



September 12, 2024 – Thursday

Key Developments

Cabinet expands Ayushman Bharat scheme for 70+ old citizens, boost for hydropower sector and more: Check highlights

The Union Cabinet on Wednesday gave its nod to several significant schemes to advance healthcare, renewable energy, and promote electric vehicles to further combat pollution. The Modi-led cabinet has also approved coverage of PM Gram Sadak Yojana to those unconnected habitations due to various reasons including increase in population. Here are the top decisions from today's meeting:

<https://economictimes.indiatimes.com/news/india/cabinet-expands-ayushman-bharat-scheme-for-70-old-citizens-boost-for-hydropower-sector-and-more-check-highlights/articleshow/113266122.cms>

Economy

Govt, pvt sector should think of mid-term AI consequences: CEA Nageswaran

Artificial intelligence (AI) can both augment and displace labour, and there is a need to choose the right balance between the two. The onus is as much on the government as on the private sector to consider the medium-term consequences of AI, Chief Economic Advisor (CEA) V Anantha Nageswaran said on Wednesday. "If we have to avoid the social consequences of capital-intensive or technology-intensive growth... we need a greater compact between the private sector, government, and the public so that we can enjoy the demographic dividend and achieve our dreams of becoming a developed nation by 2047 while maintaining both social and economic stability," Nageswaran said while addressing an event by the All India Management Association, highlighting the importance of finding the right balance between capital and labour.

https://www.business-standard.com/industry/news/govt-pvt-sector-should-think-of-mid-term-ai-consequences-cea-nageswaran-124091101220_1.html

Housing, road, railways lead capex spend in Apr-July period, shows data

Amid tepid growth in central government capital expenditure (capex) during April-July, ministries such as housing (at 35 per cent), road (34 per cent), railways (34 per cent) along with departments of health (32 per cent) and atomic energy (30 per cent) were outliers in spending. They spent more than the average of 24 per cent overall capex during the four-month period, government data showed. However, the departments which dragged the capex growth for the same period include the department of telecommunications (DoT), which spent only one per cent of the budget estimates (BE). This is against 44 per cent in the corresponding period last year, according to data sourced from the Controller General of Accounts.

https://www.business-standard.com/economy/news/housing-road-railways-lead-capex-spend-in-apr-july-period-shows-data-124091101274_1.html

Finance

Reserve Bank to stick to higher digitally-linked deposit buffer proposal

India's central bank will stick to its plan to ask lenders to set aside more funds for digitally linked deposits, despite the industry's plea for a lower buffer to avoid a hit to their liquidity, three sources familiar with the matter told Reuters. In July, the Reserve Bank of India (RBI) proposed that banks set aside an additional 5 per cent 'run-off factor' on digitally accessible retail deposits to better manage risks in case of quick and heavy withdrawals via internet or mobile banking.

https://www.business-standard.com/finance/news/rbi-to-stick-to-high-digital-deposit-buffer-proposal-to-hit-bank-liquidity-124091100701_1.html

Small finance banks now going big on deposit rates

More than half-a-dozen small finance banks (SFBs) have raised their fixed deposit rates to more than 8% for a two-year tenure as they scramble with the giants, such as State Bank of India and HDFC Bank, to garner funds from ordinary savers in a market where alternative investment options have multiplied over the past couple of years. Utkarsh SFB and Suryoday SFB are offering 8.5% on two-three year tenures, while Equitas SFB is offering 8.5% on a tenure of two years to less than three years. Unity SFB is offering 9% on 1,001 days.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/small-finance-banks-now-going-big-on-deposit-rates/articleshow/113270146.cms>

Finance ministry allows GST deductions to dealers on demo vehicles

The Union finance ministry on Wednesday issued a set of circulars giving relief to the automotive industry, advertising agencies providing services to foreign clients, data hosting services providers and exporters of goods.

