



November 18, 2024 – Monday

Economy

Manufacturing slump likely to hit India's Q2 GDP growth to six-quarter low

High-frequency indicators suggest that India's economic growth is likely to hit a six-quarter low in the September quarter (Q2) of 2024-25 (FY25), with moderation especially in the manufacturing sector. During the June quarter of FY25, the economy grew 6.7 per cent. The Reserve Bank of India (RBI) has pared down its forecast to 6.8 per cent in its October bulletin, from 7 per cent projected by Governor Shaktikanta Das during the October monetary policy briefing. The Central Statistical Office is scheduled to release the GDP data on November 29.

https://www.business-standard.com/economy/news/manufacturing-slump-likely-to-hit-india-s-q2-gdp-growth-to-six-quarter-low-124111700526_1.html

Finance

RBI prepares booklets in Santali language to create financial awareness among tribals

To create financial literacy awareness among the tribal population, the Reserve Bank of India (RBI), Odisha office has prepared five specific booklets in Santali (Ol Chik) language, an official said. Odisha Chief Minister Mohan Charan Majhi released the booklets at Bali Jatra in Cuttack on Friday. The booklets were prepared to commemorate 90 years of RBI's operation in the country, the official said, adding that the central bank had also recently organised a series of events like quiz competition among students.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-prepares-booklets-in-santali-language-to-create-financial-awareness-among-tribals/articleshow/115382001.cms>

PSBs set to launch MSME credit model this month, reveals document

Amid directions from the finance ministry, most public sector banks (PSBs) are ready to launch the credit risk assessment model for micro, small and medium enterprises (MSMEs), with a loan amount between Rs 25 lakh and Rs 5 crore to be assessed by the model for different banks, according to an internal government document reviewed by Business Standard. Bank of India, Punjab & Sind Bank, Canara Bank and Indian Bank are planning to launch this model on November 25.

https://www.business-standard.com/industry/banking/psbs-set-to-launch-msme-credit-model-this-month-reveals-document-124111700509_1.html

Rising delinquencies, aggressive lending put retail credit at risk

"Despite housing being a potentially appreciating asset, delinquencies are inching up in certain pockets. Lenders are targeting the informal self-employed segment where delinquencies are higher," says Mahesh Misra, leading you into a relatively little-known irritant which has the potential to balloon. The managing director (MD) and chief executive officer (CEO) of Indian Mortgage Guarantee Company – the country's sole mortgage guarantee firm – identifies a key pain point: The reluctance to up the loan-to-value to more than 80 per cent even where permissible. It leads to customers sourcing personal loans to bring in their contribution to purchase a home (or furnish it), pushing costs higher.

https://www.business-standard.com/finance/news/rising-delinquencies-aggressive-lending-put-retail-credit-at-risk-124111700636_1.html

Taxman recovers Rs 35,500 crore outstanding from April to September

The Central Board of Direct Taxes (CBDT) has recovered ₹35,500 crore of outstanding dues for the April-September period of this financial year, ET has learnt. This includes ₹23,000 crore of corporate tax and ₹12,500 crore of personal income tax.

<https://economictimes.indiatimes.com/news/economy/finance/taxman-recovers-rs-35500-crore-outstanding-from-april-to-september/articleshow/115391975.cms>

Industry

Weak urban demand weighs on FMCG firms in Q2 despite rural market recovery

Even as rural markets continued to recover, urban markets became a challenge for fast-moving consumer goods (FMCG) companies in the July-September quarter (Q2) of 2024-25 (FY25). In their post-results commentary, companies highlighted the stress in urban India. NielsenIQ's latest data shows that India's FMCG sector grew 5.7 per cent by value and 4.1 per cent by volume in Q2FY25, driven primarily by rural demand. Rural demand grew at twice the pace of urban demand during this period. Urban demand registered a growth of 2.8 per cent, while rural demand rose by 6 per cent, up from 5.2 per cent in the April-June quarter of FY25.

