



November 20, 2024 – Wednesday

Economy

Formal job creation under ESIC up 9% in September at 2.05 million: Payroll data

Formal job creation under the Employees' State Insurance Corporation (ESIC) went up by 9.04% in September to 2.05 million compared to 1.88 million in September 2023 while month-on-month ESIC witnessed a marginal decline of 0.9% when compared to 2.07 million new registrations in August 2024, shows the ministry of labour and employment data. As per the provisional payroll data, released on Tuesday, around 23,043 new establishments have been brought under the social security ambit of the ESI scheme in September compared to 28,917 establishments added in August, 2024.

<https://economictimes.indiatimes.com/jobs/hr-policies-trends/formal-job-creation-under-esic-up-9-in-september-at-2-05-million-payroll-data/articleshow/115452242.cms>

Work begins on credit index for MSMEs to boost funding

The government has begun discussions with stakeholders, including banks and regulators, to develop a 'Creditworthiness Index' as part of its push to improve credit access for micro and small businesses. The proposed index will rate companies across industries using common parameters, helping lenders evaluate borrowers with weak financials, limited documentation, or minimal transaction history, multiple people aware of the development told ET.

<https://economictimes.indiatimes.com/news/economy/policy/work-begins-on-credit-index-for-msmes-to-boost-funding/articleshow/115462257.cms>

India to contribute 20 pc of global workforce growth between 2023-2050, China share to decline: Report

India is set to play a pivotal role in global workforce growth, contributing 20 per cent of it between 2023 and 2050, according to a report by Angel One Wealth. In contrast, China is expected to witness a decline in its workforce during this period. The report highlighted country's remarkable progress in income levels. It noted that by 2030, the number of high-income households in the country is expected to triple. It said "By 2030 high-income households are expected to triple, while middle-income households will nearly double making India the fastest-growing nation in terms of per capita income".

<https://economictimes.indiatimes.com/news/economy/indicators/india-to-contribute-20-pc-of-global-workforce-growth-between-2023-2050-china-share-to-decline-report/articleshow/115444589.cms>

Finance

Follow KYC guidelines or face regulatory action: RBI DG to banks

RBI Deputy Governor Swaminathan J has asked banks to follow KYC guidelines with both "precision and empathy", failing which regulatory actions will be taken against them by the central bank. Addressing a Conference of Directors of Private Sector Banks here on Monday, the Deputy Governor also expressed concern that in many cases, customer

grievance mechanisms, including the Internal Ombudsman structure, are treated more as a formality than as a robust, effective resource.

<https://economictimes.indiatimes.com/news/economy/policy/follow-kyc-guidelines-or-face-regulatory-action-rbi-dg-to-banks/articleshow/115458468.cms>

74% top corporate taxpayers favour real-time compliance monitoring: Report

Three-quarter, or 74 per cent, of high-end corporate taxpayers in India are in favour of the Income Tax (I-T) department enabling near real-time reporting and compliance monitoring, a recent survey by Deloitte India revealed on Tuesday. The Income Tax Digitalisation in India survey, which studied around 250 of the country's highest corporate taxpayers, highlights the growing demand for technology-driven solutions within the tax compliance process. Deloitte's survey found a clear trend toward the increasing digitalisation of India's tax landscape, with a strong push for the use of real-time data, e-wallets, APIs, and emerging technologies like AI and blockchain.

https://www.business-standard.com/finance/news/74-top-corporate-taxpayers-favour-real-time-compliance-monitoring-report-124111900922_1.html

Migrating low-ticket payments to UPI Lite key to easing system pressure

The Unified Payments Interface (UPI) ecosystem is adopting a strategy to migrate low-ticket transactions to UPI Lite as financial institutions such as banks and the fintech industry continue to operate at full capacity. The move comes as the industry seeks to contain technical declines and transaction failures on UPI. Such occurrences, which ranged from 8-10 per cent of total transactions in 2016, have fallen to less than 0.7 per cent in 2024, Dilip Asbe, managing director (MD) and chief executive officer (CEO) of the National Payments Corporation of India (NPCI), said.

https://www.business-standard.com/industry/news/migrating-low-ticket-transactions-to-upi-lite-to-ease-system-pressure-124111900874_1.html

Only 0.8% of UPI transactions face 'technical declines' now: NPCI

National Payments Corporation of India's managing director and chief executive Dilip Asbe on Tuesday said that the technical decline rates on UPI platform have fallen to up to 0.8 per cent now. He also said that the payments ecosystem is looking to move the low-ticket transactions to UPI Lite which will help ease the pressure on the servers. "The technical decline rates have reduced to 0.7-0.8 per cent from as high as 8-10 per cent in 2016," Asbe said at an SBI event here. He said the overall number of unique users active on UPI platform stands at 400 million at present.