“As demo vehicles are used by authorised dealers to provide trial runs and to demonstrate features of the vehicle to potential buyers, it helps the potential buyers to make a decision to purchase a particular kind of motor vehicle.

https://www.business-standard.com/economy/news/finance-ministry-allows-gst-deductions-to-dealers-on-demo-vehicles-124091101509_1.html

Time for fintech NBFCs to revisit business models, says India Ratings

Fintech NBFCs may need to revisit business model and temper loan disbursements in the light of tighter funding and regulatory warning on growth strategies, India Ratings (Ind-Ra) has cautioned. They need to be watchful in growing their unsecured consumer lending exposure in FY25 in the backdrop of increase in funding cost along with pressure on funds mobilisation and pressure on asset quality with slowing growth.

https://www.business-standard.com/finance/news/time-for-fintech-nbfc-to-revisit-business-models-says-india-ratings-124091101228_1.html

Private credit deals to touch USD 10 bln in 2024: Report

Private credit deployments are likely to surpass the USD 10 billion mark in 2024, a report by a consultancy firm said on Wednesday. The January-June period saw private credit transactions of over USD 6 billion in 96 deals, and the last two-and-a-half years have seen over USD 20 billion being deployed in the emerging alternative serving the credit needs of Indian companies. Major deals were witnessed across real estate, infrastructure, and healthcare sectors in the first half of the year, the report by EY said.

<https://economictimes.indiatimes.com/news/economy/indicators/private-credit-deals-to-touch-usd-10-bln-in-2024-report/articleshow/113262743.cms>

Industry

Govt approves Rs 10,900 cr PM E-DRIVE scheme to push electric mobility

The Union Cabinet on Wednesday approved the PM E-DRIVE Scheme with an outlay of Rs 10,900 crore for two years to boost adoption of electric vehicles in India, replacing the flagship FAME programme that ran for nine years till March. The decision on PM Electric Drive Revolution In Innovative Vehicle Enhancement (PM E-DRIVE) Scheme was taken at the meeting of the Union Cabinet chaired by Prime Minister Narendra Modi, Information and Broadcasting Minister Ashwini Vaishnaw told reporters here.

https://www.business-standard.com/india-news/govt-approves-rs-10-900-cr-pm-e-drive-scheme-to-push-electric-mobility-124091101310_1.html

FADA seeks legislative safeguards to prevent OEMs exiting abruptly

Automobile dealer body FADA on Wednesday sought legislative safeguards to prevent companies from exiting the country abruptly in order to safeguard the interest of dealers and employees working at the dealerships. Speaking at the 6th Auto Retail Conclave here, newly appointed President of the Federation of Automobile Dealers Associations (FADA) C S Vigneshwar also asked the government to issue strong directives to state governments for the full implementation of the CMVR (Central Motor Vehicles Rules). Addressing Minister of Heavy Industries HD Kumaraswamy, Vigneshwar said, "We need your support, and hence we request legislative safeguards to prevent OEMs (Original Equipment Manufacturers) from exiting the country abruptly, leaving dealers, employees, and customers stranded." Various automotive OEMs like Ford, General Motors and Harley Davidson have ceased sales operations in India since 2017.

<https://economictimes.indiatimes.com/industry/auto/auto-news/fada-seeks-legislative-safeguards-to-prevent-oems-exiting-abruptly/articleshow/113262357.cms>

Consumer staples suppliers see stable prices this festive season

Prices of edible oils, rice and pulses will remain mostly stable during the festive season as there is ample supply of these agri-commodities this year, consumer staples companies Adani Wilmar, Gemini Edibles & Fats and RiceVilla, as well as traders said. Dealers and distributors are not stocking these commodities, which they generally do during the festive season, as the supply side is strong and they are lifting stock according to the requirement.

