have increased by more than 20 per cent in April year-on-year (Y-o-Y), according to data released by the Society of Indian Automobile Manufacturers on Tuesday. In financial year 2023-24 (FY24), two-wheeler exports declined by 5.3 per cent Y-o-Y to 3.458 million units. Passenger vehicle exports saw a modest increase of 1.5 per cent Y-o-Y, reaching 672,000 units. However, recent months have shown a rebound in export markets.

https://www.business-standard.com/industry/auto/passenger-vehicle-2w-exports-rose-by-over-20-in-april-siam-monthly-data-124051400654_1.html

Share of quick commerce in online FMCG sales rockets to 35% in FY24

Big consumer goods companies such as Hindustan Unilever (HUL), Dabur, Adani Wilmar and Parle Products have said the contribution of quick commerce to overall ecommerce sales rose as high as 35% in FY24, almost doubling in a year. Quick commerce drove overall ecommerce for these companies as well as the broader fast moving consumer goods (FMCG) industry, executives said.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/share-of-quick-commerce-in-online-fmcg-sales-rockets-to-35-in-fy24/articleshow/110126778.cms>

AI spending in India to reach \$5 billion by 2027: Intel-IDC study

Spending on artificial intelligence (AI) in India is expected to grow at a compound annual growth rate of 31.5 per cent from 2023 and might reach \$5.1 billion by 2027, according to a joint study released on Tuesday by Intel and International Data Corporation (IDC). The growth in AI spending is set to be the fastest among the eight markets surveyed, including Australia, India, Indonesia, Japan, South Korea, Malaysia, Singapore, and Taiwan.

https://www.business-standard.com/industry/news/ai-spending-in-india-to-touch-5-billion-by-2027-intel-idc-study-124051401305_1.html

Stakeholders seek more time for feedback on Digi Competition Bill

Key stakeholders who will get affected by the contentious draft Digital Competition Bill have asked for an extension of two to six months for providing their comments on it. The bill has recommended an ex-ante regime to regulate digital markets in India. The bill is based on the Digital Markets Act (DMA) of the European Union (EU) which became a law in March this year after a four-year-long consultation process. EU's legislation, vigorously opposed by big-tech companies, is aimed at regulating their power, based on their size.

https://www.business-standard.com/industry/news/extend-deadline-for-response-to-digital-competition-bill-say-stakeholders-124051401299_1.html

Aerospace manufacturers seek business class upgrade on local plane orders

Homegrown aerospace manufacturers are counting on a booming order book from Indian airlines to get more business from global firms such as Airbus and Boeing. And they also want a helping hand from the government through a policy push. "We have to be in line with what our procurement of aircraft is. If India has a 10% share of the order book, it should also have a 10% procurement share - it's a fair ask," said Aravind Melligeri, chairman of components maker Aequus Aerospace, which is one of the top suppliers to Airbus.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/aerospace-manufacturers-seek-business-class-upgrade-on-local-plane-orders/articleshow/110126569.cms>

Tax incentives can help enhance adoption of sustainability manufacturing: Experts

Providing financial incentives, such as tax breaks, and subsidies, for companies that invest in sustainable technologies and practices can help accelerate the adoption of green manufacturing practices, experts say. They also said there is an increasing emphasis by businesses to ensure sustainable practices through their supply chains. "This requires companies to improve their sustainability operation through responsible procurement, investment, energy transition, recycling, financing etc," Hi-Tech Gears Chairman Deep Kapuria said. He also said that today, sustainability is at the core of business strategy for corporates across all sizes and sectors.

<https://economictimes.indiatimes.com/news/economy/policy/tax-incentives-can-help-enhance-adoption-of-sustainability-manufacturing-experts/articleshow/110115593.cms>

Derma products market seeing strong growth

The obsession to splurge on skincare has led to increasing demand for derma products in the country. According to market research firm Pharmarack, the derma market is witnessing a notable uptick in both value and unit consumption. "Segments such as face serums, emollients, protectives, and sunscreens have experienced steady growth over time, reflecting evolving consumer preferences towards skincare regimens," said Sheetal Sapale, VP-commercial, Pharmarack.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/derma-products-market-seeing-strong-growth/articleshow/110126662.cms>

Significant percentage of Indian firms hit by ransomware in 2023: Report

Nearly 64 per cent of Indian organisations surveyed were hit by ransomware attacks in 2023, a latest report by Sophos said on Tuesday, noting that while the attack rates fell year-on-year, the impact on victims actually intensified. The average ransom demand was \$4.8 million, with 62 per cent of demands exceeding \$1 million. The median ransom paid was \$2 million, the report by the global cybersecurity solutions provider said.

https://www.business-standard.com/industry/news/significant-percentage-of-indian-firms-hit-by-ransomware-in-2023-report-124051400646_1.html

Agriculture

Onion prices fall by 15% due to lack of export demand

Though India reversed the export ban on onions 10 days ago, export demand has dried up as Indian onion is more expensive than Pakistan's. Besides, subdued exports dampened domestic onion prices by over 15% in the last week.

