



November 29, 2023 – Wednesday

Economy

Mission mode: Govt ups watch on Smart Cities

The government has stepped up monitoring of projects under the Smart Cities Mission (SCM), with about 21% of the projects yet to be completed and seven months remaining to meet the extended deadline of June 2024, said officials. "We are having a detailed review of 35-50 smart cities every month to debottleneck projects there," said a government official, who did not wish to be identified. The government expects to complete 1,600 of these projects by March-end. The 400 SCM projects, which will go beyond March, are being monitored on a real-time basis. "We have a strong management information system (MIS) that captures details for every project," said the official. Apart from the MIS, the government is closely tracking the progress of SCM projects that are falling behind through meetings, online and offline, on a regular basis.

<https://economictimes.indiatimes.com/news/economy/policy/mission-mode-govt-ups-watch-on-smart-cities/articleshow/105572507.cms>

Erratic rains put potato and rice on hot plate

Erratic rains have disrupted rice and potato cultivation, causing an increase of up to 12% in prices of these two essential staples of Indian households over the past month. Even though the government has banned exports of non-basmati rice, prices have shot up by 15% amid increased demand from south India where patchy rains in Karnataka have reduced kharif rice production. On the other hand, unpredictable rainfall in October has impacted sowing of the new potato crop, which will delay the arrival of the new crop, pushing up prices of the old stock of potatoes. Southern states are increasingly buying rice from Uttar Pradesh, Bihar, and West Bengal, inflating prices across the country. The Centre had banned exports of non-basmati rice from July 20 to ensure adequate supply in the domestic market and to control prices.

<https://economictimes.indiatimes.com/news/economy/agriculture/erratic-rains-put-potato-and-rice-on-hot-plate/articleshow/105572292.cms>

Banking and Finance

Centre checks on banks' cyber fraud readiness

The government on Tuesday took stock of the preparedness of the banks and other financial institutions in tackling the challenges arising from cybersecurity in the financial services sector and increasing digital payment frauds. The government has already suspended seven million mobile numbers on account of suspicious transactions, financial services secretary Vivek Joshi said. "There is a need to create awareness about cyber fraud in society to protect gullible customers from being duped," Joshi said after a meeting attended by officials from the finance ministry, the Reserve Bank of India, the Telecom Regulatory Authority of India, the National Payments Corporation of India, and other stakeholders, including banks.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/centre-checks-on-banks-cyber-fraud-readiness/articleshow/105572403.cms>

Co-lending deals between NBFCs, banks set to rise after RBI nudge

The banking sector is expected to witness rise in co-lending deals between Non-Banking Financial Companies (NBFCs) and banks after the Reserve Bank of India (RBI) Governor Shaktikanta Das asked shadow banks to reduce their over-dependence on bank funding. Smaller and mid-size NBFCs will prefer co-lending as funds sourced through banks will be cheaper than raising funds from bond market. "Under co-lending, sourcing of loans is done by NBFCs while the underwriting is done by banks. So the funds raised under this arrangement will not be considered NBFCs' exposure to banks," Umesh Revankar, Executive Vice Chairman, Shriram Finance and Chairman of Finance Industry Development Council (FIDC)- a representative body of NBFCs, told FE. "For smaller NBFCs who do not have large balance sheet to raise funds via bonds, it is the best solution to diversify their source of funding," he added.

<https://www.financialexpress.com/business/banking-finance-co-lending-deals-between-nbfc-banks-set-to-rise-after-rbi-nudge-3319127/>

IRDAI sets up 11-member taskforce to examine the impact of DPDP Act

The Insurance Regulatory and Development Authority of India (IRDAI) has proposed to constitute an 11-member taskforce under the chairmanship of Randip Singh Jagpal, Executive Director (Non-Life) at IRDAI, to examine the implications of the Digital Personal Data Protection (DPDP) Act 2023 on the sector. The Ministry of Law and Justice, Legislative Department, via Gazette Notification dated August 11, 2023, aimed to provide for setting out a comprehensive framework for the processing of digital personal data in a manner that recognizes both the right of individuals to protect their personal data and the need to process such data for lawful purposes and for matters connected therewith or incidental thereto.

