



July 21, 2023 – Friday

Economy

Fresh Formal job creation slows down in May, shows EPFO data

Formal job creation slowed in May after recovering slightly at the turn of the fiscal year in the previous month, according to the latest payroll data, released by the Employees' Provident Fund Organisation (EPFO) on Thursday. The number of new monthly subscribers under the EPF declined by close to 1 per cent to 883,176 in May from 891,974 in April.

https://www.business-standard.com/economy/news/fresh-formal-job-creation-slows-down-in-may-shows-epfo-data-123072000898_1.html

Foreign tourist arrivals in January-April at 79 per cent of same period in 2019: Government

Foreign tourist arrivals in India during January-April reached 79 per cent of arrivals during the same period in 2019, the government informed Parliament on Thursday. In a written response to a query, Union Tourism Minister G Kishan Reddy said the ministry has been working closely with the home and the external affairs ministries for easing of the visa regime in the country. "As per provisional data received from (the) Bureau of Immigration, the Foreign Tourist Arrivals (FTAs) in India during January to April, 2023, reached 79 per cent of FTAs during the same period in 2019," Reddy said in the Rajya Sabha.

<https://economictimes.indiatimes.com/news/india/foreign-tourist-arrivals-in-january-april-at-79-per-cent-of-same-period-in-2019-government/articleshow/101993333.cms>

House committee submits Forest Bill without changes

The Parliamentary Joint committee on the draft Forest Conservation (Amendment) Act 2023 on Thursday has accepted every single amendment proposed by the Ministry of Environment, Forests & Climate Change and recommended it entirely unchanged, as per its report in Parliament on Thursday.

<https://economictimes.indiatimes.com/news/india/house-committee-submits-forest-bill-without-changes/articleshow/101995986.cms>

Banking and Finance

Financial services secretary asks banks to achieve financial inclusion targets at earliest

Financial services secretary Vivek Joshi has urged public sector banks to achieve the targets allocated to them under various schemes for financial inclusion for the current financial year at the earliest. During a review meeting with the top management of state-owned banks and Nabard chairman, Joshi exhorted the banks to expeditiously clear the sanction and disbursement pendency of applications under PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) scheme. He further urged banks to devise the strategy and step up efforts to increase the digital onboarding of street vendors and scale up their digital payments, the finance ministry said in a statement on Thursday.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/financial-services-secretary-asks-banks-to-achieve-financial-inclusion-targets-at-earliest/articleshow/101994311.cms>

Regional Rural Bank mergers exempted from CCI Approval

The government has decided to exempt mergers of regional rural banks (RRBs) ordered by it from the requirement of the Competition Commission of India's (CCI's) clearance, a senior official said, in signs that the next round of consolidation of such lenders may be in the offing. The exemption, aimed at fast-tracking such mergers, would be granted for five years, the official said. Relevant sections of the Competition Act wouldn't apply to these transactions during this period, he added. A similar relief was granted by the corporate affairs ministry in 2017 for a five-year period. The latest move comes at a time when the government has stepped up focus on modernising the RRBs in a bid to spur credit growth in remote areas and boost economic activities. It had earlier favoured amalgamation of RRBs to enable them to minimize their expenses, shore up the capital base, optimise the use of technology and raise their exposure.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/regional-rural-bank-mergers-exempted-from-cci-approval/articleshow/101999559.cms>

Retail loans given by NBFCs to grow 18-20% in FY24, says Icra report

Rating agency ICRA has revised its growth estimates for retail credit by finance companies to 18-20 per cent for FY24 from an earlier assessment of 12-14 per cent, citing strong traction for unsecured loans. The growth in unsecured credit, comprising personal and consumption loans, unsecured small enterprise loans and microfinance loans, would remain strong. The NBFC-Retail asset under management (AUM) is estimated at around Rs 14 trillion as of March 2023, said ICRA in a statement on Thursday.

https://www.business-standard.com/finance/news/retail-loans-given-by-nbfc-to-grow-18-20-in-fy24-says-icra-report-12307200521_1.html

Weak loans of banks to fall to 3-3.5% of gross advances by March 2025: S&P

S&P Global Ratings on Thursday projected Indian banking sector's weak loans will decline to 3-3.5 per cent of gross advances by March 31, 2025 as structural improvements and good economic prospects would support the resilience of financial institutions. In its mid-year global bank outlook, S&P said India's economic growth prospects should remain strong over the medium term, with GDP expanding 6-7.1 per cent annually in fiscal years 2024-2026. "We project the banking sector's weak loans will decline to 3-3.5 per cent of gross loans by March 31, 2025 on the back of structural improvement, including healthy corporate balance sheets, tighter underwriting standards, and improved risk-management practices," S&P Primary Credit Analyst Deepali Seth Chhabria said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/weak-loans-of-banks-to-fall-to-3-3-5-of-gross-advances-by-march-2025-sp/articleshow/101992876.cms>

