



February 29, 2024 – Thursday

Economy

MoSPI reduces no. of GDP estimates, timeline by a year

The Ministry of Statistics and Programme Implementation (MoSPI) reduced the number of estimates and the timeline for releasing final estimates for GDP by one year, by doing away with the third revised estimate. The ministry will now release five GDP numbers instead of six, with the final revision coming nearly two years from the completion of the financial year instead of three. The third revised estimate for 2020-21, released on February 29, will be the last estimate for 2020-21, whereas 2021-22's second revised estimate will be the final one. "It has been decided to do away with the third revised estimate for 2021-22 onwards," according to the notification.

<https://economictimes.indiatimes.com/news/economy/policy/mospi-reduces-no-of-gdp-estimates-timeline-by-a-year/articleshow/108083104.cms>

Economy remains resilient, manufacturing regaining momentum: NCAER

High frequency indicators reveal that the Indian economy remains resilient with Purchasing Manager's Index (PMI) for services accelerating and manufacturing regaining momentum, economic think tank National Council of Applied Economic Research (NCAER) said in report released on Wednesday. Further, NCAER said the composite PMI accelerated to 61.2 in January from 58.5 in December 2023.

https://www.business-standard.com/economy/news/economy-remains-resilient-manufacturing-regaining-momentum-ncaer-124022801109_1.html

Q3 GDP may slide to 6.7-6.9% on poor farm sector show: SBI Research

The Indian economy is likely to grow at 6.7-6.9 per cent in December quarter FY24 as compared to 7.6 per cent growth in the second quarter on poor performance in the farm sector, a report by SBI Research said on Wednesday. The report comes a day ahead of the release of official GDP data for the third quarter of 2023-24 financial year. India retained the tag of the world's fastest-growing major economy, with its GDP expanding by a faster-than-expected rate of 7.6 per cent in September quarter on booster shots from government spending and manufacturing.

https://www.business-standard.com/economy/news/q3-gdp-may-slide-to-6-7-6-9-on-poor-farm-sector-show-sbi-research-124022800876_1.html

India's GDP growth poised to soar to 8%, says Barclays Research

India, with the right policy mix, could potentially raise its GDP growth rate closer to 8 per cent, becoming the largest contributor to global growth by the end of this decade, Barclays Research said in a new report. This report, which is the latest edition of series of reports titled India's Breakout Moment, noted that the ability to raise its growth rates will fundamentally depend on its ability to self-finance investment, in order to maintain macro stability. Higher savings should be endogenous amid an increase in per capita income and fiscal consolidation, it added. To achieve higher growth, India needs greater investment, and for that, the country's savings pool first needs to rise, lest the external front of macro stability becomes vulnerable amid faster GDP growth, Rahul Bajoria, Managing Director & Head of EM-Asia (ex-China) Economics, Barclays said in the report.

<https://www.thehindubusinessline.com/economy/indias-gdp-growth-poised-to-soar-to-8-says-barclays-research/article67896591.ece>

Finance

RBI tweaks norms related to Regulatory Sandbox scheme

The Reserve Bank on Wednesday tweaked guidelines for Regulatory Sandbox (RS) scheme under which participating entities will have to comply with digital personal data protection norms. Regulatory Sandbox usually refers to live testing of new products or services in a controlled/test regulatory environment for which regulators may (or may not) permit certain relaxations for the limited purpose of the testing. The RBI had issued the 'Enabling Framework for Regulatory Sandbox' in August 2019, after wide ranging consultations with stakeholders. The objective of the RS is to foster responsible innovation in financial services, promote efficiency and bring benefit to consumers. On Wednesday, the RBI placed on its website the updated 'Enabling Framework for Regulatory Sandbox'.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-tweaks-norms-related-to-regulatory-sandbox-scheme/articleshow/108080201.cms>

RBI proposes norms for disclosure of climate-related financial risks for lenders

The Reserve Bank of India has told banks and other lenders to disclose more information about their climate-related financial risks so that stakeholders -- from regulators to customers -- can understand and assess the risk early. Climate-related disclosures by regulated entities is an important source of information for different stakeholders -- customers, depositors, investors and regulators -- to understand relevant risks faced and approach adopted to address such issues. "It will foster an early assessment of climate-related financial risks and opportunities and also facilitate market discipline," RBI said in a draft disclosure framework on climate-related financial risks, 2024..

