



September 04, 2024 – Wednesday

Economy

FM Sitharaman meets road, telecom ministries to review budgeted capex plans

In a move to push capital expenditure (capex) utilisation by ministries, Finance Minister Nirmala Sitharaman on Tuesday met officials of the road transport & highways ministry and the department of telecom (DoT) to review plans for their budgeted capex. Sitharaman has urged the ministries to set up quarterly targets and ensure that they are achieved within a stipulated time frame. She also asked them to expedite implementation of projects, a press statement by the finance ministry said.

https://www.business-standard.com/economy/news/finmin-to-review-capex-plans-of-ministries-urges-them-to-expedite-targets-124090301217_1.html

World Bank raises India's FY25 GDP growth forecast to 7% from 6.6% earlier

The World Bank on Thursday raised its India's growth forecast for the current financial year to 7 per cent, from an earlier estimate to 6.6 per cent, helped by government spending on infrastructure. "Growth was boosted by public infrastructure investment and an upswing in household investments in real estate. On the supply side, it was supported by a buoyant manufacturing sector, which grew by 9.9 per cent, and resilient services activity, which compensated for underperformance in agriculture," said the World Bank in the India Development Update report.

https://www.business-standard.com/economy/news/world-bank-raises-india-s-fy25-growth-forecast-to-7-from-6-6-earlier-124090300721_1.html

Demand for work under MGNREGS drops for 10th consecutive month in August

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) saw a continued decline in work demand in August, marking the 10th consecutive month of fewer people seeking employment, according to a report by The Economic Times, based on data from the Ministry of Rural Development. The demand for jobs under MGNREGS, the government's flagship rural employment initiative, has been decreasing consistently, with August recording about 19 million people seeking work, down from 22.91 million in the same month the previous year.

https://www.business-standard.com/economy/news/demand-for-work-under-mgnregs-drops-for-10th-consecutive-month-in-august-124090300192_1.html

58% Indians feel burned out, higher than global average: FICCI-BCG report

As many as 58 per cent of Indians experience burnout and workplace exhaustion, much higher than the global average of 48 per cent, a report released on Tuesday said. The report released by the Federation of Indian Chambers of Commerce & Industry and the Boston Consulting Group titled, "India's HR Revolution: Building Workplaces for the Future", revealed that contrary to popular belief, burnout is not primarily due to excessive workloads, but increasing demands for collaboration and frequent interactions.

https://www.business-standard.com/industry/news/58-indians-feel-burned-out-higher-than-global-average-ficci-bcg-report-124090300768_1.html

Indians see uncertainty ahead despite strong growth: Survey

Despite robust macro-economic growth, India grapples with micro unpredictability due to technology among others, a survey by Aditya Birla Sun Life Insurance Company Limited. Based on the responses gathered from

7,978 participants across all age groups and professions, the survey reveals that 88 percent of respondents anticipate high or very high levels of financial uncertainty over the next five years, with economic factors emerging as the primary source of uncertainty among respondents.

<https://economictimes.indiatimes.com/news/economy/indicators/indians-see-uncertainty-ahead-despite-strong-growth-survey/articleshow/113034301.cms>

Finance

India needs faster growth for a decade to meet goals, says RBI deputy governor Michael Patra

India will need rapid economic growth for a decade in order to achieve Prime Minister Narendra Modi's goals of becoming a developed country by 2047, a top central bank official said. It's possible for India's per capita income to climb to levels required to be considered a high income or developed country, Deputy Governor Michael Patra said at an event organized by the lobby group, the Confederation of Indian Industry, in Mumbai on Tuesday. But, for that, "a burst of speed is required for just about a decade," he said. "Thereafter, sheer momentum will propel India forward even at lower rates of growth."

