



August 20, 2024 – Tuesday

Economy

MoSPI creates two survey-based verticals in recast

The Ministry of Statistics and Programme Implementation has restructured its working and created two survey-wise verticals as it aims to increase the frequency of various surveys such as the Periodic Labour Force Survey (PLFS) and reduce time lags in their release. Besides creating household and enterprise survey divisions, it has carved out separate state and international cooperation units from its existing Intra, Inter and International Coordination Unit to ensure that internationally accepted standards are followed in all survey exercises.

https://economictimes.indiatimes.com/news/india/mospi-creates-two-survey-based-verticals-in-recast/articleshow/112634466.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

Company registrations dip 11% in July, LLPs' rise 21%

Company registrations declined almost 11% year-on-year in July, after a 12% increase in the previous month, showed corporate affairs ministry data. An official attributed the fall to an unfavourable base effect. A total of 14,887 companies, including foreign firms, were registered in July, against 16,698 a year ago, as per the data. With this, company registrations saw year-on-year decline in three out of the first four months of this financial year, after a surge to record levels in 2023-14. Nevertheless, the monthly numbers of above 14,000 beat the long-average trend, experts said.

<https://economictimes.indiatimes.com/news/economy/indicators/company-registrations-dip-11-in-july-llps-rise-21/articleshow/112634425.cms>

Retail sector slashes 26,000 jobs due to falling demand, expansion halt

As many as 12 listed lifestyle, grocery retailers, and quick-service restaurants (QSRs) cut their workforce by around 26,000, reversing the hiring surge of the previous two financial years as they slowed down store expansion in response to declining demand, according to a report by The Economic Times. According to their annual reports, this reduction was primarily driven by five major retailers — Reliance Industries' retail division, Titan, Raymond, Page, and Spencers — which collectively saw their workforce shrink by 17 per cent, or 52,000 employees. This figure includes both permanent and contractual staff and accounts for attrition in the retail sector, the second largest employer after agriculture. The total workforce for these retailers dropped to 429,000 in FY24 from 455,000 the previous year.

https://www.business-standard.com/industry/news/retail-sector-slashes-26-000-jobs-due-to-falling-demand-expansion-halt-124081900389_1.html

Finance

RBI issues norms for recognition of self-regulatory organisations in financial markets

The Reserve Bank of India (RBI) Monday published the framework for recognition of self-regulatory organisations in financial markets, setting a minimum ₹10 crore eligibility threshold. The regulator is looking to broad-base markets

by easing access, enhancing participation and protecting users to promote fair conduct. "With the growth of the Regulated Entities (REs), in terms of number as well as scale of operations, increase in adoption of innovative technologies and enhanced customer outreach, a need is felt to develop better industry standards for self-regulation," the RBI said. "SROs can play a vital role in this direction by proactively developing and ensuring adoption and adherence to industry standards and best practices by its members in the financial markets."

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-issues-norms-for-recognition-of-self-regulatory-organisations-in-financial-markets/articleshow/112635040.cms>

SEBI eases borrowing norms for AIFs

SEBI has allowed Category-I and Category-II AIFs to borrow for the purpose of meeting temporary shortfall in drawdown amount, with 30 days cooling-off period between two periods of borrowing. Such borrowing has to be done only as a last recourse, when the investment opportunity is imminent to be closed and the drawdown amount from investors has not been received by the AIF before the date of investment, in spite of best efforts. The amount borrowed should not exceed 20 per cent of the investment proposed to be made in the investee company, or 10 per cent of the investable funds of the scheme of AIF, or the commitment pending to be drawn down from investors, whichever is lower. The cost of such borrowing will be charged only to investors who failed to provide the drawdown amount for making investments.

