



May 31, 2024 – Friday

Economy

Under-employment surprisingly high: Govt

The current state of the labour market in India depicts the presence of low to moderate “underemployment”, a paper by the statistics ministry said on Wednesday, in an official acknowledgement of the dismal jobs scenario in the country. The paper measures underemployment using a multidimensional approach, and not just based on hours worked by a person; and suggests that quantifying underemployment could help in making important policy decisions.

<https://www.financialexpress.com/policy/economy-under-employment-surprisingly-high-govt-3506537/>

India’s near-8% growth gives Modi a boost as elections end

India will likely report economic growth of close to 8% in the fiscal year that ended in March, providing a boost to Prime Minister Narendra Modi’s government as elections come to a close. Official data due to be published Friday will probably show Asia’s third-largest economy grew 7% in the first three months of the year, taking growth for the financial year through March to 7.9%, according to a Bloomberg survey of economists.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-near-8-growth-gives-modi-a-boost-as-elections-end/articleshow/110577830.cms>

Finance

RBI finalises framework for self-regulatory organisations in fintech sector

The Reserve Bank of India (RBI) released the final framework on Thursday for recognising self-regulatory organisations in the financial technology sector (SRO-FT), encouraging entities to have a representative membership from the fintech sector. An SRO-FT may have membership from fintechs currently regulated by the RBI, including non-banking financial companies-account aggregators (NBFC-AA), NBFC-peer-to-peer (P2P) lending platforms, among others, excluding banks.

https://www.business-standard.com/industry/news/rbi-finalises-framework-for-self-regulatory-organisations-in-fintech-sector-124053001378_1.html

RBI to allow opening of rupee account outside India to boost currency use

The Reserve Bank of India (RBI) on Thursday allowed the opening of rupee accounts outside India as part of its strategic action plan to internationalise the domestic currency. With emphasis on continuous synchronisation of the Fema operating framework with the evolving macroeconomic environment, rationalisation of various guidelines will be of primary focus, the central bank said in its annual report.

https://www.business-standard.com/industry/banking/rbi-to-allow-opening-of-rupee-account-outside-india-to-boost-currency-use-124053001754_1.html

CBDC usage soars 39-fold among retail users, plunges in wholesale

The outstanding amount for Central Bank Digital Currency (CBDC) in the wholesale segment crashed while its usage in the retail segment climbed 39 times in the past year, data from the Reserve Bank of India (RBI) showed. In the

wholesale segment, the outstanding amount stood at ₹8 lakh in March 2024, from ₹10.6 crore last year, and in the retail segment, the amount climbed to ₹234 crore in March 2024, from ₹6 crore last year.

<https://economictimes.indiatimes.com/news/economy/finance/cbdc-usage-soars-39-fold-among-retail-users-plunges-in-wholesale/articleshow/110573059.cms>

Capital requirements will remain high for Indian companies: Moody's

Moody's Ratings on Thursday said capital requirements will remain high for Indian corporates as they go in for capacity expansion and inorganic growth spending. Moody's estimates that 16 of the 23 rated companies will require USD 70-100 billion of funding annually in the next two years for growth spending, refinancing requirements and shareholder payments.

https://www.business-standard.com/companies/news/capital-requirements-will-remain-high-for-indian-corporates-moody-s-124053001171_1.html

70,000 PACS to be computerised in three years

The government is aiming to computerise 70,000 primary agricultural credit societies (PACS) across 30 states and union territories in the next three years to allow these farmers-owned entities access bank credits as well as a host of other benefits. An official with the cooperation ministry told FE that so far 24,000 PACS have availed the enterprise resource planning (ERPs) based common national software, which links them with NABARD through state and district cooperative banks. "After computerisation, these village-based entities are seamlessly connected with various departments.

<https://www.financialexpress.com/business/industry-70000-pacs-to-be-computerised-in-three-years-3506639/>

Equally higher surplus transfer from RBI for FY25 expected, will help in achieving 4.5% fiscal deficit by FY26, says SBI Research

SBI research has projected equally higher surplus transfer for the current fiscal by the Reserve Bank of India (RBI) which will help the Centre's efforts to achieve 4.5 per cent fiscal deficit by fiscal year 2025-26.

