



June 20, 2024 – Thursday

Economy

Union Cabinet announces economic decisions worth over ₹2.88-lakh crore

The Union Cabinet on Wednesday took 5 economic decisions with an estimated expenditure of over ₹2.88-lakh crore. These include raising the Minimum Support Price (MSP) for 14 Kharif crops, setting up a green field port, and expanding Varanasi airport, among others. “As PM Narendra Modi had said, there will be major decisions during the first 100 days, and these are the first set of such decisions,” Information and Broadcasting Minister Ashwini Vaishnaw said while announcing cabinet decisions. This was the first Cabinet meeting after the allocation of portfolios to Union Ministers in the third term of the Modi government.

<https://www.thehindubusinessline.com/economy/union-cabinet-announces-economic-decisions-worth-over-288-lakh-crore/article68308937.ece>

Govt may finalise base year revision for CPI, IIP, GDP by end of 2024

The Ministry of Statistics and Programme Implementation (MoSPI) is in the works to finalise the base year revision for consumer price index (CPI), index of industrial production (IIP) and gross domestic product (GDP) by end of the year, a senior government official privy to the matter said. “As of now, a final time frame and a road map is not yet ready for the implementation of the base year revisions, but it is quite certain that the final call regarding the selection of the years for different indicators will be taken by the end of this year,” the official added.

https://www.business-standard.com/economy/news/govt-may-finalise-base-year-revision-for-cpi-iip-gdp-by-end-of-2024-124061901098_1.html

Govt mulls more frequent job data surveys

India is likely to increase the frequency of the Periodic Labour Force Survey (PLFS) from quarterly urban unemployment data to monthly, and the quarterly release of the rural employment data, which is released annually at present. Revision of the base year of gross domestic product (GDP) and inflation is also being discussed, officials said. The ministry of statistics and programme implementation (MoSPI) is looking at ways to use technology to make the process more efficient and faster as it aims to reduce time lags and improve the frequency of data availability.

<https://economictimes.indiatimes.com/news/economy/policy/govt-mulls-more-frequent-job-data-surveys/articleshow/111119021.cms>

Formal job creation under ESIC down by 7.8% in April to 1.64 million as compared to 1.78 million in April 2023

Formal job creation under the Employees' State Insurance Corporation (ESIC) fell by 7.8% to 1.64 million in April 2024 as against 1.78 million in the corresponding month last year, shows the provisional payroll data released by the ministry of labour and employment on Wednesday. “Out of the total 1.64 million employees added during the month, 0.78 million employees or 47.6% of the total employees added to ESIC were up to 25 years of age, suggesting more jobs have been generated for the youth of the nation,” it said in a statement.

<https://economictimes.indiatimes.com/news/economy/indicators/formal-job-creation-under-esic-down-by-7-8-in-april-to-1-64-million-as-compared-to-1-78-million-in-april-2023/articleshow/111118271.cms>

Goods demand slowing, global growth outlook likely to weaken: Report

Growth in global goods demand likely weakened to 1.5 per cent year-on-year (Y-o-Y) in May, according to a report by Axis Bank Research on Wednesday. This is below the near 3.5 per cent growth in the last two decades. Global retail sales were "well below" pre-Covid trend observed between 2017 and 2019. "Adjusted for base distortions, growth in underlying demand in China remains much below pre-pandemic trends; sales in the EU (European Union) and Japan have flat-lined since the end of 2021 and continue to fall away from the pre-pandemic path," said the report called Global Retail Sales Monitor.

https://www.business-standard.com/economy/news/goods-demand-slowng-global-growth-outlook-likely-to-weaken-report-124061900440_1.html

India needs new poverty line for estimating extent of deprivation: Debroy

India needs a new poverty line to estimate the extent of deprivation in the country, said Bibek Debroy, chairman of the Economic Advisory Council (EAC) to the Prime Minister (PM), on Wednesday. He said the Suresh Tendulkar committee's estimate was more than a decade old and that the Multidimensional Poverty Index (MDPI) was not quite a poverty line. Speaking at the data users' conference organised by the Ministry of Statistics and Programme Implementation (Mospi) on the newly released Household Consumption Expenditure Survey (HCES) here, Debroy asked whether these latest results should be used to arrive at a new poverty line.

https://www.business-standard.com/economy/news/india-needs-new-poverty-line-for-estimating-extent-of-deprivation-debroy-124061901036_1.html

Finance

Consider direct payments, periodic review to enhance deposit insurance: RBI

Speedier settlement of deposit insurance claims by making direct payments to customers can boost coverage and lead to improvement in services, according to study by Reserve Bank of India (RBI) staffers. The country's deposit insurance system has evolved over the years courtesy an enhanced coverage limit and the deposit insurance fund.

