



September 20, 2024 – Friday

Economy

Govt mulls change in base year for computation of GDP to 2022-23 from 2011-12

New Delhi, The government is considering to change the base year for computation of the GDP to 2022-23, from 2011-12 at present, to reflect an accurate picture of the economy, sources said on Thursday. This will be the first revision in over a decade. It was last done in 2011-12, they said. The Ministry of Statistics and Programme Implementation (MoSPI) is likely to make a suggestion for accepting 2022-23 as a base year to the Advisory Committee on National Accounts Statistics (ACNAS), they said.

<https://economictimes.indiatimes.com/news/economy/policy/govt-mulls-change-in-base-year-for-computation-of-gdp-to-2022-23-from-2011-12/articleshow/113495434.cms>

India to become third-largest economy by 2030-31, says S&P Global

India is set to become the world's third-largest economy by 2030–31, as per S&P Global India. The country is forecast to grow at an annual rate of 6.7 per cent. India emerged as the fastest-growing large economy, with gross domestic product (GDP) growth at the rate of 8.2 per cent in the financial year (FY) 2024, surpassing the government's earlier estimate of 7.3 per cent. Abhishek Tomar, head, S&P Global India Leadership Council, and chief data officer for S&P Global Market Intelligence, said, "India's medium-term prospects are healthy and filled with opportunities in multiple sectors, including trade, agriculture, and AI, likely structural reforms, and growing energy demands.

https://www.business-standard.com/economy/news/india-to-become-third-largest-economy-by-2030-31-says-s-p-global-124091901072_1.html

Finance

'One State, One RRB' policy gains momentum; may make debut in March 2025

The plan to consolidate regional rural banks (RRBs) under the 'One State, One RRB' policy has gained momentum. The Centre is bringing stakeholders on board and aims to complete the process by the end of FY25, according to a source familiar with the matter. "The work on 'One State, One RRB' is progressing rapidly, and we expect to complete it by the end of this financial year. This will co-occur across different states. We've already onboarded the states and regulators, including the Reserve Bank of India and the National Bank for Agriculture and Rural Development," said a senior official.

https://www.business-standard.com/industry/banking/one-state-one-rrb-policy-gains-momentum-may-make-debut-in-march-2025-124091900950_1.html

RBI to infuse Rs 25K cr via VRR as liquidity turns deficit after two months

Banking system liquidity fell into deficit mode on Tuesday after more than two months on the back of GST outflows and advanced tax payments, market participants said. The last time liquidity was in the deficit was on June 27. On Wednesday, the liquidity deficit stood at Rs 2,626 crore, according to the latest data by the Reserve Bank of India (RBI). Consequently, RBI announced on Thursday that it plans to conduct a 14-day variable rate repo (VRR) auction on Friday to infuse up to Rs 25,000 crore in the banking system.

https://www.business-standard.com/economy/news/rbi-to-conduct-vrr-as-liquidity-turns-deficit-after-over-two-months-124091901253_1.html

Banks take securitisation route for liquidity, lower credit deposit ratio

With banks finding it challenging to raise deposits amid strong loan offtake, they are taking the securitisation route to improve their liquidity position. Rating agency ICRA estimates Rs 45,000 crore to Rs 50,000 crore worth of securitisation and direct assignment deals in the July-Sep quarter (Q2FY25). Country's largest private lender HDFC Bank will securitise a pool of new car loans worth Rs 9,062 crore through three separate deals involving Pass Through Certificates (PTCs) with maturity between two and six years as a step to generate liquidity. The deal — one of the largest in recent times — will also help the lender to address the credit-deposit (CD) rate, which moved up over 100 per cent after it merged HDFC Ltd last year.

https://www.business-standard.com/finance/news/banks-take-securitisation-route-for-liquidity-lower-credit-deposit-ratio-124091901089_1.html

Industry

Wedding season to generate Rs 4.25 tn in expenditure in Nov-Dec: Report

With the wedding season fast approaching in India, the country is set to become the world's second-largest wedding market. The Confederation of All India Traders (CAIT) forecasts that between November and mid-December, approximately 3.5 million weddings will take place, driving a significant surge in spending. Weddings during this period are expected to generate a staggering Rs 4.25 trillion in expenditure, according to another calculation made in Prabhudas Lilladher's 'Band, Baaja, Baarat and Markets' report. This figure represents a significant increase from last year's 3.2 million weddings.