<https://economictimes.indiatimes.com/news/economy/policy/rbi-proposes-norms-for-disclosure-of-climate-related-financial-risks-for-lenders/articleshow/108080487.cms>

SEBI mulls relaxing disclosure norms for FPIs

The Securities and Exchange Board of India (SEBI) is planning to relax the enhanced disclosure norms for certain foreign portfolio investors (FPIs) in a bid to promote ease of doing business.

<https://www.thehindubusinessline.com/markets/sebi-mulls-relaxing-disclosure-norms-for-fpis/article67895972.ece>

State govt bonds to yield better returns under new investment regime

The higher yield on state government bonds compared to central government securities is expected to make the former a "major draw" for banks for their investment book under the new portfolio norms, which kick in from April 2024. Treasury officials said while the central government paper would continue to have the largest share in the portfolio, the state government bonds would give comfort of better returns to manage any pressures from adjustments in the months ahead.

https://www.business-standard.com/economy/news/state-govt-bonds-to-yield-better-returns-under-new-investment-regime-124022801201_1.html

MSME loan portfolio's delinquency rate down to two year low of 2.3%: Report

The loan portfolio delinquency rate of micro, small and medium enterprises (MSME) declined to a two-year low of 2.3 per cent in the September quarter of 2023-24 (Q2FY24), according to the TransUnion CIBIL-SIDBI report released on Wednesday. The delinquency rate is the percentage of loans that are overdue by more than 90 days. The MSME loan demand across lenders — private sector, public sector banks (PSBs) and non-banking finance companies (NBFCs) — rose 29 per cent year-on-year (Y-o-Y). The private banks have the least number of delinquent portfolios at 1.5 per cent, while the PSBs stood at 3.2 per cent. The delinquency rate for NBFCs was 2.9 per cent. Rates of all three lending classes fell over a period of September 2022 and September 2021.

https://www.business-standard.com/industry/news/msme-loan-portfolio-s-delinquency-rate-down-to-two-year-low-of-2-3-report-124022800807_1.html

Industry

Sales of listed private non-financial cos rose 5.5 pc in Q3: RBI data

Sales of listed private non-financial companies grew 5.5 per cent in the three months ended December 2023 from 4.4 per cent expansion in the previous quarter, according to official data. The Reserve Bank of India (RBI) on Wednesday released the data on the performance of the private corporate sector during the third quarter of 2023-24 drawn from abridged quarterly financial results of 2,842 listed non-government non-financial companies. "Growth (y-o-y) in aggregate sales of 1,685 listed private manufacturing companies moderated further to 3.7 per cent during Q3:2023-24 (4.2 per cent in the previous quarter)," the apex bank said. Among the major industries, sales of chemical companies declined 13.5 per cent, excluding which sales growth of manufacturing companies stood at 6.4 per cent.

<https://economictimes.indiatimes.com/news/economy/finance/sales-of-listed-private-non-financial-cos-rose-5-5-pc-in-q3-rbi-data/articleshow/108082041.cms>

Retail sector to more than double to \$2 trillion in next decade: Report

India's retail sector is expected to grow at 9-10 per cent to reach \$2 trillion in the next decade with the country's consumption story continuing to remain strong with steady growth, according to a report. Yet, organised retailers would need to sustain performance and continue to grow shares as the sector is going through key shifts impacting the pace and shape of growth, said the report by the Boston Consulting Group (BCG) and Retailers Association of India (RAI).

https://www.business-standard.com/industry/news/retail-sector-to-more-than-double-to-2-trillion-in-next-decade-report-124022800665_1.html

Steelmakers look to startups in decarbonisation, sustainability journey

Steel companies are increasingly tapping into the start-up ecosystem for fresh ideas and breakthrough technologies in the areas of decarbonisation and sustainability. Tata Steel's flagship start-up engagement programme, Innoventure, is in its fifth year. About 55 per cent of its current engagements with start-ups is focused on the areas of sustainability and decarbonisation. Thrust areas however also include mining, surface engineering, advanced materials, waste energy recovery, water treatment, et al.

https://www.business-standard.com/industry/news/steel-makers-look-to-startups-in-decarbonisation-sustainability-journey-124022800628_1.html

Red Sea crisis: Indian companies take steps to offset supply chain impact

Indian companies impacted by the Red Sea disruptions have started taking measures after an impact on their overseas supply chains for both imports and exports due to delay in transit time, increased shipping and insurance costs. This includes creating an additional pool of working capital to buy raw materials in advance which are imported through that route, air freight to meet urgent demand and negotiation with clients, logistics and insurance companies, industry executives said. Varun Beverages chairman Ravi Jaipuria told investors recently the company is overstocking the raw materials imported for safety reasons which is "creating some cost." He said freight rates have become more expensive everywhere, cost of materials has gone up and some of the shipments are getting delayed. It has increased the company's working capital year-on-year.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/red-sea-crisis-indian-companies-take-steps-to-offset-supply-chain-impact/articleshow/108077077.cms>