Industry

Rural auto demand set for festive revival

India's rural markets - which had remained weak in the past three years due to the economic impact of the pandemic - are revving up and expected to spur demand for passenger cars, motorcycles and tractors as the country heads into the festive season later this quarter. Moderating rural inflation, higher non-agricultural income and an increase in minimum support price for all kharif crops are expected to put more money in the hands of consumers in rural markets, boosting demand and bridging the divergent recovery seen in the country since the easing of Covid, said several senior industry executives. The country's largest carmaker, Maruti Suzuki, saw sales of passenger vehicles rise 14% in rural areas last quarter, outpacing an 11% increase in urban centres.

<https://economictimes.indiatimes.com/industry/auto/auto-news/rural-auto-demand-set-for-festive-revival/articleshow/101996089.cms>

Manufacturing companies ease work rules in post-Covid world

Manufacturing firms, which before the pandemic had rigid work hours and culture, are now opting for a flexible approach, in terms of relaxations in working days/hours, attendance punching and uniforms, and are even allowing employees in certain roles to work remotely for a day or two in a week. Companies such as Hyundai Motor India, Maruti Suzuki India, Tata Steel, Mercedes-Benz India, Ceat and Mondelez have gradually adopted these changes, most of which are now part of their permanent work culture, executives told ET. Validating this trend is Deloitte's India Benefits Report 2023 findings, shared exclusively with ET, which suggest one-third of about 80 manufacturing

firms currently have changed their policies to enable hybrid working arrangements. Each of these manufacturing firms has more than 3,000 employees and a turnover of over `8,000 crore, according to Deloitte.

<https://economictimes.indiatimes.com/news/company/corporate-trends/manufacturing-companies-ease-work-rules-in-post-covid-world/articleshow/101995953.cms>

Japan becomes second Quad partner to sign semiconductor pact with India

Japan has become the second Quad partner after the United States to sign an agreement with India for the joint development of the semiconductor ecosystem and maintain the resilience of its global supply chain. The agreement was signed between Union Minister for Electronics and IT Ashwini Vaishnaw and Japan's Minister of Economy, Trade and Industry Yasutoshi Nishimura in the national capital on Thursday. "Japan and India have signed a memorandum for semiconductor design, manufacturing, equipment research, talent development and to bring resilience in the semiconductor supply chain," Vaishnaw said. The nations will create an "implementation organisation" that will work on government-to-government and industry-to-industry cooperation, Vaishnaw added.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/india-japan-sign-pact-for-semiconductor-development/articleshow/101992248.cms>

Headcount at big 4 Indian IT companies dips in Q1

On Thursday, India's second-largest IT services company Infosys reported a dip of 6,940 in headcount to take the total employee base to 336,294. The net headcount dip reported by the top four IT majors for the first quarter of fiscal 2024 was 17,335 compared to an addition of 52,842 last year in the same quarter. In the March quarter, Infosys reported a headcount decline of 3,611. Attrition for the quarter stood at 17.3% compared to 20.9% reported in the March quarter. On the hiring front, the company said it will evaluate requirements based on demand, similar to its peers. "We will look at that (hiring targets) based on what that demand environment looks like and how we see the rest of the year playing out," said CEO and MD Salil Parekh.

<https://economictimes.indiatimes.com/tech/information-tech/headcount-addition-at-tcs-hcltech-further-dips-in-q1-attrition-cools/articleshow/101703282.cms>

Infrastructure

202 national highway projects worth Rs 79,789 cr under implementation: Nitin Gadkari

A total of 202 national highway (NH) projects worth Rs 79,789 crore are at the implementation stage in the country, Union Minister Nitin Gadkari said on Thursday. These projects are 6,270 km in length, the minister for road, transport and highways said in a written reply to the Lok Sabha. "Besides, another 42 NH projects of length 474 km of Rs 10,992 crore are at the bidding stage, and 11 NH projects of length 245 km of Rs 3,816 crore are at the stage of declaration of Appointed Date in the state of Maharashtra," he said. These projects have construction periods ranging from 18-30 months from the appointed date, Gadkari said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/202-national-highway-projects-worth-rs-79789-cr-under-implementation-nitin-gadkari/articleshow/101991850.cms>

Roads Ministry aims to spend over 90% capex by December

The Road Transport and Highways Ministry aims to spend over 90% of its ₹2.59 lakh crore capital expenditure (capex) earmarked in Budget 2023-24 by December 2023, officials aware of the matter told ET. This expenditure will be for developing roads across the country with an aim to complete 310 National Highways (NH) projects by the end of the calendar year. Sector watchers say the months following December 2023 would see slowing down of construction activity with the model code of conduct coming into force in a year of assembly and parliamentary elections.

