



August 21, 2024 – Wednesday

Economy

Radical changes to India inflation regime are risky, study shows

India's government should not alter the inflation-targeting framework adopted by the central bank to focus on core inflation, which excludes volatile food and fuel prices, as doing so would be counterproductive, according to a study. The paper by think-tank National Council of Applied Economic Research addresses the ongoing debate among policymakers over whether food prices should be stripped from inflation targeting. Economists argue that this approach is not feasible in a country like India, where food makes up nearly half of the consumer price index basket. <https://economictimes.indiatimes.com/news/economy/policy/radical-changes-to-india-inflation-regime-are-risky-study-shows/articleshow/112668632.cms>

1.92 million formal jobs created under EPFO in June: Payroll Data

Net formal job creation under the Employees' Provident Fund Organisation (EPFO) stood at 1.92 million in June 2024 on the back of increased employment opportunities, a growing awareness of employee benefits, and the effectiveness of EPFO's outreach programs, the ministry of labour and employment said on Tuesday. Releasing the payroll data, the ministry said that the retirement fund body witnessed a year-on-year increase of 7.86% in net new subscriber addition with 1.78 million net new subscriber addition in June 2023. <https://economictimes.indiatimes.com/news/economy/indicators/1-92-million-formal-jobs-created-under-epfo-in-june-payroll-data/articleshow/112659136.cms>

Centre plans big push for Bharat Small Reactors, plan includes allowing PSU-run nuclear power plants

The Centre is planning to promote Bharat Small Reactors in a big way. On the anvil are a Nuclear Audit Authority in collaboration with the International Atomic Energy Agency, amendments to the Civil Liability for the Nuclear Damage Act and new government-owned companies for owning technology and fuel fabrication. The plan also includes a proposal for allowing private investment in the manufacture of heavy water. A 'nuclear waste management organisation' (NWMO) is to be set up. Sources in the Government have told *businessline* that the Centre is targeting 50 BSRs to be deployed in India and another 50 abroad within 10 years. <https://www.thehindubusinessline.com/news/centre-plans-big-push-for-bharat-small-reactors-plan-includes-allowing-psu-run-nuclear-power-plants/article68546929.ece>

Finance

SEBI looks to revitalise rights issue framework to enhance attractiveness

The Securities and Exchange Board of India (Sebi) has proposed sweeping changes to the rights issue framework to enhance its attractiveness and make it the go-to route for additional fund raising by listed companies. Among the changes prescribed by the market regulator are reducing the timeline from the current 20 days to just three days, allowing shareholders to renounce their rights entitlement (RE) to investors of their choice, and doing away with the requirement of appointing an investment banker or filing a draft letter of offer. https://www.business-standard.com/markets/news/sebi-looks-to-revitalise-rights-issue-framework-to-enhance-attractiveness-124082000921_1.html

Account Aggregator ecosystem clocks 100 million consents on framework

The account aggregator (AA) ecosystem has surpassed 100 million consents on the AA framework, with about 80-90 million Indians using the system in the country, said DigiSahamati Foundation (Sahamati), the industry alliance for AA. The number of Financial Information Providers (FIPs) and Financial Information Users (FIUs) has increased to 155 and 475, respectively, as of August 2024. In 2023, the AA ecosystem had 146 FIPs across banks, insurance firms, and other entities, and 146 FIUs live.

https://www.business-standard.com/finance/news/account-aggregator-ecosystem-clocks-100-million-consents-on-framework-124082000869_1.html

No need for tax clearance certificate for most travelling abroad: CBDT

The recent amendment to Section 230(1A) of the Income-tax Act, 1961, does not require all Indian citizens to obtain an income-tax clearance certificate (ITCC) before travelling to other countries, the Central Board of Direct Taxes (CBDT) has said in clarification issues in response to widespread misinformation. According to CBDT, the amendment, introduced through the Finance (No. 2) Act, 2024, only incorporates references to the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (the 'Black Money Act').

https://www.business-standard.com/finance/personal-finance/no-need-for-tax-clearance-certificate-for-most-travelling-abroad-cbd-124082001322_1.html

Need to maintain balance between enforcement, ease of biz: Revenue Secy to GST officers

Revenue Secretary Sanjay Malhotra on Tuesday stressed the importance of maintaining a fine balance between enforcement actions and ease of doing business while dealing with suspected GST evasion cases. Addressing the second edition of the National Conference of Enforcement Chiefs of State and Central GST formations, Malhotra also highlighted the need to track the masterminds and beneficiaries of fake input tax credit so that strict action is taken to have the necessary deterrence effect.

<https://economictimes.indiatimes.com/news/economy/policy/need-to-maintain-balance-between-enforcement-ease-of-biz-revenue-secy-to-gst-officers/articleshow/112661126.cms>

P2P platforms taking on the lender role led RBI to read the riot act

MUMBAI: The Reserve Bank of India's (RBI) tightening of norms for P2P lenders comes after several of them were found to be having hundreds of crores of rupees in escrow accounts in violation of guidelines for the platform providers, said people familiar with the matter. Many of the lenders were interpreting the regulations liberally to suit their lending practices, forcing the regulator to come up with norms that clearly state that they can't assume the role of lending institutions, said those people familiar with the matter.

