



October 10, 2023 – Tuesday

Economy

Urban jobless rate falls for second consecutive quarter to 6.6 % in Q1

India's urban unemployment rate fell for the second consecutive quarter in Q1FY24 (April-June 2023) to 6.6 per cent, down from 6.8 per cent in the previous January-March quarter of 2022-23, reflecting a sustained improvement in labour markets. The Periodic Labour Force Survey (PLFS) results, released by the National Statistical Office (NSO) on Monday, show that the unemployment rate in current weekly status (CWS) terms for those above 15 years of age in the June quarter was the lowest recorded in five years, since the NSO began releasing India's quarterly urban jobless rate in December 2018.

https://www.business-standard.com/economy/news/urban-jobless-rate-falls-for-second-consecutive-quarter-to-6-6-in-q1-123100901052_1.html

Indian inflation seen easing to 5.50% in September on softening food price rises: Poll

Indian retail inflation likely eased to 5.50% last month, within the Reserve Bank of India's (RBI) tolerance band, on moderating food price rises and government subsidies that offset a surge in the cost of crude oil, a Reuters poll found. The RBI kept monetary policy unchanged on Oct. 6 for a fourth consecutive meeting and signalled interest rates would remain high until inflation was closer to 4%, the midpoint of the central bank's 2-6% target range. Rises in food prices, which make up about half the consumer price index (CPI), continue to cool from recent peaks after the Indian government enacted a series of measures to boost supply. Inflation, as measured by the annual change in the CPI, was forecast to have fallen to 5.50% in September from 6.83% in August, according to an Oct. 3-9 Reuters poll of 66 economists.

<https://economictimes.indiatimes.com/news/economy/indicators/indian-inflation-seen-easing-to-5-50-in-september-on-softening-food-price-rises-poll/articleshow/104298234.cms>

Banking and Finance

MeitY calls for survey to gauge popularity of UPI

Do women use the UPI (unified payments interface) more than men? Are digital payments mostly used for money transfers or to purchase food and household items? What is the average ticket size for such purchases? These are some of the questions that the ministry of electronics and IT is trying to get an answer from government surveys. The IT ministry has made a representation to the ministry of statistics and programme implementation and requested them to conduct a survey on the popularity and use of digital payments, sources informed ET. The survey would include details such as the average ticket size of payments made through UPI, the geographies in which the adoption of digital payment methods such as UPI is higher and whether people feel safer when making payments through UPI.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/meity-calls-for-survey-to-gauge-popularity-of-upi/articleshow/104293478.cms>

RBI increases monetary ceiling of gold loans to Rs 400,000 for UCBs

In order to remove difficulties faced by the Urban Co-operative Banks (UCBs), the Reserve Bank of India (RBI) has increased the monetary ceiling of gold loans under Bullet Repayment Scheme from Rs 2 lakh to Rs 4 lakh for UCBs to meet prescribed Priority Sector Lending (PSL) target, Ministry of Cooperation said on Monday. The move is part of various initiatives taken under the leadership of Prime Minister Narendra Modi and the guidance of the Union Home Minister Amit Shah and Minister of Cooperation to strengthen cooperatives and treat them at par with other forms of economic entities, both as beneficiaries and participants.

https://www.business-standard.com/industry/banking/rbi-increases-monetary-ceiling-of-gold-loans-to-rs-400-000-for-ucbs-123100900875_1.html

Public capex will decline as govt reduces fiscal deficit, private investment must step up: Goldman Sachs

Private investment needs to pick up as the level of capex cannot be sustained by the government, said Goldman Sachs in a report released Monday. The global investment bank stated that public capex has peaked and will decline as the government reduces its fiscal deficit by almost 1.5 percentage points to 4.5% by FY26. "With subsidies already near the pre-pandemic lows, it is likely that a cut in public capex (as a % of GDP) will have to share the burden of fiscal consolidation, among a reduction in other current expenditure, and likely some improvement in tax receipts," Goldman Sachs analysts stated.

