



September 23, 2024 – Monday

Economy

India likely to clock 7% growth in FY25 despite headwinds: Deloitte

India continues to be a bright spot in an otherwise gloomy global outlook and the country could clock a 7 per cent growth in the current fiscal despite the headwinds, Deloitte South Asia CEO Romal Shetty has said. Shetty, who is the youngest chief executive of a Big Four accounting and consultancy firm in India, said inflation is reasonably under control, there has been a pick-up in rural demand and vehicle sales are improving.

https://www.business-standard.com/economy/news/india-likely-to-clock-7-growth-in-fy25-despite-headwinds-deloitte-124092200340_1.html

Finance

FinMin, RBI to decide on borrowing for Oct-March this week; take a call on Sovereign Gold Bond

The Finance Ministry and Reserve Bank of India will take a call on the fate of Sovereign Gold Bonds (SGB) during the week, starting September 23. As of now, there is very distinct possibility of a fresh issuance of SGB during the current fiscal. The meeting will decide market borrowing for second half of the current fiscal starting October 1.

<https://www.thehindubusinessline.com/economy/finmin-rbi-to-decide-on-borrowing-for-oct-march-this-week-take-a-call-on-sovereign-gold-bond/article68670176.ece>

GoM on GST rate rationalisation to discuss slab, rate tweaks on Sep 25

The ministerial panel on GST rate rationalisation will meet on September 25 and is expected to discuss tweaking of tax slabs and rates. "The meeting of the GoM on rate rationalisation is scheduled for September 25 in Goa," an official told PTI. The six-member Group of Minister (GoM) under Bihar Deputy Chief Minister Samrat Chaudhary, last met on August 22 and had submitted a status report to the GST Council on September 9. During the August meeting, the panel had tasked the fitment committee comprising tax officers from the Centre and states to analyse the implication of tax rate change on some items and gather more data.

https://www.business-standard.com/finance/personal-finance/gom-on-gst-rate-rationalisation-to-discuss-slab-rate-tweaks-on-sep-25-124092200359_1.html

Finance Ministry urges DRTs, banks to expedite loan recovery processes

To address the backlog of cases, the finance ministry has advised debt recovery tribunals (DRTs) and banks to engage borrowers outside the tribunal process, according to a senior finance ministry official who spoke to Business Standard. "There are numerous small-ticket cases clogging DRTs, contributing to the pendency. We've advised both banks and DRTs to mobilise borrowers directly. For example, if a loan of Rs 30 lakh takes three to four years to recover, the time value of money diminishes. If a borrower is willing to settle, we can explore alternative dispute resolution mechanisms, such as Lok Adalats, where settlements can be reached. These settlements still fall under the DRT's jurisdiction, ensuring an official stamp of approval. This approach could help resolve many cases and ease the burden on DRTs by tackling small-value cases," the official said.

https://www.business-standard.com/industry/banking/finance-ministry-urges-drts-banks-to-expedite-loan-recovery-processes-124092100715_1.html

Majority say they will stop using UPI if transaction fee levied: Survey

Around 75 per cent UPI users will stop using it if any transaction charge is levied on the service, a survey by Localcircles said on Sunday. The survey found that 38 per cent of users make over 50 per cent of their payment transactions via UPI instead of debit, credit or any other form of digital transaction. "Only 22 per cent UPI users surveyed are willing to bear a transaction fee on payments, 75 per cent of respondents stated that they will stop using UPI if a transaction fee is introduced," the survey said.

https://www.business-standard.com/finance/news/majority-say-they-will-stop-using-upi-if-transaction-fee-levied-survey-124092200157_1.html

Insurance ombudsmen, short-staffed, struggle with rising case loads

The insurance ombudsman system is seeing an increase in complaints, especially in the health insurance segment which accounts for more than two-thirds of the grievances. At the same time, the system is facing challenges due to vacancies, with three ombudsman positions vacant and seven more expected to retire by October 2024.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/insurance-ombudsmen-short-staffed-struggle-with-rising-case-loads/articleshow/113577319.cms>

Industry

MCA grants five year dematerialisation breather for producer companies

In a significant move, the Corporate Affairs Ministry (MCA) has granted relief for "producer companies", extending the compliance window on mandatory dematerialisation of their existing shares.

