



July 08, 2024 – Monday

## Economy

### **FinMin concludes pre-Budget talks with 120 invitees, 10 stakeholder groups**

The Finance Ministry has concluded pre-Budget consultations with 10 stakeholder groups, including representatives from agriculture, education, health, micro, small and medium enterprise (MSME), energy and infrastructure sectors, among others, on July 5, a press statement issued on Sunday stated. The in-person consultations with more than 120 invitees started on June 19 and highlighted the concerns around jobs and growth for the upcoming Budget. The first full Budget of the BJP-led National Democratic Alliance will be presented on July 23.

[https://www.business-standard.com/economy/news/finmin-concludes-pre-budget-talks-with-120-invitees-10-stakeholder-groups-124070700317\\_1.html](https://www.business-standard.com/economy/news/finmin-concludes-pre-budget-talks-with-120-invitees-10-stakeholder-groups-124070700317_1.html)

### **SEZ units set to get refund of cess on imports**

The Centre will refund compensation cess levied on imported goods under Goods and Services Tax (GST) to businesses operating in special economic zones and their developers effective 2017. The Central Board of Indirect Tax and Customs also directed issuance of refunds of 5% GST collected on food packages intended for the public distribution system (PDS). These refunds could total about ₹6,500 crore, people familiar with the matter said. The move follows a recent GST Council decision exempting imports by SEZ units and developers retrospectively from July 1, 2017 -- the date of introduction of GST.

<https://economictimes.indiatimes.com/news/economy/policy/sez-units-set-to-get-refund-of-cess-on-imports/articleshow/111560197.cms>

### **India will be unable to plug jobs gap even with 7% growth, says Citigroup**

India will struggle to create enough jobs for its growing workforce over the next decade even if the economy grows at a rapid pace of 7 per cent, Citigroup Inc. said, suggesting the world's most-populous nation will need more concerted steps to boost employment and skills. Citi estimates India will need to create about 12 million jobs a year over the next decade to absorb the number of new entrants to the labor market. Based on a growth rate of 7 per cent, India can only generate 8-9 million jobs a year, the bank's economists Samiran Chakraborty and Baqar Zaidi wrote in a report this week.

[https://www.business-standard.com/economy/news/india-will-be-unable-to-plug-jobs-gap-even-with-7-growth-says-citigroup-124070600149\\_1.html](https://www.business-standard.com/economy/news/india-will-be-unable-to-plug-jobs-gap-even-with-7-growth-says-citigroup-124070600149_1.html)

## Finance

### **Deposit grows slower than loan for many banks in June quarter of FY25**

Most lenders that have reported their April-June business update posted slower growth in deposits sequentially as compared to the loan growth in the April-June quarter of FY25. Current and savings account deposits of banks continue to be under pressure. Private sector lenders --- Yes Bank, RBL Bank and Bandhan Bank saw their deposit growth contract by 0.50 per cent, 2 per cent and 1.50 per cent respectively. The advances of Yes Bank and Bandhan Bank rose by 0.90 per cent and 0.70 per cent each, while RBL Bank posted 3 per cent growth.

[https://www.business-standard.com/industry/banking/deposit-grows-slower-than-loan-for-many-banks-in-june-quarter-of-fy25-124070700290\\_1.html](https://www.business-standard.com/industry/banking/deposit-grows-slower-than-loan-for-many-banks-in-june-quarter-of-fy25-124070700290_1.html)

#### **Commercial banks turn cautious on lending to smaller microfinance players**

Commercial banks have turned cautious in lending to smaller microfinance institutions (MFIs), forcing them to avail loans from non-banking finance institutions (NBFCs) at a much higher rate. Recently, the Reserve Bank of India's deputy governor, M Rajeshwar Rao, criticised micro lenders for increasing their margins 'disproportionately' and said these lenders were quick to pass on increased costs to the borrowers but reluctant to pass on benefits under the new regime, where margins are not capped.

[https://www.business-standard.com/industry/banking/commercial-banks-turn-reluctant-to-fund-smaller-microfinance-institutions-124070700333\\_1.html](https://www.business-standard.com/industry/banking/commercial-banks-turn-reluctant-to-fund-smaller-microfinance-institutions-124070700333_1.html)

#### **SEBI's demand for more disclosures creates hurdles in IPO process**

Recent directives by the Securities and Exchange Board of India (SEBI) on enhanced disclosure for companies filing for initial public offerings (IPO) has put law firms and investment banks in a quandary as they feel that some of the disclosures are not relevant to the business of the companies and there is little clarity in them, prolonging the entire process.

