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Economy

MeitY forms task force to make India 'product developer and manufacturing nation'

The Ministry of Electronics and Information Technology (MeitY) has constituted a nine-member task force to make India a 'product developer and manufacturing nation', marking another step in the country's efforts to position itself as an alternative to the likes of China and Vietnam. The task force will be chaired by additional secretary (MeitY), Bhuvnesh Kumar with joint secretary (electronics), Amitesh Kumar Sinha as the member convenor. ET has reviewed a copy of the circular, dated March 23. According to the circular shared with the task force members, the task force will be submitting their recommendations in two months.

<https://economictimes.indiatimes.com/news/economy/policy/meity-forms-task-force-to-make-india-product-developer-and-manufacturing-nation/articleshow/99031238.cms>

India needs to boost reforms push to raise potential growth: World Bank

The World Bank on Monday said India's potential growth could benefit from accelerated implementation of an already ambitious reform agenda, amid an expected slump in global potential growth to a three-decade low by 2030. The report, titled "Falling Long-Term Growth Prospects: Trends, Expectations, and Policies," offers the first comprehensive assessment of long-term potential output growth rates in the aftermath of the Covid-19 pandemic and the Russian invasion of Ukraine. These rates can be thought of as the global economy's 'speed limit', it said. The analysis shows that global potential GDP growth can be boosted by as much as 0.7 percentage points — to an annual average rate of 2.9 per cent — if countries adopt sustainable, growth-oriented policies that would convert an expected slowdown into an acceleration of global potential GDP growth. "A lost decade could be in the making for the global economy," said Indermit Gill, the World Bank's chief economist and senior vice-president for Development Economics. "The ongoing decline in potential growth has serious implications for the world's ability to tackle the expanding array of challenges unique to our times—stubborn poverty, diverging incomes, and climate change. But this decline is reversible. The global economy's speed limit can be raised—through policies that incentivise work, increase productivity, and accelerate investment."

https://www.business-standard.com/economy/news/india-needs-to-boost-reforms-push-to-raise-potential-growth-world-bank-123032701008_1.html

S&P keeps India's economic growth forecast unchanged at 6% in FY24

S&P Global Ratings on Monday kept its forecast for India's economic growth unchanged at 6 per cent in the fiscal year starting April 1, before rising to 6.9 per cent in the following year. In the quarterly economic update for Asia-Pacific, S&P saw inflation rate easing to 5 per cent in 2023-24 fiscal, from 6.8 per cent in the current financial year. It saw India's gross domestic product (GDP) likely growing by 7 per cent in the current financial year ending March 31 (2022-23), before slowing to 6 per cent in the next 2023-24 fiscal. "India leads, with average growth of 7 per cent in 2024-2026," the update said. GDP is projected to rise to 6.9 per cent in the following two financial years -- 2024-25 and 2025-26 and rising to 7.1 per cent in 2026-27.

https://www.business-standard.com/economy/news/s-p-keeps-india-s-economic-growth-forecast-unchanged-at-6-in-fy24-123032700292_1.html

India's shrinking current account gap provides a reprieve for Rupee

Economists are lowering their forecasts for India's current-account shortfall, thanks to favorable trade trends that are proving to be a blessing for the rupee — among the worst performers in emerging Asia this month. Barclays PLC expects the gap in current account — the broadest measure of trade in goods and services — to be 1.8% of gross domestic product in the year starting April 1, after previously cutting it to 1.9% from 2.3% deficit it had estimated in mid-February. Citigroup Inc. slashed its forecast even further to 1.4% of GDP from 2.2%, reflecting a steady drop in goods imports and strength in services exports. The lower prints will provide a tailwind to the rupee, which is vulnerable to a selloff, given the twin deficits in the nation's budget and current account make it more reliant on foreign inflows. A narrowing shortfall will also take the pressure off the central bank to sell foreign exchange from its reserves to stabilize the currency and check imported inflation.

https://www.business-standard.com/economy/news/india-s-shrinking-current-account-gap-provides-a-reprieve-for-rupee-123032700269_1.html

India Inc's Q1 hiring intent slips 4%: Report

India Inc's intent to hire has slipped by 4% for the upcoming April-June quarter as companies take precautionary steps amid macroeconomic uncertainty, global recessionary trends, continuing geopolitical tensions, and workforce rationalisation, according to the Teamlease Employment Outlook Report for Q1 shared exclusively with ET. According to the survey, which covered over 800 small, medium and large companies in 14 industries, 64% of the firms plan to increase their manpower resource pool in Q1 of FY24, down from 68% in Q4 FY23 as companies turn more cautious about their hiring plans.

