



January 01, 2024 – Monday

## Economy

### Skills ministry to use Gati Shakti data to chart training

India's skilling programme has onboarded the PM Gati Shakti National Master Plan portal, which is expected to help in data-driven expansion and upgrading of training centres with close monitoring. The Ministry of Skill Development and Entrepreneurship (MSDE) has developed a gap-analyser tool that will help it do a one-on-one mapping of the skill training centres around key infrastructure projects and identify the indicative need for skilling, a senior government official told ET. Data from the Gati Shakti portal will help in doing the mapping. "The PM Gati Shakti portal consists of different data layers of multiple ministries and by using these layers, MSDE can perform one-to-one mapping of existing skill training centres around the key infrastructure projects and identify the skill gaps," the official added.

<https://economictimes.indiatimes.com/news/economy/policy/skills-ministry-to-use-gati-shakti-data-to-chart-training/articleshow/106429313.cms>

### At third meeting of chief secretaries, Centre cautions against 'freebies'

The Centre has cautioned all the state chief secretaries against resorting to "freebies" and is pushing them to increase capital expenditure instead, ET has gathered. At the third National Conference of Chief Secretaries held last week in New Delhi, top state government officials were advised to guide the ruling politicians against "freebies". The suggestion from the Centre comes as the country heads into a big election year, sparking another potential round of poll promises. It also comes barely a month after five states went to polls with several election promises that arguably qualify as "freebies."

<https://economictimes.indiatimes.com/news/india/at-third-meeting-of-chief-secretaries-centre-cautions-against-freebies/articleshow/106426297.cms>

### India's household debt servicing costs among the lowest in the world

Indian households' net financial savings fell as much as four percentage points in the past two years as they ploughed it to build real assets such as homes and vehicles. While that has raised the indebtedness of people, economists say their ability to service debt is high compared with many major economies. Official data on household net financial savings indicates that it fell to 5.1 per cent of GDP in 2022-23 from 11.5 per cent in 2020-21, well below its long-run annual average of 7.0-7.5 per cent. This fall was driven by a rapid rise in financial liabilities ( borrowings by households) from 3.8 per cent of GDP in 2021-22 to 5.8 per cent in 2022-23.

<https://economictimes.indiatimes.com/news/economy/indicators/indian-households-net-financial-savings-falls-to-5-1-in-fy23-from-11-5-in-fy21-as-liabilities-rise/articleshow/106420124.cms>

## Banking and Finance

### Govt appoints Arvind Panagariya as chairman of 16th Finance Commission

A month after the Union Cabinet approved the terms of reference of the 16th Finance Commission, the government on Sunday appointed former NITI Aayog vice-chairman Arvind Panagariya as the panel's chairman. However, the government didn't appoint the members of the Commission, which may further delay its functioning. "Members of

the Sixteenth Finance Commission would be notified separately,” the Gazette notification said. Joint secretary in the finance ministry, Ritvik Ranjanam Pandey, was in November appointed as commission’s secretary. D K Srivastava, a member of the 12th Finance Commission, said Panagariya is well suited for the job as he has a very good understanding of the Indian economy and looked after the NITI Aayog for a number of years.

[https://www.business-standard.com/india-news/govt-appoints-arvind-panagariya-as-chairman-of-16th-finance-commission-123123100642\\_1.html](https://www.business-standard.com/india-news/govt-appoints-arvind-panagariya-as-chairman-of-16th-finance-commission-123123100642_1.html)

#### **NPAs: Amount recovery via debt recovery tribunal falls to 9.2% in FY23**

2022-23 saw a sharp rise of cases referred to debt recovery tribunal (DRT). Amount involved in the DRTs shot up to Rs 4.02 trillion in FY23 compared to Rs 69,000 crore. However, the amount recovered via DRTs fell to 9.2% in FY23 compared to 17.5% in the previous year. As a result, recovery of non-performing assets fell to 15% from 17.6% in FY22. Recoveries via IBC were back to over 40% in FY23 after two lackluster years. Except for FY20, total recoveries via various channels as percentage of amount involved stayed around mid-teens levels.

