



September 18, 2024 – Wednesday

## Economy

### Wholesale inflation cools to 4-mth low in Aug

India's wholesale inflation in August fell to a four-month low of 1.31%, driven by lower inflation in manufactured products and food items. The Wholesale Price Index rose 2.04% in July.

<https://economictimes.indiatimes.com/news/economy/indicators/wholesale-inflation-cools-to-4-mth-low-in-aug/articleshow/113436617.cms>

### Ecomm hubs to connect SME exporters to world in works

India is developing ecommerce export hubs (ECEH) to connect small and medium enterprise (SME) exporters to the world, officials said, adding the country is aiming to achieve the organic exports target of over \$1 billion in 2025-26 and planning to focus on 12 "champion" sectors more cohesively to push services sector exports. "These hubs will require a regulatory framework. We are starting a pilot project based on expressions of interest. After that, it will be launched in major cities which are close to airports," commerce secretary Sunil Barthwal said.

<https://economictimes.indiatimes.com/news/economy/policy/ecommerce-hubs-to-connect-sme-exporters-to-world-in-works/articleshow/113436771.cms>

### Labour ministry to move Cabinet note on ELI schemes, says Union Minister Mandaviya

Labour and employment minister Mansukh Mandaviya on Tuesday said his ministry will soon move a Cabinet note on the employment-linked incentive (ELI) scheme that was announced in the budget. "The ministry is finalising a Cabinet note on the ELI scheme and it will be soon placed before the Cabinet for approval," Mandaviya said while briefing the media on the work done by the ministry in the first 100 days of the Modi 3.0 government.

<https://economictimes.indiatimes.com/news/economy/policy/labour-ministry-to-move-cabinet-note-on-eli-schemes-says-union-minister-mandaviya/articleshow/113431817.cms>

### Southern states steal the show in GDP contribution

A paper by the Economic Advisory Council to the Prime Minister (EAC-PM), released Tuesday, said Southern states had significantly outpaced others in the post liberalisation period in terms of their share in India's GDP and relative per capita income, while expressing concern at the performance of eastern states.

<https://economictimes.indiatimes.com/news/economy/indicators/southern-states-steal-the-show-in-gdp-contribution/articleshow/113435787.cms>

## Finance

### Rescues for large defaulters may strike an informal note

The Centre would soon put in place a creditor-led insolvency resolution mechanism, largely involving out-of-court arrangements for even big loan default accounts, to ease the bankruptcy court burden and quicken recoveries for lenders, people aware of the development told ET.

<https://economictimes.indiatimes.com/news/economy/policy/rescues-for-large-defaulters-may-strike-an-informal-note/articleshow/113436665.cms>

### **NFRA issues revised audit standards to address deficient quality**

The National Financial Reporting Authority (NFRA) on Tuesday brought out revised Standards on Auditing 600 (SA) to match the International Standards on Auditing (ISA 600). This is for public consultation to address “the severely deficient quality and serious lack of due diligence” found in group audits in India. The revised standards have been proposed by NFRA for audits of listed companies and public interest entities, except public sector enterprises, public sector insurance entities, public sector banks and their branches.

[https://www.business-standard.com/finance/news/nfra-issues-revised-audit-standards-for-public-input-to-align-with-isa-600-124091700992\\_1.html](https://www.business-standard.com/finance/news/nfra-issues-revised-audit-standards-for-public-input-to-align-with-isa-600-124091700992_1.html)

## **Industry**

### **'Electronics production must grow at 22% to hit \$500 billion target'**

Electronics production in India will need to grow at an annual growth rate of 20-22 per cent to reach the \$500 billion target by 2030, said Pankaj Mohindroo, chairman, India Cellular and Electronics Association (ICEA). India's total electronics production for the year stood at \$115 billion in FY24, of which around \$52 billion was mobile phones, according to ICEA estimates. The electronics industry body is working on a detailed action plan towards achieving the target, said Mohindroo, and a presentation is likely to be made before the finance minister and the Prime Minister's Office by the end of this month.

[https://www.business-standard.com/industry/news/electronics-industry-plans-strategy-to-meet-pm-s-500-bn-production-goal-124091701098\\_1.html](https://www.business-standard.com/industry/news/electronics-industry-plans-strategy-to-meet-pm-s-500-bn-production-goal-124091701098_1.html)

### **Export share of manufacturing companies' sales nears a record low**

The share of exports in the sales of manufacturing companies has dropped by nearly two-thirds over a ten-year period ended financial year 2022-23 (FY23). The numbers so far for FY24 suggest it might have fallen further. Exports accounted for over 18 per cent of manufacturing sales in FY13, but this figure dropped to 6.8 per cent in FY23, and stands at just 1.8 per cent so far for FY24, according to data from the Centre for Monitoring Indian Economy (CMIE).

