



July 25, 2024 – Thursday

Economy

India's economic activity expands in July, services PMI rises to 61.1

India's economic activity expanded in July, fueled by a jump in services and a pickup in manufacturing, a flash survey by HSBC Holdings Plc showed. The services purchasing managers' index rose to 61.1 from 60.5 last month, while the manufacturing purchasing managers' index increased slightly to 58.5 from 58.3 in June. That drove the composite PMI to a three-month high of 61.4 from 60.9 the previous month.

https://www.business-standard.com/economy/news/india-s-economic-activity-expands-in-july-services-pmi-rises-to-61-1-124072400344_1.html

Govt notifies governing council to set up framework for Data Innovation Lab

The Ministry of Statistics and Programme Implementation (MoSPI) on Tuesday notified the governing council to set up the framework for the Data Innovation Lab. The council, under the chairmanship of the MoSPI secretary, will approve the annual action plan of the DI Lab. The council will also have representation from NITI Aayog, the Indian Statistical Institute, and the Department of Science & Technology (DST). Earlier on Tuesday, the ministry set up the DI Lab to promote innovation, adoption of information technology in the field of official statistics including survey-related methodology and address the challenges being faced by the National Statistical System (NSS).

https://www.business-standard.com/economy/news/govt-notifies-governing-council-to-set-up-framework-for-data-innovation-lab-124072401348_1.html

Labour ministry leads employment generation talks with 20 ministries

The labour and employment ministry has convened a meeting on Friday with 20 ministries, directly and indirectly related to employment generation, to push employment creation in their sectors and firm up ways to track employment data in a regular and formalised manner. A senior government official told ET that labour minister Mansukh Mandaviya will chair the meeting, which is being held following the announcement of three employment-linked incentive schemes in the budget with emphasis on creating a comprehensive database for employment generation.

<https://economictimes.indiatimes.com/news/economy/policy/labour-ministry-leads-employment-generation-talks-with-20-ministries/articleshow/111996086.cms>

23 lakh new workers enrolled under ESI Scheme in May this year

Formal job creation under the Employees' State Insurance Corporation (ESIC) went up by 13.9% to 2.30 million in May this year compared to 2.02 million in May 2023 while month-on-month ESIC registered a jump of 39.9% when compared to 1.64 million formal jobs created in April 2024, the ministry of labour and employment said. As per the provisional payroll data, released on Wednesday, around 20,110 new establishments have been brought under the social security ambit of the ESI scheme in May compared to 18,490 establishments added in April, 2024 thus ensuring social security to more workers.

<https://economictimes.indiatimes.com/news/economy/indicators/23-lakh-new-workers-enrolled-under-esi-scheme-in-may-this-year/articleshow/111994851.cms>

Finance Secy TV Somanathan: There's a nudge for industry to opt for less automation, use more labour

The jobs schemes announced in the budget are meant to nudge industry towards more labour-intensive choices, Finance Secretary TV Somanathan said in an interview to Anuradha Shukla and Deepshikha Sikarwar. Edited excerpts:

<https://economictimes.indiatimes.com/news/economy/policy/finance-secy-tv-somanathan-theres-a-nudge-for-industry-to-opt-for-less-automation-use-more-labour/articleshow/111996745.cms>

Reforms to allow development without taking land away, says Ajay Seth

Employment remains the overwhelming theme but the budget is more than that, economic affairs secretary Ajay Seth told Banikinkar Pattanayak and Deepshikha Sikarwar in an interview. The planned land measures are a major reform area and under the approach being considered, ownership of the land will not be snatched away and yet the land will be available for development, he said. Edited excerpts:

<https://economictimes.indiatimes.com/news/economy/policy/et-qa-reforms-to-allow-development-without-taking-land-away-says-ajay-seth/articleshow/111996779.cms>

Credit rating agencies upbeat on India's fiscal consolidation plan

Global credit rating agencies gave a thumbs up to the FY25 Budget, lauding the government's firm commitment to deficit reduction, with Moody's Ratings noting that the Budget is credit positive. "Policy continuity is reflected in the government's capital spending on infrastructure which remains around 23 per cent of total expenditure, although this remains below the 24 per cent spending on interest payments. Overall, the Budget is credit positive as it is expected to keep fiscal deficits at around 4.9 per cent of GDP, lower than the 5.1 per cent of GDP announced in the interim Budget. This places the government's goal of achieving a 4.5 per cent of GDP deficit by financial 2025-26 within reach," Moody's Ratings said in a statement.

https://www.business-standard.com/budget/news/credit-rating-agencies-upbeat-on-india-s-fiscal-consolidation-plan-124072400945_1.html

Finance

RBI revamps regulatory framework for domestic money transfer services

Reserve Bank of India has revised the regulatory framework for domestic money transfer services by regulated entities by making Know Your Customer (KYC) record requirements stringent. The changes in the current framework have been made based on a recent review of various services for payments transfer. The remitting bank should obtain and keep a record of the name and address of the beneficiary for cash payout, RBI said in a communication to authorised payment system operators.