<https://economictimes.indiatimes.com/news/economy/indicators/india-needs-faster-growth-for-a-decade-to-meet-goals-says-rbi-deputy-governor-michael-patra/articleshow/113019323.cms>

Credit card market in India to double, reach 200 million by 2028-29: Pwc

The number of credit cards in India is expected to reach 200 million with a CAGR of 15 per cent, highlighted a report by PwC. The report stated that the credit card industry has experienced significant expansion, doubling the number of credit cards issued over the past five years. This momentum is expected to continue, with the market likely to replicate this growth in the coming years, the report noted.

<https://economictimes.indiatimes.com/industry/banking/finance/credit-card-market-in-india-to-double-by-2028-29-pwc/articleshow/113049163.cms>

To facilitate taxpayers in invoice matching, GSTN to launch IMS from Oct 1

GST Network will launch the Invoice Management System (IMS) from October 1 which will facilitate taxpayers in matching their records/invoices vis-a-vis issued by their suppliers for availing the correct Input Tax Credit (ITC). In an advisory to Goods and Services Tax (GST) payers, GSTN said to enable taxpayers to efficiently address invoice corrections/amendments with their suppliers through the portal, a new communication process called the IMS is being launched.

https://www.business-standard.com/economy/news/to-facilitate-taxpayers-in-invoice-matching-gstn-to-launch-ims-from-oct-1-124090301060_1.html

Industry

Small industries struggle as power prices continue to climb across India

Electricity prices for industries have risen across every major state in India, rather than coming down. Since electricity is essential to practically all manufacturing processes, this rise represents a sustained additional cost for them. Data from each state shows the same trend: industries are being overcharged, and what is worse, the benefits of lower fuel costs are not being passed on to them. Whichever way one slices the data, the extent of overcharging stands out.

https://www.business-standard.com/economy/news/small-industries-struggle-as-power-prices-continue-to-climb-across-india-124090301204_1.html

Retailers and ecommerce firms clash over festive season discounts

The rivalry between traditional retail stores and ecommerce firms has reignited ahead of festivity. Nearly 158,000 electronics and mobile phone retailers have jointly written to top manufacturers, saying several prominent brands are favouring ecommerce channels over offline retail. The retailers fear these brands will offer heavy discounts online during the festive season, which could dent the former's business by up to half.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/retailers-and-ecommerce-firms-clash-over-festive-season-discounts/articleshow/113040142.cms>

India Inc extends gender diversity push to temporary hiring for festive season

India Inc's big gender diversity push is increasingly getting extended to temporary hiring during peak periods such as the festive season. Ecommerce, logistics, retail, hospitality, manufacturing, consumer durables, banking,

financial services and insurance (BFSI) are among a slew of sectors actively giving mandates to onboard more temporary women workers to fill in a festive season-induced hiring boom, said staffing firms such as Qness, Randstad, Adecco, CIEL HR Services and TeamLease Services.

<https://economictimes.indiatimes.com/jobs/hr-policies-trends/india-inc-extends-gender-diversity-push-to-temporary-hiring-for-festive-season/articleshow/113037732.cms>

Wedding collection sales surge in FY24, bucking overall trend

Leading designer brands from Tarun Tahiliani and Abu Jani, Sandeep Khosla to Sabyasachi and Rahul Mishra recorded a surge in sales of wedding and occasion wear in 2023-24, ranging between high double-digits and triple digits, bucking the overall trend of lacklustre demand as a sharpening focus on premiumisation added sheen to their labels.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/wedding-collection-sales-surge-in-fy24-bucking-overall-trend/articleshow/113040480.cms>

Infrastructure

DGCA releases regulatory reforms to reduce compliance burden for operators

The Directorate General of Civil Aviation (DGCA) has introduced regulatory reforms to reduce the compliance burden for non-scheduled and general aviation operations. In a statement, DGCA informed that currently, there are two primary Civil Aviation Requirements (CARs) governing the continuing airworthiness of aircraft: CAR-M and CAR-145. CAR-M covers the continuing airworthiness of all aircraft types, including those used for scheduled operations, non-scheduled operations, flying training, general aviation, and private operations. CAR-145 specifies regulations for the maintenance of aircraft used in commercial operations and complex motor aircraft.