https://www.business-standard.com/industry/news/weak-urban-demand-weighs-on-fmcg-firms-in-q2-despite-rural-market-recovery-124111700493_1.html

Smartphone PLI revenue rings louder; 19x revenue boost for government in 4 years

The smartphone production-linked incentive (PLI) scheme has turned into a revenue bonanza for the government, generating 19 times the value of its incentive disbursements under the scheme in the last four fiscal years. The industry contributed Rs 1.10 lakh crore to the government exchequer and produced goods worth Rs 12.55 lakh crore between FY21 and FY24, during which the government disbursed Rs 5,800 crore in incentives, according to industry body India Cellular and Electronics Association's (ICEA) assessment of the PLI scheme. This implies that the government earned revenue of Rs 1,04,200 crore after the PLI disbursements, ICEA said in the report submitted to the finance ministry and the Ministry of Electronics and IT (MeitY) last week.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/smartphone-pli-revenue-rings-louder-19x-revenue-boost-for-government-in-4-years/articleshow/115392916.cms>

Festival season lifts retail auto sales by 12%, two-wheelers top demand

Retail sales of automobiles during the festival season grew 12 per cent compared to the previous year, led by two-wheeler sales on the back of strong demand, data from a dealers' association showed on Friday. As many as 4.29 million vehicles were sold in the 42-day season, compared to 3.84 million the same time in 2023, according to the Federation of Automobile Dealers Associations (FADA). The season started on the first day of Navratri and ended 15 days after Dhanteras (October 3 to November 13).

https://www.business-standard.com/industry/auto/rural-demand-discounts-drive-up-festive-season-auto-sales-by-12-124111500765_1.html

All Indian firms plan to boost investments in Gen AI: NTT study

A recent study by NTT DATA reveals that Indian organisations are planning to increase investments in generative artificial intelligence (GenAI). This shift marks a transition from initial experimentation to a focus on long-term use cases aimed at enhancing business performance, compliance and safety. Globally, 99% of organisations surveyed indicated similar plans to boost GenAI investments, according to the digital services and IT integrator firm's report.

<https://www.financialexpress.com/business/industry-all-indian-firms-plan-to-boost-investments-in-gen-ai-ntt-study-3666609/>

India to shift to 'smartphone era' for cars embracing 5G, AI: Report

India is set to enter a transformative "smartphone era" for cars in 2025, with the introduction of vehicles featuring 5G M2M connectivity and advanced AI technologies, according to the latest findings from Techarc's India Connected

Consumer Report 2025. The report said the automotive sector will skip 4G and will enable connectivity using the latest 5G cellular technology. It observed that consumers are interested in spending money on improving the value proposition in terms of features, quality and experience rather than exploring too many smart devices.

https://www.business-standard.com/industry/auto/india-to-shift-to-smartphone-era-for-cars-embracing-5g-ai-report-124111700280_1.html

Agriculture

Retail tomato prices drop 22.4 pc on improved supplies: Govt

Retail tomato prices declined 22.4 per cent month-on-month on improved supplies across the country, the Consumer Affairs Ministry said on Sunday. The all-India average retail price of tomatoes stood at Rs 52.35 per kg on November 14, down from Rs 67.50 per kg on October 14, according to an official statement. During the same period, modal wholesale prices at Delhi's Azadpur mandi witnessed a sharper decline of nearly 50 per cent to Rs 2,969 per quintal from Rs 5,883 per quintal, driven by increased arrivals.

<https://economictimes.indiatimes.com/news/economy/agriculture/retail-tomato-prices-drop-22-4-pc-on-improved-supplies-govt/articleshow/115382374.cms>

Infrastructure

Rail container traffic to get own terminals

India is planning to set up exclusive container rail terminals at 23 locations to boost movement of export-import (exim) cargo on its national transporter. According to officials aware of the plan, more lucrative financial terms have also been offered to private concessionaires for setting up dedicated container terminals for the Indian Railways. Loading and unloading of bulk cargo, such as coal and iron ore, will be banned from these container terminals.

