



October 13, 2023 – Friday

Economy

Sept retail inflation at 3-mnth low of 5.02%; Aug IIP growth rises to 10.3%

The data released by the National Statistical Office (NSO) on Thursday showed that the Consumer Price Index (CPI)-based inflation eased to 5.02 per cent year-on-year in September from 6.8 per cent in August on account of a moderation in prices of vegetables, cereals, clothing and footwear, housing, and services. Separately, the country's industrial output, as measured by the Index of Industrial Production (IIP), grew by 10.3 per cent Y-o-Y in August compared to 6.02 per cent in July, driven by a low-base effect and robust growth in the power (15.3 per cent), mining (12.3 per cent), and manufacturing (9.3 per cent) sectors.

https://www.business-standard.com/economy/news/retail-inflation-eases-to-5-02-in-sept-iip-output-rises-10-3-in-august-123101201231_1.html

India slips four ranks in global hunger index 2023; govt says flawed methodology

India slipped four ranks in the global hunger index to 111 out of 125 countries from 107 in the previous year, according to the new rankings released Thursday. But the government contested the report's methodology, calling it erroneous and mala fide. "The Global Hunger Index continues to be a flawed measure of 'Hunger' and does not reflect India's true position," the ministry of women and child development noted in its response to the report. "The index is an erroneous measure of hunger and suffers from serious methodological issues," it further said. The report places India below its neighbours Pakistan (102), Bangladesh (81) and Nepal (69) in the index. It points out that India had the worst rates of wasting, with 18.7% of the children under five who have low weight for their height. "India has the highest child wasting rate in the world, at 18.7%, reflecting acute undernutrition," it said.

<https://economictimes.indiatimes.com/news/economy/indicators/india-slips-four-ranks-in-global-hunger-index-2023-govt-says-flawed-methodology/articleshow/104379794.cms>

Populist expenditure may not hit govt's fiscal deficit targets: Goldman Sach

Populism during elections invariably dents government finances, but this time around it may not be the same, thanks to strong federal revenues and a liberal dividend payment by the Reserve Bank of India (RBI), Goldman Sachs said. There could be some expenditure cuts as well. It is likely that a cut in public capital expenditure (as a % of GDP) will mean the government will need support from the private sector to step up capital investments, among a reduction in other current expenditures. "We are confident about the government adhering to the fiscal consolidation path," said Santanu Sengupta, chief India economist at Goldman Sachs. "If we analyse their post-pandemic behaviour approach, after the expansion of the deficit, they have been adhering to the path of consolidation. The buffer, partially, is coming from the extra dividend transfers and if you look at last month's corporate tax and income tax numbers, you would've seen that tax revenues have also caught up."

<https://economictimes.indiatimes.com/news/economy/policy/populist-expenditure-may-not-hit-govts-fiscal-deficit-targets-goldman-sach/articleshow/104381084.cms>

Banking and Finance

Banks urge RBI to set up liquidity window for financing of startups

Banks are urging the Reserve Bank of India (RBI) to establish a dedicated liquidity window to offer financing to startups in the country. While banks are adequately capitalised to support growth, accessing funds at concessional rates from the RBI would serve as a safety net for their net interest income in dealing with this high-risk segment, according to the survey findings jointly released by the Indian Banks' Association and the Federation of Indian Chambers of Commerce & Industry.

https://www.business-standard.com/industry/banking/banks-want-cheap-funds-from-rbi-for-start-up-financing-ficci-iba-123101201085_1.html

Insolvency watchdog seeks public comments to further simplify regulations

The insolvency watchdog on Thursday sought public suggestions to simplify, ease and reduce the cost of compliance of regulations under the Insolvency and Bankruptcy Code (IBC), according to an official statement. Presenting the Budget for FY24, finance and corporate affairs minister Nirmala Sitharaman had called on financial sector regulators to carry out a comprehensive review of existing regulations for which they will consider suggestions from public and regulated entities. The latest move is also part of the broader efforts by authorities to expedite the insolvency resolution process and prevent erosion of stressed asset value.

<https://economictimes.indiatimes.com/news/economy/policy/insolvency-watchdog-seeks-public-comments-to-further-simplify-regulations/articleshow/104380131.cms>

Industry

Piyush Goyal asks industry to accelerate production

Commerce and industry minister Piyush Goyal on Thursday asked the domestic industry to accelerate production activity and make India a global manufacturing hub. He was addressing industry leaders at a chintan shivir (brainstorming session) where issues related to creating a manufacturing ecosystem, maintaining quality standards, promoting domestic value addition, government policies and support, and fostering industry agility were discussed. "He (Goyal) asked the industry to accelerate production activity and contribute to making India a global hub for manufacturing," the commerce and industry ministry said in a statement.

