



October 10, 2024 – Thursday

Economy

Cabinet Meeting Highlights: Three important decisions greenlit by Modi & Co

The Union Cabinet, led by Prime Minister Narendra Modi, approved three important decisions on Thursday. These include a large-scale scheme for fortified rice distribution, the development of the National Maritime Heritage Complex in Gujarat, and infrastructure improvements in border areas of Rajasthan and Punjab. Here's a breakdown of these key decisions:

<https://economictimes.indiatimes.com/news/india/cabinet-meeting-today-highlights-three-important-decisions-greenlit-by-modi-co-9th-october/articleshow/114075977.cms>

India's September inflation likely overshoot RBI's 4% target: Reuters poll

India's retail inflation in September likely overshoot the Reserve Bank of India's (RBI) 4% medium-term target for the first time since July due to a persistent rise in vegetable prices and a lower year-ago base, a Reuters poll found. Food items, especially vegetables and other perishables, which make up a significant share of overall household spending in the country, saw an uptick in prices as heavy rains reduced the availability of essential crops.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-september-inflation-likely-overshot-rbis-4-target-reuters-poll/articleshow/114101546.cms>

CBAM unilateral and arbitrary, will hurt Indian industry: FM Sitharaman

Unilateral and arbitrary measures like the Carbon Border Adjustment Mechanism (CBAM) tax will hurt Indian industry and pose a challenge for India, Finance Minister Nirmala Sitharaman said on Wednesday. The finance minister also highlighted that the proposed Deforestation Act by the European Union would cause major disruption in the supply chain and not assist countries like India, which are incurring significant transition costs.

Speaking at an event hosted by the United Kingdom's Financial Times, Sitharaman said, "As a country which has proven its record, and for international agencies to have recognised that it is keeping its commitment (for climate action goals) and fulfilling it, to have to face unilateral measures like this will be the challenge... These are such not so helpful ways in which developed countries follow certain policies which are unilateral and, I'm sorry to say, arbitrary."

https://www.business-standard.com/economy/news/cbam-unilateral-and-arbitrary-will-hurt-indian-industry-fm-sitharaman-124100900819_1.html

Nearly 50,000 internship opportunities posted on portal: MCA officials

Three days before it is opened for applicants, the internship scheme portal has registered around 50,000 opportunities across sectors, according to sources in the Ministry of Corporate Affairs. While 130 companies, including Jubilant Foodworks, Eicher Motors Ltd, Larsen & Toubro Ltd, Tech Mahindra, Mahindra & Mahindra Ltd, Bajaj Finance, and Muthoot Finance, have posted internship opportunities, many more are in the process of identifying available positions internally before registering on the portal.

https://www.business-standard.com/economy/news/nearly-50-000-internship-opportunities-posted-on-portal-mca-officials-124100901215_1.html

Rural households' indebtedness rose between 2016-17 and 2021-22: Nabard

The proportion of rural households that reported outstanding debt has grown from 47.4 per cent in 2016-17 to 52.0 per cent in 2021-22, even as their average monthly income jumped 57.5 per cent in the same period, the latest All India Rural Financial Inclusion Survey (NAFIS) 2021-22 by Nabard said today. The survey showed that the average monthly income of rural households increased from Rs 8,059 in 2016-17 to Rs 12,698 in 2021-22.

This means a nominal compounded annual growth rate (CAGR) of 9.5 per cent, which is higher than the average annual nominal GDP growth of 9 per cent during the same period, the survey said.

https://www.business-standard.com/economy/news/rural-households-indebtedness-rose-between-2016-17-and-2021-22-nabard-124100901184_1.html

Strengthen quality control mechanisms in GI-tagged products: Experts to Government

The government should strengthen the Geographical Indications (GI) law in the area of quality control and post-registration monitoring as the existing framework lacks effective mechanisms for ensuring the consistent quality of these goods, experts say. They said that the proposed amendment in the Geographical Indications of Goods (Registration and Protection) Act, 1999 should consider implementing statutory liabilities for inspection bodies and establishing a structured quality control process. The Department for Promotion of Industry and Internal Trade (DPIIT) has sought views and comments of stakeholders on the proposed amendments.