Exporters don't see demand coming for another 15 days as overseas buyers, who have stocked overpriced Pakistani onions when Indian onion was not available. They want to liquidate their stocks as India's entry has crashed the international onion prices by more than 50% in a week.

<https://economictimes.indiatimes.com/news/economy/agriculture/onion-prices-fall-by-15-due-to-lack-of-export-demand/articleshow/110126713.cms>

Google Arts & Culture and India's Ministry of Agriculture launch digital exhibit on millets

In collaboration with India's Ministry of Agriculture and Farmers Welfare, Google Arts & Culture today launched a new digital exhibit, "Millets: Seeds of Change," said Google Arts and Culture in a media release. "The digital exhibition highlights the history of millets from ancient grains to modern-day superfoods, as well as their nutritional benefits, contribution to global climate resilience, and potential to address global food security challenges," the release added.

<https://economictimes.indiatimes.com/news/economy/agriculture/google-arts-culture-and-indias-ministry-of-agriculture-launch-digital-exhibit-on-millets/articleshow/110123137.cms>

Infrastructure

Chabahar Port development to help India expand trade routes; need to ensure necessary infra: GTRI

The development of Chabahar Port will help India enhance its logistical capabilities and expand its trade routes to Central Asia and for that there is a need to ensure necessary infrastructure, and processes to effectively manage the cargo flow at the port, economic think tank GTRI said on Tuesday. The Global Trade Research Initiative (GTRI) suggested that the government stick to the fact that the Chabahar Port is not under international sanctions despite being Iran's only ocean port as despite the strategic advantages, the project's success is intricately tied to the complex geopolitical environment it operates within. India on Monday signed a 10-year contract to operate the strategic Iranian port of Chabahar. The long-term agreement was signed by Indian Ports Global Ltd (IPGL) and the Port & Maritime Organisation of Iran.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/chabahar-port-development-to-help-india-expand-trade-routes-need-to-ensure-necessary-infra-gtri/articleshow/110119226.cms>

Despite 3-year low, project delays remain higher than pre-pandemic levels

The share of delayed infrastructure projects costing Rs 150 crore or more hit a three-year low in FY24, but this was still significantly higher than the pre-pandemic level. The March 2024 figure of 41.6 per cent remains way higher than the pre-pandemic figure of 27.1 per cent in March 2019, shows a Business Standard analysis of data from the Ministry of Statistics and Programme Implementation (MOSPI) on central infrastructure projects worth Rs 150 crore or above. The March 2023 figure of 56.7 per cent was the highest since 2004.

https://www.business-standard.com/economy/news/despite-3-year-low-project-delays-remain-higher-than-pre-pandemic-levels-124051301156_1.html

Energy

Discoms ramp up power supply during elections, despite demand surge

In the election season, power outage is bad news which no state wishes to inflict on the voters. To ensure there is no such risk, state electricity boards (discoms) are doubling down on power supply. So, while demand for power has touched even 233 GW this May, an over 11 per cent year-on-year (Y-o-Y) rise, there has been no major incident of "load-shedding" from any state. To maintain the status quo, the electricity regulatory commissions are also chipping in. Since February, four of them, Karnataka, Bihar, Odisha and Haryana have issued tariff orders for FY25, the price at which consumers will pay for the electricity they use.

https://www.business-standard.com/economy/news/discoms-ramp-up-power-supply-during-elections-despite-demand-surge-124051401333_1.html

Coal imports for blending by domestic power plants down 32% in FY24

Coal imports for blending purposes witnessed a decline of 32% in FY24 at 23.92 million tonnes (MT) compared to 35.10 MT in FY23, an official data showed. The decline can be attributed to the increase in the production of domestic

coal which touched 997.4 MT last fiscal, up 11.67% from the previous year. Central sector power plants accounted for 48% of the total coal imports for blending, followed by independent power plants at 33%, and state sector plants at 18.8%. The installed capacity of domestic coal-based plants stands at approximately 193 gigawatts (GW).

