



October 07, 2024 – Monday

## Economy

### India must liberalise FDI to be a developed nation by 2047: ADB chief economist

India needs to further liberalise its foreign direct investment (FDI) policy, open up trade and not fear competition to be able to achieve its goal of becoming a developed nation by 2047, Albert Park, chief economist, Asian Development Bank, has said. "I think all the indications are there that India will have the capability (to become a developed nation). That said there's a perception that India has not embraced import liberalisation. There are reasonably decent sized tariffs on a number of inputs and companies in exporting sectors have complained that it's hard to get access to cheaply priced inputs," he told ET in an interview.

<https://economictimes.indiatimes.com/news/economy/policy/india-must-liberalise-fdi-to-be-a-developed-nation-by-2047-adb-chief-economist/articleshow/113991935.cms>

## Finance

### Status-quo on rates likely, say experts ahead of RBI's policy review

The Reserve Bank is unlikely to cut the benchmark interest rate in its forthcoming bi-monthly monetary policy review later in the week as retail inflation is still a cause of concern, and there is a possibility of the Middle East crisis deteriorating further, impacting crude oil and commodity prices, say experts. Earlier this month, the government reconstituted the Reserve Bank's rate-setting panel -- Monetary Policy Committee (MPC). The reconstituted panel, with three newly appointed external members, will commence its maiden meeting on Monday. MPC Chairman RBI Governor Shaktikanta Das will reveal the outcome of the three-day discussion on Wednesday (October 9).

[https://www.business-standard.com/finance/news/status-quo-on-rates-likely-say-experts-ahead-of-rbi-s-policy-review-124100600196\\_1.html](https://www.business-standard.com/finance/news/status-quo-on-rates-likely-say-experts-ahead-of-rbi-s-policy-review-124100600196_1.html)

## Industry

### Stable policies, ease of doing biz to boost manufacturing: Experts

Stable policies and further improvement in the ease of doing business in states will help significantly boost the country's manufacturing sector's growth, according to experts. They also said that sectors like renewable energy, particularly in the solar segment and electronics, hold huge potential to promote domestic manufacturing and create thousands of jobs. The government has already taken a series of steps like rolling out the production-linked incentive scheme (PLI) for 14 sectors, tweaking tariffs and issuance of mandatory quality control orders for different products to support domestic players and increase manufacturing activities, they added.

[https://www.business-standard.com/industry/news/stable-policies-ease-of-doing-biz-to-boost-manufacturing-experts-124100600232\\_1.html](https://www.business-standard.com/industry/news/stable-policies-ease-of-doing-biz-to-boost-manufacturing-experts-124100600232_1.html)

### Govt asks major steel companies to use iron ore fines also for steel making

To increase the usage of available raw materials, the Ministry of Steel has directed integrated steel players to make use of iron ore fines in steel making after its beneficiation. As per sources, the ministry has also suggested that

players look at options like acquiring coking coal mines abroad. This is aimed at increasing the availability of raw materials at competitive prices, they said.

[https://www.business-standard.com/industry/news/govt-asks-major-steel-companies-to-use-iron-ore-fines-also-for-steel-making-124100600102\\_1.html](https://www.business-standard.com/industry/news/govt-asks-major-steel-companies-to-use-iron-ore-fines-also-for-steel-making-124100600102_1.html)

#### **Carmakers expect festive period to improve sales, overall buyer sentiment**

Auto industry players are eyeing robust performance in the ongoing festive period to lift overall consumer sentiment and set the tone for the rest of the year amid slowing demand. The festive season usually commences with Onam and ends with Diwali every year. Kia India National Head of Sales and Marketing Hardeep Singh Brar told PTI that the last 3-4 months were not good for the industry as sales declined compared to the same period last year. "With pent-up demand of the last few months there and government investment starting to flow in, we feel things should start improving from here onwards," he noted.

[https://www.business-standard.com/industry/auto/carmakers-expect-festive-period-to-improve-sales-overall-buyer-sentiment-124100600135\\_1.html](https://www.business-standard.com/industry/auto/carmakers-expect-festive-period-to-improve-sales-overall-buyer-sentiment-124100600135_1.html)

#### **India's high tax curbing soft drinks segment reach potential: ICRIER report**

Carbonated soft drinks segment in India is unable to reach its potential in terms of scale expansion due to barriers such as high taxation under the GST regime despite government's initiatives like 'Make in India' and 'Aatmanirbhar Bharat', according to a report by economic think tank ICRIER. The cross-country comparative data on sugar-sweetened beverages (SSB) taxes collated by the World Bank shows that India has one of the highest tax rates for carbonated soft drinks (CSDs) at a total tax rate of 40 per cent as of 2023.

[https://www.business-standard.com/industry/news/india-s-high-tax-curbing-soft-drinks-segment-reach-potential-icrier-report-124100600098\\_1.html](https://www.business-standard.com/industry/news/india-s-high-tax-curbing-soft-drinks-segment-reach-potential-icrier-report-124100600098_1.html)

#### **Building smarter and more efficient supply chains through technology adoption**

As sustainability becomes a business imperative, technology is emerging as a powerful catalyst for building more efficient supply chains. Automation and advanced technologies like AI, machine learning, and robotics are not just enhancing efficiency but also making supply chains smarter. With the global digital transformation market projected to reach USD 4 trillion by 2027, technology is steering the logistics industry towards a more sustainable future.

<https://www.financialexpress.com/business/industry-building-smarter-and-more-efficient-supply-chains-through-technology-adoption-3631870/>

#### **Mid-cap Indian IT companies expected to outperform large-cap firms in FY25**

Mid-cap companies are projected to outperform their large-cap counterparts in FY25 as they quickly adopt emerging technologies and capture market share in niche sectors. Analyst estimates suggest that tier-1 companies, or large-caps, are expected to witness revenue growth of 0.9-3 per cent q-o-q, while mid-caps are expected to grow by 2.1-4.5 per cent.

