



August 19, 2024 – Monday

Economy

India needs 148 million more jobs by 2030: IMF's Gita Gopinath

India needs to create an additional 60 to 148 million jobs by 2030 given its population growth while revamping its education to improve skills of its workforce, according to International Monetary Fund first deputy managing director Gita Gopinath. The country should implement labour codes, undertake land reforms, improve ease of doing business and the regulatory environment, and broaden the tax base, she said, identifying key thrust areas for moving ahead on the vision of becoming a developed nation by 2047. "If you look at India's projections in terms of population growth, India will have to create anywhere between 60 million and 148 million additional jobs cumulatively between now and 2030...we are already in 2024 so in a short period of time we have to create a lot of jobs," she said at the Diamond Jubilee Conference of Delhi School of Economics.

<https://economictimes.indiatimes.com/news/economy/indicators/india-needs-148-million-more-jobs-by-2030-imfs-gita-gopinath/articleshow/112601374.cms?from=mdr>

Finance

FM to discuss bad loans taken over by NARCL with PSBs, RRBs on Monday

At a meeting scheduled with public sector lenders on Monday, Union Finance Minister Nirmala Sitharaman is expected to review the current status of accounts acquired or being acquired by the National Asset Reconstruction Company Limited (NARCL), including the action taken and the way forward, according to a senior banker. The FM could also look at the performance under schemes such as PM Awas Yojana, PM Surya Ghar, and PM Vishwakarma. Digital payments, the issuance of Viksit Bharat cards and cybersecurity, too, would be among the focus areas.

https://www.business-standard.com/economy/news/fm-nirmala-sitharaman-to-review-performance-of-psbs-rrbs-on-monday-124081800483_1.html

India's holding of American securities hits high of USD 241.9 bn in June

India's holding of US government securities touched a high of USD 241.9 billion in June as the country continued to increase its exposure for the third straight month. Japan was the top holder with securities worth over USD 1.11 trillion followed by China at the second spot with a holding valued at USD 780.2 billion in June, according to the latest data released by the US Treasury Department. At the third place was the United Kingdom with an exposure of USD 741.5 billion ahead of Luxembourg at the fourth position with a holding to the tune of USD 384.2 billion.

<https://economictimes.indiatimes.com/news/economy/policy/indias-holding-of-american-securities-hits-high-of-usd-241-9-bn-in-june/articleshow/112602739.cms>

Industry

FMCG players expect volume trends to sustain as demand rises in rural mkts

Fast-moving consumer goods (FMCG) companies expect to sustain volume growth in the coming quarters, buoyed by recovery of demand in rural markets and good monsoon, despite concerns over growing food inflation. FMCG majors, including HUL, ITC, Dabur, Britannia, Nestle and Emami, in their June quarter earnings have reported 'green

shoots' from the rural markets and strong growth from e-commerce channels, particularly from quick-commerce platforms.

https://www.business-standard.com/industry/news/fmcg-players-expect-volume-trends-to-sustain-as-demand-rises-in-rural-mkts-124081800225_1.html

Retail players, QSRs slashed jobs in FY24 amid slowdown

About a dozen listed lifestyle, grocery retailers and quick-service restaurants (QSRs) reduced their employee count by nearly 26,000 in FY24, retreating from the hiring spree of the past two financial years after they slowed down store expansion rate amid weakening demand. According to their latest annual reports, the reduction was completely led by five retailers - Reliance Industries' retail arm, Titan, Raymond, Page and Spencers - which saw their combined workforce decline 17% or by 52,000 people. The staff count was across permanent and contractual employees and adjusted for attrition in the retail segment, the second largest employer after agriculture.

<https://economictimes.indiatimes.com/jobs/hr-policies-trends/retail-players-qsr-slashed-jobs-in-fy24-amid-slowdown/articleshow/112612179.cms>

FSSAI launches project to address microplastic contamination in Indian food products

Food regulator FSSAI has launched a project to assess microplastic contamination in food products and develop methods for its detection. The Food Safety and Standards Authority of India (FSSAI) has launched an innovative project to tackle the growing concern of microplastic contamination in food, recognising microplastic pollution as an emerging threat that requires immediate attention. According to an official statement, the project -- Micro-and Nano-Plastics as Emerging Food Contaminants: Establishing Validated Methodologies and Understanding the Prevalence in Different Food Matrices -- was started in March this year.

