



June 13, 2024 – Thursday

Economy

Industrial output grows 5% in April on good show by mining, power sectors

India's industrial production growth slipped to 3-month low of 5 per cent in April 2024, mainly due to poor show by the manufacturing sector, though mining and power segments performed well, according to official data released on Wednesday. Factory output growth, measured in terms of the Index of Industrial Production (IIP), was 5.4 per cent in March and 5.6 per cent in February 2024. The previous low of IIP was recorded at 4.2 per cent in January, 2024. For the fiscal 2023-24, IIP growth was 5.9 per cent against 5.2 per cent in the preceding financial year.

https://www.business-standard.com/industry/news/industrial-output-grows-5-in-april-on-good-show-by-mining-power-sectors-124061200780_1.html

Retail inflation eases marginally to 1-year low of 4.75% in May: Govt data

Retail inflation eased to a one-year low of 4.75 per cent in May as prices of some kitchen items declined marginally, according to government data released on Wednesday. The Consumer Price Index (CPI) based retail inflation was 4.83 per cent in April 2024 and 4.31 per cent in May 2023 (previous low). Inflation in the food basket was 8.69 per cent in May, marginally down from 8.70 per cent in April, according to the data released by the National Statistical Office (NSO).

https://www.business-standard.com/economy/news/retail-inflation-eases-marginally-to-1-year-low-of-4-75-in-may-govt-data-124061200792_1.html

'Ease of living': Back in office, Nirmala Sitharaman lists priorities

The government is completely committed to ensuring 'ease of living' for its citizens and will continue to take further steps in this regard, Finance Minister Nirmala Sitharaman asserted on Wednesday after assuming charge of the Ministries of Finance and Corporate Affairs, again. She said that the reforms undertaken since 2014 will continue, further providing macroeconomic stability and growth for India. Upon her arrival at the North Block office, Sitharaman was greeted by Finance Secretary T V Somanathan and senior officials of the ministry.

https://www.business-standard.com/economy/news/further-reforms-to-deliver-macro-stability-and-growth-for-india-sitharaman-124061200972_1.html

Labour Codes: Secy to meet officials to take stock of state rules

As the BJP-led NDA government gears up to firm up the road map for implementing the four labour codes, labour secretary Sumita Dawra will chair a meeting of labour secretaries and labour commissioners of all states on June 20 to take stock of the state rules and suggest changes if they do not meet the benchmark of model rules framed by the Centre. As the BJP-led NDA government gears up to firm up the road map for implementing the four labour codes, labour secretary Sumita Dawra will chair a meeting of labour secretaries and labour commissioners of all states on June 20 to take stock of the state rules and suggest changes if they do not meet the benchmark of model rules framed by the Centre.

<https://economictimes.indiatimes.com/news/economy/policy/labour-codes-secy-to-meet-officials-to-take-stock-of-state-rules/articleshow/110948317.cms>

Domestic market access for SEZs, SOP for trade pacts likely in 100-day plan

The commerce department is chalking out a 100-day action plan that is likely to focus on allowing special economic zones (SEZs) to sell in the domestic market, setting up an all-encompassing trade information platform, standard operating procedures to negotiate free trade agreements (FTAs), and ecommerce export zones. According to a senior official, the proposed Trade Connect e-Platform, which the department plans to launch as part of its 100-day agenda, seeks to provide information to new and aspiring exporters on non-tariff barriers, identification of products for export, updated tariff schedule of items, and benefits under India's FTAs. It is likely to be on the same lines as electronic platforms in the US and Australia, the official told ET.

<https://economictimes.indiatimes.com/news/economy/policy/domestic-market-access-for-sezs-sop-for-trade-pacts-likely-in-100-day-plan/articleshow/110948239.cms>

Govt needs to adopt granular approach to support biz: PwC Chairman Krishan

The Modi 3.0 government needs to adopt granular and tailored approach to support small businesses and promote job creations to make the economic growth more inclusive, said PwC in India Chairperson Sanjeev Krishan. Supporting the development of ancillary industries, and sharper focus on urban and rural development projects as part of infrastructure creation should be other priorities of the government, Krishan said.

https://www.business-standard.com/industry/news/govt-needs-to-adopt-granular-approach-to-support-biz-pwc-chairman-krishan-124061200530_1.html

Finance

ATM operators seek Rs 2 hike in interchange fee for viability

India's ATM operators have approached the Reserve Bank of India (RBI) and the National Payments Corporation of India (NPCI) for an increase in the interchange fee paid by customers on cash withdrawals. The Confederation of ATM Industry, or CATMI, wants this fee to be raised to a maximum of Rs 23 per transaction to ensure more funding commitment for the business.