<https://economictimes.indiatimes.com/news/economy/policy/strengthen-quality-control-mechanisms-in-gi-tagged-products-experts-to-government/articleshow/114078183.cms>

Finance

NITI Aayog raises asset monetisation target for FY25 to Rs 1.9 trn

The NITI Aayog has increased the asset monetisation target for 2024-25 (FY25) by Rs 23,000 crore to Rs 1.9 trillion, moving closer to the overall Rs 6 trillion target set under the National Monetisation Pipeline (NMP) for a four-year period. The NMP, unveiled by Finance Minister Nirmala Sitharaman in August 2021, has achieved Rs 3.9 trillion in the first three years, ending in 2023-24, against a target of Rs 4.3 trillion. However, even with the revised target of Rs 1.9 trillion for the final year of FY25, the government will miss the Rs 6 trillion asset monetisation target by roughly Rs 20,000 crore.

https://www.business-standard.com/economy/news/fy25-asset-monetisation-raised-to-rs-1-9-trillion-eyes-nmp-target-124100901084_1.html

FY25 gold bond float target may be cut again to below ₹10,000 cr

The government will likely cut its gold bond float target for 2024-25 drastically again to less than ₹10,000 crore, as it finds current market conditions unfavourable and the mopup of funds through this route costly, a senior finance ministry official said. The government had in July slashed this target to ₹18,500 crore from the interim budget level of ₹29,638 crore, ET had reported on July 26.

<https://economictimes.indiatimes.com/news/economy/finance/fy25-gold-bond-float-target-may-be-cut-again-to-below-10000-cr/articleshow/114097059.cms>

India's short-term rates curve inverts further as rate cuts loom

India's ultra-short-term rates dropped further below the benchmark interest rate on Wednesday as the Reserve Bank of India easing its monetary policy stance boosted bets of imminent rate cuts and comfortable liquidity conditions added to demand.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-short-term-rates-curve-inverts-further-as-rate-cuts-loom/articleshow/114082173.cms>

Industry

More sops to boost scrapping of old vehicles in works

India is looking at extending additional sops for scrapping old vehicles amid a lacklustre response from owners to the current set of incentives, according to officials aware of the move. The government has initiated a

comprehensive inter-ministerial review of the registered vehicle scrapping facility (RVSF) policy to examine the issues and identify additional incentives. The registered scrapping centres are unable to attract most owners of old vehicles since the unorganised sector offers better value, the officials said. According to official data, 100,000 vehicles have been scrapped since the scrappage policy came into force in 2021 until June this year.

<https://economictimes.indiatimes.com/industry/auto/auto-news/more-sops-to-boost-scrapping-of-old-vehicles-in-works/articleshow/114095399.cms>

India needs to impose tariffs on steel imports, SAIL's chairman says

India needs to impose tariffs on steel imports for an even playing field for the domestic industry, Steel Authority of India's Chairman Amarendu Prakash told Reuters on the sidelines of the FT Live Energy Transition Summit India on Wednesday. India's finished steel imports from China hit a seven-year high during the first five months of fiscal 2025, according to provisional government data last month.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/india-needs-to-impose-tariffs-on-steel-imports-sails-chairman-says/articleshow/114082610.cms>

Quick commerce companies may face action for not giving expiry date

The government is planning a crackdown on quick commerce companies after receiving multiple consumer complaints over not displaying mandatory disclosures, such as expiry date, about grocery and other daily essentials sold on their platforms, a senior official said. The Legal Metrology (Packaged Commodities) Amendment Rules 2017 mandates mentioning "best before or use by the date, month and year" on digital platforms.

<https://economictimes.indiatimes.com/industry/services/retail/quick-commerce-companies-may-face-action-for-not-giving-expiry-date/articleshow/114097120.cms>

Smartphone sales decline amid festive season; consumer electronics, apparel show growth

Smartphone brands continued to battle a sluggish year, with sales falling by 3% by volume in the first 12 days of the crucial festive season sales compared to last year. Tepid demand for entry-level handsets weighed on the overall industry. Television and household appliance sales grew by 2-3% by volume sales during the period, led by premium products, as per estimates from leading brands and market researchers. Apparel brands and retailers saw a 6-8% increase in same store value sales, bringing cheer to the industry.

