



July 24, 2023 – Monday

Economy

Work demand under NREGS down a tad in June quarter

Demand for work under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) eased only a tad in the key June quarter from a year before despite monthly variations, reflecting the tentative nature of an industrial recovery. Person-days generated under the scheme were to the tune of 1,110 million between April and June this fiscal, against about 1,140 million and 1,160 million in the corresponding quarters of FY23 and FY22, respectively, showed an analysis by the rural development ministry.

<https://economictimes.indiatimes.com/news/economy/indicators/work-demand-under-nregs-down-a-tad-in-june-quarter/articleshow/102061058.cms>

Aspirational districts fare better in poverty reduction

According to the latest Multidimensional Poverty Index released by Niti Aayog, aspirational districts are doing better in poverty alleviation. The average decline in number of multidimensionally poor was higher for aspirational districts between 2015-16 and 2019-21. However, they still lag the country in poverty ratio—the proportion of people who are multi-dimensionally poor or lacking access to basic facilities.

<https://economictimes.indiatimes.com/news/economy/indicators/aspirational-districts-fare-better-in-poverty-reduction/articleshow/102061208.cms>

Banking and Finance

Banks get 8 months to effect TCS on international credit card spend

The central government has given banks and credit card entities six to eight months to put in place the requisite reporting mechanism and related features to collect tax at source on international credit card transactions, a senior bureaucrat told Business Standard.

https://www.business-standard.com/economy/news/govt-gives-8-mths-time-to-banks-for-effecting-tcs-on-overseas-credit-cards-123072300461_1.html

Achieve targets under financial inclusion schemes for FY24 at earliest: DFS

Vivek Joshi, secretary, department of financial services urged the Public Sector Banks (PSBs) to achieve the targets allocated to them under the various schemes for financial inclusion for the current financial year at the earliest. During the review meeting on Thursday with heads of PSBs, the progress under various social security (Jan Suraksha) schemes including Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY), Pradhan Mantri Mudra Yojana (PMMY), and Stand Up India were discussed.

https://www.business-standard.com/economy/news/achieve-targets-under-financial-inclusion-schemes-for-fy24-at-earliest-dfs-123072001032_1.html

Domestic banks lure techies from top tech companies

Domestic Indian banks, which have fast tracked their efforts to enhance their digital capabilities, are luring top-notch tech talent from leading new age companies and global firms, said senior company officials and search experts. Amazon, Twitter, Apple, Ola, Flipkart, Oracle, JP Morgan, Goldman Sachs, among others, are some of the favourite hunting grounds for talent. According to data from Native, there was a 30-40% increase in demand for senior tech talent from global firms and new age companies in the last 6-12 months compared to a year ago.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/domestic-banks-lure-techies-from-top-tech-companies/articleshow/102061224.cms>

Industry

PLI scheme incentive outgo could be less than Rs 40,000 crore by FY25

The total incentive outgo under the ambitious production-linked incentive (PLI) scheme is estimated to be less than Rs. 40,000 crore by the fiscal year 2024-25 (FY25), when it completes the fourth year of implementation, according to the government's internal estimates. This means only a fourth of the allocated Rs. 1.97 trillion is expected to be utilised by the end of FY24, indicating that not all the 14 PLI schemes would have taken off fully.

https://www.business-standard.com/economy/analysis/pli-scheme-incentive-outgo-could-be-less-than-rs-40-000-crore-by-fy25-123072300605_1.html

Electric-three wheeler production more than doubles on rising demand

The rapid adoption of electric three-wheelers across India has led to a 123 per cent increase in manufacturing by Original Equipment Manufacturers (OEM) in H1. According to the statistics of the Society Of Automobile Manufacturers (SIAM), between January and June of 2023, 16,552 electric three-wheelers were manufactured, compared to 7,522 electric three-wheelers between January and June of 2022.

<https://www.thehindubusinessline.com/economy/electric-three-wheeler-production-more-than-doubles-on-rising-demand/article67112377.ece>

India Inc puts up strong Q1 show, barring RIL numbers

The early trend in the June quarter performance of India Inc shows that aggregate growth in revenue and profit was marred by the subdued numbers of Reliance Industries Ltd (RIL). A stellar show by banks and finance companies partially offset the impact. A sample of 221 companies that have declared results so far reported 8.1% year-on-year growth in revenue while net profit rose by 13.7%. The revenue growth was in single digit for the first time in at least nine quarters. The sample's operating margin contracted by 240 basis points YoY to 20.4%.