<https://www.thehindubusinessline.com/economy/mca-grants-five-year-dematerialisation-breather-for-producer-companies/article68670928.ece>

FMCG sales surge: Rural demand, lower inflation, and festivities drive growth

Consumer goods firms are enjoying significantly higher sales growth this quarter than July-September 2023, buoyed by a normal monsoon, lower inflation and strong festive stocking, which indicates a reversal in the recent slowdown, industry executives said. Leading fast-moving consumer goods (FMCG) companies including Procter & Gamble, Parle Products and Amul confirmed a revival in value and volume sales amid a pick-up in rural demand.

<https://economictimes.indiatimes.com/industry/cons-products/fmcf/fmcf-sales-surge-rural-demand-lower-inflation-and-festivities-drive-growth/articleshow/113577683.cms>

Over a dozen food & beverage companies get notice over trademark usage

The Directorate General of Goods and Services Tax Intelligence (DGGI) has sent show cause notices to more than a dozen food and beverages companies over trademark usage by their franchises and outlets in states other than where they have their registered offices, officials in the know said.

<https://economictimes.indiatimes.com/industry/cons-products/food/over-a-dozen-food-beverage-companies-get-notice-over-trademark-usage/articleshow/113577357.cms>

Cement industry faces production cuts amidst continued weak demand, delayed project awards and extended monsoons

Cement-makers across North, Central and East India have cut back on production in Q2 (July - September), by 10 – 15 per cent, in view of persistent poor demand and stalled projects or delayed award of contracts, following extended monsoons. Price realisations continue to be weak and trade discounts are being offered to overcome slump, say sources. Market participants say, average clinker utilisation across plants are in the 70 - 75 per cent-odd range for the quarter, against "close to 80 per cent for April - June quarter".

<https://www.thehindubusinessline.com/companies/cement-industry-faces-production-cuts-amidst-continued-weak-demand-delayed-project-awards-and-extended-monsoons/article68670405.ece>

Balance privacy & AI innovation in DPDP rules: Global tech body urges govt

Global tech body Information Technology Industry Council (ITIC) has urged the Indian government to strike a balance between individual privacy and innovation in the country's yet to be notified rules under the Digital Personal Data Protection (DPDP) Act. ITIC, which represents 80 technology firms including giants like Apple, Amazon, Google, Dell, and Microsoft, also recommends the use of aggregated sensitive personal data to foster artificial intelligence (AI) driven innovation in India.

https://www.business-standard.com/industry/news/itic-urges-india-to-balance-privacy-and-ai-innovation-in-dpdp-rules-124092200484_1.html

Greenfield boom: Hotel investments in India return to pre-pandemic high

Greenfield hotel investments returned to pre-pandemic levels in the first half of 2024, with hotel chains “expanding aggressively” in Tier-2, 3 and 4 cities, according to recent data by HVS Anarock. “While brownfield developments became the preferred choice after the pandemic, driven by lower risk and faster completion timelines amid economic uncertainty, the focus is once again shifting back to greenfield projects,” said Mandeep S. Lamba, president and CEO, HVS Anarock.

https://www.business-standard.com/industry/news/greenfield-boom-hotel-investments-in-india-return-to-pre-pandemic-high-124092200443_1.html

Incentives, local support at state can boost biogas sect, says industry

Additional financial assistance, easy access to finance and local support mechanisms are some of the measures that the state governments can take to promote the biogas sector which can help them save Rs 50,000 crore in various means, Indian Biogas Association (IBA) has suggested. Talking to PTI in an interview, IBA Chairman Gaurav Kedia said, "States can bolster central initiatives for the sector by offering additional financial incentives, facilitating easy access to credit, and providing local support mechanisms." He stressed that involvement of state governments is critical to achieve the larger goal of self-reliance in energy.

https://www.business-standard.com/industry/news/incentives-local-support-at-state-can-boost-biogas-sect-says-industry-124092200153_1.html

Make-in-India spirits set focus on global expansion, premiumization

India and south Korea on Saturday discussed addressing the issue of non-tariff barriers being faced by Indian exporters in the Korean market and other related matters to achieve more balanced trade between the two. In the meeting between commerce and industry minister Piyush Goyal and minister of trade, industry and energy of Korea Inkyo Cheong, both sides also held discussions on upgrading the existing Comprehensive Economic Partnership Agreement (CEPA). The negotiations on expanding the pact are in progress.

