



August 13, 2024 – Tuesday

Economy

India's retail inflation slows to 3.5% in July, falls below RBI's target for the first time in 5 years

India's retail inflation eased to 3.54 per cent on an annual basis in July, data released by the government showed on Monday, gaining comfort off a high base. The inflation rate has edged below the Reserve Bank of India's medium-term target of 4 per cent for the first time since August 2019, nearly five years.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-retail-inflation-slows-to-3-5-in-july-falls-below-rbis-target-for-the-first-time-in-5-years/articleshow/112469435.cms>

Women dominate manufacturing jobs in urban India, says Mospi report

A greater proportion of female workers in urban India are employed in manufacturing (23.9 per cent) and other services (40.1 per cent) compared to their male counterparts, according to the latest "Women and Men in India, 2023" report. In contrast, the report by the statistics and programme implementation ministry released on Monday shows a major proportion of urban male workers are engaged in sectors, such as construction (12.6 per cent), trade, hotels and restaurants (26.5 per cent), and transport, storage and communications (13.2 per cent).

"Surprisingly, a greater proportion of urban women are engaged in manufacturing than urban males," the report said, without providing an explanation.

https://www.business-standard.com/economy/news/urban-female-workers-dominate-manufacturing-sector-shows-govt-report-124081201809_1.html

Factory output growth at 5-month low in June

Dragged by manufacturing, India's industrial production slowed to a five-month low of 4.2% in June from 6.2% in the previous month, official data released Monday showed. The Index of Industrial Production (IIP) had grown 4% in June last year. Data released by the Ministry of Statistics and Programme Implementation showed that the growth of manufacturing, which comprises two-thirds of the index, almost halved to a seven month low of 2.6% in June from 5% in May. Electricity and mining grew 8.6% and 10.3% on-year, respectively in June.

<https://economictimes.indiatimes.com/news/economy/indicators/factory-output-growth-at-5-month-low-in-june/articleshow/112476127.cms>

Need frequent data on job creation, says CEA V Anantha Nageswaran

Citing the need for frequent data on job creation in the economy, Chief Economic Advisor (CEA) V. Anantha Nageswaran called for more frequent periodic labour force surveys (PLFS), inclusive of rural job data, at the 28th Conference of Central and State Statistical Organisations (CoCSSO), organised by the Ministry of Statistics and Programme Implementation (MoSPI) on Monday. Currently, MoSPI releases labour force data for urban areas in the form of PLFS quarterly, while for rural areas it is brought out annually.

https://www.business-standard.com/economy/news/need-frequent-data-on-job-creation-says-cea-v-anantha-nageswaran-124081201864_1.html

80th NSS round: Surveys soon on health, domestic tourism, and travel

Surveys on domestic tourism expenditure, health and household travel will be part of the 80th round of National Sample Survey (NSS), which are expected to be launched by the Ministry of Statistics and Programme Implementation (MoSPI) next year. "All the three surveys will be for a duration of one year. While the survey on health will be launched in January, surveys on household travel and domestic tourism expenditure are expected to be launched in July. The survey on household travel is being done on the request made by the Ministry of Railways, which will use the data to determine production of coaches," a government official said, requesting anonymity.

https://www.business-standard.com/industry/news/surveys-on-tourism-health-and-household-travel-on-cards-in-80th-nss-round-124081201712_1.html

Automation paves way for women in originally male-dominated mfg sector

With the country moving towards becoming a \$35 trillion economy by 2047, the manufacturing sector is rapidly adopting automation which is expected to increase recruitment of women, helping companies become more inclusive, a TeamLease Services senior executive has said. "These companies have begun adopting automation in phases in these male-dominated sectors and have started recruitment of women. We expect that with the increase in adoption of automation in these industries, companies will recruit more and more women going forward," TeamLease Services Chief Strategy Officer Subburathinam P told PTI.