<https://economictimes.indiatimes.com/markets/stocks/earnings/india-inc-puts-up-strong-q1-show-barring-ril-numbers/articleshow/102064776.cms>

FAME investigation paves way for indigenous EVs, fair competition: OEMs

Leading electric vehicle (EV) manufacturers are hopeful that the crackdown on companies by the Ministry of Heavy Industries for violating the Phased Manufacturing Programme (PMP) guidelines under the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles (FAME II) scheme will help further the indigenisation of the industry and lead to widespread adoption of EVs in the country.

https://www.business-standard.com/industry/auto/fame-investigation-paves-way-for-indigenous-evs-fair-competition-oems-123072300262_1.html

Demand for bigger cars accelerates sales of wider tyres

Everything seems like it is getting bigger in the auto industry these days - right down to the wheels. Wider tyres on passenger vehicles, both cars and SUVs, with 18-22 inch diameters and 245/255 mm width have seen double-digit growth since 2020, while the share of smaller tyres is shrinking rapidly. In CY 2020, the share of 12-inch wheel rim diameter was 6.3%, which fell to 1.2% in 2023, while the share of the 17-inch rims grew from 9.5 to 12.7%. In the same period, 18 inch rims have increased share from 1.3% to 6.5%, according to Jato Dynamics data.

<https://economictimes.indiatimes.com/industry/auto/tyres/demand-for-bigger-cars-accelerates-sales-of-wider-tyres/articleshow/102061648.cms>

IT deal momentum slows down further in Q1

While IT services companies have been reporting slowing deal momentum since Q1 2023, the first quarter of this year (FY24) has been the slowest when compared to the same quarter over the last 2 years. IT firms TCS, Wipro, HCL Tech and Infosys saw slowing deal momentum, particularly in the large and the smallest deal segments. According to an analysis done by CareEdge, these IT firms only added 1 new client in the \$100 million band, while small clients below \$1 million have nearly halved, from 91 net new clients in Q1FY22 to 56 in Q1FY24. At least on a year-on-year basis, mid-tier clients in the \$10 million and \$50 million band have remained the same between Q1FY23 and Q1FY24. <https://www.thehindubusinessline.com/economy/it-deal-momentum-slows-down-further-in-q1/article67113013.ece>

Infrastructure

'Demand for industrial warehouse leasing steady in top 5 cities during Jan-June'

Industrial and warehousing demand in the top five cities remained steady in H1 2023, with 11 million square feet of leasing, mirroring last year's figures, with Delhi NCR taking the lead in demand, followed by Mumbai, Colliers India in a report. The Delhi-NCR region held a significant 25.0% share, closely trailed by Mumbai at 24.6%, while other cities experienced minimal single-digit changes in demand, said the report. "The overall demand for the industrial and warehousing market has been bolstered by various factors, including increased production capacity, strong government policy support and inclusion of more automated and process-driven manufacturing. While 3PL players are likely to dominate demand, we expect strong & steady momentum in leasing from other segments," says Vijay Ganesh, Managing Director, Industrial & Logistics Services, Colliers India.

<https://economictimes.indiatimes.com/industry/services/property/-cstruction/demand-for-industrial-warehouse-leasing-steady-in-top-5-cities-during-jan-june/articleshow/102061389.cms>

Sustained housing sales helps improve developers' liquidity, credit profile

The sustained sales momentum in the housing property market over the last three financial years has seen a robust improvement in liquidity and credit profile of key listed real estate developers since the outbreak of the Covid-19 pandemic. The buoyancy in residential demand in mid, premium and luxury segments across India's top property markets including Mumbai, Delhi-NCR, Bangalore, Pune, Kolkata, and Hyderabad has pushed both collections and realisations of these companies' higher. The performance helped strengthen their leverage and credit profiles and this is expected to sustain over the medium term.

<https://economictimes.indiatimes.com/industry/services/property/-cstruction/sustained-housing-sales-helps-improve-developers-liquidity-credit-profile/articleshow/102061264.cms>

Energy

Power consumption grows slightly by 1.8% to 407.76 bn units in Apr-Jun qtr

Power consumption grew marginally by 1.8 per cent year-on-year to 407.76 billion units in the April-June quarter, mainly due to unseasonal rains, the Biparjoy cyclone and heavy Monsoon downpours, according to the government data. The Central Electricity Authority (CEA) data showed that the power consumption was 400.44 billion units (BU) in the April-June quarter in 2022 and recorded a growth of 17.6 per cent compared to 340.37 BU in the same period of 2021.

https://www.business-standard.com/economy/news/power-consumption-grows-slightly-by-1-8-to-407-76-bn-units-in-apr-jun-qtr-123072300126_1.html

Telecom

TRAI bats for independent regulator for data sharing framework

In a bid to make data sharing more ubiquitous, the telecom regulator has proposed to bring datasets owned by public and private entities on a single platform under common rules monitored by an independent authority. "Apart from the data available with the Central government, onboarding data that is under the control of State governments, local bodies, private entities should also be brought on board for the adoption of Data Governance Policy to enable them to share their data with governments and other public and private entities/agencies," TRAI has said in its recommendations to the Centre.