<https://economictimes.indiatimes.com/industry/transportation/railways/rail-container-traffic-to-get-own-terminals/articleshow/115392835.cms>

Realty insolvency reforms to push for streamlined solutions for homebuyers, lenders

Homebuyers across the country are set to gain significant relief from the Insolvency and Bankruptcy Board of India's (IBBI) proposed reforms to streamline the insolvency process for real estate companies. With the proposed changes, the biggest pain point for homebuyers—delayed possession—is slated to be taken care of. The amendments, aimed at addressing long-standing challenges under the Insolvency and Bankruptcy Code (IBC), promise timely possession, fairer claim valuation and increased transparency.

<https://economictimes.indiatimes.com/industry/services/property/-cstruction/realty-insolvency-reforms-to-push-for-streamlined-solutions-for-homebuyers-lenders/articleshow/115390619.cms>

Telecom

New tower companies bank on Vodafone Idea, BSNL expansion

A wave of new entrants is seeking a foothold in India's Rs 55,000-crore telecom tower industry by offering competitive pricing through innovative solutions ranging from cost-efficient small cell deployments to energy-efficient designs, challenging large incumbents despite high entry barriers. Backed by public and private capital, companies like SAR Televentures, Suyog Telematics and Signotox Towers have erected a few thousand towers in deeper geographies for accelerated 5G rollouts and densification of high-quality coverage. And they are hoping to leverage the expected expansion of Vodafone Idea and state-run Bharat Sanchar Nigam Ltd. (BSNL) for future growth.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/new-tower-companies-bank-on-vodafone-idea-bsnl-expansion/articleshow/115391216.cms>

States

Telangana govt sanctions Rs 205 cr for Warangal Airport after GMR issues no objection certificate

Telangana government has issued orders sanctioning Rs 205 crore for acquiring over 280 acres of land for the development of Mamnoon Airport at Warangal, after GMR Group which manages Hyderabad Airport issued "No Objection" certificate for operation of the aerodrome. According to the GO issued on Sunday, the Airports Authority of India (AAI) in July 2022, informed the state government that it is ready to develop Warangal Airport for A-320 type of aircraft for IFR (instrument flight rules) operations and is ready to bear the infrastructure cost, operational and maintenance of the proposed airport. A master plan has been prepared for the operation of A-320 type of aircraft for which an additional land measuring 253 acres is required from the state government of Telangana, free of cost and free from all encumbrances.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/telangana-govt-sanctions-rs-205-cr-for-warangal-airport-after-gmr-issues-no-objection-certificate/articleshow/115401509.cms>

External

India's smartphone exports surpasses \$2 bn mark in Oct, sets new record

India's smartphone exports have set a new benchmark, surging past the \$2 billion mark in October -- the highest monthly total ever recorded. This milestone, according to estimates from the Indian Cellular and Electronics Association (ICEA), an industry body representing both global and domestic mobile device manufacturers, underscores the country's growing prominence in global mobile supply chains. In the first seven months of the current financial year, smartphone exports in value terms have already exceeded \$10.6 billion — marking a 37 per cent year-over-year increase from the \$7.8 billion recorded in the same period last year. October's performance, driven largely by Apple's iPhone, saw a 23 per cent jump from the previous high of \$1.78 billion in May 2024, and a 70 per cent increase compared to the \$1.2 billion in exports in October 2023.

https://www.business-standard.com/industry/news/india-s-smartphone-exports-surpasses-2-bn-mark-in-oct-sets-new-record-124111700609_1.html

India's FTAs not paused, all talks progressing as per schedule: Official

Negotiations for all the proposed free trade agreements, including those with the UK and European Union (EU), are progressing as per the schedule and the country's FTAs are not paused, a top government official has said. The official said that an impression is going around that FTAs are paused, which is not correct. "All our FTAs, whether it is with the EU or UK, all are progressing as per the schedule," the official said.