[https://www.business-standard.com/finance/news/npas-amount-recovery-via-debt-recovery-tribunal-falls-to-9-2-in-fy23-123123100842\\_1.html](https://www.business-standard.com/finance/news/npas-amount-recovery-via-debt-recovery-tribunal-falls-to-9-2-in-fy23-123123100842_1.html)

#### **SCBs well capitalised, capable of absorbing macroeconomic shocks: RBI**

The Reserve Bank of India’s stress test results reveal that scheduled commercial banks (SCBs) are well-capitalised and capable of absorbing macroeconomic shocks even in the absence of any further capital infusion by stakeholders. It shows no SCB would breach the minimum capital requirement of 9 per cent in the next one year. All banks would be able to meet the minimum regulatory common equity tier 1 (CET1) ratio of 5.5 per cent even under severe stress scenario.

[https://www.business-standard.com/finance/news/scbs-well-capitalised-capable-of-absorbing-macroeconomic-shocks-rbi-123123100818\\_1.html](https://www.business-standard.com/finance/news/scbs-well-capitalised-capable-of-absorbing-macroeconomic-shocks-rbi-123123100818_1.html)

#### **Finance Ministry seeks expenditure proposals for final supplementary demands for grants**

The finance ministry has sought expenditure proposals for the second and final batch of Supplementary Demands for Grants from various ministries and departments ahead of the Budget session likely to commence in the last week of January. This would be the last session of the 17th Lok Sabha before the general elections and the government would seek expenditure approvals of Parliament for four months till July 2024 through a vote on account.

<https://economictimes.indiatimes.com/news/economy/finance/finance-ministry-seeks-expenditure-proposals-for-final-supplementary-demands-for-grants/articleshow/106419473.cms>

#### **Indian residents’ foreign assets increased by \$6 b in July-September**

Indian residents’ foreign assets increased by \$6 billion in July-September 2023 due to the rise in currency and deposits as well as overseas direct investment, even though reserve assets and loans declined during the quarter, according to data released by the Reserve Bank of India. Net claims of non-residents rose marginally during the second quarter of FY24 to \$380.9 billion in September 2023. Foreign-owned financial assets in India recorded higher increase (\$7.4 billion) vis-à-vis Indian residents’ overseas financial assets (\$6.0 billion), which led to the increase in net claims of non-residents.

<https://www.thehindubusinessline.com/markets/indian-residents-foreign-assets-increased-by-6-b-in-july-september/article67692588.ece>

### **Industry**

#### **EV sales grow by 48% in CY2023**

EV sales in India grew by 48 per cent year-on-year in CY2023. A total of 15,26,319 electric vehicles were registered in the country last year compared to 10,25,116 in 2022. According to Vahan, a website that registers vehicles in India, 72,321 electric four-wheelers were registered in CY2023 while 32,260 were registered in 2022. “Significant investments are underway by both legacy OEMs and start-ups across various facets of the electric vehicle ecosystem. Various automotive component manufacturers are also investing materially to develop component capabilities, to take a lead in the space. Even as the funding environment from banks and NBFCs remains cautious, several start-ups

have raised funds in the current year as well, with investors continuing to remain bullish on the growth of the EV sector in the country. A confluence of factors such as improving product portfolio, charging infrastructure, and financing availability as well as a gradual decline in battery prices would aid in the acceleration of EV penetration across segments over the medium term,” said Srikumar Krishnamurthy, Senior Vice President & Co-Group Head - Corporate Ratings of ICRA Limited.