<https://economictimes.indiatimes.com/news/economy/policy/p2p-platforms-taking-on-the-lender-role-led-rbi-to-read-the-riot-act/articleshow/112663022.cms>

Industry

With no headwind on FAME-III, EV manufacturers concerned on festive sales post EMPS expiry on September 30

With Electric Mobility Promotion Scheme (EMPS) expiring on September 30, electric two/three-wheeler manufacturers are concerned with no progress or announcement of the Faster Adoption and Manufacturing of Electric Vehicles (FAME-III) scheme. They said the government should either continue EMPS from October or bring in FAME-III scheme so that subsidies can continue post September 30. "October is the biggest month this year because both the festivals (Navratri and Diwali) fall on the same month and the existing (EMPS) scheme ends on September 30," a Bengaluru-based EV maker told *businessline*.

<https://www.thehindubusinessline.com/companies/with-no-headwind-on-fame-iii-ev-manufacturers-concerned-on-festive-sales-post-emps-expiry-on-september-30/article68547112.ece>

Demand for Indian AI talent to double by 2027 but quality a hurdle: Report

The demand for Indian Artificial Intelligence (AI) talent is likely to jump to 12,50,000 in 2027 from 600,000-650,000, but there is a need to improve the quality of these professionals to meet the demand, a report released on Tuesday

said. It added that there is a "pressing need to cultivate a highly skilled AI workforce to propel the country's digital economy."

https://www.business-standard.com/industry/news/demand-for-indian-ai-talent-to-double-by-2027-but-quality-a-hurdle-report-124082000896_1.html

Local manufacturing will offer 25K cr annual opportunity for vendors: ICRA

Increasing component localisation is expected to offer an annual opportunity of approximately Rs 25,000 crore to construction equipment vendors by FY30, according to a recent report by credit rating agency ICRA. The report, assessed by The Financial Express, adds that localisation levels are expected to increase from 50 per cent to over 70 per cent in the next five-seven years. Currently, India imports nearly 50 per cent of its component requirements (by value) from suppliers based in China, Japan, and South Korea, among others. This is despite the Indian mining and construction equipment (MCE) industry being the third largest in the world in terms of volumes sold.

https://www.business-standard.com/industry/news/local-manufacturing-will-offer-25k-cr-annual-opportunity-for-vendors-icra-124082000589_1.html

Aluminium prices will likely gain on tight supplies for rest of 2024

Though aluminium prices have dropped some 9 per cent since surging to a two-year high of \$2,695 a tonne on May 29, 2024, they are likely to rise due to tight supply for the remainder of the year, analysts have said. "We maintain the view that supply will remain tight, fueling price increases throughout 2024 despite a mildly more positive H2 2024 supply outlook. We have revised our estimates for the aluminium market surplus to 97,000 tonnes, a modest decrease from the previously forecasted 116,000 tonnes, with 2024 demand growth expected to outpace that of supply," said research agency BMI, a unit of Fitch Solutions.

<https://www.thehindubusinessline.com/markets/commodities/aluminium-prices-will-likely-gain-on-tight-supplies-for-rest-of-2024/article68546824.ece>

'Hospitality seen getting 29% more investments at \$436 million this year'

India's hospitality sector is expected to receive \$436 million in investments by the end of this year, up 29% from last year and the highest since the onset of the Covid-19 pandemic, as per a forecast by JLL shared exclusively with ET. "India's hotel transactions this year could surpass APAC markets such as Maldives, which is likely to end the year with \$150 million worth of deals," said Nihat Ercan, CEO of APAC at JLL Hotels & Hospitality Group.

<https://economictimes.indiatimes.com/industry/services/hotels/-restaurants/hospitality-seen-getting-29-more-investments-at-436-million-this-fiscal/articleshow/112662255.cms>

Agriculture

Govt aims to make 100,00 fair price shops into nutri-hubs

The government is aiming to transfer around 100,000 fair price shops (FPSs) into "nutri-hubs" in the next three years, where beneficiaries under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) will get to buy millets, pulses and dairy products, besides lifting their share of subsidised free grains every month. Currently, 0.54 million FPSs distribute on an average 60-70 million tonne (MT) of food grain annually under PMGKAY free of cost to more than 800 million beneficiaries. Government sees scope of generating additional income from FPS as a large number of people visit these outlets for getting their monthly entitlement of grains.

<https://www.financialexpress.com/policy/economy-govt-aims-to-make-10000-fair-price-shops-into-nutri-hubs-3588008/>

Uneven rainfall disrupts pulses, horticulture, and rice production

Erratic distribution of monsoons this year is emerging as a worry for major kharif crops such as rice, pulses, and horticulture crops. Rainfall during the ongoing southwest monsoon season covered up for the deficiency in the initial phase, reaching an excess of 7.3% as of August 19, according to data from the India Meteorological Department (IMD).