<https://economictimes.indiatimes.com/news/economy/finance/only-0-8-of-upi-transactions-face-technical-declines-now-npci/articleshow/115459014.cms>

Insolvency and Bankruptcy Board of India proposes several changes in latest paper

The Insolvency and Bankruptcy Board of India (IBBI) proposed several changes to liquidation regulations, including a review of the auction process and voluntary liquidation regulations, in a discussion paper on Tuesday. The proposed amendments to the IBBI (Liquidation Process) Regulations, 2016, and IBBI (Voluntary Liquidation Process) Regulations, 2017 aim to streamline the liquidation process under the Insolvency and Bankruptcy Code (IBC) by addressing timely appointment of liquidators, expeditious completion of voluntary liquidation process and enhancing management of corporate liquidation account.

<https://economictimes.indiatimes.com/industry/banking/finance/insolvency-and-bankruptcy-board-of-india-proposes-several-changes-in-latest-paper/articleshow/115462273.cms>

MFI stress now evident: RBI's small-loan fears turning real

The microfinance sector saw asset quality deteriorate sharply in the September quarter with the share of doubtful loans surging to an 18-month high of 11.6%, seemingly validating the regulatory warnings about the accelerating sectoral exposure. "Most firms have started to see stress in the MFI (microfinance) segment, largely on overleveraging aspects. Slippages are rising among banks, including IDFC First, Bandhan, AU Small Finance, IndusInd and RBL, not to mention the increase in NBFCs and NBFC-MFIs," said Prakhar Agrawal, analyst, Elara Securities.

<https://economictimes.indiatimes.com/industry/banking/finance/mfi-stress-now-evident-rbis-small-loan-fears-turning-real/articleshow/115462483.cms>

Industry

Market share of Kirana stores gradually shifting to Quick Commerce: Report

The market share of traditional Kirana stores in India is steadily declining as quick commerce platforms are gaining market share, according to a report by Datum. The report revealed that Kirana stores' market share fell from 95 percent in 2018 to 92.6 percent in 2023 and is projected to drop further to 88.9 per cent by 2028. This shift highlights the growing preference of consumers for online grocery shopping.

<https://economictimes.indiatimes.com/industry/services/retail/market-share-of-kirana-stores-gradually-shifting-to-quick-commerce-report/articleshow/115470437.cms>

India faces potential summer shortage of ACs, fridges due to BIS refusal of Chinese suppliers

India could face a massive shortage of air conditioners and refrigerators in the summer of 2025 as the national standards body has refused to recertify the factories of more than 50 component suppliers in China as well as Vietnam, fearing Chinese supplies might be rerouted through the Southeast Asian nation, said the CEOs of half-dozen large electronics firms. The Bureau of Indian Standards (BIS) certification of factories of manufacturers, including component makers, is compulsory under government rules. The appliance makers termed the decision “unexpected” and said it needed calibration for such import substitution, even as a BIS official said the move was aimed at promoting local manufacturing.

<https://economictimes.indiatimes.com/industry/cons-products/durables/india-faces-potential-summer-shortage-of-ac-fridges-due-to-bis-refusal-of-chinese-suppliers/articleshow/115462584.cms>

Marriages and shopping in Oct-Dec may spur 40% hike in spends, boost retail demand

Marriages and shopping is a match made in heaven. Retailers and brands are expecting one to translate to the other — and see better numbers in the second half of this financial year on the back of the big fat Indian wedding. There are 47 auspicious days for tying the knot during October-March, more than three times the number of such days in the first half. That’s about 4.8 million weddings during just October-December, generating business worth nearly Rs 6 lakh crore, according to Confederation of All India Traders (CAIT), which surveyed businesses dealing with wedding-related goods and services across 75 cities. This is over 35% higher than 3.5 million such occasions last year, cue for a potential 40% increase in spending.

