



March 19, 2024 – Tuesday

Economy

India unlikely to match China's past 8-10% growth: Morgan Stanley

India is unlikely to achieve the 8 per cent-10 per cent economic growth rates that China pulled off over the long term, Morgan Stanley's chief Asia economist said, even though the investment bank remains optimistic about the South Asian nation's prospects. India's economy will likely grow steadily at 6.5 per cent-7 per cent over the long term, Chetan Ahya said in interview Monday with Bloomberg Television's Haslinda Amin. The South Asian nation is also far from replacing its bigger rival as a global manufacturing hub, he added.

https://www.business-standard.com/economy/news/india-unlikely-to-match-china-s-past-8-10-growth-morgan-stanley-124031800469_1.html

Growth comes when government is first buyer, says G20 Sherpa Amitabh Kant

The G20 Sherpa and former CEO of Niti Aayog Amitabh Kant delivered an address emphasizing the importance of learning from Israel's procurement model and promoting women-led development within the startup ecosystem at the inauguration of 'Startup Mahakumbh' at Bharat Mandapam on Monday. Kant underscored the necessity of studying Israel's approach to innovation, particularly in sectors such as military technology, cybersecurity, and defense equipment. He highlighted that Israel's significant growth in these areas stemmed from the government's role as the first buyer. Kant said, "There is a need for us to learn from other countries one of which is Israel because they started innovating in military tech, cyber security, defence equipment. By initiating procurement and aggregating demand, the government catalyzed growth for startups, ultimately driving economic expansion."

<https://economictimes.indiatimes.com/news/economy/policy/growth-comes-when-government-is-first-buyer-says-g20-sherpa-amitabh-kant/articleshow/108583269.cms>

Big poll spends unlikely to lift rural demand

Rural consumption will require further support measures from the new government as well as a sustained capital expenditure push to get broad-based in the next few quarters, economists said, indicating that the upcoming general election is unlikely to provide a significant lift. In the passenger car and two-wheeler segments, which have seen an upswing in demand in recent months, industry executives said it is broader economic growth rather than elections which will give further impetus to sales. "After the election, if the government does announce some measures to correct demand, perhaps consumption demand will also pick up. Easing inflation pressures is also expected to give some leg-up to real wages," said Paras Jasrai, senior analyst, India Ratings and Research.

<https://economictimes.indiatimes.com/news/economy/indicators/big-poll-spends-unlikely-to-lift-rural-demand/articleshow/108596983.cms>

Govt proposes exempting certain M&A deals from CCI approval requirement

The government has proposed exempting intra-group transactions and certain other mergers and acquisitions from the requirement of Competition Commission approval, a move that is likely to help in reducing the regulatory burden on the watchdog. Draft rules to exempt certain categories of combinations from the Competition Commission of India (CCI) approval requirement have been issued by the corporate affairs ministry. Vaibhav Choukse, Partner &

Head - Competition Law at JSA Advocates & Solicitors, said the draft rules enlist certain kinds of M&A (Merger & Acquisition) transactions which will not require approval from the CCI. These include intra-group transactions, certain types of minority and creeping acquisitions, and rights issue as they will not have an impact on the competition in the market, he added.

<https://economictimes.indiatimes.com/news/economy/policy/govt-proposes-exempting-certain-ma-deals-from-competition-comm-approval-requirement/articleshow/108593872.cms>

Finance

Insurance sector attracted Rs 54,000 crore FDI in last 9 years: Financial Services Secretary Vivek Joshi

The insurance sector has received close to Rs 54,000 crore as foreign direct investment (FDI) in the last 9 years on the back of further liberalisation of overseas capital flow norms by the government, Financial Services Secretary Vivek Joshi has said. The government increased the permissible FDI limit from 26 per cent in 2014 to 49 per cent in 2015 and then to 74 per cent in 2021, he told PTI in an interview. However, he said, the permissible FDI limit for insurance intermediaries was increased to 100 per cent in 2019.

<https://www.financialexpress.com/business/industry-insurance-sector-attracted-rs-54000-crore-fdi-in-last-9-years-financial-services-secretary-vivek-joshi-3428953/>

Industry

Deeptech startup policy in final stages, says DPIIT secretary RK Singh

The government is in the final stages of creating a dedicated policy for deeptech startups, said Rajesh Kumar Singh, Secretary, Department for Promotion of Industry and Internal Trade (DPIIT), on Monday. He also added that the policy is currently in its final stages of discussion. "The government is in the process of creating a dedicated deeptech startup policy. It is in the final stages of inter-ministerial discussions. After finalising the policy, the government will look to set up a dedicated Fund of Funds that would invest in Alternative Investment Funds (AIFs), which would, in turn, pump funds into deep tech startups," said Singh. He was speaking at the inaugural session of the Startup Mahakumbh event in New Delhi.

https://www.business-standard.com/industry/news/deeptech-startup-policy-in-final-stages-says-dpiit-secretary-rk-singh-124031800922_1.html

