



May 16, 2024 – Thursday

Economy

Urban jobless rate reaches four quarter high in Q4FY24: PLFS data

Urban unemployment rate increased to touch 6.7 per cent in Q4 (January-March) of FY24, up sequentially from 6.5 per cent in the preceding quarter, according to the Periodic Labour Force Survey (PLFS) data, released by the National Statistical Office (NSO) on Wednesday. The headline unemployment rate in the current weekly status (CWS) terms for those above 15 years is the highest since the January-March 2023 quarter, when the unemployment rate touched 6.8 per cent. In CWS, the activity status is determined on the reference period over the past seven days preceding the date of the survey.

https://www.business-standard.com/economy/news/urban-jobless-rate-reaches-a-four-quarter-high-in-q4-of-fy24-plfs-data-124051501363_1.html

Govt looks to change base year for major economic gauges to FY23, revamp of key datasets also being planned

The government is considering a change in the base year for key economic indices to FY23, as well as a revamp of several datasets, to better capture structural changes in the economy, said people aware of deliberations on the matter. Measures such as the Index of Industrial Production (IIP), Wholesale Price Index (WPI) and National Income are currently benchmarked to FY12. Earlier, the base year was FY05. For the most-followed price benchmark, Consumer Price Index (CPI), base year is 2012. "Discussions are going on. A final decision may be taken after the election," said one official. The government will soon set up a panel to recommend changes to the way the national account is compiled, among other suggestions, said another person.

<https://economictimes.indiatimes.com/news/economy/policy/govt-looks-to-change-base-year-for-major-economic-gauges-to-fy23-revamp-of-key-datasets-also-being-planned/articleshow/110157100.cms>

As part of 100-day plan, Govt to launch app to target deceptive methods used by cos to trick consumers: Sources

In the next two months, the government will launch a mobile application which will alert consumers when online platforms try to trick users using these deceptive techniques, known as dark patterns, said a senior official from the department of consumer affairs. Launch of the app is part of the department's agenda for the first 100 days after the formation of the next government. Users only have to download the application, which will be able to detect the usage of dark patterns by all leading ecommerce companies and send an alert to the consumer, who can then file a complaint with consumer forums. "The mobile application will be able to detect the use of dark patterns on all leading ecommerce platforms," the official said.

<https://economictimes.indiatimes.com/news/economy/policy/as-part-of-100-day-plan-govt-to-launch-app-to-target-deceptive-methods-used-by-cos-to-trick-consumers-sources/articleshow/110157024.cms>

Finance

Q1 tax revenue likely to exceed budgeted growth

The government expects its tax revenues in the first quarter to exceed budgeted growth but is likely to stick to the interim budget revenue estimates in the full budget. Officials said the full-year projection in the interim budget was realistic and arrived at after taking into account multiple factors including global headwinds. "With continuity in tax

policy we will stick with the collection target given in the interim budget, which was arrived at after considering margins for both upside and downside trend," said one of the officials.

<https://economictimes.indiatimes.com/news/economy/finance/q1-tax-revenue-likely-to-exceed-budgeted-growth/articleshow/110156948.cms>

Public sector banks' total profit jumps 35%, crosses Rs 1.4 trn in FY24

Public sector banks' cumulative profit crossed Rs 1.4 trillion in the financial year ended March 2024, recording a growth of 35 per cent over the previous year on a high base of Rs 1 trillion. The 12 Public Sector Banks (PSBs) together had earned a net profit of Rs Rs 1,04,649 crore in 2022-23. Out of the total profit of Rs 141,203 crore earned during the FY24, market leader State Bank of India (SBI) alone contributed over 40 per cent of the total earnings, as per the published numbers on exchanges.

https://www.business-standard.com/finance/news/public-sector-banks-total-profit-jumps-35-crosses-rs-1-4-trn-in-fy24-124051400505_1.html

States' capex grew likely by a pentile in FY24

States' capital expenditure likely rose by over 19% on-year in 2023-24 compared with a 15% rise in 2022-23, supported by their robust revenue growth and the Centre's interest-free capex loans. Going by the trends seen in a dozen states, in aggregate states might have invested substantially more in FY24 than the Rs 6.82 trillion in FY23. On the other hand, the Centre's capex has met the FY24 revised estimate of Rs 9.5 trillion, official sources recently said. Central public-sector entities – companies and departmental agencies (CPSEs) – achieved 109% of their combined capital expenditure target for FY24 by investing Rs 8.05 trillion, an all-time high.