https://www.business-standard.com/finance/news/rbi-revamps-regulatory-framework-for-domestic-money-transfer-services-124072401033_1.html

Taxpayers can opt for 'Vivad se Vishwas' scheme from Dec 31: CBDT chairman

The 'Vivad se Vishwas' scheme announced in the Budget for settlement of pending direct tax appeals will be launched this year and its notification apart from relevant FAQs would be issued soon, CBDT chairman Ravi Agrawal said Wednesday. Speaking to PTI during a post-Budget interview, the head of the direct taxes administration in the country said that a "substantial" number of income tax appeals are logged at the appellate stage in different forums and it is expected that a "reasonable" number of taxpayers will avail the new scheme.

https://www.business-standard.com/finance/personal-finance/taxpayers-can-opt-for-vivad-se-vishwas-scheme-from-dec-31-cbdt-chairman-124072401007_1.html

Govt may cut borrowing if small saving inflows are high, official says

India could look at cutting gross borrowing later in the financial year if inflows into national small saving schemes (NSSF) are high, Economic Affairs Secretary Ajay Seth told Reuters on Wednesday. The Central government has increased its reliance on borrowing from NSSF over the last few years to meet its funding requirements.

<https://economictimes.indiatimes.com/news/economy/finance/govt-may-cut-borrowing-if-small-saving-inflows-are-high-official-says/articleshow/111984707.cms>

Industry

White category industries may skip pollution permits: Environment Ministry

Industries classified under the non-polluting "white category" might not need prior approvals from state pollution control boards to be set up and run under the Air Act of 1981 and the Water Act of 1974, according to a draft notification by the Ministry of Environment, Forest and Climate Change, as report by Indian Express. These approvals, officially termed "consent to establish" (CTE) and "consent to operate" (CTO), are typically issued to control industries that release pollutants or discharge effluents into the environment.

https://www.business-standard.com/industry/news/white-category-industries-may-skip-pollution-permits-environment-ministry-124072400766_1.html

Mobile makers cumulatively invest Rs 8,282 cr under PLI scheme till June

Mobile phone and specified components makers under the PLI scheme for large scale electronics manufacturing have cumulatively invested Rs 8,282 crore till June 2024, Parliament was informed on Wednesday. Minister of State for Electronics and IT Jitin Prasada in a written reply to Lok Sabha said that a total of 32 companies were approved with committed investment of Rs 11,324 crore and a projected production target of Rs 10.7 lakh crore under the PLI (Production Linked Incentive) scheme for Large Scale Electronics Manufacturing.

https://www.business-standard.com/industry/news/mobile-makers-cumulatively-invest-rs-8-282-cr-under-pli-scheme-till-june-124072400813_1.html

Research, infra allocation will boost innovation in steel sector: ISA

The increased funding for R&D announced in the Budget and the support extended to startups and MSMEs will foster innovation in steel manufacturing, the apex industry association said on Wednesday. Further, the allocation of Rs 11.11 lakh crore is set to enhance national infrastructure, create millions of jobs, and directly benefit the steel industry, the Indian Steel Association (ISA) said in a statement. In her Budget speech on Tuesday, Finance Minister Nirmala Sitharaman announced a slew of measures for sectors, including infrastructure, manufacturing, healthcare, education, startups, and green energy, among others.

https://www.business-standard.com/budget/news/research-infra-allocation-will-boost-innovation-in-steel-sector-isa-124072400417_1.html

Agriculture

Budget's focus on agri-research may help reduce production shocks

The budget proposal to undertake a comprehensive review of agricultural research, release of new seeds focused on raising productivity, and developing climate resilient varieties involving the private sector is expected to help reduce production shocks and improve food security of the country in the long run. "Our government will undertake a comprehensive review of the agriculture research setup to bring the focus on raising productivity and developing climate resilient varieties. Funding will be provided in challenge mode, including to the private sector. Domain experts both from the government and outside will oversee the conduct of such research," said finance minister Nirmala Sitharaman.

<https://economictimes.indiatimes.com/news/economy/agriculture/budgets-focus-on-agri-research-may-help-reduce-production-shocks/articleshow/111983820.cms>

Infrastructure

LTCG tax changes to benefit most real estate investors: Revenue secy

Revenue Secretary Sanjay Malhotra on Wednesday said the changes in Long-Term Capital Gain Tax (LTCG) announced in the Budget by Finance Minister Nirmala Sitharaman will benefit most of the people investing in the real estate sector. The Budget has lowered the LTCG from 20 per cent to 12.5 per cent but removed the indexation benefits. The indexation benefit allowed taxpayers to compute gains arising out of the sale of capital assets after adjusting inflation.

https://www.business-standard.com/budget/news/lcgt-tax-changes-to-benefit-most-real-estate-investors-revenue-secy-124072400724_1.html

Railways to add 250 new suburban services over 5 years in Mumbai: Vaishnaw

The Railways plans to add 250 new suburban services in Mumbai over the next five years, re-design rail network and build new mega terminals to ease rail travel in the country's financial capital, Railways Minister Ashwini Vaishnaw said on Wednesday. Addressing a press conference here, Vaishnaw said the Railways is planning to re-design the suburban network to reduce cross movements of trains as part of efforts to improve transportation in Mumbai and its suburbs. The minister said the Railways is also planning to introduce new technologies to reduce headway between two trains from the present 180 seconds to 150 seconds.