<https://economictimes.indiatimes.com/news/economy/finance/public-capex-will-decline-as-govt-reduces-fiscal-deficit-private-investment-must-step-up-goldman-sachs/articleshow/104290660.cms>

Bima Vahak norms to be effective from launch of Bima Vistaar: IRDAI

The guidelines for women-centric insurance distribution channel, Bima Vahak, will come into force with the launch of Bima Vistaar, according to the insurance regulator. The Insurance Regulatory and Development Authority of India (IRDAI) is working on the final modalities of an all-in-one standard insurance product—Bima Vistaar—which is expected to be launched soon. "The Insurance Regulatory and Development Authority of India (Bima Vahak) Guidelines, 2023 shall come into force from the date of launch of Bima Vistaar..it is a comprehensive Insurance product which will be issued in due course," the regulator said in a notification.

<https://www.thehindubusinessline.com/money-and-banking/bima-vahak-norms-to-be-effective-from-launch-of-bima-vistaar-irdai/article67402375.ece>

Gross premium income of non-life insurers grows in double-digits in Q2, standalone health players improve share in H1

With a 29 per cent increase in September, combined gross direct premium underwritten for general insurance companies reported double-digit growth during the second quarter of this fiscal both sequentially and year-on-year. The gross direct premium for all non-life companies during this September quarter stood at ₹79,537 crore when compared with ₹70,708 crore in the year-ago period, posting an increase of 12.5 per cent. However, the growth is higher at 24 per cent when compared with the preceding quarter's premium of ₹64,263 crore.

<https://www.thehindubusinessline.com/money-and-banking/gross-premium-income-of-non-life-insurers-grows-in-double-digits-in-q2-standalone-health-players-improve-share-in-h1/article67399868.ece>

Industry

Festive season sale: E-commerce firms witness over 15% growth in orders

E-commerce firms such as Amazon, Flipkart, Myntra, Meesho and Snapdeal are witnessing booming festive season sale events. They are witnessing over 15 per cent growth in e-commerce order volumes in the first few days of various sale events that they launched recently, compared to the same period last year, according to analysts and industry sources. E-commerce firms such as Amazon, Flipkart, Meesho and Myntra are witnessing millions of shoppers coming to their platforms to grab the special deals on offer as the e-commerce firms started hosting their biggest festival season sales during the weekend, according to the sources.

https://www.business-standard.com/industry/news/festive-season-sale-e-commerce-firms-witness-over-15-growth-in-orders-123100901285_1.html

Consumers may resort to exchange of old gold for new as prices surge

As the escalating Israel-Palestine conflict pushes up gold prices, jewellers see consumers selling their gold holdings in the upcoming festival season to buy new ornaments in a bid to gain from the spike in prices. Gold prices in India have jumped by ₹874 per 10 gm to touch ₹ 57,415/10 gm after the Palestinian group Hamas launched an attack on Israel on Saturday. Industry executives said prices could increase further by ₹2,500-3,000 per 10 gm if the conflict in West Asia deepens. "The old gold exchange will increase by up to 15% this festive season compared to last year as gold price has started moving northward," Suvankar Sen, MD & CEO of Senco Gold & Diamonds, told ET. According to Sen, exchange of old gold accounts for 25-30% of the company's business in its urban area stores, while in its rural stores it is 30-35%.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics-/-jewellery/consumers-may-resort-to-exchange-of-old-gold-for-new-as-prices-surge/articleshow/104294104.cms>

E-comm-integrated MSMEs better than non-integrated counterparts in turnover and profitability: ICRIER

On average, micro, small, and medium enterprises (MSMEs) integrated with e-commerce platforms report higher turnovers and profitability, with 60.4 per cent reporting a turnover of more than ₹5 million, compared to 47.6 per cent in the case of non-integrated firms, according to the annual survey of Micro, Small, and Medium Enterprises (MSMEs) in India by the India Council for Research on International Economic Relations (ICRIER).

The data is based on a survey encompassing 1,005 enterprises integrated with e-commerce platforms and 1,002 enterprises that are not integrated.