<https://www.thehindubusinessline.com/markets/sebi-eases-borrowing-norms-for-aifs/article68543468.ece>

FM Sitharaman meets heads of PSBs, exhorts banks to improve deposit growth

Finance Minister Nirmala Sitharaman on Monday held a performance review meeting with heads of public sector banks and urged them to improve their deposit growth. Deposits have been growing 300-400 basis points lower than the credit growth in the last few months, creating an asset-liability mismatch for banks. According to sources, the finance minister reviewed the financial performance of banks and progress made in the implementation of various flagship schemes of the government, including PM Awas Yojana, PM Surya Ghar and PM Vishwakarma Yojana.

https://www.business-standard.com/finance/news/fm-sitharaman-meets-heads-of-psbs-exhorts-banks-to-improve-deposit-growth-124081900677_1.html

RBI Deputy Governor Rao moots periodic revision of deposit insurance

A periodic upward revision in the uniform deposit insurance coverage of Rs 5 lakh is necessary, as India's growth and formalisation is likely to lead to a significant rise in both primary and secondary deposits, which might create a gap between the ideal insurance reserve requirement and the available reserves, said M Rajeshwar Rao, deputy governor, Reserve Bank of India, on Monday. Currently, in India, there is a uniform deposit insurance coverage of Rs 5 lakh per depositor of each insured bank.

https://www.business-standard.com/economy/news/rbi-deputy-governor-rao-moots-periodic-revision-of-deposit-insurance-124081900621_1.html

Bank borrowings cross Rs 9 lakh crore mark; lenders face pressure to raise funds

Banks' borrowing through market instruments has climbed to its highest levels, jumping past the Rs 9 lakh crore mark, as a persistently faster pace of credit growth than deposit growth compels lenders to rely on other routes to raise funds – a phenomenon that has caught the regulator's eye. Data that the RBI releases on a fortnightly basis showed that as on July 26, banks' borrowings were at Rs 9.32 lakh crore, 20% higher than the borrowing figure as on April 5.

https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-borrowings-cross-rs-9-lakh-crore-mark-lenders-face-pressure-to-raise-funds/articleshow/112629367.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

India aims to expand scope of ESG debt as nation notches record

India's market regulator intends to expand the scope of its sustainable finance framework to include more products, a potential boost to ESG-labeled instruments in Asia. The Securities and Exchange Board of India will consult on

introducing social bonds, along with sustainable and sustainability-linked bonds, to the current suite of environmental, social and governance debt.

https://economictimes.indiatimes.com/news/economy/policy/india-aims-to-expand-scope-of-esg-debt-as-nation-notches-record/articleshow/112625253.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

States' capex declines a fifth in first quarter

States' capital expenditure likely declines more than a fifth year-on-year in the first quarter of FY25, reflecting a broader decline across public capex, largely due to general elections and slower disbursement of capex loans to the states. Capital expenditure by the Centre and central public sector enterprises (CPSEs), including departmental agencies, also saw significant declines of 35% and 39%, respectively, in Q1 FY25, indicating challenges in meeting their annual targets.

<https://www.financialexpress.com/policy/economy-states-capex-declinesnbspa-fifth-in-first-quarter-3585880/>

P2P lending platforms to seek relaxation from RBI

With the Reserve Bank of India (RBI) tightening regulations for peer-to-peer non-bank lending platforms to improve transparency and compliance, industry members are planning to approach the central bank to seek amendments and clarifications. Companies argue that the new rule, which requires funds in the escrow accounts of lenders and borrowers to be cleared within a day (T+1), is too stringent. According to sources, the Association of P2P Lending Platforms intends to request for an extension of the timeline to T+2 or T+3 days.

<https://www.financialexpress.com/business/banking-finance-p2p-lending-platforms-to-seek-relaxation-from-rbi-3585865/>

Industry

Review of National Steel Policy begins

India has begun a review of the seven-year-old National Steel Policy (NSP) in the wake of some advanced economies such as the EU imposing carbon tariff (Carbon Border Adjustment Mechanism) on steel imports and the growing need to decarbonise the sector, officials said. The idea is to assess the impact of the policy on production and usage of the commodity and examine if any tweaks are required in view of the new emerging challenges, they said. "We are reviewing the NSP 2017 and working on stainless steel and green steel policy," one of the officials said

https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/review-of-national-steel-policy-begins/articleshow/112634482.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

Mining, steelmakers' operating costs could surge after top court ruling, says Fitch Ratings

The country's metal and mining companies' operating costs are likely to rise significantly if state governments impose additional mining taxes in the wake of a Supreme Court ruling, Fitch Ratings said in a note on Monday. India's top court late last month upheld the right for state governments to levy taxes on minerals extraction and last week allowed them to do so in retrospect, dating back to April 1, 2005.