<https://economictimes.indiatimes.com/jobs/mid-career/india-incs-q1-hiring-intent-slips-4-report/articleshow/99042928.cms>

Banking and Finance

Central bank may pause repo rate hike next month, finds SBI Report

The Reserve Bank of India (RBI) is likely to apply the pause button on continuous hikes in repo rates during next week's meeting of its monetary policy committee (MPC), says a report by the State Bank of India's (SBI) research wing. "We expect the RBI to pause in April policy... It has enough reasons to pause in April. There are concerns of a material slowdown in affordable housing loan market and financial stability concerns taking centre stage," SBI's research report titled "Prelude to MPC Meeting", which was released on Monday, said. The RBI's rate setting MPC's meeting is scheduled to take place between April 3 to 5. The SBI report further noted that "while concerns on sticky core inflation is justified, it may be noted that average core inflation is at 5.8 per cent over the last decade and it is almost unlikely that core inflation could decline materially to 5.5 per cent and below as post pandemic shifts in expenditure on health and education and the sticky component of transport inflation with fuel prices staying at elevated levels will act as the constraint. By this logic, the RBI may then have to go for more round of rate hikes".

https://www.business-standard.com/economy/news/central-bank-may-pause-repo-rate-hike-next-month-finds-sbi-report-123032700739_1.html

Mutual funds reopen international funds before new tax rules kick in from April 1

Domestic mutual fund houses have resumed accepting lumpsum contributions to their international equity plans after the latest Finance Bill removed tax advantages for debt-oriented saving plans from April 1. Onshore plans that invest in overseas markets are treated as debt funds locally for taxation purposes. At least three asset management companies (AMCs) have together opened 16 international equity mutual fund programmes for lump-sum investments up to the amounts legally permissible. The Finance Bill amendments, applicable from the next financial year beginning April 1, will remove indexation benefits for debt-oriented savings plans.

<https://economictimes.indiatimes.com/mf/mf-news/asset-management-companies-reopen-international-plans-to-investors-before-new-tax-rules-kick-in/articleshow/99046573.cms>

Revised norms to digitise fund flow architecture in MPLAD scheme

The Ministry of Statistics and Programme Implementation is soon going to launch the Sakshi portal for digitising the fund flow architecture in Members of Parliament Local Area Development Scheme (MPLADS). Developed by State Bank of India, the portal is part of the revised guidelines that aim at facilitating real-time monitoring, increasing transparency, accountability, and scope of permissible works under the central sector scheme. The portal and guidelines will take effect on April 1. Parliamentarians will now be given the entire corpus of Rs 5 crore in a single tranche at the beginning of the fiscal year, unlike two tranches of Rs 2.5 crore released every six months, informed a senior government official. "The portal will have three stakeholders — central nodal authority, district nodal authority, and Members of Parliament. The credited amount will reflect on the portal, along with projects and their clearances by the district nodal authority," he said.

https://www.business-standard.com/economy/news/revised-norms-to-digitise-fund-flow-architecture-in-mplad-scheme-123032700550_1.html

Industry

Government to announce first PLI for drones soon

The government will announce the first set of production-linked incentives (PLI) for drones soon, civil aviation secretary Rajiv Bansal said on Monday at the CII International Conference and Exhibition on Advanced and Short Haul Air Mobility for All in Bengaluru. He said 15 drone categories have been certified so far. Bansal said the government is promoting a scheme for creation of airports, heliports and seaports. He said there has been progress on small airfields and that work is in progress on heliports.

