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Economy

Come FY26, states to be ranked on labour welfare, productivity

States in India would now be ranked on an annual basis on their labour-friendliness too, not just on how successful they are on creating conducive atmosphere for businesses to grow, and various social parameters. The Union labour ministry is likely to introduce a “Labour Welfare and Employment Index” (LWEI) from the next financial year, in an attempt to enhance labour welfare and employment opportunities, according to an official source.

<https://www.financialexpress.com/policy/economy-come-fy26-states-to-be-ranked-on-labour-welfare-productivity-3647064/>

India's food inflation likely to ease by end of FY25, highlights RBI MPC minutes

India's food inflation is expected to ease by Q4 of this fiscal (FY25) on better kharif arrivals and rising prospects of a good rabi season, highlighted the Reserve Bank of India's latest report. The RBI-led rate setting panel, Monetary Policy Committee, in the minutes of October meet, has highlighted that the sowing of key kharif crops are higher than last year and the long-period average. "Sufficient buffer stocks for cereals are available for ensuring food security. Adequate reservoir levels, the likelihood of a good winter and favorable soil moisture conditions augur well for the ensuing rabi season, though adverse weather events remain a risk," it added.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-food-inflation-likely-to-ease-by-end-of-fy25-highlights-rbi-mpc-minutes/articleshow/114508180.cms>

IMF sees major manufacturing shift towards India & China

The International Monetary Fund (IMF), in its latest World Economic Outlook report, has highlighted a significant global shift in manufacturing production towards emerging markets like India and China, as advanced economies lose competitiveness. "Manufacturing production is also increasingly shifting toward emerging market economies-- in particular, China and India--as advanced economies lose competitiveness" said IMF in its report.

<https://economictimes.indiatimes.com/news/economy/policy/imf-sees-major-manufacturing-shift-towards-india-china/articleshow/114499868.cms>

Finance

Growth needs to be supported by cheaper credit: MPC external member Nagesh

Nagesh Kumar, one of the three newly appointed external members of the Reserve Bank of India (RBI)'s Monetary Policy Committee (MPC), said on Wednesday that interest rates should be reduced to make loans cheaper to support growth, which has been sluggish. Kumar was the only member who voted for a rate cut (of 25 bps) during the monetary policy review meeting earlier this month. All other members voted for keeping the policy repo rate unchanged at 6.5 per cent. "I voted for a 25 basis point cut in the repo rate and the adoption of a neutral stance, as I felt that inflationary expectations have been successfully anchored, while economic growth needed to be supported through cheaper credit," Kumar told Business Standard.

https://www.business-standard.com/economy/news/growth-needs-to-be-supported-by-cheaper-credit-mpc-external-member-nagesh-124102301453_1.html

Banks tighten expenses as credit costs, higher slippages hurt

Indian banks are keeping a tight watch on their expenses as margins and profitability come under pressure amid increased credit costs and higher slippages from the unsecured and micro finance book. Most private banks that have reported their September quarter earnings have recorded a slowdown in operating expenses by reducing staff strength and cutting IT expenses and/or branch banking-related expenses.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-tighten-opex-as-credit-costs-higher-slippages-hurt/articleshow/114517206.cms>

IRDAI raises concerns over high auto cover commissions

India's insurance regulator in a meeting with top executives from non-life insurance companies on Monday expressed concerns over high commission payouts to motor insurance service providers (MISP) in the 'motor own damage' segment. The Insurance Regulatory and Development Authority of India (Irdai) presented data showing that commissions paid by insurers to MISPs for new private car insurance policies ranged from 25% to 57%.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/irdai-raises-concerns-over-high-auto-cover-commissions/articleshow/114517425.cms>

Microfinance institutions must refrain from reckless lending: DFS secretary

Microfinance institutions (MFIs) have played a crucial role in fostering financial inclusion but they should refrain from any reckless lending, Financial Services Secretary M Nagaraju said on Wednesday. "We should all be careful on this. Any reckless or poor underwriting norms regarding lending to Self Help Groups (SHGs) or Joint Liability Groups (JLGs) will only harm the sector," he said at an event organised by Sa-Dhan here.

https://www.business-standard.com/finance/news/microfinance-institutions-must-refrain-from-reckless-lending-dfs-secretary-124102300651_1.html

More savings in the offing: VPF limit for tax-free interest may be hiked

The government could raise the ceiling on contributions with taxfree interest to the voluntary provident fund (VPF) under the Employees' Provident Fund Organisation (EPFO) from the current Rs 2.5 lakh. Beyond this, interest earned is currently taxable. The ministry of labour and employment is examining the issue and is likely to take it up with the finance ministry during FY26 budget discussions, people aware of the matter said.

