



August 23, 2024 – Friday

Economy

Softer rise in manufacturing output slows flash PMI to 60.5 in August

India's private sector expanded at a slower clip in August due to a softer rise in manufacturing output and weakening of new orders, according to a survey. HSBC's flash India Composite Purchasing Managers' Index (PMI), compiled by S&P Global, declined to 60.5 in August from last month's figure of 60.7. The index, which measures the month-on-month change in the combined output of India's manufacturing and service sectors, was however inside growth territory for the 37th consecutive month.

https://www.business-standard.com/economy/news/softer-rise-in-manufacturing-output-slows-flash-pmi-to-60-5-in-august-124082200429_1.html

Economic momentum intact for 6.5-7% growth in FY25: Finance Ministry

The finance ministry, in the monthly economic report for July, has maintained a positive stance on the economy, keeping the growth forecast at 6.5-7 per cent for the current financial year (2024-25/FY25) ahead of the release of gross domestic product (GDP) figures for the April-June quarter (Q1). This comes even as the Reserve Bank of India's consumer confidence and industrial outlook surveys remain cautious. The report released on Thursday said, "As of now, the projection of real GDP growth of 6.5-7 per cent for FY25, made in the Economic Survey for 2023-24, seems appropriate."

https://www.business-standard.com/economy/news/economic-momentum-remains-intact-set-to-achieve-6-5-7-growth-finmin-124082200990_1.html

India's GDP growth slowed down to six-quarter low of 6% in Q1 FY25: ICRA

A contraction in government capital expenditure and a dip in urban consumer demand slowed down India's GDP growth to a six-quarter low of 6 per cent in April-June, ICRA said on Thursday. The credit rating agency added that it expects the country's GDP to grow by 6.8 per cent for the full fiscal year 2024-25, lower than the 8.2 per cent achieved in 2023-24.

https://www.business-standard.com/economy/news/india-s-gdp-growth-slowed-down-to-six-quarter-low-of-6-in-q1-fy25-icra-124082200653_1.html

Finance

CBDT forms committee to review I-T Act, 'sunset' clauses to be eliminated

An internal committee of the Income Tax Department will review the 1961 direct tax law to eliminate redundant clauses as well as adopt best global practices to simplify it for taxpayers for better compliance, CBDT chief Ravi Agrawal has said. The panel, comprising income tax (IT) officials from across the country, has started working to identify areas of improvement in the Income Tax Act, 1961, he said and added that the exercise is being conducted under a central government-mandated comprehensive review of the law.

https://www.business-standard.com/economy/news/cbd-t-forms-committee-to-review-i-t-act-sunset-clauses-to-be-eliminated-124082200538_1.html

FM Nirmala Sitharaman seeks RBI help to clear RRB dues with states

Finance Minister (FM) Nirmala Sitharaman on Thursday sought the Reserve Bank of India's (RBI's) intervention for clearing the pending dues of Regional Rural Banks (RRBs) with state governments. During a review meeting on the performance of nine RRBs from Gujarat, Maharashtra, Madhya Pradesh, Chhattisgarh, and Rajasthan, held in Udaipur, Sitharaman directed RRBs to leverage their healthy Current Account Savings Account (Casa) ratio to provide more credit.

https://www.business-standard.com/industry/banking/fm-sitharaman-urges-rbi-to-intervene-to-clear-dues-of-rrbs-from-state-govts-124082201195_1.html

GoM on rate rationalisation to meet 1st time ahead of GST council meeting

Ahead of the GST Council meeting on September 9, the Group of Ministers (GoM) on GST rate rationalisation will meet here on Thursday, officials said. This will be the first meeting of the high profile GoM comprising ministers of seven states with Bihar Deputy Chief Minister Samrat Chaudhary as the convenor. The other members of the panel are West Bengal Finance Minister Chandrima Bhattacharya, Karnataka Revenue Minister Krishna Byre Gowda, Kerala Finance Minister K N Balagopal, Uttar Pradesh Finance Minister Suresh Kumar Khanna, Goa Transport Minister Mauvin Godinho, Rajasthan Medical, and Health Services Minister Gajendra Singh.

https://www.business-standard.com/economy/news/gom-on-rate-rationalisation-to-meet-1st-time-ahead-of-gst-council-meeting-124082200354_1.html

ONDC enters credit space, launches paperless 6-minute loan service

State-backed network Open Network for Digital Commerce (ONDC) has bolstered its fintech play with the launch of credit offerings. The platform on Thursday launched a credit facility that enables customers to access fully digital and paperless loans in just six minutes. ONDC, however, plans to launch insurance and mutual fund offerings in the next two months. For the credit facility, ONDC has integrated nine buyer applications (also known as lending service providers) and three lenders. These buyer applications include Easypay, Paisabazaar, Tata Digital, Invoicepe, Cliniq360, Zyapaar, Indipe, Tyreplex, and Paynearby. The lenders include Aditya Birla Finance, DMI Finance, and Karnataka Bank.

