



January 16, 2024 – Tuesday

Economy

250 million people escaped multi-dimensional poverty between 2013-14 and 2022-23: NITI Aayog

Nearly 250 million people escaped multidimensional poverty in nine years of the BJP-led NDA government between 2013-14 and 2022-23 with Uttar Pradesh, Bihar, Madhya Pradesh and Rajasthan registering the highest decline in poverty, shows a discussion paper, jointly done by NITI Aayog and UNDP. The 248.2 million people who escaped multidimensional poverty in nine years translates into 27.5 million people escaping multidimensional poverty every year, NITI Aayog member Ramesh Chand said.

<https://economictimes.indiatimes.com/news/economy/indicators/250-million-people-escaped-multi-dimensional-poverty-between-2013-14-and-2022-23-niti-aayog/articleshow/106866411.cms>

India on top for trust in businesses, NGOs; 4th for media, 5th in government

India tops the charts in terms of trust in businesses and NGOs, but it is fourth in terms of trust in media and fifth for the government, an annual trust barometer showed on Monday. The Edelman Trust Barometer 2024, released here ahead of the World Economic Forum Annual Meeting, put Saudi Arabia on the top for trust shown by their people in the government and China for trust in media. In terms of trust shown in one's employer, Indonesia emerged at the top followed by India at the second place. The 24th annual survey, which covered over 32,000 respondents across 28 countries, showed developing countries having a lead over developed ones in terms of overall trust perception of their respective populations.

<https://economictimes.indiatimes.com/news/economy/indicators/india-on-top-for-trust-in-businesses-ngos-4th-for-media-5th-in-government/articleshow/106870167.cms>

Higher food prices push WPI inflation to 9-month high in December

India's wholesale price index (WPI)-based inflation rate rose to a nine-month high of 0.73 per cent in December, mainly due to an increase in prices of food articles, data released by the ministry of commerce and industry showed on Monday. This is the second consecutive month that the wholesale inflation rate had remained in positive territory after there was deflation for seven consecutive months till October 2023.

https://www.business-standard.com/economy/news/wpi-based-inflation-increases-to-nine-month-high-of-0-7-in-december-124011500659_1.html

India to gain from supply chain diversification; domestic market to provide support in 2024: Moody's

Indian economy is expected to gain from supply chain diversification away from China, while strong domestic markets provide support to weather global headwinds in 2024, Moody's Investor Service said Monday in its 2024 outlook for Asia Pacific Region. "Diversification of supply chains away from China presents opportunities for economies with large manufacturing bases and improving infrastructure such as India, Malaysia, Thailand and Vietnam," the global research firm said. A recent research paper published by IMF found that Vietnam, Taiwan, Canada and Mexico gained much more than India in trade with the United States, as the country pivoted away from China.

<https://economictimes.indiatimes.com/news/economy/indicators/india-to-gain-from-supply-chain-diversification-domestic-market-to-provide-support-in-2024-moodys/articleshow/106861849.cms>

Banking and Finance

Revised norms on fair lending practice effective from April 1, says RBI

The revised fair lending practice, which prohibits banks and NBFCs from using penal charges on loan defaults as a revenue enhancement tool, will come into effect from April 1, the Reserve Bank said on Monday. Concerned over the practice of banks and non-banking financial companies (NBFCs) using penal interest as a revenue enhancement tool, the RBI on August 18 last year had modified norms, under which lenders would be able to levy only "reasonable" penal charges in case of default in repayment of loans.

https://www.business-standard.com/finance/news/revised-norms-on-fair-lending-practice-effective-from-april-1-says-rbi-124011500964_1.html

RBI releases draft norms for fintech self-regulatory organisations

The Reserve Bank of India's (RBI's) draft norms for self regulatory organisations for the fintech sector (SRO-FT) have proposed that such entities should have a robust IT infrastructure and the ability to deploy technological solutions within a reasonable timeframe. The applicant for such an entity should have sufficient net worth and demonstrate the capability of establishing the necessary infrastructure to fulfil the responsibilities of an SRO-FT effectively, RBI said.

https://www.business-standard.com/industry/news/rbi-issues-draft-norms-for-self-regulatory-organisations-for-fintech-sector-124011500674_1.html

Reserve Bank of India likely to withdraw relief to govt-owned NBFCs

The Reserve Bank of India (RBI) has proposed to withdraw the case-by-case basis exemptions granted to Government-owned Non-Banking Finance Companies (NBFCs) from meeting credit/investment concentration norms. Substantial time has elapsed since Government-owned NBFCs were brought within the ambit of prudential regulations in May 2018. The RBI has carried out a review of the exposure norms for these NBFCs. Henceforth, the Government NBFCs shall be guided by the exposure norms and limits contained in the circulars as applicable to them, according to the RBI's draft circular.