<https://www.thehindubusinessline.com/companies/ev-sales-grow-by-48-in-cy2023/article67692457.ece>

#### **SUVs have the largest share in over 100 PV launches in 2024**

After a successful run in 2023, automobile manufacturers are gearing up for another exciting year in 2024 and there will be more than 100 launches in the passenger vehicles, mostly sports utility vehicles (SUVs) that are in trend right now. Kicking off from January itself, the first launch will be by country’s luxury car market leader Mercedes-Benz India with its GLS Luxury SUV on January 8, followed by Kia India new Sonet compact SUV on January 15 and Hyundai Motor India facelifted Creta on January 16.

<https://www.thehindubusinessline.com/economy/suvs-have-the-largest-share-in-over-100-pv-launches-in-2024/article67692502.ece>

#### **India’s steel mills look at larger play in export markets after near three month lull**

Indian steel mills which kept losing out on key export markets, apart from the European Union (EU) nations, are looking to resume supplies to the Middle East late-January onwards. Between April and November, finished steel exports to the key markets of Middle East continued to exhibit slowdown signs, with mills here losing out to lower priced competing offerings from China. The competition stiffened to an extent where Indian mills withdrew export offers apart from the EU. The lull began mid-September onwards when Indian mills were quoting \$650 - 680 per tonne prices, against substantially lower Chinese offerings which were priced at “a max of \$600 per tonne”.

<https://www.thehindubusinessline.com/economy/indias-steel-mills-look-at-larger-play-in-export-markets-after-near-three-month-lull/article67692517.ece>

#### **India Inc eyes growth in 2024, plans to boost hiring, investments**

Chief executives of Indian companies are planning to hire and invest more in the New Year as they expect the economy to post healthy growth in the election year of 2024. General elections are expected to be held in April and May. A poll of nearly two dozen chief executive officers (CEOs) shows that an overwhelming majority of business leaders expect a revival in rural consumer spending and a rise in foreign direct investment (FDI) inflows as global companies increase their presence in the country.

[https://www.business-standard.com/companies/news/more-investments-hiring-india-inc-priorities-for-24-123123100869\\_1.html](https://www.business-standard.com/companies/news/more-investments-hiring-india-inc-priorities-for-24-123123100869_1.html)

#### **With more local value additions, electronics manufacturing sector to be worth USD 115 billion in 2024**

India’s electronics manufacturing sector is set to grow 15 per cent to be worth USD 115 billion in 2024, with players continuing to focus more on higher levels of value addition in terms of components and development of products. The production of mobile phones, the poster boy of the country’s electronics manufacturing, is expected to surpass USD 50 billion by March 2024 from around USD 42 billion in the previous financial year.

<https://www.financialexpress.com/business/industry-with-more-local-value-additions-electronics-manufacturing-sector-to-be-worth-usd-115-billion-in-2024-3351978/>

#### **For smartwatch brands, 2024 to be a year of make or break**

Year 2024 could be an inflection point in the smartwatch industry that may see trader brands exiting the market due to low margins and a declining profit in the business, say industry executives and analysts. The smartwatch segment is being treated as part of the fast-moving fashion and lifestyle industry, though it is a technology segment, and brands are caught in a vicious cycle of high-speed launches at low prices with minimal changes, while spending more on marketing, to stay abreast, industry executives said. “Fashion brands keep a high margin of 60-65% to accommodate for the variations they need to make in their products, all of which might not sell. But to do that for smartwatches, where margins are at best 20-25%, it starts eating into your unit economics,” said Sameer Mehta, chief executive at Imagine Marketing that owns the Boat electronics brand.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/for-smartwatch-brands-2024-to-be-a-year-of-make-or-break/articleshow/106431459.cms>

### **Hoteliers cash in on New Year festivities, no impact of Covid-19 resurgence**

Hospitality players are cashing in on the New Year festivities as the high spirits of celebrations are leading to a surge in dining out and bookings in resort destinations, with the news of the Covid-19 resurgence not denting the festive sentiment. Some players said they have witnessed room for revenue growth of 19 per cent in the year-end compared to the same period last year. "The news of Covid resurgence has not dented the festive sentiment, and besides, hospitality establishments adhere to stringent safety protocols. Overall, there is positivity and merriness in the air," Federation of Hotel & Restaurant Associations of India (FHRAI) president-elect Pradeep Shetty told PTI.