<https://economictimes.indiatimes.com/news/economy/policy/more-savings-in-the-offing-vpf-limit-for-tax-free-interest-may-be-hiked/articleshow/114518734.cms>

Industry

Consumers face the heat with cooking oil on the boil

Consumers are paying more for cooking oils as consumption increases due to Diwali. India increased import duties last month to protect interests of soybean farmers in poll-bound Maharashtra. As the soyabean prices continue to rule below the minimum support price levels, the edible oil industry has now demanded 5% RoDTEP (Remission of Duties or Taxes on Export products) incentive for oilmeal exports to support the sector. According to the Ministry of Consumer Affairs data, all India average prices of packaged mustard oil has increased by 17.5 %, soyabean oil by 14.87%, sunflower by 18% and palm oil by 24% during last two months. The prices increased after India increased the import duty on all the cooking oils by about 20% on September 14.

<https://economictimes.indiatimes.com/industry/cons-products/food/consumers-face-the-heat-with-cooking-oil-on-the-boil/articleshow/114518472.cms>

Indian apparel exporters to report revenue growth of 9-11% in FY25, capex spends to increase too in FY25 and FY26

Indian apparel exporters are expected to register a revenue growth of 9-11 per cent in FY2025, stated a report by ICRA. This, it added, will primarily be driven by the gradual liquidation of retail inventory in the key end markets and a shift in global sourcing to India, a part of the de-risking strategy adopted by several customers. This will be followed by a tepid performance in FY2024 when exports were affected because of high retail inventory, sluggish demand

from the key end markets, supply chain issues (including the Red Sea crisis) and heightened competition from neighbouring countries.

<https://www.financialexpress.com/business/industry-indian-apparel-exporters-to-report-revenue-growth-of-9-11-in-fy25-capex-spends-to-increase-too-in-fy25-and-fy26-3647357/>

Global Capability Centres to cross 2,500 mark in four years: JLL India

The number of Global Capability Centres (GCCs) in India is expected to surpass the 2,500 mark over the next four years, with their office space footprint projected to exceed 300 million square feet, according to JLL India, a real estate advisory firm. Currently, more than 1,800 GCCs occupy 240 million square feet of Grade A office space across the country's top seven cities, serving over 1,400 global corporations, the firm said. Since 2022, 100 new centres have been established in India.

https://www.business-standard.com/industry/news/global-capability-centres-to-cross-2-500-mark-in-four-years-jll-india-124102301284_1.html

Entertainment industry loses Rs 22,400 cr due to piracy in 2023: EY-IAMAI

The Indian entertainment industry suffered a staggering loss of Rs 22,400 crore in 2023 due to piracy, according to a report released on Wednesday, that advocated for stronger regulations and collaborative efforts to effectively mitigate piracy risks. According to "The Rob Report" by EY and the Internet and Mobile Association of India (IAMAI), 51 per cent of media consumers in India access content from pirated sources, with streaming services being the most significant contributor at 63 per cent.

https://www.business-standard.com/industry/news/entertainment-industry-loses-rs-22-400-cr-due-to-piracy-in-2023-ey-iamai-124102300794_1.html

Agriculture

Sugar mills get 312 cr litres ethanol orders from oil marketing companies for 2024-25 season

Oil Marketing Companies (OMCs) have allocated 837 crore litres of ethanol to distilleries for supply during the 2024-25 Ethanol Supply Year (ESY), which runs from November to October. Of this, the contribution of the biofuel to be made out of damaged foodgrain (a term used for rice) will be 94 crore litres. It will have to be produced from over 2 million tonnes (mt) of rice.

