



June 02, 2023 – Friday

## Economy

### Manufacturing PMI hits 31-month high in May, helped by demand and output

India's manufacturing activity in May increased to a 31-month high of 58.7 from 57.2 in April, driven by record expansion in input stocks and a strong increase in new orders and output, said a private survey on Thursday. "India's manufacturing PMI (purchasing managers' index) showcased encouraging developments in May, painting a notably positive picture for the sector. Demand conditions demonstrated remarkable strength, with factory orders rising at the fastest pace since January 2021," said the survey by S&P Global.

[https://www.business-standard.com/economy/news/manufacturing-pmi-hits-31-month-high-in-may-helped-by-demand-and-output-123060100387\\_1.html](https://www.business-standard.com/economy/news/manufacturing-pmi-hits-31-month-high-in-may-helped-by-demand-and-output-123060100387_1.html)

### GST mop-up rises 12% to Rs 1.57 trillion in May despite external headwinds

Goods and services tax (GST) collection in May rose 12 per cent over the same month last year to Rs 1.57 trillion, indicating that the economy is holding firm despite external headwinds. Experts anticipate GST would expand 10-11 per cent in this fiscal year, in step with the government's growth estimate of 6.5 per cent. With this, gross GST has crossed Rs 1.5 trillion for the fifth time since the inception of the indirect tax regime, making it a new base for this fiscal year. Monthly GST reported more than Rs 1.4 trillion for 14 months in a row.

[https://www.business-standard.com/economy/news/gst-collection-for-may-up-12-to-rs-1-57-trn-despite-external-headwinds-123060100908\\_1.html](https://www.business-standard.com/economy/news/gst-collection-for-may-up-12-to-rs-1-57-trn-despite-external-headwinds-123060100908_1.html)

### Inter-ministerial consultation on for new industrial policy: DPIIT Secy

An inter-ministerial consultation is going on for formulation of a new industrial policy, which would aim at building a globally competitive business environment to increase manufacturing and exports, a top government official has said. This would be the third industrial policy after the first in 1956 and the second in 1991. It is likely to replace the industrial policy of 1991 which was prepared against the backdrop of the balance of payment crisis. "The policy is in the process of inter-ministerial consultation...It will focus on newer set of industries that has now come," Secretary in Department for Promotion of Industry and Internal Trade (DPIIT) Rajesh Kumar Singh told PTI.

<https://economictimes.indiatimes.com/news/economy/policy/inter-ministerial-consultation-on-for-new-industrial-policy-dpiit-secy/articleshow/100674604.cms>

### SBI's eco research dept upgrades India's FY24 GDP forecast 50 bps to 6.7 per cent

State Bank of India's economic research department has upgraded its baseline forecast for FY24 GDP growth to 6.7 per cent from earlier forecast of 6.2 per cent, continuing on the path of strong activity in FY23. The ERD said demand rebalancing from private consumption to investment in FY23 will spur growth in FY24. It projected Q1 GDP growth at 7.8 per cent, Q2 at 6.5 per cent, Q3 at 6.3 per cent, and Q4 at 6.2 per cent, amid broadly balanced risks.

<https://www.thehindubusinessline.com/economy/sbis-eco-research-dept-upgrades-indias-fy24-gdp-forecast-50-bps-to-67-pc/article66918944.ece>

### Demand for green jobs to rise 15-20% every year in next decade: Report

Green jobs in India are all set to rise by 15 to 20 per cent, an NLB study has found. This demand is being driven by India's aim to achieve net zero by 2070. Sachin Alug, CEO of NLB Services stated that over the past three years, India has witnessed unprecedented growth in demand for green jobs as organisations are working toward becoming more environmental, social, and governance (ESG) compliant.