https://www.business-standard.com/finance/news/reserve-bank-of-india-intends-to-end-exemptions-to-govt-owned-nbfc-124011500935_1.html

RBI proposes stricter rules for housing finance companies

The Reserve Bank of India is planning to make the deposit mobilisation rules more stringent for housing finance companies such as PNB Housing Finance or LIC Housing Finance in a bid to put them on the same regulatory platform as other non-banking finance companies. At the same time, the central bank may allow all HFCs foray into credit card business as well as certain fee-based activities. In a draft regulatory framework, the central bank said HFCs without investment grade credit rating would not be allowed to raise public deposits or renew existing deposits. The ceiling on the quantum of public deposits held by deposit taking HFCs, which comply with all prudential norms and minimum investment grade credit rating, will stand reduced from 3 times to 1.5 times of net owned funds.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/reserve-bank-of-india-proposes-stricter-rules-for-housing-finance-companies/articleshow/106870951.cms>

RBI may shift policy stance to neutral by June: Nomura

The Reserve Bank may shift the monetary policy stance to "neutral" by June and deliver rate cuts starting August this year, a Japanese brokerage said on Monday. Pointing out to softer core inflation 'or price rise in items excluding food and fuel' in the data released for December, Nomura said there is a need for the policy to pivot towards an easier regime after the extended pause. The brokerage reiterated its earlier view of rate cuts being expected from August onwards, and pegged the quantum of cuts at 1 percentage point. "We expect 1 per cent of rate cuts cumulatively starting August, with a change of stance to 'neutral' in Q2, with risks skewed towards earlier easing," its analysts said.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-may-shift-policy-stance-to-neutral-by-june-nomura/articleshow/106873445.cms>

Fund mobilisation through private bond placements hit all-time high in 2023

Fund mobilisation through private placement bonds reached an all-time high of Rs 9.58 trillion in 2023, marking a 26 per cent increase from the previous year, according to a release by Prime Database. Pranav Haldea, managing director of Prime Database Group, attributed the upswing to a surge in credit demand propelled by robust economic growth. Concurrently, the banking system faced liquidity constraints, compelling entities to explore alternative avenues for capital infusion, the release stated.

https://www.business-standard.com/finance/news/fund-mobilisation-through-private-bond-placements-hit-all-time-high-in-2023-124011500296_1.html

Interim Budget 2024 may see modest expenditure hike as Centre looks to stay on fiscal glide path

Interim Budget Expectations: The government may limit the increase in its overall spending to around 10% in the interim budget for FY25, from the budget estimate for this year, as it aims to balance the need for sustained growth with fiscal consolidation imperatives, people aware of deliberations said. With the economy continuing to grow at a robust pace, the government is of the view that fiscal consolidation needs greater attention, they said. According to the first advance estimate, India's gross domestic product (GDP) is forecast to grow 7.3% in FY24, bettering the preceding fiscal year's 7.2%. FY24's budget had raised spending by 14.1% over the FY23 budget estimate - to ₹45 lakh crore. FY24 expenditure growth was up 7.5% over the provisional number for the last fiscal year.

<https://economictimes.indiatimes.com/news/economy/finance/modest-hike-likely-in-interim-budget-2024-as-centre-looks-to-stay-on-fiscal-glide-path/articleshow/106880020.cms>

Industry

Income tax benefits granted to 2,975 recognised startups: DPIIT

As many as 2,975 government recognised startups have been granted income tax exemptions so far, a senior official said on Monday. Under the Startup India , the government provides income tax exemption. Joint Secretary in the Department for Promotion of Industry and Internal Trade (DPIIT) Sanjiv said that as on December 31 last year, 1,17,254 startups have been recognised by the department. "The number of startups getting income tax benefits was 1,100 till March 2023 and now it has increased to 2,975 startups," he told reporters here.

https://www.business-standard.com/economy/news/income-tax-benefits-granted-to-2-975-recognised-startups-dpiit-124011500600_1.html

Rise of gold consumption in India to continue: Somasundaram PR, regional CEO for India, WGC

India will continue to see a rise in the consumption of gold backed by higher prosperity within the middle class and a rising awareness about its importance in portfolios, says Somasundaram PR, the regional CEO for India at the World Gold Council. "India will have to prepare for a rise in demand. There is no doubt about it because we are definitely becoming prosperous," he said in an exclusive interaction with ET. While consumers are still not very well-versed with the interplay of the yellow metal with other assets, several local and global events over the last decade have helped showcase gold's resilience, especially in times of uncertainty. This is seen propelling consumption in this asset class further.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/rise-of-gold-consumption-in-india-to-continue-somasundaram-pr-regional-ceo-for-india-wgc/articleshow/106857497.cms>

Hotel cos see room for growth in Navi Mumbai

Hotels of various categories, from budget to luxury, are coming up in and around Navi Mumbai, driven by transformative infrastructure projects such as the Mumbai Trans Harbour Link (MTHL) and the forthcoming international airport. The hospitality market is witnessing a surge in investments in the region, with Navi Mumbai, Panvel and Khopoli emerging as the prime locations for investors, said hotel industry executives and transaction advisory firms. Most of the leading hospitality brands are either looking to step up their presence or are entering the region. American hotel operator Radisson Hotel Group that currently has one property, Country Inn & Suites by Radisson at Turbhe in Navi Mumbai, recently signed up for a 100-room hotel in Khopoli and has another one of similar size coming up soon.