<https://www.thehindubusinessline.com/economy/agri-business/sugar-mills-get-312-cr-litres-ethanol-orders-from-oil-marketing-companies-for-2024-25-season/article68788077.ece>

Infrastructure

Road ministry to double defect liability period for EPC contracts to 10 yrs

Union minister Nitin Gadkari on Wednesday said the government has decided to double the 'defect liability period' to 10 years for contractors of engineering, procurement and construction (EPC) projects. Currently, under EPC projects, the responsibility for maintenance of national highways lies with the government after the defect liability period (5 years) is over. "The quality of roads built under EPC mode is not good. The defect liability period under EPC mode is 5 years... and within 3 years, there are lots of problems on roads," Gadkari said at an event here.

https://www.business-standard.com/industry/news/govt-to-double-defect-liability-period-under-epc-contracts-to-10-yrs-124102301127_1.html

Energy

Lower APM gas allocation to raise city gas cost by Rs 2-3 per kg: CRISIL

The gas procurement cost of city gas distribution (CGD) companies is set to rise by Rs 2-3 per kilogram (kg) following a reduction in allocation of input natural gas under the administered price mechanism (APM), rating agency CRISIL said Wednesday. City gas operators get priority gas allocation at reduced prices under APM from legacy gas fields for the domestic compressed natural gas (CNG) and piped natural gas (PNG) - domestic segments.

https://www.business-standard.com/industry/news/lower-apm-gas-allocation-to-raise-city-gas-cost-by-rs-2-3-per-kg-crisil-124102300730_1.html

India's diesel consumption likely to surpass 93 mt in FY25

Diesel consumption in India, a mainstay of the transport and logistics sector, is likely to surpass 93 million tonnes (mt) in the current financial year, ending March 2025.

<https://www.thehindubusinessline.com/markets/commodities/indias-diesel-consumption-likely-to-surpass-93-mt-in-fy25/article68788346.ece>

Telecom

Trai releases consultation paper on satellite gateway authorisations

The Telecom Regulatory Authority of India (Trai) has brought out a consultation paper on network authorisations, asking the industry whether a separate authorisation is needed for satellite communication (satcom) services, especially for Satellite Earth Station Gateways (SESG). The paper was brought out after the Department of Telecommunications (DoT) asked Trai earlier this month to consider a separate authorisation for satcom. Interestingly, Trai had last month proposed a new authorisation called "Satellite-based Telecommunication Service Authorisation" for commercial satellite services, merging the erstwhile VSAT-CUG service and GMPCS licences.

https://www.business-standard.com/economy/news/trai-releases-consultation-paper-on-satellite-gateway-authorizations-124102301492_1.html

Telcos call for TRAI deadline extension as message traceability mandate threatens OTP deliveries

Telecom operators have warned of major disruptions in delivering transactional and service messages after a new mandate by the sector regulator to ensure traceability of messages comes into effect from November 1. The Telecom Regulatory Authority of India (Trai) had in August directed all telcos to ensure that messages from principal entities (PEs) such as banks, ecommerce firms, financial institutions, etc., to recipients are traceable starting November. Messages, where the chain of telemarketers is not defined or does not match, should be rejected. This means that a message where the entire chain is undefined must be blocked or not delivered to the customer.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/telcos-call-for-trai-deadline-extension-as-message-traceability-mandate-threatens-otp-deliveries/articleshow/114517921.cms>

External

Can't accept FDI blindly, need safeguards, says FM Nirmala Sitharaman

India will place restrictions on foreign direct investment (FDI) in the national interest to ensure safeguards because of its location in a highly sensitive neighbourhood, Finance Minister Nirmala Sitharaman said during an interactive session at the Wharton Business School in the US on Tuesday. "I cannot blindly accept FDI simply because we need investment, unmindful of where it is coming from. We want business, we want investment, but we also need some safeguards, because India is located in a neighbourhood that is very, very sensitive," Sitharaman said.

https://www.business-standard.com/economy/news/can-t-accept-fdi-blindly-need-safeguards-says-fm-nirmala-sitharaman-124102301259_1.html

