



September 09, 2024 – Monday

## Economy

### Surplus liquidity shows govt's foot on spending pedal

A rebound in government expenditure is evident from a build-up of surplus liquidity conditions in the banking sector, as the Centre loosens its purse strings and injects cash into the system. The absence of the key driver of economic growth had been felt in the first quarter of the year. Analysts are of the view that the Reserve Bank of India's tolerance of surplus liquidity suggests it could be gradually gearing up toward a softer monetary policy.

<https://economictimes.indiatimes.com/news/economy/finance/surplus-liquidity-shows-govts-foot-on-spending-pedal/articleshow/113173466.cms>

## Finance

### Declining bank credit to hurt exporters; issue to figure in Sep 11 meeting with Goyal

The declining bank credit to exporters will hurt the sector, and traders will flag the issue prominently during their meeting with Commerce and Industry Minister Piyush Goyal on September 11, an industry official said on Sunday. While exports grew by 15 per cent in the rupee terms between 2021-22 and 2023-24, the outstanding credit in March 2024 dropped by 5 per cent over the same month in 2022, according to exporters. Apex exporters body Federation of Indian Export Organisation (FIEO) said the export credit growth is not keeping pace with rising exports of the country.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/declining-bank-credit-to-hurt-exporters-issue-to-figure-in-sep-11-meeting-with-goyal/articleshow/113167624.cms>

### Education loans to remain among fastest-growing segments for NBFCs: Crisil

Education loans, primarily those to fund courses overseas, will continue to be among the fastest-growing segments for non-banking financial companies (NBFCs) because of rising demand for higher education, said Crisil Ratings. Their assets under management (AUM) is expected to grow at a healthy clip of 40-45 per cent to cross Rs 60,000 crore this fiscal, as per the rating agency.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/education-loans-to-remain-among-fastest-growing-segments-for-nbfc-crisil/articleshow/113163694.cms>

### 4% rise in pensioners availing Rs 1,000 minimum pension in FY24 under EPS

The number of pensioners receiving government support to avail the minimum monthly pension of Rs 1,000 under the Employee Pension Scheme (EPS) is set to increase for a third year in a row in FY24, data gathered from the latest annual report of the labour ministry shows. Experts attribute this increase in beneficiaries to the stagnation in wages of workers and high inflation, leading to lower contributions from subscribers, thus necessitating government contribution to even receive Rs 1,000 as a pension.

[https://www.business-standard.com/economy/news/4-rise-in-pensioners-availing-rs-1-000-minimum-pension-in-fy24-under-eps-124090800443\\_1.html](https://www.business-standard.com/economy/news/4-rise-in-pensioners-availing-rs-1-000-minimum-pension-in-fy24-under-eps-124090800443_1.html)

### **GST Council to deliberate on taxation of insurance premium, online gaming**

The GST Council on Monday is expected to deliberate on a host of issues, including taxation of insurance premium, GoM's suggestions on rate rationalisation, and a status report on online gaming, sources said. Sources said the fitment committee, comprising Centre and state tax officials, will present a report on GST levied on life, health and reinsurance premiums and the revenue implications.

[https://www.business-standard.com/finance/news/gst-council-to-deliberate-on-taxation-of-insurance-premium-online-gaming-124090800101\\_1.html](https://www.business-standard.com/finance/news/gst-council-to-deliberate-on-taxation-of-insurance-premium-online-gaming-124090800101_1.html)

### **Industry**

### **Fab toolmakers eye India; Applied Materials considers manufacturing unit**

Fab units globally cannot operate without equipment from four key suppliers — Applied Materials, ASML, KLA and Tokyo Electron, according to experts. With more semiconductor manufacturing units being planned in India, top toolmakers are also eyeing the country's market. The world's second-largest fab toolmaker, Applied Materials, with annual revenue of \$26.52 billion, is planning to establish a manufacturing unit in India.