[https://www.business-standard.com/industry/news/demand-for-green-jobs-to-rise-15-20-every-year-in-next-decade-report-123060100451\\_1.html](https://www.business-standard.com/industry/news/demand-for-green-jobs-to-rise-15-20-every-year-in-next-decade-report-123060100451_1.html)

## Banking and Finance

### UPI transactions at record high of Rs 14.3 trn in May, spike in 10 days

Unified Payment Interface (UPI) transactions in May scaled a new high of Rs 14.3 trillion in terms of value and 9.41 billion in volume. It is a 2 per cent rise in value (Rs 14.07 trillion) and 6 per cent in volume (8.89 billion) compared to April. Transactions worth around Rs 3.96 trillion happened in the last ten days of May, according to data from the National Payments Corporation of India (NPCI). Compared to May in Financial Year 2022-23, transaction volume increased by 58 per cent and value by 37 per cent. The rise comes at a time when the government is pushing to bring tax collection across various segments under digital payment. In March 2023, the numbers stood at 8.68 billion with a value of Rs 14.1 trillion.

[https://www.business-standard.com/finance/news/upi-transactions-at-record-high-of-rs-14-3-trn-in-may-spike-in-10-days-123060100336\\_1.html](https://www.business-standard.com/finance/news/upi-transactions-at-record-high-of-rs-14-3-trn-in-may-spike-in-10-days-123060100336_1.html)

## Industry

### Unseasonal rains dampen summer product sales

Sales of summer products have nosedived this year, hurt by unseasonal rains in most parts of the country, especially in their biggest market northern India, forcing several companies to cut down production from this month. So far this has been the worst summer period sales since 2017 excluding the Covid-19 lockdown period, industry officials said. They are still hopeful that a likely spike in temperatures in some markets this month could help them liquidate piled-up inventory. "It has been the worst summer in several years due to erratic weather in most parts and cooler North," said Godrej Appliances business head Kamal Nandi. "The industry was running peak production, hoping demand would pick up, but now companies will have to adjust piled-up inventory by cutting production by about 30%," he said. Companies are still hopeful of a pick-up in demand.

<https://economictimes.indiatimes.com/industry/cons-products/durables/unseasonal-rains-dampen-summer-product-sales/articleshow/100686605.cms>

### Passenger vehicle sales rise 13.5% in May, Maruti Suzuki gains market share

Passenger vehicle dispatches in the local market rose in double-digits last month with carmakers ramping up supplies to dealers to fast-track deliveries and build channel inventory. As many as 334,800 cars, sedans and utility vehicles were dispatched from factories to dealerships in May, up 13.5% year on year. This was the highest-yet dispatches recorded in the month of May, historically, even though some companies still face supply delays in semiconductors and electronic components. Automakers in India mostly report wholesale dispatches from factories and not retail sales to customers. Market leader Maruti Suzuki posted a 15.5% growth to dispatch 143,708 units in May. Shortage of electronic components did have a minor impact on its production of vehicles but the company said it took all possible measures to minimise the impact.

<https://economictimes.indiatimes.com/industry/auto/cars-uvs/passenger-vehicle-sales-rise-13-5-in-may-maruti-suzuki-gains-market-share/articleshow/100685173.cms>

### Sales of electric two-wheelers more than doubled in May

Sales of electric two-wheelers more than doubled in May from a year ago—topping 100,000 units for the first time—pushed up by customers wanting to avoid the anticipated increase in vehicle prices. Prices of electric two-wheelers registered on or after June 1 are set to increase with the government reducing the subsidy it was providing under its FAME II (Faster Adoption and Manufacturing of Electric Vehicles) scheme. Data available on VAHAN portal of the ministry of road, transport & highways (MoRTH) shows as many as 104,771 high-speed electric scooters were

registered last month, an increase of 148% over May 2022. Overall, two-wheeler sales (petrol and electric) surged by 11% in the same period.

<https://economictimes.indiatimes.com/industry/renewables/sales-of-electric-two-wheelers-more-than-doubled-in-may/articleshow/100685265.cms>

#### **Steel mills call for rationalisation of GST rates on raw materials, by-products**

The Indian Steel Association (ISA), an industry body of major steel mills that include the likes of Tata Steel, JSW, SAIL, JSPL, among others – has written to the Finance Ministry seeking rationalisation of GST rates on some steel-making raw materials like scrap and also by-products like slag. The pitch is to bring rates down to 5 per cent, from the existing 18 per cent, across the two categories to avoid tax evasion, litigation and penal action, and also bring down disruptions in the supply chain.