https://www.business-standard.com/industry/news/automation-paves-way-for-women-in-originally-male-dominated-mfg-sector-124081200541_1.html

Finance

Net direct tax collection rises 22.5% to Rs 6.93 trillion till Aug 11

India's net direct tax collection, with refunds adjusted, grew 22.5 per cent to Rs 6.93 trillion between April 1 and August 11 of FY25. In the same period last year, tax collection was at Rs 5.65 trillion, according to the Income-Tax (I-T) Department's latest data released on Monday. Of the tax mop-up, personal income-tax (PIT) outpaced corporation tax. PIT stood at Rs 4.47 trillion (net) as against Rs 3.44 trillion in the same period a year ago. Corporation tax reported at Rs 2.2 trillion, an increase of 5.7 per cent, which is lower than the growth rate of 12 per cent set for this financial year.

https://www.business-standard.com/economy/news/india-s-net-direct-tax-collections-surge-22-5-to-rs-6-93-trillion-124081201799_1.html

RBI forms expert panel to benchmark its statistics with global standards

The Reserve Bank of India (RBI) has set up an expert committee to benchmark its regularly disseminated statistics against global standards and best practices, assess the quality of other routine data in sectors where such benchmarks are absent, and provide guidance on potential areas for further data refinement, it said in a release on Monday. The expert committee, chaired by the RBI Deputy Governor Michael Debabrata Patra, will consist of 10 members. The panel will submit its report by the end of November 2024. RBI's Executive Director, O P Mall, has been appointed as the convenor of the committee.

https://www.business-standard.com/economy/news/rbi-forms-expert-panel-to-benchmark-its-statistics-with-global-standards-124081201457_1.html

Reserve Bank of India tweaks risk weights for housing finance companies

In a relief to housing finance companies, the Reserve Bank of India (RBI) has tweaked the risk weights by capping the same for undisbursed loans at par with that of disbursed loans. This is likely to release capital that was locked for undisbursed loans. "In order to address a potential anomaly in the computation of risk-weighted assets for undisbursed amounts of housing loans/other loans vis-à-vis that for an equivalent disbursed amount of similar exposures, it has been decided that the risk-weighted assets computed for undisbursed amounts of housing loans/other loans ... shall be capped at the risk-weighted asset computed on a notional basis for an equivalent amount of disbursed loans," the RBI circular said.

https://www.business-standard.com/finance/news/rbi-tweaks-risk-weights-for-housing-fin-cos-124081201771_1.html

Private life insurers take industry APE up 17% in July

The life insurance industry in India registered growth in July, with the total annualised premium equivalent (APE) increasing by 16.9% year-on-year. This growth was primarily driven by the private sector, which saw an impressive 18% rise in APE. Life Insurance Corporation of India (LIC), the country's largest insurer, recorded a more moderate increase of around 13.5%.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/private-life-insurers-take-industry-ape-up-17-in-july/articleshow/112476165.cms>

Industry

Home convenience products, premiumisation trend fuel consumer goods' growth

The Indian technical consumer goods market saw a year-on-year value growth of 11 per cent in the first half of the year driven largely by consumer interest in home convenience products and a premiumisation trend, a new report stated. The overall sector recorded a one per cent volume growth in the offline channel, said a report by consumer intelligence firm GfK. The small domestic appliance (SDA) segment led with a 29 per cent increase in value, reflecting heightened consumer interest in home convenience products.

https://www.business-standard.com/industry/news/demand-for-home-convenience-products-aids-consumer-goods-growth-report-124081201649_1.html

Surat diamond units to shut ops for 10 days

Nearly 200 diamond cutting and polishing factories in Surat will suspend operations for 10 days from August 18 to bring down inventory levels as exports to key markets of China and US are not picking up. China has been buying only gold since Covid-19 while the US has slowed down purchase of natural diamonds. Meanwhile, about 500 small cutting and polishing units spread over Gujarat have brought down shutters, resulting in 70,000-75,000 people losing their jobs, according to labour union sources. These units used to sell their products to big exporters in Surat and Mumbai, who would ship them to global markets.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/surat-diamond-units-to-shut-ops-for-10-days/articleshow/112475440.cms>

