



January 31, 2024 – Wednesday

## Economy

### IMF raises India's GDP growth projection for FY25 by 20 bps to 6.5%

The International Monetary Fund (IMF) raised India's growth projection for 2024-25 (FY25) by 20 basis points (bps) to 6.5 per cent in its World Economic Outlook (WEO) update on Tuesday, citing buoyant domestic spending and improved global growth prospects. The estimate, however, falls below the 7 per cent growth projection by the Ministry of Finance (FinMin). For FY24, the IMF raised India's growth estimate by 40 bps to 6.7 per cent compared to its October report, which is still lower than the 7.3 per cent growth projected by the National Statistical Office earlier this month.

[https://www.business-standard.com/economy/news/imf-raises-india-s-gdp-growth-projection-for-fy25-by-20-bps-to-6-5-124013000899\\_1.html](https://www.business-standard.com/economy/news/imf-raises-india-s-gdp-growth-projection-for-fy25-by-20-bps-to-6-5-124013000899_1.html)

### PM Economic Advisory Council calls for regulating AI via complex adaptive system approach

The Economic Advisory Council to the PM, in its working paper, has called for need to regulate artificial intelligence (AI) through a complex adaptive system (CAS) approach that will include establishing guardrails and partitions, mandating manual 'overrides' and 'authorization chokepoints', mandatory audits for transparency and accountability, laying out liability protocols and setting up of a specialist regulator for the sector. "Rapid development of AI has raised substantial concerns about the risks associated with uncontrolled AI propagation with potential dangers, such as the prospect of "runaway AI" (under-controlled AI), where systems might recursively self-improve beyond human control and misalign with human welfare," EAC-PM said in its working paper.

<https://economictimes.indiatimes.com/news/economy/policy/pm-economic-advisory-council-calls-for-regulating-ai-via-complex-adaptive-system-approach/articleshow/107259875.cms>

### India slips 8 places on Transparency International's corruption perception index

India slipped on the corruption perceptions index (CPI) for 2023 to 93 as against 85 it scored for 2022, a Transparency International report released on Tuesday revealed as it said that fluctuation in two years was low preventing any conclusion on significant change. The index prepared by Transparency International ranks 180 countries and territories by their perceived levels of public sector corruption drawn from experts and business people. On a scale of 0 to 100 on which countries are judged, 0 is highly corrupt and 100 is very clean. "India (39) shows score fluctuations small enough that no firm conclusions can be drawn on any significant change. However, ahead of the elections, India sees further narrowing of civic space, including through the passage of a (telecommunication) bill that could be a 'grave threat' to fundamental rights," the annual report read.

<https://www.thehindubusinessline.com/news/india-slips-on-corruption-perceptions-index-to-93/article67793222.ece>

## Banking and Finance

### FM Sitharaman to meet RBI board on Feb 12

Finance Minister Nirmala Sitharaman is scheduled to address the Reserve Bank of India's central board on February 12 and highlight key points of the interim Union Budget. Sitharaman will present the sixth Budget on February 1, where she will outline the roadmap for 2024-25. In the post-budget meeting, the finance minister will address the board members and talk about announcements made in the interim Budget 2024-25. The meeting is being held shortly after the Budget session, as well as the last session of the 17th Lok Sabha, which comes to an end on February 9. It is customary for the finance minister to address the Reserve Bank of India board after the Budget.

<https://economictimes.indiatimes.com/news/economy/policy/fm-sitharaman-to-meet-rbi-board-on-feb-12/articleshow/107270777.cms>

#### **RBI to make available additional ₹5,000 cr to Standalone Primary Dealers under Standing Liquidity Facility**

In view of the liquidity deficit in the banking system, the Reserve Bank of India (RBI) has decided to make available an additional aggregate amount of ₹5,000 crore to Standalone Primary Dealers (SPDs) under the Standing Liquidity Facility at the prevailing repo rate starting from January 31, 2024. The central bank took this decision based on an assessment of the prevailing and evolving liquidity conditions. The incremental limit for individual SPDs is being conveyed to them separately, RBI said. The repo rate (the interest rate at which banks draw liquidity from the RBI to overcome short-term liquidity mismatches) is at 6.50 per cent. The banking system has been facing a liquidity deficit since September 2024, with the deficit standing at about ₹2.68 lakh crore as of January 29, 2024.