<https://economictimes.indiatimes.com/news/economy/policy/atm-operators-seek-rs-2-hike-in-interchange-fee-for-viability/articleshow/110948575.cms>

Commercial banks credit growth to moderate to 12-14% in Fy25: Moody's

The pace of credit growth of commercial banks in India is expected to moderate in the current financial year (FY25) to 12-14 per cent due to challenges in raising resources and regulatory concerns on unsecured credit. The moderation of credit growth will be faced by the non-banking finance companies also, according to global rating agency Moody's and its Indian Unit ICRA. The stress in some segments of the loan portfolio will also impact credit growth, they said.

https://www.business-standard.com/industry/banking/commercial-banks-credit-growth-to-moderate-to-12-14-in-fy25-moody-s-124061200982_1.html

Deposit rates at peak; will move downwards in medium term: SBI Chairman

State Bank of India (SBI) Chairman Dinesh Kumar Khara has said that deposit rates have peaked and will move southward in the medium term. The country's largest lender also said the RBI may start easing the interest rate cycle from the third quarter of the current financial year. Last week, the Reserve Bank of India (RBI) left its key interest rates unchanged for the eighth time in a row, keeping the focus on inflation amid robust economic growth.

https://www.business-standard.com/finance/news/deposit-rates-at-peak-will-move-downwards-in-medium-term-sbi-chairman-124061200919_1.html

Int'l Road Federation wants no GST on helmets to make them affordable

International Road Federation (IRF) on Wednesday urged the Goods and Services Tax (GST) Council and the Ministry of Finance to reduce tax on helmets from 18 per cent to nil, to encourage the use of the safety gear. IRF in a statement said two-wheeler riders are most vulnerable during road accident fatalities and lowering GST rates on helmets will help in making helmets more affordable for the masses amid increasing road accident fatalities.

https://www.business-standard.com/economy/news/international-road-federation-wants-no-gst-on-helmets-to-make-it-affordable-124061200433_1.html

IBBI proposes compliance procedures for IPs, seeks stakeholder feedback

The IBBI has proposed changes to the corporate insolvency resolution process (CIRP) forms and compliance framework to reduce compliance burden on insolvency professionals, and sought stakeholders' comments by July 1. These changes will reduce the amount of information and data that insolvency professionals (IPs) need to submit, thereby enhancing efficiency and reducing redundancy.

https://www.business-standard.com/economy/news/ibbi-proposes-compliance-procedures-for-ips-seeks-stakeholder-feedback-124061200783_1.html

IRDAI asks life insurers to offer surrender value in first year

The Insurance Regulatory and Development Authority of India (IRDAI) has asked insurance companies to offer a surrender value from the first year itself, a move that could impact their margins. The regulator issued a master circular, which mandates insurers to pay special surrender value (SSVs) after the first policy year, provided one full year's premium has been received.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/irdai-asks-life-insurers-to-offer-surrender-value-in-first-year/articleshow/110948622.cms>

Industry

Govt steps help boost toy exports, manufacturing; more work needed: DPIIT Secretary

Government measures such as mandatory quality control orders and increasing customs duty have helped boost exports of toys from India, but there is a need to do much more for the sector, a top official said on Wednesday. Secretary in the Department for Promotion of Industry and Internal Trade (DPIIT) Rajesh Kumar Singh also indicated that they are diligently pursuing the proposal of extending fiscal incentives under the production-linked incentive scheme for the sector. He said that the industry is wondering about one proposed major policy intervention and "let me assure you that we are still pursuing that". In the interim Budget in February, the Commerce and Industry Ministry has recommended an outlay of Rs 3,489 crore for the Production Linked Incentive (PLI) scheme for toys to boost domestic manufacturing of the sector.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/govt-steps-help-boost-toy-exports-manufacturing-more-work-needed-dpiit-secy/articleshow/110939489.cms>

PLI scheme to draw Rs 3-4 trn investments over 4 yrs; boost pvt capex: ICRA

The PLI scheme is expected to attract investments of Rs 3-4 trillion in the next four years and generate 200,000 jobs as large projects in sectors, including semiconductor, solar module and pharmaceutical intermediaries, are expected to take off, a top ICRA executive said on Wednesday. ICRA Executive Vice President and Chief Ratings Officer K Ravichandran said that going ahead private sector capex is expected to pick up in oil and gas, metals and mining, hospitals, healthcare and cement sectors.

