



October 01, 2024 – Tuesday

Economy

Core sector contracts 1.8% in a first in 42 months, shows govt data

For the first time in 42 months, the output of India's eight key infrastructure sectors saw a 1.8 per cent year-on-year (Y-o-Y) contraction in August, data released by the Department for Promotion of Industry and Internal Trade (DPIIT) on Wednesday showed. The contraction can be attributed to a high base as well as monsoon impacting industrial activity. The growth in the output was 6.1 per cent in July 2024 and 13.4 per cent in August 2023.

https://www.business-standard.com/economy/news/core-sector-output-growth-contracts-by-1-8-in-august-shows-govt-data-124093001144_1.html

Fiscal deficit in April-August at 27% of full-year target: Govt data

The Centre's fiscal deficit at the end of the first five months—April-August—of the current financial year touched 27 per cent of the budget estimates at Rs 4.35 trillion, according to the latest data released by the Controller General of Accounts (CGA). The fiscal deficit—the gap between expenditure and revenue—was 36 per cent of the budget estimates for the corresponding period last year. The government has set a fiscal deficit target of 4.9 per cent of gross domestic product (GDP) for the current financial year.

https://www.business-standard.com/economy/news/fiscal-deficit-for-apr-aug-at-rs-4-35-trn-narrows-to-27-of-full-yr-target-124093000912_1.html

India's current account balance in \$9.7 billion deficit in Q1FY25

India's current account balance moved into a deficit of \$9.7 billion in the April-June quarter (Q1) of 2024-25 (FY25), accounting for 1.1 per cent of gross domestic product (GDP). The current account balance was in surplus to the tune of \$4.6 billion in January-March (Q4) of 2023-2024 (FY24), representing 0.5 per cent of GDP. In the same period a year ago, the current account deficit (CAD) was \$8.9 billion, or 1 per cent of GDP. The Reserve Bank of India (RBI), in a statement, said the CAD widened on a year-on-year (Y-o-Y) basis primarily due to an increase in the merchandise trade deficit, which rose to \$65.1 billion in Q1FY25 from \$56.7 billion in Q1FY24.

https://www.business-standard.com/economy/news/current-account-deficit-widens-to-1-1-of-gdp-in-june-quarter-at-9-7-bn-124093001174_1.html

India's external debt at \$682 billion as of end June

India's external debt rose to \$ 682.3 billion as of June 2024, up 2 percent over March 2024 and 8.5 percent over June 2023, data released by the Reserve Bank showed. But external debt to GDP ratio was lower at 18.8 per cent at end-June 2024 as compared with 18.9 per cent at end-March 2024.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-external-debt-at-682-billion-as-of-end-june/articleshow/113824133.cms>

Manufacturing employment creation picked up in FY23, says NSO survey

Employment generation in India's manufacturing sector saw a notable uptick in FY23, with 1.3 million new jobs created, compared to 1.1 million in FY22, showed the latest data from the National Statistical Organisation (NSO).

According to the figures, released in the Annual Survey of Industries (ASI) on Monday, total number of people employed in the manufacturing sector rose by 7.4 per cent in FY23, reaching 18.5 million, compared to a 7 per cent increase in FY22.

https://www.business-standard.com/economy/news/manufacturing-employment-creation-picked-up-in-fy23-says-nso-survey-124093001331_1.html

States suggest employment data creation, adoption of focused approach for creating quality jobs

Several states on Monday called for creation of employment data and adoption of a focused approach for creating quality jobs. The suggestions were made at the fifth regional meeting of the Union Ministry of Labour and Employment with all states and Union Territories. The meeting focused on discussions around labour reforms, the e-Shram portal, building and other construction workers (BoCW), and employment generation, reflecting the government's commitment to inclusive development and welfare of all sections of the workforce, the Ministry of Labour & Employment said in a statement.

<https://economictimes.indiatimes.com/news/economy/policy/states-suggest-employment-data-creation-adoption-of-focused-approach-for-creating-quality-jobs/articleshow/113822547.cms>

Urbanisation an opportunity to build modern cities: Amitabh Kant

India's rapid urbanisation will see 500 million people moving into cities over the next four to five decades, the country's G20 Sherpa Amitabh Kant said, emphasising the need for pushing sustainable development. Speaking at an event hosted by BITS Design School, Mumbai, and LOPEZ Design on Monday, he said, "50% of India for 2070 is still to be built, so we will see 500 million Indians getting into the process of urbanisation in the next four to five decades."