<https://www.thehindubusinessline.com/economy/mining-steelmakers-operating-costs-could-surge-after-top-court-ruling-says-fitch-ratings/article68545393.ece>

Govt makes offshore mineral rules stricter but eases awarding process

In a bid to capitalise on its underwater resources, the Indian government has introduced new rules for auctioning offshore mineral assets, aiming to ensure a transparent and competitive process. While these rules feature stringent eligibility criteria, they also simplify the awarding process. This move comes in the wake of the less-than-expected interest in critical mineral auctions. The Offshore Areas Mineral (Auction) Rules, 2024, released on August 16, propose an ascending forward online auction for bidding. To enhance the auction's effectiveness, the government has allowed the auction to proceed even if only one technically qualified bidder remains after the initial round.

https://www.business-standard.com/industry/news/govt-makes-offshore-mineral-rules-stricter-but-eases-awarding-process-124081900814_1.html

Indian PC market grows 7.1% to 3.39 mn shipments in Q2 CY2024: IDC

The Indian personal computer (PC) market, inclusive of desktops, notebooks, and workstations, shipped 3.39 million units in the second quarter (Q2) of calendar year 2024, up 7.1 per cent year-over-year (Y-o-Y). Lenovo, which stood in the fourth spot in Q1, overtook Dell and Acer Group to become the second-largest PC maker in Q2, as its shipments grew in both the consumer and commercial segments by 32.7 per cent Y-o-Y and 6.3 per cent Y-o-Y, respectively.

https://www.business-standard.com/industry/news/indian-pc-market-grows-7-1-to-3-39-mn-shipments-in-q2-cy2024-idc-124081900966_1.html

Category expansion for q-commerce firms may be slow

Supply chain issues and inventory management pose a significant challenge to category expansion, beyond food, groceries and home essentials, by QuickCommerce players. Vipul Parekh, co-founder and chief marketing officer, BigBasket told Fe recently, expansion is not be easy and may take time. Managing inventory and returns, Parekh noted, could be one of the biggest challenges. "One needs to have an optimum size of dark stores. You can't carry 100,000 SKUs (stock-keeping units) in 6,000 square feet dark stores," he explained.

<https://www.financialexpress.com/business/industry-category-expansion-for-q-commerce-firms-may-be-slow-3586885/>

Mid-sized global restaurant chains find Indian market palatable

Close to a dozen small to mid-sized global cafes and restaurant brands have either entered India in the past two quarters or are in talks with local players at a time when large global chains are seeing sharp decline in same store sales and growth. Mid-sized global chains are making investments even in a modest range of '20-30 crore to tap select cities and intend to keep store counts under about 30 to stay profitable on each store. This is in contrast to earlier times when cafes and chains entered India with mega deals and investment plans, executives said.

<https://economictimes.indiatimes.com/industry/services/hotels-/restaurants/mid-sized-global-restaurant-chains-find-indian-market-palatable/articleshow/112634589.cms>

Agriculture

India-Australia RISE accelerator programme invites agritech MSMEs, startups

The India Australia Rapid Innovation and Startup Expansion (RISE) Accelerator – a bilateral initiative led by Australia's national science agency CSIRO and India's Atal Innovation Mission (AIM) by the NITI Aayog – on Monday invited applications from startups and MSMEs of two countries. The accelerator will focus on enterprises offering solutions to improve agricultural productivity and resilience amid growing climate and environment-related challenges. Startups and MSMEs with offerings prioritising farmer needs, priorities, and on-farm practices will join the nine-month programme that aims to provide "deep market insights, one-on-one coaching, and mentorship from subject matter experts and industry professionals," NITI Aayog said in a statement. The programme will be free of cost.

<https://www.financialexpress.com/business/sme/india-australia-rise-accelerator-programme-invites-agritech-msmes-startups/3586529/>

India standardises tissue culture technology for coffee sector

Tissue culture technology for the coffee sector has been standardised for the first time in India. The state-run Coffee Board has signed a memorandum of understanding with Jain Irrigation for the commercial release of coffee plants developed using the tissue culture protocols to growers.