<https://www.thehindubusinessline.com/money-and-banking/rbi-to-make-available-additional-5000-cr-to-standalone-primary-dealers-under-standing-liquidity-facility/article67794077.ece>

#### **Direct tax to GDP ratio in FY24 likely to be the highest since FY01**

On the back of robust tax collection, the ratio of direct taxes to gross domestic product (GDP) this financial year is likely to be the highest in this century so far. This, along with strong goods and services tax (GST) collection, may drive up receipts from central taxes as a proportion of GDP to the highest level or close to the highest since 2008-09 despite subdued excise and customs duty receipts. This will be due also to lower nominal GDP projected in the first advance estimates for 2023-24.

[https://www.business-standard.com/economy/news/direct-tax-to-gdp-ratio-in-fy24-likely-to-be-the-highest-since-fy01-124013000273\\_1.html](https://www.business-standard.com/economy/news/direct-tax-to-gdp-ratio-in-fy24-likely-to-be-the-highest-since-fy01-124013000273_1.html)

#### **Insurers may need prior approval from IRDAI to appoint new chief**

Indian insurers may soon require insurance watchdog's prior approval to appoint a chairman, a practice followed in the banking sector, as part of measures being considered to improve governance, people familiar with the development told ET. The Insurance Regulatory and Development Authority of India (IRDAI) is eyeing a revamp of the governance norms for insurance companies aimed at strengthening corporate governance as also simplifying compliances. At present, no approval is required from the regulator to appoint a board's chairman. Discussions were held with all stakeholders at the Bima Manthan event organised by the regulator earlier this month, said an official, adding that these are preliminary discussions and, in some cases, the regulator has already sought views from all stakeholders.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/insurers-may-need-prior-approval-from-irdai-to-appoint-new-chief/articleshow/107270631.cms>

#### **Demand for G-Secs could outstrip supply due to bond index inclusion, investment appetite of long-term domestic investors**

The demand for Government Securities (G-Secs) could outstrip supply once these securities are included in key global bond indices, leading to a significant thaw in G-Sec yields in FY25, say experts.

<https://www.thehindubusinessline.com/markets/demand-for-g-secs-could-outstrip-supply-due-to-bond-index-inclusion-investment-appetite-of-long-term-domestic-investors/article67793470.ece>

### **Industry**

#### **Top consumer goods companies flag impact of see-saw movement of commodity prices**

Leading consumer goods companies including Hindustan Unilever (HUL), ITC, Maruti Suzuki and Parle Products said they are seeing see-saw movement of certain commodity prices, which as per industry executives is impacting the

company's decision on product pricing and impacting demand recovery process of certain categories. The country's largest consumer goods manufacturer, HUL said categories like health food drinks and coffee are reporting increased inflation impacting volume recovery while in tea consumers are downgrading due to the price difference between premium and plain tea. The company has termed this as an 'inflation deflation cycle'.

<https://economictimes.indiatimes.com/industry/cons-products/fmkg/top-consumer-goods-companies-flag-impact-of-see-saw-movement-of-commodity-prices/articleshow/107265375.cms>

#### **Govt issues guidelines to evaluate reasonableness of non-urea fertiliser prices**

The government has allowed a profit margin of up to 12 per cent for manufacturers of potassium and potassic fertilisers as part of guidelines issued to evaluate the reasonableness of maximum retail prices for these fertilisers. In efforts to curb possible instances of companies making unreasonable profits from the sale of the fertilisers, the Ministry of Chemicals and Fertilisers came out with the guidelines with retrospective effect. The guidelines for evaluation of the reasonableness of maximum retail prices (MRPs) of P&K fertilisers under the Nutrient Based Subsidy (NBS) Policy was issued on January 18, 2024 but will be effective from April 1, 2023, according to sources in the know.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/chem/-/fertilisers/govt-issues-guidelines-to-evaluate-reasonableness-of-non-urea-fertiliser-prices/articleshow/107269514.cms>

#### **Construction equipment sales rise 30% to 36,055 units in Q3: ICEMA**

India's construction equipment industry has witnessed a 30 per cent rise in sales to 36,055 units in the third quarter of the current fiscal, a report said on Monday. As per the data released by Indian Construction Equipment Manufacturers Association (ICEMA), the construction equipment (CE) industry had sold 27,817 units in the third quarter of the previous fiscal. "Of the overall sales for Q3 FY24, 33,135 units were sold domestically and 2,920 units were exported," it said. Sales of material handling equipment rose 46 per cent to 4,482 units and concrete equipment sales grew 43 per cent to 3,840 units during the period.