<https://economictimes.indiatimes.com/industry/cons-products/food/fssai-launches-project-to-address-microplastic-contamination-in-indian-food-products/articleshow/112606666.cms>

Nearly 12% of India's tested spice samples fail quality, safety standards

Nearly 12% of tested spice samples failed to meet quality and safety standards, according to data obtained by Reuters of tests by Indian authorities after several countries took steps over contamination risks in two popular brands. The Food Safety and Standards Authority of India conducted inspections, sampling and testing of mixed spice blends after Hong Kong suspended sales of some blends of the MDH and Everest brands in April over high levels of a pesticide.

<https://economictimes.indiatimes.com/industry/cons-products/food/near-12-of-indias-tested-spice-samples-fail-quality-safety-standards/articleshow/112605662.cms>

Cement sector review: Muted demand and price pressure persist in Q1 FY25, says Axis Securities

In Q1FY25, the cement sector under Axis Securities' coverage demonstrated resilience, with a slight decline in revenue, EBITDA, and APAT by 1%, 4%, and 9% YoY, respectively, contrary to the expected growth of 0%, 7%, and 4%. However, the volume growth of 5% was in line with expectations, indicating the sector's stability. EBITDA margins decreased by 50 bps YoY and 290 bps QoQ, primarily due to lower realisations. Despite this, reduced operating costs, with a 5% YoY drop in cost/tonne, helped cushion the impact.

<https://www.thehindubusinessline.com/markets/cement-sector-review-muted-demand-and-price-pressure-persist-in-q1-fy25-says-axis-securities/article68541668.ece>

Legacy companies speed in electric 2-wheeler lane; startups slow

The cumulative share of leading startups in the electric two-wheeler segment - Ola Electric, Ather Energy and Greaves Electric (Ampere) - declined to 48.8% in the first quarter, from 59% in the year-ago period, as legacy manufacturers such as Bajaj Auto, Hero MotoCorp and TVS Motor Company expanded their footprint in the fast-evolving market. After starting from behind, the older companies accounted for about one of every three units sold in the category in the first three months of the current financial year.

<https://economictimes.indiatimes.com/industry/renewables/legacy-companies-speed-in-electric-2-wheeler-lane-startups-slow/articleshow/112612367.cms>

Automakers line up new launches, discounts and freebies to drive growth this festive season

With a record number of new launches, and discounts with freebies, Indian automobile makers are hoping to drive growth this festive season. "This year, we are entering this period with considerable momentum, having achieved the highest total sales in Q1. These were the highest in both Maruti Suzuki's history and, coincidentally, in the Indian automotive industry. We feel optimistic about the upcoming festive season, especially with the ongoing support from the government's policies and the positive macro indicators. However, given the high base from last year's sales, we expect moderate growth this festive season," said Partho Banerjee, Senior Executive Officer, Marketing & Sales, Maruti Suzuki India Ltd.

<https://www.thehindubusinessline.com/companies/automakers-line-up-new-launches-discounts-and-freebies-to-drive-growth-this-festive-season/article68539389.ece>

Rakhi festive sales expected to surge over Rs 12,000 crore: Confederation of All India Traders

The Confederation of All India Traders (CAIT) on Sunday anticipated a festive trade of over Rs 12,000 crore across the country during the Rakhi festival. The trade body said that the markets are witnessing a massive rush for Rakhi shopping, and people are very enthusiastic about the festival. It urged customers to celebrate the festival with Indian goods.

<https://economictimes.indiatimes.com/industry/services/retail/rakhi-festive-sales-expected-to-surge-over-rs-12000-crore-confederation-of-all-india-traders/articleshow/112605665.cms>

Agriculture

Farm credit to state must be linked to output: Chand

A criterion needs to be fixed for allocation of farm credit to state governments on the basis of their respective farm outputs to ensure that the subsidised short-term crop loans are not concentrated in a few states or diverted for non-agricultural purposes, Niti Aayog Member Ramesh Chand said. "There should be some criteria for disbursing institutional credit with norms for each state like 20% of the value of the crop output or 40% of input value including wages," Chand told FE. He said that banks must follow these criteria, which would force them to redistribute agri-credit across the states.

<https://www.financialexpress.com/policy/economy-farm-credit-to-state-must-be-linked-to-output-chand-3585800/>

Infrastructure

Govt directs NHAI to focus on upgrading existing national highways

The government has directed the National Highways Authority of India (NHAI) to focus on upgrading the existing national highways, amid increasing concerns over their maintenance and upkeep. It marks a shift from the current practice of the NHAI focusing solely on the development of new highways and expressways under the Bharatmala Pariyojana and the road transport and highways ministry directly implementing these projects.