<https://www.thehindubusinessline.com/markets/commodities/steel-mills-call-for-rationalisation-of-gst-rates-on-raw-materials-by-products/article66920510.ece>

#### **DPIIT facilitating industry to reduce quantity of unutilised gypsum, promote seamless transportation**

The Department for Promotion of Industry and Internal Trade (DPIIT) is facilitating the industry to reduce the quantity of unutilised gypsum, used in cement making, and promote its seamless transportation, an official said. The department has prepared a report with detailed comprehensive time-bound action plans on achieving circular economy in gypsum, generated in fertiliser units and thermal power plants.

<https://www.thehindubusinessline.com/companies/dpiit-facilitating-industry-to-reduce-quantity-of-unutilised-gypsum-promote-seamless-transportation/article66919058.ece>

#### **India to have 1,900 GCCs, market to be worth \$60 bn by 2025: Report**

India will have by 2025 more than 1,900 global capability centres (GCCs) that will employ 2 million people and be worth \$60 billion, said a report on Thursday. Indian GCCs—places where a variety of an organisation's operations are managed—are expected to build competencies, cultivate global leadership and monetize services, said the report called "GCC 4.0—India Redefining the Globalization Blueprint." The report is published by Nasscom, the Indian IT industry's association, in partnership with consulting firm Zinnov.

[https://www.business-standard.com/companies/news/india-to-have-over-1900-gccs-market-size-to-reach-60-bn-by-2025-report-123060100936\\_1.html](https://www.business-standard.com/companies/news/india-to-have-over-1900-gccs-market-size-to-reach-60-bn-by-2025-report-123060100936_1.html)

### **Agriculture**

#### **Centre buys 262 lakh tonne wheat so far this year from farmers at MSP; total payout at Rs 47,000 crore**

The Centre has purchased 262 lakh tonnes of wheat so far this year at minimum support price (MSP) and paid about Rs 47,000 crore to farmers. "Wheat procurement during the ongoing Rabi Marketing Season (RMS) 2023-24 has progressed smoothly. The progressive procurement of wheat in the current season till May 30 is 262 lakh tonnes, which has already surpassed last year's total procurement of 188 lakh tonnes by 74 lakh tonnes," the Food Ministry said in a statement. About 21.27 lakh farmers have already benefitted from the ongoing wheat procurement operations with a minimum support price outflow of about Rs 47,000 crore, it added. The Rabi marketing season runs from April to March. However, the bulk of wheat procurement is done between April and June. Wheat is a major rabi (winter-sown) crop.

<https://economictimes.indiatimes.com/news/economy/agriculture/centre-buys-262-lakh-tonne-wheat-so-far-this-year-from-farmers-at-msp-total-payout-at-rs-47000-crore/articleshow/100680008.cms>

### **Infrastructure**

#### **Malls start making more room for eateries after post-pandemic boom**

Shopping mall operators are doubling the space for restaurants at their existing and upcoming properties after seeing consistent footfall and revenue growth from eateries with the easing of the Covid-19 pandemic. Food and beverages (F&B) outlets cover about 20% space in malls, up from about 10% three years ago. "Customers are looking for unique ambiances, cuisines and experiential dining options. As a result, the earlier 12% space dedicated to F&B

has now increased to anywhere between 18% and 20% depending on the size of the mall. F&B offerings also give a strong boost to customer footfall and revenue," said Sameep Pathak, CEO, malls, Oberoi Realty Limited.