Deposit insurance, which has been in existence in India for over 60 years, is crucial to the financial stability and protection of depositors. The system has been adopted by many jurisdictions in the world. There has been a steady expansion in its mandate, reduction in time taken for payouts, a move towards risk-based premium, and stability in the level of insurance coverage.

https://www.business-standard.com/finance/news/consider-direct-payments-periodic-review-to-enhance-deposit-insurance-rbi-124061900994_1.html

Self-regulatory organisations for NBFCs: RBI invites application

The Reserve Bank of India (RBI) on Wednesday invited applications for recognition of self-regulatory organisations (SRO) to oversee the non-banking finance companies, saying a maximum of two such entities will get the approval for the sector. Once recognised, these SROs will be mandated to keep the central bank in the loop about developments in the NBFC sector, which also include any regulatory violation. These SROs should achieve a minimum net worth of Rs 2 crore within one year after recognition, or before commencement of operations as an SRO, whichever is earlier. The SRO needs to maintain the net worth on an ongoing basis.

https://www.business-standard.com/finance/news/self-regulatory-organisations-for-nbfc-rbi-invites-application-124061901053_1.html

8th Pay Commission: Govt gets proposal for hike in DA, basic pay, pension

The central government has been requested to set up the 8th Pay Commission to review and update basic salary, allowances, pensions, and additional benefits for central government employees and pensioners. Gopal Mishra, secretary of the National Council (Staff Side, Joint Consultative Machinery for Central Government Employees), wrote a letter to Cabinet Secretary Rajiv Gauba about the reasons for forming the 8th Pay Commission.

https://www.business-standard.com/economy/news/8th-pay-commission-govt-gets-proposal-for-hike-in-da-basic-pay-pension-124061900338_1.html

Waiver, other tax reforms top GST Council's docket

The Goods and Services Tax (GST) Council is likely to consider a number of measures at its meeting on June 22 that are expected to set the tone for broader tax reforms in the first full budget of the newly elected government. These

include the conditional waiver of interest or penalty on tax notices issued between 2017 and 2020, barring cases of wilful default. The budget is likely to be announced in July. The GST Council may also discuss crunching timeline for issuing notices, a monetary limit for pursuing disputes at the GST Appellate Tribunal, and a sunset date for anti-profiteering cases to reduce tax litigation and improve ease of doing business.

<https://economictimes.indiatimes.com/news/economy/policy/waiver-other-tax-reforms-top-gst-councils-docket/articleshow/111121094.cms>

Most of top-level executives have positive GST perception: Survey

An increasing number of C-suite executives have a positive perception of GST with many highlighting further reforms like rationalising tax rates and effective dispute resolution process as focus areas to usher in GST 2.0, a Deloitte survey said on Wednesday. The Deloitte GST@7 survey, engaging C-suite and C-1 level executives across diverse industries through online platforms, highlights areas which have resulted in growing confidence in GST, specifically on the positive role of GST automation/ technology and consultative environment, in policy making.

https://www.business-standard.com/industry/news/most-of-top-level-executives-have-positive-gst-perception-survey-124061900264_1.html

Cabinet approves Rs 2,254 crore scheme to expand forensics infrastructure

The Union Cabinet on Wednesday approved the proposal of the Ministry of Home Affairs for Central Sector Scheme 'National Forensic Infrastructure Enhancement Scheme' with a total financial outlay of ₹2,254.43 crore during the period 2024-25 to 2028-29. Financial outlay of the Central Sector Scheme will be provisioned by the MHA from its own budget. The scheme underscores the importance of high-quality, trained forensic professionals in timely and scientific examination of evidence for an efficient criminal justice process, leveraging the advancements in technology and evolving methods of crime.

<https://economictimes.indiatimes.com/news/economy/finance/cabinet-approves-rs-2254-crore-scheme-to-expand-forensics-infrastructure/articleshow/111120764.cms>

Assets worth Rs 1.56 lakh crore monetised in 2023-24 as against the target of Rs 1.8 lakh crore under NMP: NITI Aayog

The government monetised assets worth Rs 1.56 lakh crore in 2023-24 as against the target of Rs 1.8 lakh crore under the National Monetisation Pipeline (NMP), taking the total monetisation to Rs 3.85 lakh crore in three years since the launch of the programme in 2020-21, NITI Aayog said on Wednesday. According to the Aayog, the ministry of road transport and highways and the ministry of coal were the top two achievers with a total monetisation receipts of Rs 97,000 crore.

