



September 25, 2024 – Wednesday

Economy

Ease of business: 300 law points selected of which half can be decriminalised

The government has shortlisted 300 law points and sections which can be decriminalised through interministerial consultations, as it aims to reduce the compliance burden of half of them under Jan Vishwas 2.0 to give a further thrust to the manufacturing sector, commerce and industry minister Piyush Goyal said. With the Make in India initiative completing a decade on Wednesday, Goyal told ET that the programme was not built on any China-plus-one strategy, or Anywhere-but-China Policy but with a conviction to bring manufacturing to the country, provide jobs and entrepreneurial opportunities.

<https://economictimes.indiatimes.com/news/economy/policy/ease-of-business-300-law-points-selected-of-which-half-can-be-decriminalised/articleshow/113643472.cms>

Govt working to reduce extent of GDP revisions

The statistics ministry is working on reducing “drastic revisions” in the GDP numbers, through making changes in the method of its computation, an official source told FE. The aim is to make tweaks in the computation method by 2026 – when the new GDP series will be officially introduced, the source said. “We want minimum revision. Currently revisions are of the range of 40-50 basis points, we want this to be reduced,” the person said.

<https://www.financialexpress.com/policy/economy-govt-working-to-reduce-extent-of-gdp-revisions-3619568/>

Working-age Indian population rising; expected at around 64% in next census: SBI Research

The working-age population in India has witnessed an increasing trend since 1971 and is projected to reach 64.4 per cent in the soon-to-be exercised Census, as per a report by SBI Research. It will further increase to 65.2 per cent in 2031, the report asserted on Tuesday. The average annual growth is on a downward trajectory and is expected to decline from 2.20 per cent in 1971 to 1.00 per cent in 2024, putting the national population somewhere in the range of 138-142 crore in 2024, the SBI research said.

<https://economictimes.indiatimes.com/news/economy/indicators/working-age-indian-population-rising-expected-at-around-64-in-next-census-sbi-research/articleshow/113627705.cms>

CCI's latest merger overhaul may push deal timelines, increase filings

The latest combination regulations have transformed the current merger landscape in India, bringing within their purview a deal value threshold and criteria for substantial business operations in India in what experts have termed the “single largest overhaul of the Indian merger control regime.” While the amendments usher in some welcome changes for the industry, including shorter timelines for the assessment of combinations and the availability of hearings before the Competition Commission of India (CCI) upon request during the merger review process, many experts believe it may pose a hurdle for ongoing deals and increase the workload of the CCI.

https://www.business-standard.com/economy/news/cci-s-latest-merger-overhaul-may-push-deal-timelines-increase-filings-124092400773_1.html

S&P retains India's growth forecast at 6.8%; expects rate cut in October

S&P Global Ratings on Tuesday maintained India's growth forecast at 6.8 per cent while noting that the Reserve Bank of India (RBI) may cut interest rates in October. In its economic outlook for the Asia-Pacific region, S&P also retained its gross domestic product (GDP) growth forecast for the financial year 2025-26 (FY26) at 6.9 per cent. It noted that India's strong growth would help the RBI manage inflation.

https://www.business-standard.com/economy/news/s-p-retains-india-s-growth-forecast-at-6-8-expects-rate-cut-in-october-124092400219_1.html

Finance

Fortifying fundamentals key to navigating global uncertainties: RBI Guv

Strengthening core fundamentals is the best buffer against ongoing global uncertainties, Reserve Bank of India (RBI) governor Shaktikanta Das said in Kathmandu on Tuesday. Fundamentals, Das said, would include commitment to an inflation target, maintaining reserve buffers, and following prudent and forward looking policies. "The foremost lesson is that strengthening one's fundamentals is the best buffer against global spill overs in today's uncertain world. Fundamentals would include commitment to an inflation target, maintaining buffers in the form of reserves, and following a prudent and forward looking approach in financial sector policies. This approach, together with prudence in fiscal management, will go a long way in enhancing the resilience of EMEs (emerging market economies)," Das said in his address at Himalaya Shumsher Memorial, Nepal Rastra Bank (NRB).

https://www.business-standard.com/economy/news/fortifying-fundamentals-key-to-navigating-global-uncertainties-rbi-guv-124092400680_1.html

RBI's proposed LCR norms will curtail banks' lending to NBFCs further

Reserve Bank of India's (RBI's) proposed draft guidelines on the liquidity coverage ratio (LCR) under Basel-III norms, if implemented in the current form, is likely to make it more difficult for low-rated non-banking financial companies (NBFCs) to obtain cheaper credit from banks, said sources. The draft guidelines, which will come into effect from April next year, are expected to skew bank lending towards NBFCs with AAA or AA ratings.

