



June 17, 2024 – Monday

Economy

Employment in informal sector below pre-Covid level, shows NSO data

After adding 11.7 million workers in the October 2022-September 2023 period from the pandemic lows in April 2021-March 2022, total workers employed in the vast informal sector in India — at 109.6 million — still remains below the pre-pandemic period. This is according to the latest fact sheet titled 'Annual Survey of Unincorporated Sector Enterprises (ASUSE)' released by the National Statistical Office (NSO) on Friday. According to the previous 73rd round of the National Sample Survey (NSS), conducted between July 2015 and June 2016, around 111.3 million workers were employed by unincorporated enterprises.

https://www.business-standard.com/economy/news/employment-in-informal-sector-remains-below-prepandemic-level-nso-data-124061401110_1.html

DPIIT looking to start up funding & spur manufacturing push

The Department for Promotion of Industry and Internal Trade (DPIIT) is likely to focus on easing early-stage funding for startups and reducing the compliance burden on businesses and overall logistics cost as part of its 100-day action plan, an official told ET. The DPIIT, which is under the commerce and industry ministry, is also working on a policy for deep-tech startups which includes nine areas that need intervention to create a conducive ecosystem for them, the official said. "The consultations for the policy are on and we are in advanced stages of discussion," the official said. "Comments from 18 ministries have been taken."

<https://economictimes.indiatimes.com/news/economy/finance/100-day-action-plan-dpiit-looking-to-start-up-funding-spur-manufacturing-push/articleshow/111043298.cms>

DPDP rules nearly ready, industry consultations likely soon: Ashwini Vaishnaw

The drafting of the rules for the Digital Personal Data Protection (DPDP) Act is "in very advanced stages," and the government will start consultations with the industry on the subject very soon, electronics and information technology (MeitY) minister Ashwini Vaishnaw said. "We will be as extensive as we can. We will not rush through and prefer a consultative process. In parallel, we are working on creating a digital by-design platform, so that the implementation can be done in a digital form," Vaishnaw said.

<https://economictimes.indiatimes.com/news/economy/policy/dpdp-rules-nearly-ready-industry-consultations-likely-soon-ashwini-vaishnaw/articleshow/111026737.cms>

Finance

SOPs for faster sanction of loans, insurance in works

The Centre is working with financial institutions, including banks, on a common application form and standard operating procedures (SOPs) for faster sanction of financial services such as loan disbursements and insurance under its key schemes. A senior bank executive said the move will cover loans under schemes such as the rooftop solar scheme and the National Rural Livelihoods Mission (NRLM), besides renewal of insurance policies under the Pradhan Mantri Suraksha Bima Yojana and Pradhan Mantri Jeevan Jyoti Bima Yojana through the Jan Suraksha portal.

<https://economictimes.indiatimes.com/news/economy/policy/sops-for-faster-sanction-of-loans-insurance-in-works/articleshow/111042741.cms>

Insurers likely to seek clarification from IRDAI on new health circular

The general and health insurance companies are likely to seek clarifications from the insurance regulator on the operationalisation of certain aspects in the new master circular on health insurance products. The Insurance Regulatory and Development Authority of India (Irdai) repealed 55 circulars and issued a new master circular on May 29, 2024. It was aimed at reinforcing the empowerment of policyholders and bolstering inclusive health insurance.

https://www.business-standard.com/finance/insurance/insurance-firms-to-seek-clarification-from-irdai-on-new-health-circular-124061600425_1.html

Industry

Nirmala Sitharaman to hold pre-budget meeting with industry chambers on June 20

Finance Minister Nirmala Sitharaman is likely to hold pre-budget consultations with industry chambers on June 20, sources said. The budget for 2024-25 fiscal is likely to be presented in Parliament in the second half of July. Industry sources said the pre-budget consultation with Sitharaman would be preceded by a meeting with Revenue Secretary Sanjay Malhotra on June 18.

