



June 14, 2024 – Friday

## Economy

### Capacity boost for EPFO, ESIC to pave way for labour reforms

The ministry of labour and employment will fast track governance and administrative reforms and enhance capacity at its two key social security organisations - Employees' Provident Fund Organisation (EPFO) and the Employees' State Insurance Corporation (ESIC) in the first 100 days of the new government. The move is aimed at preparing the groundwork for introducing social security benefits to gig and platform workers under the Labour Codes, which are expected to be rolled out by next fiscal. Soon after taking charge, labour and employment minister Mansukh Mandaviya held several rounds of review meetings with top officials of the labour ministry, EPFO and ESIC, and called for continuation of the government's key labour reform agenda.

<https://economictimes.indiatimes.com/news/economy/policy/capacity-boost-for-epfo-esic-to-pave-way-for-labour-reforms/articleshow/110977384.cms>

### India to remain fastest growing Asia-Pacific economy, says Moody's

Fuelled by domestic demand growth, India is expected to remain the region's fastest-growing economy in the Asia-Pacific region in the second half of the year 2024, said credit rating agency Moody's Ratings on Thursday. "India will remain the region's fastest-growing economy, sustaining last year's domestically driven momentum. We anticipate policy continuity after the general election, and a continued focus on infrastructure development and encouragement of private sector investment," the credit rating agency said in its latest report.

[https://www.business-standard.com/economy/news/india-to-remain-fastest-growing-economy-in-asia-pacific-in-h2-moody-s-124061301069\\_1.html](https://www.business-standard.com/economy/news/india-to-remain-fastest-growing-economy-in-asia-pacific-in-h2-moody-s-124061301069_1.html)

### NITI Aayog proposes tax exemption to boost state universities R&D

The central government think tank NITI Aayog has proposed exempting state universities and institutes from goods and services tax (GST) and income-tax to bolster their research and development (R&D) outcomes. "State universities often operate on limited budgets allocated by state governments. Exempting them from GST ensures that essential goods and services they procure for academic and research purposes are not subjected to additional tax burdens. This financial relief allows universities to allocate resources more efficiently to core activities like teaching, research, and infrastructure development," the Aayog said in a report titled 'Improving the Culture of R&D in State Universities and Institutes'.

[https://www.business-standard.com/economy/news/niti-aayog-proposes-tax-exemption-to-boost-state-universities-r-d-124061301013\\_1.html](https://www.business-standard.com/economy/news/niti-aayog-proposes-tax-exemption-to-boost-state-universities-r-d-124061301013_1.html)

### Consumer mkt presents long-term structural opportunity: N Chandrasekaran

India's middle class is expected to grow from about 30 per cent of the population to 50 per cent by 2030, making the consuming class bigger and resulting in a big opportunity, N Chandrasekaran, chairman of Tata Consumer Products Ltd (TCPL), on Thursday told shareholders at its annual general meeting. He also said: "Apart from this a young population, rapid urbanisation, increasing disposable incomes and rising aspirations bode well for the overall FMCG (fast-moving consumer goods) space in India."

[https://www.business-standard.com/economy/news/india-s-middle-class-may-grow-from-30-of-population-to-50-by-2030-124061300819\\_1.html](https://www.business-standard.com/economy/news/india-s-middle-class-may-grow-from-30-of-population-to-50-by-2030-124061300819_1.html)

#### **Skill ministry to train 150K women under PMKVY in first 100 days**

The Ministry of Skill Development and Entrepreneurship (MSDE) is looking to train around 150,000 women under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY), with a third of them acquiring new-age skills, in the first 100 days of the new government, sources in the know told Business Standard. Along with skilling, MSDE will concentrate on promoting apprenticeship in the country, with around half a million new apprentices being engaged. The ministry will also be focussing on launching demand-based financing solutions for promoting adoption of skill courses.