<https://economictimes.indiatimes.com/industry/cons-products/food/consumer-staples-suppliers-see-stable-prices-this-festive-season/articleshow/113276884.cms>

Agriculture

Govt to buy soybeans to help farmers reeling from losses

India will buy soybeans from farmers of the central state of Madhya Pradesh at state-set support prices to help growers reeling from a crash in domestic rates for the oilseed, a government statement said on Wednesday. India uses soybeans to manufacture soyoil, which helps the country cut its hefty edible oil imports, while the by-product soymeal is used for animal feed and exported mainly to Southeast Asia and the Middle East.

<https://economictimes.indiatimes.com/news/economy/agriculture/govt-to-buy-soybeans-to-help-farmers-reeling-from-losses/articleshow/113266757.cms>

Infrastructure

Rural Development Ministry approves construction of roads in three states under central schemes

The Rural Development Ministry on Wednesday approved the construction of roads in three states under various central schemes, officials said on Wednesday. The projects approved by Rural Development Minister Shivraj Singh Chouhan on Wednesday include the construction of 60 roads of 152.44 km in Madhya Pradesh, 117 roads of 745.286 km in Maharashtra and 11 bridges in Kerala, they said. The roads in Madhya Pradesh are being constructed under the Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM-JANMAN) at a cost of Rs 113.58 crore.

<https://economictimes.indiatimes.com/news/economy/infrastructure/rural-development-ministry-approves-construction-of-roads-in-three-states-under-central-schemes/articleshow/113259836.cms>

NAREDCO seeks govt action on aviation constraints impacting urban real estate

Realty developers' body the National Real Estate Development Council (NAREDCO) has urged the government to resolve regulatory challenges that hinder real estate development in major cities like Mumbai, Chennai, and Kolkata. In bid to help resolve the issue, the developers' body has made certain recommendations that were discussed during a recent meeting with a Joint Working Group, which included an Expert Committee led by Fali Major, NAREDCO said in a release.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/naredco-seeks-govt-action-on-aviation-constraints-impacting-urban-real-estate/articleshow/113265315.cms>

Bilateral flying rights talks set to take off

India is set to commence talks with "some countries" on expansion of bilateral flying rights, civil aviation minister Ram Mohan Naidu told ET. He said Indian carriers' interests will be given priority in any such discussion. People familiar with the matter said the countries included Singapore and Vietnam. Expansion of bilateral rights has been a contentious issue, with the Narendra Modi government resisting calls to give more access to foreign carriers since it first took charge in 2014. This, the government said, is aimed at protecting homegrown airlines, which don't have enough exposure on international routes and would easily be eclipsed by bigger global rivals.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/bilateral-flying-rights-talks-set-to-take-off/articleshow/113270091.cms>

Telecom

Trai, DoT jointly disconnect over 10 million mobile phone connection

Telecom regulator Trai and the Department of Telecom have jointly disconnected over 10 mn mobile connections to check pesky callers and fraudsters, according to an official statement. The Department of Telecom has blocked 227,000 mobile handsets for their involvement in cybercrime and financial fraud. "Till date, more than 10 mn fraudulent mobile connections have been disconnected with the help of Sancharsaathi. Further, 227,000 mobile handsets have been blocked for involvement in cybercrime /financial frauds," the statement said.

https://www.business-standard.com/industry/news/trai-dot-jointly-disconnect-over-10-million-mobile-phone-connection-124091101496_1.html

India to connect 25,000 remote villages with telecom services by mid-2025

Around 25,000 villages – currently without telecom and mobile internet connectivity – will be brought on-stream by mid-2025 to ensure full “saturation” in the country, Jyotiraditya Scindia, Union Telecom Minister, said on Wednesday. Also on course are plans to roll out India’s first Indigenous 4G stack “by the middle of next year”, which will allow state-run BSNL to introduce 4G services.

