



November 17, 2023 – Friday

Economy

Food inflation sole threat to 4% CPI target: RBI 'State of Economy' report

Rising food prices pose the sole threat to the Reserve Bank of India's (RBI's) commitment to align headline inflation with the 4 per cent target, according to the central bank's 'State of the Economy' report. The report said the central bank was preparing for an anticipated uptick in inflation readings for November and December.

https://www.business-standard.com/economy/news/food-inflation-sole-threat-to-rbi-s-4-target-state-of-the-economy-report-123111601064_1.html

India's GDP to grow 6-7.1% during 2024-2026, growth prospects strong: S&P

India's economic growth prospects remain robust over the medium term, with its gross domestic product (GDP) expected to grow between 6 per cent and 7.1 percent annually in 2023-24 (FY24) through 2025-26, S&P Global said in its latest report on Thursday. "Economic growth momentum to continue. India's economic growth prospects should remain strong over the medium term, with GDP expanding 6-7.1 per cent annually in 2024-2026," S&P said.

https://www.business-standard.com/economy/news/india-s-gdp-to-grow-6-7-1-during-2024-2026-growth-prospects-strong-s-p-123111601054_1.html

Almost all states have prepared draft rules on four labour codes, says Union Minister Bhupender Yadav

Almost all states have prepared draft rules on the four labour codes and a few others are in the process of doing so, Union labour and employment minister Bhupender Yadav told Yogima Seth Sharma in an interview. He said he is hopeful of the codes being implemented soon. Edited excerpts:

<https://economictimes.indiatimes.com/news/economy/policy/almost-all-states-have-prepared-draft-rules-on-four-labour-codes-says-union-minister-bhupender-yadav/articleshow/105270270.cms>

Banking and Finance

RBI tightens norms, raises risk weights for personal loans and credit cards

After cautioning banks and non-banking financial companies (NBFCs) on surging unsecured loans like personal loans and those on the credit card, the Reserve Bank of India (RBI) on Thursday increased the risk weighting for such loans from 100 per cent to 125 per cent. The risk weighting for bank loans to higher-rated NBFCs too has been increased by 25 percentage points.

https://www.business-standard.com/industry/banking/rbi-tightens-norms-increases-risk-weights-for-personal-loan-credit-cards-123111601200_1.html

NBFC assets to grow 25-30 pc in FY24 and FY25; unsecured loans need monitoring: Icra

Non-bank lenders are set to report growth of 25-30 per cent in their Assets Under Management (AUMs) in FY24 and FY25, a domestic rating agency said on Thursday. Icra Ratings, which made the growth estimate for Non-Banking Financial Companies (NBFCs) having AUMs of up to Rs 10,000 crore, said unsecured loans need to be monitored going forward. "High growth in the past and the expected AUM expansion going forward, shall keep the portfolio

seasoning at low levels, especially for the long-tail loans, namely affordable housing and secured business loans," it said in a report.

<https://economictimes.indiatimes.com/industry/banking/finance/nbfc-assets-to-grow-25-30-pc-in-fy24-and-fy25-unsecured-loans-need-monitoring-icra/articleshow/105269745.cms>

Industry

Consumer Affairs Ministry set up committee to draft "Safety Pledge" to prevent sale of hazardous products online

The Department of Consumer Affairs (DoCA) has set up a committee to draft "Safety Pledge" to prevent sale of hazardous goods on e-commerce platforms. The pledge, a voluntary commitment for e-commerce platforms, is aimed to ensure that appropriate measures are taken by the platforms to prevent sale of unsafe goods online. A stakeholder consultation in this regard was also held on Thursday. Rohit Kumar Singh, Secretary, Department of Consumer Affairs chaired a stakeholder consultation on the same. The committee, which includes members from e-commerce platforms, consumer associations, industry bodies and National Law Universities, will submit its report in two weeks.

<https://www.thehindubusinessline.com/economy/consumer-affairs-ministry-set-up-committe-to-draft-the-safety-pledge-to-prevent-sale-of-hazardous-products-online/article67541153.ece>

Festival season fail to light up apparel sales, consumer durables shine

Sales of apparel were a mixed bag this festive season while those of consumer durables saw an uptick with mobiles, laptops, and air conditioners being in demand. In apparel, Tier-2 and -3 markets did better for some brands, because these have been witnessing an uptick for the past 18-20 months compared to metros. "The past two weeks have been good, and we saw a 13 per cent increase in value sales, and volume sales have also been similar," Manish Kapoor, managing director (MD) and chief executive officer (CEO), Pepe Jeans, told Business Standard.

https://www.business-standard.com/industry/news/apparel-sales-see-mixed-bag-this-festive-season-consumer-durables-sales-up-123111601052_1.html