[https://www.business-standard.com/economy/news/skill-ministry-to-train-1-5l-women-candidates-under-pmkvy-in-first-100-days-124061301123\\_1.html](https://www.business-standard.com/economy/news/skill-ministry-to-train-1-5l-women-candidates-under-pmkvy-in-first-100-days-124061301123_1.html)

#### **'Need to moderate rate, widen tax base for Viksit Bharat goal by 2047'**

There is a need for a shift in the taxation mindset from rates to revenue by moderating tax rates and widening base in order to achieve the goal of 'Viksit Bharat' by 2047, experts said. They underscored the need on transition from rates to revenue focused on lowering tax rates, enlarging the tax-paying base and thereby creating the means for financing of India's investment and development needs.

[https://www.business-standard.com/economy/analysis/need-to-moderate-rate-widen-tax-base-for-viksit-bharat-goal-by-2047-124061300720\\_1.html](https://www.business-standard.com/economy/analysis/need-to-moderate-rate-widen-tax-base-for-viksit-bharat-goal-by-2047-124061300720_1.html)

#### **Reforms in customs duties, GST, commerce to push India's growth: GTRI**

Implementation of key strategic reforms such as simplification of customs duty structure, GST, and not incentivising low value-added electric vehicles would help India ensure its sustainable development and inclusive growth, GTRI said on Thursday. Economic think tank Global Trade Research Initiative (GTRI) also said that India is standing on the cusp of a transformative era and there is an urgent need for comprehensive economic reforms.

[https://www.business-standard.com/economy/news/reforms-in-customs-duties-gst-commerce-to-push-india-s-growth-gtri-124061300323\\_1.html](https://www.business-standard.com/economy/news/reforms-in-customs-duties-gst-commerce-to-push-india-s-growth-gtri-124061300323_1.html)

### **Finance**

#### **India likely to present Budget on July 22**

Union Budget 2024 is expected to be presented on July 22, sources told ET. This will mark the first full Budget of the Modi 3.0 administration. The main policy priorities for Prime Minister Modi's government will focus on addressing challenges in the agriculture sector, generating employment, maintaining the momentum of capital expenditure, and boosting revenue growth to adhere to the fiscal consolidation trajectory. Simplifying GST and reducing tax compliance burdens are also expected to be prominent on the agenda.

<https://economictimes.indiatimes.com/news/economy/policy/budget-likely-to-be-presented-on-july-22/articleshow/110984240.cms>

#### **Panel on rejigging GST rates due for another revamp, to meet before Budget**

The Goods and Services Tax (GST) council, at its meeting before the full Budget for 2024-25 (FY25), is expected to once again change the composition of the group of ministers on rate rationalisation. The group has to submit a final report on rationalisation of the GST regime, following up on its interim report of June 2022. The meeting will be held at a time when the council is expected to assess states' progress in implementing changes to their laws on taxation of online gaming, levying 28 per cent GST on the full face value for online money gaming, casinos, and horseracing. The six-month review window ended on March 30.

[https://www.business-standard.com/economy/news/panel-on-rejigging-gst-rates-due-for-another-revamp-to-meet-before-budget-124061300229\\_1.html](https://www.business-standard.com/economy/news/panel-on-rejigging-gst-rates-due-for-another-revamp-to-meet-before-budget-124061300229_1.html)

#### **Life insurers' margins may take a hit on early surrender directive**

Life insurance companies expect a hit on their new business margins after the Insurance Regulatory and Development Authority of India's (IRDAI) recent directives on surrender values for early exits. For instance, HDFC Life expects a gross impact of 100 basis points on the company's margins. IRDAI has mandated that insurance

companies offer a surrender value starting from the first year of the policy. To counter this, insurers will try to change the business model and link commissions with policy persistence by moving to trail-based commissions.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/life-insurers-margins-may-take-a-hit-on-early-surrender-directive/articleshow/110977203.cms>

## Industry

### **FAME-3 may get a budget-day release; Rs 10,000-crore outlay expected**

India may roll out a third iteration of the scheme to encourage the sale of electric vehicles in the upcoming budget to be presented next month. Electric two, three, and four-wheelers are expected to be supported under the Faster Adoption & Manufacturing of Electric Vehicles (FAME) scheme, which could receive a budgetary allocation of about Rs 10,000 crore, people familiar with the deliberations told ET. "Discussions are on... FAME III could be announced in the full budget," a senior official said. The heavy industries ministry, which administers the scheme, has already sent a plan for vetting to the Prime Minister's Office (PMO).