https://www.business-standard.com/industry/news/pli-scheme-to-draw-rs-3-4-trn-investments-over-4-yrs-boost-pvt-capex-icra-124061200610_1.html

India to clock highest growth in tech spending in 2024 in APAC: Report

India's technology spending this year is estimated to grow by 8 per cent – the highest in Asia Pacific (APAC), said a report on Wednesday. India's technology spending will reach around \$54.5 billion (around Rs 4.49 trillion), according to Forrester's 'Asia Pacific Tech Market Forecast, 2023 to 2027'. "India's domestic tech economy continues to enjoy strong growth due to an all-round digitisation push from the central and state governments," said the report.

https://www.business-standard.com/technology/tech-news/india-to-clock-highest-growth-in-tech-spending-in-2024-in-apac-report-124061200371_1.html

FMCG firms shift to liquid soaps, detergents as buyers go premium

Savita Singh, a homemaker from Mumbai, finds it convenient to use a liquid dish wash when cleaning utensils. Not only do the vessels look cleaner, she says, she is able to wind up her chore quickly. Once done, she prefers to wash her hands with a liquid soap rather than a bar. She is now increasingly using liquid detergents instead of powders for her washing machine. Large and traditional fast-moving consumer goods (FMCG) categories such as soaps,

detergents and dish wash, which depended on the bar and powder formats, are now seeing the liquid variants gain currency. While the market is small, says research agency Kantar, which tracks household consumption, the pace of growth is rapid.

<https://www.financialexpress.com/business/industry-fmcg-firms-shift-to-liquid-soaps-detergents-as-buyers-go-premium-3522171/>

Infrastructure

India will need to build 100 million homes this decade amid rising household incomes

Indian home builders may have to construct as many as 100 million new dwelling units this decade as rising household incomes in the world's fastest-growing major economy buoy demand for new residences, according to a top official at one of the country's largest developers. About 70 million Indian households will turn eligible for home ownership over the next 10 years, which, along with people seeking to upgrade their apartments, should create requirement for as many as 100 million new houses, Abhishek Lodha, chief executive officer at Mumbai-based Macrotech Developers Ltd. said in an interview earlier this month. Macrotech's flagship projects include the Trump Tower in Mumbai.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/india-will-need-to-build-100-million-homes-this-decade-amid-rising-household-incomes/articleshow/110952725.cms>

Govt's PMAY move to help boost affordable housing, drive economic growth

The government's decision to sanction assistance for the construction of 3 crore additional houses under the Pradhan Mantri Awas Yojana (PMAY) is expected to boost the supply of much-needed affordable housing and move closer to the vision of housing for all. The move is expected to have a significant multiplier effect on the economy given the realty sector's linkages with over 250 ancillary industries. The government had launched the PMAY mission in June 2015 with an objective to provide housing for all.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/govts-pmay-move-to-help-boost-affordable-housing-drive-economic-growth/articleshow/110947722.cms>

Indian Railways sanction survey for 14 new routes connecting neighbouring countries

Indian Railways has recently sanctioned the Final Location Survey (FLS) for 14 new railway connectivity routes connecting the neighbouring countries like Bangladesh, Nepal and also alternate routes towards Northeast India. The total length of the Final Location Survey sanctioned is 1275.50 km. The total length of the Final Location Survey for New Railway Lines connecting Bangladesh is 861 km, and with Nepal is 202.5 km. The proposed alternate routes towards Northeast will be of 212 km length.

<https://economictimes.indiatimes.com/industry/transportation/railways/indian-railways-sanction-survey-for-14-new-routes-connecting-neighbouring-countries/articleshow/110946358.cms>

Energy

Centre may seek nod for coal exchange

The coal ministry is likely to seek approval for setting up India's first coal trading exchange as part of its action plan for the first 100 days of the new government, an official told ET. The plan had been pending and was initially expected to be launched last fiscal. A coal trading exchange could facilitate more sellers and buyers to trade coal as a commodity and go beyond term linkages. "Coal trading will provide a transparent mechanism for captive and commercial auction holders [who won coal blocks in commercial auctions] to sell coal.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/centre-may-seek-nod-for-coal-exchange/articleshow/110948353.cms>

Investment of \$190-215 bn needed for India's 500 GW RE capacity: Moody's

Investments of \$190-215 billion will be needed to achieve the target of 500 gigawatt (GW) of renewable energy capacity by 2030 in India, Moody's Ratings said on Wednesday. India's infrastructure companies will be spending on energy transition to meet demand resulting from the country's relatively strong economic growth. However, government policies and stable regulatory frameworks will support credit quality, Moody's said in a statement.