<https://economictimes.indiatimes.com/news/economy/policy/government-to-announce-first-pli-for-drones-soon/articleshow/99042318.cms>

Centre gives Rs 800 crore to oil companies for setting up over 7000 charging stations under FAME II

India's public sector undertaking oil companies will soon be setting up 7,432 electric vehicle (EV) charging stations with the support of a Rs 800 crore subsidy transfer by the Ministry of Heavy Industries. According to official data, these new stations will supplement the existing 6,586 public EV charging stations in the country. Speaking to journalists, Minister for Heavy Industries, Mahendra Nath Pandey said that this will boost the adoption of EV four wheelers in the country.

<https://economictimes.indiatimes.com/industry/renewables/centre-gives-rs-800-crore-to-oil-companies-for-setting-up-over-7000-charging-stations-under-fame-ii/articleshow/99040128.cms>

EV three-wheelers will be popular due to favourable operating economics

Electric three-wheelers are expected to gain traction due to favourable operating economics, and the government's focus on cleaner means of transportation, domestic credit rating agency Icria said on Monday. According to a recent Icria report, the electric segment is likely to account for 14-16 per cent of new three-wheeler sales (excluding rickshaws) by FY2025, up from 8 per cent currently. Penetration is estimated to rise to 35-40 per cent by FY2030 as the product gains more acceptance and financing-related challenges subside, as per the report. Icria said, according to its recent channel check, most e3W dealers have seen double-digit growth in sales in the last two years, owing to various factors, such as lower operating costs, exemptions from registration and road taxes, and higher demand for last mile connectivity. However, while demand for e3Ws (including e-rickshaws) is increasing, sales have been limited by a lack of financing options, with the loans being offered at high-interest rates, poor loan-to-value ratios, and shorter EMI tenures, it said.

https://www.business-standard.com/economy/news/ev-three-wheelers-will-be-popular-due-to-favourable-operating-economics-123032700687_1.html

Agriculture

Govt sets up committee to monitor tur dal stocks to check hoarding

The government on Monday said it has constituted a committee to monitor the stock of tur dal held by importers, mills, stockists and traders in order to check hoarding and speculation. The government is also closely watching the stock position of other pulses in the domestic market to take necessary preemptive measures in the event of

unwarranted price rise in the coming months, an official statement said. The decision has been taken in view of the reports of market players not releasing stocks despite regular arrival of imports in good quantities, it added. The committee, under chairmanship of Additional Secretary Nidhi Khare, will monitor tur stocks in close coordination with the state governments.

https://www.business-standard.com/economy/news/govt-sets-up-committee-to-monitor-tur-dal-stocks-to-check-hoarding-123032700596_1.html

India's Maharashtra state to produce less sugar as mills close early

India's top sugar-producing state, Maharashtra, could churn out nearly 16% less sugar than the previously estimated as mills are closing early due to limited availability of sugar cane, a senior state government official told Reuters on Monday. Lower sugar output could prevent the world's second-biggest exporter from allowing additional exports, potentially supporting global prices and allowing rivals Brazil and Thailand to increase exports.

<https://economictimes.indiatimes.com/news/economy/agriculture/indias-maharashtra-state-to-produce-less-sugar-as-mills-close-early/articleshow/99039080.cms>

Assam to boost scientific research in natural farming

Assam Agriculture Minister Atul Bora said that vast areas of north eastern states including Assam are still untouched by application of different fertilizers, pesticides and other synthetic chemicals. Bora said that in hilly areas, especially, the tribal farmers have been practicing natural farming traditionally for generations. These farmers now only need scientific techniques compatible with their traditional farming so that they can boost their production. While addressing the one-day workshop on 'National Mission on Natural Farming' organized by the department of Agriculture, Government of Assam in collaboration with the Ministry of Agriculture & Farmers Welfare at Assam Administrative Staff College, Guwahati Bora referred to the adverse impact of climate change on the agricultural sector around the world.