<https://economictimes.indiatimes.com/news/economy/finance/assets-worth-rs-1-56-lakh-crore-monetised-in-2023-24-as-against-the-target-of-rs-1-8-lakh-crore-under-nmp-niti-aayog/articleshow/111118652.cms>

IBBI seeks to tighten the noose around guarantors of bankrupt firms

The insolvency regulator has proposed that the resolution plan submitted by an investor won't extinguish the creditors' right to proceed against loan guarantors to the stressed firm and enforce realisation of guarantees governed through various agreements. The move, suggested in a discussion paper by the Insolvency and Bankruptcy Board of India (IBBI), will make it difficult for personal guarantors of defaulting firms to escape liabilities.

<https://economictimes.indiatimes.com/news/economy/policy/ibbi-seeks-to-tighten-the-noose-around-guarantors-of-bankrupt-firms/articleshow/111120529.cms>

Industry

DPIIT seeks industry inputs to reduce compliances, improve business ease

Ways to promote ease of doing business, Jan Vishwas 2.0, World Bank's upcoming B-READY index, and the national single window system, were discussed at a meeting chaired by department for promotion of industry and internal trade (DPIIT) secretary Rajesh Kumar Singh on Wednesday. Officials said that this is the first of such interactions with industry and other stakeholders. "We have taken inputs on many issues like reducing compliances and ease of doing business forward," said an official.

<https://economictimes.indiatimes.com/news/economy/policy/dpiit-seeks-industry-inputs-to-reduce-compliances-improve-business-ease/articleshow/111118752.cms>

Cost of FAME 3: Meet local sourcing norms or face penalty

Automakers applying in the third edition of the Centre's flagship incentive scheme for electric vehicles will be liable to pay penalties in event of non-adherence with laid-down localisation norms, a senior official told ET. Companies certifying vehicles for subsidies under Faster Adoption and Manufacturing of Electric Vehicles (FAME 3) - scheduled to be announced in the upcoming budget - will have to undergo a techno-commercial audit twice a year to ascertain they are meeting localisation guidelines.

<https://economictimes.indiatimes.com/industry/renewables/cost-of-fame-3-meet-local-sourcing-norms-or-face-penalty/articleshow/111121041.cms>

As buyers diss cars, auto companies count on offers

Carmakers and dealers are offering incentives by way of discounts, exchange bonuses, assured gifts to the tune of 5-11% - the highest in five years - in a bid to tempt buyers amid mounting inventory as sales slow, following a record FY24. The offers aren't just on older models launched two to three years ago but even on those that went on sale barely a year ago, depending on fuel type, variants and brands.

<https://economictimes.indiatimes.com/industry/auto/cars-uvs/as-buyers-diss-cars-auto-companies-count-on-offers/articleshow/111121087.cms>

Auto industry grows 19% to Rs 10.22 trn in FY24 over robust growth in SUV

The Indian automobile industry grew 19 per cent to Rs 10.22 trillion in FY24 driven by a robust growth in the utility and sports utility vehicle (SUV) segment, a report said on Wednesday. The volume grew by 10 per cent during the year, the report by management consulting firm Primus Partners said.

https://www.business-standard.com/industry/auto/auto-industry-grows-19-to-rs-10-22-trn-in-fy24-over-robust-growth-in-suv-124061900408_1.html

'Hospitality industry faces talent crunch, to add 1 mn jobs in few years'

The hospitality industry is expected to add around 1 million jobs in the next few years as the sector is grappling with huge shortage of talent amid rapid expansion after the Covid-19 pandemic, say experts. The current demand-supply gap of talent in the industry stands at around 55-60 per cent, indicating a substantial mismatch between the needs and the available talent pool, Randstad India Director, Professional Talent Solutions, Sanjay Shetty told PTI.

https://www.business-standard.com/industry/news/hospitality-industry-faces-talent-crunch-to-add-1-mn-jobs-in-few-years-124061900531_1.html

Agriculture

Indian government hikes kharif crops support price by 1-13%

The Centre has announced the raised the minimum support prices (MSPs) of kharif crops between 1.4 per cent and 12.7 per cent. The MSP of the current kharif season's main cereal crop paddy has been hiked 5.4 per cent to ₹2,300 per quintal from ₹2,183/quintal in 2023-24.

<https://www.thehindubusinessline.com/economy/agri-business/modi-30-cabinets-first-decision-to-hike-kharif-crops-msps-by-1-13/article68308764.ece>

Infrastructure

₹76,000-cr greenfield Vadhavan Port gets Cabinet nod

The Cabinet on Wednesday cleared the over ₹76,000 crore Vadhavan deep-sea port project, off Mumbai, on the West Coast of India. The greenfield port, to be constructed in two phases with a total capacity of 23.2 million TEUs, will be a key part of India's IMEEEC project (India Middle East Europe Economic Connectivity).

