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Economy

Piyush Goyal calls for higher quality standards, innovation, and proactive industry role at FICCI AGM

There is a need to raise quality standards in the country and industry needs to tap into its technical committees and appoint representatives to ensure standards are maintained, commerce and industry minister Piyush Goyal on Thursday said at Ficci's 97th annual general meeting and annual convention. "India will not only be a trusted partner but also a provider of quality goods. This will be a potent combination defining our journey towards a Viksit Bharat," Goyal said and asked industry leaders to play a more proactive role and work closely with the government to reduce the compliance burden and decriminalise laws detrimental to businesses. He also said that 1 lakh crore allotted by the government under the newly operationalised Anusandhan National Research Foundation (ANRF) should be utilised by the industry to foster innovation and create a research-based ecosystem in the country. At the same event, Department for Promotion of Industry and Internal Trade (DPIIT) secretary Amardeep Singh Bhatia said the government will facilitate the setting up of more industrial parks in smaller cities and a framework for this should be ready by the year-end.

<https://economictimes.indiatimes.com/news/india/piyush-goyal-calls-for-higher-quality-standards-innovation-and-proactive-industry-role-at-ficci-agm/articleshow/115538733.cms?from=mdr>

Macroeconomic stability a joint effort, says RBI Governor Shaktikanta Das

Macroeconomic stability is a shared responsibility of both monetary and fiscal authorities and effective fiscal-monetary coordination was at the core of India's success in the face of a series of adverse shocks, said Shaktikanta Das, Governor of the RBI, on Thursday. "The 2020-23 period was unique in view of the incidence of multiple and overlapping shocks to food and oil prices, which challenged the conduct of monetary policy. It was necessary to neutralise the impact of these shocks through effective coordination with fiscal policy," said Das, adding that while monetary policy worked on anchoring inflation expectations and containing demand-pull pressures, effective supply management by the government alleviated supply chain pressures and moderated cost-push inflation.

https://www.business-standard.com/economy/news/stable-inflation-is-the-bedrock-for-sustained-growth-rbi-governor-das-124112100367_1.html

Goldman Sachs forecasts shallow RBI rate cut starting March 2025, lowers India's FY25 growth outlook to 6.4%

US investment bank Goldman Sachs has forecast that the Reserve Bank may go for only a shallow rate cut starting the March 2025 quarter and cumulatively cut rates by 50 bps by June. The investment bank has also scaled down India's growth forecast to 6.4 percent for FY'25 from 6.5% earlier. "We pushed back our forecast for the start of rate easing by the RBI to Q1CY25 but continue to expect only 50bp cumulative cuts by mid-year" said Santanu Sengupta, chief India economist at Goldman Sachs and his team.

<https://economictimes.indiatimes.com/news/economy/policy/goldman-sachs-forecasts-shallow-rbi-rate-cut-starting-march-2025-lowers-indias-fy25-growth-outlook-to-6-4/articleshow/115533904.cms>

Ministry directs EPFO to ensure UAN activation for employees through Aadhaar-based OTP

The Ministry of Labour and Employment has directed the Employees' Provident Fund Organisation (EPFO) to work in a campaign mode with employers and ensure the activation of the Universal Account Number (UAN) of employees,

the ministry said in a release on Thursday. EPFO will involve their zonal and regional offices for effective outreach, as per the release. The move is part of announcements made by the government in the Union Budget 2024-25 to ensure the benefits of the Employment Linked Incentive (ELI) Scheme go to the maximum number of employers and employees. The Central Government has already issued directions to ministries/departments to ensure payments of subsidy/incentives to the beneficiaries of the welfare schemes through the Aadhaar Payment Bridge and ensure 100 percent biometric Aadhaar authentication.

<https://economictimes.indiatimes.com/news/economy/policy/ministry-directs-epfo-to-ensure-uan-activation-for-employees-through-aadhaar-based-otp/articleshow/115527062.cms>

Finance

RBI purchases \$9.6 billion in September to curb rupee's appreciation amid Fed rate cut buzz

The Reserve Bank of India net purchased \$9.6 billion in September, its highest monthly purchase in six months, as the central bank absorbed dollar inflows into local stocks and bonds and curbed the rupee from excess appreciation. The rupee appreciated 0.1% in September boosted by strong risk appetite following the US Federal Reserve's outsized 50 bps rate cut.