[https://www.business-standard.com/industry/news/construction-equipment-sales-rise-30-to-36-055-units-in-q3-icema-124013000734\\_1.html](https://www.business-standard.com/industry/news/construction-equipment-sales-rise-30-to-36-055-units-in-q3-icema-124013000734_1.html)

#### **Private sector space players seek govt relief on FDI and GST exemption**

After India created history through Chandrayaan-3's soft landing on the moon last year, the booming private sector space industry in the country is pinning hopes on this year's interim Budget. The sector is upbeat that the Centre will open up foreign direct investment (FDI), introduce a production-linked incentive (PLI) scheme and give goods and services tax (GST) exemption to satellites, launch vehicles and ground equipment manufacturing. "There were talks about an FDI into space in India under the automatic route for a while now. Clarity around that would be good. It may be able to match the FDI under automatic route in something like defence. Rolling out FDI, at least 74 per cent, will help the industry," said Awais Ahmed, co-founder and chief executive officer (CEO), Pixxel, a Bengaluru-based spacetechn start-up.

[https://www.business-standard.com/industry/news/private-sector-space-players-seek-govt-relief-on-fdi-and-gst-exemption-124013000133\\_1.html](https://www.business-standard.com/industry/news/private-sector-space-players-seek-govt-relief-on-fdi-and-gst-exemption-124013000133_1.html)

#### **Govt mulls tweaking PLI schemes in textile, food processing, pharma: Report**

The government is considering tweaking production linked incentive (PLI) schemes for certain sectors including textiles, food processing, and pharmaceuticals, a senior official said on Tuesday. The official said that a Cabinet note is finalised to seek approval for the changes from the top authorities. The changes would help these sectors attract more players. The scheme was announced in 2021 for 14 sectors, including telecommunication, white goods, textiles, manufacturing of medical devices, automobiles, speciality steel, food products, high-efficiency solar PV modules, advanced chemistry cell battery, drones and pharma with an outlay of Rs 1.97 lakh crore.

While certain sectors like electronics are doing well, others are not performing up to the mark.

[https://www.business-standard.com/industry/news/govt-mulls-tweaking-pli-schemes-in-textile-food-processing-pharma-report-124013000366\\_1.html](https://www.business-standard.com/industry/news/govt-mulls-tweaking-pli-schemes-in-textile-food-processing-pharma-report-124013000366_1.html)

#### **Steel makers expect continued focus on infra spend, import-checking measures**

Steel makers expect continued focus on the infrastructure spending, push to domestic manufacturing, and measures to check rising imports in the upcoming interim Budget. In the 2023-24 Budget, Union Finance Minister Nirmala Sitharaman announced a capex of Rs 10 lakh crore for infrastructure development. "The government should continue the focus on increasing the spend on infrastructure. It should also work on further improving the cost of doing business and the ease of doing business," Tata Steel CEO & MD T V Narendran told PTI.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/budget-2024-steel-makers-expect-continued-focus-on-infra-spend-import-checking-measures/articleshow/107268894.cms>

### **Startups talk up funding winter, but loosen their purse strings**

Startup circles may be abuzz with talk of reducing operational, promotional and workforce expenses amid a severe 'funding winter,' but some of the country's top internet firms increased their spending during fiscal 2023, an analysis by ET shows. Financials of 11 of the largest online companies — both public and private — present a mixed picture. While some managed to bring down costs, most others stepped up expenditure, either to gain competitive advantage or boost growth numbers. Fintech majors Paytm and Policybazaar parent PB Fintech — both of which are publicly listed — saw employee and marketing costs rise by 25-50% during FY23.