<https://www.thehindubusinessline.com/economy/logistics/76000-cr-greenfield-vadhavan-port-gets-cabinet-nod/article68308845.ece>

Road construction down by 12.1% to 1288 km in the current financial year up to May 2024

Excessive heat in most parts of the country slowed down the construction of national highways in India with the ministry of road transport and highways constructing 1288 km of national highways in the current fiscal up to May 2024 as against 1465 km constructed during the corresponding period in 2023, a dip of 12.1%. As per the monthly update, released the ministry of road transport and highways (MoRTH) on Wednesday, the government did not award any project during the period due to the imposition of model code of conduct except one project of 4 km with the approval of Election Commission of India, as compared to 382 km awarded during the same period in the previous year.

<https://economictimes.indiatimes.com/news/economy/infrastructure/road-construction-down-by-12-1-to-1288-km-in-the-current-financial-year-up-to-may-2024/articleshow/111118573.cms>

DGCA issues advisory to increase women's representation in aviation sector

The Directorate General of Civil Aviation (DGCA) has issued an advisory circular on 'Gender Equality in the Civil Aviation Sector' for aviation stakeholders. The Circular is issued in line with the principle of gender equality that is enshrined in the Constitution of India and the International Civil Aviation Organisation's vision for promoting equal opportunities to achieve gender equality in aviation.

https://www.business-standard.com/industry/auto/dgca-issues-advisory-to-increase-women-s-representation-in-aviation-sector-124061900651_1.html

9 Indian ports among top 100 in Container Port Performance Index 2023

As many as nine ports of India have made it to the global top 100 rankings in the latest edition of Container Port Performance Index, an official statement said on Wednesday. The Container Port Performance Index (CPPI), developed by World Bank and S&P Global Market Intelligence, measures the resilience, efficiency and overall performance of the Ports.

https://www.business-standard.com/industry/news/9-indian-ports-among-top-100-in-container-port-performance-index-2023-124061900964_1.html

Energy

Cabinet givs nod to VGF scheme for offshore wind energy with Rs 7,453 crore outlay

The Union Cabinet on Wednesday approved a viability gap funding (VGF) scheme for offshore wind energy projects with a total outlay of Rs 7,453 crore, including Rs 6,853 crore for installation and commissioning of 1 GW of such projects. The 1 GW offshore wind energy projects will be of 500 MW each off the coast of Gujarat and Tamil Nadu. The outlay also includes a grant of Rs 600 crore for upgradation of two ports to meet logistics requirements for offshore wind energy projects.

<https://economictimes.indiatimes.com/industry/renewables/cabinet-givs-nod-to-vgf-scheme-for-offshore-wind-energy-with-rs-7453-crore-outlay/articleshow/111119307.cms>

India set to register biggest jump in coal-fired power in a decade

India will add more new coal power capacity than it has in almost a decade this year, as the country rushes to deploy generation to cope with surging electricity demand. The world's most populous nation expects to add 15.4 gigawatts in the year through March 2025, the most in nine years, said people familiar with the matter, asking not to be named as the information isn't yet public.

https://www.business-standard.com/industry/news/india-set-to-register-biggest-jump-in-coal-fired-power-in-a-decade-124061900305_1.html

'Coal imports to increase in H1 on lower hydro power generation'

India's import of coal is likely to edge higher in the first half of the current fiscal due to likely lower generation of hydropower amid lower water levels in the reservoirs, S&P Global Commodity Insights said on Tuesday. This is despite the government's efforts to ramp up coal production which is expected to touch 1.08 billion tonnes in the current fiscal year. "The first half of 2024 could potentially show stronger coal imports than the second half amid a likely lower hydropower generation because of the impact of El Nino," said Pat See Khoo, Senior Analyst (Global Power and Renewables), S&P Commodity Insights.