<https://www.financialexpress.com/business/banking-finance-rbis-proposed-lcr-norms-will-curtail-banks-lending-to-nbfc-further-3619687/>

WACR climbs to 6.69% amid banking system liquidity deficit

The weighted average call rate, which indicates banks' overnight cost of borrowing, closed at 6.69% on Thursday, 19 basis point higher than the Reserve Bank of India's current repo rate of 6.50%, due to deficit liquidity conditions in the banking system, money market dealers said. The banking system liquidity, as measured by net injection of funds by the RBI, stood at a deficit of Rs. 33,447 crore, as of September 23, central bank data showed.

<https://economictimes.indiatimes.com/news/economy/finance/wacr-climbs-to-6-69-amid-banking-system-liquidity-deficit/articleshow/113642070.cms>

Land records digitisation key hurdle to implement ULI

Digitisation of land records may pose a hurdle in implementing the Unified Lending Interface, (ULI) sources said. The Reserve Bank of India is planning to launch ULI at a national level to transform the lending sector. "We are already in talks with fintechs which are testing ULI. And we are even checking it. I think digitisation of land records is going to be a major hurdle. It is a massive task and most states lag in converting land records into the digital form," said a senior official at a large non-banking financial company.

<https://www.financialexpress.com/business/banking-finance-land-records-digitisation-key-hurdle-to-implement-uli-3619629/>

Infra bond demand surges as default rates plummet

A sharp decline in default rates in the infrastructure sector has boosted investor confidence, driving strong demand for recent infrastructure bond issuances by banks. These bond issuances have received an overwhelming response from investors, with bids coming in several times higher than the issue size. According to data from the National Bank for Financing Infrastructure and Development (NaBFID), the default rate for investment-grade companies, which peaked at 4.5% in FY16, has steadily dropped to below 0.5% over the past three years.

<https://www.financialexpress.com/business/banking-finance-infra-bond-demand-surges-as-default-rates-plummet-3619556/>

Bid to promote green funding: Centre reviews proposals to promote transition finance

The government is examining recommendations to promote transition finance, aimed at helping high carbon-emitting industries fund their shift towards decarbonisation at lower interest rates. One of the suggestions made by stakeholders, including banks, is to create a specific fund set up by state-run financial institutions for lending and refinance to smaller and emerging companies, said people aware of the developments.

<https://economictimes.indiatimes.com/news/economy/finance/bid-to-promote-green-funding-centre-reviews-proposals-to-promote-transition-finance/articleshow/113643272.cms>

Slower deposit growth pushing banks towards fund raising from bonds: ICRA

The slower deposit growth will push banks to mop-up up to Rs 1.3 lakh crore from bond issuances in FY25, a report said on Tuesday. The bond issuances, coming amidst a continuing wedge between deposit and credit growth, will come between Rs 1.2-1.3 lakh crore and will be the highest ever for the system, the report said. Nearly 85 per cent of the bond issuances will be by public sector banks, the report by domestic rating agency ICRA said, adding that the higher appetite for infra bonds among such lenders will drive the market.

https://www.business-standard.com/markets/news/slower-deposit-growth-pushing-banks-towards-fund-raising-from-bonds-icra-124092400467_1.html

Industry

DoCA sets up committee to develop repairability index

The Department of Consumer Affairs (DoCA) on Tuesday said it has constituted a committee of experts to recommend a robust framework for Repairability Index. This step will help consumers to be able to choose and compare electronics products based on their repairability. The government said this will empower consumers and promote sustainable practices within the tech industry.