<https://www.financialexpress.com/business/industry-india-south-korea-mull-ways-to-balance-trade-3618173/>

Luxury car buyers switch gears, go for top-end variants

Just the luxury tag doesn't excite buyers in India's market for high-end cars; they are increasingly looking for premiumness in what already is a highly discerning segment. At Mercedes-Benz India, vehicles priced upwards of ₹1.5 crore accounted for 25% of total sales so far this year, up from 15% two years earlier, said Santosh Iyer, chief executive of the local unit of the German luxury-vehicle maker. Meanwhile, the share of entry-level luxury cars, priced between ₹45 lakh and ₹60 lakh, declined 10 percentage points to 15%, with mid-range vehicles priced between ₹60 lakh and ₹1.5 crore comprising the remaining 60% of sales at the luxury-market leader.

<https://economictimes.indiatimes.com/industry/auto/cars-uvs/luxury-car-buyers-switch-gears-go-for-top-end-variants/articleshow/113576757.cms>

Infrastructure

18 mn sq ft mall retail space to be added to top 8 cities in 2024-27: C&W

Fresh supply of retail space in shopping malls during 2024-27 across eight major cities is expected to be 18 million sq ft, which is one-third of the projected requirement to meet the demand, according to Cushman & Wakefield (C&W). Real estate consultant C&W in its latest report pointed out that "India's Retail Space Per Capita (RSPC) lags behind other South Asian countries, including Indonesia, Philippines, Thailand, and Vietnam." This underlines vast potential for expansion of retail spaces, it added.

https://www.business-standard.com/industry/news/mall-retail-space-of-180-lakh-sq-ft-to-be-added-across-top-8-cities-in-2024-27-1-3rd-of-demand-c-w-124092200310_1.html

Institutional investors embrace early-stage housing projects as confidence grows

In the residential real estate sector, institutional investors are adopting a more diversified approach than before, shifting from a focus on late-stage, under-construction, and closer to completion projects to now include even early-stage investments. Investors now direct a significant portion of their investments toward such early-stage positions, demonstrating their belief in the potential for substantial growth and returns over time. This shift reflects a broader strategy and a deeper confidence in the sector's long-term prospects, experts said.

<https://economictimes.indiatimes.com/industry/services/property/-cstruction/investors-home-in-on-early-stage-housing-projects-to-diversify-play/articleshow/113577736.cms>

Energy

Coal import rises 41% to 25.23 MT in July, demand to be buoyant: mjunction

India's coal import rose by 40.56 per cent to 25.23 million tonne (MT) in July, according to data compiled by B2B e-commerce platform mjunction services. The country's coal import was 17.95 MT in the corresponding month of previous fiscal. Coal import also rose to 100.48 MT in the April-July period of the ongoing fiscal from 89.11 MT a year ago, it said. Mjunction MD & CEO Vinaya Varma said the import demand is likely to be buoyant in coming weeks, ahead of the festive season next month.

https://www.business-standard.com/industry/news/coal-import-rises-41-to-25-23-mt-in-july-demand-to-be-buoyant-mjunction-124092200129_1.html

Telecom

More innovative 5G use cases to emerge in various industries: Trai

Enhanced mobile broadband (eMBB) and 5G fixed wireless access (FWA) are the initial emerging use cases of 5G technology, while killer applications have also gradually started coming up in various industries, said regulators and industry executives. AK Lahoti, chairman of the Telecom Regulatory Authority of India (Trai), said more innovative 5G-driven use cases are expected to emerge in smart cities, smart industries, connected vehicles, and advanced and connected healthcare, among others, with the involvement of startups, entrepreneurs, and application providers.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/more-innovative-5g-use-cases-to-emerge-in-various-industries-traï/articleshow/113577312.cms>

Healthcare

PM Modi to inaugurate Penicillin-G plant in Andhra Pradesh, reviving India's antibiotic production