<https://economictimes.indiatimes.com/news/economy/infrastructure/urbanisation-an-opportunity-to-build-modern-cities-amitabh-kant/articleshow/113827271.cms>

Finance

Services, retail credit growth moderate in Aug on drop in credit to NBFCs

The growth in bank credit to the services sector moderated to 15.6 per cent year-on-year (Y-o-Y) in August 2024, down from 21 per cent a year ago, largely due to a considerable decline in credit to non-banking financial companies (NBFCs). Retail loan growth also slowed to 16.9 per cent Y-o-Y in August 2024, compared to 18.3 per cent in August 2023, according to Reserve Bank of India (RBI) data. Credit to NBFCs grew by 11.9 per cent Y-o-Y in August 2024, sharply down from 21.3 per cent a year ago. Credit to trade declined to 15.5 per cent from 17.4 per cent in August 2023.

https://www.business-standard.com/finance/news/services-retail-credit-growth-moderate-in-aug-nbfc-personal-loans-hit-124093001258_1.html

Union Finance Minister Nirmala Sitharaman reviews performance of RRBs in North East

Union Finance Minister Nirmala Sitharaman chaired a meeting to review the performance of 7 Regional Rural Banks of the North East Region covering the states of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura in Itanagar, Arunachal Pradesh, on Monday. During the review meeting, the Union Finance Minister was apprised about the improvement in the financial performance of the RRBs of the Northeast and their technology upgrades ever since the regular review was initiated in 2022, said the minister's office in a statement.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/union-finance-minister-nirmala-sitharaman-reviews-performance-of-rrbs-in-north-east/articleshow/113832030.cms>

RBI directs gold loan providers to review policies and practices

The Reserve Bank of India (RBI) on Monday directed banks and non-banking financial companies (NBFCs) offering gold loans to thoroughly review their policies, processes, and practices to identify any gaps. The central bank also told them to closely monitoring their gold loan portfolios amid significant growth observed in this segment vis-à-vis some lenders. Additionally, the RBI, through a circular, instructed these lenders to ensure adequate controls over outsourced activities and third-party service providers.

https://www.business-standard.com/finance/news/rbi-directs-gold-loan-lenders-to-monitor-portfolios-after-irregularities-124093001207_1.html

RBI dy gov Swaminathan calls for responsible lending at small finance banks

India's small finance banks (SFBs) should strengthen governance to ensure sustainable business growth while adopting responsible lending practices, a deputy governor at the central bank said in a speech. "It is disheartening to come across egregious practices by some SFBs, such as charging excessive interest rates, collecting installments in advance as well as not adjusting such advance collections against loan outstanding, levying of usurious fees, etc," J. Swaminathan said in an address at a conference of directors of SFBs on Sept. 27.

https://www.business-standard.com/finance/news/rbi-dy-guv-swaminathan-calls-for-responsible-lending-at-small-finance-banks-124093000825_1.html

SEBI fast-tracks rights issue timelines

The SEBI board has taken steps to enable faster rights issue along with the flexibility of allotment to specific investors. Rights issues will need to be completed in 23 working days from the date of issuer's board meeting approving the issue, as against present average timelines of 317 days. The issuer will no longer be required to file a draft letter of offer or appoint a merchant banker for the same.

<https://www.thehindubusinessline.com/markets/sebi-fast-tracks-rights-issue-timelines/article68702910.ece>

Industry

Response to white goods PLI muted: Government

The government on Monday said that industry's response to the Production Linked Incentive Scheme (PLI) for white goods continued to remain muted and suggested that it apply for the sops at least in the ongoing third round. "Response has been muted to the PLI in white goods. In the past two rounds the amount of applications which we were expecting, sufficient response has not come due to various reasons," additional secretary in the Department for Promotion of Industry and Internal Trade Rajiv Singh Thakur said.