Infrastructure

NHAI to extend 'One Vehicle, One FASTag' initiative deadline till March-end

State-owned National Highways Authority of India (NHAI) is likely to extend 'One Vehicle, One FASTag' initiative compliance deadline to March-end, in view of the problems being faced by Paytm FASTag users, a senior official said. NHAI had earlier proposed to implement 'One Vehicle, One FASTag' initiative from March 1. "In view of the Patym crisis, the FASTag users may be given more time to shift to one vehicle-one FASTag norm," the official told PTI on condition of anonymity. To enhance the efficiency of the electronic toll collection system and provide seamless movement at toll plazas, the NHAI has taken the 'One Vehicle, One FASTag' initiative that aims to discourage the use of single FASTag for multiple vehicles or linking multiple FASTags to a particular vehicle.

https://www.business-standard.com/india-news/nhai-to-extend-one-vehicle-one-fastag-initiative-deadline-till-march-end-124022801090_1.html

High demand pushed home prices up 20% in 2023 as compared to 2021: Report

Owing to high demand aided by a favourable interest rate cycle and positive economic outlook, home prices across the top eight cities in India surged 20 per cent in 2023 as compared to 2021, a report released on Wednesday showed. The highest rise in prices was witnessed in Delhi-NCR. According to the CREDAI–Colliers-Liases Foras Housing Price-Tracker Report, the home prices in Delhi-NCR rose 32 per cent in 2023 as compared to 2021. It was followed by 31 per cent in Bengaluru and 30 per cent in Kolkata.

https://www.business-standard.com/industry/news/high-demand-pushed-home-prices-up-20-in-2023-as-compared-to-2021-report-124022800443_1.html

Energy

India's thermal coal imports fall for first time since Covid-19 pandemic

India's thermal coal imports are expected to fall for the first time this year since the Covid-19 pandemic due to increasing domestic output and record high inventories, industry officials said on Tuesday. Out of eleven coal traders Reuters spoke with at the Coaltrans India conference in the western state of Goa, eight expected shipments of the fuel to decrease this year, while the others foresaw flat imports or marginal growth.

https://www.business-standard.com/economy/news/india-s-thermal-coal-imports-fall-for-first-time-since-covid-19-pandemic-124022800076_1.html

States

PM Narendra Modi inaugurates projects worth over ₹4,900 crore in Maharashtra

Prime Minister Narendra Modi inaugurated and dedicated to the nation multiple development projects related to rail, road and irrigation worth more than ₹4900 crores at Yavatmal in Maharashtra today. He also released benefits under PM KISAN and other schemes during the program and initiated the distribution of 1 crore Ayushman cards across Maharashtra. PM also launched the Modi Awaas Gharkul Yojana for OBC category beneficiaries and also flagged off two train services. Lamenting the leakage in the financial assistance to farmers, tribals and the needy during the previous governments, the Prime Minister highlighted the contrast during today's occasion of disbursal of PM Kisan Samman Nidhi worth ₹21,000 crores with the push of a button and deemed the gesture as Modi ki Guarantee. "The poor are getting their deserved share today", PM Modi said.

<https://www.thehindubusinessline.com/news/national/pm-inaugurates-and-dedicates-to-the-nation-multiple-development-projects-worth-more-than-4900-crores/article67896399.ece>

Railways start survey work for multi-modal lines connecting economic corridors

The Indian Railways has begun the survey work on four multi-modal lines to complement the Eastern and Western Dedicated Freight Corridors, which were proposed in the Interim Budget 2024-25. These multimodal lines would be a part of the three economic corridors — energy, mineral and cement corridor; the port connectivity corridor and high traffic density corridor.