He was responding to a query on whether the resurgence of Covid-19 has impacted year-end and New Year bookings.

<https://www.thehindubusinessline.com/economy/hoteliers-cash-in-on-new-year-festivities-no-impact-of-covid-19-resurgence/article67692398.ece>

## **Agriculture**

### **"Farm-gate trade" on e-NAM portal picks up; Overall trade on digital platform up 3% on year to Rs 57,633 crore**

Purchases of crops right from farmgate have risen across several states on the electronic National Agriculture Market (eNAM) platform this fiscal, leading to additional income for farmers due to savings in cost of transporting their produce to the mandis. Farmers in 11 states – Andhra Pradesh, Gujarat, Karnataka, Maharashtra, Madhya Pradesh, Rajasthan, Tamil Nadu, Uttar Pradesh, Odisha, Himachal Pradesh and Jammu and Kashmir – sold paddy, maize, cotton, cauliflower, onion and tomato and other items using farm-gate purchase model through e-NAM.

<https://www.financialexpress.com/policy/economy-farm-gate-trade-on-e-nam-portal-picks-up-overall-trade-on-digital-platform-up-3-on-year-to-rs-57633-crore-3352077/>

### **Mixed year for jute, govt provided relief for industry to bounce back**

The jute sector experienced a mixed bag in 2023. There was a bumper harvest of the cash crop, but a mid-season demand slump caused concern until government intervention revived hopes. Although capacity utilisation temporarily dropped, there is optimism for the remaining jute year (July 1, 2023, to June 30, 2024) due to sustained orders and supportive policies by the Centre. "It was a mixed year, but the outlook remains steady," said Raghav Gupta, chairman of the Indian Jute Mills Association (IJMA). "There was a strong initial supply, followed by sluggish demand between September and November. This caused a 20-25 per cent capacity decline in mills and low demand for raw jute. However, a government push from mid-December fueled a welcome revival in order flow," he said.

<https://economictimes.indiatimes.com/news/economy/agriculture/mixed-year-for-jute-govt-provided-relief-for-industry-to-bounce-back/articleshow/106421881.cms>

## **Infrastructure**

### **Indian office sector records highest ever leasing and net absorption**

Indian office sector soared to new heights in the fourth quarter of 2023, defying all odds and setting record-breaking highs in both gross lease volume (GLV) and net absorption, as per Cushman & Wakefield's Q4 office data. According to the report, GLV across the top eight cities in Q4 stood at a towering 27.4msf, an 84% growth than the previous quarter and a healthy 48% growth y-o-y. Not only is this the highest quarterly gross lease volume ever, but it also beats the previous record high the volume of Q4-2019 by a significant 4.5 msf margin.

<https://economictimes.indiatimes.com/industry/services/property/-cstruction/indian-office-sector-records-highest-ever-leasing-and-net-absorption/articleshow/106422119.cms>

### **Delhi govt to extend its electric vehicle policy for another three months**

The Delhi government has decided to extend its Electric Vehicle (EV) policy, set to expire on Sunday, for another three months, officials said. The policy, notified in August 2020, aimed at raising the share of electric vehicles in Delhi to 25 per cent by 2024. It will now be extended till March 31, 2024, and the cabinet will accord its approval, an official said. The Delhi Electric Vehicles Policy, 2020, expired on August 8 this year and since then it has received

repeated extensions. According to officials, work on the new Electric Vehicle Policy is underway but it has not been decided when it will come into effect.