Smartphone shipments rise up to 8% during festive season

Smartphone shipments surged 6-8% during this festive season leading up to Diwali compared to the previous year, with 5G connectivity and replacement demand fuelling the majority of sales, market trackers said. The season also saw a shift in fortunes for general trade, which boosted its market share to 35-40% from about 32% the year before, while online channels remained flat. That said, analysts continue to predict a 1-2% on-year annual decline in shipments in 2023 despite the notable surge in sales during the festive season. "Diwali was better than what it was last year. We are predicting an 8% increase in volume and 25% growth in value during the 30-day festive season beginning from the first online sale," said Tarun Pathak, research director at Counterpoint Research.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/smartphone-shipments-rise-up-to-8-during-festive-season/articleshow/105270852.cms>

Small regional FMCG players make a comeback, grabbing shares from big companies

Small regional FMCG players, which reemerged in the market after the cooling of inflation, are giving tough competition to big players, impacting their share in their pocket of influence as well as forcing larger rivals to go for a price revision in segments such as soaps, tea, detergent and biscuits. Several listed FMCG companies, including HUL, Godrej Consumer Products Ltd (GCPL), Marico, Britannia, and Tata Consumer Products Ltd (TCPL), in the September quarter earning calls, mentioned the competition from small players, forcing them to go for price revision. When inflation is high, smaller players just go out of business, because they cannot compete with the cost structures, which are mainly around giving much higher margins, giving bigger discounts, said Britannia Industries Vice Chairman and Managing Director Varun Berry in an investors call.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/small-regional-fmcg-players-make-a-comeback-grabbing-shares-from-big-companies/articleshow/105263894.cms>

Deals fall 41% to \$2.16 billion in October; Middle East conflict can impact activity, says report

Deal activity in October declined by 41 per cent to USD 2.156 billion against USD 3.651 billion in September this year, a consultancy firm's report said on Thursday. When compared by number of deals, the overall volumes went up to

122 deals in October from 107 in the preceding September, as per the report by Grant Thornton Bharat. The biggest merger and acquisition deal was Reliance Retail Ventures' majority buy of Superdry's assets in the local region for USD 48 million, while the top ADIA's USD 598 investment for a 0.6 per cent stake in Reliance Retail was the top billing transaction, involving a private equity fund, the consultancy firm said.

<https://economictimes.indiatimes.com/news/economy/indicators/deals-fall-41-to-2-16-billion-in-october-middle-east-conflict-can-impact-activity-says-report/articleshow/105269728.cms>

Restaurants, QSRs' hiring appetite likely to grow in next 12 months

India's restaurant and quick service restaurant (QSR) operators are on a hiring spree. with plans to add about 500,000 jobs in the next 12 months or so, according to industry estimates. It comes at a time when most existing players and debutants in the industry are looking at adding stores. Mamagoto, Wow! Momo, McDonald's and Burger Singh are among those looking to open new stores and ramp up headcount in the coming months, said company executives. The reasons for the growth, according to National Restaurants Association of India president Kabir Suri, are an increase in customer spending amid a check on inflationary pressures and expansion to tier-2 and -3 cities.

<https://economictimes.indiatimes.com/industry/services/hotels-/restaurants/restaurants-qsr-hiring-appetite-likely-to-grow-in-next-12-months/articleshow/105270847.cms>

Agriculture

Govt sells 2.84 lakh tonnes of wheat, 5,830 tonnes of rice from buffer stock to check retail prices

The government on Thursday said it has sold 2.84 lakh tonnes of wheat and 5,830 tonnes of rice from its buffer stock to 2,334 bidders through an e-auction as part of efforts to control retail prices by offloading food grains in the open market. In an official statement, the food ministry said that the 21st e-auction was held on November 15, wherein 3 lakh tonnes of wheat and 1.79 lakh tonnes of rice were offered under Open Market Sale Scheme (OMSS) Domestic. The ministry said that 2.84 lakh tonnes of wheat along with 5,830 tonnes of rice were sold to 2,334 bidders. As part of the central government initiative for market intervention to control the retail price of rice, wheat and atta, weekly e-auctions of both wheat and rice are conducted by the government.

<https://economictimes.indiatimes.com/news/economy/agriculture/govt-sells-2-84-lakh-tonnes-of-wheat-5830-tonnes-of-rice-from-buffer-stock-to-check-retail-prices/articleshow/105261875.cms>

Infrastructure

India undertaking largest planned urbanisation programme in world: Minister Puri

India is undertaking the largest planned urbanisation programme in the world, Union minister Hardeep Singh Puri said on Thursday. The total investments for urban development since 2014 have risen 10 folds to more than Rs 18 lakh crore in comparison to the previous 10-year period, the Union housing and urban affairs minister said at the launch of CITIIS 2.0 -- the City Investments To Innovate, Integrate and Sustain challenge. According to the ministry, the challenge is a significant step in the direction of achieving India's commitments to combating the challenges posed by climate change.

