



September 19, 2024 – Thursday

Economy

Plan afoot for dedicated scheme under Social Security Code: Labour Secy

The Centre will put in place a social security policy for gig workers within a few months, labour and employment secretary Sumita Dawra said Wednesday. "The gig and platform economy is set to expand exponentially. We estimate that the number of gig workers in India will surge to 23 million by 2030, up from 7.7 million in 2020," she said.

<https://economictimes.indiatimes.com/news/economy/policy/plan-afoot-for-dedicated-scheme-under-social-security-code-labour-secy/articleshow/113468664.cms>

Middle-income trap biggest threat to growth: Niti CEO

India's ambition to become the third-largest economy by 2026-27 necessitates a cohesive grand strategy including prioritising the resolution of the middle-income trap as a critical challenge to our long-term aspirations, Niti Aayog CEO BVR Subrahmanyam said. "The middle-income trap is the biggest threat to India's growth," Subrahmanyam said, adding that the government and its think tank NITI Aayog need to work together to formulate an economic growth strategy to avoid such a trap.

<https://economictimes.indiatimes.com/news/economy/indicators/middle-income-trap-biggest-threat-to-growth-niti-ceo/articleshow/113468570.cms>

Finance

RBI's draft LCR norms could hit lending: Banks to FinMin

Banks have given feedback to the finance ministry about changes proposed by the Reserve Bank of India on a key liquidity ratio, with lenders expressing concern about the impact the new norms could have on their ability to drive credit in the economy. "The finance ministry's DFS had reached out to banks recently asking for feedback on the draft liquidity coverage ratio (LCR) circular and they (DFS or department of financial services) are likely to soon communicate with the RBI on the issue too," a source aware of the developments told ET.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbis-draft-lcr-norms-could-hit-lending-banks-to-finmin/articleshow/113468348.cms>

Advance tax collection for H1 swells 22.6% to Rs 4.36 lakh crore

The government's advance tax collections rose 22.61% to ₹4.36 lakh crore in the first half of the current financial year (April- September 15), signalling a strong corporate performance and robust economy, official data released on Wednesday showed. This includes advance corporate tax of ₹3,31 lakh crore and advance personal tax of ₹1,04 lakh crore. The advanced tax collections in the corresponding period last year stood at ₹3.55 lakh crore.

<https://economictimes.indiatimes.com/news/economy/finance/advance-tax-collection-for-h1-swells-22-6-to-rs-4-36-lakh-crore/articleshow/113468715.cms>

FY26 budget consultations to kick-off in October

The finance ministry has initiated the budget-making process for 2025-26. It will start pre-budget meetings in the second week of October, according to a circular issued by the ministry. Every year, the process formally starts with meetings with the ministries and departments. These will be chaired by expenditure secretary Manoj Govil. "The budget estimates (BE) for 2025-26 will be provisionally finalised after the completion of pre-budget meetings," the department of economic affairs (DEA) said in a circular dated September 17.

<https://economictimes.indiatimes.com/news/economy/policy/fy26-budget-consultations-to-kick-off-in-october/articleshow/113468544.cms>

Banks may face cash deficit on tax outgo

After experiencing two-and-a-half months of surplus liquidity conditions, the banking system witnessed a steep decline in excess cash early this week due to quarterly advance tax payments, and analysts expect upcoming GST payment to push liquidity to deficit mode. With banks' surplus liquidity dwindling sharply, rates in the overnight segment of money markets—a gauge of near-term cost of funds—have climbed.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-may-face-cash-deficit-on-tax-outgo/articleshow/113467884.cms>

Industry

Job losses, factory closures haunt India's diamond sector as trade shine fades

India's diamond sector is experiencing a major downturn, marked by significant declines in imports and exports over the past three years, according to the Global Trade Research Initiative (GTRI). This crisis has led to defaults, factory closures, and considerable job losses, particularly affecting workers in Gujarat. Export returns have increased, but the industry is struggling with a large inventory of unprocessed rough diamonds. This surplus is due to fewer orders and increased competition from lab-grown diamonds.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/job-losses-factory-closures-haunt-indias-diamond-sector-as-trade-shine-fades/articleshow/113450081.cms>

Industry seeks 5 year extension of mobile phone PLI; govt asks them to design locally

With the smartphone production-linked incentive (PLI) scheme clicking with both manufacturing and exports achieving scale, the government now wants device makers to focus on the design aspect of mobile phones as well to increase the local value addition. The industry on its part, has urged the government to consider extending the PLI by five years once its current five year tenure ends in 2026. Analysts said that it seems even if the government considers the industry's demand favourably, it would come with some riders.

<https://www.financialexpress.com/business/industry-industry-seeks-5-year-extension-of-mobile-phone-pli-govt-asks-them-to-design-locally-3614879/>

Food delivery platforms charge 11% premium

Consumers pay an average 11% premium when using popular food delivery apps over direct restaurant ordering, according to a study conducted by Mavericks. The report, which analysed pricing data from over 50 restaurants on Swiggy, Zomato, and Magic Pin, alongside restaurants' own delivery channels, including base price, delivery fees, GST, packaging charges, and additional surcharges, as of August 21, found that while the base price premium on aggregator platforms amounts to only 1.6%, additional costs such as delivery fees, packaging charges, and platform-specific fees contribute to 11% overall price increase. These platforms impose additional platform fees ranging from Rs 5.38 to Rs 7, which are absent when ordering directly from restaurants.