<https://economictimes.indiatimes.com/industry/services/retail/malls-start-making-more-room-for-eateries-after-post-pandemic-boom/articleshow/100686592.cms>

## Energy

### Coal India's production rises to a record high of 60 million tonnes in May

Coal India's (CIL) production rose to a record high of 60 million tonnes (MT) in May, logging 9.5 per cent growth over the same month last year with an increase of 5.2 million tonnes, the company said in a BSE filing on Thursday. In a regulatory filing, the company said, "Considering the production for May generally hovers in the range of 40 MT to 48 MT, CIL output surge in current fiscal's May was substantial. All the subsidiaries of CIL have listed positive growth." Shares of Coal India Ltd, on Thursday, ended over 4 per cent lower at Rs 230.55 on BSE. Although the growth logged in May 2022 was higher at 30 per cent, in real terms the production was 54.7 MT, exceeding the 50 MT mark for the first time.

[https://www.business-standard.com/industry/news/coal-india-s-production-rises-to-a-record-high-of-60-million-tonnes-in-may-123060100643\\_1.html](https://www.business-standard.com/industry/news/coal-india-s-production-rises-to-a-record-high-of-60-million-tonnes-in-may-123060100643_1.html)

### Power consumption grows marginally by 1.04% to 136.56 bn units in May

Power consumption rose marginally by 1.04 per cent to 136.56 billion units in May this year as widespread rains have kept summer temperature under check so far and people used fewer cooling appliances compared to last year. In the year-ago period, power consumption stood at 135.15 billion units (BU), higher than 108.80 BU in May 2021, according to government data. The power consumption was also affected in March and April this year due to widespread rains in the country. Experts said that unseasonal rains in March, April and May affected the power consumption in the country.

[https://www.business-standard.com/economy/news/power-consumption-grows-marginally-by-1-04-to-136-56-bn-units-in-may-123060100596\\_1.html](https://www.business-standard.com/economy/news/power-consumption-grows-marginally-by-1-04-to-136-56-bn-units-in-may-123060100596_1.html)

### Russia's share in oil imports at record 42%

Russian oil accounted for 42% of India's total crude imports in May, up 15% month-on-month, defying analysts' expectations of a slowdown due to the Chinese competition. India imported a record 1.96 million barrels per day (mbd) from Russia in May, according to the energy cargo tracker Vortexa. This was more than the combined imports of 1.74 mbd from the next four largest suppliers - Iraq, Saudi Arabia, the UAE and the US. Supplies from Iraq, the UAE and the US increased marginally in May but Saudi exports to India fell nearly a fifth month-on-month. India's overall crude imports expanded 1.5% in May.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/russias-share-in-oil-imports-at-record-42/articleshow/100686173.cms>

### Central aid for R&D to set up pilot using green hydrogen to make steel

The Centre will aid research and development (R&D) projects to set up pilot plants for production and utilisation of green hydrogen in the iron and steel making processes, the steel ministry has said. It said ₹455 crore has been earmarked under the National Green Hydrogen Mission to support the domestic steel industry's endeavours to find scalable uses of hydrogen produced using environmentally sustainable practises. This low-environment-footprint hydrogen is called green hydrogen to signify its superior acceptability. Tightening regulatory regimes around the world threaten to make steel produced in India uncompetitive due to the levy of higher duties by the European countries. These penalties are proposed to be imposed on steel manufactured using conventional practises that have higher emissions and are contributing to global warming.

<https://economictimes.indiatimes.com/industry/renewables/central-aid-for-rd-to-set-up-pilot-using-green-hydrogen-to-make-steel/articleshow/100686266.cms>

## Telecom

### Telcos ramp up hiring of temporary staff

India's telecom companies are hiring more temporary employees, especially at entry and junior-level posts, as demands of dynamic and evolving technologies increase and recessionary trends persist, staffing experts said. This has led to the share of temp employees rising to 20%-22% currently from 12%-15% a decade ago, and could touch 40% by FY28, they added. "The technology in telecom (2G, 3G, 4G, and now 5G) is evolving rapidly. So, companies are finding it more efficient to hire employees on contract rather than reskilling their entire workforce frequently," RP Yadav, chairman and managing director, Genius Consultants, a Kolkata-based staffing firm said. While reskilling and upskilling is an exercise undertaken by most companies, it is time intensive. So, while a part of the permanent workforce is upskilled and reskilled to meet the demands of newer technologies and related applications, a chunk of the human resources requirements is also fulfilled using the contract route.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/telcos-ramp-up-hiring-of-temporary-staff/articleshow/100686484.cms>

