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Economy

Manufacturing PMI at eight-month low in October due to decline in demand

Heightened cost pressures and a decline in demand in the consumer goods sub-sector saw manufacturing activity fall to an eight-month low in October. During the month, the Purchasing Managers' Index (PMI) fell for the second consecutive month to 55.5 from 57.5 in September, the latest survey released by S&P Global on Wednesday showed. According to the survey, growth eased in October due to competitive pressures despite an increase in new orders. https://www.business-standard.com/economy/news/manufacturing-pmi-at-eight-month-low-in-october-due-to-decline-in-demand-123110101286_1.html

India jobless rate rises to more than two-year high, CMIE says

India's unemployment rate climbed to the highest in more than two years in October as joblessness in rural areas increased, according to a private research firm. The overall rate rose to 10.05% last month from 7.09% in September, data from the Centre for Monitoring Indian Economy Ltd. showed, the highest since May 2021. Rural unemployment jumped to 10.82% from 6.2%, while the urban rate eased slightly to 8.44%. The weakest monsoon rains in five years is weighing on farming output in the world's second-biggest producer of rice, wheat and sugar. In urban areas, though, economic activity has been relatively strong, with manufacturing and consumption expanding. <https://economictimes.indiatimes.com/news/economy/indicators/india-jobless-rate-rises-to-more-than-two-year-high-cmie-says/articleshow/104893462.cms>

Banking and Finance

RBI launches two key surveys for monetary policy inputs

Mumbai: The Reserve Bank of India (RBI) has announced the introduction of two crucial surveys, namely the 'Inflation Expectations Survey of Households' and the 'Consumer Confidence Survey,' aimed at gathering essential data for the upcoming bi-monthly monetary policy. The next monetary policy review is scheduled to take place from December 6-8. The 'Inflation Expectations Survey of Households' is designed to capture subjective assessments on price movements and inflation. It will gather data based on individual consumption baskets in 19 cities, including Ahmedabad, Bengaluru, Bhopal, Bhubaneswar, Chandigarh, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Jammu, Kolkata, Lucknow, Mumbai, Nagpur, Patna, Raipur, Ranchi, and Thiruvananthapuram. <https://economictimes.indiatimes.com/news/economy/policy/rbi-launches-two-key-surveys-for-monetary-policy-inputs/articleshow/104895389.cms>

India's UPI transactions scale new high in Oct; clock Rs 17.2 trn in value

Unified Payments Interface (UPI) transactions saw their highest-ever value in October, touching Rs 17.16 trillion, up 9 per cent compared to Rs 15.8 trillion in September. In volume terms, too, transactions touched a new high at 11.41 billion, up 8 per cent compared to 10.56 billion in September. According to data shared by the National Payments Corporation of India (NPCI), this is 56 per cent higher in volume terms compared to 7.30 billion in October 2022 and 42 per cent higher in value terms compared to Rs 12.12 trillion last year. In August, UPI numbers were 10.58 billion and Rs 15.76 trillion, in volume and value, respectively.

https://www.business-standard.com/finance/news/india-s-upi-transactions-scale-new-high-in-oct-clock-rs-17-2-trn-in-value-123110100458_1.html

October GST collection rises 13% to Rs 1.72 trn, second-highest ever

India's goods and services tax (GST) collections in October grew 13 per cent over a year earlier to Rs 1.72 trillion, mainly on account of stricter anti-evasion measures and higher festival-season consumer spending, showed data released by the finance ministry on Wednesday. This was the second-highest monthly figure ever, next only to the Rs 1.87 trillion collected in April this year. The October number — 5.5 per cent higher than the Rs 1.63 trillion mop-up recorded in September — has taken the country's average gross monthly GST collection in FY24 to Rs 1.66 trillion, 11 per cent higher on a year-on-year basis, the ministry said. Notably, this was the eighth straight month to see a collection of more than Rs 1.5 trillion.

https://www.business-standard.com/economy/news/october-gst-collection-rises-13-to-rs-1-72-trn-second-highest-ever-123110100706_1.html

Cracking the Code: Q2 recovery under IBC rises to 33%

Creditors' recovery from loans to bankrupt companies under the Insolvency and Bankruptcy Code (IBC) rose to 33% of their admitted claims in the September quarter from 29.5% in the previous three months, according to the latest data compiled by the insolvency regulator. Improved investor interest in a broad range of small and medium enterprises and above-average realisation from the assets of a large company - Srei Group - boosted the recovery last quarter, showed the data.