<https://www.financialexpress.com/business/industry-response-to-white-goods-pli-muted-government-3626743/>

IBA calls for tax on non-alcoholic beverages based on sugar content

Indian Beverage Association on Monday called for rationalisation of GST structure on non-alcoholic beverages and levy taxes based on sugar content, saying with favourable policy the sector has the potential to grow to a size of Rs 1.5 lakh crore by 2030. Speaking at the release of a report by ICRIER on tax policy on carbonated beverages in India, Indian Beverage Association Secretary General J P Meena said non-alcoholic beverages are a key part of India's food processing sector and can play a very important role in making the country a global hub of manufacturing.

https://www.business-standard.com/industry/news/iba-calls-for-tax-on-non-alcoholic-beverages-based-on-sugar-content-124093000935_1.html

PM E-DRIVE: Centre notifies Rs 10,900 crore EV subsidy scheme

The centre notified PM E-DRIVE scheme Monday. A gazette notification said the scheme will have an outlay of ₹10,900 crore, and shall be implemented from October 1, 2024, to March 31, 2026. It aims for faster adoption of electric vehicles (EVs), setting up of charging infrastructure and development of EV manufacturing eco-system in the country.

<https://economictimes.indiatimes.com/industry/renewables/pm-e-drive-centre-notifies-rs-10900-crore-ev-subsidy-scheme/articleshow/113811709.cms>

Infrastructure

Private terminal operators at ports may soon get to fix tariffs

India could soon free up tariff fixation for existing private terminal operators at ports administered by the central government, officials said. The move is aimed at giving flexibility to private operators in deciding tariffs. As per the tariff migration guidelines being firmed up, all public-private partnership (PPP) concessionaires will be allowed to frame their own Scale of Rates (SoR) and shift to market-based tariffs, a government official told ET.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/private-terminal-operators-at-ports-may-soon-get-to-fix-tariffs/articleshow/113827455.cms>

DGCA set to issue electronic licenses to Air Traffic Controllers

Aviation safety regulator Directorate General of Civil Aviation (DGCA) is all set to issue licenses to Air Traffic Controllers (ATCOs) in electronic form as it looks to go paperless in its functioning and embrace the digital future. The introduction of electronic licenses is designed to significantly improve operational efficiency, enabling ATCOs to access and manage their licenses with ease on self-contained mobile electronic visual display devices, such as mobile phones or tablets, the DGCA said in an official statement.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-/aviation/dgca-set-to-issue-electronic-licenses-to-air-traffic-controllers/articleshow/113820337.cms>

Energy

LPG price hike: 19 kg gas cylinder rate increased by Rs 48.5, 5 kg by Rs 12

Oil marketing companies have revised the prices of commercial LPG gas cylinders, with the new rates effective from Tuesday, 1st October. The cost of a 19 kg commercial LPG gas cylinder has been increased by Rs 48.50.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/lpg-price-hike-19-kg-gas-cylinder-up-by-rs-48-5-5-kg-by-rs-12/articleshow/113834059.cms>

Telecom

Telecom service authorisation regime should retain contractual nature: COAI

The new service authorisation regime in the telecom sector must continue to retain the contractual nature of the present licences to ensure uniformity, regulatory certainty, and protection for investors who commit long-term capital to the sector, the Cellular Operators Association of India (COAI) said on Monday. In a major overhaul of the licensing ecosystem in the telecom sector, the telecom regulator last week recommended that three new categories of authorisations be created to cover the gamut of telecom services in the country, in line with the new Telecom Act, 2023.

https://www.business-standard.com/industry/news/telecom-service-authorisation-regime-should-retain-contractual-nature-coai-124093001050_1.html

New initiatives launched to combat spam and cyber fraud in India

Authorities and telecom companies are collaborating to address spam and unsolicited commercial communication, Tol reported on September 30. The Department of Telecom (DoT), regulator Trai, and private telecom operators are setting up new measures to combat these issues, which are linked to cyber fraud and phishing attacks, said the report (by Pankaj Doval). Trai and DoT have been targeting spammers and blocking suspicious numbers. They have also been meeting with telecom company representatives to discuss vigilance and establish new rules to curb unwanted activities.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/new-initiatives-launched-to-combat-spam-and-cyber-fraud-in-india/articleshow/113815764.cms>