<https://economictimes.indiatimes.com/news/economy/agriculture/assam-to-boost-scientific-research-in-natural-farming/articleshow/99038407.cms>

Infrastructure

Increased draft depth needed to handle large vessels: Parliamentary panel

A parliamentary committee has stressed on the need for increasing the draft depth of almost all the ports of the country under the Sagarmala Programme according to their respective cargo profile. Increased draft depth helps ports handle larger vessels. In its latest report, the department-related parliamentary standing committee on transport, tourism and culture said that the draft depth at major ports, both in the channel and berths, has been historically low and ranges from 7 metres in older ports up to 20 metres in newer ports. The draft depth is not commensurate with the change of ship sizes and changes in cargo trends such as containerisation. "Though the government has taken a number of initiatives to modernise our ports under the Sagarmala Programme, a lot remains to be done to ensure deep-draft availability to handle mega ships," the committee said. It observed that increased competition and economy of scale has fuelled the development of bigger ships and to accommodate such vessels, ports must have access channels of sufficient depth along with advanced and highly efficient terminal facilities.

https://www.business-standard.com/economy/news/increased-draft-depth-needed-to-handle-large-vessels-parliamentary-panel-123032700673_1.html

Green Port policy soon with focus on carbon neutrality

India will soon roll out a green port policy to encourage local ports to adopt emerging global standards on carbon neutrality, helping attain the broader long-term national goal of net zero emissions. Officials said the policy will define the parameters for green port categorisation besides incentives for undertaking the transition toward less polluting fuels and improving efficiency to lower overall emissions. "The policy will define how the green ports model will be woven into with the Public Private Partnership (PPP) models already deployed in ports," a senior government official told ET.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-transport/green-port-policy-soon-with-focus-on-carbon-neutrality/articleshow/99042927.cms>

Energy

Seventh round of coal mine auctions starts tomorrow

The Ministry of Coal will on Wednesday launch the seventh round of auction of coal mines for commercial sale and will sign agreements for 28 mines awarded under the sixth round. Of the 106 mines that will be offered in the seventh round, 61 are partially explored and 45 are fully explored, the government said on Monday. These comprise 95 non-coking coal, one coking coal and 10 lignite mines.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/seventh-round-of-coal-mine-auctions-starts-tomorrow/articleshow/99043172.cms>

India to cut gas prices from April 1 after review panel report: Sources

India's cabinet is set to adopt a gas panel report this week, which has recommended capping the price for most local gas at \$6.50 per million British thermal units (mmBtu) in April, two sources said on Monday. India last year set up the panel, led by energy expert Kirit Parikh, to review India's gas pricing formula to ensure fair prices to consumers after state-set prices of gas from old fields and a ceiling price for output from hard-to-access, difficult blocks rose to record highs. The panel suggested that the monthly price of gas produced from old blocks be fixed at 10% of the monthly average of the Indian crude basket, with a cap of \$6.5/mmBtu and a floor price of \$4/mmBtu. The price will apply to industrial buyers and companies in the fertiliser and city gas distribution sectors and will be fixed on a monthly basis. The current price of gas from old blocks is set at \$8.57 and is valid from October to end-March.

https://www.business-standard.com/economy/news/india-to-cut-gas-prices-from-april-1-after-review-panel-report-sources-123032701148_1.html

India mulls building LNG reserve to avoid future price hike or shortages

India is considering building a strategic reserve of liquefied natural gas to guard against future price spikes or supply shortages after last year's energy crisis, according to a senior executive at the nation's top importer. The government has "proposed we should have more storage space for LNG so that when prices are lower we should store, and supply when there is crisis," Vinod Kumar Mishra, finance director at Petronet LNG Ltd., said in an interview. "We have seen the crisis and it was difficult for the government also to ensure supply."

https://www.business-standard.com/economy/news/india-mulls-building-lng-reserve-to-avoid-future-price-hike-or-shortages-123032700290_1.html

Telecom

DoT rejects Trai plan to reserve 5G bands for captive networks

The Department of Telecommunications (DoT) has rejected the regulator's proposal to reserve some bands of airwaves for captive private networks, officials said. The DoT feels that if private networks want to utilise spectrum in those bands, they should get it by leasing from telecom operators, dealing a setback to the likes of Infosys, GMR and Larsen & Toubro, who all want airwaves reserved and directly allotted by the government for setting up 5G private networks. Officials aware of the details told ET that the spectrum bands proposed by Telecom Regulatory Authority of India (Trai) for captive private networks, including the mid-band and 4800-4990 MHz band, should be made available for international mobile telecommunications (IMT) with auction being the allocation mechanism.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/dot-rejects-trai-plan-to-reserve-5g-bands-for-captive-networks/articleshow/99043030.cms>