<https://www.financialexpress.com/business/industry-coal-imports-to-increase-in-h1-on-lower-hydro-power-generation-3528441/>

Parlous state of Indian refining segment threatens clean energy projects

India's oil ministry made a show of record profitability of state oil marketing companies last fiscal — a performance that had more to do with geopolitics and some luck with global crude oil prices than with management or the government — but the noise generated failed to bury a poor fourth quarter and uncertain prospects moving forward. Moreover, such profits would not have been possible if state oil companies had stopped making supernormal margins on selling fuels, and had passed on lower costs from crude sourcing to Indian motorists, industry officials said.

https://www.business-standard.com/industry/news/parlous-state-of-indian-refining-segment-threatens-clean-energy-projects-124061900889_1.html

Telecom

Telecom subscriber base crosses 1.2 billion mark in April; Jio tops chart

The telecom subscriber base in the country has crossed the 1.2 billion user mark for the second time, with Reliance Jio leading the chart in terms of new additions and the total customer base, according to a sector regulator Trai's report. According to Trai's monthly subscriber report, the total telecom subscriber base increased by 0.16 per cent to 1,201.22 million at the end of April from 1,199.28 million in March 2024.

https://www.business-standard.com/industry/news/telecom-subscriber-base-crosses-1-2-billion-mark-in-april-jio-tops-chart-124061900946_1.html

States

Cabinet clears Rs 76,200 cr for development of Maha's greenfield major port

The Union Cabinet on Wednesday approved the development of a Rs 76,200 crore all-weather greenfield deep draft major Port at Vadhavan in Maharashtra, according to an official statement. The statement said the project will be constructed by Vadhavan Port Project Limited (VPPL), an SPV formed by Jawaharlal Nehru Port Authority (JNPA) and Maharashtra Maritime Board (MMB), with a shareholding of 74 per cent and 26 per cent, respectively.

https://www.business-standard.com/industry/news/cabinet-clears-rs-76-200-cr-for-development-of-maha-s-greenfield-major-port-124061900977_1.html

Healthcare

Domestic drugs formulations market to be worth Rs 5.5 trn by 2034: Report

The domestic pharmaceutical formulations market will be worth Rs 5.5 trillion by 2034 by growing at a compound annual growth rate (CAGR) of 10 per cent, said investment banker Avendus Capital in a report on Wednesday. It predicted a shift from doctor-branded prescriptions to a more diversified marketing mix that is driven by strict quality regulations and streamlined supply. "Despite India's reputation as the pharmacy of the world, there is significant under-penetration in the domestic market, especially in Tier II/III+ towns and rural areas," said Anshul Gupta, managing director and head of health care investment banking at Avendus Capital.

https://www.business-standard.com/industry/news/domestic-drugs-formulations-market-to-be-worth-rs-5-5-trn-by-2034-report-124061900262_1.html

External

At \$7.3 billion in FY24, India's seafood exports touched an all-time high

India exported 1,781,602 metric tons of seafood worth Rs 60,523.89 crore (\$7.38 billion) during the financial year 2023-24 (FY24). This marked India's highest-ever seafood shipment by volume, with the majority destined for the markets of the United States, European Union and the United Kingdom. "India recorded an all-time high export in terms of volume by shipping 1,781,602 MT of seafood worth \$ 7.38 billion, despite the several challenges in its major

export markets like the US, EU and the UK,” Shri D V Swamy IAS, chairman, Marine Products Export Development Authority (MPEDA), said.

https://www.business-standard.com/economy/news/at-7-3-billion-in-fy24-india-s-seafood-exports-touched-an-all-time-high-124061900502_1.html

Engineering exporters want FTA with Mexico to boost exports to USA

As India's engineering goods export to the US continues to decline, the Indian government has agreed to study the possibility of signing an FTA (free trade agreement) with Mexico as several US companies, including Tesla, have set up manufacturing bases there. Pankaj Chadha, senior vice chairman, Engineering Export Promotion Council (EEPC) said, “Most of the USA’s manufacturing has shifted to Mexico, including Tesla’s new plant. And the only way for India to increase our engineering goods export to the USA is to have an FTA with Mexico.” EEPC, a body affiliated with the commerce ministry, represents one fourth of India’s engineering exports, while engineering goods account for 25% of the merchandise exports from India.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/engineering/engineering-exporters-want-fta-with-mexico-to-boost-exports-to-usa/articleshow/111126006.cms>

'EU laws on sustainable products to hurt exports from developing nations'

The European Union’s (EU) recently passed regulation—Ecodesign for Sustainable Products Regulation (ESPR)—will result in high costs and is set to hurt exports from developing countries, a Delhi-based think tank said on Wednesday. According to the European Commission, the new regulation will improve EU products’ circularity, energy performance, and other environmental sustainability aspects. ESPR will cover all products by 2030, but will begin with regulating items such as textiles, furniture, mattresses, tyres, detergents, paints, lubricants, iron, steel, and other items from January 2026.

https://www.business-standard.com/industry/news/eu-laws-on-sustainable-products-to-hurt-exports-from-developing-nations-124061900828_1.html