<https://www.thehindubusinessline.com/economy/equally-higher-surplus-transfer-from-rbi-for-fy25-expected-will-help-in-achieving-45-fiscal-deficit-by-fy26-says-sbi-research/article68233071.ece>

IRDAI asks insurers to approve cashless claim in 3 hours: Check all changes

Health insurance companies have to do final authorisation for cashless claims within three hours of receiving a patient discharge request from the hospital, the insurance regulator said in a new master circular released on Wednesday. Policyholders should not be kept waiting to be discharged from a hospital under any circumstance, said the Insurance Regulatory and Development Authority of India (IRDAI). If there is any delay beyond the three-hour deadline, the insurer will be responsible for covering any additional charges levied by the hospital. Insurers have time till July 31, 2024 to put the required infrastructure in place to facilitate these changes.

https://www.business-standard.com/finance/personal-finance/irdai-asks-insurers-to-approve-cashless-claim-in-3-hours-check-all-changes-124053000959_1.html

IRDAI's 'healthy' move for senior citizens

IRDAI has removed the ceiling age of 65 for health insurance, alongside reducing the cooling period of pre-existing diseases (PED) from 48 to 36 months + has reduced the moratorium from 90 to 60 months.

<https://www.thehindubusinessline.com/opinion/irdais-healthy-move-for-senior-citizens/article68233342.ece>

SEBI launches calculator for settlement proceedings

SEBI has launched the beta version of its settlement calculator to simplify and provide greater transparency in arriving at the indicative settlement amount as laid down in its 2018 settlement regulations. A settlement allows an alleged wrongdoer to settle a pending matter without admission or denial of guilt by paying charges.

<https://www.thehindubusinessline.com/markets/sebi-launches-calculator-for-settlement-proceedings/article68233250.ece>

Industry

India needs wider range of semiconductor suppliers, says industry expert

India will have to attract a wider range of semiconductor suppliers to succeed in building a robust chip industry in the country, according to the leader of an influential trade association. "They need to really increase the emphasis on the ecosystem because, without an ecosystem, growth will be limited," Ajit Manocha, president and chief executive officer of the trade group SEMI, said in an interview on Thursday. "They need to encourage smaller and medium-sized companies to come and set up the shop in India."

https://www.business-standard.com/industry/news/india-needs-wider-range-of-semiconductor-suppliers-says-industry-expert-124053000939_1.html

Diversified EPC companies to post revenue growth of 12-14% this fiscal, says CRISIL

The revenue of diversified engineering, procurement and construction (EPC) companies are set to grow by 12-14 per cent this fiscal, stated a report by CRISIL Ratings. This, it added, will be driven by healthy order books with a mix of domestic and international orders, and steady pace of execution in the infrastructure sector. That follows an average annual growth of 10 per cent in five fiscals through 2024.

<https://www.financialexpress.com/business/industry-diversified-epc-companies-to-post-revenue-growth-of-12-14-this-fiscal-says-crisil-3507358/>

E-commerce, BFSI, hospitality sectors driving job market in 2024: Report

E-commerce, BFSI (banking, financial services, and insurance), and hospitality sectors witnessed an increased demands for talents in the first four months of 2024, indicating a recovery in overall job market, a report said on Thursday. Driven by economic recovery, the demand for workforce in BFSI increased the maximum by 21 per cent during the first four months of this calendar year. The e-commerce sector saw an increase of 17 per cent, services and hospitality industries reported a growth of 13 per cent, according to a report by professional networking platform Apna.

https://www.business-standard.com/industry/news/e-commerce-bfsi-hospitality-sectors-driving-job-market-in-2024-report-124053001236_1.html

Infrastructure

154 skyscrapers in Mumbai Metropolitan Region, 207 under construction: Anarock

Mumbai Metropolitan Region (MMR) currently has 154 high-rise towers of more than 40 floors each and over 200 skyscrapers are expected to come up in the city till 2030, according to Anarock. Real estate consultant Anarock Chairman Anuj Puri said between 2019 and 2023, 154 high-rises with over 40 floors hit the MMR market.