https://www.business-standard.com/industry/news/wedding-season-to-generate-rs-4-25-tn-in-expenditure-in-nov-dec-report-124091900944_1.html

Top Ministers meet with packaged food industry, discuss issues around ease of doing business, taxation

The government on Thursday held a round-table discussion with CEOs and representatives of leading packaged food companies over concerns surrounding the ease of doing business, GST rates, PLI scheme and other regulatory challenges. Over 100 senior executives and CXOs attended the closed-door meeting, which was chaired by Commerce Minister Piyush Goyal along with Minister of Food processing Industries Chirag Paswan on the sidelines of the World Food India 2024.

<https://www.thehindubusinessline.com/economy/top-ministers-meet-with-packaged-food-industry-discuss-issues-around-ease-of-doing-business-taxation/article68660641.ece>

Nasscom launches InnoTrek 2024, selects 35 Indian deeptech start-ups for global expansion

Nasscom has selected 35 Indian deeptech start-ups for its flagship InnoTrek programme. The aim is to connect these start-ups with global tech giants, investors, venture capitalists, and mentors, accelerating their growth and innovation.

<https://www.thehindubusinessline.com/info-tech/nasscom-launches-innotrek-2024-selects-35-indian-deeptech-start-ups-for-global-expansion/article68660298.ece>

Agriculture

2.5 million farmers added to PM-KISAN: Union agriculture minister Shivraj Singh Chouhan

The government has implemented several farmer-friendly policies in its first 100 days of the third term with focus on improving agricultural productivity, reducing cost of production, ensuring good prices for farmers' produce and compensation in case of damage and increasing usage of technology in farming practices, said union agriculture minister Shivraj Singh Chouhan on Thursday. The minister also said that he will be meeting farmers and farmer organisations every Tuesday in order to have better communication channels with them directly. Hinting at his willingness to meet agitating farmers at Shinghu border, he said that his doors were open for all farmers and farmer organisations who are looking at resolving issues by means of dialogue.

<https://economictimes.indiatimes.com/news/economy/agriculture/2-5-million-farmers-added-to-pm-kisan-union-agriculture-minister-shivraj-singh-chouhan/articleshow/113501386.cms>

Amit Shah launches 'White Revolution 2.0' to boost dairy sector

In a major push to transform India's dairy cooperative sector, Union Minister Amit Shah on Thursday unveiled 'White Revolution 2.0', a comprehensive initiative aimed at empowering women farmers and creating job opportunities. The programme focuses on four key areas - empowering women farmers, enhancing local milk production, strengthening dairy infrastructure, and boosting dairy exports. The programme is one of the three initiatives undertaken in the first 100 days of the Modi government's third term.

<https://economictimes.indiatimes.com/news/economy/agriculture/shah-launches-white-revolution-2-0-to-boost-dairy-sector/articleshow/113494116.cms>

Revenue growth of basmati industry to moderate to 4% this fiscal from 20% seen last fiscal, says Crisil

India's basmati industry will see revenue growth moderate to ~4% on-year this fiscal from a 20% seen last fiscal. Despite the moderation, revenue will touch an all-time high at nearly Rs 70,000 crore, driven by policy support such as removal of minimum export price (MEP) and rising demand in both domestic and international markets, said ratings agency Crisil in a media release.

<https://economictimes.indiatimes.com/news/economy/agriculture/revenue-growth-of-basmati-industry-to-moderate-to-4-this-fiscal-from-20-seen-last-fiscal-says-crisil/articleshow/113492393.cms>

Infrastructure

Logistics cost will be in single digits in 5 years: Nitin Gadkari

India's logistics cost will come down to single-digit within the next five years as the country builds a network of world-class highways and expressways, road transport and highways minister Nitin Gadkari said on Thursday. Addressing the 'Deloitte Government Summit', Gadkari said the ministry is constructing several highways and expressways which will help reduce India's logistics cost. "I am confident that within five years our logistics cost will be in single-digit," he said.

