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Economy

Revival in rural spending pushing demand conditions: RBI bulletin

The second quarter of 2024-25 has begun with signs of quickening momentum in the economy and the revival of rural spending has turned out to be a bright spot in the evolution of demand conditions, the Reserve Bank of India (RBI) said in its monthly Bulletin on Thursday. Global economic activity appears to be strengthening across advanced economies (AEs) and emerging market economies (EMEs) and global trade in goods and services is gathering momentum, said an article on 'State of Economy' published in the RBI's Bulletin.

https://www.business-standard.com/economy/news/india-s-natural-rate-of-interest-now-at-1-4-1-9-says-rbi-bulletin-124071800912_1.html

FICCI's latest survey pegs India's growth at 7% for FY25

Industry body FICCI forecast India's FY25 growth at 7%, on the back of industry and services sectors, while pitching for taxation reforms, measures for employment generation, innovation and sustainable development in the upcoming budget. According to the FICCI's 'Economic Outlook Survey' results, GDP growth is pegged at 6.8% for the first quarter of the current fiscal year. The survey expects the government to stick to fiscal prudence ensuring macro stability.

<https://economictimes.indiatimes.com/news/economy/indicators/ficci-latest-survey-pegs-indias-growth-at-7-for-fy25/articleshow/111836534.cms>

Finance

RBI forms panel to review fee structure for white-label ATMs

The Reserve Bank of India (RBI) has set up a committee to review the fee structure for white-label ATMs (WLAs). This committee will evaluate current policies and practices, aiming to recommend a fair and sustainable model that balances the interests of all stakeholders, said people aware of the development. "An assessment will be done on fee structure, existing ATM infrastructure and international best practices," said a bank executive, adding that the committee will submit its report to deputy governor T Rabi Sankar.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-forms-panel-to-review-fee-structure-for-white-label-atms/articleshow/111844736.cms>

WGC asks Finmin, RBI to draft guidelines

World Gold Council (WGC) has made presentations to the Union finance ministry and Reserve Bank of India to come out with appropriate guidelines and regulatory framework for digital gold business in India. The council has asked the authorities to introduce checks and balances to ensure that the gold bought digitally by the customers is protected. It has also asked to put in place a transparent way to buy and hold gold digitally. According to WGC, over 120 million customers have bought digital gold so far, with nearly 40 million customers holding it currently.

<https://economictimes.indiatimes.com/news/economy/policy/digital-gold-biz-wgc-asks-finmin-rbi-to-draft-guidelines/articleshow/111844591.cms>

MSME sector for doubling loan limit under MUDRA to Rs 20 lakh

The finance ministry in the forthcoming Union Budget needs to double the loan limit to Rs 20 lakh under the MUDRA Yojana, and expand the credit guarantee cover for unsecured loans for MSMEs from Rs 2 crore to Rs 5 crore. MSMEs also want incentives from the government to help them sell products globally. On expectations from the Budget, Navin Saini, chief business officer (Retail & MSME), Arka Fincap said the government will continue its agenda to provide a strong foundation for MSMEs, bolstering their growth.

<https://economictimes.indiatimes.com/news/economy/policy/union-budget-msme-sector-for-doubling-loan-limit-under-mudra-to-rs-20-lakh/articleshow/111840571.cms>

India's fintech industry projected to reach \$420 bn by 2029 at CAGR of 31%

The Indian fintech industry is estimated to be around USD 110 billion in 2024 and its projected to reach about USD 420 billion by 2029, Ajay Kumar Choudhary, Non-Executive Chairman and Independent Director, National Payments Corporation of India, said. The sector, he said, is expected to continue to grow due to factors like favourable policies of the government. The government's push towards a digital economy, coupled with a young and tech-savvy population, is likely to propel the fintech sector to new heights, he added.

https://www.business-standard.com/industry/news/india-s-fintech-industry-projected-to-reach-420-bn-by-2029-at-cagr-of-31-124071800667_1.html

Industry

DPIIT's efforts attract over Rs 1,100 cr investment from global tyre makers

Leading global tyre makers such as Bridgestone, Michelin and Goodyear have committed investments worth over Rs 1,100 crore in India after the DPIIT temporarily allowed them to import certain tyres to the country, an official said. The official said that the import restrictions on 'New Pneumatic Tyres' were relaxed for certain global players that were interested in importing specific tyres from their factories abroad into India.

https://www.business-standard.com/industry/news/dpiit-s-efforts-attract-over-rs-1-100-cr-investment-from-global-tyre-makers-124071800911_1.html

NITI Aayog moots fiscal, financial, regulatory and infrastructure support to boost electronics manufacturing