<https://economictimes.indiatimes.com/industry/services/hotels/-/restaurants/hotel-cos-see-room-for-growth-in-navi-mumbai/articleshow/106876025.cms>

Infrastructure

NHAI rolls out 'One Vehicle, One FASTag' initiative

The National Highway Authority of India has undertaken 'One Vehicle, One FASTag' initiative to discourage use of single FASTag for multiple vehicles or linking multiple Fastags to a particular vehicle. "The move is aimed at enhancing efficiency of the Electronic Toll Collection system and to provide seamless movement at the toll plazas," the ministry of road transport and highways said in a statement on Monday. "FASTags with valid balance but with incomplete know your customer (KYC) will get deactivated or blacklisted by banks post 31st January 2024," it said. "To avoid inconvenience, users must ensure that KYC of their latest FASTag is completed," it added. NHAI has urged FASTag users to comply with 'One Vehicle, One FASTag' and discard all the earlier issued FASTags through their respective banks.

<https://economictimes.indiatimes.com/news/economy/policy/nhai-rolls-out-one-vehicle-one-fastag-initiative/articleshow/106861063.cms>

Domestic air passenger traffic grew 8.34% to 152 mn in 2023: DGCA data

India's domestic air passenger traffic grew 8.34 per cent year-on year to 15.20 crore in calendar year 2023. The total domestic passenger volumes in the year-ended December 31, 2022 were recorded at 12.32 crore, as per the Directorate General of Civil Aviation (DGCA) data released on Monday. The domestic air passenger traffic in December 2023, however, rose 23.36 per cent at 1.37 crore, as against 1.27 crore flown by all local carriers in 2022. Of the total domestic passenger traffic, no-frills carrier IndiGo flew 9.19 crore with a market share of 60.5 per cent, followed by full-service carrier Air India, which transported 1.47 domestic passengers and commanded 9.7 per cent market share.

https://www.business-standard.com/industry/news/domestic-air-passenger-traffic-grew-8-34-to-152-mn-in-2023-dgca-data-124011500772_1.html

Energy

Govt cuts windfall tax on crude petroleum to Rs 1,700 a tonne effective Tue

India cut its windfall tax on petroleum crude to 1,700 rupees (\$20.53) a tonne from 2,300 rupees a tonne, according to a government notification on Monday. The cut will be effective from Jan. 16, the order said. On Jan. 2, the government had lifted the windfall tax on petroleum crude oil to 2,300 rupees a tonne from 1,300 rupees a tonne. From July 2022, India imposed a windfall tax on crude oil producers, and extended the levy on exports of gasoline, diesel and aviation fuel as private refiners wanted to sell fuel overseas to make gains from robust refining margins instead of selling locally. It revises the tax fortnightly.

https://www.business-standard.com/economy/news/govt-cuts-windfall-tax-on-crude-petroleum-to-rs-1-700-a-tonne-effective-tue-123101701413_1.html

PowerMin issues electricity rules, eases open access and transmission

The Union Ministry of Power issued Electricity (amendment) Rules, 2024, under the aegis of the Electricity Act, 2003 on Monday, aiming at reducing the hassles of electricity supply for large corporate and green energy sectors.

The rules now allow consumers which have specified energy load and Energy Storage Systems (ESS) to establish, operate and maintain their dedicated transmission lines themselves without the requirement of licence. The rule covers those companies/person who have load more than 25 megawatt and 10 megawatt on inter-state and intra-state transmission network.

https://www.business-standard.com/industry/news/powermin-issues-electricity-rules-2024-easing-open-access-and-transmission-124011500902_1.html

Telecom

Telcos push for D2M policy relook to ensure level-playing field

Telecom operators have sought a reassessment of the government's draft policy around establishing direct-to-mobile (D2M) networks to ensure a level-playing field, and have warned of the possibility of regulatory arbitrage if such a policy is implemented hurriedly. The government is exploring a proposal for D2M networks that will enable

beaming of TV channels on mobiles without a cellular data connection. Telcos have been opposing any hasty decision as the technology is still immature.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/telcos-push-for-d2m-policy-relook-to-ensure-level-playing-field/articleshow/106873328.cms>

