



July 12, 2024 – Friday

Economy

PM Modi, FM Sitharaman meet top economists ahead of Union Budget 2024

Prime Minister Narendra Modi, along with senior bureaucrats, on Thursday discussed with economists matters concerning the Indian economy. This comes less than two weeks before the Budget. The meeting was chaired by the Prime Minister, and was attended by Finance Minister Nirmala Sitharaman, Chief Economic Adviser V Anantha Nageswaran, Cabinet Secretary Rajiv Gauba, and NITI Aayog officials. Sources said economists offered suggestions, including focusing on developing global value chains and increasing the allocation for research and development in agriculture. Some suggested rationalising rising fertiliser subsidies through direct benefit transfer and cash transfer. Some economists said the non-farm sector needed to grow faster if India's rural sector had any chance of developing. There were suggestions on focusing on education, controlling the fiscal deficit, and reforming the tax structure. Sources said the target should not be just the forthcoming Budget but also achieving the Prime Minister's goal of a "Developed India" by 2047.

https://www.business-standard.com/budget/news/pm-modi-fm-sitharaman-meet-top-economists-ahead-of-union-budget-2024-124071101203_1.html

Finance

UPI top choice to make digital payments, 90% consumers favour digital transactions, says report

People in urban India now prefer to use more digital payments as compared to cash transactions for their day-to-day spendings. According to a survey by Kearney India and Amazon Pay India titled "How Urban India Pays", over 6,000 consumers and 1,000 merchants, revealed a seismic shift in payment preferences. Per the report, 90 per cent of respondents favour digital payments for online purchases while nearly 50 per cent extend this preference to brick-and-mortar stores. Further, it added that Indian merchants have too adapted with a substantial 69 per cent of their transactions now conducted through digital channels.

<https://www.financialexpress.com/business/industry-how-urban-india-pays-90-consumers-favour-digital-payments-upi-remains-preferred-choice-says-report-3549714/>

Industry

GeM procurement hits Rs 1.24 trn in Q1, set to be world's largest in FY25

With the procurement of goods and services through government's portal GeM crossing Rs 1.24 trillion in first quarter of 2024-25, the platform will become world's largest by the end of this fiscal, a senior official said on Thursday. The Government e-Market (GeM) portal was launched on August 9, 2016, for online purchases of goods and services by all central government ministries and departments. "GeM has clocked a gross merchandise value of Rs 1,24,761 trillion at the end of first quarter, representing a quarter-on-quarter growth of 136 per cent over last year's Rs 52,670 crore," GeM CEO Prashant Kumar Singh told reporters here.

https://www.business-standard.com/pti-stories/national/procurement-through-gem-crosses-rs-1-24-lakh-cr-in-q1-platform-to-become-world-s-largest-in-fy24-25-124071100627_1.html

Fair trade, focus on manufacturing, infra on steel firms' Budget wish list

India's leading steel companies hope the Modi 3.0 Budget will continue the massive capital expenditure currently underway, focusing on infrastructure development, manufacturing, and fair trade. The infrastructure segment is the largest steel user, and the Indian government's focus has fuelled steel consumption even as international markets have underperformed. According to provisional statistics, steel consumption grew 13.6 per cent in FY24, reaching 136 million tonnes (mt), according to a CRISIL report. The upward trend was supported by 'strong' finished steel production, which increased 12.7 per cent year-on-year, reaching 139 mt, the report said.

https://www.business-standard.com/budget/news/budget-watch-steel-inc-wants-fair-trade-and-focus-on-infra-manufacturing-124070900081_1.html

June tractor sales grow 4% year-on-year, Q1 volumes up marginally

With improving farm sentiments, domestic tractor sales reached an eight-month high this June, with total volumes surpassing the one-lakh mark, while production hit a 21-month peak.

<https://www.thehindubusinessline.com/companies/june-tractor-sales-grow-4-year-on-year-q1-volumes-up-marginally/article68393257.ece>

DRDO awards projects to 7 MSMEs & start-ups to meet requirements of armed forces

An underwater-launched drone for surveillance, a UAV for neutralising underwater threat objects and developing detection of icing condition inflight for aircrafts are part of seven new projects Defence Research & Development Organisation (DRDO) has awarded to industries for various requirements of the armed forces, and aerospace and defence sectors.

<https://www.thehindubusinessline.com/news/drdo-awards-projects-to-7-msmes-start-ups-to-meet-requirements-of-armed-forces/article68393241.ece>

GeM finalising plan to allow work contracts for construction projects

Government e-Market, the online platform for public procurement of goods and services, is in the process of finalising its plan to enable work contracts for construction and building projects to be bid for through the platform, and will soon present it to the Department of Commerce for its approval, GeM CEO Prashant Kumar Singh said.