<https://www.thehindubusinessline.com/economy/doca-sets-up-committee-to-develop-repairability-index/article68678559.ece>

Organised apparel retailers to clock 8-10% revenue growth in FY25: Report

Festive and wedding season and increasing preference for fast fashion is expected to help the organised retail apparel sector log 8-10 per cent revenue growth this financial year, a report said on Tuesday. The organised retail apparel sector will clock a revenue growth of 8-10 per cent this fiscal riding on higher demand stemming from a normal monsoon, easing inflation, festive and wedding season and increasing preference for fast fashion, which is inexpensive, trendy clothing that mimics high fashion designs and popular styles, Crisil Ratings said in a report.

https://www.business-standard.com/industry/news/organised-apparel-retailers-to-clock-8-20-revenue-growth-in-fy25-report-124092400610_1.html

Sales of premium SUVs run out of steam as sales drop 18% this fiscal

Consumer fatigue for large sport-utility vehicles (SUVs) seems to be setting in, with sales of premium models priced upwards of Rs 20 lakh such as Hyundai Tucson, Toyota Fortuner and Jeep Meridian falling by 18% in the first five months of this fiscal year. The blazing post-pandemic growth of the Indian car industry in the past two fiscal years was fuelled by SUVs of all sizes, which helped catapult local passenger vehicle sales to a record 4.22 million units in FY24.

<https://economictimes.indiatimes.com/industry/auto/auto-news/sales-of-premium-suvs-run-out-of-steam-as-sales-drop-18-this-fiscal/articleshow/113642709.cms>

AI adoption will continue to accelerate in India, says IBM's Sandip Patel

Highlighting the digital and artificial intelligence (AI) adoption in the country, IBM India head Sandip Patel said India is witnessing a digital renaissance as the country leads in the adoption of AI. "AI is clearly going to accelerate. Indian enterprises are outshining their global counterparts in AI deployment and adoption. According to a recent survey by

IBM's AI adoption index, 59 per cent of Indian enterprises— the highest across all markets globally— are deploying AI in some form,” he said during the keynote address at IBM Think 2024, the company’s flagship event in Mumbai. https://www.business-standard.com/industry/news/ai-adoption-will-continue-to-accelerate-in-india-says-ibm-s-sandip-patel-124092400600_1.html

Airlines, hotels make up 70% of India's \$53 billion travel market: Deloitte

In 2023, airlines and hotels accounted for 70 per cent of India’s \$53 billion travel market, according to a report released by Deloitte on Tuesday. The report noted that the remaining market share came from railways and other transportation systems. Corporate travel represents 20 per cent of the overall market, valued at \$10.6 billion, with the airline and hotel industries contributing 85 per cent to this segment. The report underscores the growing dominance of airlines and hotels in both leisure and corporate travel sectors in India.

https://www.business-standard.com/industry/news/airlines-hotels-make-up-70-of-india-s-53-billion-travel-market-deloitte-124092400759_1.html

Design architecture for B2C e-invoicing for retailers ready: GSTN CEO

The design architecture for implementing GST e-invoicing for retailers is mostly ready and being vetted by industry experts, GST Network CEO Manish Kumar Sinha said on Tuesday. E-invoicing is already present in the B2B sector. The GST Council, in its meeting earlier this month, decided to extend e-invoice to the B2C sector on a pilot basis. Sinha said the GST department is currently in discussion with the industry for the issuance of electronic invoices for every B2C transaction.

https://www.business-standard.com/finance/news/design-architecture-for-b2c-e-invoicing-for-retailers-ready-gstn-ceo-124092400647_1.html

Agriculture

Price pressures in pulses market declining: Govt

The government on Monday said that mandi prices of pulses have started to decline because of robust imports and uptake in kharif sowing. Nidhi Khare, secretary, department of consumer affairs said there has been downtrend trend prices as imports have picked up while kharif crops will start arriving in the market by November. Retail inflation in pulses have been in double digits since June, 2023 because of lower output of key varieties of pulses like chana, tur and urad.

<https://www.financialexpress.com/policy/economy-price-pressures-in-pulses-market-declining-govt-3619636/>

India Monsoon 2024, in facts & figures: Strong finish, good sowing

After yielding a 5% surplus till date, the south-west monsoon has begun its withdrawal for the season. While most of the country received normal-to-excess showers, including flooding in AP and Telangana, five of the 36 meteorological subdivisions experienced deficient rainfall. Despite a slow start, rainfall picked up pace helping farmers with sowing.

