



September 26, 2024 – Thursday

Economy

External debt in comfort zone and better than many others, says FM Sitharaman

India's external debt-to-GDP ratio at 18.7%, its debt service ratio at 6.7% and foreign exchange reserves-to-external debt ratio at 97.4% are "within the comfort zone" and way better than many middle-income countries, finance minister Nirmala Sitharaman said. The country's external debt rose 6.4% from a year before to touch \$663.8 billion as of March 2024, according to the status report, firmed up by the department of economic affairs.

<https://economictimes.indiatimes.com/news/economy/indicators/external-debt-in-comfort-zone-and-better-than-many-others-says-fm-sitharaman/articleshow/113677828.cms>

ADB retains India's economic growth forecast at 7% for FY24, 7.2% for FY25

The Asian Development Bank (ADB) projects sustained strong growth for India's economy, forecasting a 7 per cent increase in gross domestic product (GDP) for the financial year 2024 (ending 31 March 2025) and 7.2 per cent for FY2025. The projections were outlined in the bank's Asian Development Outlook report for September 2024. Mio Oka, ADB Country Director for India, said, "India's economy has shown remarkable resilience in the face of global geopolitical challenges and is poised for steady growth. Agricultural improvements will enhance rural spending, which will complement the effects of robust performance of the industry and services sectors."

https://www.business-standard.com/companies/news/adb-retains-india-s-economic-growth-forecast-at-7-for-fy24-7-2-for-fy25-124092500408_1.html

Chief economists bullish on India, cautious optimism for global recovery: WEF survey

A majority of chief economists have shown a cautious optimism about the global economy with India's robust performance making South Asia the best performer worldwide, a survey showed on Wednesday. "Easing inflation and strong global commerce are fuelling cautious optimism for recovery but elevated debt levels are becoming a growing concern in both advanced and developing economies," the World Economic Forum said in its latest Chief Economists Outlook. A growing concern is a potential fiscal squeeze, where rising debt-servicing costs limit governments to invest in essential sectors such as infrastructure, education and healthcare.

<https://economictimes.indiatimes.com/news/economy/indicators/chief-economists-bullish-on-india-cautious-optimism-for-global-recovery-wef-survey/articleshow/113667483.cms>

India's manufacturing incentives progress amid efforts to cut China imports

India's cash incentives to boost domestic manufacturing have attracted over \$17 billion of investment since the 2020 launch of the production-linked scheme, a government official said on Wednesday, amid efforts to reduce imports from China. "The PLI scheme has been successful to attract investments and boost manufacturing," said Amardeep Singh Bhatia, Secretary of the Department of Promotion of Industry and Internal Trade.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-manufacturing-incentives-progress-amid-efforts-to-cut-china-imports/articleshow/113670621.cms>

India pips Japan, ranks 3rd on Asia Power Index of Australia think tank

India ranks third in the annual Asia Power Index, released by an Australian think-tank, surpassing Japan on the back of strong post-COVID 19 economic growth, while China's power appeared to plateau just below the United States. The Sydney-based Lowy Institute has put the US at the top of its Asia Power Index with a score of 81.7, followed by China with a score of 72.7, India (39.1), Japan (38.9), Australia (31.9) and Russia (31.1).

https://www.business-standard.com/economy/news/india-pips-japan-ranks-3rd-on-asia-power-index-of-australia-think-tank-124092500554_1.html

Ministry conference discusses frequent household expenditure surveys

The country should hold frequent surveys on household consumption expenditure to ensure the latest information for base revision of Consumer Price Index (CPI) and other macroeconomic indicators, economists and forecasters suggested at a conference organised by the statistics ministry. The conference, organised by the Ministry of Statistics and Programme Implementation in Mumbai on Wednesday, was joined by more than 50 forecasters and economists of various organisations. It was attended by Chief Economic Advisor V Anantha Nageswaran; Ajay Seth, secretary in the department of economic affairs, Nilesh Shah, member of the economic advisory council to the Prime Minister, and economists Ganesh Kumar and Ila Patnaik.