https://www.business-standard.com/economy/news/india-s-ftas-not-paused-all-talks-progressing-as-per-schedule-official-124111700402_1.html

RCEP benefits minimal for India due to China's opaque trade practices: GTRI

India will not be able to reap greater benefits from the Regional Comprehensive Economic Partnership (RCEP) agreement due to widening trade deficits with member countries and China's opaque trade practices, think tank GTRI said in its report. In 2019, India decided not to join the RCEP bloc due to concerns about trade imbalances and its impact on the domestic industries. The RCEP pact, a kind of comprehensive free trade agreement (FTA), was negotiated among the 10 ASEAN member states -- Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam -- and their six free trade partners -- China, India, South Korea, Japan, New Zealand, and Australia).

https://www.business-standard.com/economy/news/rcep-benefits-minimal-for-india-due-to-china-s-opaque-trade-practices-gtri-124111700184_1.html

MIP may be woven into textiles as imports rise

The government is examining if minimum import price (MIP) can be imposed on certain textile products which have seen a spike in imports in the last few months and injured the domestic industry. The textiles ministry is studying at least six products including viscose rayon yarn, woven fabric of polyester and cotton shorts, most of which come from China.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/mip-may-be-woven-into-textiles-as-imports-rise/articleshow/115392899.cms>

Exports of apparels surge despite global tensions, market challenges

Despite continuing wars and the Red Sea issue and India not taking any meaningful slice of the Bangladesh's market, India's garment exports are rising. Exporters attribute this to mainly to the depletion of stocks with the buyers and many economies doing better. India's garment exports hit a peak of \$16.71 billion in 2017-18. In April-October 2024, these exports were \$8.7 billion, 11.6 per cent higher than the corresponding period of last year, raising hopes that 2024-25 could better the 2017-18 high. Achieving record performance this year would have been a cinch if only India had had manufacturing capacities to take on jobs that would have normally gone to Bangladesh, which is in a socio-political wobble. India is playing catch-up with China and China-invested countries like Vietnam and Indonesia — the hope is that India will get a share of the Bangladesh's market, but that is for later.

<https://www.thehindubusinessline.com/economy/why-garment-exports-growth-is-more-sustainable/article68879072.ece>

India accords high priority to its strategic partnership with Nigeria including in defence & energy sectors: Modi

India accords high priority to its strategic partnership with Nigeria and it will work towards boosting ties in a range of areas, including defence, energy and trade, Prime Minister Narendra Modi said on Sunday during his talks with Nigerian President Bola Ahmed Tinubu. In his opening remarks at the meeting in Abuja, Modi identified terrorism, separatism, piracy and drug trafficking as major challenges and said the two countries will continue to work together to deal with them.

<https://economictimes.indiatimes.com/news/india/india-accords-high-priority-to-its-strategic-partnership-with-nigeria-including-in-defence-energy-sectors-modi/articleshow/115400190.cms>

PM Narendra Modi arrives in Brazil for G20 Leader's Summit: Key agendas on the table

Prime Minister Narendra Modi landed in Rio de Janeiro on November 18 to participate in the 19th G20 Summit. His arrival in Brazil follows a "productive" visit to Nigeria, where he engaged with President Bola Ahmed Tinubu and the Indian diaspora. Modi's Brazil visit is part of a broader three-nation tour, culminating in Guyana later this week. Announcing Modi's arrival, the Ministry of External Affairs (MEA) posted on X: "Prime Minister Narendra Modi lands in the vibrant city of Rio de Janeiro, Brazil, to attend the G20 Brazil Summit." Modi also shared his thoughts on the platform, stating: "Landed in Rio de Janeiro, Brazil, to take part in the G20 Summit. I look forward to the summit deliberations and fruitful talks with various world leaders."

<https://economictimes.indiatimes.com/news/india/pm-narendra-modi-arrives-in-brazil-to-attend-g20-summit/articleshow/115398064.cms>