<https://economictimes.indiatimes.com/news/economy/finance/rbi-purchases-9-6-bn-in-september-to- curb-rupees-appreciation-amid-strong-foreign-investment-inflows/articleshow/115530495.cms>

Private Banks seek reduction in Mudra targets

Some private banks have made a case for reducing the targets prescribed for Mudra loans amid growing concerns about rising stress in the portfolio of loans to micro, small and medium enterprises (MSMEs). Private lenders have argued that in some cases the current targets exceed their entire MSME loan portfolio, said people aware of the developments.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/private-banks- seek-reduction-in-mudra-targets/articleshow/115538616.cms>

CEA advises India Inc not to seek protective cover of weak currency

Chief Economic Advisor V Anantha Nageswaran on Thursday advised India Inc not to seek protective cover of weak currency as it is not a substitute for productivity and investment in research and development. A weak currency can be good for exporters, making their products relatively less expensive for buyers abroad. Nageswaran further said the reliance on weak currency should not be instrumental to boosting exports, "if anything, it should be part of the policy arsenal to be deployed contextually, but not as a substitute for productivity, investment in R&D and quality, but as a complement at best".

https://www.business-standard.com/economy/news/cea-advises-india-inc-not-to- seek-protective-cover-of-weak-currency-124112100815_1.html

e-KYC drive for 800 million NFSA beneficiaries to to be completed soon

The number of people covered under the National Food Security Act for free ration supplies may come down, leading to significant savings on the food subsidy bill. To weed out ineligible beneficiaries, the government will soon complete e-KYCs of all 800 million people covered under NFSA through bio-metric and Aadhar authentication.

<https://www.financialexpress.com/policy/economy-e-kyc-drive-for-800-million-nfsa-beneficiaries-to-to-be-completed-soon-3670627/>

Industry

Govt's focus on FDI liberalisation to boost industrialisation: DPIIT

DPIIT Secretary Amardeep Singh Bhatia on Thursday said the government's focus on FDI liberalisation, smart industrial townships, and sector-specific parks, especially in Tier 2 and 3 cities, is contributing to India's industrialisation. He was speaking at a panel discussion at the 97th AGM and annual convention of FICCI. He also emphasised that the Department for Promotion of Industry and Internal Trade (DPIIT) is creating a conducive ecosystem for industrial development, with support from various ministries. Initiatives like the National Industrial

Corridor Program, Production Linked Incentive (PLI) scheme, and the ease of doing business reforms have facilitated industrial growth, Bhatia said.

https://www.business-standard.com/economy/news/govt-s-focus-on-fdi-liberalisation-to-boost-industrialisation-dpiit-124112101064_1.html

FICCI seeks PLI 2.0, tariff review to boost electric vehicle growth

The Federation of Indian Chambers of Commerce and Industry (Ficci) has urged the government to launch a second phase of the production-linked incentive (PLI) scheme (PLI 2.0), tailored to startups and smaller players in the electric vehicle (EV) sector. It also recommended a review of tariffs and duty structures to strengthen the industry's competitiveness and support the "Make in India" initiative. Addressing the Ficci 97th annual general meeting and convention, Sulajja Firodia Motwani, chair of the Ficci committee on electric vehicles and chief executive officer of Kinetic Green Energy & Power Solutions, stressed the importance of these measures in driving inclusive growth, innovation, and exports.

https://www.business-standard.com/economy/news/ficci-seeks-pli-2-0-tariff-review-to-boost-electric-vehicle-growth-124112100846_1.html

India needs up to \$30 bn for EV charging infra to double growth pace: IESA

India needs investment worth \$20-30 billion in the EV charging infrastructure to double the pace of growth of the segment, industry body IESA said on Thursday. It is a very niche segment which has just started picking up in the country, India Energy Storage Alliance (IESA) President Debi Prasad Dash said. Sharing his estimates, Dash said the EV charging infrastructure segment is growing at a rate of 25-30 per cent currently in India.

