



October 08, 2024 – Tuesday

Economy

Computer, electronics sectors add highest workers after Covid: ASI data

Of the total 29 major industry groups covered in the Annual Survey of Industries (ASI), 'manufacture of computer, electronic and optical products' has seen the highest growth in the number of people engaged between the pre-pandemic period (2019-20) and 2022-23. A Business Standard analysis of the latest ASI results has taken into consideration only industry groups having more than 1,000 operating factories.

https://www.business-standard.com/industry/news/computers-electronics-industry-leads-post-pandemic-job-growth-asi-data-124100700767_1.html

60,000 acres of salt land now available for industrial use, housing

The central government has amended its policy on disposal of its 60,000 acres of unused and unproductive salt pan lands across the country, allowing their transfer on easy terms for "various national development" projects, including affordable housing and industrial use, a senior official said. The surplus salt land can now be transferred for biodiversity conservation, eco-sensitive projects, renewable energy, and affordable housing, among others, the official said. The lands could, however, be transferred only to central government departments, central public sector enterprises, state governments and public enterprises of states.

<https://www.financialexpress.com/business/industry-60000-acres-of-salt-land-now-available-for-industrial-use-housing-3632162/>

Bihar performing well in basic indicators: NITI Aayog CEO

Bihar is performing well in basic indicators like education and health, and it is likely to catch up with the rest of the country in a couple of years, NITI Aayog CEO BVR Subrahmanyam said on Monday. Addressing a press conference in Gaya where a national conference on data-driven governance will begin on Tuesday, he said a number of aspirational blocks and districts of Bihar will become "inspirational" soon due to improved governance and service delivery. "Bihar will catch up with the rest of the country in a couple of years. The state is performing well in terms of basic indicators like education and health. A number of aspirational blocks and districts will move on to become inspirational blocks and districts in the very near future due to improved governance and service delivery," Subrahmanyam said.

<https://economictimes.indiatimes.com/news/economy/indicators/bihar-performing-well-in-basic-indicators-niti-aayog-ceo/articleshow/114021007.cms>

Finance

Government revamps financial inclusion program for enhanced social security coverage

The government plans to revamp its financial inclusion programme, targeting more comprehensive coverage of eligible persons under its social security schemes. The upgraded Jan Suraksha model may offer higher insurance and pension coverage, with a focus on linking all the Jan Dhan account holders, two officials aware of the discussions told ET.

<https://economictimes.indiatimes.com/news/economy/policy/government-revamps-financial-inclusion-program-for-enhanced-social-security-coverage/articleshow/114022539.cms>

Securitisation volumes likely to reach Rs 60,000 crore in September quarter: ICRA

Loan securitisation volumes of standard assets touched Rs. 60,000 crore in the September quarter, domestic rating agency ICRA has estimated. Securitisation grew 36% sequentially and 31% on year basis. "The sharp increase in the quarterly volumes has been fuelled by large private sector banks selling down their portfolio to improve their credit-to-deposit ratio, given the relatively lower pace of deposit accretion being witnessed," ICRA noted.

<https://economictimes.indiatimes.com/news/economy/finance/securitisation-volumes-likely-to-reach-rs-60000-crore-in-september-quarter-icra/articleshow/114020267.cms>

RBI to be less hawkish at October policy, DBS Bank economist says

India's central bank is likely to be less hawkish than its previous monetary policy following softer domestic data, although a change in stance or rates is unlikely at its policy meeting this week, an economist with DBS Bank said on Monday. "I do not think they will change their stance as yet," as a change in monetary policy stance does not need to precede a rate cut, said Radhika Rao, senior economist and executive director at DBS Bank in Singapore.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-to-be-less-hawkish-at-october-policy-dbs-bank-economist-says/articleshow/114013184.cms>

Tax dept invites public inputs for I-T Act review to simplify provisions

The Income Tax department on Monday invited public inputs for review of the six-decade old I-T Act with regard to simplification of language, litigation reduction, compliance reduction, and obsolete provisions. Pursuant to the Budget announcement by Finance Minister Nirmala Sitharaman for a comprehensive review of the Income-tax Act, 1961, the Central Board of Direct Taxes (CBDT) had set up an internal committee to oversee the review and make the Act concise, clear, and easy to understand, which will reduce disputes, litigation, and provide greater tax certainty to taxpayers.

https://www.business-standard.com/finance/news/tax-dept-invites-public-inputs-for-i-t-act-review-to-simplify-provisions-124100700745_1.html

Industry

Passenger vehicle sales drops 19% in September, inventory hits record high

Passenger vehicle retail sales dropped sharply by 19 per cent in September, largely due to seasonal factors such as heavy rainfall and 'Pitru Paksha' or 'Sharadha' -- a 16-day lunar period when purchasing a new product is avoided by many. This sharp year-on-year (Y-o-Y) dip in sales exacerbated another challenge that the sector has been facing for a while now, the inventory pileup. It soared to a historically high mark of 80-85 days for the dealers, which is equivalent to 790,000 vehicles worth Rs 79,000 crore.