<https://www.financialexpress.com/business/industry-food-delivery-platforms-charge-11-premium-3614973/>

Agriculture

Union Cabinet approves subsidy worth ₹24,475 crore on nutrient-based fertilizers

The Union Cabinet on Wednesday greenlit a substantial allocation of ₹24,475 crore for nutrient-based subsidies on fertilizers, specifically phosphatic and potassic varieties, to support farmers during the upcoming rabi season. Information and Broadcasting Minister Ashwini Vaishnaw announced that these subsidised rates will be effective from October 1, 2024, through March 31, 2025.

<https://economictimes.indiatimes.com/news/economy/agriculture/union-cabinet-approves-subsidy-worth-24475-crore-on-nutrient-based-fertilizers/articleshow/113459003.cms>

'Food prices won't see festival season spike': Food secretary Sanjeev Chopra

Prices of major agricultural commodities such as wheat, rice, edible oil and sugar will not see a sharp increase in this festive season, food secretary Sanjeev Chopra said on Wednesday, adding that the government will partially restore the distribution of 3.5 million tonnes of wheat under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) which it had replaced with rice in the past two years due to lower production.

He also said that the proposal for easing restrictions on export of white rice and parboiled rice is under consideration and that a decision will come at an appropriate time.

<https://economictimes.indiatimes.com/news/economy/indicators/food-prices-wont-see-festival-season-spike-food-secretary-sanjeev-chopra/articleshow/113467185.cms>

Government allocates ₹35,000 crore for PM-AASHA to support farmers and stabilize prices

The Cabinet on Wednesday approved continuation of the Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA) with an allocation of ₹35,000 crore, to be used for the procurement of agriculture commodities such as pulses, oilseeds and copra at minimum support prices. It has also approved the allocation of ₹24,475 crore to subsidise NPK fertilisers for the rabi season.

<https://economictimes.indiatimes.com/news/economy/agriculture/government-allocates-35000-crore-for-pm-aasha-to-support-farmers-and-stabilize-prices/articleshow/113457797.cms>

Telecom

'Mobile towers' redefined in right of way guidelines

The telecom department has overhauled the definition of "mobile tower" in its new notification of right of way (RoW) rules released Wednesday. Experts said the move will likely relieve the telecom tower companies from attracting property tax. This marks a victory for the telecom tower industry which had been for long urging the government to separate India's 8 lakh telecom towers from the property they are erected on.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/mobile-towers-redefined-in-right-of-way-guidelines/articleshow/113468434.cms>

Trai moots single authorisation for all telecom services

The Telecom Regulatory Authority of India (Trai) has also suggested one authorisation for satellite telecommunication, merging the VSAT and Global Mobile Personal Communications by Satellite (GMPCS) licences. As per the proposal, a unified authorisation will enable an entity to offer all kinds of telecom services including mobile, internet, landline, national long distance (NLD), international long distance (ILD), satellite, machine-to-machine (M2M), etc across the country.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/trai-moots-single-authorisation-for-all-telecom-services/articleshow/113467881.cms>

Telcos-ISPs, tech cos blow hot & cold over Wi-Fi hotspot plan

Another big fight is brewing, with telecom and internet service providers (ISP) on one side and tech companies on the other, over the government's Wi-Fi hotspot initiative under the PM-Wani framework.

The recent draft tariff order by the Telecom Regulatory Authority of India (Trai) and a Department of Telecommunication (DoT) notification to spur adoption of the floundering PM-Wani initiative have triggered a sharp reaction from telcos and ISPs.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/telcos-isps-tech-cos-blow-hot-cold-over-wi-fi-hotspot-plan/articleshow/113468355.cms>

Healthcare

Cabinet approves 'Bio-RIDE' scheme to support cutting-edge research, development in Biotechnology

The Union Cabinet, chaired by Prime Minister Narendra Modi, on Wednesday approved the continuation of the two umbrella schemes of the Department of Biotechnology (DBT), merged as one scheme- 'Biotechnology Research Innovation and Entrepreneurship Development (Bio- RIDE)' with a new component namely Biomanufacturing and Biofoundry. As per an official release, the scheme has three broad components including Biotechnology Research and Development (R&D), Industrial & Entrepreneurship Development (I&ED), and Biomanufacturing and Biofoundry. <https://economictimes.indiatimes.com/industry/healthcare/biotech/cabinet-approves-bio-ride-scheme-to-support-cutting-edge-research-development-in-biotechnology/articleshow/113459285.cms>