<https://www.thehindubusinessline.com/economy/logistics/railways-start-survey-work-for-multi-modal-lines-connecting-economic-corridors/article67895481.ece>

Healthcare

Major hospital chains report increase in average revenue per occupied bed

Major Indian hospital chains have reported an increase in their average revenue per occupied bed (ARPOB) for the nine-month period of the current financial year (9MFY2024) - around Rs 50,000 per bed per day in 9MFY24 compared to Rs 45,800 per bed per day in the same period last fiscal year. According to estimates by rating agency ICRA, ARPOBs will increase by 8-10 percent in the 2023-24 fiscal year. ICRA's sample set of hospitals has shown an increase in ARPOBs by 10.35 percent in the nine-month period of 2023-24. For the full fiscal year 2023-24, ICRA estimates that the listed companies it tracks will witness a healthy year-on-year growth of 8 to 10 percent - Rs 49,708 per bed

per day from Rs 45,800 per bed per day reported in FY23. ICRA feels that the rise will be aided by improving speciality and case mix, better payor mix (with a higher contribution of cash and insurance patients), and annual price revisions by companies to offset cost inflation.

https://www.business-standard.com/industry/news/major-hospital-chains-report-increase-in-average-revenue-per-occupied-bed-124022800753_1.html

External

India's oil imports from Russia threatened after US imposes new sanctions

Fresh US sanctions on Moscow threaten to dent Russian oil sales to India, the biggest buyer of Russian seaborne crude, and complicate efforts by Indian state refiners to secure annual supply deals, three industry sources familiar with the matter said. Washington on Friday imposed sanctions to mark the second anniversary of Moscow's invasion of Ukraine and retaliate for the death of opposition leader Alexei Navalny. The sanctions target Russia's leading tanker group, Sovcomflot, which Washington accused of being involved in violating the G7's price cap on Russian oil, as well as 14 crude oil tankers tied to Sovcomflot.

https://www.business-standard.com/economy/news/india-s-oil-imports-from-russia-threatened-after-us-imposes-new-sanctions-124022800414_1.html

PC, laptop imports from China surged by 11.3% to \$276 million in December

After a month's gap, the import of personal computers, including laptops and tablets, from China surged 11.3 per cent to \$276 million in December. This occurred when total imports of such items contracted by 0.8 per cent, according to the latest data from the commerce department. The same month witnessed a decline in the import of personal computers from countries/regions like Singapore and Hong Kong, which saw a decrease of 66.1 per cent and 41.8 per cent, respectively. These marginal players accounted for \$11.6 million and \$13.6 million worth of shipments to India in December.

https://www.business-standard.com/india-news/pc-laptop-imports-from-china-surged-by-11-3-to-276-million-in-december-124022800988_1.html

'India blocks China's IFD in WTO, unlikely to feature in final outcome'

India on Wednesday blocked the China-led Investment Facilitation Development Agreement (IFD) in the World Trade Organization (WTO), so the proposal is unlikely to be mentioned in the outcome document of the ministerial conference. "India and South Africa blocked the IFD proposal in WTO. It may not be mentioned in the final outcome document," official sources said. Along with India, South Africa also joined the WTO to block the Investment Facilitation Development Agreement. The 123-member group led by China tried to forward a proposal in the working group meeting on development. Earlier, India maintained IFD as a non-trade issue in the forum.

https://www.business-standard.com/india-news/india-blocks-china-s-ifd-in-wto-unlikely-to-feature-in-final-outcome-124022801267_1.html

India moots 3-pt plan to fully revive dispute settlement body

Restoration of a fully functional dispute settlement system of the World Trade Organisation (WTO) is the topmost priority, India said Wednesday at the working session on Dispute Settlement (DS) Reforms at the WTO's 13th Ministerial Conference here. New Delhi proposed a three-point action plan that included providing opportunity to members to bring in new proposals at any stage, transition the discussions on dispute settlement reforms to WTO formal bodies, and restoring the appellate body. The appellate body of the system is defunct for more than four years as the US has been blocking the appointment of judges, leading to the EU suggesting a Multi-Party Interim Appeal Arbitration Arrangement (MPIA), which is an alternative system to resolve WTO disputes that New Delhi has opposed as such an arrangement undermines the multilateral trading system. The 166-member WTO is discussing reforms of the dispute settlement system, which is termed as its "Crown jewel."

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-moots-3-pt-plan-to-fully-revive-dispute-settlement-body/articleshow/108083506.cms>

India calls out hidden agenda of rich nations to tap poor countries' markets

India has criticised the Global North for pushing their hidden agenda of using sustainability, development and gender equality to seek market access in poor nations even as it sought to revive the talks on services trade and mobility. "These might seem like innocuous issues such as gender equality, environment sustainability, development and indigenous population but they have a hidden agenda through which they want to create market access for their products," said an official. Highlighting that today, non-tariff barriers are the problem, the official said: "They are bringing it under trade to deny access to us". New Delhi's concerns stem from the fact that goods exported from developing countries are subject to many tariff and non-tariff barriers in countries such as the EU, the US and Japan. <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-calls-out-hidden-agenda-of-rich-nations-to-tap-poor-countries-markets/articleshow/108083439.cms>