[https://www.business-standard.com/economy/news/export-share-of-manufacturing-companies-sales-nears-a-record-low-124091701365\\_1.html](https://www.business-standard.com/economy/news/export-share-of-manufacturing-companies-sales-nears-a-record-low-124091701365_1.html)

### **Sharp import duty hike likely to impact margins of consumer majors**

A sharp import duty hike on edible oils -- palm, sunflower, and soy -- will significantly impact FMCG businesses. The hike is to the tune of 22 per cent. The duty has been raised from 5.5 per cent on crude oils to 27.5 per cent while that for refined oils is up from 13.75 per cent to 35.75 per cent. Around 95 per cent of palm and sunflower oil requirements are imported and around 70 per cent of soybean oil is also imported. Overall, India meets 60-70 per cent of its vegetable oil demand through imports. Palm, sunflower and soybean oils make up 25 per cent, 19 per cent and 23 per cent of edible oil consumption by value. Palm oil constitutes about 55-60 per cent of edible oil imports by value and volume.

[https://www.business-standard.com/markets/stock-market-news/sharp-import-duty-hike-likely-to-impact-margins-of-consumer-majors-124091701126\\_1.html](https://www.business-standard.com/markets/stock-market-news/sharp-import-duty-hike-likely-to-impact-margins-of-consumer-majors-124091701126_1.html)

### **Food ministry urges edible oil industry not to raise prices**

The food ministry on Tuesday urged the edible oil companies to maintain the current prices of cooking oils until there is availability of imported oil at lower import duty. According to official estimates, there is close to 3 million tonne (MT) of stock of edible oils imported at lower duty which is sufficient for 45 to 50 days domestic consumption.

<https://www.financialexpress.com/business/industry-food-ministry-urges-edible-oil-industry-not-to-raise-prices-3613853/>

## **Agriculture**

### **Kharif sowing up 2.2% on year, harvest-season rains may impact yield**

As sowing of kharif crops has crossed last five year's average, the overall sown area is marginally above last year's but concern over the excess rainfall in many pockets in western and southern regions could impact the crop yield

reports FE. At 109.66 million hectare, kharif sowing of paddy, pulses, oilseeds, coarse cereals, cotton and sugarcane was up 2.2% on year, according to data released by the agriculture ministry as on September 13.

<https://www.financialexpress.com/policy/economy-kharif-sowing-up-2-2-on-year-harvest-season-rains-may-impact-yield-3613830/>

### **Global Inc comes shopping for farm fresh green cred**

Microsoft, HSBC, JP Morgan, and Amazon are among multinationals getting a helping hand from Indian farmers for reducing their carbon footprint. These global giants are procuring carbon credits from farmers and agricultural companies in the country to compensate for their carbon emissions and achieve net-zero goals, according to company executives and farmers. When a company buys a carbon credit, it generates approval for generating a tonne of greenhouse gas.

<https://economictimes.indiatimes.com/news/economy/agriculture/global-inc-comes-shopping-for-farm-fresh-green-cred/articleshow/113436810.cms>

### **Drop in tea production this year leads to 13% price rise**

With a drop in tea production this year, the industry has seen a rise in price realization of around 13% for the Assam and West Bengal teas. However, this price rise is not commensurate with the loss of production the industry already had, said Sandeep Singhania, president of the Tea Association of India.

<https://economictimes.indiatimes.com/news/economy/agriculture/drop-in-tea-production-this-year-leads-to-13-price-rise/articleshow/113423709.cms>

## **Energy**

### **Government scraps windfall tax on crude oil**

The government of India on Tuesday announced the scrapping of windfall tax on crude oil from Rs 1,850 per tonne. This will be effective from September 18, said a government notification. India had imposed windfall tax since July 19, 2022. This is the second time since the tax was imposed that it is reduced to nil. Last time on April 4, 2023, the centre had reduced it to zero.

<https://economictimes.indiatimes.com/news/economy/policy/india-scraps-windfall-tax-on-crude-oil/articleshow/113434704.cms>

### **India will contribute to 35% of global energy demand in 2 decades: Puri**

Over the next two decades, India will contribute to 35 per cent of the global increase in energy demand, Indian Minister Hardeep Puri said here on Tuesday at a multinational conference held to deliberate on the world's energy needs. The 52nd Gastech Exhibition & Conference kicked off Tuesday with strategic insights from the world's five leading energy ministers, including India's, at the George R Brown Convention Center.