States

Odisha govt okays Rs 45K cr investment proposals, promises 36K employment

The Odisha government has approved 12 key industrial projects during the 36th High-Level Clearance Authority (HLCA) meeting chaired by Odisha Chief Minister Mohan Charan Majhi. The state government sanctioned a total investment of Rs 39,271.50 crore, expected to generate employment opportunities for 17,098 individuals across various sectors, according to a press release from CMO. CM Manjhi had set a target of attracting industrial investments to the tune of Rs 2.5 lakh crores in the coming 5 years. However, in the first 100 days of the new government, 90 per cent of the annual target has been achieved, i.e. investment of Rs. 44,682.92 Cr have already been approved generating employment opportunities for 36,462 persons, including today's proposals and the ones approved in the State Level Single Window Authority meeting held in the month of July, the release said.

https://www.business-standard.com/india-news/odisha-govt-okays-rs-45k-cr-investment-proposals-promises-36k-employment-124091900069_1.html

Goa CM launches GURU plan to boost innovation in biotech, tech sectors

Goa Chief Minister Pramod Sawant on Wednesday inaugurated the Goa University Research Park Unit (GURU) initiative under the UniGoa Knowledge and Innovation Foundation and distributed the sanction letters to teams under the Hand Holding and Start-Up Scheme 2023-24. Taking to social media platform X, Sawant informed that the GURU initiative had provided an investment of Rs 12.85 crore to establish state-of-the-art facilities and equipment to support young innovators.

https://www.business-standard.com/india-news/goa-cm-launches-guru-plan-to-boost-innovation-in-biotech-tech-sectors-124091801654_1.html

Kerala aiming to become a hub for high-tech manufacturing in 10 to 15 years

Kerala is positioned to become the hub for high-tech manufacturing and the knowledge industry in India in 10 to 15 years. According to P Rajeeve, Minister of Industries, Coir, and Law in Kerala, the State has received requests from over 100 companies that are currently waiting for land to set up their operations.

<https://www.thehindubusinessline.com/news/kerala-aiming-to-become-a-hub-for-high-tech-manufacturing-in-10-to-15-years/article68656369.ece>

External

Six WTO nations quiz India's export curbs on rice, wheat

Six countries, including the US, UK and Japan, have sought a response from India on when it plans to lift or ease its ban on export of non-basmati white rice, and whether it is considering replacing it with an export duty, an official told ET. At the World Trade Organisation (WTO), Japan has also sought details on India's electricity subsidy for farmers, according to the official, while Canada has asked whether New Delhi had considered the food security of importing countries at the time of imposing export restrictions on wheat.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/six-wto-nations-quiz-indias-export-curbs-on-rice-wheat/articleshow/113467766.cms>

Exports may cross \$825 billion this fiscal, says Commerce Minister Piyush Goyal

Commerce and industry minister Piyush Goyal Wednesday said that India's exports of goods and services are likely to cross \$825 billion despite global challenges and that his ministry is meeting shipping industry on Thursday to discuss container shortages, skyrocketing freight rates and ways to reduce the impact of the Red Sea crisis.

At an event organised by the Public Affair Foundation of India, he also said that there are plans to open offices in different countries including Singapore, Dubai, Saudi Arabia, possibly one in New York, Silicon Valley, and one in Zurich as part of the Indian government's outreach programme to handhold foreign investors.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/exports-may-cross-825-billion-this-fiscal-says-commerce-minister-piyush-goyal/articleshow/113467163.cms>

Govt mulling lifting ban on non-basmati rice export: Food Secretary

The government is mulling lifting the ban on export of certain varieties of non-basmati rice, Food Secretary Sanjeev Chopra said on Wednesday. "It (lifting of export ban on white rice) is also under consideration of the government. These things are dynamic and we will take an appropriate decision depending on the requirement and stocks available," Chopra told reporters.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/govt-mulling-lifting-ban-on-non-basmati-rice-export-food-secretary/articleshow/113460079.cms>

Large export returns, unprocessed inventory hit diamond trade: GTRI

Think tank Global Trade Research Initiative (GTRI) Wednesday said that export returns of diamonds have surged, a large inventory of unprocessed rough diamonds is piling up due to reduced orders and growing competition from lab-grown diamonds, and that Dubai's share in India's import of rough diamonds is increasing steadily though it doesn't produce the stone.

<https://economictimes.indiatimes.com/news/economy/indicators/large-export-returns-unprocessed-inventory-hit-diamond-trade-gtri/articleshow/113466776.cms>

India permits fresh areca nut imports without MIP condition from Bhutan

India has permitted import of fresh (green) areca nut without minimum import price condition from Bhutan through land customs stations (LCS) of Hatisar (Odisha) and Darranga (Assam) also, the directorate general of foreign trade (DGFT) said in a notification.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-permits-fresh-areca-nut-imports-without-mip-condition-from-bhutan/articleshow/113460824.cms>

Apple, mobile devices charge up 22% growth in electronics exports

Driven by mobile devices and Apple Inc's iPhone vendors, electronics exports grew by 21.8 per cent between April and August in 2024-25 (FY25) compared to the same period last year, reaching \$13.57 billion. This made electronics the fastest-growing commodity among the top 10 merchandise exports from the country.

https://www.business-standard.com/companies/news/apple-mobile-devices-charge-up-22-growth-in-electronics-exports-124091801269_1.html