Agriculture

Paddy acreage rises 4.28 pc, cotton area lags in kharif season so far: Govt data

Farmers have increased the area under paddy cultivation by 4.28 per cent to 33.18 million hectares, while cotton acreage declined in the ongoing 2024-25 kharif (summer-sown) crop season, according to government data released on Monday. The agriculture ministry reported that paddy sowing rose to 33.18 million hectares as of August 12, up from 31.82 million hectares in the same period last year. As per the ministry's data, pulses acreage marginally increased to 11.74 million hectares in the ongoing kharif season from 11.01 million hectares in the year-ago period.

<https://economictimes.indiatimes.com/news/economy/agriculture/paddy-acreage-rises-4-28-pc-cotton-area-lags-in-kharif-season-so-far-govt-data/articleshow/112474739.cms>

Infrastructure

Bharatmala Pariyojana Phase-I likely to be completed by 2027-28: MoRTH

The Modi government's flagship Bharatmala Pariyojana Phase-I, which has overshot the expenditure limit, is expected to be completed by 2027-28, the Ministry of Road Transport and Highways (MoRTH) said in its annual report. The ministry, in its annual report 2023-24, said a revised financial proposal for the Bharatmala Pariyojana is under process for approval. The Bharatmala Pariyojana Phase-1 entails a total length of 34,800 km in 31 states and UTs and more than 550 districts. "The length awarded is 26,425 km, and the length constructed is 17,411 km so far. The programme is expected to be completed by 2027-28," the report said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/bharatmala-pariyojana-phase-i-likely-to-be-completed-by-2027-28-morth/articleshow/112470733.cms>

Energy

India, UK explore green technology for recycling critical minerals

India has started negotiating with the United Kingdom (UK) to expand critical minerals collaboration under the newly-signed UK-India Technology Security Initiative (TSI). As part of these negotiations, the British High Commissioner to India, Lindy Cameron, met officials from the Ministry of Mines last week to explore ways to enhance cooperation. This is particularly for developing economically viable and environmentally sustainable technologies for extracting and recycling critical minerals, Business Standard has learnt.

https://www.business-standard.com/industry/news/india-uk-explore-green-tech-for-critical-minerals-124081100339_1.html

Centre unveils rules to boost offshore mineral exploration & production

The Centre has introduced the Offshore Areas Mineral Trust Rules, 2024, establishing the first-ever framework to oversee mineral exploration and production in India's offshore areas. Under the new rules, holders of production leases of offshore mines are required to contribute to the Trust by paying 10 per cent of their royalty payments to the government. This sum will be deposited in the Public Account of India, providing a financial backbone for the Trust's initiatives, the rules said.

https://www.business-standard.com/industry/news/centre-unveils-offshore-areas-mineral-trust-rules-to-boost-exploration-124081201657_1.html

Coal Ministry expects 39 MT stock at power plants by August end

The coal ministry expects domestic coal-based thermal power plants to have a stock of 39 million tonnes of the dry fuel at the end of this month and 34 million tonnes by September-end, secretary Amrit Lal Meena told ET. The closing stocks are seen much higher from a year earlier - up 39.2% for August and 57% for September - in the critical monsoon period, when evacuation and transport of the fuel becomes a challenge.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/coal-ministry-expects-39-mt-stock-at-power-plants-by-august-end/articleshow/112475858.cms>

States

Andhra Pradesh offers three sites for BPCL project

The Andhra Pradesh government has told the Centre that it can allot land at Machilipatnam, Ramayapatnam or Mulapeta in the state for Bharat Petroleum's (BPCL) proposed refinery-cum-petrochemicals complex, according to people familiar with the matter. The N Chandrababu Naidu government in Andhra Pradesh is pushing for a new refinery as it can help boost economic activity and generate jobs in the state. BPCL is studying the offer for land and may soon zero in on one location, people said.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/andhra-pradesh-offers-three-sites-for-bpcl-project/articleshow/112475554.cms>