<https://www.financialexpress.com/business/industry-ondc-enters-credit-space-launches-paperless-6-minute-loan-service-3590121/>

Industry

Fully back need for tech, but wary of opaque ecomm operations hurting India's interests: Piyush Goyal

Large ecommerce companies must engage with small kirana stores and involve them in their supply chain in a possible way forward as they are working in an opaque fashion that needs to be made transparent, commerce and industry minister Piyush Goyal said. In an interview with ET, he also said that, buoyed by enablers like industrial parks, India is on its way to achieve \$2 trillion exports, despite the challenges posed by the Red Sea crisis. Goyal, who contested and won an election for the first time this year (to the Lok Sabha), said that lateral entry is not the end of the world in terms of reforms. Edited excerpts:

<https://economictimes.indiatimes.com/news/economy/policy/fully-back-need-for-tech-but-wary-of-opaque-ecomm-operations-hurting-indias-interests-piyush-goyal/articleshow/112720345.cms>

Centre charges up EV space with PLI approvals

The government has approved 50 out of 74 applications it got from automakers for its productivity-linked incentive (PLI) scheme to boost electric vehicle manufacturing. The remaining 24 applications are in process. The approvals on Wednesday are likely to help the companies partially offset losses they are incurring in manufacturing EVs due to low volumes currently. Among the companies, Bajaj Auto is the sole automaker to get approvals for all the 13 applications filed for its electric scooter Chetak and three-wheelers.

<https://economictimes.indiatimes.com/industry/renewables/centre-charges-up-ev-space-with-pli-approvals/articleshow/112720489.cms>

Principal scientific advisor bats for inclusion of e-trucks in FAME-III

A report by the office of the Principal Scientific Adviser (PSA) to the Government of India has batted for the inclusion of electric trucks in the third tranche of the Faster Adoption and Manufacturing of Electric Vehicles (FAME-III) scheme. Titled "Bharat Zero Emission Trucking (ZET) Policy Advisory", the report outlines a comprehensive plan to transition India's trucking sector to zero-emission vehicles, with a target of achieving 100 per cent zero-emission truck sales by 2050. The report notes that the Ministry of Heavy Industries (MHI) is leading several initiatives aimed at e-trucks, including the potential incentives under the forthcoming FAME-III programme.

https://www.business-standard.com/economy/news/govt-s-scientific-advisor-bats-for-electric-trucks-in-fame-iii-scheme-124082200982_1.html

DPIIT withdraws memo on extending scope of copyright rule to internet

The Department for Promotion of Industry and Internal Trade (DPIIT) has withdrawn an office memorandum of September 2016 regarding extending the scope of a rule of copyright law to internet transmissions. In 2016, through an office memorandum, the government decided to include Internet broadcasting under the purview of the Copyright Act. DPIIT has said that in light of the decision of the Division Bench of the High Court of Bombay in the matter of Tips Industries Ltd vs Wynk Music Ltd, the office memorandum issued by the department on September 5, 2016, is "hereby rescinded".

https://www.business-standard.com/industry/news/dpiit-withdraws-memo-on-extending-scope-of-copyright-rule-to-internet-124082201377_1.html

CRISIL SME Tracker: Steel MSMEs may see softer growth this financial year

The growth of micro, small and medium enterprises (MSMEs) in the steel sector may moderate this financial year (FY25). The moderation will be because of slower spending growth of core infrastructure ministries such as railways, road, rural and urban development, power, renewable energy and civil aviation. The growth can moderate from 15.1 per cent (FY24 Revised Estimates (RE) vs FY23 Actuals) to 8.4 per cent (FY25 Budget Estimates vs FY24 RE).

https://www.business-standard.com/industry/news/crisil-sme-tracker-steel-msmes-may-see-softer-growth-this-financial-year-124082201502_1.html

FSSAI orders removal of A1, A2 claims from milk, milk product marketing

The Food Safety and Standards Authority of India (FSSAI) on Thursday asked food business operators (FBOs) and e-commerce players to remove all claims of A1 and A2 types of milk and milk products from all packaging. "It has come to the notice of FSSAI that several FBOs are selling/marketing milk and milk products such as ghee, butter, curd, etc., in the name of A1 and A2 under Fssai licence number," it said.

