



August 16, 2024 – Friday

Economy

CAD to be higher in FY'25 on higher domestic demand and global prices

India's strong economic growth at a time when the global economy is not doing too well could have an impact on its current account deficit. The July trade numbers with the deficit reaching a nine month high of \$23.5 billion also point to that as import bill rose and exports were hard to pick up. India's economy has been growing at an average of 8 percent for the last three years at a time when major advanced economies are seeing a slowdown in growth. Though not the entire growth over the period is consumption driven, of late consumption demand is seen picking up and a sizable portion of this demand is met through imports either through import of the product or raw materials.

<https://economictimes.indiatimes.com/news/economy/indicators/cad-to-be-higher-in-fy25-on-higher-domestic-demand-and-global-prices/articleshow/112549930.cms>

Draw norms to assess background of Mudra loan applicants: Niti Aayog

The Niti Aayog has proposed that the government formulate guidelines for assessing the creditworthiness and background verification of those availing of loans under the Pradhan Mantri Mudra Yojana (PMMY), besides putting in place a reward mechanism to incentivise lending institutions to increase the scale of lending.

<https://economictimes.indiatimes.com/news/economy/policy/draw-norms-to-assess-background-of-mudra-loan-applicants-niti-aayog/articleshow/112551224.cms>

WPI inflation cools to 3-month low of 2.04% in July as food prices decline

India's wholesale price index (WPI) inflation cooled to a three-month low of 2.04 per cent in July from a 16-month high of 3.36 per cent in June, primarily on the back of a sharp reduction in food prices. The food price inflation stood at 3.45 per cent during the month as compared to 10.87 per cent in the preceding month. The data released by the Ministry of Commerce and Industry on Wednesday showed that the inflation of other major sub-indices like manufactured products and fuel and power witnessed a slightly higher year-on-year (Y-o-Y) print in July.

https://www.business-standard.com/economy/news/wpi-inflation-cools-to-3-month-low-of-2-04-in-july-as-food-prices-decline-124081400785_1.html

Finance

Finance Minister Sitharaman to review the performance of PSBs on August 19

Finance and Corporate Affairs Minister Nirmala Sitharaman will review the performance of Public Sector Banks (PSBs) on August 19. This will be the first review meeting after Sitharaman presented the Modi 3.0 government's first budget on July 23.

<https://www.thehindubusinessline.com/money-and-banking/finance-minister-sitharaman-to-review-the-performance-of-psbs-on-august-19/article68528975.ece>

RBI proposes risk-based pricing for bank deposit insurance

The Reserve Bank of India (RBI) has proposed implementing risk-based pricing for bank deposit insurance to address concerns about rapid deposit withdrawals through digital channels, which could be exacerbated by the fast spread

of information via social media. RBI Deputy Governor Swaminathan J articulated this proposal at a conference organized by the International Association of Deposit Insurers.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-proposes-risk-based-pricing-for-bank-deposit-insurance/articleshow/112542215.cms>

Finance Ministry says UIDAI does not need to pay income tax

The finance ministry has exempted the income of Unique Identification Authority of India (UIDAI) from payment of income tax for five years till fiscal 2027-28. Accordingly, grants/subsidies received from the central government; fees/ subscriptions, including RTI fee, tender fee, sale of scrap, PVC card; authentication, enrolment and updation service charges received; term/fixed deposits; and interest on bank deposits earned by UIDAI would be exempt from income tax.

<https://economictimes.indiatimes.com/news/economy/finance/income-tax-rate-finance-ministry-says-uidai-does-not-need-to-pay-income-tax/articleshow/112522237.cms>

Recovery via IBC up in June quarter at 31.12%

Recovery from defaulters under the insolvency law rose to 31.12% of the creditors' claims in the June quarter from 25% in the previous three months, showed the data released by the bankruptcy regulator. However, it's marginally lower than the longer-term recovery rate of 32.06% since the Insolvency and Bankruptcy Code (IBC) was introduced in late 2016.