<https://economictimes.indiatimes.com/news/economy/policy/piyush-goyal-asks-industry-to-accelerate-production/articleshow/104381345.cms>

Govt to promote local EV production; move to boost employment generation

The government is drawing up a policy to incentivise local manufacturing of electric cars, a move aimed at laying a level playing field for the industry. Local manufacturing will also boost employment generation while bringing down overall car prices. The Department for Promotion of Industry and Internal Trade (DPIIT), which operates under the aegis of the ministry of commerce & industry, has commenced discussions to put in place a scheme for subsidising electric four-wheeler makers linked to investments made by these companies for producing vehicles in the country, senior officials in the know told ET.

<https://economictimes.indiatimes.com/industry/renewables/govt-to-promote-local-ev-production-move-to-boost-employment-generation/articleshow/104381165.cms>

Indian steel mills flag concerns over rising Chinese steel imports

Worried by the spike in Chinese steel imports into India, the leading body of steel producers in the country, the Indian Steel Association (ISA), plans to take up the matter with the government, seeking swift remedial measures. Alok Sahay, secretary general of ISA, said that systemic changes need to be made in trade remedial measures. "In order to take any trade measure, it takes a minimum of 15 months, due to the prevalence of the lesser duty rule in India, making India an easy target. We are going to write to the government on this."

https://www.business-standard.com/industry/news/isa-flag-concerns-over-rising-chinese-steel-imports-plans-to-talk-to-govt-123082800601_1.html

India steel, cement industry need Rs 47 lakh crore investment to meet net zero goals: Report

The domestic steel and cement industry will require an additional Rs 47 lakh crore investment to meet net zero targets, according to a report. India is the second-largest producer of steel and cement in the world, and both are emission-intensive hard-to-abate industries. "India's existing steel and cement plants will require Rs 47 lakh crore

(USD 627 billion) in additional capital expenditure (CAPEX) to achieve net-zero carbon emissions," the Council on Energy, Environment and Water (CEEW) report said.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/india-steel-cement-industry-need-rs-47-lakh-crore-investment-to-meet-net-zero-goals-report/articleshow/104366618.cms>

Auto retail sales up 9% in H1FY24; PVs, three-wheelers steal the show

Automobile retail sales in India grew 9 per cent year-on-year (Y-o-Y) in the first six months of 2023-24 (H1FY24), driven by a recovery across categories, data shared by the Federation of Automobile Dealers' Associations (Fada) showed on Thursday. Three-wheelers and passenger vehicles logged record H1 sales in April-September. The cumulative sales in the first half stood at 11.07 million units, as against 10.17 million units in the year-ago period. The H1FY24 numbers were 38 per cent and 82 per cent higher than those in H1FY22 and H1FY21, respectively.

https://www.business-standard.com/industry/auto/auto-retail-sales-up-9-in-h1fy24-pvs-three-wheelers-steal-the-show-123101200208_1.html

E-com opportunity worth \$13 bn for MSMEs during festive season: Shiprocket

The Indian e-commerce opportunity is estimated to be worth \$13 billion for Indian MSMEs (Micro, Small and Medium Enterprises) during the festive season, according to data from e-commerce enablement platform Shiprocket. The company said an impressive 56 per cent of its order volume comes from non-metro cities. This highlights the rapid adoption of online shopping and digital transactions in smaller towns and rural areas. In this vein, MSMEs from Tier-II, Tier-III and Tier-IV cities anticipate higher Diwali gift orders than sellers from metro cities.

https://www.business-standard.com/industry/news/e-com-opportunity-worth-13-bn-for-msmes-during-festive-season-shiprocket-123101200873_1.html

Agriculture

Assam Chief Secretary asks agriculture department to collect photographs of successful cultivators

Assam Chief Secretary, Paban Kumar Borthakur has asked the agriculture department to collect photographs of successful cultivators and display them in public places and publish to encourage farmers. A review of the activities of the Department of Agriculture and Department of Irrigation was taken by the Chief Secretary on 12th in the office of Assam Rural Infrastructure & Agricultural Services (ARIAS) Society at Khanapara, Guwahati. The activities of the World Bank financed Assam Agribusiness & Rural Transformation Project (APART) were presented by Akash Deep, State Project Director, ARIAS Society.

