



October 16, 2024 – Wednesday

Economy

Goyal launches district master plan under PM GatiShakti for infra planning

Commerce and Industry Minister Piyush Goyal on Tuesday launched a district master plan under the PM GatiShakti initiative for infrastructure planning in 27 aspirational districts of the country. A national master plan portal is there under the initiative for efficient planning and implementation of infrastructure projects. Goyal said that the district master plan will be expanded to cover more than 750 districts across the country in the next 18 months.

https://www.business-standard.com/economy/news/goyal-launches-district-master-plan-under-pm-gatishakti-for-infra-planning-124101500978_1.html

Inflation likely to align with 4% target on durable basis by FY26: RBI DG

India's retail inflation is expected to align with the 4 per cent target on a "durable basis" in the next financial year 2025-26 (FY26), RBI's Deputy Governor Michael Debabrata Patra has said, at a time when the government revealed that the CPI inflation for September had escalated to nine-month high of 5.49 per cent. "In July and August 2024, inflation had fallen below the target. It is projected to average 4.5 per cent in 2024-25 before aligning with the target on a durable basis in 2025-26," Patra said in a speech on inflation targeting, which was posted on the Reserve Bank of India's (RBI's) website on Tuesday.

https://www.business-standard.com/economy/news/inflation-likely-to-align-with-4-target-on-durable-basis-by-fy26-rbi-dg-124101500672_1.html

129 mn Indians living in extreme poverty in 2024: World Bank report

Almost 129 million Indians are living in extreme poverty in 2024, on less than \$2.15 (about Rs 181) a day, down from 431 million in 1990, the World Bank said in report on Tuesday. However, with a higher poverty standard of \$6.85 (about Rs 576) per day — the poverty threshold for middle-income countries — more Indians are living below the poverty line in 2024 than in 1990, primarily driven by 'population growth'. Earlier, the World Bank had said that extreme poverty in India had declined by 38 million in 2021 to 167.49 million after growing in the preceding two years.

https://www.business-standard.com/economy/news/129-million-indians-live-in-extreme-poverty-in-2024-says-world-bank-124101501137_1.html

Finance

RBI's new bank-subsidary norms to force realignments of business

Several large banks will have to realign their business models to comply with a recent Reserve Bank of India (RBI) proposal, which, upon implementation, would impact the valuations of parent banks and their financial services subsidiaries, said auditors of various banks. At the heart of the guidelines is the regulator's view that core activities - deposit mobilisation and lending - should reside within a bank rather than its subsidiaries and that there should not be any overlap in business activities between a bank and its subsidiaries.

<https://economictimes.indiatimes.com/news/economy/policy/rbis-new-bank-subsidary-norms-to-force-realignments-of-business/articleshow/114260537.cms>

Govt, RBI firm ESMA has to change stance on CCIL oversight for any MoU

The Reserve Bank of India and the government are uncomfortable signing agreements with the European Securities and Markets Authority (ESMA) unless regulations calling for overseas jurisdiction over the Clearing Corporation of India (CCIL) are changed, sources aware of the matter said.

<https://economictimes.indiatimes.com/news/economy/policy/govt-rbi-firm-esma-has-to-change-stance-on-ccil-oversight-for-any-mou/articleshow/114260832.cms>

SEBI increases position limits for F&O trading

Market regulator SEBI has increased the overall position limit at the trading member level across client and proprietary trades in index futures and options to ₹7,500 crore, or 15 per cent of total open interest (OI) in the market.

<https://www.thehindubusinessline.com/markets/sebi-increases-position-limits-for-fo-trading/article68757365.ece>

Funding to Indian fintech rises 66%, number of rounds decline by 25%

After a prolonged funding winter, the Indian fintech ecosystem is showing signs of recovery, with the sector recording a 66 per cent year-on-year growth in funding to \$778 million in the third quarter of calendar year 2024 (Q3CY24). The sector raised \$471 million in Q3CY23, according to data from market intelligence platform Tracxn. On a quarter-on-quarter basis, funding to the fintech sector more than doubled from \$293 million in Q2CY24.

https://www.business-standard.com/industry/news/funding-to-indian-fintech-rises-66-number-of-rounds-decline-by-25-124101500567_1.html

Industry

DPIIT relaxes quality control order for cookware, utensils for micro units

The Department for Promotion of Industry and Internal Trade (DPIIT) on Tuesday said it has relaxed the mandatory quality control norms for cookware and utensils for micro units. The quality control order (QCO) on cookware, utensils and cans for foods and beverages was issued last year to cut imports of sub-standard goods and promote domestic manufacturing. "To enhance ease of doing business, several relaxations have been introduced in the QCO, which includes exemption from the QCO for very small micro-enterprises (i.e. micro-enterprises registered under the Udyam portal) where the investment in plant and machinery does not exceed Rs 25 lakh, and the turnover does not exceed Rs 2 crore," it said.