<https://economictimes.indiatimes.com/news/economy/finance/cracking-the-code-q2-recovery-under-ibc-rises-to-33/articleshow/104897639.cms>

Advance-decline ratio skids to 1.02 in October as FPIs step up selloff

The advance-decline ratio (ADR), a barometer for overall market sentiment, dropped to 1.02 in October, as overseas funds stepped up selling. This was the lowest level since March, with gainers exceeding losers by only 42, compared with an average of 275 in the previous six months. Elevated US bond yields and persisting worries about the Israel-Hamas war led investors to flee risky assets last month. In October, the BSE benchmark Sensex declined 3 per cent in its biggest monthly fall since December 2022. The National Stock Exchange (NSE) Nifty Midcap 100 index fell 4.1 per cent, the most since June 2022. The smallcap gauges, however, outperformed the benchmarks, declining less than one per cent and supporting the market breadth.

https://www.business-standard.com/markets/news/advance-decline-ratio-skids-to-1-02-in-october-as-fpis-step-up-selloff-123110101039_1.html

Industry

Textiles PLI application date extended till Dec 31

The government on Wednesday extended the date of inviting fresh applications under performance-linked incentive (PLI) scheme for textiles for man-made fibre apparel, fabrics and products of technical textiles till December 31 "in view of the requests from the industry stakeholders". The textile ministry had in July reopened the PLI scheme portal till August 31. "In view of the requests from the industry stakeholders, ministry of textiles... has now decided to extend the date of inviting fresh applications under the scheme up to December 31," the ministry said in a statement.

<https://economictimes.indiatimes.com/industry/cons-products/garments-/textiles/textiles-pli-application-date-extended-till-dec-31/articleshow/104897912.cms>

Appetite for growth: Big FMCG bite gives teeth to India's revival recipe

Global research firm Kantar said it is seeing the start of a turnaround in the fast-moving consumer goods (FMCG) sector, after demand for daily groceries and essentials increased 7.2% year-on-year in the September quarter. Sales volume in rural markets went up 6.2%, and in cities by 8.4%, from a year earlier, according to data from the research firm. Marico, maker of Parachute and Saffola oils, said the second quarter started on a positive note - with increasing demand trends in rural and urban areas in July - but saw a noticeable drop in overall sentiment, especially in rural areas, during August and early September.

<https://economictimes.indiatimes.com/industry/cons-products/fmcb/appetite-for-growth-big-fmcb-bite-gives-teeth-to-indias-revival-recipe/articleshow/104901070.cms>

Govt clears 110 applications for laptop imports, other IT hardware products

The government has cleared about 110 applications of the 111 requests received for allowing imports of laptops, computers and other IT hardware products so far, an official said. The companies that received approvals include Dell International Services India, Appl India, HP India Sales Pvt Ltd, Lenovo (India), ASUS India, IBM India, Samsung India Electronics, Xiaomi Technology India, Cisco Commerce India, Siemens Ltd and Bosch Ltd, the official said.

As many as 111 applications were received so far seeking authorization for the import of IT products, the official added.

https://www.business-standard.com/economy/news/govt-clears-110-applications-for-laptop-imports-other-it-hardware-products-123110100643_1.html

Agriculture

Onion prices in India may stay high for at least a month

Onion prices are likely to remain high for at least a month due to low supplies, while exports are expected to stay robust as the removal of the 40% export duty has made overseas shipments more profitable amid strong global demand. The central government had removed the export duty on Saturday, while introducing a minimum export price (MEP) to discourage onion exports. On October 28, the Ministry of Commerce and Industry had issued a notification imposing a MEP of \$800 per tonne on onion exports till December 31. The same day, the Ministry of Finance issued a notification stating that the customs duty on export of onions was made 'nil' in 'public interest'. The export duty was imposed on August 19 and was effective till December 31.