<https://economictimes.indiatimes.com/news/economy/policy/nirmala-sitharaman-to-hold-pre-budget-meeting-with-industry-chambers-on-june-20/articleshow/111040962.cms>

Car dealers feel the load as sales slow, inventory piles up

Passenger vehicle makers have approached auto financiers requesting them to extend the credit cycle for dealers to 90 days from 60 at present, indicating the pressure building up in the retail channels amid slowing sales, which is leading to stock piling up at car dealers. This trend was last seen in FY19, said multiple auto financiers and dealers ET spoke with on the sidelines of the third Annual Finance & Insurance Summit of Federation of Automobile Dealers Associations (FADA). But, dealers said the extension in the number of credit days will not help. On the contrary, it will add to the financial burden due to a higher interest cost outgo. On an average, stock levels across the sales channels have gone up to 55-60 days against the norm of 30 days for this time of the year.

<https://economictimes.indiatimes.com/industry/auto/auto-news/car-dealers-feel-the-load-as-sales-slow-inventory-piles-up/articleshow/111042997.cms>

Indian room air-conditioner market to reach Rs 50,000 cr by FY29: Voltas

The India room air-conditioners (RAC) market is likely to grow at a healthy CAGR of 12 per cent to reach Rs 50,000 crore by FY 2028-29, Tata group firm Voltas said in its latest annual report. The competition in the Indian RAC market has "intensified" with the presence of homegrown and leading foreign players, said Voltas, a market leader in the segment. Moreover, the competitive "intensity is going to increase" further in the near future, the company said while discussing challenges and opportunities.

<https://economictimes.indiatimes.com/industry/cons-products/durables/indian-room-air-conditioner-market-to-reach-rs-50000-cr-by-fy29-voltas/articleshow/111036440.cms>

PwC India expects upswing in small, mid-size M&A transactions

PwC India anticipates an upswing in the India markets, especially in small to mid-size M&A (merger and acquisition) transactions and growth fundings driven by increasing investors' confidence. The year 2023 witnessed the emergence of a nuanced M&A landscape, with investors showing interests in diverse strategies and larger-scale ventures, even amid an overall decrease in PE investment, said Sanjeev Krishan, Chairperson, PwC in India. While PE deals were higher in volume, strategic deals dominated the top deals -- and domestic deals with group-level consolidations were a prominent theme. The first quarter of 2024 marked a resurgence in deal value and volume.

<https://economictimes.indiatimes.com/industry/banking/finance/pwc-india-expects-upswing-in-small-mid-size-ma-transactions/articleshow/111036724.cms>

Agriculture

Intense heat leads to rise in tomato prices

Tomato prices have doubled in the past 15-20 days in Maharashtra and the southern states of Karnataka, Andhra Pradesh, Tamil Nadu and Kerala, as intense heat waves have reduced production. The average tomato price in wholesale markets has reached ₹40-50 per kg in these states. Although, there is no increase in prices in North India due to oversupply of tomatoes which are ripening rapidly due to intense heat conditions, the situation could turn tricky in July when prices usually tend to shoot up due to supply shortages.

<https://economictimes.indiatimes.com/news/economy/agriculture/intense-heat-leads-to-rise-in-tomato-prices/articleshow/111042890.cms>

Infrastructure

Cargo handling at India's major ports up 6% to 72 million tonnes in May

Cargo handling at India's major ports was up by 6 per cent in May to 72 million tonnes (mt), buoyed by a 7.3 per cent rise in overseas cargo handling, even as several global factors have constrained supply chains, especially in Asia. While experts and reports suggest that the current congestion at several Asian ports has benefitted Indian ports in the form of spillover transshipment cargo reaching Indian ports, it remains unclear whether major ports have benefitted from this.

https://www.business-standard.com/economy/news/major-port-cargo-handling-in-india-rises-6-to-72-mn-metric-tonnes-in-may-124061600357_1.html