<https://www.thehindubusinessline.com/economy/gem-set-to-become-worlds-largest-govt-procurement-platform/article68393675.ece>

Auto component industry to see moderate growth this fiscal: ICRA

The Red Sea crisis is likely to impact the margins of the auto component industry over the next few quarters amid higher container rates and shipping time, credit ratings agency ICRA said on Thursday, projecting a moderate growth for the industry this fiscal. Close to two-thirds of the auto component exports are made to North America and Europe, and one-third of the imports is made from these regions, as per the ratings agency.

https://www.business-standard.com/industry/auto/auto-component-industry-to-see-moderate-growth-this-fiscal-icra-124071100552_1.html

At FMCG box office, rural to script summer blockbuster

Consumer goods companies are launching low-unit packs and stepping up distribution to and stocking of kirana stores in the hinterland as they shift attention back to rural India, said executives. This is in sharp contrast to the last two years, when fast-moving consumer goods (FMCG) companies such as ITC, Dabur, Marico, Britannia, Parle Products, Emami and Hindustan Unilever had been focused mainly on premiumisation with demand turning sluggish in villages as the rise in prices of daily essentials, vegetables and fuel had forced consumers to cut down on spending. In the last two years, more than 60% of launches by large FMCG companies have been in the premium segment.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/at-fmkg-box-office-rural-to-script-summer-blockbuster/articleshow/111669824.cms>

UP's sops for hybrid vehicles irk EV companies, add to industry's June sob story

The Uttar Pradesh government's recent decision to provide incentives for hybrid vehicles has irked electric vehicle (EV) manufacturers, especially as it comes hard on the heels of a plunge in June sales. It's also divided the industry,

pitting those that are betting on pure electrics such as Tata Motors against those that prefer the hybrid route, like Toyota and Maruti Suzuki.

<https://economictimes.indiatimes.com/industry/renewables/ups-sops-for-hybrid-vehicles-irk-ev-companies-add-to-industrys-june-sob-story/articleshow/111669729.cms>

Agriculture

Govt to begin open market sale of wheat & rice from Aug 1

According to an official note, the exact quantity of grain stocks to be offloaded will be decided by FCI in consultation with the ministry after keeping the stock for requirement under the public distribution system, buffer norms and additional quantity of 2 MT. As on Tuesday, FCI has 28.04 MT of wheat stock against the buffer of 27.58 MT for July 1. An official note had stated that after meeting the requirement for the public distribution system and other welfare schemes, which is approximately 18.4 MT, sufficient stock of wheat will be available to undertake market interventions, as and when required.

<https://www.financialexpress.com/policy/economy-govt-to-begin-open-market-sale-of-wheat-amp-rice-from-aug-1-3549883/>

India's vegetable oil imports up 18% in June to 15.5 lakh tonnes

Import of vegetable oils, comprising edible and non-edible oils, rose 18 per cent in June to 15.5 lakh tonnes on higher imports of crude palm oil and crude sunflower oil, according to trade data. Solvent Extractors' Association of India (SEA) data showed that import of vegetable oils during June 2024 stood at 15,50,659 tonnes compared to 13,14,476 tonnes in the year-ago period. Edible oils import increased in June to 15,27,481 tonnes from 13,11,576 tonnes in the same month last year. However, the imports of non-edible oils jumped to 23,178 tonnes from 2,300 tonnes during the period under review.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-vegetable-oil-imports-up-18-in-june-to-15-5-lakh-tonnes/articleshow/111665091.cms>

Infrastructure

India tops China in billion-dollar realty companies

India's thriving property market achieved a major milestone, surpassing China in the tally of homegrown realty companies valued at \$1 billion. The South Asian nation is home to 36 such realty companies, climbing from just 7 six years ago, showed latest data compiled by Hurun Research Institute. The list includes market leader DLF, besides Macrotech Developers and Adani Realty.