Trai asks telcos to take action on pesky telemarketing calls, messages

Trai on Monday asked telcos to take immediate action to curb pesky calls and messages by getting banks and FIs to clean up unused templates, as the regulator initiated a slew of steps to crackdown on the issue of unsolicited commercial communications (UCC) that, at times, leads to instances of frauds and scams. Telecom Regulatory Authority of India (Trai) held a review meeting with telecom operators like Bharti Airtel, Jio, and Vodafone Idea (VIL) on issue of UCC detect system. During the meeting, Vodafone Idea made a presentation on a AI/ML (Artificial Intelligence/Machine Learning) system that can analyse and detect patterns when it comes to fraudulent messages being sent from mobile numbers by scammers. Trai said permission will now be given to VIL for a pilot, and based on its success Trai will come out with principles/regulations for such solutions in the industry.

https://www.business-standard.com/india-news/trai-asks-telcos-to-take-action-on-pesky-telemarketing-calls-messages-123032701113_1.html

States

Uttar Pradesh govt set to launch 'New Ayodhya' project in the next 2 months

The Uttar Pradesh government is set to launch a mega 1,400 acres 'New Ayodhya' project in the next two months, a senior official said. The UP Housing Board will acquire swathes of land in Ayodhya district in two phases. The process of coordinating with the state realty regulator, UP Real Estate Regulatory Authority (RERA), for the necessary approvals has already begun. "There is an urgent need to develop new urban centres with the help of private investment," said UP Housing and Urban Planning Principal Secretary Nitin Ramesh Gokarn. He said the government would create a partnership mechanism for a sustainable development model. The 'New Ayodhya' township will comprise houses, guest houses, hotels, warehouses, religious, and cultural centres apart from plots for commercial activities. Since the Ayodhya international airport project is fast nearing completion and the under-construction Lord Ram temple is expected to be ready by September, the Yogi Adityanath government is also expediting the infra and development projects in the temple town.

https://www.business-standard.com/economy/news/uttar-pradesh-govt-set-to-launch-new-ayodhya-project-in-the-next-2-months-123032701138_1.html

Healthcare

Ayushman 2.0 in works for 400 million mid-income citizens

India is readying a Ayushman Bharat version 2.0, which will cater to 400-million middle income citizens, officials familiar with the development said. The Niti Aayog and health ministry are working on the contours of the proposed plan to provide health cover to this section of the population. A senior government official, on the condition of anonymity, told ET that various options are being examined keeping in view the financial implications and the challenges in implementing the plan that would have wide application - on the lines of Ayushman Bharat.

<https://economictimes.indiatimes.com/news/economy/policy/ayushman-2-0-in-works-for-400-million-mid-income-citizens/articleshow/99042601.cms>

Govt asks states to ensure preparedness as Covid cases surge

With Covid-19 cases on the rise in India, the Union health ministry sounded an alert and directed the states to ensure preparedness. In a high level meeting, the health secretary cautioned states and Union Territories (UTs) against any complacency and advised them to follow up on the priorities listed in the joint advisory issued on Monday by the department of health research and the department of health and family welfare last week. Union health secretary Rajesh Bhushan stressed on ramping of testing with higher proportion of RT-PCR, and whole genome sequencing of positive samples.

<https://economictimes.indiatimes.com/news/india/govt-asks-states-to-ensure-preparedness-as-covid-cases-surge/articleshow/99043076.cms>

External

India to push for rupee trade in G-20 meetings: Official

India will be looking to push the rupee trade agenda in the G-20 meetings it is organising as part of its ongoing presidency of the forum, a senior bureaucrat said on Monday. Commerce Secretary Sunil Barthwal said rupee trade will be of help, especially with those countries whose currencies are under pressure. "Definitely, we would like to see that rupee trade also happens, particularly those countries which are facing issues," Barthwal told reporters here, replying to a specific question if India will be looking at the upcoming G-20 meeting of the trade and investment group as a platform to boost rupee trade.

<https://economictimes.indiatimes.com/news/economy/policy/india-to-push-for-rupee-trade-in-g-20-meetings-official/articleshow/99039795.cms>