<https://www.thehindubusinessline.com/info-tech/trai-bats-for-independent-regulator-for-data-sharing-framework/article67112802.ece>

Telcos to pay fee for activities covered under scope of licence, says DoT

The Department of Telecommunications (DoT) said that only activities covered under the scope of licence will be classified as telecom activities and they will be used to calculate adjusted gross revenue (AGR). Experts said that this clarification has brought relief to a debt-laden industry as carriers need to pay eight per cent of AGR as licence fee.

https://www.business-standard.com/industry/news/telecos-to-pay-fee-for-activities-covered-under-scope-of-licence-says-dot-123072100194_1.html

States

Tamil Nadu gives nod to 10 investment proposals worth Rs 6,000 crore

The government of Tamil Nadu has given its nod to 10 investment proposals worth Rs 6,000 crore, including one by the world's largest producer of mobile phone chargers Salcomp Plc, which is also a leading supplier to Apple. Earlier this year, the Finland-headquartered firm had announced a Rs 1,800-crore investment plan for India over the next three years. This was as part of its strategy to expand presence in electric vehicle (EV) chargers and solar microinverters, among others.

https://www.business-standard.com/companies/news/tn-clears-10-investment-proposals-apple-supplier-salcomp-among-investors-123072300356_1.html

External

India seeks to ensure FTA sops aren't used for dumping steel

India is banking on inclusion of 'melt and pour' conditions to protect the domestic steel industry in free trade agreements (FTAs), steel secretary Nagendra Nath Sinha told ET. This provision ensures that any steel which benefits from tariff concessions under FTAs is manufactured only in the countries that have an arrangement with India. It helps curtail attempts to use FTA countries as transit points to dump steel, from non-FTA ones, such as China, into India. "We are negotiating for 'melt and pour' as the product specific rules of origin... This provision ensures that FTA benefits are available only to genuine manufacturers in other countries rather than those who re-route their products to India," Sinha said.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/india-seeks-to-ensure-fta-sops-arent-used-for-dumping-steel/articleshow/102060969.cms>

Engineering exports see mixed fortunes; trade with Russia surges: EEPC

India's engineering exports to major markets like the United States, the European Union (EU) and China continued to decline in June 2023, reflecting a challenging global trade environment, EEPC India said. The country's shipments to West Asia and North Africa (WANA), North East Asia, and CIS countries, however, showed positive growth during the same period, the Engineering Exports Promotion Council of India (EEPC) said.

https://www.business-standard.com/economy/news/engineering-exports-see-mixed-fortunes-trade-with-russia-surges-eepec-123072300288_1.html

Electronics exports grew 56% in Q1, at 4th in pecking order

Electronics became the fourth largest exported item from India in the June quarter, jumping two spots, as the category grew the fastest among the top 30 exported items. As per an analysis of the data released by the Ministry of Commerce, electronics exports grew over 56% in the April-June period, reaching ₹57,220.24 crore as against ₹36,533.18 crore in the same period last year. As per experts, at this rate, electronics is likely to emerge as the third largest category of exports in the coming quarters as its gap with the current gems and jewellery segment is narrowing fast. Electronics have overtaken chemicals and drugs and pharmaceuticals to jump from sixth largest exports category to become the fourth largest in Q1 FY24.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/electronics-exports-grew-56-in-q1-at-4th-in-pecking-order/articleshow/102061447.cms>

India, Lanka look to link up via oil pipeline, land connectivity & UPI

India and Sri Lanka have decided to carry out feasibility studies on establishing a multi-product petroleum pipeline and a land bridge connectivity between the two countries. UPI-based digital payments, too, will start in Sri Lanka in the next 2-3 months. These moves are part of a long list of initiatives outlined in the India-Sri Lanka Economic Partnership Vision announced on Friday amid Sri Lankan President Ranil Wickremesinghe's ongoing visit to India. On Friday, he held bilateral discussions with Prime Minister Narendra Modi, and called on President Draupadi Murmu.

https://www.business-standard.com/economy/news/india-sri-lanka-explore-feasibility-of-oil-pipeline-land-connectivity-123072100816_1.html

Startups to get airfare support for export promotion

India's contracting exports have prompted the government to introduce incentives for startups and new exporters, and relax compliance norms for the existing exporters. Under the Market Access Initiatives (MAI) Scheme, startups and new exporters have been made eligible for airfare reimbursement to participate in overseas events while the ceiling for this incentive for existing exporters has been raised 20%.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/startups-to-get-airfare-support-for-export-promotion/articleshow/102064826.cms>