<https://www.thehindubusinessline.com/economy/agri-business/india-standardises-tissue-culture-technology-for-coffee-sector/article68543385.ece>

Infrastructure

One Nation, One Location! Road Ministry targets integration of transportation

The road transport and highways ministry plans to build public transport and terminal infrastructure across India to centralise all transportation systems, including roadways, railways, airways, waterways and ropeways, into a single location to streamline passenger experience and significantly enhance convenience for users. The move is aimed at

improving the efficiency of freight and passenger movement in the country as such terminals will act as a one-stop solution for interfacing and interconnecting different modes of transport to cater to 87% of the passenger traffic moving through roads in the country, said officials.

<https://economictimes.indiatimes.com/industry/transportation/roadways/one-nation-one-location-road-ministry-targets-integration-of-transportation/articleshow/112634320.cms>

Domestic air traffic rises 7.3% to 12.9 mn on annual basis in July

Indian carriers flew more than 12.9 million passengers in July, an increase of more than 7.3 per cent compared to the year-ago period, official data released on Monday showed. However, the air traffic in July was lower compared to 13.2 million people carried by the domestic airlines in June this year. IndiGo continued to dominate domestic air traffic with its market share rising to 62 per cent in July while that of Air India dropped to 14.3 per cent.

https://www.business-standard.com/industry/news/domestic-air-traffic-rises-7-3-to-12-9-mn-on-annual-basis-in-july-124081900526_1.html

Energy

July natural gas consumption up, output dips

India's natural gas consumption rose 5.8% year on year in July while gas production fell 1.4%. Gas consumption stood at 5,733 million metric standard cubic meters (MMSCM) and production at 3,079 MMSCM, according to the oil ministry data. Gas imports expanded 14.8% in July to 2,704 MMSCM. ONGC's natural gas production fell 3% to 1,594 MMSCM last month while the private sector's output remained nearly flat at 1,224 MMSCM. Domestic crude oil production fell 3%.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/july-natural-gas-consumption-up-output-dips/articleshow/112634641.cms>

States

Debt-ridden Andhra Pradesh woos investors: Foxconn, Brookfield Corp, Suzlon Energy set to invest in state

Top global players, including Foxconn, Brookfield Corporation and Suzlon, are set to invest in Andhra Pradesh as the N Chandrababu Naidu-led government steps up efforts to attract investment to the debt-ridden state. Foxconn, a Taiwanese multinational electronics contract manufacturer, is likely to set up manufacturing facilities in Andhra Pradesh. Foxconn India representative V Lee met the state's IT minister Naresh Lokesh in Amaravati on Monday to discuss investment plans.

<https://economictimes.indiatimes.com/news/economy/finance/debt-ridden-andhra-woos-investors/articleshow/112635008.cms>

Healthcare

Health ministry approves 25% enhancement in security deployment at central hospitals

The Health Ministry has allowed enhancement of security deployment by 25 per cent at all union government hospitals, official said, amid protests by resident doctors demanding a central law following the alleged rape and murder of a trainee doctor at a Kolkata hospital. Officials said that apart from the standard security protocol, the deployment of marshals would also be approved based on individual demands by government hospitals after they conduct their security assessment. Official sources, however, said bringing a central law based on the RG Kar case "will not make any huge difference" as the alleged rape and murder of the junior doctor at the Kolkata facility was not a case of patient-doctor violence.

https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/health-ministry-approves-25-enhancement-in-security-deployment-at-central-hospitals/articleshow/112631751.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

External

Leather exporters to visit Russia from Aug 26 to tap biz opportunities

A delegation of over 20 leather sector executives will be visiting Russia this month to seek investments and tap growing export opportunities. The three-day visit will start from August 26. Council for Leather Exports Executive Director R Selvam said that at present India is exporting leather goods in the range of USD 60 million to USD 80 million, but it is low as huge opportunities are there in Russia. "We will also participate in an international fair - Euro Shoes Premier Collection in Moscow. We are taking a delegation with an aim to attract investments, technology collaboration in tannery and product manufacturing," Selvam told PTI.

https://www.business-standard.com/industry/news/leather-exporters-to-visit-russia-from-aug-26-to-tap-biz-opportunities-124081900230_1.html