https://www.business-standard.com/industry/auto/india-needs-up-to-30-bn-for-ev-charging-infra-to-double-growth-pace-iesa-124112101032_1.html

Consumer durable manufacturers to record revenue growth of 11-12% this fiscal on easy financing, premiumization

Consumer durable manufacturers are expected to record a revenue surge of 11-12 per cent this fiscal, continuing the healthy run after a strong 13 per cent growth last fiscal, stated a report by CRISIL Ratings. This, it added, will be driven by rising adoption of consumer durable financing, which supports the trend of premiumisation, resulting in better realisations. Further, festive spending and strong growth in housing sales should support overall volumes, following strong demand for cooling products during the intense summer season this fiscal.

<https://www.financialexpress.com/business/industry-consumer-durable-manufacturers-to-record-revenue-growth-of-11-12-this-fiscal-on-easy-financing-premiumisation-3671367/>

Kitchen essentials buck slowdown trend: Hopes of demand recovery rise as staples segment sees double-digit growth in Sept qtr

Staples and essentials are largely bucking the consumption slowdown at mostly double-digit volume sales growth, which industry executives said indicates consumers are not cutting spending on daily household items unlike earlier periods giving hope to the industry that the demand recovery is not too far away.

<https://economictimes.indiatimes.com/news/economy/indicators/kitchen-essentials-buck-slowdown-trend-hopes-of-demand-recovery-rise-as-staples-segment-sees-double-digit-growth-in-sept-qtr/articleshow/115540146.cms>

Consumers prepone wedding gold buys fearing further price hikes

Fears of a major escalation in the Russia-Ukraine war sparked a fresh rally in gold prices, increasing the price of the yellow metal by Rs 2,820 per 10 gm to Rs 76,559 on Thursday, from Rs 73,739 on November 19. The latest price rise led consumers to promptly return to jewellery stores to place advance orders for the wedding season in December on fears of a further increase in gold prices. The Mumbai bullion market was closed on Wednesday due to state elections.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/consumers-prepone-wedding-gold-buys-fearing-further-price-hikes/articleshow/115539880.cms>

Quick commerce preferred channel to buy essentials, e-commerce for fashion: Grant Thornton Bharat Report

Indian consumers are increasingly preferring quick-commerce platforms for daily essentials but continue to opt for in-store shopping for high value purchases. This comes as the consumer industry in the country is experiencing profound shifts as changing lifestyles, digital adoption, and rising disposable incomes reshape preferences and business model. But even as quick commerce model is becoming popular, the segment faces challenges of high operational expenses. A survey report released by Grant Thornton Bharat noted that quick commerce has emerged as the favoured mode largely for daily essentials, with 85 per cent of respondents choosing it for food and grocery purchases. At the same time, e-commerce is the preferred mode to buy clothing and accessories and contribute nearly 75 per cent of volume sales.

<https://www.thehindubusinessline.com/companies/quick-commerce-preferred-channel-to-buy-essentials-e-commerce-for-fashion-grant-thornton-bharat-report/article68893474.ece>

India auto components industry to cross \$80.1 billion revenue in FY25

India's automotive components industry is expected to cross \$80.1 billion in revenue in FY25. The industry is growing at a CAGR of 8 per cent since FY20. According to the Rubix Industry Insights - Automotive components report, the electric vehicle (EV) components contribution doubled to 6 per cent of total production in FY24. "India's EV market saw sales grow over 76 per cent CAGR from FY20 to FY24, with projections to maintain this momentum. Between FY20 and FY24, exports saw a 10 per cent CAGR, reaching \$21.3 billion, with the US being the largest market. Simultaneously, a trade surplus of \$300 million in FY24 underscores India's strategic shift in global automotive supply chains," the report said.