Healthcare

NABH sets digital healthcare standards, 100 hospitals certified so far

To overhaul healthcare services and enhance patient care in hospitals, the National Accreditation Board for Hospitals & Healthcare Providers (NABH) on Monday revealed that so far, 100 hospitals across India have received digital health certification. A total of 300 hospitals had applied for the digital certification, which was introduced by NABH in 2023.

https://www.business-standard.com/industry/news/nabh-sets-digital-healthcare-standards-100-hospitals-certified-so-far-124093001018_1.html

Indian pharma companies set to see 9-11% growth in FY25, says Icria

Indian pharmaceutical companies are set to experience 9-11 per cent revenue growth in FY25, driven by strong performances in key markets such as the United States, Europe, and emerging regions, according to a recent report by credit rating agency Icria. However, this growth represents a moderation from the 13-14 per cent year-on-year (Y-o-Y) increase recorded in FY24, which was driven by higher demand and new product launches.

https://www.business-standard.com/industry/news/indian-pharma-companies-set-to-see-9-11-growth-in-fy25-says-icra-124093001078_1.html

External

Interest equalisation scheme extended for 3 months; capped at Rs 50 lakh

The government has extended the interest equalisation scheme on pre- and post-shipment rupee export credit for three more months till December 31 to promote the country's outbound shipments. The scheme, which provides exporters interest benefits, ended on September 30. In a trade notice, the Directorate General of Foreign Trade (DGFT) said, "Trade and Industry is hereby informed that the Interest Equalisation Scheme for Pre and Post shipment Rupee Export Credit, which had earlier been extended till September 30, 2024 has been further extended by three months up to December 31, 2024". It also said the fiscal benefits of each MSME, on aggregate, will be restricted to Rs 50 lakh for 2024-25 till December 2024.

https://www.business-standard.com/industry/news/interest-equalisation-scheme-extended-for-3-months-capped-at-rs-50-lakh-124093001348_1.html

May retaliate if Asean non-trade barriers persist, says Piyush Goyal

India may consider taking retaliatory measures if non-trade barriers imposed by the Association of Southeast Asian Nations (Asean) are not addressed as part of the ongoing review of the trade deal, Commerce and Industry Minister Piyush Goyal said. If they (Asean countries) give us a fair deal in terms of the review, that will help us right-size the huge trade deficit. If they don't, then we will have to look at the non-tariff barriers imposed on us, and I will have to consider retaliatory measures," Goyal told Business Standard in an interview.

https://www.business-standard.com/economy/news/may-retaliate-if-asean-non-trade-barriers-persist-says-piyush-goyal-124093001065_1.html

India should not push US for GSP benefits as gains are marginal: GTRI

India should accept the withdrawal of benefits under the US generalised system of preferences (GSP) scheme and avoid pushing for its reinstatement as the benefits for domestic exporters were marginal, think tank GTRI said on Monday. It also suggested that India should not seek the resumption of the scheme in the upcoming India-US Commercial Dialogue on October 2.

https://www.business-standard.com/economy/news/india-should-not-push-us-for-gsp-benefits-as-gains-are-marginal-gtri-124093000909_1.html

India set to regain dominant share in global rice markets

India's dominance in global rice trade is expected to be restored with a spike in shipment especially to Africa and south-east Asian countries, after the government announced several measures such as removal of ban on white rice exports while imposing a minimum export price (MEP) of \$490/ tonne and reduced exports tax on par-boiled rice to only 10%, exporters said. BV Krishna Rao, president of the Rice Exporters' Association, said that prior to the restriction on shipment imposed last year, India was exporting around 17 million tonne (MT) of non-basmati rice annually and exports of high value white rice varieties would get a boost now.

<https://www.financialexpress.com/business/industry-india-set-to-regain-dominant-share-in-global-rice-markets-3626782/>

Dumping probe begins into China CRNO steel imports

India has initiated an anti-dumping investigation into imports of Cold-Rolled Non-oriented Electrical Steel (CRNO) from China on complaints by South Korean and Taiwanese steel makers. One of the complainants, POSCO Maharashtra Steel Pvt Ltd, is a fully owned subsidiary of POSCO Korea, while the other, CSCI Steel Corporation Pvt Ltd, is a subsidiary of CSC Taiwan.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/dumping-probe-begins-into-china-crno-steel-imports/articleshow/113827415.cms>