NITI Aayog has proposed interventions across fiscal, financial, regulatory, and infrastructure domains to help India scale up production of electronics including mobile phones while suggesting the need to diversify into emerging areas such as wearables, IoT devices, and automotive electronics. In its report "Electronics: Powering India's Participation in Global Value Chains" released on Thursday, the Aayog has proposed promoting components and capital goods manufacturing, incentivising research and development and design, tariff rationalization, skilling initiatives, facilitation of technology transfers, and infrastructure development to foster a robust electronics manufacturing ecosystem in India.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/niti-aayog-moots-fiscal-financial-regulatory-and-infrastructure-support-to-boost-electronics-manufacturing/articleshow/111841837.cms>

Construction equipment sector sees muted year after polls hurt Q1 sales

Sales of construction equipment remained largely flat in the first quarter of the ongoing fiscal year, after posting robust growth the last two fiscal years, hurt by a slowdown in the award of road construction projects and subdued demand due to general elections. While industry body Indian Construction Equipment Manufacturers' Association (ICEMA) has yet to release sales data for the quarter ended June 30, the industry estimates about 24,000 units have been sold during the three-month period, similar to the volume reported in the same period last fiscal year.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/construction/construction-equipment-sector-sees-muted-year-after-polls-hurt-q1-sales/articleshow/111842268.cms>

India Inc boards make more room for young guns

Young directors are slowly but surely making inroads into India Inc boardrooms - traditionally a bastion of the older and more experienced - as companies gear up to respond to digital transformation and disruption in their industries and bring in diversity that reflects their increasingly younger customer and employee bases. As of March 31, 2024,

there were 1,618 directors (including independent) under the age of 40 across all the NSE-listed companies - a 136% jump from 687 under-40 directors a decade earlier, data put together for ET by primeinfobase.com shows.

<https://economictimes.indiatimes.com/news/company/corporate-trends/india-inc-boards-make-more-room-for-young-guns/articleshow/111844883.cms>

IT hiring in limbo even as tech spends expected to return

IT firms have started to ramp up hiring as tech spends are expected to return. But mirroring the overall uncertainty that continues to prevail in the market, the uptick in hiring is muted.

<https://www.thehindubusinessline.com/info-tech/even-as-tech-spends-are-expected-to-return-it-hiring-continues-to-be-in-limbo/article68418696.ece>

After busy summer, travel biz hots up in monsoon too

India's travel industry is reaping gains from an unusually busy monsoon season with a 25% year-on-year surge in bookings, adding to strong summer demand this year. "Indians are quintessential value seekers, and the low season offers from both airlines and hotels such as discounts and deals like free extension stays, airport transfers, complimentary meals are driving demand by approximately 25% year on year for monsoon travel," said Rajeev Kale, president and country head for Holidays, MICE, Visa at Thomas Cook (India).

<https://economictimes.indiatimes.com/industry/services/travel/after-busy-summer-travel-biz-hots-up-in-monsoon-too/articleshow/111844869.cms>

Agriculture

Potato prices likely to remain hot despite monsoon progress

Vegetable prices, especially potatoes, are likely to stay elevated in the near term, despite rapid progress of the monsoon, according to agricultural experts and economists. Heatwaves in several parts of the country this summer damaged crops, causing demand-supply mismatch, they say. Vegetable inflation remains a major concern for policymakers, reaching 29.3% in June, from 27.4% in May. The increase was broad-based, affecting both TOP (tomatoes, onions, potatoes) and non-TOP vegetables. "Prices of potatoes are expected to be firm for the next few months," said an agricultural analyst, adding this year's shortage of the tuber is likely to be felt as early as October unlike the general trend of November and December.

<https://economictimes.indiatimes.com/news/economy/agriculture/potato-prices-likely-to-remain-hot-despite-monsoon-progress/articleshow/111844671.cms>

Infrastructure

NHAI to charge double user fee in case of non-affixation of FASTag on the front windshield

Those travelling on national highways without a FASTag affixed on the windscreen will have to pay double the user fee at the toll plazas. The National Highways Authority of India has issued guidelines to collect double user fee from such users entering the toll lane with non-affixed FASTag on front windshield from the inside to deter such a move. The NHAI is of the view that the deliberate non-affixation of FASTag on the windscreen leads to unnecessary delays at the toll plazas causing inconvenience to the fellow National Highway users.

<https://economictimes.indiatimes.com/news/economy/infrastructure/nhai-to-charge-double-user-fee-in-case-of-non-affixation-of-fastag-on-the-front-windshield/articleshow/111840632.cms>

Energy

Rs 44,000-cr transmission projects delayed, plan to boost power supply may be hit

India's plan to preempt a crisis of electricity shortage by quickening the capacity addition across the value chain is facing a hurdle, with as many as 32 transmission projects entailing investments of Rs 44,254 crore being already or likely to be delayed. According to data from the ministry of statistics and programme implementation, as of April 2024, of the 50 large projects worth Rs 60,439 crore being implemented by the Power Grid Corporation of India (PGCIL), 18 with total value of Rs 29,300 crore are facing an average delay of 32 months. Another 8 projects bid out

by the state-run entity under the Tariff Based Competitive Bidding (TBCB) route with total value of Rs 8,755 crore are reporting an average delay of 12 months.