<https://economictimes.indiatimes.com/industry/services/retail/smartphone-sales-decline-amid-festive-season-consumer-electronics-apparel-show-growth/articleshow/114091861.cms>

Festive hopes fade for India's gold industry after surge in price

A rebound in gold prices to a record peak has dashed the Indian bullion industry's expectations of a lucrative festival season after their hopes were boosted by a deep cut in import duty two months ago to the lowest in a decade. "Everyone was feeling positive about demand after the duty cut since we were seeing a spike in interest, and it really made us think the festival season would be amazing," Prithviraj Kothari, president of the India Bullion and Jewellers Association (IBJA), said. "But with prices bouncing back right before the festivals, demand might end up being 20 per cent lower than usual in terms of volume."

https://www.business-standard.com/markets/commodities/festive-hopes-fade-for-india-s-gold-industry-after-surge-in-price-124100900533_1.html

India set to source entire mobile phone needs locally by fiscal year-end as Apple, Google ramp up production

India is likely to start sourcing its entire mobile phone needs locally by the end of this fiscal year, with Apple starting manufacturing of iPhone Pro and Pro Max models last week and Alphabet's Google producing its Pixel handsets in the country. The surge in local manufacturing, including premium handsets, has significantly reduced the need for imports, officials told ET.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/india-set-to-source-entire-mobile-phone-needs-locally-by-fiscal-year-end-as-apple-google-ramp-up-production/articleshow/114097070.cms>

Hiring surge in gig economy: 1 million jobs to boost this festive season

As the festive season approaches, various sectors are expecting a surge in consumption demand, leading to an increase in hiring, predominantly in the gig economy. A report by The Economic Times, quoting NLB Services, said

that around one million jobs could be created during this festive period. Industries including retail, hospitality, e-commerce, logistics, consumer goods, banking, financial services, and insurance (BFSI) are anticipated to ramp up hiring. Notably, the e-commerce sector is projected to experience the most significant demand, with a 22 per cent increase in hiring compared to last year, said CEO of NLB Services Sachin Alug, as mentioned by the report.

https://www.business-standard.com/industry/news/hiring-surge-in-gig-economy-1-million-jobs-to-boost-this-festive-demand-124100900337_1.html

Infrastructure

Eastern Freight Corridor cut short; major project runs into land hurdles

Almost twenty years after being conceived in 2004, the eastern arm of the Dedicated Freight Corridor Corporation of India (DFCCIL) has terminated 538 km short of the Kolkata port. In terms of actual investment, at about Rs 21,500 crore, this has been one of the costliest infrastructure projects in India to have run aground. The line was to run from Sahnewal in Punjab, close to Ludhiana, to Dankuni, the railhead near Kolkata port. The distance was 1,875 km when it was planned. It is now truncated to 1,337 km, shortening the distance by almost 29 per cent.

https://www.business-standard.com/economy/news/eastern-freight-corridor-cut-short-major-project-runs-into-land-hurdles-124100900184_1.html

RBI misses chance to up housing demand by keeping repo rate steady: Credai

Realtors' apex body Credai on Wednesday said the RBI should have cut key interest rates to boost housing demand during the current festive season and demanded that the apex bank must consider lowering the repo rate in the next meeting. The Reserve Bank of India (RBI) kept its key interest rate unchanged on Wednesday but took the first step towards a rate cut as it eased its relatively hawkish policy stance to 'neutral'.

https://www.business-standard.com/finance/news/rbi-misses-chance-to-up-housing-demand-by-keeping-repo-rate-steady-credai-124100900579_1.html

Expanding direct international flights, simplifying visa processes to boost tourist arrivals in India: Report

Expanding direct international flights, simplifying visa processes and continuously promoting India's diverse travel landscapes will boost tourist arrivals in India, according to a report released on Wednesday. The "How India Travels 2024, The Inbound Edit" report by Booking.com calls for a collaborative approach between various stakeholders, backed by targeted investments, to help India reach new heights in global tourism.