https://www.business-standard.com/industry/auto/pv-sales-dip-19-in-september-inventory-hits-record-rs-79k-crore-mark-124100700183_1.html

Review on vehicle scrappage policy: Used truck mkt prices spike up to 21%

With the government reviewing its Vehicle Scrappage Policy, the price of used trucks has spiked by as much as 21 per cent in certain segments. The rise in used market prices is also driven by demand from the government's infrastructure projects, according to industry sources. According to the Shriram Mobility Bulletin, a monthly report that tracks used vehicle sales, truck rentals, and retail automobile sales, the price of used commercial vehicles (UCV) in the 1.5 to 2-tonne category registered a 21 per cent year-on-year (Y-o-Y) increase, followed by a 12 per cent rise in the 7.5 to 16-tonne category.

https://www.business-standard.com/industry/news/review-on-vehicle-scrappage-policy-used-truck-mkt-prices-spike-up-to-21-124100700547_1.html

Agriculture

Moderate hike in wheat MSP likely

The government is likely to announce a 5% increase in the minimum support price (MSP) of wheat, a key rabi crop for the next marketing season 2025-26 (April-June), to Rs 2400/quintal, taking into consideration market availability and global prices of the commodity. Sources told FE that there are several factors such as moderation in inflation along with sufficient availability of wheat stock along with softening of global prices which could have an influence on fixing the MSP.

<https://www.financialexpress.com/policy/economy-moderate-hike-in-wheat-msp-likely-3632172/>

Indian farmers get just one-third of the price we pay for fruits and vegetables

Indian farmers receive only about one-third of the final selling price of fruits and vegetables, according to research papers published by the Reserve Bank of India (RBI) on food inflation. The rest of the amount goes largely to wholesalers and retailers. In contrast, farmers in the dairy sector get around 70% of the final price, and egg producers receive about 75%. The studies revealed that for staple items like tomatoes, onions, and potatoes, farmers get about 33%, 36%, and 37% of the consumer price, respectively. For fruits, farmers earn 31% of the final price for bananas, 35% for grapes, and 43% for mangoes on the domestic market. When exported, the share for mangoes increases, but for grapes, it decreases, even if the overall price is higher.

<https://economictimes.indiatimes.com/news/economy/agriculture/indian-farmers-get-just-one-third-of-the-price-we-pay-for-fruits-and-vegetables/articleshow/114008554.cms>

Energy

India to award leases to top up strategic oil reserves amid Gulf tensions

State-owned Indian Strategic Petroleum Reserves Ltd (ISPRL), which operates India's strategic crude oil storage, will make awards by December to lease around 1 million tons of crude oil storage space (7.3 million barrels) at two of the country's three existing Strategic Petroleum Reserves (SPRs), around a fifth of the total SPR capacity. This will enable the refilling of crude caverns even as escalating hostilities in the Gulf threaten disruptions in crude supplies, two industry sources said.

https://www.business-standard.com/industry/news/india-to-award-leases-to-top-up-strategic-oil-reserves-amid-gulf-tensions-124100700758_1.html

India's first Energy Transition startup accelerator takes shape

As NITI Aayog is getting ready to launch a national policy framework for energy transition next month, Transition VC, an energy transition-focused venture capital fund, has launched the country's first startup accelerator dedicated to energy transition.

<https://www.thehindubusinessline.com/economy/countrys-first-energy-transition-startup-accelerator-takes-shape/article68727901.ece>

India's clean energy tech capacity to rise significantly by 2030: S&P

India's clean energy technology capacity is projected to rise significantly by 2030, according to S&P Global Commodity Insights. In line with its commitment to reduce carbon emissions and drive economic growth, India is positioning itself as a leader in clean energy manufacturing, it said. "The Indian government has rolled out various initiatives, including the Production-Linked Incentive (PLI) scheme, aimed at attracting significant investments in solar modules and battery production," Jessica Jin of S&P Global Commodity Insights said. "These efforts not only aim to meet the country's growing domestic demand but also strategically position India as a major player in the global clean energy supply chain."

https://economictimes.indiatimes.com/industry/renewables/indias-clean-energy-tech-capacity-to-rise-significantly-by-2030-sp/articleshow/114015856.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

Peak power demand declines in Sept; renewable energy generation increases

The peak power demand in September fell to 230 GW, down from the 243 GW recorded during the same month last year, which had marked the annual high for that fiscal year. This figure is also below the 260 GW projected by the

Ministry of Power, according to a report from The Financial Express. While the long-period average of rainfall for August stands at 254.9 mm, it dropped to 167.9 mm in September.

https://www.business-standard.com/industry/news/peak-power-demand-declines-in-sept-renewable-energy-generation-increases-124100700647_1.html

Operating losses of state discoms to remain high this fiscal despite a 15-20% dip, dependence on govt support to continue

Operating losses of 30 state power distribution companies (discoms) is expected to remain sizeable at 40-45 paise per unit this fiscal despite a 15-20 per cent reduction on-year, stated a report by CRISIL Ratings. Operating losses is denoted by the gap between average cost of supply (ACS) and average revenue realised (ARR) per unit of power. The elevated operating losses and increase in borrowings to fund the losses, it added, has been driven by elevated cost of supply and subdued tariff hikes. That, in turn, will keep credit profiles weak and discoms reliant on timely government support.