<https://economictimes.indiatimes.com/news/economy/agriculture/uneven-rainfall-disrupts-pulses-horticulture-and-rice-production/articleshow/112662188.cms>

Infrastructure

SC asks aviation ministry to furnish its file notings on tender process for Ambedkar Airport in Nagpur

The Supreme Court on Tuesday asked the Civil Aviation Ministry to furnish its file notings with regard to annulment of tender process for the Babasaheb Ambedkar International Airport in Nagpur. It had in February agreed to take a relook and hear in detail the Ministry's and the Airports Authority of India's (AAI) curative petitions against its judgement that had cleared the decks for the GMR Group to operate the Nagpur airport.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/sc-asks-aviation-ministry-to-furnish-its-file-notings-on-tender-process-for-ambedkar-airport-in-nagpur/articleshow/112660959.cms>

Energy

Battery-storage costs must drop 15% to avoid new coal capacity: Report

India might avoid building new coal plants and could limit its coal capacity to planned levels by 2032 if the cost of battery-storage systems drops by 15 per cent annually, according to a new report. Nearly 75 per cent of India's electricity is generated using coal. However, to meet its goal of reaching net-zero emissions by 2070, the country needs to reduce its dependence on coal and increase the use of renewable-energy sources like solar and wind power.

https://www.business-standard.com/industry/news/battery-storage-costs-must-drop-15-to-avoid-new-coal-capacity-report-124082001009_1.html

Telecom

Trai urges telcos to control misuse of message headers, content templates

The Telecom Regulatory Authority of India (Trai) on Tuesday hardened its stance on pesky telemarketers, as it directed telcos to take specific measures to curb misuse of messaging services and protect consumers from fraudulent practices. Continuing its offensive against unsolicited spam calls and messages, Trai made it clear that from September 1, 2024, all access service providers will be prohibited from transmitting messages containing URLs, OTT links, or call back numbers which are not 'whitelisted' (authorised) by the senders.

https://www.business-standard.com/industry/news/trai-urges-telcos-to-control-misuse-of-message-headers-content-templates-124082000771_1.html

Improved internet quality ahead: New subsea cable routes to widen India's data highway

Digital connectivity in India is set to get a major boost, with three large undersea cable projects — 2Africa Pearls, India-Asia-Express (IAX) and India-Europe-Express (IEX) — slated to go onstream between October and next March, expanding existing capacity by more than four times, said people familiar with the matter.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/improved-internet-quality-ahead-new-subsea-cable-routes-to-widen-indias-data-highway/articleshow/112663013.cms>

States

Gujarat replaces UP as top investment destination in 2023-24

Gujarat replaced Uttar Pradesh in attracting bank funds for projects in the state in 2023-24 according to a study by the RBI economists. Significantly the infrastructure sector attracted a major share of envisaged capital investments reflecting the government's push towards this sector.

<https://economictimes.indiatimes.com/news/economy/indicators/gujarat-replaces-up-as-top-investment-destination-in-2023-24/articleshow/112656849.cms>

External

Govt bans export of de-oiled rice bran till next year's January 31

The government has banned exports of de-oiled rice bran, used in the cattle feed industry, till January 31, 2025.

Earlier in March, the government imposed a ban on this product till July 31. "Export of de-oiled rice bran is prohibited up to January 31, 2025," the Directorate General of Foreign Trade (DGFT) has said in a notification. In a separate trade notice, the DGFT said a revamped non-preferential Certificate of Origin (eCoO) 2.0 system has been launched. An exporter has to submit a 'certificate of origin' at the landing port of the importing country. This certificate is essential to prove where their goods come from.

https://www.business-standard.com/industry/news/govt-bans-export-of-de-oiled-rice-bran-till-next-year-s-january-31-124082000882_1.html

Centre prioritising eastern India's export growth: Dharmendra Pradhan

Union minister Dharmendra Pradhan on Tuesday emphasised the need to enhance exports from eastern India and sought cooperation from the state governments in the region. He also underscored the government's commitment to ensuring the region benefits from various free trade agreements under the export promotion policy.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/centre-prioritising-eastern-indias-export-growth-dharmendra-pradhan/articleshow/112653051.cms>

India and Japan sign agreement for green ammonia export

India and Japan on Tuesday signed their first project offtake agreement for the export of green ammonia to the latter in the presence of Minister of New & Renewable Energy Pralhad Joshi. The project offtake agreement marks a significant step forward in India's journey to becoming a global leader in green hydrogen and ammonia production, the Ministry of New & Renewable Energy (MNRE) said. The Heads of Terms (HoT) agreement was signed between Sembcorp Industries, Sojitz Corporation, Kyushu Electric Power and NYK Line, solidifying a cross-border green ammonia supply partnership from India to Japan, it added.

<https://www.thehindubusinessline.com/economy/india-and-japan-sign-agreement-for-green-ammonia-export/article68547080.ece>