<https://economictimes.indiatimes.com/news/economy/infrastructure/roads-ministry-aims-to-spend-over-90-capex-by-december/articleshow/101999634.cms>

Aviation industry sees 88% rebound in international passengers in Q1

The first quarter of 2023 saw a remarkable 88 per cent increase in the number of passengers carried by both Indian and foreign carriers for scheduled international operations when compared to the same period in 2022. This surge in air travel comes after a prolonged period of decline due to the adverse effects of the COVID-19 pandemic on international passenger numbers. The resurgence in air travel began with the resumption of scheduled international

commercial passenger operations on March 27, 2022. Since then, the situation has continued to improve, leading to a substantial rise in the number of air travellers opting for international flights in the first quarter of 2023.

<https://www.thehindubusinessline.com/economy/logistics/aviation-industry-sees-88-rebound-in-international-passengers-in-q1/article67101933.ece>

UDAN scheme witnesses steady growth

The Regional Connectivity Scheme UDAN (RCSUDAN) flights have witnessed significant success since its inception, with more than 1.23 crore passengers having travelled utilised the scheme. The initiative has played a pivotal role in boosting regional air connectivity, benefiting both passengers and remote areas. The Ministry of Civil Aviation, under the leadership of Gen (Dr) VK Singh (Retd), has been actively monitoring the progress of airport development and operationalisation, ensuring timely completion. RCSUDAN has led to the development and operationalisation of 148 airports, which include nine heliports and two water aerodromes. This has opened up new avenues for air travel, bridging the gap between major cities and remote regions. However, the process of achieving this feat hasn't been without its challenges.

<https://www.thehindubusinessline.com/books/reviews/business-economy/udan-scheme-witnesses-steady-growth/article67101920.ece>

Energy

Green hydrogen investors want assurance of demand, standards for certification

The biggest fear of companies that want to invest in production of green hydrogen is, 'what if there is not enough demand'? This was the perspective that emerged from the speeches of many experts who spoke at a session in green hydrogen, at the 14th Clean Energy Ministerial currently underway here. CEM 14 is a high-level conference of world energy ministers. A survey conducted jointly by UNIDO, IRENA, and the German Institute of Development and Sustainability (IDOS) also revealed that green hydrogen companies see the lack of demand assurance as the biggest risk to their investments.

<https://www.thehindubusinessline.com/economy/green-hydrogen-investors-want-assurance-of-demand-standards-for-certification/article67104527.ece>

Telecom

DoT clarifies: Telecom companies need to pay fee only on core activities

The Department of Telecommunications (DoT) has specified that only activities covered under the scope of the license will be classified as telecom activities and used to calculate adjusted gross revenue (AGR), reducing payment obligations of telcos to the government. The latest clarification brings big relief to a debt-laden industry as carriers need to pay 8% of AGR as license fee, experts said. They estimate that roughly 10% of an operator's overall revenue comes from non-telecom activities. After the announcement of telecom reforms in September 2021, the government had notified that non-telecom revenue would be excluded from the definition of AGR from October 1, 2021. But there was no clear definition about what constitutes revenue from telecom operations, which prompted the industry to seek clarity from the DoT. Telcos pay license fees and spectrum usage charges (SUC) based on AGR.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-clarifies-telecom-companies-need-to-pay-fee-only-on-core-activities/articleshow/101995993.cms>

TRAI recommends regulatory framework by government for AI, big data in telecom sector

The Telecom Regulatory Authority of India (TRAI) on Thursday has released recommendations on "Leveraging Artificial Intelligence (AI) and Big Data in Telecommunication Sector", in which it has suggested for an urgent need to adopt a regulatory framework. "There is an urgent need to adopt a regulatory framework by the government that should be applicable across sectors. The regulatory framework should ensure that specific AI use cases are regulated on a risk-based framework where high risk use cases that directly impact humans are regulated through legally binding obligations," it said. An independent statutory authority should be established immediately for ensuring development of responsible AI and regulation of use cases in India, it said, adding that the authority should be designated as "Artificial Intelligence and Data Authority of India (AIDAI)".

<https://www.thehindubusinessline.com/news/trai-recommends-regulatory-framework-by-government-for-ai-big-data-in-telecom-sector/article67102652.ece>

States

Andhra Pradesh records robust revenue growth in Q1FY24

Andhra Pradesh recorded higher revenues in the key departments this year as revenue from GST increased 23.4 per cent in the first quarter of the current financial year ending June 30, 2023, compared to the corresponding quarter of the previous financial year. According to state government data, revenue from GST (apart from compensation) stood at ₹7,653 crore in the first three months of the present fiscal posting an increase of 23.74 per cent marking achievement of 91 per cent of the target collection.