<https://www.thehindubusinessline.com/economy/india-auto-components-industry-to-cross-801-billion-revenue-in-fy25/article68893148.ece>

Infrastructure

India may land in top 5 with 12.7% growth in airline seat capacity

India is projected to see a 12.7 per cent growth in overall airline seat capacity in 2024 compared to pre-pandemic levels in 2019, ranking fifth among the top 20 countries with the highest seat capacity globally. A study by global travel data provider OAG highlights that the four countries that have recovered faster than India include Saudi Arabia (growth of 17.1 per cent), the United Arab Emirates (UAE) (15 per cent), Mexico (14.4 per cent), and Türkiye (12.3 per cent). However, even in 2024, nearly half of the top 20 countries still have not fully recovered to 2019 levels. These include France, Australia, Russia, Canada, Thailand, and South Korea.

https://www.business-standard.com/economy/news/india-lifts-off-into-top-5-with-12-growth-in-seat-capacity-124112101122_1.html

States

Uttarakhand govt explores bids for 1,320 MW thermal unit to rope in private companies

The Uttarakhand government is actively exploring the option of tariff-based competitive bidding for its proposed 1,320-MW thermal power plant, the first in the state, in order to rope in private players to develop the project. "We may go for a tariff-based competitive bidding to involve private players," Uttarakhand's secretary for energy & renewable energy, planning and housing R Meenakshi Sundaram told ET.

<https://economictimes.indiatimes.com/industry/energy/power/uttarakhand-govt-explores-bids-for-1320-mw-thermal-unit-to-rope-in-private-companies/articleshow/115539709.cms>

100 engineering colleges in Karnataka to be 'adopted' by corporates by next year: IT Minister Kharge

Karnataka Information Technology Minister Priyank Kharge on Thursday said 100 engineering colleges are set to be "adopted" by an equal number of corporates by next year, as the government makes efforts to rope in industries to boost the employment prospects of students. Citing an example, he quoted a big automobile company as saying that it is ready to provide jobs but students are not employable as they lack training. "So, we suggested to them to give training. We will create an environment for it. Taking a practical approach, they have asked us to provide a framework. So, 100 colleges will be adopted by 100 corporates or GCCs (Global Capability Centres) working in Karnataka as a start probably by next academic year. They have given a commitment," he said.

<https://economictimes.indiatimes.com/industry/services/education/100-engineering-colleges-in-karnataka-to-be-adopted-by-corporates-by-next-year-it-minister-kharge/articleshow/115533454.cms>

External

India, Maldives ink pact for cross-border transactions in local currencies

The Reserve Bank of India (RBI) and the Maldives Monetary Authority (MMA) have signed a Memorandum of Understanding (MoU) to establish a framework for promoting the use of local currencies—Indian Rupee (INR) and Maldivian Rufiyaa (MVR)—for cross-border transactions. This framework will enable exporters and importers to invoice and settle in their respective domestic currencies, which, in turn, will facilitate the development of trading in the INR-MVR pair in the foreign exchange market. The use of local currencies will optimise costs and reduce settlement time for transactions, the RBI said in a statement.

https://www.business-standard.com/economy/news/india-maldives-ink-pact-for-cross-border-transactions-in-local-currencies-124112101182_1.html

ECBs net inflows rise to \$7.9 bn in H1FY25 from \$6.8 bn in H1FY24: RBI data

The net inflows through External Commercial Borrowings (ECBs) rose to \$ 7.9 billion in April-September 2024 (H1FY25) from \$ 6.8 billion in the same period (H1FY24), according to Reserve Bank of India's (RBI's) data. Nearly half of the new ECBs registered during H1FY25 were intended for capital expenditure including on-lending and sub-lending for capex, the 'State of Economy' report in RBI's November bulletin said. Further analysis of end-use of registrations showed that ECBs for import\local sourcing of capital goods were pegged at \$1.3 billion in H1FY25, sharply down from \$9.4 billion in H1FY24.

https://www.business-standard.com/economy/news/ecbs-net-inflows-rise-to-7-9-bn-in-h1fy25-from-6-8-bn-in-h1fy24-rbi-data-124112100789_1.html