More Indian passengers prefer non-stop flights to indirect ones: OAG data

More Indian passengers are booking non-stop flights than earlier. The data from OAG shows that 37.2 million passengers made non-stop trips in 2023 - two million more than in pre-Covid 2019. Passengers flying on indirect flights with one or more stops dropped by 2.5 million in the same period to 27.4 million in 2023. As a result, 57 per cent of the total 64.6 million passengers in 2023 flew point to point compared to 53 per cent in 2019.

https://www.business-standard.com/industry/news/more-indian-passengers-prefer-nonstop-flights-to-indirect-ones-oag-data-124061600647_1.html

Sales of affordable homes dip 4% in top 8 cities in Jan-Mar: PropEquity

Sales of affordable homes -- priced up to Rs 60 lakh each -- declined 4 per cent in eight major cities to 61,121 units during January-March this year on lower supply and higher demand for luxury apartments, according to PropEquity. The top eight cities are -- Delhi-NCR, Mumbai Metropolitan Region (MMR), Bengaluru, Hyderabad, Chennai, Kolkata, Pune and Ahmedabad. Real estate data analytic firm PropEquity data showed that sales of homes, costing up to Rs 60 lakh each stood at 6,3787 units in the January-March period of the last calendar year.

https://www.business-standard.com/industry/news/sales-of-affordable-homes-dip-4-in-top-8-cities-in-janmar-propequity-124061600230_1.html

Commercial realty owned by single entity in demand

Investors in India's commercial real estate market are increasingly preferring single-owned and managed properties over strata-owned ones as they offer higher returns, operational efficiency, and greater attractiveness, according to experts. The rental yields for commercial assets across key property markets have been a major indicator that clearly shows that single-owned commercial properties are outperforming their strata counterparts that have multiple owners and operators.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/construction/commercial-realty-owned-by-single-entity-in-demand/articleshow/111043036.cms>

Energy

Centre plans to launch 'Coal Reforms 3.0', eyes non-power sectors

The Centre is preparing to launch 'Coal Reforms 3.0', aimed at reducing overall coal imports and increasing the availability of coal for industrial sectors. The Ministry of Coal plans to unlock the domestic production of coking coal through several steps. Following coal nationalisation in 1971 and the introduction of the e-bidding regime in 2015,

the ministry views this as the third wave of reform, targeting non-power sectors, especially the steel industry. According to ministry sources, the government is targeting zero imports in the next two financial years.

https://www.business-standard.com/industry/news/coal-reforms-30-centre-aims-zero-imports-more-coal-for-nonpower-124061600349_1.html

India in talks with Norway's Equinor for oil reserves, says report

India is in talks with Norway's Equinor ASA for its participation in the country's strategic petroleum reserves, as well as for long-term liquefied natural gas deals from the company's US and Qatar portfolios, the Mint newspaper reported. Securing a commitment from Equinor will mark the second such deal for India after a similar contract with Abu Dhabi National Oil Co., according to the paper, which cited people familiar with the discussions.

https://www.business-standard.com/industry/news/india-in-talks-with-norways-equinor-for-oil-reserves-says-report-124061600424_1.html

Amid call for reduced dependency, India's coal import rises 13% in April

India's coal import rose by 13.2 per cent to 26.10 million tonne (MT) in April 2024 as buyers took fresh positions amid early onset of summer. The country had imported 23.05 MT of coal in the year-ago period, according to data compiled by B2B e-commerce company mjunction services ltd. This comes amid coal and mines minister G Kishan Reddy stating that India should increase domestic production of the fossil fuel and reduce coal imports.

https://www.business-standard.com/industry/news/amid-call-for-reduced-dependency-indias-coal-import-rises-13-in-april-124061600113_1.html