<https://economictimes.indiatimes.com/industry/services/travel/expanding-direct-international-flights-simplifying-visa-processes-to-boost-tourist-arrivals-in-india-report/articleshow/114093351.cms>

Energy

Power demand may reach 270 GW next year, 446 GW by 2035: CEA Chairperson

The peak power demand is expected to touch the 270 GW mark next fiscal and reach a level of 446 GW by 2035, Central Electricity Authority Chairperson Ghanshyam Prasad said on Wednesday. The chairperson also said that around 40 GW of power generation capacity will be added during the ongoing financial year. The government's projection for peak power demand this year was 260 GW. However, it could not be reached due to lower temperatures due to rains, and peak power demand remained around 250 GW, the official told reporters in a media briefing on 'Brainstorming Session on Indian Power Sector Scenario by 2047'.

https://www.business-standard.com/economy/news/power-demand-may-reach-270-gw-next-year-446-gw-by-2035-cea-chairperson-124100900923_1.html

Telecom

Telecoms' AGR rises 0.13% in April-June quarter

The telecom industry recorded a modest 0.13% sequential growth in adjusted gross revenue (AGR) in the first quarter of FY25 in the absence of tariff hikes, even though Bharti Airtel and Reliance Jio reported strong mobile broadband user additions and data usage growth. Latest operator performance data put out by the Telecom Regulatory Authority of India (Trai) on Wednesday showed Airtel notched up the highest sequential AGR gain in the

June quarter. Jio also reported on-quarter growth in AGR, but loss-making Vodafone Idea (Vi) reported a decline, stung by continuing customer losses.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/telecoms-agr-rises-0-13-in-april-june-quarter/articleshow/114094959.cms>

Healthcare

QR code must for all vaccines to check fakes

The government has made QR codes mandatory on all vaccines, in a bid to prevent counterfeits and validate the authenticity, the Drug Controller General of India (DCGI) on Wednesday told ET. "Recently we have notified that all vaccines would have the QR code. It makes it very easy for the consumer and other stakeholders to identify the genuine products," Raghuvanshi said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/qr-code-must-for-all-vaccines-to-check-fakes/articleshow/114097195.cms>

External

Commerce, shipping ministries to discuss trade and shipping-related tax issues tomorrow

The commerce and industry ministry will on Friday meet officials of finance and shipping ministries and industry stakeholders to discuss tax related issues in the maritime sector. Officials said that India's proposed Vessel Sharing Agreements could be discussed at the meeting which is being held amid exporters witnessing high air and shipping freight rates due to the conflict in West Asia.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/discussions-on-trade-and-shipping-related-tax-issues-tomorrow/articleshow/114094948.cms>

India key mkt despite import duty hike: Malaysia Palm Oil Council Chief

Malaysia remains optimistic about palm oil exports to India despite recent import duty hike, with the Malaysian Palm Oil Council (MPOC) Chairman Dato Carl Bek Nielsen emphasizing the long-standing trade relationship between the two countries. In an interview to PTI, Nielsen stressed that India, being the world's largest palm oil importer, continues to be an "incredibly important market" for Malaysian palm oil. He pointed out that such tariff adjustments have occurred in the past and are part of the normal trading relationship between the two countries.

"This has been done before. Duties have been raised, and duties have been reduced, and we will see that this pattern will repeat itself in the future," Nielsen said.

https://www.business-standard.com/economy/news/india-key-mkt-despite-import-duty-hike-malaysia-palm-oil-council-chief-124100900334_1.html

India's pharma, meditech exports expected to sustain momentum despite global slowdown: Official

Exports of India's pharmaceutical and meditech sectors are expected to sustain the growth momentum in the ongoing fiscal despite a slowdown in the global economy, a senior government official said on Wednesday. With the government revving up support for drug development in India, as many as 16 blockbuster molecules targeted for a wide range of therapeutic areas, including cancer, diabetes, HIV and tuberculosis, are in the pipeline to be produced in India, Department of Pharmaceuticals, Secretary Arunish Chawla told reporters on the sidelines of CII Pharma and Life Sciences summit here.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-pharma-meditech-exports-expected-to-sustain-momentum-despite-global-slowdown-official/articleshow/114075892.cms>