<https://economictimes.indiatimes.com/industry/services/retail/marriages-and-shopping-in-oct-dec-may-spur-40-hike-in-spends-boost-retail-demand/articleshow/115462297.cms>

Government extends subsidies for electric cargo 3-wheelers under PM E-DRIVE

The government is set to extend subsidy for sale of cargo category of electric three-wheelers (e-3Ws of L5 category) under the Prime Minister Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE).

<https://www.thehindubusinessline.com/economy/government-extends-subsidies-for-electric-cargo-3-wheelers-under-pm-e-drive/article68886317.ece>

Bio-plastics emerge as green alternative revenue play for sugar producers

As ethanol emerges as a source of alternative revenue for sugar companies due to differential pricing formulas and fixed buying by oil marketing companies, bio-plastics or Polylactic Acid (PLA)-based plastics are also gradually becoming a new avenue for sugar companies looking to diversify their revenue stream. One kilogramme of PLA-based bio-plastics is priced multiple times more than normal plastic. Not surprisingly, Balrampur Chini Mills, one of India’s largest integrated sugar companies, in February this year announced a Rs 2,000 crore forward integration project which will be the country’s first-ever 'industrial bio-plastic' plant.

https://www.business-standard.com/economy/news/bio-plastics-emerge-as-green-alternative-revenue-play-for-sugar-producers-124111900853_1.html

Tea firms served much-needed profit boost as climate change bites

Tea companies recorded a profit boost in the September quarter, reflecting higher prices as lower production is blamed on the impact of climate change. A dry spell followed by erratic rainfall led to a production loss of 76.73 million kg (mkg) compared to the same period last year. North India, which makes for more than 82 per cent of total

production, suffered a loss of 63 mkg to result in higher bulk tea prices. Data from the Tea Board of India showed that the average auction price for North India team up to September 2024-25 was Rs 247.33 per kg, a 23.98 per cent increase over the same period last year. The average price for South India was Rs 126.22 per kg, a 16.19 per cent increase. The average national price, of Rs 215.34 per kg, was up 22.01 per cent.

https://www.business-standard.com/industry/news/tea-plantation-firms-record-much-needed-profit-boost-on-higher-prices-124111900522_1.html

India's electronics sector threatened by 10 million skill shortage: Report

The Indian electronics industry, which aims to achieve \$500 billion in output by 2030, faces a critical challenge: a widening skills gap that could hinder progress toward this goal, a report highlighted on Monday. According to TeamLease Degree Apprenticeship, the electronics sector is growing at an annual compounded rate of 25-30 per cent and has the potential to create 12 million direct and indirect jobs over the next few years.

https://www.business-standard.com/industry/news/india-s-electronics-sector-threatened-by-10-million-skill-shortage-report-124111900858_1.html

CCPA to bring regulatory framework for diamond sector to protect consumers

The Central Consumer Protection Authority (CCPA) will soon release guidelines on diamond sector to ensure explicit labelling and certification of all diamonds and prohibit the use of misleading terms in trade. The CCPA has organised a stakeholder consultation on consumer protection in the diamond sector to deliberate on the use of appropriate terminology for diamonds, an official statement said on Tuesday. The consultation, chaired by Nidhi Khare, Chief Commissioner, Central Consumer Protection Authority (CCPA), brought together key industry stakeholders and experts.

https://www.business-standard.com/industry/news/ccpa-to-bring-regulatory-framework-for-diamond-sector-to-protect-consumers-124111900828_1.html

FICCI calls for GST cut on EV batteries and charging to boost growth

The Federation of Indian Chambers of Commerce and Industry (FICCI) Electric Vehicle Committee Chair Sulajja Firodia Motwani on Tuesday called for a reduction in the goods and services tax (GST) rates on electric vehicle (EV) batteries and charging services to make electric mobility more affordable and competitive. Speaking on the sidelines of the FICCI National Conference on EVs, Motwani emphasised the need for urgent reforms to support the sector's growth. While the GST Council had previously reduced the tax on lithium-ion batteries from 18 per cent to 5 per cent in 2022, industry representatives are pushing for further rate cuts to bolster energy storage and e-mobility expansion. The current GST on EV charging services remains at 18 per cent.

https://www.business-standard.com/industry/auto/ficci-calls-for-gst-cut-on-ev-batteries-and-charging-to-boost-growth-124111900901_1.html

India's wearable market falls 21 per cent in July-September: IDC

India's wearable market, which includes wristband, smartwatch, and earwear, fell for the second straight quarter on weak demand. In the July-September quarter, the market shipments fell 20.7% to 38 million, according to data by International Data Corporation (IDC). The fall can be attributed to a reduction in new product launches and a cautious inventory strategy, even during the festive season.