[https://www.business-standard.com/industry/news/fab-toolmakers-eye-india-applied-materials-considers-manufacturing-unit-124090800392\\_1.html](https://www.business-standard.com/industry/news/fab-toolmakers-eye-india-applied-materials-considers-manufacturing-unit-124090800392_1.html)

### **Domestic formulations biz expected to grow 9-10% over next decade: Glenmark**

The drug formulations market in India is expected to grow at a CAGR of 9-10 per cent over the next decade with Jan Aushadhi outlets anticipated to emerge as a much stronger player in the country, according to Glenmark Pharmaceuticals. The domestic formulations market is estimated to be at Rs 2 trillion, with a growth rate of 11 per cent over the past two decades.

[https://www.business-standard.com/industry/news/domestic-formulations-biz-expected-to-grow-9-10-over-next-decade-glenmark-124090800141\\_1.html](https://www.business-standard.com/industry/news/domestic-formulations-biz-expected-to-grow-9-10-over-next-decade-glenmark-124090800141_1.html)

### **Fada to approach lenders requesting caution while funding dealers**

In a bid to mitigate the alarming buildup of unsold passenger vehicle (PV) inventory, the Federation of Automobile Dealers Associations (Fada) is all set to formally approach banks and non-banking financial companies (NBFCs) with requests to exercise caution while disbursing funds to dealers. This comes after the dealers' body wrote twice to the Society of Indian Automobile Manufacturers (SIAM), raising alarm bells over the inventory pileup. Approaching the banks is crucial as the association highlights that overfunding by banks and NBFCs and further stockpiling could lead to a downward spiral in dealership profitability.

[https://www.business-standard.com/industry/auto/dealers-to-knock-bank-nbfc-doors-to-exercise-caution-over-pv-inventory-124090800224\\_1.html](https://www.business-standard.com/industry/auto/dealers-to-knock-bank-nbfc-doors-to-exercise-caution-over-pv-inventory-124090800224_1.html)

### **Global FMCG makers sharpen strategies to tap into India growth story**

Global FMCG companies are sharpening their India strategies with an eye to expand their businesses and widening their reach in one of their key emerging markets. At the recently held Barclays Global Consumer Staples Conference, while Mondelez International said its ramping up distribution to scale up its profitable India business, Coca-Cola said it is focusing on a cluster approach to accelerate growth in the market. Speaking at the Barclays conference, Dirk Van de Put, Chairman & Chief Executive Office, Mondelez International, which is known for brands Cadbury and Oreo, said, "India is a universe of 9 million stores. We are now direct or indirect in about 3 million stores. Last year, we've 180,000 new stores."

<https://www.thehindubusinessline.com/companies/global-fmcc-makers-sharpen-strategies-to-tap-into-india-growth-story/article68618498.ece>

### **Mid-size companies centre on India to set up GCCs**

India's growing appeal as a hub for global capability centres (GCCs) is attracting not only Fortune 500 companies but also many small and mid-sized firms, all looking to set up facilities here to leverage the country's cost advantage, skilled workforce and a stable business environment. Over the past eight months, many mid-sized GCCs with 1,000-2,000 employees have established a presence in India, following a trend set by large corporations with a number of

them now having 10,000-15,000 employees here handling operations ranging from customer support and data analysis to complex research & development projects.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/mid-size-companies-centre-on-india-to-set-up-gccs/articleshow/113172740.cms>

## Agriculture

### Vegetable prices shoot up in major cities as rains disrupt supply lines

Vegetable prices have spiked in major cities as copious rains in August and September have disrupted supply lines. Among the worst affected have been green vegetables such as coriander leaves (dhaniya) whose prices have jumped by a mind-numbing 350 percent in Delhi markets in the last month.