BRICS nations agree to boost trade, financial settlement in local currencies

BRICS nations on Wednesday agreed to strengthen trade and financial settlement in local currencies, study feasibility of an independent cross-border settlement and depositary infrastructure, and a BRICS reinsurance company. The leaders also agreed to jointly develop the New Development Bank into a new type of multilateral development bank (MDB) in the 21st century and supported further expansion of the BRICS-led bank's membership. In the declaration issued after the 16th BRICS Summit here, the leaders reiterated their commitment to enhancing financial cooperation within BRICS.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/brics-nations-agree-to-boost-trade-financial-settlement-in-local-currencies/articleshow/114513017.cms>

Govt lifts curbs on non-basmati white rice exports, removes floor price

Lifting curbs on rice exports, the government on Wednesday removed the floor price for non-basmati rice shipments and exempted parboiled and husked (brown) rice from export duty. The government has removed the minimum

export price (MEP) of \$490 per tonne on overseas shipments of non-basmati white rice and has exempted parboiled rice and husked (brown) rice from export duty. On September 28, the government withdrew a blanket ban on overseas shipments of non-basmati white rice and imposed the floor price.

https://www.business-standard.com/economy/news/govt-lifts-curb-on-non-basmati-white-rice-exports-removes-floor-price-124102301218_1.html

Govt imposes anti-dumping duty on five Chinese products for 5 years

India has imposed anti-dumping duty on five Chinese goods, including glass mirror and cellophane transparent film, for five years to guard domestic players from cheap imports from the neighbouring country. These duties were imposed as these products -- isopropyl alcohol, sulphur black, cellophane transparent film, thermoplastic polyurethane, unframed glass mirror -- were exported to India from China at below normal prices. In five separate notifications, the Central Board of Indirect Taxes and Customs, Department of Revenue, said that the duty imposed "shall be levied for a period of five years".

https://www.business-standard.com/external-affairs-defence-security/news/govt-imposes-anti-dumping-duty-on-five-chinese-products-for-5-years-124102301372_1.html

Govt notifies conditions for exports of sesame seeds to US

The government on Wednesday notified the policy conditions for exports of sesame seeds to the US. The new rule will come into effect from November 16 this year. The Directorate General of Foreign Trade (DGFT) in a notification said that the India Oilseeds and Produce Export Promotion Council has been designated as the authority to issue the export certification.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/govt-notifies-conditions-for-exports-of-sesame-seeds-to-us/articleshow/114516355.cms>

Germany bets on India to reduce reliance on China

German Chancellor Olaf Scholz leads a high-level delegation to New Delhi this week, betting that greater access to the vast Indian market can reduce Germany's reliance on Beijing even if India does not turn out to be the "new China". From cars to logistics, German companies are largely optimistic about India's growth potential, tapping into a wealth of skilled young workers, a cheaper cost base and economic growth motoring at around 7%. The visit comes at a delicate time for Germany, whose export-oriented economy faces a second year of contraction and worries over a trade dispute between the European Union and China that could rebound on German companies.

<https://economictimes.indiatimes.com/news/economy/policy/germany-bets-on-india-to-reduce-reliance-on-china/articleshow/114498397.cms>

Improvement in India, China diplomatic ties unlikely to dramatically alter trade relations: GTRI

The improvement in diplomatic relations between India and China is unlikely to dramatically alter the economic and trade ties between the countries in the near future, think tank GTRI said on Wednesday. It said that India's low exports and high reliance on Chinese imports, especially in industrial sectors, are due to structural issues and it will require long-term policy efforts to address the trade imbalance.

India and China have firmed up an agreement on patrolling by their military along the Line of Actual Control (LAC) in eastern Ladakh, in a major breakthrough to end the over four-year standoff.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/improvement-in-india-china-diplomatic-ties-unlikely-to-dramatically-alter-trade-relations-gtri/articleshow/114509913.cms>

Kazakhstan is India's reliable partner in energy sector; can be key source of goods & services: Envoy

Kazakhstan, which has significant natural resources in the energy sector, is a reliable partner for India in meeting its needs for oil, gas and other energy resources. In turn, India, with its huge market and diverse demand, presents Kazakhstan with promising opportunities for exporting various goods and services, the country's envoy to India Nurlan Zhalgasbayev told ET.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/kazakhstan-is-indias-reliable-partner-in-energy-sector-can-be-key-source-of-goods-services-envoy/articleshow/114504158.cms>