<https://www.financialexpress.com/business/industry-operating-losses-of-state-discoms-to-remain-high-this-fiscal-despite-a-15-20-dip-dependence-on-govt-support-to-continue-3632775/>

Meeting on Friday to finalise transport of coal for power plants

The inter-ministerial committee comprising coal, power and railways officials will meet on October 11 to discuss and finalise rake supply plan for transporting coal to power plants for the second half of the financial year, people aware of the development told ET.

<https://economictimes.indiatimes.com/industry/energy/power/meeting-on-friday-to-finalise-transport-of-coal-for-power-plants/articleshow/114022463.cms>

External

Treaty norms eased, threshold for arbitration reduced to 3 years

India has relaxed certain provisions in its bilateral investment treaty (BIT) with the UAE, which include a reduction in the period for investors to exhaust local remedies for any dispute to three years from the usual five years and bringing in the typically short-term portfolio investments under its ambit. The new India-UAE BIT, which was signed in February 2024, came into effect from August 31 and replaced the earlier Bilateral Investment Promotion and Protection Agreement, the finance ministry said on Monday.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/treaty-norms-eased-threshold-for-arbitration-reduced-to-3-years/articleshow/114022253.cms>

India, UAE to set up food corridor at \$2 bn investment: Piyush Goyal

India and the UAE will set up a food corridor with an expected investment of \$2 billion which will cater to the UAE market and beyond and help Indian farmers earn higher income and create more jobs, Union Minister Piyush Goyal said on Monday. Addressing a press conference on the 12th meeting of India-UAE High-Level Task Force on Investment here, Goyal, who is the Minister for Commerce and Industry, said that a small working group comprising central government, state governments involved and the UAE has also been set up to take forward the establishment of food corridor between the two countries on a mission mode basis

https://www.business-standard.com/economy/news/india-uae-to-set-up-food-corridor-at-2-bn-investment-piyush-goyal-124100700815_1.html

Russia aims to boost coal exports to India amid growing fuel demand

Russia is interested in increasing coal exports to India to tap into growing demand for the fuel in the Asian country, Russian Deputy Prime Minister Alexander Novak said. China remains the biggest buyer of Russian coal but Moscow has said India may overtake it by the start of the next decade as Beijing plans cutbacks on coal usage for power generation. India has increasingly relied on coal to address record power demand, with the rise in coal-fired power output earlier this year outpacing renewable energy growth for the first time since at least 2019.

https://www.business-standard.com/economy/news/russia-aims-to-boost-coal-exports-to-india-amid-growing-fuel-demand-124100700454_1.html

China stimulus raise hopes of lower dumping into India

With China's new stimulus boost for its realty sector, the Indian steel industry is hopeful that fewer Chinese steel shipments will find their way to Indian ports. Industry analysts say that the stimulus will potentially increase China's domestic steel demand, hence reducing the country's need to export elsewhere and bring stability in steel prices in India. The move is expected to reap short term benefits for the Indian steel companies as domestic HRC (hot rolled coil) prices become at par with Chinese import prices.

<https://www.financialexpress.com/business/industry-china-stimulus-raise-hopes-of-lower-dumping-into-india-3632225/>

RBI, Maldives Monetary Authority ink \$400 mn Currency Swap Agreement; India to provide Rs 30 bn under INR swap window

The Reserve Bank of India on Monday entered into a Currency Swap Agreement with the Maldives Monetary Authority (MMA) under the SAARC Currency Swap Framework 2024-27. The MMA is eligible for financing support from the RBI amounting to USD 400 million under the US Dollar/ Euro Swap Window and Rs 30 billion under the INR Swap Window. The agreement would be valid till June 18, 2027.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-maldives-ink-400-million-rs-30-billion-currency-swap-agreement/articleshow/114016234.cms>

Meat exporters to follow QCI certification for Halal meat from Oct 16

In an attempt to streamline various standards followed with regard to Halal certification of meat and meat products exported from India, the Directorate General of Foreign Trade (DGFT) has made it mandatory for exporters to have certification from the Quality Council of India (QCI) if they want to export such products to some 15 countries, including the UAE, Singapore, and Indonesia, effective from October 16.

<https://www.thehindubusinessline.com/economy/agri-business/meat-exporters-to-follow-qci-certification-for-halal-meat-from-oct-16/article68729682.ece>