



June 07, 2024 – Friday

Economy

Demand under rural jobs scheme eases again in May

Demand for work under the government's flagship rural job guarantee scheme fell for a seventh straight month through May, indicating stronger economic conditions at the start of the new financial year. Work demand under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) drops when better-paying employment opportunities are available. According to preliminary data compiled by the rural development ministry, about 37.46 million individuals sought work in May under the scheme, down 12.1% from a year earlier. Similarly, members of 27.18 million households sought work in May, representing a 14.3% drop from a year before.

<https://economictimes.indiatimes.com/news/economy/indicators/demand-under-rural-jobs-scheme-eases-again-in-may/articleshow/110776033.cms>

Potatoes, onions, tomatoes kept veg thali costly in May

Potatoes, onions and tomatoes kept the price of home-cooked meals rising for the second consecutive month in May, according to a report by Crisil. Vegetarian thali prices rose 8% from a year earlier to ₹27.80 in May. Sequentially, the increase was 1%. Inflation in vegetarian thali was 7.9% in April. "Lower onion arrivals on account of a significant drop in rabi acreage coupled with a decline in potato arrivals on account of the adverse impact of late blight and crop damage in West Bengal contributed towards the increase in prices," said Crisil.

<https://economictimes.indiatimes.com/news/economy/indicators/potatoes-onions-tomatoes-kept-veg-thali-costly-in-may/articleshow/110775859.cms>

Deal activity dips 3 pc to USD 5 bn in May

The overall deal activity declined by 3 per cent to USD 5.023 billion in May compared to USD 5.192 billion in the preceding month of April, a report said on Thursday. The merger and acquisitions plummeted 58 per cent to USD 1.05 billion during the month compared to USD 2.526 billion in April, while a 49 per cent increase in the private equity deal values to USD 3.973 billion from April USD 2.666 billion helped the overall number.

<https://economictimes.indiatimes.com/news/economy/indicators/deal-activity-dips-3-pc-to-usd-5-bn-in-may/articleshow/110774297.cms>

CCI draft regulations: Company commitments to be closely watched

The Competition Commission of India (CCI) on Thursday released draft regulations for engagement of monitoring agencies to oversee implementation of settlement and commitment offered by companies, including Big Tech entities. The draft regulations seek to overhaul the regulatory framework of CCI introduced in 2009, to bring it up to speed with the latest changes in the Competition Act passed by the government in April 2023.

https://www.business-standard.com/economy/news/cci-draft-regulations-suggest-monitoring-agencies-for-settlement-proposals-124060600626_1.html

Finance

RBI rectifies reporting errors in banks' CRR maintenance data

After several instances in which average fortnightly cash balances of banks kept with the Reserve Bank of India (RBI) unusually fell short of the mandated cash reserve requirement, the central bank has rectified the matter by resolving issues with how the data was reported. "There were some issues with the way the data was being reported by banks and published in the RBI's daily releases. The RBI was aware of the matter and has taken steps to resolve the erroneous presentation of the data," a source aware of the developments said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-rectifies-reporting-errors-in-banks-crr-maintenance-data/articleshow/110776093.cms>

Interest rate spreads hit new 10-year low of 2.25% for PSBs in April 2024

The interest rate spread, the difference between average lending rates on outstanding (o/s) loans and the average interest rate on o/s domestic term deposits, for public sector banks (PSBs) touched a new 10-year low of 2.25 per cent in April 2024. The previous low was 2.28 per cent in March 2024, according to rating agency CareEdge analysis. The spread for PSBs was about 3.0 per cent in May 2014. The PSB spreads have been compressing over the last year. They moved down to 2.82 per cent in May 2023.

https://www.business-standard.com/economy/news/interest-rate-spreads-hit-new-10-year-low-of-2-25-for-psbs-in-april-2024-124060601044_1.html

RBI buys back Rs 7,287 crore bonds against notified Rs 30,000 crore'

The Reserve Bank of India (RBI) repurchased Rs 7,287 crore worth of government bonds on Thursday, against the notified amount of Rs 30,000 crore. The central bank received bids worth Rs 8,631 crore at the auction. The government had offered to buy back the 7.35 per cent 2024 bond maturing on June 22, the 8.4 per cent 2024 bond maturing on July 28, the 6.18 per cent 2024 bond maturing on November 4, the FRB 2024 bond maturing on November 7, and the 9.15 per cent 2024 bond maturing on November 14.

https://www.business-standard.com/economy/news/rbi-repurchases-rs-7-287-crore-worth-of-bonds-against-notified-rs-30k-cr-124060600848_1.html

SEBI issues framework for levying penalty for surveillance lapses

Penalty for first instance of lapse will vary from ₹1 lakh (if annual revenue of MII is less than ₹300 crore) to ₹25 lakh (if annual revenue is greater than ₹1,000 crore). For second instance, this penalty will vary from ₹2 lakh to ₹50 lakh. For third instance onwards the penalty will vary from ₹4 lakh to ₹1 crore. The new framework will be applicable from July 1. "The general objective of surveillance by MIIs is thus to monitor the market to detect and deter manipulation or abusive trading that affects the integrity of the market and to provide information that supports the regulator's enforcement actions," SEBI said in a circular.