<https://economictimes.indiatimes.com/industry/renewables/delhi-govt-to-extend-its-electric-vehicle-policy-for-another-three-months/articleshow/106424624.cms>

## Energy

### **CRISIL analysis: Oil, gas use to see 10-15% rise in FY24 amid sector growth**

Expansion of city gas distribution (CGD), increased activity in refineries and petrochemicals sector, and higher power generation amid moderating gas prices will support a broad-based increase in consumption of natural gas in India through the next financial year. Overall, consumption is estimated to rise 10-15 per cent in the financial year 2023-24 (FY24) and 5-10 per cent in FY25. Multiple supporting factors are at play here, including deepening penetration, moderating prices and growing segmental consumption. Lower gas prices, both domestically and globally, coupled with enhanced domestic availability, are also expected to support demand growth.

[https://www.business-standard.com/india-news/crisil-analysis-oil-gas-use-to-see-10-15-rise-in-fy24-amid-sector-growth-124010100005\\_1.html](https://www.business-standard.com/india-news/crisil-analysis-oil-gas-use-to-see-10-15-rise-in-fy24-amid-sector-growth-124010100005_1.html)

### **Import more crude grades to cut basket price: Parliamentary panel**

The Parliamentary Standing Committee on Petroleum has flagged the need for importing a wider range of crude oil grades with the objective of reducing the cost of the Indian crude basket. In a recent report tabled in Parliament, it has also exhorted public sector undertakings in the oil sector to modernise their vintage refineries to improve their capabilities to process a wide variety of crude oil.

[https://www.business-standard.com/economy/news/import-more-crude-grades-to-cut-basket-price-parliamentary-panel-123123100432\\_1.html](https://www.business-standard.com/economy/news/import-more-crude-grades-to-cut-basket-price-parliamentary-panel-123123100432_1.html)

### **India to build 2 billion-tonne coal stock by 2030, then hit pause button**

The Centre plans to build a domestic thermal coal stock of 1.8-2.5 billion tonnes (bt) by 2030-32, following which it intends to hit the pause button on production for the next decade. This transition plan is despite India not signing any global agreement on the phasing down of coal production and its usage. According to the projections of the Ministry of Coal, the demand for coal will be close to 1.5-1.8 bt by 2030. Officials said that a buffer stock of over the estimated 0.5-1 bt is being planned to take care of any sudden demand fluctuations.

[https://www.business-standard.com/economy/news/india-to-build-2-billion-tonne-coal-stock-by-2030-then-hit-pause-button-123123100574\\_1.html](https://www.business-standard.com/economy/news/india-to-build-2-billion-tonne-coal-stock-by-2030-then-hit-pause-button-123123100574_1.html)

## Telecom

### **DoT readying over 30 rules based on new Telecom Act**

The Department of Telecommunications (DoT) is working on more than 30 rules based on the newly enacted Telecommunications Act for implementation in the coming months. As per officials aware of the matter, the rules will be related to spectrum allotment, interception of calls, collection of biometric data, etc., for which the processes need to be defined. "We are already working on the rules. The intent is to notify the rules in a few months," an official told ET. The rules will define spectrum pricing for administrative allocation to services like satellite communication, a lawful interception mechanism for carriers and the conditions for spectrum trading, sharing and surrender, among other things.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-readying-over-30-rules-based-on-new-telecom-act/articleshow/106429411.cms>

### **Govt plans second phase for discom-financing scheme**

The Centre is planning to launch another scheme to enable public sector power distribution utilities (discoms) to cut technical losses via "transition-financing" of the required capital expenditure. The new scheme would follow the expiry of the Rupees 3-trillion Revamped Distribution Sector Scheme (RDSS) launched in FY22 for five years through FY26, a senior power ministry official. The proposed RDSS-II would have a similar aggregate outlay, and run for as many years as the current one, he added.