Prime Minister Narendra Modi is likely to inaugurate antibiotic Penicillin-G plant in Andhra Pradesh, three decades after the country's last plant shut down. Industry executives told ET that decks have been cleared for Hyderabad based Aurobindo Pharma to begin production of Penicillin G at their plant at Kakinada in AP.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/pm-modi-to-inaugurate-historic-penicillin-g-plant-in-andhra-pradesh-reviving-indias-antibiotic-production/articleshow/113564628.cms>

External

India signs IPEF's clean, fair economy agreement as PM Modi visits US

India on Sunday signed key agreements focused on clean and fair economy, as well as an overarching arrangement under the US-initiated Indo-Pacific Economic Framework (IPEF) for prosperity. The pacts were signed during Prime Minister Narendra Modi's three-day visit to the US for the Quad Summit. IPEF is a 14-member group launched by US President Joe Biden over two years ago with an aim to enhance the economic competitiveness and prosperity among the member countries. The framework is structured around four pillars – trade (pillar I), supply chain resilience (pillar II), clean economy (pillar III), and fair economy (pillar IV).

https://www.business-standard.com/economy/news/india-signs-ipef-s-clean-fair-economy-agreement-as-pm-modi-visits-us-124092200272_1.html

Indian steel firms under pressure from rising imports, drop in exports

Indian steel companies are facing challenges amid rising low-cost imports, limited export opportunities, seasonal weakness in demand, and unfair dumping by surplus countries like China. These issues weigh on steel prices and threaten to hit domestic manufacturing. According to market intelligence and price reporting firm, BigMint, hot-rolled coil (HRC) prices have decreased by Rs 1,000 per tonne, now ranging between Rs 47,000 and Rs 51,000 per tonne. HRC is a benchmark in flat steel.

https://www.business-standard.com/economy/news/rising-imports-drop-in-exports-show-up-on-steel-prices-124092200263_1.html

India, EU to begin next round of talks on free trade pact on Monday

Senior officials of India and the 27-nation European Union (EU) will commence the next round of talks for a proposed free trade agreement from Monday here, an official said. The agreement is aimed at further boosting bilateral trade and investments between the two regions. The two sides are negotiating a free trade agreement, an investment protection agreement and an agreement on geographical indications (GIs).

https://www.business-standard.com/economy/news/india-eu-to-begin-next-round-of-talks-on-free-trade-pact-on-monday-124092200427_1.html

Plan to open offices abroad to assist foreign investors looking to invest in India: Piyush Goyal

Commerce and Industry Minister Piyush Goyal on Sunday said there are plans to open offices in different countries in the coming months to hand-hold foreign investors looking at opportunities to invest in India. The first such office of Invest India -- the national agency to promote investments into the country -- was inaugurated by the minister in Singapore.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/plan-to-open-offices-abroad-to-assist-foreign-investors-looking-to-invest-in-india-piyush-goyal/articleshow/113573251.cms>

India, South Korea mull ways to balance trade

India and south Korea on Saturday discussed addressing the issue of non-tariff barriers being faced by Indian exporters in the Korean market and other related matters to achieve more balanced trade between the two. In the meeting between commerce and industry minister Piyush Goyal and minister of trade, industry and energy of Korea Inkyo Cheong, both sides also held discussions on upgrading the existing Comprehensive Economic Partnership Agreement (CEPA). The negotiations on expanding the pact are in progress.

<https://www.financialexpress.com/business/industry-india-south-korea-mull-ways-to-balance-trade-3618173/>

Piyush Goyal to discuss investment avenues in India with Australian industry leaders

Commerce and Industry Minister Piyush Goyal will meet Indian and Australian CEOs this week to discuss investment opportunities, an official statement said on Sunday. At the invitation of Don Farrell, the Minister of Trade and Tourism of Australia, Goyal will undertake a visit to Australia from September 23-25. The minister will co-chair the 19th India-Australia Joint Ministerial Commission meeting to be held in Adelaide on September 25, during which both sides will discuss ways to further elevate the bilateral economic engagement.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/piyush-goyal-to-discuss-investment-avenues-in-india-with-australian-industry-leaders/articleshow/113573253.cms>