https://www.business-standard.com/industry/news/fssai-orders-removal-of-a1-a2-claims-from-milk-milk-product-marketing-124082201060_1.html

Gold loan market projected to double in 5 years to Rs 14.19 lakh crore: PwC India

India's organised gold loan market is projected to double in next five years to Rs 14.19 lakh crore despite expected moderation in growth due to stricter regulations, said a PwC India report. In fiscal 2023-24, the organised gold loan market demonstrated substantial growth, reaching a valuation of Rs 7.1 lakh crore, according to the report titled 'Striking gold: The rise of India's gold loan market'. "It is expected to reach around Rs 14.19 lakh crore by FY 2029 at a five-year CAGR of 14.85 per cent," it said.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/gold-loan-market-projected-to-double-in-5-years-to-rs-14-19-lakh-crore-pwc-india/articleshow/112709919.cms>

Agriculture

Centre urges states to adopt new tech initiatives for better farm data

Agriculture Secretary Devesh Chaturvedi on Thursday urged states to swiftly adopt and implement new technology-driven initiatives to improve farm production estimates and enhance data accuracy. Addressing a national conference here, Chaturvedi emphasised the need for continuous collaboration between the central and state governments to enhance the quality of agricultural statistics, an official statement said.

<https://economictimes.indiatimes.com/news/economy/agriculture/centre-urges-states-to-adopt-new-tech-initiatives-for-better-farm-data/articleshow/112714709.cms>

Infrastructure

Civil aviation ministry announces simplified norms for seaplane operations

The civil aviation ministry on Thursday announced simplified regulations for seaplane operations, including allowing non-scheduled entities to operate such services and putting in place a simplified certificate process. The relaxed norms are aimed at encouraging seaplane operations under the regional air connectivity scheme UDAN (Ude Desh ka Aam Nagrik).

https://www.business-standard.com/industry/news/civil-aviation-ministry-announces-simplified-norms-for-seaplane-operations-124082200883_1.html

Telecom

DoT defers allocation in 6 GHz spectrum band

The tussle over the 6 GHz spectrum band between the telecom operators and technology firms has led the department of telecommunications (DoT) to delay its allocation to either. The band will continue to stay with the Indian Space Research Organisation (Isro) for satellite purposes till the time the government is able to resolve the tiff between the telcos and tech players like Microsoft, Google, Amazon, etc. The 6 GHz band provides faster speed and is ideal for WiFi services. Telecom operators want that it be reserved for them for 5G services. However, technology firms want that it be used for WiFi services only. The telcos fear that if the band is provided to tech firms like Microsoft, Google, Amazon, or Qualcomm, they would cannibalise the services offered by the telecom operators.

<https://www.financialexpress.com/business/industry-dot-defers-allocation-in-6-ghz-spectrum-band-3590038/>

Telcos may seek 'fair share' of app revenues at meet with telecom minister Jyotiraditya Scindia

Telecom operators are likely to press for a "fair share" of revenue from large traffic generators (LTGs) or apps that lead to high mobile data usage in their upcoming meeting with telecom minister Jyotiraditya Scindia, industry executives aware of the matter said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/telcos-may-seek-fair-share-of-app-revenues-at-meet-with-telecom-minister-jyotiraditya-scindia/articleshow/112720249.cms>

Healthcare

Govt bans 156 fixed-dose combo drugs over risks

The government has banned 156 fixed-dose combination (FDCs) drugs-including antibiotics, antiallergics, painkillers, multivitamins and combination doses for treatment of fever and hypertension-after a review found they posed health risks in the biggest crackdown since 2016 when 344 FDCs were prohibited. FDCs are medicines that combine two or more drugs into a single dosage. The union health and family welfare ministry on Thursday issued a gazette notification, prohibiting manufacture, sale and distribution of these medicines based on the recommendation of an expert panel that evaluated 324 FDCs.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/govt-bans-156-fixed-dose-combo-drugs-over-risks/articleshow/112720582.cms>

External

India, US strengthen energy ties

The power ministry on Thursday met a US delegation led by John Podesta, senior advisor to the President for International Climate Policy. The two sides explored possibilities in technical exchanges and financial support for upgrading transmission systems, manufacturing capacity in large transformers, and partnership on long-duration energy storage studies, among others. Power minister Manohar Lal emphasized the two countries' shared commitment to a clean energy future that fosters economic growth and development.

<https://economictimes.indiatimes.com/industry/energy/power/india-us-strengthen-energy-ties/articleshow/112720076.cms>