[https://www.business-standard.com/india-news/india-will-contribute-to-35-of-global-energy-demand-in-2-decades-puri-124091800084\\_1.html](https://www.business-standard.com/india-news/india-will-contribute-to-35-of-global-energy-demand-in-2-decades-puri-124091800084_1.html)

## **Telecom**

### **PM-WANI rule changes seen to give big boost to Wi-Fi hotspots, create lakhs of micro-entrepreneurs**

The amendments to the PM-WANI framework guidelines will encourage more individuals to run Wi-Fi hotspots within their local community, thus creating lakhs of micro-entrepreneurs in India, Broadband India Forum (BIF) said Tuesday. BIF, which represents technology firms like Meta, Google, Amazon, TCS etc, also refuted the arguments given by telcos that PM-WANI was redundant, and it can cause revenue loss. "If India were to establish 50 million PM-WANI hotspots, as targeted, telcos could gain an additional Rs 60,000 crore in revenue annually from bandwidth sales in addition to the benefit they will get by having more broadband users, which they might not reach otherwise," BIF said in a statement.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/pm-wani-rule-changes-seen-to-give-big-boost-to-wi-fi-hotspots-create-lakhs-of-micro-entrepreneurs/articleshow/113432819.cms>

## **States**

### **Kalaburagi to be developed into smart city with Rs 1,685 cr investment: Karnataka CM Siddaramaiah**

Karnataka Chief Minister Siddaramaiah on Tuesday said the state government is planning to develop Kalaburagi into a smart city with an estimated investment of Rs 1,685 crore, which will improve the quality of life for its residents and attract investment in backward districts. Under the Mahatma Gandhi Nagar Vikas Yojana 2.0, Rs 200 crore each is being provided for basic infrastructure development in Kalaburagi and Ballari municipal corporations, he said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/kalaburagi-to-be-developed-into-smart-city-with-rs-1685-cr-investment-karnataka-cm-siddaramaiah/articleshow/113416139.cms>

### **External**

### **Trade gap hits 10-month high in August; Exports shrink by 9.3%**

India's trade gap ballooned to a 10-month high of \$29.65 billion in August as muted global demand and geopolitical challenges led to a 9.3% contraction in exports while imports, fuelled by record gold demand at \$10 billion, surged to an all-time high. Exports stood at \$34.7 billion, while imports grew 3.3% to \$64.4 billion in August, official data published Tuesday showed.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/trade-gap-hits-10-month-high-in-august-exports-shrink-by-9-3/articleshow/113436598.cms>

### **India's imports from China up 15.55 pc; exports dip 22.44 pc in Aug**

India's exports to China dipped by 22.44 per cent to USD 1 billion, while imports rose by 15.55 per cent to USD 10.8 billion in August, according to the commerce ministry data. Cumulatively, in the April-August period this fiscal, exports to the neighbouring country dipped by 8.3 per cent to USD 5.8 billion while imports grew 10.96 per cent to USD 46.65 billion, leaving a trade deficit of USD 35.85 billion, the data showed.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-imports-from-china-up-15-55-pc-exports-dip-22-44-pc-in-aug/articleshow/113432038.cms>

### **Red Sea crisis, logistical challenges impacting India's exports: Experts**

The Red sea crisis and logistical challenges have severely impacted the country's exports in August, which contracted 9.3 per cent, according to exporters and experts. Think tank GTRI said the contraction of petroleum product exports' by 37.56 per cent to USD 5.95 billion in August is linked to the ongoing disruptions in the Red Sea. "This dramatic decline has significantly impacted India's overall merchandise trade, leading to a 9.33 per cent reduction in August 2024 compared to the previous year," Global Trade Research Initiative (GTRI) Founder Ajay Srivastava said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/red-sea-crisis-logistical-challenges-impacting-indias-exports-experts/articleshow/113432674.cms>

### **India, UK may hold next round of talks on proposed trade agreement in Oct**

India and the UK are expected to hold the next round of talks for a proposed free trade agreement in October to resolve the pending issues and close the negotiations, a senior official said on Tuesday. Commerce Secretary Sunil Barthwal said the officials of the UK are briefing their new ministers about the proposed free trade agreement (FTA). "The briefings are going on in the UK...they are briefing their new ministers and based on that, the negotiations will start. We are hoping that in October, the negotiations should resume," Barthwal told reporters here.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-uk-may-hold-next-round-of-talks-on-proposed-trade-agreement-in-oct/articleshow/113428580.cms>