<https://www.financialexpress.com/business/industry-indias-wearable-market-falls-21-per-cent-in-july-september-idc-3668551/>

Agriculture

Fifth shipment of 720-tonnes of onion to reach Delhi on November 21: Government

The Centre on Tuesday said the fifth bulk shipment of 720 tonnes of buffer onion will reach the national capital on November 21 as part of its market intervention to control prices. This marks the continuation of the government's initiative, started last month, to transport buffer onion from Maharashtra to Delhi via railways for the first time. So far, 4,010 tonnes have been dispatched for retail sale at Rs 35 per kg.

<https://economictimes.indiatimes.com/news/economy/agriculture/fifth-shipment-of-720-tonnes-of-onion-to-reach-delhi-on-november-21-government/articleshow/115455449.cms>

Soil degradation on 30 pc of India's land poses threat to agriculture: Agri minister

Agriculture Minister Shivraj Singh Chouhan on Tuesday expressed concern over soil degradation affecting 30 per cent of India's land and stressed the need for urgent measures to maintain soil quality for sustainable farming. Addressing a global conference on soil through video conferencing, Chouhan said improving soil health is crucial for achieving Sustainable Development Goals (SDGs) related to zero hunger, climate action and life on land.

<https://economictimes.indiatimes.com/news/economy/agriculture/soil-degradation-on-30-pc-of-indias-land-poses-threat-to-agriculture-agri-minister/articleshow/115443589.cms>

Food Ministry rebuts ICRIER's report on leakage in PDS

Contesting the claims of 28 per cent leakage of food grains under the Public Distribution System (PDS) in a study released by ICRIER and reported in businessline's November 19 edition, the Food Ministry on Tuesday said that there are significant discrepancies in the data interpretation and methodology used by the report's authors.

<https://www.thehindubusinessline.com/news/national/food-ministry-rebuts-icriers-report-on-leakage-in-pds/article68886507.ece>

Infrastructure

India to be among top 10 global ship manufactures by 2030: Sonowal

India will be among the top 10 global manufacturers of ships by 2030, Union Ports, Shipping and Waterways Minister Sarbananda Sonowal said on Tuesday. Addressing 'Sagarmanthan - The Great Oceans Dialogue', Sonowal further said the global South will determine the shape of ocean trade in the 21st Century. "Given that India has the rich talent pool as well as resources to become a major shipbuilding nation, we are aiming to enter the top 10 of shipbuilding countries by 2030 while working our way to become the world's top 5 by 2047," he said.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-transport/india-to-be-among-top-10-global-ship-manufactures-by-2030-sonowal/articleshow/115459119.cms>

Ten newly approved industrial cities to boost India's economic corridors: DPIIT

Ten of the recently approved industrial cities are situated directly on four of India's economic and industrial corridors, the government said Tuesday. The Cabinet had in August, approved 12 new project proposals under the National Industrial Corridor Development Programme (NICDP) with an estimated investment of Rs 28,602 crore spanning across 10 states.

<https://economictimes.indiatimes.com/news/economy/infrastructure/ten-newly-approved-industrial-cities-to-boost-indias-economic-corridors-dpiit/articleshow/115457989.cms>

BFSI, flex spaces key emerge as key demand drivers for office spaces during Q3 2024, says report

BFSI (Banking, Financial Services, and Insurance) and Flex Spaces emerged as key demand drivers for office spaces during the third quarter of 2024, stated a report by Vestian. These sectors, it added, account for 39 per cent of the pan-India absorption in Q3 2024, reporting a growth of 20 per cent from the previous quarter. Conversely, the share of the IT-ITeS sector declined from 38 per cent in Q2 2024 to 23 per cent in the current quarter. This demand shift may alter the demand-supply dynamics across the country.