<https://www.thehindubusinessline.com/markets/sebis-demand-for-more-disclosures-creates-hurdles-in-ipo-process/article68378306.ece>

### **Industry**

#### **Bigger, bolder labels: Companies look to put it back on FSSAI table**

The packaged foods industry is planning to go back to the Food Safety and Standards Authority of India (FSSAI) after the regulatory body approved a proposal mandating the display of nutritional information — total sugar, salt, and saturated fat — in bold letters and larger font sizes. The draft notification for this amendment would now be publicly available for suggestions and objections, as announced in a press statement on Saturday.

[https://www.business-standard.com/economy/news/packaged-food-firms-to-approach-fssai-on-new-front-of-pack-nutrition-labels-124070700423\\_1.html](https://www.business-standard.com/economy/news/packaged-food-firms-to-approach-fssai-on-new-front-of-pack-nutrition-labels-124070700423_1.html)

#### **Global firms are reducing sugar and salt in their packaged items in India**

In 2023, after more than two years of development and testing, Mondelez India launched a version of Bournvita that delivers about half the recommended daily allowance of key micronutrients for children, including iron, iodine, and zinc, as well as vitamins A, C and D. All this while having 15 per cent less added sugar. "Prior to this and around two years ago we also introduced Bournvita 50 per cent less sugar variant to provide an option for consumers. We have made adaptations to our portfolio products like Bournvita biscuits, which now have 15 per cent less sugar, and our most loved Oreo chocolate variant has also seen a 5 per cent decrease in sugar content," the company said in an email.

[https://www.business-standard.com/industry/news/global-firms-are-reducing-sugar-and-salt-in-their-packaged-items-in-india-124070700310\\_1.html](https://www.business-standard.com/industry/news/global-firms-are-reducing-sugar-and-salt-in-their-packaged-items-in-india-124070700310_1.html)

#### **Ahead of Budget, hospitality players demand infra status for hotels**

Hospitality players want the government to accord infrastructure status to hotels to make investments on new properties more attractive rather than categorising them as luxury or even 'sin goods' in the upcoming Union Budget considering the sector's potential to play a key role in India's growth. They also want the government to consider incentives in the form of tax breaks or subsidies for adopting sustainable and eco-friendly practices, while asserting that the upcoming budget must accelerate the tourism agenda saying it is an opportunity to make Indian hospitality the emerging engine for GDP growth and employment generation.

[https://www.business-standard.com/budget/news/ahead-of-budget-hospitality-players-demand-infra-status-for-hotels-124070700137\\_1.html](https://www.business-standard.com/budget/news/ahead-of-budget-hospitality-players-demand-infra-status-for-hotels-124070700137_1.html)

#### **FMCG makers expect single-digit revenue growth, margin improvements in Q1**

Fast-moving consumer goods companies expect single-digit volume growth along with expansion in margins during the April-June quarter of this fiscal, helped by a revival in rural demand and a stable urban market. Listed FMCG companies such as Dabur, Marico and Adani Wilmar in their latest quarterly updates have reported a "gradual improvement" in demand trends in the April-June quarter, which was on the expected lines.

[https://www.business-standard.com/industry/news/fmcm-makers-expect-single-digit-revenue-growth-margin-improvements-in-q1-124070700133\\_1.html](https://www.business-standard.com/industry/news/fmcm-makers-expect-single-digit-revenue-growth-margin-improvements-in-q1-124070700133_1.html)

#### **Rs 500-crore EMPS 2024: Only 3.6% vehicle sales target achieved so far**

The Rs 500-crore Electric Mobility Promotion Scheme (EMPS) 2024, introduced by the Centre to provide incentives to the electric mobility industry, will conclude on July 31 with barely 3.6 per cent of the targeted vehicle sales achieved so far. This is in stark contrast to the earlier flagship Faster Adoption and Manufacturing of Electric Vehicles (FAME) scheme, which exceeded its sales targets. According to data from the Ministry of Heavy Industry (MHI), only 13,499 of the 372,215 targeted vehicles have been sold under the EMPS scheme.

[https://www.business-standard.com/industry/auto/empms-2024-only-3-6-of-vehicle-sales-target-achieved-shows-data-124070700309\\_1.html](https://www.business-standard.com/industry/auto/empms-2024-only-3-6-of-vehicle-sales-target-achieved-shows-data-124070700309_1.html)

#### **DoCA asks automobile industry to ensure robust ecosystem for after-sales service and repairs**

The Department of Consumer Affairs (DoCA) on Saturday stressed on the need to foster robust ecosystem for third-party repair services in a meeting with automobile industry stakeholders.