<https://economictimes.indiatimes.com/industry/banking/finance/recovery-via-ibc-up-in-june-quarter-at-31-12/articleshow/112551272.cms>

SEBI hits a wall on ₹76,000 crore dues in FY24

The Securities and Exchange Board of India (SEBI) has marked dues worth ₹76,293 crore as difficult to recover (DTR) at the end of 2023-24, 4.1 per cent higher than the figure of ₹73,287 crore the previous year. DTR dues are those which could not be recovered even after exhausting all the modes of recovery.

<https://www.thehindubusinessline.com/markets/sebi-hits-a-wall-on-76000-dues-in-fy24/article68529202.ece>

Industry

Textiles, apparel exports rise 4.73% in July on improved demand: CITI

India's textiles and apparel exports in July grew by 4.73 per cent to USD 2,937.56 million compared to the same month last year mainly driven by an increase in demand for apparels, the Confederation of Indian Textile Industry (CITI) said on Thursday. Textiles and apparel exports stood at USD 2,805.01 million in July 2023, CITI said. While the textile exports were steady at USD 1,660.36 million in July compared to USD 1,663.06 million, apparel shipments during the month surged by 11.84 per cent to USD 1,277.20 million from USD 1,141.95 million during the same time last year.

<https://economictimes.indiatimes.com/industry/cons-products/garments-/textiles/textiles-apparel-exports-rise-4-73-in-july-on-improved-demand-citi/articleshow/112547930.cms>

Bangladesh turmoil: Govt, garment exporters weigh opportunities for India

Textile Ministry has held preliminary discussions with industry players on the possible implications of the Bangladesh political crisis on Indian apparel and textile exports. The focus of these discussions was on how Indian exporters could gain from a probable 'Bangladesh plus one' situation that could arise if foreign brands sourcing from the neighbouring country look for alternative sources, officials said. Problems in scaling up capacities to meet the additional demand was the biggest concern highlighted by the industry in a meeting with Textiles Secretary Rachna Shah earlier this week on the Bangladesh situation, a source told businessline.

<https://www.thehindubusinessline.com/economy/bangladesh-turmoil-govt-garment-exporters-weigh-opportunities-for-india/article68529413.ece>

AC makers' profits soar in April-June amid blistering heat

Air-conditioner makers have logged a high double-digit growth in revenue and several of them had over two-fold jump in profits during April-June quarter amid increased demand due to the blistering summer. Companies such as

Voltas, Blue Star, Whirlpool of India, Johnson Hitachi, and Havells which owns Llyods brand have reported a high growth trajectory in their top-line and bottom line, led by record sales in the April-June period. Tata group firm Voltas, a leading player in the room AC segment, reported over two-fold jump in consolidated net profit at Rs 335 crore and its revenue from operation went up 46.46 per cent to Rs 4,921 crore.

<https://economictimes.indiatimes.com/industry/cons-products/durables/ac-makers-profits-soar-in-april-june-amid-blistering-heat/articleshow/112540016.cms>

Retailers, brands see 5-10% on-year growth in Independence period sales

Retailers and brands said there has been a 5-10% growth in sales during the Independence period sales this year as compared to last, driven by improvement in sentiments, premiumisation with a marginal recovery in volume or number of units sold for categories like smartphones and laptops, industry executives said. "Consumer sentiment appears to have improved a bit more than what it was for the rest of the year. We expect 5-10% growth in sales while volume wise there might be an improvement only in the grab and go categories like mobile phones and laptops," said Nilesh Gupta, director at Vijay Sales, a leading consumer electronic retail chain in Delhi-NCR, Mumbai and Ahmedabad.

<https://economictimes.indiatimes.com/industry/services/retail/retailers-brands-see-5-10-on-year-growth-in-independence-period-sales/articleshow/112548807.cms>

Indian wearable makers innovate to counter market decline

Leading Indian wearable technology companies are ramping up innovation and expanding their retail strategies in response to the first-ever decline in the country's wearable device market. This comes as the International Data Corporation (IDC) reported a 10 per cent year-on-year drop in shipments for Q2 2024.