<https://www.financialexpress.com/policy/economy-govt-plans-second-phase-for-discom-financing-scheme-3352096/>

## External

### India runs trade deficit with 9/10 top partners

India recorded a trade deficit with nine of its top ten trade partners in the first seven months of 2023-24, with the US being the only country with which exports exceeded imports. India's trade surplus with the US - its largest trading partner - was \$19.59 billion in the April-October period, show data from the commerce and industry ministry. However, with China, the second largest partner, the deficit was a whopping \$51.11 billion, followed by a \$33.56 billion gap with Russia, the fourth largest trade partner of India. The deficit with the third largest trade partner, the UAE, was \$6.83 billion.

<https://economictimes.indiatimes.com/news/economy/indicators/india-runs-trade-deficit-with-9/10-top-partners/articleshow/106429244.cms>

### Exports to Iran fall amid decline in rupee reserves of middle east

India's exports to Iran have been falling over the last one year, amid decline in rupee reserves of the West Asian economy. Going ahead, the possibility of augmenting exports to Iran may not be easy for India, considering the geopolitical tensions — Russia-Ukraine and Israel-Hamas conflicts — and the West Asian country's support for Russia and Hamas, people aware of the matter said. Exports to Iran saw a downward spiral since November last year. During calendar year 2023, outbound shipments to Iran contracted nearly 44 per cent to \$888 million during January-October.

[https://www.business-standard.com/economy/news/exports-to-iran-fall-amid-decline-in-rupee-reserves-of-middle-east-123123100501\\_1.html](https://www.business-standard.com/economy/news/exports-to-iran-fall-amid-decline-in-rupee-reserves-of-middle-east-123123100501_1.html)

### Indo-Australia trade deal boosts engineering exports despite import surge

One year after the India-Australia Economic and Trade Cooperation Agreement (ETCA) came into effect, engineering exports to Australia reached USD 944 million in April-November 2023-24, a 3 per cent increase.

However, imports from Australia also saw a significant 30 per cent upswing during the same period. India's engineering imports from Australia reached USD 355.02 million during April to October 2023-24. Despite the sharp surge in imports, EEPIC India chairman Arun K Garodia remains optimistic, pointing to a positive engineering trade balance of USD 471 million between April and October 2023-24. This, he says, underscores the resilience and competitiveness of India's engineering sector.

[https://www.business-standard.com/economy/news/indo-australia-trade-deal-boosts-engineering-exports-despite-import-surge-123123100513\\_1.html](https://www.business-standard.com/economy/news/indo-australia-trade-deal-boosts-engineering-exports-despite-import-surge-123123100513_1.html)

### British PM Rishi Sunak keen to clinch FTA with India by April: Report

London, British Prime Minister Rishi Sunak is keen to clinch a Free Trade Agreement (FTA) with India in time for Easter, which falls at the end of March 2024, according to a UK media report. The India-UK FTA talks began in January last year, aimed at significantly enhancing the GBP 36-billion bilateral trading partnership. A new round of negotiations, expected to be the last, is set to start early in the new year after the thirteenth round concluded on December 15.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/british-pm-rishi-sunak-keen-to-clinch-fta-with-india-by-april-report/articleshow/106421709.cms>

### CMAI expects India's y-o-y apparel exports to UAE to increase by 10-15%

Indian apparel exporters, known for white label manufacturing for the global brands, now want to take Indian national and local brands to the international markets. The growing strength of home-grown brands, their capacity to offer international standards at reasonable rates than the international brands can help the Indian apparel industry achieve a higher share of the global apparel trade, thinks the Clothing Manufacturers' Association of India (CMAI). As a part of its efforts to take Indian brands to the international markets, CMAI had recently organised its first Brands of India exhibition in the UAE. "We could showcase close to 350 Indian brands to the buyers in the Middle

East and North Africa (MENA) region," said Rajesh Masand, President of CMAI, adding, "We wanted to begin from a place which has a large number of Indian diasporas."

<https://economictimes.indiatimes.com/news/economy/foreign-trade/cmai-expects-indias-y-o-y-apparel-exports-to-uae-to-increase-by-10-15/articleshow/106424104.cms>