https://www.business-standard.com/economy/news/ministry-conference-discusses-frequent-household-expenditure-surveys-124092500508_1.html

Bill to decriminalise minor biz offences may be tabled in Budget 2025

Union Minister Piyush Goyal announced that the Ministry of Commerce and Industry has received significant inputs from stakeholders and departments to decriminalise additional minor offences as part of the second edition of the Jan Vishwas Bill. The bill, aimed at enhancing the ease of doing business by reducing the burden of minor legal offences, is expected to be tabled in Parliament during the next Budget session, Goyal told news agency PTI.

“We have received a very good response so far. A number of departments have come forward with proactive suggestions to decriminalise laws under their ministries, and stakeholders have given good inputs on the areas where they are looking for decriminalisation without compromising on safety, security, and national interest,” Goyal said.

https://www.business-standard.com/industry/news/bill-to-decriminalise-minor-biz-offences-may-be-tabled-in-budget-2025-124092500597_1.html

Finance

FM asks AIIB to assist low-income countries to avail financial resources

Finance Minister Nirmala Sitharaman on Wednesday said AIIB should continue to focus on a client-centric approach and facilitate member countries, particularly low-income countries to avail financial resources through technical assistance. She urged Asian Infrastructure Investment Bank (AIIB) during a meeting with its president Jin Liqun ahead of the 9th Annual Meeting of Board of Governors in Samarkand (Uzbekistan).

https://www.business-standard.com/finance/news/fm-asks-aiib-to-assist-low-income-countries-to-avail-financial-resources-124092500799_1.html

Finance ministry to hold pre-budget meetings from October 10; first huddle with renewable energy ministry

The finance ministry will hold the first of a series of its pre-budget meetings on October 10 with the ministry of new and renewable energy, and top it with huddles with the ministries of statistics, skill development and labour & employment on the same day, according to a schedule released by it. The meetings, which will continue through November 11, are being held to firm up budgetary allocations for 2025-26 and finalise the revised estimates for the current fiscal year. Every year, the Budget-making process formally starts with meetings with the ministries and departments.

<https://economictimes.indiatimes.com/news/economy/policy/finance-ministry-to-hold-pre-budget-meetings-from-october-10-first-huddle-with-renewable-energy-ministry/articleshow/113670115.cms>

Banks to push for change in IBC rules amid fears of promoters gaming the system

Banks will push for a change in the insolvency regulation to avoid getting shortchanged by promoters fishing for a cosier deal. Lenders have come across instances where delinquent borrowers have sharply written down the assets,

shrunk their size and headcount, to masquerade as small or medium scale enterprises which are spared of one of the stringent conditions of the insolvency and bankruptcy code (IBC).

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-to-push-for-change-in-ibc-rules-amid-fears-of-promoters-gaming-the-system/articleshow/113675200.cms>

Gold loans by banks, NBFCs to reach Rs 15 trillion by March 2027; banks remain dominant on jewellery-backed agriculture loans

The organised gold loans by banks and non-banking financial companies (NBFCs) are expected to exceed Rs 10 trillion in the current financial year and are projected to reach approximately Rs 15 trillion by March 2027, stated a report by ICRA. It further added that banks remain dominant driven by their gold jewellery-backed agriculture loans. At the same time, per ICRA findings, NBFCs hold the pole position in retail gold loans and are expected to expand at 17-19 per cent in FY2025. “The moderation in competitive intensity is leading to some expansion in the loan yields of the NBFCs, however their yields are expected to be lower by 200-300 bps than the peak levels seen 4-5 years back,” it said.