## External

### Huge opportunities will open up when exports touch \$2 trn by 2030: Goyal

Commerce and Industry Minister Piyush Goyal on Thursday said huge opportunities for people and businesses will be opened up when the country's goods and services exports touch USD 2 trillion by 2030. In the last two years, he said the country's exports jumped from USD 500 billion to USD 767 billion in 2022-23. India is a USD 3.5 trillion-economy today and will become at least USD 35 trillion- economy by 2047 and "imagine what opportunities it will open up for all the people of India," he said. According to him, by 2030, "we will see USD 2 trillion of exports from India, imagine the opportunities that it will open up".

[https://www.business-standard.com/economy/news/huge-opportunities-will-open-up-when-exports-touch-2-trn-by-2030-goyal-123060101069\\_1.html](https://www.business-standard.com/economy/news/huge-opportunities-will-open-up-when-exports-touch-2-trn-by-2030-goyal-123060101069_1.html)

### Services exports in April rises by 7.5% on year to \$25.84 billion

India's services exports in April rose 7.5% on year to \$25.84 billion, while imports recorded a 3.1% decline to \$13.63 billion, provisional data published by the Reserve Bank of India showed on Thursday. According to the government's first preliminary estimates released mid-May, April services exports stood at \$30.36 billion, while services imports totalled \$16.50 billion.

[https://www.business-standard.com/economy/news/services-exports-in-april-rises-by-7-5-on-year-to-25-84-billion-123060100836\\_1.html](https://www.business-standard.com/economy/news/services-exports-in-april-rises-by-7-5-on-year-to-25-84-billion-123060100836_1.html)

### IPEF supply chains pact to help shift production centres to India

India said on Thursday that the Supply Chains Agreement under Indo-Pacific Economic Framework (IPEF) is expected to bring benefits such as shift of production centres in key goods/critical sectors to the country. The commerce and industry ministry said the IPEF will give a boost to Aatmanirbhar Bharat and production-linked incentive schemes, mobilisation of investments, integration of India in Global Supply and value chains, especially Indian MSMEs.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/ipef-supply-chains-pact-to-help-shift-production-centres-to-india/articleshow/100686272.cms>

### India, Nepal ink several MoUs on infra, cross-border energy

Prime Minister Narendra Modi on Thursday announced to take partnership with Nepal to "Himalayan heights" while announcing a fertiliser plant in Nepal, a second intra-country petroleum pipeline, conclusion of a revised trade and transit agreement, fresh joint hydropower projects and a new long-term power trading agreement that will enable India import from Nepal 10,000 MW of power in the next 10 years. Together with visiting Nepal Prime Minister Pushp Kumar Dahal 'Prachanda', Modi also launched several projects through joint inauguration and presided over the exchange of several more MoUs and agreements. The two sides also signed an agreement on cross-border digital payment mechanism between Nepal and India.

<https://economictimes.indiatimes.com/news/india/india-nepal-ink-several-mous-on-infra-cross-border-energy/articleshow/100686396.cms>

### India, Vietnam discuss ways to further strengthen bilateral relations in defence, security

Ministry of External Affairs (MEA) Secretary (East) Saurabh Kumar and Vice Chairman of National Boundary Commission of Vietnam Trinh Duc Hai on Thursday discussed ways to further strengthen India-Vietnam bilateral relations including in the realm of defence, security and maritime cooperation. "Secy (East) @AmbSaurabhKumar met Vice Chairman Trinh Duc Hai of the National Boundary Commission of Vietnam today. Discussed ways to further strengthen bilateral relations including in the realm of defence, security and maritime cooperation," MEA Official Spokesperson Arindam Bagchi tweeted on Thursday.

<https://economictimes.indiatimes.com/news/india/india-vietnam-discuss-ways-to-further-strengthen-bilateral-relations-in-defence-security/articleshow/100684442.cms>