https://www.business-standard.com/industry/news/investment-of-190-215-bn-needed-for-india-s-500-gw-re-capacity-moody-s-124061200999_1.html

India to lead world in fuel demand growth: IEA

India, the world's third biggest oil importer and consumer, will in the second half of the decade become the driver of global oil demand, the International Energy Agency (IEA) said Wednesday, forecasting rise in consumption by a massive 1.3 million barrels between 2023 and 2030. In its Oil 2024 Report, the Paris-based energy watchdog said India's oil demand is forecast to grow more than any country's other than China between 2023 and 2030. "Unusually, in a global context, an increase of more than 1.3 million bpd will be dominated by rising demand for road transport fuels, with a comparatively small role for petrochemical feedstocks and underlying growth comfortably outpacing deployment of clean energy technologies.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/india-to-lead-world-in-fuel-demand-growth-ia/articleshow/110938209.cms>

Telecom

Telecom cos reiterate demands over fair share charge, 6 GHz spectrum

Telecom service providers have doubled down on their demands for a proposed fair-share charge (FSC) to be levied on major over-the-top (OTT) service providers, opening up the 6 GHz spectrum band and increasing the number of testing labs for telecommunication products. Telecom industry body Cellular Operators Association of India (COAI) on Wednesday said these were the topmost demands for Prime Minister Narendra Modi-led National Democratic Alliance (NDA) government.

https://www.business-standard.com/industry/news/telecom-cos-reiterate-demands-over-fair-share-charge-6-ghz-spectrum-124061201015_1.html

States

Karnataka govt further extends exemption to knowledge based industries

The Karnataka government on Monday extended the current exemption to knowledge-based industries in the state from the standing orders issued under the Industrial Employment (Standing Orders) Act, 1946, for an additional period of 5 years, thus continuing the two-decade-old practice. According to a note by EY India, the earlier exemption given in May 2019 has come to an end on May 24 this year. The exemption from the standing orders is applicable to organisations covered under the IT / ITES, start-ups / animation / gaming / computer graphics, telecom, BPO / KPO and other knowledge-based industries.

https://www.business-standard.com/industry/news/karnataka-govt-further-extends-exemption-to-knowledge-based-industries-124061201106_1.html

Healthcare

Demand for OPD benefits on rise among health insurance policyholders

Demand for Out-patient Department (OPD) benefits surged among health insurance policyholders in the post-pandemic years due to increased accessibility to consultations with doctors and diagnostic tests, industry players said. According to data by online insurance broker Policybazaar, the share of health insurance customers opting for OPD benefits has increased to 20 per cent in FY24 from 5 per cent in FY21.

https://www.business-standard.com/finance/insurance/demand-for-opd-benefits-on-rise-among-health-insurance-policyholders-124061200730_1.html

External

April-May steel imports hit five-year high on buoyant domestic demand

India's finished steel imports touched a five-year high in the first two months of the fiscal year that began in April, with the country continuing to be a net importer, according to provisional government data seen by Reuters. Steel

demand has been buoyant in India, the world's second-biggest crude steel producer, as the country remained a bright spot globally with robust demand from its construction and automotive sectors.

https://www.business-standard.com/industry/news/april-may-steel-imports-hit-five-year-high-on-buoyant-domestic-demand-124061200497_1.html

Shrimp exporters to report revenue growth of 8-10% this fiscal on demand recovery

Indian shrimp exporters are expected to post a revenue growth of 8-10 per cent this fiscal as demand from key importing nations recovers and realisations improve, said a report by Crisil Ratings. The revenue growth, it added, will be despite the higher duties for Indian exporters in the United States (US) and locational advantages enjoyed by key competing nations. Despite supply chain disruptions and higher logistics costs because of geopolitical uncertainties, Crisil said that higher revenues and lower procurement costs will help Indian shrimp exporters sustain operating margin around 7 per cent this fiscal.

<https://www.financialexpress.com/business/industry-shrimp-exporters-to-report-revenue-growth-of-8-10-this-fiscal-on-demand-recovery-3522887/>

Goyal reviews FTA progress, 100-day agenda

Piyush Goyal who took charge as the minister of commerce and Industry for the second term on Tuesday reviewed the status of various free trade agreements that India is negotiating and the 100-day agenda of the ministry. Along with Goyal, Minister of State for Commerce and Industry Jitin Prasada also assumed charge and participated in the review meeting with the top officials of Department of Commerce (DoC) and Department for Promotion of Industry and Internal Trade (DPIIT).

<https://www.financialexpress.com/policy/economy-goyal-reviews-fta-progress-100-day-agenda-3522203/>