



July 31, 2024 – Wednesday

Economy

Hunger in India came down to 13.7% during 2021-23 period: UN-FAO report

In what could come as a piece of good news, hunger in India — as measured by the Prevalence of Undernourishment (PoU) by the United Nation's Food and Agriculture Organisation (FAO) — has come down from 16.6 per cent of the population in the 2020-2022 to 13.7 per cent in 2021-23, the latest report on the State of Food Security and Nutrition in the World (SOFI 2024) showed. This means that around 39.3 million people have come out of undernourishment between the two periods, NITI Aayog member Ramesh Chand said on Tuesday.

https://www.business-standard.com/economy/news/hunger-in-india-came-down-to-13-7-during-2021-23-period-un-fao-report-124073001493_1.html

India updates trade advisory for its SMEs doing business with Chinese firms, says adopt adequate precaution

The Indian Embassy in China has updated the trade advisory for Indian small and medium enterprises (SMEs) that intend to or are doing business with Chinese companies. It has advised Indian firms to "note of this advisory and its annexure documents and adopt adequate precaution while dealing with Chinese entities." In a statement, the Indian Embassy in China stated, "The Embassy has regularly come across several problems faced by Indian companies doing business with Chinese entities in China. It is requested that Indian companies take note of this advisory and its annexure documents and adopt adequate precaution while dealing with Chinese entities."

<https://economictimes.indiatimes.com/industry/banking/finance/india-updates-trade-advisory-for-its-smes-doing-business-with-chinese-firms-says-adopt-adequate-precaution/articleshow/112132260.cms>

Finance

RBI issues guidelines for non-bank payment service providers to prevent cyber security risks

The Reserve Bank of India (RBI) issued guidelines for non-bank payment system operators (PSOs) to ensure that they are resilient in the face of existing and emerging information systems and cyber security risks. The master circular, issued on Tuesday evening on 'cyber resilience and digital payment security controls,' stipulates a compliance structure and sets different timelines for PSOs based on size.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-issues-norms-to-improve-safety-of-payment-systems/articleshow/112144248.cms>

RBI directs banks to provide all information to borrower on classifying them as wilful defaulter

The Reserve Bank of India (RBI) asked banks to issue show-cause notices to borrowers identified as wilful defaulters, give them a personal hearing, and provide them at least 21 days to reply. The regulator also directed banks to disclose to the borrower all information on which the show-cause notice is issued to classify them as wilful defaulters. However, it added that the borrower has no right to appoint a lawyer to represent it during the personal hearing.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-directs-banks-to-provide-all-information-to-borrower-on-classifying-them-as-wilful-defaulter/articleshow/112144955.cms>

Reserve Bank of India to hold rates in August, first cut in Q4: Reuters poll

The Reserve Bank of India (RBI) will keep interest rates steady for a ninth straight meeting in August due to persistently high inflation, with a slim majority of economists in a Reuters poll expecting the first rate cut next quarter. A sharp spike in food prices drove inflation in Asia's third-largest economy to a five-month high of 5.08% in June, well above the RBI's 4% medium-term target, suggesting the central bank will be wary of easing monetary policy too soon.

<https://economictimes.indiatimes.com/news/economy/indicators/reserve-bank-of-india-to-hold-rates-in-august-first-cut-in-q4-reuters-poll/articleshow/112152825.cms>

Draft guidelines may impact banks' existing LCR by upto 300 pps: CRISIL

The Reserve Bank of India's (RBI's) proposal to revise the liquidity coverage ratio (LCR) is expected to drag the LCRs of banks by 10-300 percentage points (pps), according to a study by CRISIL Ratings. Last week, RBI proposed to tighten norms related to LCR by increasing the run-off factor to 5 per cent for retail deposits. Run-offs occur when individuals or businesses withdraw their deposits unexpectedly. Stable retail deposits enabled with Internet and Mobile Banking (IMB) are proposed to have a 10 per cent run-off factor, and less stable deposits will have a 15 per cent run-off factor.

https://www.business-standard.com/finance/news/draft-guidelines-may-impact-banks-existing-lcr-by-upto-300-pps-crisil-124073001477_1.html

No change in LTCG in medium term: Revenue secretary Sanjay Malhotra

Revenue secretary Sanjay Malhotra on Tuesday ruled out any review of the long-term capital gains (LTCG) tax regime in the medium term. "For the medium term, the LTCG tax rates will likely remain stable at current levels," Malhotra said at a post-budget session at the PHD House of Commerce and Industry.