<https://www.financialexpress.com/business/industry-coal-imports-for-blending-by-domestic-power-plants-down-32-in-fy24-3486635/>

India showcases its green hydrogen potential at World Hydrogen Summit 2024 in Netherlands

For the first time, India has set up its pavilion, at the World Hydrogen Summit 2024, being held in Rotterdam, Netherlands, during May 13-15. The India Pavilion, set up by the Ministry of New and Renewable Energy is said to be one of the largest pavilions at the Summit. The World Hydrogen Summit is a prestigious event in the global green hydrogen ecosystem. Around 15,000 delegates from around the world are attending the Summit. The India Pavilion at the conference provides India with an opportunity to showcase to the world the progress made by the country in the field of Green Hydrogen.

<https://economictimes.indiatimes.com/industry/renewables/india-showcases-its-green-hydrogen-potential-at-world-hydrogen-summit-2024-in-netherlands/articleshow/110105899.cms>

Capacity utilisation of gas-based power plants at 14.8% in FY24

The capacity utilisation, or plant load factor (PLF), of gas-based power plants rose to 14.8 per cent in FY24 from 11.5 per cent in FY23 aided by India's rising electricity consumption due to growing industrial and commercial activity as well as increasing demand from households. India's power demand, which grew at more than 7 per cent y-o-y in FY24, forcing the government to direct gas-based power plants with around 25 gigawatts (GW) of installed capacity to run at full capacity, which coupled with declining liquefied natural gas (LNG) prices pulled up demand for natural gas.

<https://www.thehindubusinessline.com/companies/capacity-utilisation-of-gas-based-power-plants-at-148-in-fy24/article68175224.ece>

Telecom

Soon-to-be unfair trade practice, telemarketing & fraudulent calls to incur criminal liability

The Centre will soon classify pesky calls and other modes of unsolicited commercial communication as unfair trade practices, as it seeks to check financial fraud being perpetrated primarily through mobile phones. The move will make such callers and messagesenders criminally liable under consumer protection laws. The Department of Consumer Affairs is working to bring out relevant guidelines in a couple of months. These will put accountability on telemarketers and their principal entities — such as banks, real estate companies or any other consumer-facing business — while sending promotional or transactional messages or making such calls for customer conversion.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/soon-to-be-unfair-trade-practice-telemarketing-fraudulent-calls-to-incur-criminal-liability/articleshow/110094275.cms>

External

Export orders rise 10% in six months on demand from US, EU

Improved demand in the European Union, West Asia and the US has boosted export order books by at least 10% from six months before, companies said, signalling a possible recovery from last year. Leather goods, footwear, and apparel are driving demand but engineering goods shipments for new projects are facing a challenge due to geopolitical tensions, exporters said. "Overall, compared to the last six months, the order position has improved 15-20% for leather footwear especially from the US and partially Europe," said Rafeeq Ahmed, chairman, Farida Group, one of India's largest shoe manufacturers and exporters. "The demand for non-leather footwear is also coming up."

<https://economictimes.indiatimes.com/news/economy/foreign-trade/export-orders-rise-10-in-six-months-on-demand-from-us-eu/articleshow/110126684.cms>

Palm oil imports jump 34% to 684,000 tonnes in April on lower global prices

India's palm oil imports registered a 34.11 per cent jump on-year in April to 6,84,000 tonnes, buoyed by a fall in global prices, the Solvent Extractors' Association of India (SEA) said on Tuesday. Palm oil accounted for 52 per cent

of India's total edible oil imports of 13,04,409 tonnes in April, the trade body said in a statement, adding that sunflower and soybean oils import stood at 6,20,315 tonnes.

https://www.business-standard.com/industry/news/palm-oil-imports-jump-34-to-684-000-tonnes-in-april-on-lower-global-prices-124051400652_1.html

India seeking fair market access ahead of the India-ASEAN FTA review

Last year, Commerce and Industry Minister Piyush Goyal called the free trade agreement (FTA) between India and the 10-member Association of Southeast Asian Nations (ASEAN) nations an “ill-conceived” agreement and “unfair” to the Indian industry at a public forum. Goyal’s remark was a reflection of the inordinate delay in the review of the pact with ASEAN—comprising Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam – that came into force in January 2010. FTAs are generally reviewed within a year or two of its implementation, especially to resolve differences, if any.

https://www.business-standard.com/economy/news/india-seeking-fair-market-access-ahead-of-the-india-asean-fta-review-124051401242_1.html

China may dump EVs, batteries into India with higher US tariffs: GTRI

India may become a dumping ground for Chinese products such as Electric Vehicles (EVs), batteries and other new technology items with the US raising tariffs on these imports from Beijing, economic think tank Global Trade Research Initiative (GTRI) said Tuesday. “The raising of tariff on EVs, batteries and many other new technology items by the US may push China to dump these products in other markets including India. It’s a moment for India’s Directorate General of Trade Remedies to remain vigilant,” it said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/china-may-dump-evs-batteries-into-india-with-higher-us-tariffs-gtri/articleshow/110125500.cms>