<https://economictimes.indiatimes.com/industry/transportation/roadways/logistics-cost-will-be-in-single-digits-in-5-years-nitin-gadkari/articleshow/113501223.cms>

Energy

Govt-owned refiners likely to ink Russian crude term deal by FY26

A joint front of State-owned refiners is discussing crude oil purchase from Russia under a term deal that may be sealed in the next financial year (FY26), petroleum ministry sources said. "The talks have been overtaken by a change in crude price. Now, the whole equation changes," one of the sources said, indicating the deal may reach completion in FY26. Crude oil from Russia is usually purchased on spot prices, while long-term contracts are usually reserved for crude from India's traditional import sources in the Middle East. Spot purchase allows refineries to secure different grades of oil, otherwise unavailable.

https://www.business-standard.com/economy/news/govt-owned-refiners-likely-to-ink-russian-crude-term-deal-by-fy26-124091901336_1.html

More investor-friendly reforms soon for oil & gas hunt

The government is expected to come out with the bids for oil and natural gas assets under the tenth round of Open Acreage Licencing Policy in the beginning of 2025, according to a senior official of the ministry. Moreover, the government expects the contracts for the upcoming round and the ongoing 9th round to be signed as per the reforms mentioned in the Oil (Regulations and Development) Amendment Bill, which is expected to be passed in the upcoming winter session of Parliament.

<https://www.financialexpress.com/business/industry-more-investor-friendly-reforms-soon-for-oil-amp-gas-hunt-3615908/>

Telecom

Telcos oppose 'service authorisation', see threat of regulatory uncertainty

India's top telecom operators decried the sector regulator's suggestion that the government grant service authorisation to companies offering communication services instead of entering into a contractual agreement, warning that such a move would ring in regulatory uncertainty and undermine investor confidence.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/telcos-oppose-service-authorisation-see-threat-of-regulatory-uncertainty/articleshow/113501996.cms>

External

India, S Korea share bill of lading electronically to promote trade: DGFT

India and South Korea have started sharing the bill of lading in an electronic transfer mode between the customs of both sides, a move that will help promote ease of doing business, a senior official said on Thursday. A bill of lading is a legal document that serves as a receipt, contract, and proof of ownership for shipped goods. Director General of Foreign Trade (DGFT) Santosh Kumar Sarangi said as and when the system becomes a norm for all the countries, there will be no requirement for physical submission of records.

https://www.business-standard.com/economy/news/india-s-korea-share-bill-of-lading-electronically-to-promote-trade-dgft-124091901171_1.html

Readymade garment exports rise 12% in Aug despite global challenges

The country's readymade garment exports (RMG) in August rose by about 12 per cent to \$1.26 billion despite global headwinds and challenges such as high logistic cost, according to the commerce ministry data. Cumulatively, RMG exports during the April-August period of 2024-25 grew by 7.12 per cent to \$6.39 billion. Apparel Export Promotion Council (AEPC) Chairman Sudhir Sekhri said that exports are keeping the growth momentum despite global headwinds, persisting Red Sea crisis and other challenges such as high logistic costs.

https://www.business-standard.com/industry/news/readymade-garment-exports-rise-12-in-aug-despite-global-challenges-124091900761_1.html

In export push, govt steps in to raise container capacity amid shortage

Concerned over the fallout of the Red Sea crisis and severe shortage of containers against the backdrop of a steep decline in merchandise exports in August, the Union government is pulling out all the stops to find a solution. To begin with, the government has devised a strategy aimed at boosting container supply and supporting exporters.

An inter-ministerial meeting chaired by trade minister Piyush Goyal, on Thursday, decided that the state-owned Shipping Corporation of India (SCI) will start operating a large container ship and purchase five additional second-hand container vessels apart from reducing loading and handling cost of empty containers by the Container Corporation of India (Concor). A simultaneous container scanning will also begin at Jawaharlal Nehru Port Authority (JNPA) for faster clearances and reduction in turnaround time.

https://www.business-standard.com/industry/news/in-export-push-govt-steps-in-to-raise-container-capacity-amid-shortage-124091801208_1.html

India to launch MAITRI middleware software for enhanced trade connectivity in IMEC countries

India is on-course to develop a "middleware software platform", for seamless data exchange between IMEC countries as part of the transcontinental connectivity project. Developed by the Ministry of Ports, Shipping and Waterways, the "beta version" or trials on the software will be ready over the next 6-8 months, Union Minister Sarbananda Sonowal told *businessline*.

<https://www.thehindubusinessline.com/news/india-to-launch-maitri-middleware-software-for-enhanced-trade-connectivity-in-imec-countries/article68660347.ece>