<https://www.thehindubusinessline.com/markets/sebi-issues-framework-for-levying-penalty-for-surveillance-lapses/article68259856.ece>

IBBI issues new guidelines to streamline process of appointing IPs as resolution professionals

The Insolvency and Bankruptcy Board of India (IBBI) has issued a new set of guidelines to streamline the process for appointing insolvency professionals (IPs) as interim resolution professionals, liquidators, and bankruptcy trustees. Under the new guidelines, issued on June 5, a panel of IPs will be set up, which will be effective from July 1, 2024, to December 31, 2024. The panel will be shared with the National Company Law Tribunal and the Debt Recovery Tribunal (DRT) to avoid administrative delays.

<https://economictimes.indiatimes.com/industry/services/consultancy/-/audit/ibbi-issues-new-guidelines-to-streamline-process-of-appointing-ips-as-resolution-professionals/articleshow/110775723.cms>

Industry

AC sales may touch new record of 14 mn units by end of 2024: CEAMA

The blistering heatwave this year has skyrocketed the demand for room air-conditioners across the country, expecting a record annual sale of around 14 million units, according to the Consumer Electronics and Appliances Manufacturers Association. The industry had "record-breaking figures" for sales of air-conditioners in May and expects a surge of 30 to 40 per cent in volume growth in summers alone, Consumer Electronics and Appliances Manufacturers Association (CEAMA) President Sunil Vachani told PTI.

https://www.business-standard.com/industry/news/ac-sales-may-touch-new-record-of-14-mn-units-by-end-of-2024-ceama-124060600628_1.html

Smartwatch companies turn to premium buyers looking for upgrade

Top smartwatch makers such as Noise, Boult and Boat are now focusing on second-time repeat buyers with premium hardware in a bid to pull up average selling prices and boost their struggling profitability, amidst declining shipments and stiff competition. They are premiumising with their own processors, high-end hardware, enhanced aesthetics, and establishing distinct sub-categories, along with tapping offline channels aggressively, reaching modern trade outlets and large-format retail stores to reduce their heavy reliance on ecommerce platforms.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/smartwatch-cos-turn-to-premium-buyers-looking-for-upgrade/articleshow/110775354.cms>

Agriculture

Govt offers par-boiled rice to boost sales under 'Bharat rice'

To boost sales of highly subsidised Bharat rice, the food ministry has asked agencies such as Nafed, National Cooperative Consumers' Federation of India (NCCF) and Kendriya Bhandars and others to sell par-boiled rice in the southern states. Sources told FE that the government has supplied more than one million tonne (MT) of common variety of rice under Bharat rice initiative so far which is much lower than anticipated.

<https://www.financialexpress.com/policy/economy-govt-offers-par-boiled-rice-to-boost-sales-under-bharat-rice-3515913/>

Infrastructure

Domestic air passenger traffic grows 5.1% to about 138.9 mn in May: ICRA

Domestic air passenger traffic grew 5.1 per cent year-on-year to an estimated 138.9 million in May and was significantly higher by around 14 per cent than pre-Covid levels, credit ratings agency Icra said on Thursday. Icra also said the outlook on the Indian aviation industry is stable amid the continued recovery in domestic and international air passenger traffic with a relatively stable cost environment and expectations of the trend continuing in FY2025.

https://www.business-standard.com/industry/auto/domestic-air-passenger-traffic-grows-5-1-to-about-138-9-mn-in-may-icra-124060600532_1.html

Proptech firms garner investment of \$4.6 bn in the last 14 years: Report

India's proptech sector has shown resilience from FY2011-24 with investments totalling \$4.6 billion and growing at a compound annual growth rate (CAGR) of 40 per cent. This rapid growth highlights the transformative impact of technology on the real estate industry, driving efficiency and innovation, according to the Annual PE Investment Round-Up report by Housing.com. Despite global economic uncertainties, funding in proptech firms saw only a slight decline in FY24, with investments totalling \$657 million, down from \$683 million in FY23. This figure represents 90 per cent of the record-high \$730 million investment received by the proptech sector in FY22.

https://www.business-standard.com/industry/news/proptech-firms-garner-investment-of-4-6-bn-in-the-last-14-years-report-124060600898_1.html

'Made in India' bullet trains with top speed of 250 kmph in making

The railways has tasked state-owned Integral Coach Factory (ICF) with locally manufacturing two standard-gauge bullet trains this fiscal year, as talks with Japanese suppliers got stuck over price, officials in the know said. This is the first time that India will manufacture a train that can reach maximum speeds of 250 kilometres per hour (kmph). These two trains are expected to run on the ₹1.08 lakh crore Mumbai-Ahmedabad High Speed Rail corridor. The trains would likely be built on the Vande Bharat platform. While using an existing platform would help ICF cut the time required to roll out the trainsets, supplying those ..