<https://economictimes.indiatimes.com/news/economy/agriculture/assam-chief-secretary-asks-agriculture-department-to-collect-photographs-of-successful-cultivators/articleshow/104377893.cms>

Infrastructure

Report card on 2nd anniversary: PM Gati Shakti gives 'Gati' to ₹11.58 lakh cr infrastructure projects

The government has evaluated more than 300 central and state projects worth ₹11.58 lakh crore in two years since the launch of the PM Gati Shakti National Master Plan for multi-modal connectivity, helping their progress by ensuring speedy clearances and removing bottlenecks. As PM Gati Shakti completes two years on Friday, the Ministry of Commerce and Industry has prepared a performance report card outlining the significant improvement in ease of doing business and ease of living since its launch. As per the analysis, the initiative has significantly improved the ease of doing business by bringing down the pre-alignment finalisation time for infrastructure projects from three-four months earlier to one month now.

<https://economictimes.indiatimes.com/news/economy/infrastructure/report-card-on-2nd-anniversary-pm-gati-shakti-gives-gati-to-11-58-lakh-cr-infrastructure-projects/articleshow/104381021.cms>

Domestic air traffic dips 1.4 % in September

Domestic air traffic marginally declined in September on a month-on-month basis due to one lesser day and fewer flights in Delhi on three days due to the G-20 event. In September, domestic airlines flew 12.2 million passengers which was 1.4 per cent lower than August which saw 12.4 million passengers. Over 160 flights to/from Delhi were cancelled during September 8-10 when the capital hosted the G-20 summit.

<https://www.thehindubusinessline.com/economy/domestic-air-traffic-dips-14-in-september/article67412817.ece>

PE investments in Indian real estate dip 12% to \$2.3 billion in H1

The flow of private equity (PE) money into Indian real estate declined by 12 per cent year-on-year (Y-o-Y) to \$2.3 billion in April-September 2023 (H1FY24) from \$ 2.7 billion in the same period last year. The decline in flows tracked overall lower investments in the residential sector, according to real estate banking advisory firm Anarock Capital. The flows have remained below the pre-pandemic level of \$4.2 billion in H1FY20. During the first wave of the Covid-19 pandemic, PE investments had declined to \$1.5 billion H1FY21. Later, investments rose to touch \$2 billion in H1FY22.

https://www.business-standard.com/markets/news/pe-investments-in-indian-real-estate-dip-12-to-2-3-billion-in-h1-123101200726_1.html

Energy

Govt launches 12th round of bidding for city gas distribution in NE states

The government on Thursday announced the 12th round of bidding for city gas distribution (CGD) to expand the gas networks to the last remaining states of Arunachal Pradesh, Meghalaya, Manipur, Nagaland and Sikkim and the Union Territories of Jammu & Kashmir and Ladakh. From Friday, the Petroleum and Natural Gas Regulatory Board (PNGRB) will invite electronic bids for these areas, which can be submitted until 11 January 2024. PNGRB intends to finalise the award by March. The completion of the latest 12th round of bidding would see the successful awarding of CGD licences for almost the entire part of the country, except Mizoram. This is due to the model code of conduct kicking in.

https://www.business-standard.com/industry/news/govt-launches-12th-round-of-bidding-for-city-gas-distribution-in-ne-states-123101201251_1.html

Govt expands CNG retailing with bidding round in J&K, Northeast

India has initiated the expansion of Compressed Natural Gas (CNG) retailing by offering licenses for seven regions, primarily in the North East and Jammu & Kashmir, in the latest round. The move aims to increase the accessibility of natural gas across the country. The Petroleum and Natural Gas Regulatory Board (PNGRB) has made available eight geographical areas (GAs) as part of the 12th city gas distribution (CGD) bidding round, enabling the retailing of CNG for vehicles and the distribution of natural gas to households and industries.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/india-will-invite-bids-for-gas-distribution-licences-official-says/articleshow/104369706.cms>

States

Cars, two-wheelers to get costlier in Tamil Nadu. Here's why

In a recent assembly session, the Tamil Nadu government announced an increase in tax rates for new two-wheelers, cars, and other vehicles. As per a TOI report, this move is expected to raise the overall cost of vehicles in the state. The tax hike will also impact shared-autos, taxis, and trucks, potentially leading to higher freight and commute expenses. Under the amended TN Motor Vehicles Taxation Act, 1974, the tax rate for two-wheelers priced above Rs 1 lakh will be raised from 8 per cent to 12 per cent of the vehicle's cost as a lifetime tax. This means that buyers who previously paid Rs 9,600 rupees as tax will now have to pay Rs 14,400. Similarly, cars priced between 5 lakh and 10 lakh rupees will attract an 18 per cent tax, while cars costing Rs 20 lakh or more will have to pay a minimum of Rs 4 lakh as a 20 per cent tax.