<https://economictimes.indiatimes.com/news/economy/policy/no-change-in-ltcg-in-medium-term-revenue-secretary-sanjay-malhotra/articleshow/112147000.cms>

Industry

Critical mineral auctions come a cropper

The industry's lack of response and interest to the auction of a few critical mineral blocks including lithium – a key component in renewable energy sources – poses concern over availability of adequate technology and the country's ability to tap the domestically found minerals, according to analysts. They are of the view that to successfully mine these minerals, it is imperative that the government provide some kind of assistance in terms of viability gap funding and thrust to technology development.

<https://www.financialexpress.com/business/industry-critical-mineral-auctions-come-a-cropper-3569331/>

Top global brands like Marks & Spencer, Walmart and Pepco may boost India sourcing after import duty relief

Global brands like Marks & Spencer, Next, Decathlon, Primark, GAP, Walmart, Pepco, and Tesco are planning to ramp up sourcing from India, industry executives told ET. Export orders had dwindled in Tiruppur in the last three years as two major buyers, the US and Europe, reduced their purchases following the recession caused due to the pandemic and Russia-Ukraine war. Further, the customs duty changes in the Union budget are likely to give a major fillip to Tiruppur, a textile production hub in Tamil Nadu. Tiruppur is already facing a wave of orders with some global brands diverting purchases from Bangladesh with production getting impacted there due to social unrest.

<https://economictimes.indiatimes.com/industry/services/retail/top-global-brands-like-marks-spencer-walmart-and-pepco-may-boost-india-sourcing-after-import-duty-relief/articleshow/112147374.cms>

Domestic steel companies to coordinate on import price

A panel set up by the steel ministry has recommended that coking coal buyers share their import price to prevent mispricing due to faulty indices, said officials. The panel wants private and public sector domestic steel companies to work together and develop a domestic index for coal pricing which will mitigate volatility in imported coking coal prices by bringing transparency and coordination among buyers, they said. This would also insulate domestic companies from price manipulation by overseas players, according to the panel.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/domestic-steel-companies-to-coordinate-on-import-price/articleshow/112147177.cms>

Gold demand fades amid rising prices, but its value remains strong

India's gold demand fell 5% year on year in the quarter to June, according to the World Gold Council data released on Tuesday. Demand for gold bars and coins increased 46% to its highest level during the April-June period since 2014, driven by expectations of further price appreciation and safe-haven buying, the council said. However, jewellery sales fell 17% as buyers did not want to pay hefty making charges on top of already high prices, it said.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-cosmetics/-jewellery/gold-demand-fades-amid-rising-prices-but-its-value-remains-strong/articleshow/112147114.cms>

IT firms' Q1 job data suggest they may end FY25 with higher headcount

Headcount at India's top five IT services providers fell for the seventh straight quarter, but a slowdown in the pace of the decline in the April-June period raised optimism about the companies ending the fiscal year with an expanded employee count. The number of aggregate employees at Tata Consultancy Services, Infosys, Wipro, HCLTech and Tech Mahindra dropped by 2,034 sequentially in the first quarter ended June 30, according to the quarterly data they announced in July. Three of the companies — TCS, Wipro and Tech Mahindra — registered net additions in headcount.

<https://economictimes.indiatimes.com/tech/information-tech/it-firms-q1-job-data-suggest-they-may-end-fy25-with-higher-headcount/articleshow/112145352.cms>

Slump-hit companies to spend up to 30% more on revival hopes

Makers of electronic products, automobiles and fast-moving consumer goods (FMCG), as well as retailers, are planning to intensify festive season marketing expenditure by up to 30% over last year, as they seek to pull themselves out of a sales slump, said executives. However, they expect entry level, mass-product sales to remain tepid because of persistent inflation and low-income consumers opting for need-based consumption. Companies are hopeful of a recovery in consumption by middle-income consumers, who may be encouraged to purchase premium products aided by income tax rate cuts in the July 23 budget. Another bump is expected from a near-50 auspicious days for weddings in the second half of the fiscal year, said the people cited above.

<https://economictimes.indiatimes.com/industry/cons-products/fmcmg/marketing-budgets-leap-slump-hit-companies-to-spend-up-to-30-more-on-revival-hopes/articleshow/112147307.cms>

More than a third of fashion and footwear products get returned in online shopping: Report

More than a third of fashion and footwear products get returned in online shopping, mainly due to issues in size, forcing brands to adopt a stricter return policy to avoid higher cost. In fact 17.6% of all ecommerce orders get returned and in categories like fashion and footwear, it can go as high as 30-35%, said a latest report by Return Prime.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-cosmetics/-jewellery/more-than-a-third-of-fashion-and-footwear-products-get-returned-in-online-shopping-report/articleshow/112142214.cms>

India could soon see a slew of 5G smartphones priced well under Rs 10,000 on Qualcomm chipset move