<https://www.thehindubusinessline.com/economy/e-comm-integrated-msmes-better-than-non-integrated-counterparts-in-turnover-and-profitability-icrier/article67399635.ece>

India Inc grows in record numbers, reflecting rising economic optimism

India added a record number of companies and limited liability partnerships (LLPs) in the first half of this fiscal year, reflecting growing optimism about the country's business climate and economic growth prospects over the medium to long term despite near-term external headwinds, senior government officials said. As many as 120,966 companies and LLPs were incorporated between April and September, up 11.4% from 108,583 a year before, according to the latest data compiled by the ministry of corporate affairs (MCA).

<https://economictimes.indiatimes.com/news/company/corporate-trends/india-inc-grows-in-record-numbers-reflecting-rising-economic-optimism/articleshow/104293360.cms>

Agriculture

Policy in works to scale up bamboo cultivation

NITI Aayog is firming up a comprehensive policy to harness the multiple benefits of bamboo, increasingly referred to as 'green gold' with potential fabric to biofuel use. The idea is to incentivise the entire bamboo value chain including cultivation, production and development as the tree-like grass gains traction for its usage in infrastructure and as biofuel among others. Several rounds of meetings have been held under NITI Aayog member Ramesh Chand to lay out a blueprint that will give a major push to bamboo cultivation and its utilization, a senior government official told ET.

<https://economictimes.indiatimes.com/news/economy/agriculture/policy-in-works-to-scale-up-bamboo-cultivation/articleshow/104293921.cms>

Rubber industry faces global challenges: Low prices, labor costs, and more

M. Vasanthagesan Executive Director of the Rubber Board remarked that low prices of rubber, increased labour costs, labour shortages, diseases, climate change, environmental problems are the common challenges that all NR-producing countries face today. Dr. Sawar Dhanania, Chairman of the Rubber Board, inaugurated the Annual Rubber Conference and Assembly Meetings of the Association of Natural Rubber (NR) Producing Countries (ANRPC) in Guwahati. "The ANRPC should prioritize addressing such issues common for all and formulate appropriate policies. Mechanization in the rubber plantation sector, promotion of sustainable agricultural practices, strengthening of the supply chain, value addition for rubber wood, etc., will ensure the sustainable existence of rubber farmers everywhere," Dr Dhanania said.

<https://economictimes.indiatimes.com/news/economy/agriculture/rubber-industry-faces-global-challenges-low-prices-labor-costs-and-more/articleshow/104293024.cms>

Infrastructure

Realtors expect record sales this year; unsold inventory hits a decadal low

Property developers expect home sales to post a new high at more than half a million units in the top seven Indian cities this year, amid strong demand and big launches planned by companies such as DLF, TARC Ltd, County Group and Godrej Properties. According to data analytics firm PropEquity, developers in the markets of National Capital Region, Mumbai, Pune, Chennai, Bengaluru, Kolkata and Hyderabad sold 3,72,961 units in the first nine months of the year. In 2022, they had sold 4,64,849 units. "The pandemic has proven the resilience and adaptability of the Indian real estate sector, especially when the real estate market worldwide experienced a setback," said Aakash Ohri, joint managing director and chief business officer at DLF Ltd.

<https://economictimes.indiatimes.com/industry/services/property/-/construction/realtors-expect-record-sales-this-year-unsold-inventory-hits-a-decadal-low/articleshow/104294099.cms>

Energy

Primary energy demand in India will more than double by 2045: Opec

India's primary energy demand will nearly more than double to 38.5 million barrels of oil equivalent per day (mboe/d) in 2045, the Organization of the Petroleum Exporting Countries (Opec) has said in its 2023 World Oil Outlook. However, it will remain half of China's 77.4 mboe/d. Released on Monday, the annual report says global primary energy demand is set to increase from around 291 mboe/d in 2022 to close to 359 mboe/d in 2045, an increase of 68.3 mboe/d, or 23 percent over the outlook period. Of this, around 28 percent of the demand growth in non-OECD economies will originate in India, the report said. India's energy demand will also reach 10 per cent of global demand, up from 6.6 per cent currently.