<https://economictimes.indiatimes.com/tech/startups/startups-talk-up-funding-winter-but-loosen-their-purse-strings/articleshow/107271031.cms>

### **India will be among the top 10 tourism markets for Turkey in three years**

India will be amongst the top 10 markets for Turkey in the next three years, H.E. Firat Sunel, Turkish Ambassador to India, told businessline. Onur Gözet, Deputy General Director of Promotion, Ministry of Culture and Tourism of Türkiye, said that Indian tourists are likely to increase by 30 per cent to 3.50 lakh in 2024. Gözet told businessline that travel between India and Turkey has increased "multifold" over the past few years. In 2020, according to him, over 2.20 lakh tourists visited Turkey. However, because of covid, there was a dip. This number crossed pre-Covid levels in 2022 itself. In 2023, "over 2.70 lakh tourists visited Turkey. We expect this to go up by 30 per cent to 3.50 lakh in 2024."

<https://www.thehindubusinessline.com/news/india-will-be-among-the-top-10-markets-in-three-years-for-turkey/article67793177.ece>

## **Agriculture**

### **Indian meat substitutes market projected to expand at value CAGR of 6-8% over 2022-27, says GlobalData**

Despite the challenging financial situation caused by job losses and high inflation, the Indian meat substitutes market has been recording a notable rise, albeit from a small base, said a report by GlobalData. Driven by plant-powered innovations, it added, the Indian meat substitutes market is projected to expand at a value compound annual growth rate (CAGR) of 6- 8 per cent over 2022-27, according to GlobalData.

<https://www.financialexpress.com/business/industry-indian-meat-substitutes-market-projected-to-expand-at-value-cagr-of-6-8-over-2022-27-says-globaldata-3378689/>

## **Infrastructure**

### **National highways network in MP will be equivalent to that of US network by 2024-end: Nitin Gadkari**

Union minister Nitin Gadkari on Tuesday said the national highways network in Madhya Pradesh will be equivalent to that of the US by the end of 2024. Gadkari also said the Road Transport and Highways ministry is exploring the field of ropeway and cable cars, and 27 ropeways will come up in MP. He laid the foundation stone for 15 national highway projects totalling 498 kilometres costing Rs 8,038 crore, at a function held in Bhopal. He said the Road Transport and Highways Ministry will either start or complete the work of national highways of Rs 3 lakh crore in Madhya Pradesh by this year-end.

<https://economictimes.indiatimes.com/news/economy/infrastructure/national-highways-network-in-mp-will-be-equivalent-to-that-of-us-network-by-2024-end-nitin-gadkari/articleshow/107269506.cms>

### **Will share infra planning tool PM GatiShakti with neighbouring countries: DPIIT Secretary**

India will share the PM GatiShakti initiative with some of the neighbouring countries free of cost as the infrastructure planning tool is helping in effective planning and implementation of projects, a top government official said on Tuesday. The initiative was launched to develop an integrated infrastructure to reduce logistics costs. Secretary in the Department for Promotion of Industry and Internal Trade (DPIIT) Rajesh Kumar Singh said that as India has rolled out the Unified Payments Interface (UPI) in seven countries, the country similarly wants to showcase and integrate the PM GatiShakti initiative also. "We want to showcase it and roll out and integrate and provide it free of cost to some of our neighbouring countries and eventually to other countries in the global south as a part of India's commitment to the global south," Singh said here at a function.

<https://economictimes.indiatimes.com/news/economy/infrastructure/will-share-infra-planning-tool-pm-gatishakti-with-neighbouring-countries-dpiit-secretary/articleshow/107262277.cms>

## Energy

### India on track to export record-low diesel to Europe in Jan as Red Sea risks weigh

India's exports of low-sulphur diesel to Europe are poised to hit a fresh two-year low in January, after an unprecedented high last month, as Red Sea security risks drive up freight costs, trade sources and analysts say. Volumes have so far declined by roughly 80% month-on-month to 33,400-58,000 barrels per day (bpd), Kpler, LSEG and Vortexa shiptracking data showed. Persistently high freight costs would be likely to prompt sellers of India-origin cargoes to look to Asia for buyers soon, which would tighten supplies into Europe even further ahead of refinery maintenance season, traders and analysts say.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/india-on-track-to-export-record-low-diesel-to-europe-in-jan-as-red-sea-risks-weigh/articleshow/107257918.cms>

### Deadline to levy additional duty on unblended diesel deferred

The Centre has deferred the deadline to levy an additional ₹2 per litre tax on unblended diesel by one more year to April 1, 2025, according to a Central Board of Indirect Taxes and Customs (CBIC) said in a notification. The levy on petrol and diesel that is not blended with ethanol and bio-diesel, respectively was announced in FY23 budget. The move was in line with government's commitment to promoting biofuels and reducing crude imports. India remains the world's third-biggest crude importer and consumer, importing around 85% of its total consumption.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/deadline-to-levy-additional-duty-on-unblended-diesel-deferred/articleshow/107271207.cms>