https://www.business-standard.com/industry/news/irdai-sets-up-11-member-taskforce-to-examine-the-impact-of-dpdp-act-123112800840_1.html

P2P companies log revenue jump, thanks to business partnerships

Peer-to-peer lending, which has mostly remained confined to the margins of the financial services sector, has reported strong growth in the last financial year. According to their regulatory filings, a bunch of P2P lending companies more than doubled their revenue in fiscal 2023 from the previous year. According to industry insiders, P2P lenders finally seem to have found a steady business model through partnerships with large consumer-facing applications. A P2P lender operates as a platform connecting individual lenders and borrowers. Instead of relying on open market sourcing, players like LenDenClub and Liquiloans started partnering with fintech startups with a large user base like BharatPe, Cred and PhonePe to source customers.

<https://economictimes.indiatimes.com/tech/startups/p2p-startups-show-strong-revenue-leverage-partnership-business-to-the-fullest/articleshow/105570146.cms>

Towards the 16th Finance Commission: Over Rs 1.3-trillion FC grants go abegging

While the Centre is soon expected to set up the 16th Finance Commission (FC) that will inter alia suggest the level of grants to promote national goals during FY27-FY31, an FE analysis of the first four years of the 15th FC's six-year award period showed that states have lost Rs 1.3 trillion or roughly 15% of the combined Central government grants. This was mainly due to their inability to meet the eligibility conditions for the incentives. Half of the under-utilisation can be attributed to the non-compliance with the conditions by urban and rural local bodies. To put this in perspective, the loss of grants in these four years is equivalent to size of the 50-year interest-free capital expenditure loans scheme extended by the Centre to states in the FY24 (Budget Estimate).

<https://www.financialexpress.com/policy/economy-towards-the-16th-finance-commission-over-rs-1-3-trillion-fc-grants-go-abegging-3319086/>

18 largest states to spend 18-20% more on capex: Crisil

State governments' capex outlay to rise upto 18% this year without impacting deficit that will be funded by healthy GST collections, devolution from centre and interest free loans, according to ratings firm Crisil. Combined capital outlay of India's top 18 states is seen 18-20 percent higher on-year this fiscal on the back of 14 percent growth in fiscal 2023. These states account for 90 percent of the aggregate gross state domestic product of all states according to Crisil. The increase in spending will be supported by healthy goods and services tax (GST) collection, devolution from the central government (share in central taxes, or SICT), and an higher allocation of Rs 1.3 lakh crore in the form of interest-free loans¹ to all the states for capital expenditure (capex).

<https://economictimes.indiatimes.com/news/economy/policy/state-government-capex-to-rise-up-to-18-percent-this-fiscal-report/articleshow/105564619.cms>

Industry

E-commerce volumes spiked 23% during Black Friday sales: Unicommerce

Black Friday, an American retail tradition, has firmly cemented its place in the Indian market as a major e-commerce sales event. Consumers are extending their post-Diwali shopping spree to benefit from Black Friday and related sales like Cyber Monday. There has been a sharp 23 per cent increase in e-commerce order volumes compared to the Black Friday sale weekend of 2022, according to e-commerce tech firm Unicommerce. This data is based on the analysis of the orders processed on its platform.

https://www.business-standard.com/economy/news/e-commerce-volumes-spiked-23-during-black-friday-sales-unicommerce-123112801007_1.html

India IT spending to rise 11% to \$124.6 billion in 2024: Report

India's IT spending is projected to total \$124.6 billion in 2024, an increase of 10.7 per cent from 2023, according to the latest forecast by Gartner, Inc.

<https://www.thehindubusinessline.com/info-tech/india-it-spending-to-rise-11-to-1246-billion-in-2024-report/article67583201.ece>

Infrastructure

Additional housing loans for stalled real estate projects to be treated as standard credit

Any additional housing loans for stalled real estate projects that are being revived under a dedicated government scheme can be treated as standard loans, the Reserve Bank of India has told banks. A communication in this regard was sent out to banks last month, people familiar with the matter told ET. The government had in 2019 set up a Special Window for Affordable and Mid-Income Housing (SWAMIH) Investment Fund to help complete stalled housing projects. The RBI did not respond to queries sent by ET. A committee headed by the country's G20 sherpa, Amitabh Kant, had suggested additional loans for borrowers among several measures to revive stalled projects.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/additional-housing-loans-for-stalled-real-estate-projects-to-be-treated-as-standard-credit/articleshow/105572408.cms>