<https://economictimes.indiatimes.com/news/economy/policy/fame-3-may-get-a-budget-day-release-rs-10000-crore-outlay-expected/articleshow/110977399.cms>

### **Auto emission norms to get stricter, make cars costlier**

Automakers in India will need to cut carbon emissions by a third over the next three years or face stiff penalties under the third iteration of corporate average fuel efficiency norms (CAFE) drawn up by the bureau of energy efficiency (BEE). The latest step by India's energy efficiency and conservation agency is likely to make cars pricier, adding to a 30% price rise since the transition to Bharat Stage VI emission norms in April 2020.

<https://economictimes.indiatimes.com/industry/auto/auto-news/auto-emission-norms-to-get-stricter-make-cars-costlier/articleshow/110977406.cms>

### **Large food firms start biting back to win market share from smaller players**

Large food companies are winning back market share by making their offerings more affordable in order to compete with smaller players. Small players typically enter the market when the commodity cycle enters into a downward territory and offer stiff competition to larger players with similar offerings at lower prices. According to data by NielsenIQ, in the January-March quarter, small companies' volume growth was -4 per cent compared to larger companies who witnessed a volume growth of 8 per cent.

[https://www.business-standard.com/companies/news/large-food-cos-start-biting-back-to-win-market-share-from-smaller-players-124061300910\\_1.html](https://www.business-standard.com/companies/news/large-food-cos-start-biting-back-to-win-market-share-from-smaller-players-124061300910_1.html)

### **No reduction in consumer market frauds despite regulatory changes: KPMG**

The majority of the respondents feel that there has been no reduction in frauds despite multiple regulatory changes in India, a KPMG survey said on Thursday. KPMG in India conducted a survey with more than 75 experts from the finance/ compliance domain in various organisations in the consumer markets sector (FMCG, consumer durables, agriculture, retail and e-commerce), covering questions about frauds and leakages faced by them.

[https://www.business-standard.com/industry/news/no-reduction-in-consumer-market-frauds-despite-regulatory-changes-kpmg-124061300775\\_1.html](https://www.business-standard.com/industry/news/no-reduction-in-consumer-market-frauds-despite-regulatory-changes-kpmg-124061300775_1.html)

### **Market share of top 5 cement makers to rise to 55% by Mar 2025: ICRA**

Top five domestic cement manufacturers could expand their market share to up to 55 per cent by March 2025, through organic and inorganic expansions, leading to further consolidation, said a report from rating agency ICRA. Helped by a healthy demand prospect, large companies operating in the cement sector are looking to increase their capacity and maintain market share, it said.

[https://www.business-standard.com/industry/news/market-share-of-top-5-cement-makers-to-rise-to-55-by-mar-2025-icra-124061300449\\_1.html](https://www.business-standard.com/industry/news/market-share-of-top-5-cement-makers-to-rise-to-55-by-mar-2025-icra-124061300449_1.html)

## Agriculture

### **No proposal to alter duty structure import of wheat: Govt**

There is no proposal to alter the duty structure on imports of wheat at present, the department of food and public distribution said in a statement on Thursday. "...at present, there is no proposal to alter the duty structure on imports of wheat," it said. The department is also keeping close watch on the market price of the grain, the statement added. There have been demand from various industry representatives to reduce the 40% duty on import of wheat to augur domestic supply to contain prices of wheat.