Ethanol blending in petrol now stands at over 15%

Average ethanol blending in petrol crossed 15% for the first time in May as oil companies ramped up purchases from biofuel makers whose production capacity has sharply risen in recent years. State-run oil marketing companies blended about 670 million litre of ethanol in petrol in May, reaching an average blending ratio of 15.4%, according to the oil ministry data. This is substantially higher than the 515 million litre of ethanol used in April to achieve a monthly blending ratio of 12.7%.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/ethanol-blending-in-petrol-now-stands-at-over-15/articleshow/111042829.cms>

Telecom

Notifying new telecom rules DoT's focus for first 100 days: Officials

The updated 100-day agenda of the Department of Telecommunications (DoT) will focus on bringing in key departmental rules to administer the landmark Telecom Act, 2023, officials said. Until such notification, large chunks of the Act cannot be implemented. The rules relate to spectrum allotment, including satellite communications, the terms of reference (ToR) for which are being drawn up. Subsequently, the Telecom Regulatory Authority of India (Trai) will begin fresh consultations on the matter.

https://www.business-standard.com/economy/news/notifying-new-telecom-rules-targeted-by-dot-for-first-100-days-officials-124061600270_1.html

States

Rajasthan CM approves allotment of 4,780 ha to set up 4 solar projects

Rajasthan Chief Minister Bhajanlal Sharma has approved the proposal to allot 4,780 hectares of land to set up four solar projects, an official statement said on Sunday. The move is aimed "to make Rajasthan a leader and self-reliant in the field of energy", it said. According to the proposal, 4,780 hectares has been allotted to Rajasthan Solar Park Development Company to set up three solar parks of 2,450 MW in Bikaner district and about 910 hectares to NTPC Renewable Energy Ltd to set up a solar project of 500 MW in Phalodi district.

<https://economictimes.indiatimes.com/industry/renewables/rajasthan-cm-approves-allotment-of-4780-ha-to-set-up-4-solar-projects/articleshow/111047355.cms>

External

UK overtakes China as India's fourth-largest export market in May

The United Kingdom (UK) has overtaken China to become India's fourth-largest export market in May, commerce department data showed. The UK was India's sixth-largest export destination in May last year. While exports to the UK grew by a third to \$1.37 billion in May, the shipments to China saw 3 per cent growth at \$1.33 billion last month. The disaggregated data for May wasn't immediately available, but trends over the past few months showed that exports to the UK were dominated by items such as machinery, food items, pharmaceutical products, textiles, jewellery, iron, and steel, among other items.

https://www.business-standard.com/economy/news/uk-overtakes-china-to-become-indias-fourth-largest-export-partner-in-may-124061600373_1.html

Three-wheeler exports may continue to skid in FY25 amid demand slowdown

India's three-wheeler exports, which have been on a downhill trajectory over the past few years, are showing no signs of recovery in FY25, with key markets like Sri Lanka, Bangladesh, Nigeria, and Egypt witnessing subdued demand. In the first two months of FY25, auto majors Piaggio and TVS Motor Company witnessed a 16 per cent and 19.9 per cent decline in exports.

https://www.business-standard.com/economy/news/threewheeler-exports-likely-to-go-downhill-in-fy25-amid-demand-slowdown-124061600395_1.html

Fearing Donald Trump victory, developed countries push WTO deals

Fearing the re-election of Republican challenger Donald Trump in the November US presidential election could paralyse activities of the World Trade Organization (WTO), developed countries are pushing to conclude the e-commerce Joint Statement Initiative (JSI) and fisheries agreements at the upcoming WTO General Council meeting in July. However, India is not keen to join the efforts. "Members like the US, European Union, United Kingdom, Norway, Switzerland, Singapore, Japan, and South Korea are pushing to build consensus towards agreements on e-commerce JSI and fisheries. This is a bit of a jostling situation at present. There is no document submitted yet," a Geneva-based Indian trade diplomat said requesting anonymity. "These countries believe if Trump wins, he will weaken the WTO. So they want some sort of outcome before the November US election," the diplomat added.

https://www.business-standard.com/economy/news/developed-countries-push-wto-deal-fearing-donald-trump-win-in-us-124061600459_1.html