<https://economictimes.indiatimes.com/news/economy/infrastructure/india-undertaking-largest-planned-urbanisation-programme-in-world-minister-puri/articleshow/105267675.cms>

Domestic air passenger traffic rises 11% to 12.6 mn in Oct: Official data

Domestic air passenger traffic in the country recorded an annual growth of nearly 11 per cent to 1.26 crore in October, according to official data released on Thursday. The traffic stood at 1.14 crore passengers in October 2022 and at 1.22 crore passengers in September this year. The data released by aviation regulator DGCA showed that IndiGo carried 79.07 lakh passengers, garnering a domestic market share of 62.6 per cent in October. The market share was lower compared to 63.4 per cent registered in September.

https://www.business-standard.com/industry/news/domestic-air-passenger-traffic-rises-11-to-12-6-mn-in-oct-official-data-123111600695_1.html

MNC offshore units plan to lease 62 mn sq ft by 2025

Global capability centres, offshore units of multinational corporations that operate across the globe, are leading the office space take up in India and are expected to lease 60-62 million sq ft between 2023-25, according to a CBRE report. "Currently, GCCs occupy about 200 million sq ft, and we anticipate this to expand to 280-300 million in the next 3-4 years, creating a demand surge of 80-100 million sq ft. Still 80% of the global 2000 firms do not have a GCC in India, which is the next big opportunity for the country," said Ramesh Nair, CEO, Mindspace Business Parks REIT. By 2025, it is estimated that there will be 1900 operational GCCs in the country from the current 1580. Similarly, the number is expected to reach 3,000 by 2030 with GCCs employing over 3 million workforce, up from 1.3 million.

<https://economictimes.indiatimes.com/industry/services/property/-/construction/mnc-offshore-units-plan-to-lease-62-mn-sq-ft-by-2025/articleshow/105270850.cms>

Energy

Govt slashes windfall tax on crude oil, diesel

The Central government on Thursday cut the windfall tax on crude oil from Rs 9,800 per tonne to Rs 6,300 per tonne. It also reduced the windfall tax on diesel from Rs 2 per litre to Rs 1. The tax, levied in the form of Special Additional Excise Duty or SAED, on domestically produced crude oil was increased to Rs 9,800 per tonne from Rs 9,050 a tonne, according to an official notification on October 31 with effect from November 1. Further, the SAED on the export of diesel was reduced to Rs 2 per litre from Rs 4 a litre.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/govt-slashes-windfall-tax-on-crude-oil-diesel/articleshow/105253694.cms>

India could become a dumping ground for ICE vehicles, warns report

India and other nations in the Global South risk becoming a dumping ground for used internal combustion engine (ICE) vehicles, unless governments adopt policies to seize the benefits of the electric vehicle revolution, warns a report from the financial think tank Carbon Tracker. If governments in the Global South lock themselves into using ICE vehicles, they will remain dependent on fossil fuel imports, the report warned. According to Carbon Tracker, nations in Africa spend \$80 billion a year on transport fuels, 2.5% of the continent's GDP.

<https://economictimes.indiatimes.com/industry/renewables/india-could-become-a-dumping-ground-for-ice-vehicles-warns-report/articleshow/105276733.cms>

External

India's sugar demand-supply tightly balanced as world deficit shrinks

India's production and consumption of sugar remain very tightly balanced amid the slashing of the global sugar deficit by the International Sugar Organisation (ISO), according to market players. The ISO has slashed its projections of the global sugar deficit for the 2023-24 season (October to September) from 2.11 million tonnes in August to 0.33 million tonnes due to improvement in production prospects in Brazil.

https://www.business-standard.com/industry/agriculture/india-s-sugar-demand-supply-tightly-balanced-even-as-world-deficit-shrinks-123111601125_1.html

Netherlands, UK, Australia push India's exports in April-October period

Among India's top 10 export destinations, the Netherlands, the UK and Australia drove shipments during the first seven months (April-October) of the financial year 2023-24, while exports to most other countries remained in negative territory, according to preliminary data released by the commerce ministry. Shipments to China remain muted with 0.8 growth during the same period. India's overall exports registered positive growth in August (3.8 per cent) and October (6.2 per cent), with the commerce department claiming this to be a sign of a turnaround. However, exports during the April-October period contracted by 7 per cent.

https://www.business-standard.com/economy/news/netherlands-uk-australia-push-india-s-exports-in-april-october-period-123111601086_1.html

PC shipments surge in the July-Sep quarter after a long period of stagnation

Personal computer (PC) shipments surged to a record 4.5 million units during the July-September quarter of 2023 in India, recording a 14 per cent year-on-year (y-o-y) increase, according to a report by International Data Corp (IDC).

This unexpected rise in shipments in an otherwise flat market was driven by brands boosting supplies as a result of the Centre's brief import ban as well as in anticipation of festival season sales. Desktops saw a significant increase of 19.3 per cent, while notebooks rose by 13.1 per cent.

<https://www.thehindubusinessline.com/economy/pc-shipments-surge-in-the-july-sep-quarter-after-a-long-period-of-stagnation/article67540250.ece>