## Healthcare

### MSME hospitals in the pink of health; revenue, margins to remain healthy

Revenue of micro, small, and medium enterprises (MSMEs) in the hospital segment is expected to grow 8-12 per cent Y-o-Y this financial year to Rs 4.2-4.9 trillion, driven by growing demand for elective surgeries, outpatient department care and routine treatments, as well price hikes by healthcare providers. The strategic expansion of large corporates into Tier-II locations is also contributing to the growth. MSMEs account for a whopping 65-75 per cent share of the hospital segment revenue pie. The growth trajectory is projected to sustain next fiscal, rising 10-14 per cent Y-o-Y, driven by rising demand for healthcare services, particularly in areas such as orthopedics, critical care and oncology, and more MSME hospitals focusing on a single specialty.

[https://www.business-standard.com/industry/news/msme-hospitals-in-the-pink-of-health-revenue-margins-to-remain-healthy-124013001198\\_1.html](https://www.business-standard.com/industry/news/msme-hospitals-in-the-pink-of-health-revenue-margins-to-remain-healthy-124013001198_1.html)

## External

### Customs to ease export norms for certain dual-use goods, says DGFT

The government is working to liberalise export norms for certain products which have dual-use like chemicals for companies that have proven track record, a senior official said on Tuesday. Director General of Foreign Trade (DGFT) Santosh Kumar Sarangi said that dual-use goods and technologies are sensitive and if it goes in the wrong hands of non-state actors, it can cause serious disruptions globally.

[https://www.business-standard.com/economy/news/customs-to-ease-export-norms-for-certain-dual-use-goods-says-dgft-124013000465\\_1.html](https://www.business-standard.com/economy/news/customs-to-ease-export-norms-for-certain-dual-use-goods-says-dgft-124013000465_1.html)

### **Steel imports hit five-year high in April-December amid soaring demand**

India's steel imports touched a five-year high in the first nine months of the fiscal year to the end of March, turning the country into a net importer of finished steel, according to provisional government data seen by Reuters on Tuesday. A spurt in economic activity and a revamp of broader infrastructure have turned India into a bright spot for both Indian and global steel makers. Unlike India, steel demand is slowing down in Europe and the United States.

[https://www.business-standard.com/economy/analysis/steel-imports-hit-five-year-high-in-april-december-amid-soaring-demand-124013000476\\_1.html](https://www.business-standard.com/economy/analysis/steel-imports-hit-five-year-high-in-april-december-amid-soaring-demand-124013000476_1.html)

### **Govt seeks investment commitment from Switzerland under EFTA pact: Report**

India has sought investment commitments from Switzerland under the proposed free trade agreement with the four-nation EFTA bloc, a top government official said on Tuesday. The European Free Trade Association (EFTA) members are Iceland, Liechtenstein, Norway, and Switzerland. The official also said negotiations for the pact are at an advanced stage and both sides are trying to conclude it fast. The investment commitment would help India balance Switzerland's decision to remove customs duties on most of its goods.

[https://www.business-standard.com/economy/news/govt-seeks-investment-commitment-from-switzerland-under-efta-pact-report-124013000357\\_1.html](https://www.business-standard.com/economy/news/govt-seeks-investment-commitment-from-switzerland-under-efta-pact-report-124013000357_1.html)

### **US wants more of its investments to flow into India: Envoy**

Describing the Indo-US ties as a 'multiplicative relationship', the Eric Garcetti, the US Ambassador to India, said that the US wants more of its investments to flow into India. Speaking at a conference on 'Strengthening Indo-US Relationship' organized by the Indo-American Chamber of Commerce (IACC), the Ambassador pitched for easier corporate tax practices and relaxations of other barriers for companies to invest in India. "We also have to see that opaque corporate tax practices still are a barrier to too many companies that want to be here. And this is a great moment for all of you to recruit our companies. Every CEO is saying tell me about India. They want to invest," he said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/us-wants-more-of-its-investments-to-flow-into-india-envoy/articleshow/107270153.cms>