<https://www.thehindubusinessline.com/info-tech/indian-wearable-makers-innovate-to-counter-market-decline/article68528432.ece>

MSMEs to get Rs 15,000-crore subsidy to boost recycling, efficiency

The Centre is planning a Rs 15,000 crore green initiative aimed at micro, small, and medium enterprises (MSMEs), which will also include the development of an e-marketplace for recyclables to link manufacturers with waste collectors, according to a report by The Economic Times. Scheduled to launch by early 2025, the initiative will involve establishing material recovery facilities (MRFs) and managing post-consumption product treatment. Additionally, a specialised organisation is expected to be established to guide MSMEs in their shift to green energy and to create tailored green policies for these enterprises, the report said.

https://www.business-standard.com/industry/news/msmes-to-get-rs-15-000-crore-subsidy-to-boost-recycling-efficiency-124081400664_1.html

Stringent safety norms for construction electric vehicles from October 1

The Centre is set to impose stricter safety standards on electric construction equipment as the industry prepares for a green transition. The Ministry of Road Transport and Highways (MoRTH) has proposed new rules that will require all electric construction vehicles, including dumpers and excavators, to meet stringent safety standards starting October 1, 2024. The draft notification, published on August 14, proposes an amendment to the Central Motor Vehicles Rules, 1989. This amendment introduces a new rule, 125-O, which mandates compliance with Automotive Industry Standards (AIS)-174, covering battery safety, electrical systems, and overall vehicle construction.

https://www.business-standard.com/industry/auto/centre-proposes-stricter-safety-rules-for-electric-construction-vehicles-124081500597_1.html

Passenger vehicle wholesales fall 2.5% in July as retail inventory piles up

Passenger vehicle (PV) wholesales in July slipped by 2.5 per cent as original equipment manufacturers (OEMs) recalibrated their dispatches to dealers in the wake of high unsold inventory at the retailers' end. PV sales were down 2.5 per cent in July to 341,510 units, while three-wheeler sales were up 5 per cent at 59,073 units, and two-wheeler sales rose 12.5 per cent to 1,441,694 units. SIAM Director General Rajesh Menon pointed out that three-wheeler sales were close to the peak of 2018-19.

https://www.business-standard.com/industry/auto/passenger-vehicle-wholesales-fall-2-5-in-july-as-retail-inventory-piles-up-124081400777_1.html

Agriculture

Government to launch 'Kisan Ki Baat' to bridge farm-Science gap

The government is set to launch 'Kisan Ki Baat', a monthly radio programme aimed at bringing scientific knowledge to farmers, Union Agriculture Minister Shivraj Singh Chouhan announced on Thursday. This initiative seeks to modernise agricultural practices and empower farmers with cutting-edge scientific information. "Farmers often lack information, leading to misuse of pesticides. We must address this," Chouhan said, emphasizing the need for rapid transfer of scientific benefits to farmers.

<https://economictimes.indiatimes.com/news/economy/agriculture/government-to-launch-kisan-ki-baat-to-bridge-farm-science-gap/articleshow/112549792.cms>

Govt launches mobile App to collect information on pest attack in crops

Union Agriculture Minister Shivraj Singh Chouhan on Thursday launched a mobile App, National Pest Surveillance System (NPSS), for farmers to send photos of crops from their field, if affected by pest or insect. It will help the government to know the scale of infestation and respond accordingly.

<https://www.thehindubusinessline.com/economy/agri-business/govt-launches-mobile-app-to-collect-information-on-pest-attack-in-crops/article68529271.ece>

Infrastructure

Over 5 lakh homes stuck across 44 cities: Report

One in five under-construction homes totalling to over 5 lakh units have not been delivered as 1,981 projects across 44 cities are stalled in the last 8 years, according to listed data analytics firm PropEquity. The number of stalled units have increased by 9% to 5,08,202, from 4,65,555 units in 2018. The remaining 4 under-constructed homes have been delivered after substantial delay of 3-4 years.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/over-5-lakh-homes-stuck-across-44-cities-report/articleshow/112545598.cms>

Subsidies for goods movement via inland waterways in works

The government could offer financial support for the movement of goods on inland waterways, as part of its efforts to promote greater use of the country's network of rivers, canals and backwaters to move cargo, officials in the know said. The government is readying a scheme to incentivise parcel movement on the Ganga, Brahmaputra and Barak rivers in the first phase. A discount of up to 35% on the invoice value for transporting goods is expected to be offered by a subsidiary of state-run Shipping Corporation of India, with the government reimbursing the company for the loss of revenue, they said.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/subsidies-for-goods-movement-via-inland-waterways-in-works/articleshow/112551158.cms>