<https://www.financialexpress.com/business/industry/rs-44000-cr-transmission-projects-delayed-plan-to-boost-power-supply-may-be-hit/3556721/>

MNRE proposes draft policy to ensure solar cell quality in India, plans 'approved list' for manufacturers

The Ministry of New and Renewable Energy (MNRE) will soon release a draft policy to ensure the quality and reliability of solar cells used in making modules deployed in India. This is proposed to be rolled out through an "approved list of models and manufacturers (ALMM) for solar cells", with industry being allowed sufficient time to plan, MNRE secretary Bhupinder Singh Bhalla told ET.

<https://economictimes.indiatimes.com/industry/renewables/mnre-proposes-draft-policy-to-ensure-solar-cell-quality-in-india-plans-approved-list-for-manufacturers/articleshow/111844775.cms>

States

Telangana govt to launch farm loan waiver scheme

Telangana government is all set to launch a farm loan waiver programme, part of its poll promise benefitting 70 lakh farmers, on Thursday, official sources said. Chief Minister A Revanth Reddy had earlier announced that the government would implement the loan waiver up to Rs 2 lakh by August 15. The chief minister said Rs 7,000 crore in total would be credited to the accounts of farmers whose loans of up to Rs one lakh are being waived. Crop loans of up to Rs 1.5 lakh would be waived by the end of July, and the loan waiver process would be completed in August when loans of up to Rs two lakh are dispensed with.

<https://economictimes.indiatimes.com/news/economy/finance/telangana-govt-to-launch-farm-loan-waiver-scheme/articleshow/111827139.cms>

Healthcare

Pharma companies on track with QR codes to combat counterfeit drugs

As the Drugs Controller General of India (DCGI) is set to crack down on companies to ensure compliance with printing QR codes on top-selling brands to curb counterfeiting, top pharma companies say they welcome the regulator's mandate and that they are on track. They also view it as a positive step to ensure patient safety. Sheetal Arora, CEO of Mankind Pharmaceuticals, which has already adopted QR codes in 20 of their products, stated: "We strongly advocate for mandatory implementation of barcodes and QR codes on medicines as this initiative will not only protect patients but also strengthen the integrity of our healthcare system by reducing circulation of counterfeit drugs."

https://www.business-standard.com/industry/news/pharma-companies-on-track-with-qr-codes-to-combat-counterfeit-drugs-124071700793_1.html

External

G7 trade ministers' meet: Union min Goyal discusses FTA with UK, EU

Commerce and Industry Minister Piyush Goyal discussed developments related to the free trade agreement (FTA) with the Executive Vice President of the European Commission (EU) and the United Kingdom (UK) Secretary of State for Business and Trade, the Department of Commerce said in a statement on Wednesday. Goyal was attending the G7 Trade Ministers' meeting in Italy to discuss ways to enhance global trade relations and economic cooperation. The bilateral meeting took place on the sidelines of the meet.

https://www.business-standard.com/economy/news/g7-trade-ministers-meet-union-min-goyal-discusses-fta-with-uk-eu-124071700946_1.html

Malaysia wants India to ease export restrictions on rice, sugar and onion

Malaysia would like India to keep the window of exports to the country open for essential commodities like rice, sugar and onions even if there is an overall ban on them, its minister for plantation and commodities Datuk Seri Johari Bin Abdul Ghani said on Thursday. "Sugar, onions and basmati rice, we are in need of all. Our domestic rice

production meets just 65 per cent of our requirement, while demand for basmati rice is rising and India can allocate some quantities for Malaysia even if there is an overall ban," Ghani told reporters.

https://www.business-standard.com/economy/news/malaysia-wants-india-to-ease-export-curbs-on-rice-sugar-and-onions-for-it-124071801288_1.html

\$100 bln Indo-Russia bilateral trade achievable by 2030, trade gap no worry: GTRI

India's aim to clock bilateral trade of \$100 billion with Russia by 2030 seems achievable, think tank Global Trade Research Initiative (GTRI) said Thursday, adding that increasing exports, making local currency trading workable and a free trade agreement with the Eurasian Economic Union will help boost trade. It said that India's main concerns are containing the \$57.1 billion trade deficit and finding an effective payment mechanism for transactions with Russia.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/100-bln-indo-russia-bilateral-trade-achievable-by-2030-trade-gap-no-worry-gtri/articleshow/111839362.cms>

Australia seeks inputs on road map for closer co-operation with India

Recognising India's move towards becoming the world's third-largest economy by the end of the decade, Australia is working on a new road map for engaging with New Delhi that will complement and build on existing work under the bilateral Comprehensive Economic and Co-operation Agreement (CECA).

<https://www.thehindubusinessline.com/news/australia-seeks-inputs-on-road-map-for-closer-co-operation-with-india/article68418745.ece>