<https://www.thehindubusinessline.com/economy/doca-asks-automobile-industry-to-ensure-robust-ecosystem-for-after-sales-service-and-repairs/article68374877.ece>

### **Infrastructure**

#### **Residential prices surge by 49% in five years in Delhi and Mumbai**

Record housing sales have resulted in decline of unsold inventory and average residential prices to soar by 49% between H1 2019 and H1 2024 in Delhi and Mumbai. NCR recorded a 49% five-yearly jump in average residential prices from Rs 4,565 per sq. ft. to Rs 6,800 per sq. ft. "The pandemic was an undisguised blessing for the National Capital Region. Once infamous for high unsold inventory fed by speculative demand and supply, the region has seen a sharp decline of over 52% in its unsold stock in the last five years – from approximately 1.82 lakh units at H1 2019-end to approximately 86,900 units by H1 2024-end," said Anuj Puri, Chairman - Anarock group.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/residential-prices-surge-by-49-in-five-years-in-delhi-and-mumbai/articleshow/111551166.cms>

### **Telecom**

#### **Telecom dept invites proposals on 'Quantum Standardisation, Testing Labs'**

The Department of Telecom has invited research proposals on 'Quantum Standardisation and Testing Labs' from Indian academic institutions or research and development institutions, an official release said on Sunday. The goal is to drive research and development in quantum technologies, ensuring the interoperability, reliability, and security of quantum communication systems.

[https://www.business-standard.com/industry/news/telecom-dept-invites-proposals-on-quantum-standardisation-testing-labs-124070700277\\_1.html](https://www.business-standard.com/industry/news/telecom-dept-invites-proposals-on-quantum-standardisation-testing-labs-124070700277_1.html)

#### **Eligibility criteria eased to woo top talent for Trai leadership**

The Central government has relaxed eligibility conditions for appointing chairman and members of the Telecom Regulatory Authority of India (Trai) as it aims to draw top talent for the long-pending leadership vacancies. With the notification of the Telecommunications Act 2023, it will be much easier now for senior government officials, who are not IAS (Indian Administrative Services) officers, to become the chairman or a member at Trai.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/eligibility-criteria-eased-to-woo-top-talent-for-trai-leadership/articleshow/111560098.cms>

#### **Telecom hiring may lose steam in FY25**

The telecom sector workforce growth in FY25 is expected to taper down to around 30% to 6.79 million, just a tad below 31% in FY24, but sharply lower than the 51% in FY23, reflecting the slowing capex of the country's two large operators - Reliance Jio and Bharti Airtel - that have completed their pan-India 5G rollouts. However, the ongoing network expansion plans of state-owned telecom company Bharat Sanchar Nigam Ltd. (BSNL) as well as the upcoming rollout by third largest private player Vodafone Idea, is expected to add 30,000 new jobs by the end of 2024, hiring company executives said.

<https://economictimes.indiatimes.com/jobs/hr-policies-trends/telecom-hiring-may-lose-steam-in-fy25/articleshow/111560024.cms>

## States

### Uttar Pradesh gov't inks over 154 defence deals worth Rs 25,000 crore

The Uttar Pradesh government has signed more than 150 defence manufacturing deals worth Rs 25,000 crore as the state administration eyes India's burgeoning defence export basket. India's annual defence production hit a record high of almost Rs 1.27 trillion in 2023-24 (FY24), up 16.7 per cent over the previous year's figure of about Rs 1.09 trillion, the Ministry of Defence (MoD) said on Friday. The defence projects are coming up in the mega UP Defence Industrial Corridor (UPDIC) spanning six nodes of Lucknow, Kanpur, Jhansi, Aligarh, Chitrakoot and Agra districts.

[https://www.business-standard.com/economy/news/uttar-pradesh-govt-inks-over-154-defence-deals-worth-rs-25-000-crore-124070700519\\_1.html](https://www.business-standard.com/economy/news/uttar-pradesh-govt-inks-over-154-defence-deals-worth-rs-25-000-crore-124070700519_1.html)

## Healthcare

### Indian pharmaceutical market registers over 8% growth in June 2024

The Indian pharmaceutical market (IPM) grew by 8.8 per cent in June this year with all major therapies showing a positive value growth, according to market research firm Pharmarack. Respiratory, anti-infectives and gastrointestinal therapies saw double-digit value growth of 19.2 per cent, 17.2 per cent, and 10.7 per cent, respectively. Sheetal Sapale, vice-president (commercial) at Pharmarack said that while a majority of therapy areas have shown positive value growth, certain therapies, which usually see a seasonal spurt in the second half of the year, started posting higher growth rates from June onwards.