<https://www.thehindubusinessline.com/info-tech/india-to-connect-25000-remote-villages-with-telecom-services-by-mid-2025/article68630452.ece>

Healthcare

Indian pharmaceutical market registers over 6% growth in August 2024

Despite a negative unit growth of -1.7 per cent, the Indian pharmaceutical market (IPM) grew by 6.3 per cent in August, with major therapies showing positive value growth, according to a market research report. Among them, cardiac, antimalarial, and gastrointestinal therapies saw nearly double-digit value growth of 9.7 per cent, 9.7 per cent, and 8.7 per cent, respectively, driving the overall IPM growth, the report by market research firm Pharmarack said.

https://www.business-standard.com/industry/news/indian-pharmaceutical-market-registers-over-6-growth-in-august-2024-124091101151_1.html

External

Trade Connect e-Platform aims to raise India's exports market share: Goyal

Union Commerce and Industry Minister Piyush Goyal on Wednesday launched a new trade portal to provide real-time trade-related information to existing and aspiring exporters and exuded confidence that it will help India improve its global market share. Labelling the initiative as FAST (Futuristic, Accessible, Single window, Transformational), Goyal said the Trade Connect e-Platform will not only benefit the large exporters but also aid the growth journey of small entrepreneurs, micro, small and medium enterprises (MSMEs) and Farmer Producer Organisations (FPOs).

https://www.business-standard.com/economy/news/trade-connect-e-platform-aims-to-raise-india-s-exports-market-share-goyal-124091101354_1.html

Govt aims to boost fishery sector by taking exports to Rs 1 trn per year

Union Minister Rajiv Ranjan Singh on Wednesday said the government is focusing on increasing annual seafood exports to Rs 1 trillion from around Rs 60,000 crore last fiscal and will also take measures to strengthen the foundation of the fishery sector over the next five years. Singh, who is Union Minister for Fisheries, Animal Husbandry & Dairying, was addressing an event to mark the 4th Anniversary of Pradhan Mantri Matsya Sampada Yojna (PMMSY) here.

https://www.business-standard.com/industry/news/govt-aims-to-boost-fishery-sector-by-taking-exports-to-rs-1-trn-per-year-124091100950_1.html

India-UAE IMEEC gets a leg up during Abu Dhabi Crown Prince visit

The launch of work on the India-UAE virtual trade corridor (VTC) and MAITRI interface on Tuesday will facilitate VTC under the framework agreement between India and the UAE on the India-Middle East-Europe Economic Corridor (IMEEC). The Virtual Trade Corridor (VTC) will be an integral part of IMEEC. Benefits of VTC include reduction of administrative processes and time, reduction of logistics and transport costs, and enhancing ease of doing business.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-uae-imeec-gets-a-leg-up-during-abu-dhabi-crown-prince-visit/articleshow/113268215.cms>

India, US work for critical minerals self-reliance, supply chains

India and the US are working together towards becoming self-reliant in critical minerals, strengthening supply chains and adopting cutting-edge technologies, commerce and industry minister Piyush Goyal said Wednesday, adding that he will visit Washington early next month for the India-US CEO Forum.

“With both of us suffering a common source of concern.. common concern C...(there is) lots to be done. We have a lot to offer, you have a lot to offer,” he said at the US-India Business Council’s (USIBC) 49th Annual General Meeting. He said that India and US share one of the most strategic and consequential relationship with shared interests in bilateral and geopolitical issues.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-us-work-for-critical-minerals-self-reliance-supply-chains/articleshow/113266908.cms>

India to impose up to 30% tariffs on some steel imports from China, Vietnam

India will impose tariffs of between 12% and 30% on some steel products imported from China and Vietnam in a bid to safeguard and boost local industry, an Indian finance ministry order showed. Welded stainless steel pipes and tubes exported by China, the world's largest producer of steel, and Vietnam, will be taxed for the next five years, the order from New Delhi issued on Sept. 10 showed. Ties between the world's two most populous nations have been strained since their militaries clashed on their disputed Himalayan border in 2020, prompting New Delhi to tighten scrutiny of Chinese investments and halt major projects.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-to-impose-up-to-30-tariffs-on-some-steel-imports-from-china-vietnam/articleshow/113263234.cms>