Energy

Govt to launch first-ever auction of critical mineral blocks on Wednesday

The Ministry of Mines is set to launch the first ever tranche auction of critical and strategic minerals on Wednesday. Union Minister of Coal, Mines and Parliamentary Affairs Pralhad Joshi will inaugurate the process of auctioning 20 blocks of critical and strategic minerals, the ministry said in a statement. "The details of the mineral blocks, auction terms, and timelines will be made available on the auction platform of MSTC — a Miniratna Category-I public sector undertaking under the administrative control of the Ministry of Steel — at 6 pm on November 29, 2023," the ministry said.

https://www.business-standard.com/industry/news/govt-to-launch-first-ever-auction-of-critical-mineral-blocks-on-wednesday-123112800771_1.html

13 hydroelectric projects to bring Rs 1.4 lakh crore investment in Arunachal, says Power Minister R K Singh

The Union Minister for Power and New & Renewable Energy R.K Singh that Arunachal Pradesh has entered into MoUs with central public sector undertakings for 13 projects, which will amount to a hydroelectric capacity of 13,000 MW adding that there will be investment of Rs 1.4 lakh Crore. Five hydel projects are under construction in Jammu & Kashmir. Singh visited the 2000 MW Subansiri Lower Hydroelectric Project located in Arunachal Pradesh/Assam on Monday. The Minister inspected the Subansiri project construction sites, namely the dam, intake structures and diversion tunnels in Gerukamukh, Assam.

<https://economictimes.indiatimes.com/industry/energy/power/13-hydroelectric-projects-to-bring-rs-1-4-lakh-crore-investment-in-arunachal-says-power-minister-r-k-singh/articleshow/105565236.cms>

States

Centre giving Rs 6,080 cr for railways sector in Tamil Nadu: Vaishnaw

Union Minister Ashwini Vaishnaw on Monday asserted that the Central government has provided 6,080 crore rupees for the development of Tamil Nadu in the railway sector in the last one year. Union Minister Ashwini Vaishnaw said, "Before 2014, when the UPA government was there, the allocation for Tamil Nadu used to be only 879 crores. PM Modi is today giving Rs 6,080 crores for the railway sector in Tamil Nadu. The projects which were pending in past are progressing very well. 75 stations in Tamil Nadu state are being redeveloped to a world-class level."

https://www.business-standard.com/india-news/centre-giving-rs-6-080-cr-for-railways-in-tamil-nadu-ashwini-vaishnaw-123112800110_1.html

Andhra Pradesh CM lays foundation, launches power projects worth Rs 6,600 cr

Andhra Pradesh Chief Minister Y S Jagan Mohan Reddy on Tuesday virtually inaugurated and laid the foundation for a slew of power projects worth Rs 6,600 crore. The CM laid the foundation for two solar power projects valued at Rs 3,400 crore, in Kadapa and Anantapur, from his camp office. Besides, he laid the foundation for 16 power sub-stations at a cost of Rs 2,479 crore and inaugurated another 12 sub-stations worth Rs 620 crore. "Aimed at enhancing power supply in 14 districts at an outlay of Rs 3,099 crore, we have inaugurated some of the 28 power sub-stations and laid the foundation for some more," said Reddy, addressing officials across the state. Foundation stone was also laid for Rs 100 crore expansion project of Vijayawada-based Avera electric scooter company was also laid.

<https://economictimes.indiatimes.com/industry/energy/power/andhra-pradesh-cm-lays-foundation-launches-power-projects-worth-rs-6600-cr/articleshow/105567015.cms>

Karnataka EV policy to be out in two weeks, industry bats for sops for component makers, buyers

Karnataka is giving finishing touches to its new electric vehicle (EV) policy and aiming to release it in about two weeks, official sources told ET. The draft policy released earlier this month has evoked mixed responses from the stakeholders, some of whom acknowledged that a proposed increase in subsidies would be greatly beneficial. They also believe there should have been greater emphasis on incentives for consumers and component vendors.