<https://www.financialexpress.com/business/banking-finance-gold-loans-by-banks-nbfc-to-reach-rs-15-trillion-by-march-2027-banks-remain-dominant-on-jewellery-backed-agriculture-loans-3621290/>

Finance ministry sets Rs 27.5 lakh crore target for agriculture credit in FY25

The government has set an agriculture credit disbursement target of Rs 27.5 lakh crore for the current fiscal, which is 11% higher compared to actual loans disbursement in FY24. The finance ministry is learnt to have also asked the lenders to try and align the credit approvals with the gross-value added (GVA) of the crops for the respective states, a move that is expected to address regional imbalances in availability of loans for farmers.

<https://www.financialexpress.com/business/banking-finance-finance-ministry-sets-rs-27-5-lakh-crore-target-for-agriculture-credit-in-fy25-3620826/>

Loan disbursals at Fintechs rise 27% in June quarter: FACE data

Loans disbursed by digital lenders have grown by 27% year-on-year in value to reach ₹37,686 crore at the end of the June quarter, according to data collated by the Fintech Association for Consumer Empowerment (FACE), an RBI-recognised self-regulatory organisation in the fintech sector.

<https://economictimes.indiatimes.com/industry/banking/finance/loan-disbursals-at-fintechs-rise-27-in-june-quarter-face-data/articleshow/113677979.cms>

Industry

PLI investment in mobiles, production exceed target: Electronics and IT Secretary

Investment in mobile phone manufacturing under the PLI scheme as well as production has surpassed the targets, Electronics and IT Secretary S Krishnan said on Wednesday. Addressing reporters on the completion of 10 years of Make In India initiative, the official said the overall production of electronics in India has increased to ₹9.52 lakh crore with an annual compounded growth rate of 17.4 per cent from ₹1.9 lakh crore in 2014-15, he said.

<https://www.thehindubusinessline.com/economy/pli-investment-in-mobiles-production-exceed-target-electronics-and-it-secretary/article68684546.ece>

India gold demand buoyed by import tax cut ahead of wedding season

Indian gold demand looks set for a strong few months as a cut to the import tax and what's likely to be a buoyant festival and wedding season drive purchases in the world's second-biggest consumer of the precious metal. Imports more than tripled to 140 tons in August from the previous month, according to the World Gold Council, as the government lowered the customs levy to 6% from 15%. The positive trend is likely to continue as a bountiful monsoon this year has brightened crop prospects, potentially boosting disposable incomes of farmers — a major consuming group.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/india-gold-demand-buoyed-by-import-tax-cut-ahead-of-wedding-season/articleshow/113683415.cms>

India's retail has a spring in its step: High-end shopping malls

India's retail sector is undergoing a rapid transformation, and a few radical shifts. E-commerce was supposed to replace the brick-and-mortar retail, especially after Covid when a large number of Indians got used to buy small as well as big items online. But the new consumption trend of premiumisation, where consumers are willing to splurge on expensive items, is bringing back brick-and-mortar retail in the shape of high-end shopping malls where customers can touch and feel high-value products and have a superior shopping experience. As premiumisation sweeps across India's retail sector, demand for premium shopping malls is increasing.

<https://economictimes.indiatimes.com/industry/services/retail/indias-retail-has-a-spring-in-its-step-high-end-shopping-malls/articleshow/113664725.cms>

Fashion retailers may see up to 15% revenue growth in FY25: Report

Fashion retailers are likely to record revenue growth of up to 15 per cent in FY25 on the back of network expansion, according to a report by ratings agency Icra. The network expansion of fashion retailers would support revenue increases in the current fiscal year despite inflationary headwinds, said Icra, while giving a "stable outlook" on the fashion retail segment. "The operating profit margin (OPM) of its sample set of companies is likely to remain in the range of 13-14 per cent in FY2025. This is despite a robust 14-15 per cent YoY (Year-on-Year) revenue growth estimated for the year, supported by network expansion," it said.

https://www.business-standard.com/industry/news/fashion-retailers-may-see-up-to-15-revenue-growth-in-fy25-report-124092500572_1.html