<https://economictimes.indiatimes.com/news/economy/policy/dpiit-relaxes-quality-control-order-for-cookware-utensils-for-micro-units/articleshow/114256032.cms>

Govt examining mandatory product disclosures by quick commerce firms

The government is verifying mandatory disclosures on packaged products sold through quick commerce companies, a senior government official said on Tuesday, signalling potential regulatory action against non-compliant firms. Consumer Affairs Secretary Nidhi Khare told reporters the government is examining whether these companies are adhering to the Legal Metrology Act, which requires disclosure of key product information.

https://www.business-standard.com/industry/news/govt-examining-mandatory-product-disclosures-by-quick-commerce-firms-124101500621_1.html

Room air-conditioner industry to post sales volume growth of 20-25% in FY25 on climate and consumer trends, says ICRA

The sales volume of the Indian room air-conditioner (RAC) industry is expected to grow by 20-25 per cent YoY and reach its record high levels of 12-12.5 million units in FY2025, said a report by ICRA. The growth over the next few years, it added, is expected to be led by factors like rising temperature levels, increasing need for the number of RACs per household, rising urbanisation levels, improved disposable income, and favourable consumer financing options. Further, increasing replacement demand with a rising preference for energy-efficient models amidst increasing usage and higher energy costs augur well for the industry.

<https://www.financialexpress.com/business/industry-room-air-conditioner-industry-to-post-sales-volume-growth-of-20-25-in-fy25-on-climate-and-consumer-trends-says-icra-3640189/>

Infrastructure

State ports plan a sea change in capacity, submit Rs 2 lakh cr expansion proposals to Centre

State government-controlled ports, which collectively handle around half of India's total cargo movement, have submitted capacity expansion plans worth over Rs 2 lakh crore to the Centre, said officials aware of the matter. These 'non-major' ports will supplement India's plans to increase total handling capacity by four times to 10,000 million tonnes per annum (mtpa) by 2047. Gujarat aims to develop integrated port cities with an estimated investment of Rs 1.5 lakh crore, said the people cited above. Andhra Pradesh envisages an investment of Rs 50,000 crore in the ports sector till 2050.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/state-ports-plan-a-sea-change-in-capacity-submit-rs-2-lakh-cr-expansion-proposals-to-centre/articleshow/114261519.cms>

Pvt equity investment in real estate down 4% to \$2.3 bn in Apr-Sep: Anarock

Private equity investments in the Indian real estate sector declined 4 per cent to \$2.3 billion in the first half of this fiscal year due to lower inflow in office assets, according to Anarock. Real estate consultant Anarock noted that the total number of deals declined to 17 in April-September this year from 24 in the corresponding period of the preceding year.

https://www.business-standard.com/industry/news/pvt-equity-investment-in-real-estate-down-4-to-2-3-bn-in-apr-sep-anarock-124101500546_1.html

Homebuyer sentiment in India robust: Magicbricks

The homebuyer sentiment continues to grow strong owing to expectations of capital appreciation and rising rental yields of residential properties, shows Magicbricks' latest Housing Sentiment Index (HSI). Based on a survey of over 2,100 customers, the report indicates that the customer housing sentiment in September has increased from 149 to 155 in just six months from April. The survey also underscored growing confidence among homebuyers and investors within the luxury segment, where properties priced between ₹3.5 crore and ₹5 crore showed an HSI score of 162.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/homebuyer-sentiment-in-india-robust-magicbricks/articleshow/114260608.cms>

India needs over \$170 bn to fund aviation expansion: S&P Global Ratings

India's aviation sector will need to pump in more than \$170 billion through 2030 to finance record aircraft orders and boost airport capacity amid an ongoing traffic boom, S&P Global Ratings said in a report. India is one of the world's fastest-growing aviation markets and domestic passenger traffic is expected to double to 300 million by 2030, according to government data. Traffic on overseas flights could more than double by then, estimates by aviation research group CAPA India show.

https://www.business-standard.com/industry/news/india-needs-over-170-bn-to-fund-aviation-expansion-s-p-global-ratings-124101500533_1.html

Domestic air passenger traffic rises 6 pc in September

Domestic carriers flew 1.30 crore passengers in September, which is 6.38 per cent higher compared to the year-ago period, according to official data released on Tuesday. In September last year, airlines carried 1.22 crore passengers. IndiGo's market share rose to 63 per cent while that of Air India climbed to 15.1 per cent in September 2024, as per the data released by the Directorate General of Civil Aviation (DGCA).

<https://economictimes.indiatimes.com/industry/transportation/airlines/-/aviation/domestic-air-passenger-traffic-rises-6-pc-in-september/articleshow/114257371.cms>

Energy

Imported coal-based power units to run at full steam till Dec 31

The Centre has extended the direction for imported coal-based power plants to run at full capacity till December 31, two senior government officials said. This would ensure adequate capacity amid the continued rise in power demand, said a third official. The power ministry's earlier direction to thermal plants using imported coal to operate

at full capacity was in force till October 15. Section 11 of the Electricity Act states that the government may, in extraordinary circumstances, ask a power generation company to operate and maintain any station in accordance with its directions. There are 15 such plants in the nation, including Tata Power's Coastal Power Gujarat, Adani Power Mundra, Essar Power Gujarat and JSW Ratnagiri.