<https://economictimes.indiatimes.com/news/economy/infrastructure/govt-directs-nhai-to-focus-on-upgrading-existing-national-highways/articleshow/112611997.cms>

Energy

Govt wants to supply coal on-demand to consumers

In a major reform push for the coal sector, the government aims to overhaul the decades-old production and supply structure with greater access to commercial mines through a national coal exchange that will eventually offer the dry fuel on an on-demand basis to consuming industries, particularly MSMEs.

<https://www.thehindubusinessline.com/economy/viksit-bharat-2047-action-plan-govt-wants-to-supply-coal-on-demand-to-consumers/article68539966.ece>

Telecom

DoT may ask Trai to take a call on backhaul spectrum based on usage

The Department of Telecommunications (DoT) believes that the Telecom Regulatory Authority of India (Trai) should examine the issue of backhaul spectrum holistically, particularly due to technology advancements such as 5G and 6G, said officials. While historically, backhaul airwaves were given administratively, or without auctioning, telecom operator Reliance Jio says such bandwidth can also be used for access, or mobility services, and hence should be auctioned, a point opposed by rivals Bharti Airtel and Vodafone Idea.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-may-ask-trai-to-take-a-call-on-backhaul-spectrum-based-on-usage/articleshow/112612032.cms>

States

UP to pitch itself as 'global sourcing hub' in international trade summit

Uttar Pradesh, which is targeting to become a \$1 trillion economy by 2027, will pitch itself as a 'global sourcing hub' for e-commerce majors and multinational companies at the five-day international trade show next month. Vietnam would be the partner country for the 2nd edition of the September 25-29 'UP International Trade Show 2024' in Greater Noida. "Buyers and importers from 72 countries across continents including Europe, Africa, North America, Latin America and Oceania are expected to participate in the five-day event," a senior UP government official said.

https://www.business-standard.com/economy/news/up-to-pitch-itself-as-global-sourcing-hub-in-international-trade-summit-124081800630_1.html

Odisha's Seafood Park rolls out red carpet for processors, exporters

The Industrial Promotion and Investment Corporation of Odisha Ltd (IPICOL) has set up a first-of-its-kind specialised Seafood Park at Deras in Bhubaneswar for processing marine products and exports, its Managing Director Bhupendra Singh Poonia has said.

<https://www.thehindubusinessline.com/economy/agri-business/odishas-seafood-park-rolls-out-red-carpet-for-processors-exporters/article68539440.ece>

Healthcare

PMO orders heightened surveillance for mpox, urges testing labs to stay alert

Prime Minister's Office (PMO) on Sunday directed Secretaries and senior officials of various departments to enhance surveillance on Monkeypox or Mpox disease and undertake effective measures for prompt detection of cases.

<https://www.thehindubusinessline.com/economy/pmo-orders-heightened-surveillance-for-mpox-urges-testing-labs-to-stay-alert/article68540213.ece>

External

India, Aus to resume comprehensive FTA talks on Monday; progress expected

Chief negotiators of India and Australia will begin the next round of talks for the comprehensive free trade agreement from tomorrow in Sydney, where both sides are likely to close negotiations on several chapters of the pact, an official said. Both countries have already implemented an interim pact and are in discussions to expand its scope under the CECA (Comprehensive Economic Cooperation Agreement). The interim pact - Economic Cooperation and Trade Agreement (ECTA) - came into force in December 2022.

https://www.business-standard.com/economy/news/india-aus-to-resume-comprehensive-fta-talks-on-monday-progress-expected-124081800227_1.html

Govt pushes for extension of key export-boosting Rodtep and IES schemes

With exporters grappling with tepid external demand and other disruption to trade, the Department of Commerce is pushing for an extension of two export-boosting schemes — Remission of Duties and Taxes on Exported Products (Rodtep) and Interest Equalisation Scheme (IES) — beyond their expiry date. While the IES is valid till August 31, the Rodtep scheme will end after September 30. A meeting between officials of the Department of Commerce and the Ministry of Finance regarding the schemes is expected to take place soon, a person aware of the matter said. While Rs 16,575 crore for FY25 has been allocated to the Rodtep scheme under the Union Budget, according to the department's estimate an additional amount may be required.

https://www.business-standard.com/economy/news/govt-pushes-for-extension-of-key-export-boosting-rodtep-and-ies-schemes-124081800321_1.html