<https://www.financialexpress.com/policy/economy-states-capex-grew-likely-by-a-pentile-in-fy24-3487775/>

Industry

Deadline for digital Bill may not be extended

The ministry of corporate affairs is unlikely to extend the deadline to provide feedback to the Draft Digital Competition Bill, 2024. "We have received significant inputs from stakeholders, and the responses will be evaluated to prepare the final draft," said an official on condition of anonymity. The last date to submit the response is May 15 (Wednesday), and the ministry has already extended the deadline once by a month.

<https://www.financialexpress.com/business/industry-deadline-for-nbspdigital-billnbspmay-not-benbspextended-3487931/>

Regulatory exemptions for government companies cover SEBI, MCA, CCI

Regulatory exemptions for government companies have been granted by multiple authorities. The Securities and Exchange Board of India (Sebi) has provided a raft of exemptions to listed public sector entities. There have also been exemptions from the Ministry of Corporate Affairs (MCA) and the Competition Commission of India (CCI). The market regulator Sebi granted a three-year extension to Life Insurance Corporation (LIC) of India to meet minimum public shareholding norms, according to an announcement on Wednesday.

https://www.business-standard.com/economy/news/regulatory-exemptions-for-government-companies-cover-sebi-mca-cci-124051501198_1.html

FICCI, IESA sign contract to foster innovation in semiconductor industry

The Federation of Indian Chambers of Commerce and Industry (FICCI) and the India Electronics and Semiconductor Association (IESA) have signed a Memorandum of Understanding to promote innovation, support the semiconductor and electronics industry, and strengthen supply chains. The MoU, signed on April 14, establishes a framework for long-term collaboration between the two organisations.

https://www.business-standard.com/industry/news/ficci-iesa-sign-contract-to-foster-innovation-in-semiconductor-industry-124051500871_1.html

Indian small car exports thrive as domestic demand shifts to SUVs

Smaller Made in India cars from Maruti Suzuki, Hyundai, Kia, Citroen, Volkswagen, Honda, Nissan and Renault are finding markets abroad as domestic demand turns to SUVs and large, feature-packed vehicles, the Times of India

reported. The small car segment, which once dominated India's passenger vehicle (PV) market, now holds less than 30 per cent of the total market share, as SUV trends have impacted the sales of compact cars and sedans in recent years.

https://www.business-standard.com/industry/auto/indian-small-car-exports-thrive-as-domestic-demand-shifts-to-suvs-124051500616_1.html

Primary aluminium manufacturers to post operating margin growth of over 25% this fiscal

Indian primary aluminium manufacturers are expected to post operating margin growth of over 25 per cent on-year this fiscal owing to continued healthy demand, better realisations and a likely reduction in the cost of production driven by cheaper energy and alumina, stated a report by CRISIL. This is against approximately 20 per cent growth in fiscal 2024. The industry, it added, is capital-intensive, requires upfront capital expenditure (capex) and is marked by volatile operating profitability.

<https://www.financialexpress.com/business/industry-primary-aluminium-manufacturers-to-post-operating-margin-growth-of-over-25-this-fiscal-3488558/>

E-commerce cos back govt proposal to make anti-fake review rules mandatory

Major e-commerce companies in India on Wednesday backed the government's proposal to make mandatory compliance with quality norms for consumer reviews, the consumer affairs department said on Wednesday. At a meeting held here, representatives from Amazon, Flipkart, Google and Meta, among others, endorsed the proposed quality control order to implement the IS 19000:2022 standard on 'online consumer reviews', according to the department.

https://www.business-standard.com/industry/news/e-commerce-cos-back-govt-proposal-to-make-anti-fake-review-rules-mandatory-124051501215_1.html

India asks int'l committee to set limits on ethylene oxide in spices

India has asked an international committee on spices to set limits on the use of ethylene oxide in spices, a senior government official said on Wednesday, amid a sales ban on two popular Indian brands. The Kerala-based Codex Committee on Spices and Culinary Herbs (CCSCH) has been established under Codex Alimentarius Committee, Rome – the international organisation - for developing international food standards, guidelines and codes of practice to protect the health of consumers and ensuring fair practices in the trade.

https://www.business-standard.com/industry/news/india-asks-spices-committee-to-set-up-limit-on-use-of-ethylene-oxide-124051501356_1.html