https://www.business-standard.com/economy/news/primary-energy-demand-in-india-will-more-than-double-by-2045-opec-123100901098_1.html

External

Exporter status certificates to be issued based on available electronic data: Commerce Ministry

Exporter status certificate will now be issued based on the available electronic data, and traders will not have to apply to get the recognition, the commerce ministry said on Monday. These certificates provide certain privileges, including simplified procedures under foreign trade policy (FTP) and priority custom clearances on a self-declaration basis, exemption from compulsory negotiation of documents through banks, and exemption from filing bank guarantees for FTP schemes. Upon achieving prescribed export performance, status recognition as one, two, three, four and five-star export houses is accorded to the eligible applicants as per their export performance. The new system-based automatic 'Status Holder' certificates under the FTP 2023 were unveiled in a meeting of Commerce and Industry Minister Piyush Goyal with the Export Promotion Councils here.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/exporter-status-certificates-to-be-issued-based-on-available-electronic-data-commerce-min/articleshow/104292861.cms>

India, Peru to hold trade talks on furthering investments from Oct 10: Govt

The next round of negotiations for a trade agreement between India and South American nation Peru will start from October 10, an official statement said on Monday. The agreement is aimed at promoting bilateral trade and investments between the two countries. With the pact, the two trading partners will significantly reduce or eliminate customs duties on maximum number of goods traded between them.

https://www.business-standard.com/economy/news/india-peru-to-hold-trade-talks-on-furthering-investments-from-oct-10-govt-123100901232_1.html

High cotton prices may impact exports in 2022-23 marketing year: CAI

Cotton exports are estimated to decline 64 per cent in 2022-23 marketing year ended September due to higher prices of the commodity in the domestic market, Cotton Association of India (CAI) said on Monday. The cotton

marketing year begins from October. Cotton export during 2021-22 marketing year was 43 lakh bales which fell to 15.50 lakh bales in 2022-23, according to CAI data.

https://www.business-standard.com/economy/news/high-cotton-prices-may-impact-exports-in-2022-23-marketing-year-cai-123100900989_1.html

India mulls imposing 25% duty on molasses exports

The government is considering imposing a 25% duty on exports of molasses - a by-product of sugarcane and key ingredient for ethanol productions - as it expects a decline in sugar production in the upcoming season, senior officials said. The curbs on exports are expected to boost the availability of molasses for domestic distilleries, which will help them meet the government's ethanol blending target, said an officer on condition of anonymity.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-mulls-imposing-25-duty-on-molasses-exports/articleshow/104293771.cms>

India, Tanzania sign MoUs in maritime sector, Navy to share shipping info

India and Tanzania signed multiple Memorandum of Understanding (MoUs) ranging in various sectors including digital transformation, maritime sector and sports aiming to enhance cooperation between the two nations.

Indian Navy and Tanzania Shipping Agencies Corporation also signed a technical agreement on Sharing White Shipping Information, the Ministry of External Affairs said in a statement.

https://www.business-standard.com/india-news/india-tanzania-sign-mous-in-maritime-sector-navy-to-share-shipping-info-123100901380_1.html

Israel-Hamas conflict may impact gems, jewellery trade: Exporters

The Israel-Hamas conflict is expected to impact the trade of gems and jewellery between India and Israel, exporters said on Monday. Colin Shah, MD, Kama Jewelry, said the war can "adversely" impact Indian exports to Israel. Total gems and jewellery trade between India and Israel stood at USD 2.04 billion in 2022-23 as against USD 2.8 billion in 2021-22. "The war situation will further intensify the blow to the trade between Israel and its second-largest trading partner in Asia, India," Shah said. Mumbai-based exporter and founder chairman of Technocraft Industries India Sharad Kumar Saraf said the conflict may have an impact on Indian exporters in the short run. "But if the war escalates, things may get bitter for our exporters of that region," Saraf said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/israel-hamas-conflict-may-impact-gems-jewellery-trade-exporters/articleshow/104291689.cms>