<https://www.thehindubusinessline.com/info-tech/mid-cap-indian-it-companies-expected-to-outperform-large-cap-firms-in-fy25/article68724404.ece>

### **Infrastructure**

#### **Urban growth sparks profitable opportunities in real estate and allied businesses**

India is urbanizing at a rapid pace, fundamentally reshaping towns, cities, and the economy. By 2036, 600 million people — 40 percent of the country's population — will live in urban areas, a sharp rise from 31 percent in 2011. These urban centers are projected to contribute nearly 70 percent to India's GDP, positioning them as the engine of the nation's economic growth. However, the infrastructural framework required to support this urban influx is largely undeveloped, with nearly 70 percent of the urban infrastructure needed by 2047 yet to be built.

<https://www.financialexpress.com/business/industry-urban-growth-sparks-profitable-opportunities-in-real-estate-and-allied-businesses-3631882/>

### **Energy**

### **NPCIL to operate 220 MW small nuclear plants for private companies**

In a first, the Nuclear Power Corporation of India (NPCIL) will operate 220 MW capacity small nuclear plants for private players who will provide both funding and land for the project, a senior government official has said. A development on this front is likely by this year-end or early 2025, the official told PTI. "The funding and land for the nuclear plant will be made available by the private player but the plant will be managed by NPCIL," the official said. With the NPCIL, a public sector enterprise under the Department of Atomic Energy, managing and operating the plant, the need to amend the Atomic Energy Act will not arise. Under the Atomic Energy Act, the nuclear energy sector is open only for government PSUs, another official said.

[https://www.business-standard.com/economy/news/npcil-to-operate-220-mw-small-nuclear-plants-for-private-companies-124100600271\\_1.html](https://www.business-standard.com/economy/news/npcil-to-operate-220-mw-small-nuclear-plants-for-private-companies-124100600271_1.html)

## **States**

### **Rajasthan set to be first State in India to bring in an innovative way to acquire land**

Rajasthan is all set to become first State in India to bring in land aggregation through a legal mechanism. This aims to assist industries and help the farmers. "We will introduce a Bill in the State Assembly and based on that a policy will be in place," Rajasthan Chief Minister BhajanLal Sharma said when *businessline* asked about the availability of land for industries in the State. This statement has been made at a time, when the State government is gearing up to organise 'Rising Rajasthan' Global Investment Summit in December this year. As a build-up to mega event in December, Sharma led road shows in Mumbai and Delhi during which over ₹12.50 lakh crore worth of MoUs (Memorandum of Understanding) for investment signed.

<https://www.thehindubusinessline.com/news/national/rajasthan-sets-to-be-first-state-in-india-to-bring-in-an-innovative-way-to-acquire-land/article68724596.ece>

## **Healthcare**

### **Pharma companies seek more teeth for agencies to fight fakes**

India's leading drug makers have urged the Supreme Court to empower police and drug inspectors to conduct investigations against those suspected of manufacturing counterfeit drugs. In a petition filed last week, the Indian Pharmaceutical Alliance (IPA)-a grouping of 23 leading Indian drug makers-urged the top court to direct the health ministry to formulate guidelines for filing of FIRs and the procedure for arrest of those selling and manufacturing counterfeit drugs, both of which are punishable under the Drugs and Cosmetic Act, 1940.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/pharma-companies-seek-more-teeth-for-agencies-to-fight-fakes/articleshow/113993063.cms>

## **External**

### **Next round of India-EU FTA talks in 2025**

The next round of India-European Union free trade agreement (FTA) negotiations is likely to be held in the first quarter of next year even as the two sides made limited progress on issues such as rules of origin and government procurement in the just concluded ninth round from September 23-27. "Only issues related to sanitary and phytosanitary measures I, dispute settlement and good regulatory practices have made progress," said an official.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/next-round-of-india-eu-fta-talks-in-2025/articleshow/113993194.cms>

### **India's easing of rice exports welcomed in S Africa**

South African importers have welcomed India's decision to ease restrictions on rice exports. Last month, the Indian government withdrew a blanket ban on overseas shipments of non-basmati white rice. It imposed a floor price of USD 490 per tonne and exempted the commodity from export duty. "It's welcoming news for all the importers like us, as South Africa imports roughly 10 million tonnes of rice every year. After Thailand and Vietnam, which account for 70 per cent of imports of rice in South Africa, India is the next biggest exporter of rice to South Africa," said Pranav Thakkar of Dev International, one of the largest importers of Indian products to South Africa.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-easing-of-rice-exports-welcomed-in-s-africa/articleshow/113987706.cms>

**Clear laws, SOPs needed to protect workers, manufacturers' interests: GTRI**

The government needs to focus on formulating clear laws, and standard operating procedures to protect workers and interests of companies to foster a more stable industrial environment in the country, economic think tank GTRI has suggested. It also said that to reduce industrial strikes, India must prioritize protecting workers' rights while maintaining industrial stability and there is an urgent need to take steps to help address labour disputes before they escalate into strikes. "Industrial strikes have led to factory closures and job losses in India for decades," GTRI founder Ajay Srivastava said, adding that the strike by over 1,000 workers at Samsung's Sriperumbudur factory in Tamil Nadu since September 9 is not an isolated event.

[https://www.business-standard.com/industry/news/clear-laws-sops-needed-to-protect-workers-manufacturers-interests-gtri-124100600254\\_1.html](https://www.business-standard.com/industry/news/clear-laws-sops-needed-to-protect-workers-manufacturers-interests-gtri-124100600254_1.html)