Telecom

Telecom players' Arpu growth falls to 7.5% in FY24, shows govt data

The Average Revenue Per User (Arpu) earned by India's telecom players rose 7.5 per cent in FY24, as compared to nearly 20 per cent in FY23, according to the latest government data. The yearly telecom sector performance indicators report released by the Telecom Regulatory Authority of India (Trai) on Wednesday shows the overall monthly Arpu for wireless services increased to Rs 149 in FY24, up from Rs 138.7 in FY23. In the preceding year, it had risen 19.9 per cent from Rs 115.17.

https://www.business-standard.com/economy/news/telecom-arpu-growth-slows-to-7-5-in-fy24-down-from-20-in-fy23-govt-data-124081500605_1.html

Healthcare

India's medicine, antibiotics exports gaining share in US, Italian markets: Comm min data

With the government focusing on boosting domestic manufacturing of pharmaceutical products, India's medicine and antibiotics exports have started gaining significant market share in the US. According to the commerce ministry data, India is the third largest import source of 'medicine put up for retail sale' for the US. The top two are Ireland and Switzerland. With this increase in the shipments, India's share went up to 13.1 per cent in 2023 from 10.08 per cent in 2022. Share of the top exporter Ireland fell to 13.85 per cent in 2023 from 17.18 per cent in 2022 because its sales in the US went down to USD 9.5 billion in 2023 from USD 12.5 billion in 2022.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-medicine-antibiotics-exports-gaining-share-in-us-italian-markets-comm-min-data/articleshow/112549346.cms>

External

Edible oil imports dip 1.6% in first 9 months of marketing year ending October: SEA

India's edible oil imports declined marginally by 1.6% to 119.35 lakh tonnes in the first nine months of 2023-24 marketing year ending October, according to industry body SEA. Imports of cooking oils stood at 1,19,35,227 tonnes during November 2023-July 2024 period as against 1,21,22,711 tonnes in the corresponding period of 2022-23 marketing year.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/edible-oil-imports-dip-1-6-in-first-9-months-of-marketing-year-ending-october-sea/articleshow/112551431.cms>

India imports USD 2.8 billion worth of crude oil from Russia in July

India, the world's third largest oil consuming and importing nation, in July bought USD 2.8 billion worth of crude oil from Russia, second only to China which remains the largest importer of Russian oil, a report said. Russia emerged as India's biggest supplier of crude oil, which is converted into fuels like petrol and diesel in refineries, after Russian oil was available on discount following some European nations shunning purchases from Moscow over its invasion of Ukraine in February 2022.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/india-imports-usd-2-8-bn-worth-of-crude-oil-from-russia-in-july/articleshow/112542177.cms>

Govt looking at revising FDI policy, says commerce secretary Barthwal

The Union government is looking at revising the foreign direct investment (FDI) policy, and is doing stakeholder consultation regarding the same, Commerce Secretary Sunil Barthwal said here on Wednesday. "The Department for Promotion of Industry and Internal Trade (DPIIT) is looking into what should be the revised FDI policy and they are working in that direction. They are also doing stakeholder consultation. Once they take a position on FDI, that will be a better way of looking at it," Barthwal told reporters when asked about the commerce department's views on the Economic Survey suggestion to increase FDI inflows from China.

https://www.business-standard.com/economy/news/govt-is-looking-at-revising-fdi-policy-says-commerce-secretary-barthwal-124081401889_1.html

India seeks review of trade pact with UAE

India is seeking a review of certain provisions of the Comprehensive Economic Partnership Agreement (CEPA) with the United Arab Emirates (UAE) to address the issues that have cropped up following a surge in imports of precious metals from the West Asian nation. "As regards CEPA, there are two things — one is the value addition norms and second is reduction (of customs duties). So we are in discussion with them and there are various issues which are discussed under the review," commerce secretary Sunil Barthwal told reporters. "Once we get it (the review), then we will look at all the issues holistically."

<https://www.financialexpress.com/business/industry-india-seeks-review-of-trade-pact-with-uae-3583303/>