<https://economictimes.indiatimes.com/industry/transportation/railways/made-in-india-bullet-trains-with-top-speed-of-250-kmph-in-making/articleshow/110775610.cms>

Energy

Renewables, transmission to fuel power sector investment: Moody's

Investment in the country's power sector will be driven by renewable energy and power transmission over the coming years, according to a report by Moody's Ratings on Thursday. The agency said India's target of 500 gigawatt (Gw) of renewable energy capacity by 2030 requires \$190 billion to \$215 billion of investment over the next seven years.

https://www.business-standard.com/industry/news/power-sector-investments-to-be-driven-by-re-transmission-projects-moody-s-124060600926_1.html

Monthly natural gas trades shoot up 480% in May: Indian Gas Exchange

An increasing trend in gas prices and extended winter reducing gas-based power demand led to monthly gas volumes traded on the Indian Gas Exchange Limited (IGX) rising by 480 per cent to 4.92 million metric million British thermal units (mmbtu) in May, the company said on Thursday. Traded volumes were up 99 per cent on a sequential basis. IGX is the only national-level gas exchange for the physical delivery of natural gas.

https://www.business-standard.com/economy/news/monthly-natural-gas-trades-shoot-up-480-in-may-indian-gas-exchange-124060600916_1.html

Solar open access installations doubles to 1.8 GW in this March quarter

In the first quarter of 2024, the country added over 1.8 GW of solar open access capacity, doubling from 909 MW in the fourth quarter of 2023, according to a report by Mercom India. In March 2024 quarter, solar open access developers benefitted from lower Chinese module prices and the suspension of the Approved List of Models and Manufacturers (ALMM) order for projects commissioned through March 2024.

<https://www.thehindubusinessline.com/economy/solar-open-access-installations-doubles-to-18-gw-in-this-march-quarter/article68259688.ece>

Telecom

Trai issues consultation paper for revising national numbering plan

The Telecom Regulatory Authority of India (Trai) on Thursday issued a consultation paper on revising the National Numbering Plan to create a sustainable pool of new phone numbers for the country's nearly 1.2 billion mobile phone connections. In 2003, the Department of Telecommunications (DoT) conducted a comprehensive review and revision of the national number plan to accommodate the rapid increase in subscribers. Subsequently, the National Numbering Plan 2003, was designed to allocate numbering resources for 750 million telephone connections across the country.

https://www.business-standard.com/industry/news/trai-issues-consultation-paper-for-revising-national-numbering-plan-124060601129_1.html

Trai reviewing norms for inactive landline and mobile connections, seeks feedback

The telecom sector regulator has sought views on the need to come up with relevant definitions for inactive landline and mobile connections, in a new discussion paper around formulating a revised national numbering plan for telecom services after factoring in resource constraints. It also wants industry suggestions on the potential duration after which telecom numbering resources associated with inactive phone connections can be reused. The Department of Telecommunications (DoT) wants the regulator to identify future constraints around the availability of landline numbering resources, amid the massive growth of broadband networks.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/trai-reviewing-norms-for-inactive-landline-and-mobile-connections-seeks-feedback/articleshow/110773806.cms>

States

UP to acquire 760 hectares for Japanese, South Korean cities in Noida

The Uttar Pradesh government is looking to acquire nearly 760 hectares of land to develop exclusive Japanese and South Korean industrial enclaves in Noida. Nodal agency Yamuna Expressway Industrial Development Authority

(YEIDA) will acquire land in Gautam Buddha Nagar district for the proposed Japanese and South Korean industrial cities.

https://www.business-standard.com/industry/news/up-to-acquire-760-hectares-for-japanese-south-korean-cities-in-noida-124060600013_1.html

Healthcare

Pharma industry raises concerns over new Schedule M's impact on cosmetic manufacturing

The pharmaceutical industry has raised concerns regarding the government's newly notified schedule M that proposes a blanket ban on manufacture of any other article or product apart from drugs in the units licensed for drug production. The Federation of Pharma Enterprises (FoPE) that represents medium and small-scale enterprises has written to the health ministry citing that setting up a new plant exclusively for cosmetic manufacturing is financially not viable. It sought that such units be permitted to manufacture cosmetics in the area dedicated for making topical products such as external preparations such as creams and lotions.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/pharma-industry-raises-concerns-over-new-schedule-ms-impact-on-cosmetic-manufacturing/articleshow/110776089.cms>

External

India to sign IPEF agreements after formation of the new government

India will sign the clean economy and fair economy agreements under the United States-led economic initiative—Indo-Pacific Economic Framework for Prosperity (IPEF)—after the formation of the new government. Barring India, the rest of the 13 member nations of IPEF signed the two agreements that aim to address 21st-century challenges and strengthen economic engagement across a critical region.

https://www.business-standard.com/economy/news/india-to-sign-ipef-agreements-after-formation-of-the-new-government-124060600992_1.html