Healthcare

Revenue of domestic API firms to see 7-8 pc increase by 2029: Report

Revenue of domestic active pharmaceutical ingredients producing firms is expected to see a 7-8 per cent rise by 2029, rating agency Icria said on Monday. The rating agency expects the revenues of its sample set of companies to expand at a CAGR of 7-8 per cent between 2023 and 2029, from an estimated size of USD 13-14 billion in 2023. "This will be driven by a steady ramp-up in the pharmaceutical formulations industry, which in turn, will be aided by an increasing geriatric population, higher prevalence of chronic diseases, and rising demand for contract manufacturing with global customers looking to diversify their supply chain along with greater focus on domestic sourcing," Icria said in a statement.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/revenue-of-domestic-api-firms-to-see-7-8-pc-increase-by-2029-report/articleshow/112470335.cms>

External

ISA seeks export tax on low-grade iron ore, pellets to curb local shortages

India's leading steelmakers' body wants the government to impose an export tax on low-grade iron ore and pellets to address local shortages, according to a letter by the Indian Steel Association (ISA), which was seen by Reuters. India, the world's fourth-largest producer of the steel-making ingredient, targets to double its steel output to 300 million metric tonnes per year by 2030 to aid its economic expansion and infrastructure development. The ISA has sought a 20 per cent export tax on low grade ore that has less than 58 per cent iron content, and a 10 per cent export tax on all iron ore pellets, it said in a July 17 letter to the federal Ministry of Steel.

https://www.business-standard.com/industry/news/isa-seeks-export-tax-on-low-grade-iron-ore-pellets-to-curb-local-shortages-124081200568_1.html

India and Russia eye dynamic rupee-rouble rate, vostro balance to bypass dollar trade barriers

India and Russia are exploring the idea of a dynamic reference rate to start a rupee-rouble market, along with allowing greater deployment of the rupee balance that has accumulated in course of trade between the two countries since outbreak of the Ukraine war.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-and-russia-eye-dynamic-rupee-rouble-rate-vostro-balance-to-bypass-dollar-trade-barriers/articleshow/112476106.cms>

Merchandise exports to hit \$111.7 bn, non-oil exports at \$89.8 bn in Q2 FY25: Exim Bank

The Export-Import Bank of India (India Exim Bank) has projected that the country's total merchandise exports are expected to reach USD 111.7 billion, marking a year-on-year (y-o-y) growth of 4.2 per cent and non-oil exports are anticipated to amount to USD 89.8 billion, reflecting a y-o-y growth of 6.26 per cent in the second quarter (July-September) of the fiscal year 2025. The quarterly report of Exim Bank suggests that the country's economy continues to demonstrate strong activity, driven by sustained momentum in both the manufacturing and services sectors. Additionally, expected global monetary easing and improving demand prospects from trading partners are likely to bolster export performance.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/merchandise-exports-to-hit-111-7-bn-non-oil-exports-at-89-8-bn-in-q2-fy25-exim-bank/articleshow/112462487.cms>

Foreign Secretaries' of India, Nepal meet; discuss bilateral ties and development projects

As part of his two-day visit to Nepal, Foreign Secretary Vikram Misri met his Nepalese counterpart Sewa Lamsal on Monday. Misri's visit is significant as the countries explore bilateral ties and developmental projects, including in hydropower and expanding connectivity. Misri also met Nepal's Prime Minister K P Sharma Oli and President Ramchandra Paudel, per an official release from the Ministry of External Affairs.

<https://www.thehindubusinessline.com/economy/foreign-secretaries-of-india-nepal-meet-discuss-bilateral-ties-and-development-projects/article68517501.ece>