Healthcare

ICMR invites suggestions for revising national essential diagnostics list

The Indian Council of Medical Research (ICMR), the apex body in India for the formulation, coordination, and promotion of biomedical research, has invited suggestions for the revision of the National Essential Diagnostics List (NEDL) by February 29, 2024. It is unclear whether the finalisation of the NEDL will lead to price capping of diagnostic tests in line with drugs.

https://www.business-standard.com/health/icmr-invites-suggestions-for-revising-national-essential-diagnostics-list-124011500943_1.html

External

Trade deficit falls to three-month low of \$19.8 billion in December

India's trade deficit in December narrowed to a three-month low of \$19.8 billion amid an import slowdown due to falling commodity prices. Merchandise exports during the month grew 0.97 per cent over a year earlier to \$38.45 billion, contrary to the trend of a slowdown so far this financial year, showed data released by the commerce department on Monday. Merchandise imports, meanwhile, grew 8.45 per cent to \$58.25 billion, boosted by gold imports.

https://www.business-standard.com/economy/news/trade-deficit-dips-to-a-three-month-low-at-19-8-billion-in-december-124011500881_1.html

Commerce ministry calls stakeholders' meet on WTO issues on Jan 20

The commerce ministry has called a meeting of all stakeholders, including government officials and trade sector experts, on January 20 to discuss issues which are likely to figure in the WTO meeting, an official said. The 13th Ministerial Conference (MC) of World Trade Organization (WTO) is scheduled from February 26-29 in Abu Dhabi, the UAE. MC is the highest decision-making body of the 164-member WTO, which monitors global exports and imports besides adjudicating disputes between member countries. India is the member of the organisation since 1995.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/commerce-ministry-calls-stakeholders-meet-on-wto-issues-on-jan-20/articleshow/106862040.cms>

IT services, BPO exports grew over 12% to touch \$193 billion in FY23: ESC

The exports of computer software and services, including IT enabled services and BPO, logged 12.2 per cent growth during 2022-23 to touch USD 193 billion, according to estimates by Electronics and Computer Software Export Promotion Council (ESC). The IT software/services chunk accounted for the bulk of this at USD 126 billion, followed by BPO services (USD 52 billion).

https://www.business-standard.com/economy/news/it-services-bpo-exports-grew-over-12-to-touch-193-billion-in-fy23-esc-124011500610_1.html

Govt eases import curbs on some silver items for certain industries

The government on Monday eased import curbs for some silver items like semi-manufactured silver paste, sheets, and tubes for electrical, electronics and solar industries, to be used as inputs for their manufacturing process.

The import of these items for R&D purposes by the government or government-recognised institutions shall also be without restrictions, the Directorate General of Foreign Trade (DGFT) said in a notification.

https://www.business-standard.com/industry/news/govt-eases-import-curbs-on-some-silver-items-for-certain-industries-124011501020_1.html

India keeps edible oil import duty lower until March 2025, imposes 50% export tax on molasses

The Indian government on Tuesday extended lower import duty on edible oil by a year, till March 2025. The lower import duty structure on crude palm oil, crude sunflower oil, and crude soy oil was originally set to expire in March, this year. In another notification, the government imposed a 50% export duty on molasses, effective from Thursday, "This notification shall come into force on the 18th of January, 2024," the gazette notification read.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-to-keep-edible-oil-import-duty-lower-until-march-2025-imposes-50-export-tax-on-molasses/articleshow/106882930.cms>

Majority of India-UK FTA issues either closed or at advanced stage of talks: Official

Majority of the issues in the proposed free trade agreement (FTA) between India and the UK are either finalised or at an advanced stage of talks, a government official said on Monday. Additional Secretary in the Department of Commerce L Satya Srinivas said that the 14th round of negotiations between the officials of the two countries is underway here. "The majority of the chapters are either closed or at an advanced stage of negotiation. Discussions are being held at the higher level as well as at the team level to iron out differences," he told reporters here. The talks for the pact began in January 2022. The current round of talks is expected to be the final one.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/majority-of-india-uk-fta-issues-either-closed-or-at-advanced-stage-of-talks-official/articleshow/106875945.cms>

India signs an agreement to acquire five lithium mines in Argentina

The Centre on Monday signed an agreement to acquire five lithium brine blocks for exploration and development in Argentina. The agreement was signed between Khanij Bidesh India Ltd (KABIL) and Catamarca Minera Y Energética Sociedad Del Estado (CAMYEN), a state-owned mining and energy company in the Argentine province of Catamarca. This is the first ever lithium exploration and mining project by a state-owned company. KABIL will start exploration and development of five lithium brine blocks — Cortadera-I, Cortadera-VII, Cortadera-VIII, Cateo-2022-01810132 and Cortadera-VI — covering an area of about 15,703 hectares in the Catamarca province.

https://www.business-standard.com/industry/news/india-signs-an-agreement-to-acquires-five-lithium-mines-in-argentina-124011500866_1.html