<https://www.financialexpress.com/business/industry-bfsi-flex-spaces-key-emerge-as-key-demand-drivers-for-office-spaces-during-q3-2024-says-report-3668926/>

Energy

India's renewable energy capacity to touch 250 GW mark by March 2026: Icrea

Domestic renewable energy capacity is expected to reach the 250 GW level by March 2026, Icrea said on Tuesday. The capacity addition will be driven by the large project pipeline of over 80 GW, following the significant improvement in tendering activity in FY2024, the rating agency said. In a note, Icrea said it expects the installed renewable energy capacity, including large hydro projects, in India to increase to about 250 GW by March 2026 from the level of 201 GW as of September 2024.

https://www.business-standard.com/industry/news/india-s-renewable-energy-capacity-to-touch-250-gw-mark-by-march-2026-icra-124111900682_1.html

Niti Aayog hints at shifting nuclear energy under power ministry

Dr Suman Bery, Vice Chairman of Niti Aayog, which is the government of India's think tank, on Tuesday hinted at the possibility of nuclear energy being brought under the Ministry of Power. Delivering the 11th G Ramachandran Memorial Lecture, Bery noted that to meet its emission reduction and net-zero goals, India would need a stable base load supply of green energy. While some of it could come from batteries, "we are going to need nuclear power".

<https://www.thehindubusinessline.com/economy/niti-aayog-hints-at-shifting-nuclear-energy-under-power-ministry/article68886411.ece>

Healthcare

High pollution may boost demand for respiratory drugs

As air pollution continues to wreak havoc, the respiratory segment is expected to grow further in the coming months. While the domestic pharma market is largely driven by anti-diabetics and cardiac therapies, respiratory therapies are expected to lead the growth in November, December and January, pharma experts said. According to market research firm Pharmarack, the respiratory segment is valued at ₹16,413 crore, growing at a compound annual rate of 12%. The anti-asthma and COPD (chronic obstructive pulmonary disease) products have grown from ₹6,094 crore MAT (moving annual turnover) value in October 2021 to ₹9,960 crore in October 2024. Likewise, the cough and cold market has grown from ₹2,926 crore MAT value to ₹4,129 crore during the same period.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/high-pollution-may-boost-demand-for-respiratory-drugs/articleshow/115462732.cms>

External

India, UK to relaunch FTA talks in 2025, 'address remaining issues'

India and the United Kingdom (UK) will resume talks for a free trade agreement (FTA) in the new year, following months of pause due to general elections in both countries. An announcement was made following a meeting between Prime Minister Narendra Modi and his British counterpart Keir Starmer on the sidelines of the G-20 summit in Brazil. It was the first meeting between the two leaders. "Both leaders underlined the importance of resuming the Free Trade Agreement negotiations at an early date and expressed confidence in the ability of the negotiating teams, to address the remaining issues to mutual satisfaction, leading to a balanced, mutually beneficial and forward looking Free Trade Agreement," said India's Ministry of External Affairs in a statement on Tuesday.

https://www.business-standard.com/economy/news/india-uk-to-relaunch-fta-talks-in-2025-after-pause-in-negotiations-124111900380_1.html

COP29: India, developing world face EU resistance to climate finance

Talks on global climate finance virtually ground to a halt last week at COP29, the annual United Nations (UN) Climate Change event in Baku, Azerbaijan, as the developed world, led by the European Union (EU), and developing countries including India, Brazil, South Africa, and a clutch of island nations and African countries faced a wide chasm between their expectations. This has raised doubts about whether an agreement can be reached this week or whether talks will spill over to COP30, to be held next year in Benem, Brazil.

https://www.business-standard.com/economy/news/cop29-india-developing-world-face-eu-resistance-to-climate-finance-124111801217_1.html

Steelmakers urge govt to impose temporary tax to check cheap imports

India's steelmakers have urged the government to immediately impose a temporary tax to stem cheap imports from China, Japan and South Korea, according to the latest industry presentation, in a fresh move to pressure New Delhi to curb cheap overseas supplies. "Surging steel imports is a major concern especially from surplus and major exporting countries including China, Japan and Korea," the Indian Steel Association (ISA), a producers' body, said in its presentation to the Directorate General of Trade Remedies (DGTR), an arm of the federal trade ministry.

https://www.business-standard.com/industry/news/steelmakers-urge-govt-to-impose-temporary-tax-to-check-cheap-imports-124111900722_1.html