https://www.business-standard.com/industry/news/dgca-releases-regulatory-reforms-to-reduce-compliance-burden-for-operators-124090300746_1.html

Energy

India's top oil explorer may set up refinery in Uttar Pradesh

India's Oil and Natural Gas Corp. is considering setting up a multibillion dollar refinery and petrochemical project in the nation's most populous state to bolster its business as fuel demand expands. The New Delhi-based company — India's largest crude explorer — is looking at a 9-million-ton-a-year project in Uttar Pradesh that could cost more than 700 billion rupees (\$8.3 billion), according to the four people familiar with the matter, who declined to be identified as the talks are not public. ONGC has held talks with Bharat Petroleum Corp, Ltd. to set up the unit in the city of Prayagraj as the state-owned refiner holds a parcel of land there, they said.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/indias-top-oil-explorer-may-set-up-refinery-in-uttar-pradesh/articleshow/113024566.cms>

External

India seeks review of UAE trade deal amid spike in silver, gold imports

After walking out of the Regional Comprehensive Economic Partnership (RCEP) agreement at the 11th hour of negotiations in 2019, India was seen as protectionist and averse to signing trade deals. To change this image, India signed a trade deal with the United Arab Emirates (UAE) in a record 88 days of negotiations in February 2022, which came into force in May that year. However, just over two years later, India is seeking a review of some components of the Comprehensive Economic Partnership Agreement (CEPA) with the UAE.

https://www.business-standard.com/economy/news/india-seeks-review-of-uae-trade-deal-amid-spike-in-silver-gold-imports-124090301190_1.html

FDI inflows jump 47.8% to \$16.17 bn in Apr-Jun on healthy services inflow

Foreign direct investment in India jumped 47.8 per cent to \$ 16.17 billion in April-June this fiscal on healthy inflows in services, computer, telecom and pharma sectors, according to government data. FDI inflows were at \$ 10.94 billion in April-June 2023-24. The data showed that overseas inflows in May rose to \$ 5.85 billion and in June to \$ 5.41 billion from \$ 2.67 billion and \$ 3.16 billion, respectively, in the year-ago period. In April, FDI inflows were down marginally at \$ 4.91 billion against \$ 5.1 billion in April 2023.

https://www.business-standard.com/industry/news/fdi-inflows-jump-47-8-to-16-17-bn-in-apr-jun-on-healthy-services-inflow-124090301143_1.html

Over \$4 bn imports this year under management system for laptops, tablets

With the deadline for review of import management system for laptops and other IT products nearing, the companies which have received authorisations have imported these products worth over \$ 4 billion so far this fiscal, an official said. These imports stood at \$ 8.4 billion in 2023-24 and most of these imports were coming from China, the official said. In October last year, the government rolled out an import management/authorisation for imports of laptops, personal computers and certain other IT hardware products. The system is aimed at monitoring inbound shipments of these items into the country without hurting market supply.

https://www.business-standard.com/industry/news/over-4-bn-imports-this-year-under-management-system-for-laptops-tablets-124090300764_1.html

India notifies 8,606 tn of raw cane sugar exports to US under tariff-rate quota

The government on Tuesday notified exports of 8,606 tonnes of raw cane sugar under the tariff-rate quota (TRQ) scheme to the US for the October 2024 - September 2025 period. Shipments under the TRQ enjoy relatively lesser customs duties. After the quota is reached, a higher tariff applies to additional imports. "The quantity of 8,606 MTRV (metric tonnes raw value) of raw cane sugar to be exported to USA under TRQ scheme from 01.10.2024 to 30.09.2025 has been notified," the Directorate General of Foreign Trade (DGFT) said in a public notice.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-notifies-8606-tn-of-raw-cane-sugar-exports-to-us-under-tariff-rate-quota/articleshow/113031487.cms>