<https://economictimes.indiatimes.com/industry/transportation/railways/railways-to-add-250-new-suburban-services-over-5-years-in-mumbai-vaishnaw/articleshow/111995453.cms>

Energy

MNRE plans to raise over ₹13,500 cr via green bonds in FY25

The Ministry of New & Renewable Energy (MNRE) plans to raise more than ₹13,500 crore through green bonds for funding various renewable energy projects in the current financial year, ending March 2025.

<https://www.thehindubusinessline.com/economy/mnre-plans-to-raise-over-13500-cr-via-green-bonds-in-fy25/article68442013.ece>

India raises US oil imports in June, cuts Russia, data shows

India's monthly oil imports from its biggest supplier Russia slipped marginally in June while those from the United States rose to the highest since Feb. 2022, data obtained from the industry sources showed. Refiners in India together shipped in 1.98 million barrels per day (bpd) of Russian oil in June, down 3.7% from the previous month, the data showed. However, during the first fiscal quarter ended June 30, India's imports of Russian oil rose by an annual 1.2%, according to the data.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/india-raises-us-oil-imports-in-june-cuts-russia-data-shows/articleshow/111986794.cms>

Telecom

Hike in customs duty on PCBA of certain telecom equipment will raise services cost: COAI on Budget

Industry body COAI on Tuesday said the Budget proposal to hike basic customs duty on printed circuit board assembly (PCBA) of certain telecom equipment to 15 per cent, will raise the cost of providing services, as telcos constantly upgrade their networks. COAI also rued that the industry's long-standing demands, including reduction in licence fee levy, has not been addressed. "The government has also proposed to increase Basic Customs Duty from 10 per cent to 15 per cent on PCBA of certain specified telecom equipment. "This will increase the cost of providing services as the telcos are continuously upgrading their networks with the advent of the new technology," SP Kochhar, Director General, COAI said in a statement.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/hike-in-customs-duty-on-pcba-of-certain-telecom-equipment-will-raise-services-cost-coai-on-budget/articleshow/111966601.cms>

States

Trade body to nurture, promote women biz leaders in UP's MSME sector

A trade association in Uttar Pradesh is working to nurture and promote women business leaders in micro, small and medium enterprises (MSMEs) sector in the state. Indian Industries Association (IIA), a trade body representing MSMEs, said it has been actively raising awareness and vocalising the achievements of women business leaders in different sectors of the industry. IIA said it is now identifying women entrepreneurs heading industrial units to bring them on-board.

https://www.business-standard.com/industry/news/trade-body-to-nurture-promote-women-biz-leaders-in-up-s-msme-sector-124072300006_1.html

External

DPIIT to create timelines for govt agencies for clearance of FDI proposals

The Department for Promotion of Industry and Internal Trade (DPIIT) will formulate strict timelines for different government agencies and departments for clearance of Foreign Direct Investment (FDI) proposals from prioritised sectors, a top official said. DPIIT Secretary Rajesh Kumar Singh said though there is a standard operating procedure (SOP) for these clearances, still there are delays as the SOPs are not being followed.

https://www.business-standard.com/budget/news/dpiit-to-create-timelines-for-govt-agencies-for-clearance-of-fdi-proposals-124072400494_1.html

India considering lifting restrictions on some Chinese firms

India's government is weighing options to ease investment restrictions on some Chinese firms, an official familiar with the matter said, a move that could help the South Asian nation boost its domestic manufacturing. Discussions are underway on whether to give exemptions to Chinese firms in hi-tech sectors like solar modules and critical minerals, the official said, asking not to be identified as the discussions are private. The Ministry of Commerce and Industry and other security-related departments are examining the issue, the official said, adding that a final call on the issue hasn't been taken yet.

<https://economictimes.indiatimes.com/news/economy/policy/india-considering-lifting-restrictions-on-some-chinese-firms/articleshow/112002513.cms>

E-commerce export hubs: DGFT and DoR close to finalising framework for traceability

Setting up of the proposed e-commerce export hubs, highlighted in Budget 2024-25, is being expedited with the Directorate General of Foreign Trade (DGFT) and the Department of Revenue close to finalising the framework to identify return goods for exempting from import duties and the process of notifying portions of existing logistics hubs as authorised zones being firmed up.

<https://www.thehindubusinessline.com/economy/e-commerce-export-hubs-dgft-and-dor-close-to-finalising-framework-for-traceability/article68442368.ece>