Infrastructure

Centre plans to operationalise high speed corridors, award new projects

The Ministry of Road Transport and Highways (MoRTH) plans to operationalise 700 kilometres (km) of high-speed corridors, award 3,000 km of highway projects, and implement a scheme for cashless treatment for accident victims following the Lok Sabha elections, a senior government official said. These are among the several points of action that the ministry has made as part of its 100-day plan for the new government. On Monday, MoRTH informed the Union Cabinet that it has deliberated on these plans.

https://www.business-standard.com/economy/news/centre-plans-to-operationalise-high-speed-corridors-award-new-projects-124051501317_1.html

NHAI receives 164 insurance surety bonds as guarantee for road projects

The National Highways Authority of India, under the ministry of road transport and highways, on Wednesday said it has so far received 164 insurance surety bonds (ISB) consisting of 20 bonds for performance security and 144 bonds for bid securities. "Around 700 insurance surety bonds valued at around Rs 3,000 crore have been issued by different insurance companies so far," NHAI said in a statement issued after a day-long workshop on implementation of insurance surety bonds (ISB) for NHAI contracts.

<https://economictimes.indiatimes.com/news/economy/infrastructure/nhai-receives-164-insurance-surety-bonds-as-guarantee-for-road-projects/articleshow/110153804.cms>

Energy

Mines ministry asks Coal India, NMDC to look for lithium mines overseas

State-run Coal India and NMDC are exploring lithium mines in Chile and Australia, Reuters quoted Mines Secretary V L Kantha Rao as saying on Wednesday. Speaking on the sidelines of an industry conference in New Delhi, Rao said his ministry is encouraging other state-owned enterprises like ONGC Videsh to explore critical minerals abroad. In a bid to secure vital resources, the ministry will send a delegation to Zambia in June, with representatives from the Tata Group and Vedanta. Both nations are expected to explore joint ventures in critical minerals such as lithium.

https://www.business-standard.com/industry/news/mines-ministry-asks-coal-india-nmdc-to-look-for-lithium-mines-overseas-124051500707_1.html

India's oil demand to grow 4% to 5.8 mbd in 2025: OPEC

India's oil demand is expected to grow to 5.80 million barrels per day in 2025, up 4.1% from the 5.57 million barrels per day projected in 2024, the Organisation of Petroleum Exporting Countries said. In its latest oil market report for the month, the cartel highlighted that the growing demand will be supported by increased consumption of gasoline and other petroleum products on the back of growing economic activity. "Healthy economic momentum in 2024 is expected to continue into 2025. Manufacturing and business activities are expected to be steady, supporting oil demand growth of 227,000 bpd on year, to average 5.80 mbd," OPEC said in its report.

<https://www.financialexpress.com/policy/economy/indias-oil-demand-to-grow-4-to-5-8-mbd-in-2025-opec-3488644/>

Govt cuts windfall tax on petroleum crude to Rs 5,700 per MT from May 16

India has cut the windfall tax on petroleum crude to Rs 5,700 (\$68.34) per metric tonne from Rs 8,400 with effect from May 16, according to a notification issued on Wednesday. The tax, which is revised every two weeks, remains unchanged at zero for diesel and aviation turbine fuel. The government on May 1 cut the windfall tax on petroleum crude to Rs 8,400 a metric tonne from Rs 9,600.

https://www.business-standard.com/economy/news/govt-cuts-windfall-tax-on-petroleum-crude-to-rs-5-700-per-mt-from-may-16-124051501601_1.html

Thermal PLFs to remain healthy amid power demand-supply mismatch: Ind-Ra

India Ratings and Research on Wednesday maintained a neutral outlook for the power sector, noting that thermal PLFs (plant load factor or capacity utilisation) will remain healthy amid demand-supply mismatch in FY25. "India Ratings and Research (Ind-Ra) has maintained a neutral outlook for the power sector for FY25, as it believes the overall plant load factor of thermal power plants would continue to improve and reach closer to 70 per cent in FY25," an Ind-Ra statement said.

https://www.business-standard.com/industry/news/thermal-plfs-to-remain-healthy-amid-power-demand-supply-mismatch-ind-ra-124051500861_1.html

States

Rajasthan travel industry seeks infra push to boost wedding tourism

Rajasthan's travel industry wants infrastructure and connectivity in the state to be improved to support the government's plan to promote wedding tourism. Industry experts say if destination weddings are to be promoted in the state, the government will have to provide good infrastructure at places with heritage properties. "At present, except for Jaipur, Jodhpur, Udaipur and Ajmer, infrastructure has not been fully developed in the state," said Gaurav Khandelwal, who owns a travel agency.