[https://www.business-standard.com/industry/news/indian-pharmaceutical-market-registers-over-8-growth-in-june-2024-124070700298\\_1.html](https://www.business-standard.com/industry/news/indian-pharmaceutical-market-registers-over-8-growth-in-june-2024-124070700298_1.html)

### Budget wish list: Pharma industry seeks tax benefits, effective IPR regime

There is a need to incentivise R&D investments, offer corporate tax concessions and establish an effective intellectual property rights regime in order to push the growth of domestic pharmaceutical industry, as per the industry bodies. Outlining the sector's wish list for the upcoming Union Budget, Organisation of Pharmaceutical Producers of India (OPPI) Director General Anil Matai urged the government to explore methods to incentivise R&D investments, such as deductions on R&D expenses, research-linked incentives for MNCs, and corporate tax concessions.

[https://www.business-standard.com/budget/news/budget-wish-list-pharma-industry-seeks-tax-benefits-effective-ipr-regime-124070700130\\_1.html](https://www.business-standard.com/budget/news/budget-wish-list-pharma-industry-seeks-tax-benefits-effective-ipr-regime-124070700130_1.html)

### As monsoon sets in, respiratory, malaria drugs see demand rise

The onset of monsoon boosted sales of drugs for respiratory, anti-infective, anti-malaria and gastrointestinal therapies in June. According to market researcher Pharmarack, these therapies saw a double-digit growth last month compared to June 2023. "Among the top therapies, anti-infectives and respiratory have shown a relatively stronger volume growth for the month of June," said Sheetal Sapale, VP, commercial at Pharmarack.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/as-monsoon-sets-in-respiratory-malaria-drugs-see-demand-rise/articleshow/111560158.cms>

## External

### Commerce ministry targets \$100 billion electronics, textile exports by FY30

The Ministry of Commerce and Industry held discussions last week on export targets for key sectors for 2029-30 (FY30), with representatives from export promotion councils. The meeting, attended by Minister of Commerce and Industry Piyush Goyal, Secretary of the Department for Promotion of Industry and Internal Trade, top officials from the Directorate General of Foreign Trade, and others, focused on achieving \$100 billion in exports of electronics and textiles, more than doubling exports in pharmaceuticals and organic/inorganic chemical, and achieving sizeable growth in agriculture and allied products.

[https://www.business-standard.com/economy/news/commerce-ministry-targets-100-billion-electronics-textile-exports-by-fy30-124070700358\\_1.html](https://www.business-standard.com/economy/news/commerce-ministry-targets-100-billion-electronics-textile-exports-by-fy30-124070700358_1.html)

#### **India, UK to hold next round of talks on proposed trade pact this month**

With the new government taking charge in Britain, senior officials of India and the UK will hold the next round of talks this month for the proposed free trade agreement to resolve the pending issues and close the negotiations, an official said. The India-UK talks for the proposed free trade agreement (FTA) began in January 2022. The 14th round of talks stalled as the two nations stepped into their general election cycles. The official said the two sides are in touch, and the next round would start this month only.

[https://www.business-standard.com/economy/news/india-uk-to-hold-next-round-of-talks-on-proposed-trade-pact-this-month-124070700342\\_1.html](https://www.business-standard.com/economy/news/india-uk-to-hold-next-round-of-talks-on-proposed-trade-pact-this-month-124070700342_1.html)

#### **India's coal import rises 5 pc to 52 MT in April-May**

India's coal import rose 5.3 per cent to 52.29 million tonnes (MT) in the first two months of the ongoing fiscal as against the year-ago period. The country's coal import was 49.62 MT in April and May in FY24, according to data compiled by mjunction services ltd -- a B2B e-commerce platform from a joint venture between Tata Steel and SAIL. However, coal import in May dropped marginally to 26.19 MT, from 26.57 MT a year earlier. "Coal imports... were down 1.43 per cent as against 26.57 MT imported in May 2023," it said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-coal-import-rises-5-pc-to-52-mt-in-april-may/articleshow/111549303.cms>

#### **India, Qatar to work on deepening trade ties in joint working group meet**

India and Qatar are set to hold their first joint working group (JWG) meeting on trade issues this week to further push bilateral trade by identifying and removing tariff and non-tariff barriers, including regulatory hurdles, sources have said.

<https://www.thehindubusinessline.com/economy/india-qatar-to-work-on-deepening-trade-ties-in-joint-working-group-meet/article68378272.ece>