India could soon see a slew of 5G smartphones priced well under Rs 10,000 with chipset maker Qualcomm rolling out a entry-tier 5G chipset in a bid to increase 5G adoption in emerging markets like India. Qualcomm's chipset, locked to 5G standalone architecture, will be hitting the markets by the end of 2024, debuting on a Xiaomi device. Other smartphone brands such as HMD Global and Motorola said they will evaluate their options before launching devices powered by the chipset.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/qualcomm-unveils-india-specific-chip-to-democratise-5g-claims-to-bring-5g-smartphone-under-rs-8000/articleshow/112141511.cms>

Agriculture

States to buy rice from FCI outside e-auction window

The government has allowed grain deficient states to buy rice directly under the open market sale (OMSS) of the Food Corporation of India (FCI) without participating in the electronic-auction (e-auction) from August 1. Under OMSS, the FCI would offload rice to the state governments at Rs 2800/quintal from next month, while the government had decided to stop the sale of rice to states including Karnataka last year.

<https://www.financialexpress.com/policy/economy-states-to-buy-rice-from-fci-outside-e-auction-window-3569325/>

Telecom

Singular packs unlikely to benefit telcos, users: Industry executives

Telecom companies and phone users may not derive value from the regulator's proposal to bring back yesteryear SMS/voice/data-only packs, according to industry executives, who pointed out that such plans already exist for various durations. A top executive at one of the leading telcos said his company offers voice-only packs priced under '40 for feature-phone or old-age users. "In fact, for data, there are top-up options to recharge on hourly or daily basis. Therefore, we need to study the intent behind this proposal," the executive said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/singular-packs-unlikely-to-benefit-telcos-users-industry-executives/articleshow/112147326.cms>

Telcos eye 6G rollout with AI-driven network amid ongoing 5G deployment

Although 5G is still in the process of being deployed throughout India, telecom providers are already investigating the advancement of 6G technology. This next-generation network is expected to heavily depend on artificial intelligence (AI), with experts predicting that AI algorithms will play a central role in driving the 6G networks autonomously, according to a report in Businessline. The report quoted Sajan Paul, managing director and country manager, India & SAARC at Juniper Network, as saying, "...New use cases are being discussed in the 5G space and several telcos are yet to roll it out; they are still building their 5G infrastructure. While two players — Airtel and Jio — have a large deployment base, others are catching up. 5G deployments are still a work in progress."

https://www.business-standard.com/industry/news/telecoms-eye-6g-rollout-with-ai-driven-network-amid-ongoing-5g-deployment-124073000439_1.html

States

Kerala seeks Rs 24,000 crore special financial package from Centre

Kerala has sought a Rs 24,000 crore special financial package from the Centre, Minister of State for Finance Pankaj Chaudhary said in a written reply in Rajya Sabha on Tuesday. He also said that Andhra Pradesh has sought Rs 15,000 crore for developing state capital Amravati and Rs 17,144.06 crore for various sectors, including Polavaram irrigation projects.

https://www.business-standard.com/economy/news/kerala-seeks-rs-24-000-crore-special-financial-package-from-centre-124073000777_1.html

Healthcare

Govt portal shows 2 m active vacancies

The National Career Service (NCS) portal of the labour and employment ministry recorded about two million active vacancies on Tuesday, with the highest number of vacancies in finance and insurance, operations and support, and manufacturing, among others, the ministry said. The job opportunities spanned finance and insurance (1.47 million), operations and support (about 108,000), other service activities (75,000), manufacturing (71,000), transport and storage (59,000), IT and communication (58,000), education (43,000), wholesale and retail (25,000) and health (20,000).

<https://economictimes.indiatimes.com/jobs/government-jobs/govt-portal-shows-2-m-active-vacancies/articleshow/112147247.cms>

External

Pulses import jumps 90 pc in 2023-24 to 47.38 lakh tonnes to meet domestic demand: Govt

India's import of pulses rose 90 per cent annually to 47.38 lakh tonnes during 2023-24 to meet domestic demand, the government informed Parliament on Tuesday. "All India production of pulses has increased from 163.23 lakh tonnes during 2015-16 to 244.93 lakh tonnes during 2023-24 (as per 3rd Advance Estimates)," the Minister of State for Agriculture Ram Nath Thakur said in a written reply to the Lok Sabha. In 2021-22, import of pulses stood at 26.99 lakh tonnes, while exports were at 3.87 lakh tonnes. During 2022-23, imports of pulses stood at 24.96 lakh tonnes, while exports were 7.62 lakh tonnes.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/pulses-import-jumps-90-pc-in-2023-24-to-47-38-lakh-tonnes-to-meet-domestic-demand-govt/articleshow/112142219.cms>