<https://economictimes.indiatimes.com/news/economy/agriculture/onion-prices-in-india-may-stay-high-for-at-least-a-month/articleshow/104887389.cms>

Infrastructure

PM Gati Shakti: Four infra projects worth Rs 23,500 crore recommended for approval

Four infrastructure projects of roads and railways worth Rs 23,500 crore have been recommended for approval under the PM Gati Shakti initiative. These projects were assessed in the 58th Network Planning Group (NPG) meeting on October 17. "Road and railway projects for multimodal connectivity with project cost of more than Rs 23,500 crore were discussed in the NPG," the commerce and industry ministry said in a statement on Wednesday.

<https://economictimes.indiatimes.com/news/economy/infrastructure/pm-gati-shakti-four-infra-projects-worth-rs-23500-crore-recommended-for-approval/articleshow/104896069.cms>

Real estate developers liable to pay GST for over-charging electricity

Real estate developers and RWAs will be liable to pay 18 per cent GST on electricity bills if they charge from flat owners more than the power tariff prescribed by Discoms. The Central Board of Indirect Taxes and Customs (CBIC) has issued a clarification on the applicability of GST on reimbursement of electricity charges received by real estate companies, malls, airport operators etc from their lessees/occupants. As per the clarification, where electricity is supplied by the real estate owners, resident welfare associations (RWAs), real estate developers etc as a pure agent, it will not form a part of the value of their supply.

https://www.business-standard.com/industry/news/real-estate-developers-liable-to-pay-gst-for-over-charging-electricity-123110100876_1.html

Energy

Petrol, diesel consumption jumps in Oct as festive spending surges: Report

Petrol and diesel consumption rose in October as festive spending reversed the initial decline in sales, buoying growth, preliminary data of state-owned firms showed on Wednesday. Auto fuel sales declined in the first half of October but rose sharply in the second compared to the year-ago period, helping companies post a decided growth

rate for the month. Petrol sales by three state-owned fuel retailers rose 3 per cent in October to 2.87 million tonnes while diesel consumption was up 5 per cent at 6.91 million tonnes.

https://www.business-standard.com/economy/news/petrol-diesel-consumption-jumps-in-oct-as-festive-spending-surges-report-123110100767_1.html

Power consumption grows nearly 22% to 138.94 billion units in October

The country's power consumption grew nearly 22 per cent to 138.94 billion units (BU) in October, showing a surge in electricity demand due to festivities and increased economic activities. In the year-ago period, power consumption stood at 113.94 BU, higher than 112.79 billion units recorded in October 2021, according to government data. The peak power demand met -- the highest supply in a day -- rose to 221.62 GW in October. The peak power supply stood at 186.90 GW in October 2022 and 174.44 GW in October 2021.

https://www.business-standard.com/economy/news/power-consumption-grows-nearly-22-to-138-94-billion-units-in-october-123110100743_1.html

Healthcare

Govt set to file progress report on talks with makers of rare disease drugs

The government is likely to file a report in the Delhi High Court on the progress made by it in negotiations with companies manufacturing and marketing medicines for rare diseases, to bring relief to patients who are unable to get treatment due to exorbitant prices of such drugs. The court will hear the matter on Thursday. The government had earlier told the court that it was actively negotiating pricing of some high-priced drugs used for the treatment of rare diseases with pharmaceutical companies including Sanofi, Sarepta and Roche. "Discussions relating to pricing and supplies of medicines with various pharma companies are underway," it had said. The high court has been hearing a batch of petitions filed by rare disease patients and their caretakers. The court had in May set up a five-member National Rare Diseases Committee (NRDC) to implement the Centre's rare diseases policy to ensure that its benefits reach patients.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/govt-set-to-file-progress-report-on-talks-with-makers-of-rare-disease-drugs/articleshow/104898011.cms>