<https://economictimes.indiatimes.com/industry/auto/auto-news/cars-two-wheelers-to-get-costlier-in-tamil-nadu-heres-why/articleshow/104363987.cms>

Healthcare

Medical device makers get six-month extension for imports

Existing manufacturers and importers of highrisk medical devices can continue to import and manufacture the devices for another six months if they have applied for licences, the government said on Thursday, providing a major

relief to the industry. The Central Drugs Standard Control Organisation (CDSCO) had set the October 1 deadline for bringing 'class C' and 'class D' medical devices under regulation as part of quality control efforts. To obtain the licences several manufacturers had submitted applications, but the government failed to provide them on time.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/medical-device-makers-get-six-month-extension-for-imports/articleshow/104381431.cms>

External

30% of UAE's gems, jewellery sourced from India: Export Promotion Council

The gem and jewellery trade between India and UAE has grown significantly, particularly following the India-UAE CEPA agreement, and about 30 per cent of the total gems and jewellery imported by the emirate is sourced from India, the Gem and Jewellery Export Promotion Council (GJEPC) said. The UAE currently imports gems and jewellery amounting to USD 3.12 billion from India, the GJEPC said.

https://www.business-standard.com/economy/news/30-of-uae-s-gems-jewellery-sourced-from-india-export-promotion-council-123101200564_1.html

Licensing system for laptops, tablets to kick in from November 1

An online system has been readied for implementing the new system of approvals for import of laptops, tablets and servers and this will kick in from next month, a senior official said Thursday. The licensing system now being proposed will be of the nature of import management system where companies would be issued an authorisation on application.

<https://www.financialexpress.com/business/industry-licensing-system-for-laptops-tablets-to-kick-in-from-november-1-3271105/>

G20 finance ministers and central bank governors embrace roadmap for Crypto asset regulation

The G20 finance ministers and central bank governors Thursday adopted the roadmap to ensure effective, flexible, and coordinated implementation of the comprehensive policy framework for crypto assets. The roadmap is based on a synthesis paper bringing together separate recommendations by the International Monetary Fund (IMF) and the Financial Stability Board (FSB). The FSB has recommended regulations rather than an outright ban on crypto assets to prevent them from undermining macroeconomic and financial stability.

"We adopt the roadmap proposed in the Synthesis Paper as a G20 Roadmap on Crypto Assets. This detailed and action-oriented Roadmap is essential to achieve our common goals of macro-economic and financial stability and to ensure effective, flexible, and coordinated implementation of the comprehensive policy framework for crypto assets," the G20 communique issued after the meeting here in Marrakech, Morocco said.

<https://economictimes.indiatimes.com/news/economy/policy/g20-finance-ministers-and-central-bank-governors-embrace-roadmap-for-crypto-asset-regulation/articleshow/104384580.cms>

Nirmala Sitharaman meets Brazil's Minister of Economy, discusses issues of mutual interest

Finance Minister Nirmala Sitharaman on Thursday met Brazil's Minister of Economy Fernando Haddad and discussed various issues of mutual interest, including the strengthening of Multilateral Development Banks (MDBs). She also met UK Chancellor of Exchequer Jeremy Hunt and discussed Bilateral Investment Treaty among other issues. "FM Smt. @nsitharaman thanked Mr. @Jeremy_Hunt for UK's strong and continued support to #G20India Presidency particularly in the Framework Working Group #FWG co-chair," the finance ministry said in a post on X. These meetings took place on the sidelines of the 4th G20 Finance Ministers and Central Bank Governors (FMCBG) and the IMF-WB annual meetings in Marrakech, Morocco.

<https://economictimes.indiatimes.com/news/economy/policy/fm-meets-brazils-minister-of-economy-discusses-issues-of-mutual-interest/articleshow/104374688.cms>