<https://economictimes.indiatimes.com/news/economy/infrastructure/154-skyscrapers-in-mumbai-metropolitan-region-207-under-construction-anarock/articleshow/110563724.cms>

Energy

India's peak power demand hits a record 250 GW

India met a record maximum power demand of 250 GW on May 30, led by a combined impact of weather-related loads and growing industrial and residential power consumption in these areas, the power ministry said on Thursday. The non-solar hours demand was at an all time high of 234.3 GW the day before, the government said. The northern region achieved a record 'demand met', reaching an all-time high of 86.7 GW, while the western region touched 74.8 GW. Thermal generation achieves a peak of 176 GW, especially during non-solar hours.

<https://economictimes.indiatimes.com/industry/energy/power/indias-peak-power-demand-hits-a-record-250-gw/articleshow/110573089.cms>

Rooftop solar installations fall 26% to 367 MW in Jan-Mar: Report

Rooftop solar capacity installations in India registered a 26 per cent year-on-year decline to at 367 megawatts during January-March period, mainly on account of rise in input cost, according to Mercom Capital. The country had witnessed 485 megawatt (MW) of rooftop solar installations during the first quarter of 2023, the research firm said in a report on Friday.

https://www.business-standard.com/industry/news/rooftop-solar-installations-fall-26-to-367-mw-in-jan-mar-report-124053001137_1.html

Telecom

Top technology, aviation companies may dial DoT for service call numbers

Tech giants Microsoft, Google, Amazon, Meta, and airlines such as Indigo and Air India are likely to apply for the telecom department's new provision to acquire 160-series numbers for making transactional and service calls, communications executives and experts said. "Our primary goal is to allocate transactional series numbers to regulated financial institutions such as banks, insurance companies, payment services as well as public service government bodies such as UIDAI (for Aadhar authentication), and other social benefit schemes," a senior government official involved in the subject told ET.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/top-technology-aviation-companies-may-dial-dot-for-service-call-numbers/articleshow/110572978.cms>

Healthcare

Anti-diabetic drugs lead growth in pharmaceuticals market

Anti-diabetic drugs are leading the growth in the pharmaceuticals market, posting the highest value growth of over ₹155 crore among the new brands launched in the last 12 months. The respiratory segment, which clocked sales of ₹152.9 crore from 223 new brands in the 12 months ended April, came second, followed by vitamin/mineral/nutrients with ₹144.4 crore from 467 brands, data from market research firm IQVIA showed. In the anti-diabetic category, 485 brands were launched during this period. According to pharma experts, the anti-diabetes market over the last five years has grown at 32% CAGR to ₹474 crore in January 2024.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/anti-diabetic-drugs-lead-growth-in-pharmaceuticals-market/articleshow/110572973.cms>

Domestic drugmakers call for Indo-US collaboration to ensure supplies of affordable medicines

Domestic drugmakers are calling for an "affordable medicine" partnership between India and the US, to ensure a secure and sustainable pharmaceutical supply chain. Indian drugmakers already carry the legacy of being a pharmacy to the world, but the Indian Pharmaceutical Alliance (IPA) seeks to expand collaboration between the two countries, in a formalised manner, possibly as a preferred partner. This would facilitate an enhanced and resilient trade, involving more products between the two countries, a person familiar with the development said, pointing to medicine shortages the US grapples with.