External

India's services trade surplus bounces back in Sept quarter of FY24

India's services trade surplus bounced back in the September quarter of 2023-24 (FY24), growing 26.6 per cent after falling to a three-quarter low in June, data released by the Reserve Bank of India (RBI) showed. In the September quarter, services exports hit \$83.4 billion while imports eased to \$43.4 billion leading to a services trade surplus of \$40 billion. While services exports remained at the same level a year ago, services imports were the lowest in six quarters. In the first half (April-September) of FY24, services exports grew 5.1 per cent to \$164 billion, while services imports contracted 1.9 per cent to \$88.9 billion, leading to 14.7 per cent growth in services trade surplus of \$75.1 billion.

https://www.business-standard.com/economy/news/india-s-services-trade-surplus-bounces-back-in-sept-quarter-of-fy24-123110101219_1.html

Govt may extend curbs on rice exports as output expected to drop: Report

For the first time in eight years, India's rice output is expected to drop this year, raising the prospect that Prime Minister Narendra Modi's government will extend curbs on exports of the grain to keep a lid on food prices ahead of elections. Production in India, the world's largest rice exporter, is under unusually intense focus after New Delhi banned exports of non-basmati white rice in July, sending global prices surging. However, the state of the crop is hard to predict following an uneven monsoon. Output could fall as much as 8% from last year's record despite an increase in area under paddy, according to various forecasts.

https://www.business-standard.com/economy/news/govt-may-extend-curbs-on-rice-exports-as-output-expected-to-drop-report-123110100629_1.html

Brazil negotiates for tariff-free quota to export cotton to India

Brazil is negotiating with India a request for tariff-free quota of 100,000 metric tons for exports of Brazilian cotton to the Asian nation, according to a statement from the Brazilian cotton farmers association (Abrapa) on Wednesday. The association said in the note that a team of government officials and Brazilian cotton farmers is visiting India this week, seeking to seal a deal to have that quota implemented. Currently, any cotton exports to India pay an import tax of 11%, the association said. A deal would be a boost to an expanding cotton industry in the South American country, which is expected to surpass the U.S. this year as the world's No. 1 cotton exporter, according to the U.S. Department of Agriculture.

https://www.business-standard.com/industry/news/brazil-negotiates-for-tariff-free-quota-to-export-cotton-to-india-123110101567_1.html

India pitches for loss & damages fund (LDF) ahead of COP 28

Amid intense last-round discussions leading up to climate meet - Conference of Parties (COP) 28 - in the UAE, India is among the countries pitching for opening up loss and damages fund (LDF) for developing nations like itself and not limit it to small island and least developed nations. India feels that it must be acknowledged that there are other developing nations "vulnerable" to and experiencing extreme consequences of climate change, officials in the know said. For instance, this year's Himachal Pradesh floods, Sikkim's glacial flood disaster due to overall global warming, Pakistan's 2022 floods, etc.

<https://economictimes.indiatimes.com/news/india/india-pitches-for-loss-damages-fund-ldf-ahead-of-cop-28/articleshow/104897555.cms>

India, Sri Lanka relaunch talks on economic, technology cooperation

India and Sri Lanka have relaunched the negotiations for the Economic and Technology Cooperation Agreement (ECTA) after a five year hiatus, the government said Wednesday. The two sides held the 12th round of negotiations on the ETCA in Sri Lanka from October 30-November 1. They had held 11 rounds of bilateral talks from 2016 to 2018, after which the talks were paused. "During this round, both sides reviewed the progress on implementation and decided to drop nine issues as being resolved," commerce and industry ministry said in a statement.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-sri-lanka-relaunch-talks-on-economic-technology-cooperation/articleshow/104895636.cms>