<https://economictimes.indiatimes.com/news/economy/agriculture/india-monsoon-2024-in-facts-figures-strong-finish-good-sowing/articleshow/113643246.cms>

Energy

Oil demand growth falls 45% till August

India's oil demand growth has nearly halved this financial year as diesel sales have stagnated. India is the world's third-largest oil consumer and importer and is key to global oil demand growth. A weak demand from China and fears of oversupply in the market have been weighing on global oil prices.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/oil-demand-growth-falls-45-till-august/articleshow/113642318.cms>

States

Karnataka's first gas based power plant in Yelahanka expected to produce 370 MW

Karnataka's first gas-based power plant, Yelahanka Combined Cycle Power Plant (YCCPP) was inaugurated on Tuesday. The new plant is expected to generate 370.05 GW and was built at an estimated cost of ₹2500 crore.

<https://www.thehindubusinessline.com/economy/karnatakas-first-gas-based-power-plant-in-yelahanka-expected-to-produce-370-mw/article68678628.ece>

Healthcare

Testing of drugs from some nations eased

The government has decided to reduce the frequency of testing for drugs imported from countries such as the United States, Australia, Japan, Canada and from the European Union, provided their samples have not failed quality tests in the past five years. In such cases, the frequency of sampling is to be reduced to any one consignment in two years or to any one consignment in sequential 20 consignments, whichever is earlier, according to new guidelines issued by the Central Drugs Control Organisation (CDSCO).

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/testing-of-drugs-from-some-nations-eased/articleshow/113642671.cms>

External

India's basmati rice exports surge after decision to remove floor price

India's decision to remove the floor price for basmati rice exports is expected to spur a flurry of orders from the Middle East, Europe, and the Americas, leading exporters said, helping New Delhi to increase its share of the global market. The world's biggest rice exporter earlier this month removed a floor price of \$950 a metric ton for basmati rice, weeks ahead of the arrival of the new season crop.

https://www.business-standard.com/industry/agriculture/india-s-basmati-rice-exports-surge-after-decision-to-remove-floor-price-124092400671_1.html

Import approval system for IT hardware products extended till December 31

India on Tuesday extended the existing import management system (IMS) for certain IT hardware products such as personal computers, laptops and tablets by three months till December 31, 2024. "Importers would be required to apply for fresh authorisations for the period of January 1, 2025 subject to detailed guidance to be provided shortly," the Directorate General of Foreign Trade (DGFT) said in a policy circular.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/import-approval-system-for-it-hardware-products-extended-till-december-31/articleshow/113634211.cms>

FIEO urges Centre to extend interest subvention scheme for 5 years

Apex exporters body FIEO on Tuesday urged the government to extend the interest subvention scheme for five years to help increase credit flow in the sector in order to boost the country's shipments, which registered a steepest decline in 13-month falling 9.3 per cent in August to \$34.71 billion. Earlier this month, the government extended the interest equalisation/subvention scheme, which provides interest benefits, on pre- and post-shipment rupee export credit for one more month till September 30.

https://www.business-standard.com/industry/news/fieo-urges-centre-to-extend-interest-subvention-scheme-for-5-years-124092400710_1.html

Need lower tariffs, harmonisation of norms to boost Indo-US agri trade: Experts

Industry experts on Tuesday highlighted several challenges in India-US agricultural trade and called for lower tariffs and harmonisation of local norms to boost the trade between the two major global economies. Addressing a session on agro-processing at the 21st Indo-US Economic Summit organised by the Indo-American Chamber of Commerce (IACC), ITC Ltd's Agri-Business Division Vice President of Value Added Products Sanjeev Bisht identified key concerns, including recent Red Sea-related supply chain disruptions, the absence of a free trade agreement, and local quality norms.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/need-lower-tariffs-harmonisation-of-norms-to-boost-indo-us-agri-trade-experts/articleshow/113641005.cms>

India joins US-led minerals security fin setup

India has joined the US-led minerals security finance network, which aims to "strengthen cooperation and promote information exchange and co-financing" among participating institutions from the Indo-Pacific region and Europe, according to the US State Department. The network will also "advance diverse, secure and sustainable supply chains for critical minerals", the department said in the announcement made on Monday.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/india-joins-us-led-minerals-security-fin-setup/articleshow/113642909.cms>