<https://economictimes.indiatimes.com/industry/renewables/karnataka-ev-policy-to-be-out-in-two-weeks-industry-bats-for-sops-for-component-makers-buyers/articleshow/105576947.cms>

Healthcare

Pharma exports may return to double digit-growth rate: Pharmexcil

Owing to drug shortages in the US and Europe and revival in demand in Africa, pharmaceutical exports from India are likely to touch \$28 billion in 2023-24, registering 10.2 per cent growth, said a senior official at the Pharmaceutical Export Promotion Council (Pharmexcil). India's pharma exports grew 3.2 per cent in FY23 to \$25.4 billion, led primarily by Europe and the US. Exports to countries such as Zambia, Nigeria, Zimbabwe, and Burkina Faso dipped, bringing down shipments to the African region by 5.4 per cent.

https://www.business-standard.com/industry/news/india-s-pharma-exports-likely-to-touch-28-billion-in-fy24-pharmexcil-123112800735_1.html

External

Indian engineering exports to 18 key markets record positive growth in October

Indian engineering exports to 18 key markets recorded positive growth in October, Engineering Exports Promotion Council (EEPC) India said in a statement. Countries which registered positive growth in exports during October include the UK, US and UAE among others. The trade body said that China, Italy, Singapore and Indonesia were among the countries that saw a decline in engineering shipments during the month.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/engineering/indian-engineering-exports-to-18-key-markets-record-positive-growth-in-october/articleshow/105557576.cms>

Import reliance for pulses, oil seeds to stay through FY31: Study

The country will continue importing large quantities of pulses and oilseeds by 2030-31 because of a substantial gap between demand and supply of these commodities, a research paper by Nabard and Icrier has stated. Production of pulses according to the study is projected to increase to 35 MT by 2030-31, from 26 MT in 2022-23 (July-June) crop year. However, the country would require 39.2 MT of pulses by FY31 thus resulting in huge imports. Currently, India imports about 15% of its pulses consumption. The paper titled 'Prospects of India's demand and supply for agricultural commodities towards 2030', has recommended steps to crop productivity and reduce the high dependence on imports, including via use of seed and farming technologies.

<https://www.financialexpress.com/policy/economy-import-reliance-for-pulses-oil-seeds-to-stay-through-fy31-study-3319116/>

India to take up both fuel and biofuel at COP28 climate summit in Dubai

In addition to advancing the climate agenda, Indian officials are expected to discuss both crude oil flows and biofuel partnerships on the sidelines of the upcoming 28th Conference of the Parties (COP28) United Nations (UN) Climate Summit in Dubai. While the government will pitch its Global Biofuel Alliance (GBA) to a large group of developing nations, talks on oil flows are also expected with West Asian partners, officials said. The annual meeting of the Conference of the Parties of the UN Framework Convention on Climate Change, more commonly referred to as COP, is set to begin on Thursday.

https://www.business-standard.com/economy/news/india-to-take-up-both-fuel-and-biofuel-at-cop28-climate-summit-in-dubai-123112801009_1.html

Manmade fibre textiles exports to rise 75% by 2030: Textile industry

Buoyed by the Production Linked Incentive (PLI) scheme and free trade agreements with the UAE and Australia, the industry expects India's exports of manmade fibre (MMF) textiles to increase 75% to \$11.4 billion in 2030 from around \$6.5 billion in 2021-22. "Technical textiles is a sunrise sector and the future of this industry," said a government official, adding that ambitious targets have been set for it. Currently, MMF dominates global textile fibre consumption, with a 72% share, while natural fibre accounts for 28%. The share of MMF has been steadily increasing due to the inherent limitations of growth of cotton and other natural fibres.

<https://economictimes.indiatimes.com/industry/cons-products/garments/-/textiles/manmade-fibre-textiles-exports-to-rise-75-by-2030-textile-industry/articleshow/105553793.cms>

India to step up coking coal shipments from Russia

India will step up imports of coking coal, a key material in steel manufacturing, from Russia, as cargoes from top supplier Australia drop and steel mills struggle with rising prices, three government sources and an industry executive said. Steel mills in India, the world's second-biggest crude steel producer, have struggled with patchy supplies of coking coal from Australia, which normally accounts for more than half of India's annual imports of around 70 million tonnes.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-to-step-up-coking-coal-shipments-from-russia/articleshow/105561457.cms>