Defence production at Rs 1.27 trn, exporting hardware to 90 nations: Min

India's defence production has clocked an all-time high of Rs 1.27 trillion in terms of value in 2023-24 and it is now exporting weapons and military hardware to more than 90 friendly countries, Defence Minister Rajnath Singh said on Wednesday. Indian armed forces are now using weapons and platforms manufactured on Indian soil and the country is rising on the global defence industrial landscape, the minister said in a post on 'X' on the 10th anniversary of the NDA government's 'Make in India' programme.

https://www.business-standard.com/external-affairs-defence-security/news/defence-production-at-rs-1-27-trn-exporting-hardware-to-90-nations-min-124092500533_1.html

Smartphone companies dial up marketing spends in festive push

Smartphone brands have ramped up marketing and advertising spends by at least 15-20% in an aggressive push to capitalise on the upcoming festive season and salvage a disappointing year. Majority of the investments will go towards offering price discounts in an aggressive bid to clear stocks and tap the fast-growing mid-to-premium segment, said industry executives and analysts. Companies are earmarking most of the spending on new model launches and to offer discounts, among others. Some are also spending on incentivising offline retailers for achieving steep sales targets, with companies offering cashbacks, free mobile phones and even all-expenses paid trips to Europe.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/smartphone-companies-dial-up-marketing-spends-in-festive-push/articleshow/113677624.cms>

Agriculture

India's foodgrain production hits record 332.22 mn tonne in 2023-24: Govt

India's foodgrain production reached a record 332.22 million tonne in the 2023-24 crop year ended June, driven by bumper wheat and rice output, the agriculture ministry said on Wednesday. The final estimate for 2023-24 shows an increase of 2.61 million tonne from the previous year's 329.6 million tonne, the ministry said in a statement.

<https://economictimes.indiatimes.com/news/economy/agriculture/indias-foodgrain-production-hits-record-332-22-mn-tonne-in-2023-24-govt/articleshow/113664323.cms>

75% farmers impacted by climate change, reveals 2024 Farmer Voice survey

About 75 per cent of farmers are already impacted by climate change or worried about its impacts, and 71 per cent of them report reduced yields as a major concern, according to the 2024 Farmer Voice survey. The survey conducted by global market research firm Kynetec, on behalf of Bayer, among 2000 farmers across countries such as Australia, Brazil, China, Germany, India, Kenya, Ukraine and the United States.

<https://www.thehindubusinessline.com/economy/agri-business/75-farmers-impacted-by-climate-change-reveals-2024-farmer-voice-survey/article68684477.ece>

Infrastructure

'Government run ports' cargo handling capacity will double in 5 years': Sarbananda Sonowal

Container handling capacity at central government-controlled ports will nearly double in the next five years, Union ports, shipping and waterways minister Sarbananda Sonowal said on Wednesday. He said India plans to set up shipbuilding and repair hubs in Gujarat, Maharashtra, Kerala, Andhra Pradesh and Odisha.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/government-run-ports-cargo-handling-capacity-will-double-in-5-years-sarbananda-sonowal/articleshow/113677907.cms>

Housing demand up 12.3% in September quarter: Report

Housing demand, based on online searches, reported a 12.3% sequential rise in the September quarter amid an 8.3% increase in residential prices, according to the latest PropIndex Report by Magicbricks. Drawing on preferences from more than 20 million customers on the Magicbricks platform, the report detailed that cities such as Noida with 16.9% sequential rise, Gurugram with 15.5%, and Greater Noida with 15.1% growth saw the highest increases in residential prices in the country during this period.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/housing-demand-up-12-3-in-september-quarter-report/articleshow/113677995.cms>

Energy

Coal imports rise marginally by 0.9% to 90.51 MT in Apr-Jul of FY25

There is a "critical need" for coal imports, and the country has reported a marginal rise of 0.9 per cent to 90.51 mt in the April-July period of FY25, according to an official statement. India, which has the fifth-largest coal reserves in the world, is also its second-largest consumer, driven by a rapidly growing economy, Ministry of Coal said on Wednesday. Coal production during the April-July FY25 period increased 9.56 per cent to 321.40 MT from 293.35 MT in FY24.