<https://economictimes.indiatimes.com/industry/energy/power/imported-coal-based-power-units-to-run-at-full-steam-till-dec-31/articleshow/114260624.cms>

Coal stocks plunge ahead of winter season

As many as 184 thermal power plants of the country, with a total generation capacity of 211 gigawatt (GW), had 60% of "normative stock level" of coal at 34.5 million tonnes as on Monday, data from the Central Electricity Authority showed. Additionally, 30 coal-based plants are reported to have fuel stocks at "critical" levels, including 22 domestic coal-based plants. A plant is said to have critical stock situation when the dry fuel is less than 25% of the normative level.

<https://www.financialexpress.com/business/industry-coal-stocks-plunge-ahead-of-winter-season-3640667/>

States

Uttar Pradesh Textile park nets investment proposals worth Rs 10,000 cr

The proposed mega textile park in Uttar Pradesh has netted investment proposals to the tune of Rs 10,000 crore from domestic textile and garment majors. Companies looking to set up units in the UP Textile Park spanning 1,162 acres include Reliance Industries, Arvind Mills, Vardhman and Ahuja Textile Mills, among others. In all, about 400 big and small textile manufacturing and processing plants may come up in the textile park in Lucknow-Hardoi districts.

https://www.business-standard.com/industry/news/uttar-pradesh-textile-park-nets-investment-proposals-worth-rs-10-000-cr-124101500642_1.html

Gujarat govt auctions 25 major and 2,280 minor mineral blocks

The Gujarat government has auctioned 25 major and 2,280 minor mineral blocks, with Letters of Intent (LoI) being granted to eligible lease-holders Tuesday to mark the "Entrepreneurship Day". Chief Minister Bhupendra Patel handed LOI to lease-holders and acknowledged the contributions of entrepreneurs to Gujarat's development journey, stated a government release. "Under the 'Vikas Saptah', the state government has so far successfully auctioned 25 major mineral blocks and issued intent letters to 20 (lease-holders). Additionally, 2,280 minor mineral blocks have also been successfully auctioned," it said.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/gujarat-govt-auctions-25-major-and-2280-minor-mineral-blocks/articleshow/114259564.cms>

External

Steel import surge impacts domestic players' gross margins: Ind-Ra

The surge in steel imports has impacted the margins of domestic players and such pressures are likely to intensify in the second half of the ongoing fiscal year, a report said on Tuesday. The report covers global causes of increased steel imports to India, the likely trajectory of imports, key exporting nations, and domestic demand supply balance, India Ratings and Research (Ind-Ra) said in a statement.

https://www.business-standard.com/industry/news/steel-import-surge-impacts-domestic-players-gross-margins-ind-ra-124101500702_1.html

Oilmeals export down 35% in Sep to nearly 214,000 tonnes, shows data

India's oilmeals export declined 35 per cent last month to 2,13,744 tonnes due to lower shipments of soyabean meal, rapeseed meal and castorseed meal, according to industry data. The exports stood at 3,30,567 tonnes in the same month last year. In a statement on Tuesday, the Solvent Extractors' Association of India (SEA) said the total export of oilmeals during April-September 2024 fell 9 per cent to 20,82,533 tonnes compared to 22,76,120 tonnes in the corresponding period of the previous year, mainly due to a reduction in export of rapeseed meal and castorseed meal.

https://www.business-standard.com/industry/news/oilmeals-export-down-35-in-sep-to-nearly-214-000-tonnes-shows-data-124101500573_1.html

UAE to address India's concerns over rise in silver, platinum alloy imports

The United Arab Emirates (UAE) has agreed to look into India's concerns over compliance to rules related to the import of silver products, platinum alloy and dry dates, the commerce department said on Tuesday. During a joint committee meeting under the India-UAE trade deal, officials from New Delhi raised concerns over the recent surge in imports of these products. These were being shipped to India, taking advantage of the lower tariffs under the pact.

https://www.business-standard.com/economy/news/uae-to-address-india-s-concerns-over-rise-in-silver-platinum-alloy-imports-124101501077_1.html

India-Canada diplomatic row: No immediate impact on trade ties

India doesn't expect an immediate impact on its trade ties with Canada due to the disrupted diplomatic relations and there is nothing to worry about at present, officials said, adding that the government doesn't expect Canadian pension funds to change stance. "We don't expect an immediate impact. The bilateral trade isn't that big to significantly impact the overall trade basket," said an official, adding that New Delhi's recent trade talks with the US and the UAE indicated readiness for more investments in India.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-canada-diplomatic-row-no-immediate-impact-on-trade-ties/articleshow/114260422.cms>