<https://economictimes.indiatimes.com/news/economy/agriculture/no-proposal-to-alter-duty-structure-import-of-wheat-govt/articleshow/110972169.cms>

## Infrastructure

### Road contractors relieved from developing wayside amenities

The National Highways Authority of India (NHAI) has scrapped the requirement for developing wayside amenities along new highways and expressways by road contractors and concessionaires. Instead, NHAI will seek separate bids from companies for developing such amenities. The step is aimed at attracting global expertise for creating wayside amenities (WSAs) in the country with a stronger focus on design and product innovations to boost return on investment while scaling up the experience of highway users.

<https://economictimes.indiatimes.com/industry/transportation/roadways/road-contractors-relieved-from-developing-wayside-amenities/articleshow/110977445.cms>

### Amid high demand, real estate developers ramp up uber-luxury projects

Indian real estate firms are diversifying their portfolios to include ultra-luxury projects ranging between Rs 3.5 crore and Rs 45 crore, as they capitalised on the uptick in demand for opulent apartments especially among the new-generation entrepreneurs and C-level executives. Luxury home sales in India, valued at Rs 4 crore and above, surged by 75 per cent last year, doubling their share of total housing sales, according to CBRE's report.

[https://www.business-standard.com/industry/news/real-estate-developers-ramp-up-uber-luxury-properties-amid-demand-surge-124061300657\\_1.html](https://www.business-standard.com/industry/news/real-estate-developers-ramp-up-uber-luxury-properties-amid-demand-surge-124061300657_1.html)

### Indian ship recyclers' revenue likely to rise 15% this fiscal: CRISIL

The Indian ship recycling industry will see revenue growth of 15 per cent this fiscal after two years of decline, Crisil ratings said on Thursday. The rating agency said the growth will be supported by the increased availability of ageing vessels for recycling due to addition of new vessel capacity globally and higher competitiveness of Indian ship recyclers compared to key rival nations -- Bangladesh and Pakistan.

[https://www.business-standard.com/industry/news/indian-ship-recyclers-revenue-likely-to-rise-15-this-fiscal-crisil-124061300480\\_1.html](https://www.business-standard.com/industry/news/indian-ship-recyclers-revenue-likely-to-rise-15-this-fiscal-crisil-124061300480_1.html)

## Healthcare

### Govt allows global tenders to access 120 key, patented drugs

In what could ease access to some patented medicines, the government has allowed global tenders to be floated for procurement of 120 drugs, including anti-diabetic medication Semaglutide, after the health ministry raised concerns over lack of domestic options. The decision was notified by the finance ministry last week, people in the know told ET. With this, it will become easier for people in India to procure medicines which are either not available in the country because they are patented, or are not being produced here due to technological barriers. "This will open doors to various such products and will benefit the Indian patient," said an industry insider.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/govt-allows-global-tenders-to-access-120-key-patented-drugs/articleshow/110977493.cms>

## External

### India likely to import over 1 MT of chana from Australia

India is likely to import about 1.1 million tonne (MT) of desi chana (bengal gram) from Australia to improve domestic supplies that have been hit by lower production. This is in addition to the import of 1.6 MT of yellow peas, which is used as a substitute for chana, after the abolition of import duty on it was announced in December last year.

<https://www.financialexpress.com/policy/economy-india-likely-to-import-over-1-mt-of-chana-from-australia-3523341/>

#### **India's May Palm oil imports jump 74 pc on rising demand**

India's palm oil imports surged 74 per cent to 7,63,300 tonnes in May this year from 4,39,173 tonnes in the year-ago period, as the world's largest vegetable oil buyer stocked up the commodity to meet rising domestic demand, industry body Solvent Extractors Association (SEA) said on Thursday. The total vegetable oil imports rose to 15.29 lakh tonnes in May this year from 10.58 lakh tonnes in May 2023, it added. Crude palm oil (CPO) imports rose to 5,32,555 tonnes in May this year from 3,48,118 tonnes in the year-ago period, while RBD Palmolein imports surged to 2,25,746 tonnes from 85,205 tonnes. However, Crude Palm Kernel Oil (CPKO) imports fell to 4,999 tonnes from 5,850 tonnes a year earlier.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-may-palm-oil-imports-jump-74-pc-on-rising-demand/articleshow/110965950.cms>