https://www.business-standard.com/industry/news/coal-imports-rise-marginally-by-0-9-to-90-51-mt-in-apr-jul-of-fy25-124092500642_1.html

Telecom

Telcos can operate under existing licences till they are valid: Trai

Telecom operators can continue providing services under the current licensing regime if they want to, till the validity of their respective licenses, the telecom regulator has said, allaying fears of telcos, which feel any change in contractual agreement would lead to regulatory uncertainty. The proposed authorisation mechanism will kick-in for the existing telcos at the time of renewal of their licenses, assuming the government accepts the recommendations of Telecom Regulatory Authority of India (Trai).

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/telcos-can-continue-providing-services-under-current-regime-till-licence-expires-trai/articleshow/113675033.cms>

External

Dairy sensitive sector; no plans to open up in any FTAs: Piyush Goyal

Commerce and Industry Minister Piyush Goyal on Wednesday said dairy is a sensitive sector in India as it involves livelihood issues of small farmers and there are no plans at all to give any kind of duty concessions under any Free Trade Agreements (FTAs) in this area. He said that India has not given any duty concessions in the dairy sector even to Switzerland and Norway under the EFTA (European Free Trade Association) trade pact, which was signed in March.

https://www.business-standard.com/industry/news/dairy-sensitive-sector-no-plans-to-open-up-in-any-ftas-piyush-goyal-124092500180_1.html

Expecting FDI to increase to \$100 bn per annum in coming years: DPIIT Secy

India is receiving foreign direct investments (FDI) of \$70-80 billion every year and is expected to hit \$100 billion per annum in the coming years, a top government official said on Wednesday. Secretary in the Department for Promotion of Industry and Internal Trade (DPIIT) Amardeep Singh Bhatia said the department is also streamlining approval processes for FDI applications. The government has taken a series of measures to promote investments into the country such as easing the norms in sectors such as defense, railways, insurance, and telecom.

https://www.business-standard.com/finance/news/expecting-fdi-to-increase-to-100-bn-per-annum-in-coming-years-dpiit-secy-124092500789_1.html

Australia and India Strengthen Economic Ties in Adelaide Trade Talks

In a significant step toward deepening trade relations, Australia is hosting Minister of Commerce and Industry, Piyush Goyal, in Adelaide today for the 19th Australia-India Joint Ministerial Commission. The talks, led by Australia's Minister for Trade and Tourism, Don Farrell, mark a critical moment in the bilateral relationship, especially following the recent QUAD Leaders' summit, which brought Australia, India, Japan, and the United States together for strategic discussions in Delaware, US.

<https://www.financialexpress.com/business/industry-australia-and-india-strengthen-economic-ties-in-adelaide-trade-talks-3621390/>

India and Peru: Forging New Frontiers in Trade and Resource Cooperation

As the world shifts toward sustainable technologies and resource independence, India and Peru are poised to redefine their partnership in groundbreaking ways. The recent India-Peru Joint Commission Meeting held in Lima on September 18, 2024, reflects a dynamic alliance eager to explore new horizons. Co-chaired by India's Secretary (East), Jaideep Mazumdar, and Peru's Vice Minister of Foreign Affairs, John Peter Camino Cannock, the meeting highlighted a broad range of collaborative efforts. Both nations are setting the stage for a transformative economic relationship, with discussions spanning vital sectors such as trade, energy, defense, and even the promising realm of lithium mining. At the heart of this collaboration lies the anticipated Free Trade Agreement (FTA), which is expected to unlock unprecedented opportunities for growth and mutual benefit.

<https://www.financialexpress.com/business/industry-india-and-peru-forging-new-frontiers-in-trade-and-resource-cooperation-3621250/>