https://www.business-standard.com/industry/news/rajasthan-travel-industry-seeks-infra-push-to-boost-wedding-tourism-124051500983_1.html

Healthcare

Need more doctors, hospital beds to achieve healthcare vision 2047: Report

There is a need to increase the number of qualified doctors to more than 50 lakh and also add 30 lakh more hospital beds in the country in order to achieve India's healthcare vision 2047, according to a report. The increase in the number of doctors and beds in hospitals would help India get closer to the average of developed countries, as per a FICCI-EY Report titled 'Decoding India's Healthcare Landscape'.

https://www.business-standard.com/industry/news/need-more-doctors-hospital-beds-to-achieve-healthcare-vision-2047-report-124051501233_1.html

External

India's trade deficit widens to \$19.1 billion in April: Commerce ministry

India's merchandise trade deficit expanded to \$19.1 billion in April, Commerce Secretary Sunil Barthwal said on Wednesday. India's trade deficit had narrowed to \$15.6 billion in March, representing a 11-month low. India's exports rose marginally by 1.06 per cent to \$34.99 billion in April 2024, against \$34.62 billion during the same period last year. Meanwhile India's imports stood at \$54.09 billion, up 10 per cent from \$49.06 billion in April 2023, according to government data.

https://www.business-standard.com/economy/news/india-s-trade-deficit-widens-to-19-1-billion-in-april-commerce-ministry-124051500658_1.html

Edible oil imports declined 1st half of oil year

The imports of edible oils – palm, soybean and sunflower — declined by 12% to 7.14 million tonne (MT) in the first six months of the 2023-24 oil year (November-October) compared to the same period last oil year. According to BV Mehta, executive director, the Solvent Extractors' Association of India (SEA), the lower imports in the current oil year so far are due to bumper domestic crops of mustard and soybean.

<https://www.financialexpress.com/policy/economy-edible-oil-imports-declined-1st-half-of-oil-year-3487901/>

India's rice exports dip 27% in FY24 to 16.35 mt on shipment curbs

India's rice exports during the financial 2023-24 saw a 27 per cent decline in volume and 6.5 per cent dip in dollar value, largely on fall in shipments of non-basmati rice. The Government curbed exports of non-basmati rice during the year to ensure higher domestic supplies and contain rising foodgrains price.

<https://www.thehindubusinessline.com/economy/agri-business/indias-rice-exports-dip-27-in-fy24-to-1635-mt-on-shipment-curbs/article68179210.ece>

Plan to put in place SOP for negotiations on trade pacts

India plans to put in place a standard operating procedure (SOP) for negotiating its free trade agreements and address new disciplines such as labour, environment, gender and indigenous peoples. The commerce and industry ministry will meet former negotiators and experts over a two-day Chintan Shivir to discuss India's strategy and SOPs on its FTAs and address measures such as the Carbon Border Adjustment Mechanism, critical minerals and Artificial Intelligence in trade negotiations.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/plan-to-put-in-place-sop-for-negotiations-on-trade-pacts/articleshow/110155108.cms>

Increasing FTAs key strategy for enhancing financial services exports: DFS Secy

Financial Services Secretary Vivek Joshi on Wednesday said increasing Free Trade Agreements (FTAs) would be a key strategy for enhancing India's financial services exports. Inaugurating a workshop on financial services in FTAs here, Joshi highlighted the pivotal role of financial services in India's export strategy. The workshop organised jointly by Department of Financial Services (DFS) and Exim Bank brought together key stakeholders from the government bodies and academia to delve into the intricate dynamics of FTAs and the pivotal role of financial services in the new-age FTAs.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/increasing-ftas-key-strategy-for-enhancing-financial-services-exports-dfs-secy/articleshow/110155138.cms>

Several steps taken to prevent EtO contamination in spices exported from India: Official

India has taken several steps to prevent EtO (ethylene oxide), a carcinogenic chemical, contamination in spices exported from India, a senior government official said on Wednesday. The steps were taken following the reports on recall of products from two Indian spice brands in Singapore and Hong Kong due to presence of EtO residue in certain spices of Indian brands MDH and Everest. The Spices Board has taken steps to ensure the safety and quality of Indian spice exports to these regions," Additional Secretary in the Commerce Ministry Amardeep Singh Bhatia told reporters here. The board has made it mandatory to test such consignments destined to these two countries.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/several-steps-taken-to-prevent-eto-contamination-in-spices-exported-from-india-official/articleshow/110153628.cms>