<https://economictimes.indiatimes.com/industry/services/property/-cstruction/india-tops-china-in-billion-dollar-realty-companies/articleshow/111669525.cms>

Energy

Indian refiners likely saved at least \$10 bn due to discounted Russian oil

Indian refiners may have been able to save at least \$10.5 billion by purchasing Russian oil at discounted prices after the outbreak of the Ukraine war in February 2022. According to a report by The Indian Express based on the analysis of India's trade data, Indian refiners ramped up their efforts to buy oil from Russia at discounted costs between April 2022 and May 2024, resulting in savings.

https://www.business-standard.com/economy/news/indian-refiners-likely-saved-at-least-10-bn-due-to-discounted-russian-oil-124071100509_1.html

India's oil, gas exploration offers \$100 bn opportunity, says Oil Min Puri

Oil Minister Hardeep Singh Puri on Thursday called for stepping up oil and gas hunt to cut India's reliance on imports and making available fuel at an affordable and sustainable way. Speaking at the Urja Varta conference, he said that the exploration and production (E&P) sector is integral in the journey towards energy self-sufficiency, which is critical for sustained economic growth. "E&P offers investment opportunities worth \$100 billion by 2030," he said.

https://www.business-standard.com/industry/news/india-s-oil-gas-exploration-offers-100-bn-opportunity-says-oil-min-puri-124071100470_1.html

Power sector Budget wish list: Funds for green energy, more domestic mfg

With India accelerating green energy transition, the energy sector is pinning its hopes on the upcoming Union Budget to catalyse policy support and tax benefits. Sector executives are expecting a relook at GST rates across the renewable energy supply chain, and viability gap funding for newer sectors such as green hydrogen, offshore wind and energy storage, among others. Global CEO of Hero Future Energies Srivatsan Iyer said the green energy industry is looking for reduction of GST rates on renewable energy components.

https://www.business-standard.com/budget/news/power-sector-budget-wish-list-funds-for-green-energy-more-domestic-mfg-124070200127_1.html

Telecom

Real-time intel platform to curb cybercrime, fraud

The government is pulling out all stops to check cybercrime, including online fraud by implementing an intelligence sharing platform for real time tracking and detection. Around 750 stakeholders from government, law enforcement agencies, financial services, telcos, identity document-issuing authorities and regulators have come together on a single platform to track and act on such crimes on a real-time basis. The moment an online fraud is committed and reported, the information will be notified immediately among all the stakeholders, making it easier to catch the fraudster and retrieve the money, officials familiar with the matter said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/real-time-intel-platform-to-curb-cybercrime-fraud/articleshow/111669458.cms>

DoT calls for first meeting of Stakeholders Advisory Committee on July 16

The Department of Telecommunications (DoT) has called the first meeting of Stakeholders Advisory Committee for telecom service providers (TSPs) on July 16. The committee comprises industry captains Sunil Bharti Mittal, Founder and Chairman, Bharti Airtel; Akash Ambani, Chairman, Reliance Jio (RJIL); N Chandrasekaran, Chairperson, Tata Group; Kumar Mangalam Birla, Chairman, Aditya Birla Group; and PK Purwar, CMD, BSNL.

<https://www.thehindubusinessline.com/news/dot-calls-for-first-meeting-of-stakeholders-advisory-committee-for-telecom-on-july-16/article68393558.ece>

Healthcare

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

Nutraceuticals may get cheaper as panel looks to regulate prices

The Centre is considering bringing nutraceuticals, usually sold without prescriptions, under price control to make them affordable for the consumer. A panel formed to address regulatory challenges with regard to nutraceuticals is looking at ways to regulate their prices, people in the know told ET. At present nutraceuticals come under the ambit of Food Safety and Standards Authority of India (FSSAI) and there are no such price regulations.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/nutraceuticals-may-get-cheaper-as-panel-looks-to-regulate-prices/articleshow/111669648.cms>

External

Jaishankar suggests expansion, local solutions for BIMSTEC

India on Thursday made a big push to connect South Asia with SE Asia through The Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation (BIMSTEC) with Foreign Minister S Jaishankar hosting his counterparts from the group's member states, including Myanmar, and exploring possibility of expanding the group to include three SE Asian states that have Bay of Bengal linkages. In his opening remarks at the BIMSTEC Foreign Ministers' Retreat Jaishankar called upon the BIMSTEC countries to come up with own solutions which becomes even more imperative given the current global and regional scenario.

<https://economictimes.indiatimes.com/news/india/jaishankar-suggests-expansion-local-solutions-for-bimstec/articleshow/111669577.cms>

UK trade body opens review into duties on Indian imports of PET plastics

The UK's Trade Remedies Authority (TRA) has initiated a transition anti-subsidy review of a countervailing measure on imports of polyethylene terephthalate (PET) plastics from India, to assess whether the nearly 13 per cent duties should continue to be applied. TRA, an independent "arm's length body" of the government's Department for Business and Trade, will consider whether the importation of the subsidised goods subject to review would be likely to continue or recur if the countervailing amount were no longer applied to those goods.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/uk-trade-body-opens-review-into-duties-on-indian-imports-of-pet-plastics/articleshow/111656318.cms>