[https://www.business-standard.com/economy/news/greens-spike-in-major-cities-on-account-of-rain-induced-supply-disruption-124090800233\\_1.html](https://www.business-standard.com/economy/news/greens-spike-in-major-cities-on-account-of-rain-induced-supply-disruption-124090800233_1.html)

### Centre to extend sugar export ban to boost local supplies, ethanol output

India plans to extend a ban on sugar exports for the second straight year as the world's biggest consumer of the sweetener grapples with the prospects of lower cane output, government sources said. New Delhi also plans to raise the price at which oil companies buy ethanol from sugar mills as part of efforts to boost supplies of the biofuel, said the sources with direct knowledge of the matter. They did not wish to be identified as deliberations were not public.

[https://www.business-standard.com/economy/news/centre-to-extend-sugar-export-ban-to-boost-local-supplies-ethanol-output-124090600491\\_1.html](https://www.business-standard.com/economy/news/centre-to-extend-sugar-export-ban-to-boost-local-supplies-ethanol-output-124090600491_1.html)

## Infrastructure

### New liner service to connect Red Sea's Jeddah Port to India's Mundra, Nhava Sheva

A leading maritime services company announced on Sunday the launch of a new liner service connecting the Red Sea's Jeddah Islamic Port to India's Mundra and Nhava Sheva, two of the largest commercial ports in the country. Folk Maritime Services Company, a Public Investment Fund and one of the region's emerging leaders in providing regional liner and feeder services, said the 10-day facility with two vessels will commence in September. According to a company statement, the services will strengthen trade ties by facilitating the movement of consumer cargo from India and products from Saudi Arabia, including petrochemicals.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/new-liner-service-to-connect-red-seas-jeddah-port-to-indias-mundra-nhava-sheva/articleshow/113171270.cms>

## Energy

### MNRE to launch Green Hydrogen Certification Scheme

The ministry of new and renewable energy has released a draft proposal for the Green Hydrogen Certification Scheme of India. The Bureau of Energy Efficiency would be the nodal authority to accredit agencies for monitoring, verifying and certifying green hydrogen projects, as per the draft. The ministry is seeking suggestions from stakeholders by September 27.

<https://economictimes.indiatimes.com/industry/renewables/mnre-to-launch-green-hydrogen-certification-scheme/articleshow/113173350.cms>

## Telecom

### Higher Calling: Companies across telecom, ISP industries to expand workforce with Govt push

About 62% of companies across telecom, Internet Service Providers (ISPs), and allied industries intend to expand their workforces in the fiscal first half, indicating positive hiring sentiment in these sectors, according to TeamLease Services. Among the others, 17% will trim their employee count while 21% will keep it unchanged in the six months through September, the staffing firm said in a report. It noted a 5.62% net employment growth in these sectors.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/higher-calling-companies-across-telecom-isp-industries-to-expand-workforce-with-govt-push/articleshow/113156949.cms>

## External

### **FPIs invest Rs 11,000 cr in Indian equities in first week of September**

Foreign investors infused nearly Rs 11,000 crore in domestic equities in the first week of the month owing to resilience of the Indian market and expectations of rate cut in the US. Foreign Portfolio Investors (FPIs) have been consistently buying equities since June. Before that, they had pulled out funds to the tune of Rs 34,252 crore in April-May.

[https://www.business-standard.com/economy/news/fpis-invest-rs-11-000-cr-in-indian-equities-in-first-week-of-september-124090800358\\_1.html](https://www.business-standard.com/economy/news/fpis-invest-rs-11-000-cr-in-indian-equities-in-first-week-of-september-124090800358_1.html)

### **Solar panel exports stagnate in Q1 after post-FY22 surge**

India's solar panel exports that saw a sudden surge since 2022-23 plateaued in the first quarter of the current financial year, as the US, the sole buyer, became more protectionist. Exports of solar panels – in technical terms known as “photovoltaic cells made up/assembled in modules or made up into panels – in April-June this fiscal fell 0.8% on year to \$ 450 million.

<https://www.financialexpress.com/business/industry-solar-panel-exports-stagnate-in-q1-after-post-fy22-surge-3604964/>