<https://www.thehindubusinessline.com/news/national/andhra-pradesh-records-robust-revenue-growth-in-q1fy24/article67101353.ece>

Odisha CM announces Rs 56 cr incentives for kendu leaf pluckers, binders

Odisha Chief Minister Naveen Patnaik has announced Rs 56-crore financial assistance for over 8 lakh kendu leaf pluckers and others engaged in such a trade. In the third phase of the 2022 crop year, a 25 per cent bonus will be given to 7.75 lakh kendu leaf pluckers and a 5 per cent incentive to 40,000 binders and temporary workers, according to a release issued by the Chief Ministers' Office on Wednesday.

https://www.business-standard.com/india-news/odisha-cm-announces-rs-56-cr-incentives-for-kendu-leaf-pluckers-binders-123072000169_1.html

External

India extends UPI services to France, first in Europe after Singapore

The unified payments interface (UPI) would soon be used in France and Indians travelling there can make rupee payments using the UPI. UPI can be accepted internationally only if the payment operator in the home country has an arrangement with a similar payment operator in the overseas country.

https://www.business-standard.com/finance/news/india-extends-upi-services-to-france-first-in-europe-after-singapore-123072000230_1.html

Centre bans export of non-basmati white rice to boost domestic supply

The Centre on Thursday banned the export of non-basmati white rice with immediate effect to boost domestic supply and help control inflation. Non-basmati white rice accounts for nearly 25-30 per cent of total rice exported from the country. The total exports of non-basmati white rice from India was \$4.2 million in 2022-23, as against \$2.62 million in the preceding year. Major destinations of India's non-basmati white rice exports include Thailand, Italy, Spain, Sri Lanka and the USA.

https://www.business-standard.com/economy/news/govt-bans-non-basmati-white-rice-exports-to-boost-supply-help-curb-prices-123072001023_1.html

IMF pitches for the inclusion of India in international bond indices

The International Monetary Fund (IMF) has said India's expected inclusion in the international bond indices could "significantly increase" foreign participation in the country's bond market and support portfolio inflows to finance the current account deficit (CAD) over the medium term. It maintained that volatile portfolio investments are "very sensitive" to changes in global financial conditions and country risk premia.

https://www.business-standard.com/economy/news/imf-pitches-for-the-inclusion-of-india-in-international-bond-indices-123072000912_1.html

India, Germany to strengthen bilateral ties, increase investments: German Vice Chancellor

Germany's Vice Chancellor and Minister of Economic Affairs and Climate Action Robert Habeck on Thursday said India and Germany want to further strengthen bilateral cooperation and increase investments and collaboration among companies. He arrived on a three-day visit to India on Thursday. Talking to reporters on the sidelines of the

Indo-German Business Forum in New Delhi, Habeck also said China is Germany's biggest trading partner and a lot of German and European companies have invested in that country.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-germany-to-strengthen-bilateral-ties-increase-investments-german-vice-chancellor/articleshow/101981984.cms>

India-Japan discussion steel decarbonisation and safety at bilateral

India and Japan have held bilateral talks for cooperation in the steel sector and to address decarbonisation issues. A statement issued after Steel Minister, Jyotiraditya Scindia and Japan's Minister of Economy, Trade and Industry, Nishimura Yasutoshi's meeting, said both decided to support the cooperation between the public and private sectors of the two countries. "Both the sides stressed on the importance of pursuing a policy approach that takes into account the circumstances of each country's industry, with the underlying fundamental principle of pursuing both the economic growth and low carbon transition in the steel sector," the statement said.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/india-japan-discussion-steel-decarbonisation-and-safety-at-bilateral/articleshow/101987429.cms>

At Rs 1.5 trillion, FPI inflows to India since March 2023 highest globally

Foreign portfolio investors have invested Rs 1.5 trillion in India in the last four months since March 2023, outpacing other global markets, revealed a report by ICICI Securities. The second highest inflows were seen in Taiwan, which was less than \$6 billion in the same time frame. "From a quarterly perspective, flows in India were almost thrice than the nearest competitor. The same is reflected in terms of performance where Nifty was able to scale fresh life highs while rest of the markets are still languishing," said Sachin Jain, analyst at ICICI Securities.

https://www.business-standard.com/finance/personal-finance/at-rs-1-5-trillion-fpi-inflows-to-india-since-march-2023-highest-globally-123072000245_1.html