<https://www.thehindubusinessline.com/news/national/domestic-drugmakers-call-for-indo-us-collaboration-to-ensure-supplies-of-affordable-medicines/article68232942.ece>

External

UK and US in focus as Indian companies seeks \$31 bn pharma exports in FY25

As India seeks \$31 billion in pharmaceutical exports in financial year 2024-25 (FY25), the United Kingdom (UK) and the United States (US) are its top targets. India exported pharmaceutical products worth \$27.9 billion in FY24, growing 9.6 per cent from the year before.

https://www.business-standard.com/economy/news/india-eyes-31-bn-pharma-exports-in-fy25-uk-us-to-emerge-as-bright-spots-124053001031_1.html

India's FDI inflows fell 3% to \$44 bn in FY24; manufacturing down 18%

According to the latest data released by the government, foreign direct investment (FDI) equity inflows in India decreased by 3.49 per cent in FY24 to \$44.42 billion. Reduced investments in sectors such as services, computer hardware and software, telecom, auto, and pharma, are being attributed as the primary reasons for the slump.

In FY23, FDI equity inflow was recorded at \$46.03 billion. This is the second consecutive year of FDI decline as equity inflows had declined by 22 per cent in FY23 compared to FY22.

https://www.business-standard.com/economy/news/india-s-fdi-inflows-drop-3-to-44-b-in-fy24-manufacturing-sector-down-18-124053001043_1.html

Import duty on wheat may be cut

The government may reduce import duty on wheat after six years to boost domestic supplies so that it would not have to dip into the stocks much for carrying out market intervention programme. Sources said the decision to cut import duty on wheat would be taken up only after June, when the current procurement season officially ends, while a smaller quantity of grain is likely to be allowed to be imported.

<https://www.financialexpress.com/policy/economy-import-duty-on-wheat-may-be-cut-3506446/>

India's maize exports in FY24 drop to 4-year low at 14.42 lakh tonnes on higher domestic prices

India's maize exports fell to a four-year low in the 2023-24 period, experiencing a 58 percent decline in volume. This drop was due to higher domestic prices and a reduced crop, coupled with increasing demand from ethanol, poultry, and starch manufacturers. The country's maize exports declined to 14.42 lakh tonnes during 2023-24 from the previous year's 34.53 lakh tonnes as per the official data with large buyers such as Bangladesh and Vietnam reducing their off-take and shifting to other cheaper origins.

<https://www.thehindubusinessline.com/economy/agri-business/indias-maize-exports-in-fy24-drop-to-4-year-low-at-1442-lakh-tonnes-on-higher-domestic-prices/article68233030.ece>

UAE looking to expand scope of trade under CEPA with India: Official

The United Arab Emirates is looking to expand the scope of trade and services covered under the Comprehensive Economic Partnership Agreement (CEPA) with India to further accelerate bilateral trading volume, a senior UAE official said here on Thursday. India and the UAE signed the historic CEPA on February 18, 2022, to further boost bilateral trade and economic ties. Feryal Ahmadi, the Chief Operating Officer of the Dubai Multi-Commodities Centre (DMCC), said that the UAE is looking at agri-commodity potential and working on adding other sectors including critical minerals under the CEPA.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/uae-looking-to-expand-scope-of-trade-under-cepa-with-india-official/articleshow/110562135.cms>

EU carbon tariff: India preps for a fight at WTO

India is considering a challenge against the European Union's Carbon Border Adjustment Mechanism (CBAM) at the World Trade Organization, ET has learnt. CBAM mandates non-EU steel producers to report direct and indirect emissions. New Delhi sees it as a unilateral move that would be detrimental for its iron and steel, cement, aluminium, electricity, and hydrogen sectors, and is eyeing multiple actions to deal with it, officials said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/eu-carbon-tariff-india-preps-for-a-fight-at-wto/articleshow/110573163.cms>

India hasn't proposed FTA with Maldives but is open to it: MEA

India has not made any proposal for entering into a Free Trade Agreement (FTA) with the Maldives but will "surely" look at the possibility of the island nation was considering such a pact, said Ministry of External Affairs (MEA) on Thursday. "We have seen some reports about the Maldivian Minister (Economic) speaking about we (India) offering an FTA. We haven't done so. But if Maldives wants to come up with (a proposal)...if they are considering an FTA with us we will surely look into it," said MEA Spokesperson Randhir Jaiswal, replying to a question.

<https://www.thehindubusinessline.com/economy/india-hasnt-proposed-fta-with-maldives-but-is-open-to-it-mea/article68232753.ece>