ICRA forecasts Indian IT service industry growth at 3-5% in FY25

Uncertain macroeconomics in key markets like the US and Europe will continue to drag growth for the Indian IT services industry. The industry is poised to witness a modest revenue growth of 2 per cent in the first three quarters of FY24, and it will maintain a restrained trajectory in the range of 3-5 per cent in FY25, according to a report released by ICRA on Monday. This is the second consecutive year when the credit rating agency has forecasted a growth rate in the range of 3-5 per cent for the Indian IT sector.

https://www.business-standard.com/industry/news/indian-it-services-growth-forecast-for-fy25-at-3-5-says-icra-report-124031800637_1.html

No slowdown in web commerce, a product of Covid era, even after Covid is long gone

An end to Covid-era mobility and operational curbs and the return to normal business hours for physical stores have not, contrary to expectations, slammed the brakes on web commerce that had boomed through the pandemic for the contactless doorstep delivery features it offered. A whole array of products, from the humble cookie and other daily munchies to pocket-pinching discretionary items such as television sets and refrigerators, are selling on ecommerce sites with frequencies similar to or higher than those through the lockdown days, showed the latest data by market researchers NielsenIQ and GfK India. "This reflects a post-pandemic change in consumer behavior, particularly in metro areas, where online shopping is gaining popularity due to its convenience, variety and competitive pricing," said Praful Babar, head of e-commerce for FMCG at NielsenIQ.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/no-slowdown-in-web-commerce-a-product-of-covid-era-even-after-covid-is-long-gone/articleshow/108592725.cms>

Agriculture

Govt to procure tur, masur dal directly from farmers to bolster stocks

In a bid to bolster dwindling stocks and stabilise market prices, the Indian government plans to procure 400,000 tonnes of tur and 200,000 tonnes of masur dal directly from farmers at the minimum assured procurement price (MAPP) or dynamic buffer procurement price (DBPP), whichever is higher, according to a report by Mint. The Department of Consumer Affairs (DoCA) aims to procure 80 per cent of the buffer requirement for tur and masur directly from farmers at MSP or prevailing market rates.

https://www.business-standard.com/economy/news/govt-to-procure-tur-masur-dal-directly-from-farmers-to-bolster-stocks-124031800221_1.html

Don't bring slaughterhouses, meat processing units under EIA: Centre to NGT

There is no requirement to bring slaughterhouses and meat processing units under the ambit of the Environment Impact Assessment (EIA) Notification, 2006, as guidelines and safeguards are already in place to regulate them from an environmental perspective, the Centre has told the National Green Tribunal. Animal rights activist Gauri Maulekhi approached the green tribunal last year demanding that slaughterhouses and meat processing units be brought within the ambit of EIA, 2006.

https://www.business-standard.com/industry/news/don-t-bring-slaughterhouses-meat-processing-units-under-eia-centre-to-ngt-124031800527_1.html

Net sugar output dips to 280 MT so far in 2023-24 mkt yr ending Sep: ISMA

India's net sugar production fell marginally to 280.79 lakh tonnes till March 15 of the current marketing year that started in October 2023, according to trade data released on Monday. Sugar marketing year runs from October to September. "Sugar production till 15th March 2024 in the current 2023-24 season reached 280.79 lakh tonnes, against 282.60 lakh tonnes produced last year on the corresponding date," Indian Sugar Mills Association (ISMA) said in a statement.

https://www.business-standard.com/industry/news/net-sugar-output-dips-to-280-mt-so-far-in-2023-24-mkt-yr-ending-sep-isma-124031800621_1.html

Infrastructure

Buildings sector will exceed country's entire GHG emissions budget

Emissions from India's buildings sector between 2020 and 2070 are projected to reach 90.85 gigatonnes of carbon dioxide equivalent in the business-as-usual scenario, exceeding the carbon budget allocated for the entire country, according to a report released on Monday. The countries are striving to achieve net-zero emissions (a balance between greenhouse gases emitted and removed from the atmosphere) to limit the rise in global average temperatures to 1.5 degrees Celsius and prevent further worsening of climate impacts.

https://www.business-standard.com/industry/news/buildings-sector-will-exceed-country-s-entire-ghg-emissions-budget-124031800929_1.html

Energy

Imports of natural gas continue to surge

India's appetite for imported natural gas is dramatically growing with prices falling in the international markets. Imports of liquefied natural gas (LNG) surged 33% year-on-year in February, after increasing 26% in January, 12% in December last year and 5% in November. LNG imports cost \$1.1 billion in February, as much as in the year-ago period, even though the volumes were a third higher this year at 2.45 billion cubic metres. For the first 11 months of this financial year, LNG imports cost \$12 billion, lower than \$15.9 billion last year, even though volumes were up 18% this year.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/imports-of-natural-gas-continue-to-surge/articleshow/108597085.cms>

Telecom

Telcos push for testing of gear, use cases under current rules

Telecom carriers have called on the regulator to ensure that any testing of tech products and use cases requiring interactions with mobile users on a live communications network must happen strictly within the ambit of current sector regulations, and be subject to lawful interception and subscriber verification rules amongst others. Telcos, industry lobby bodies and consumer associations were participating in a Trai open house Monday to discuss ways to drive cutting-edge tech innovation in the digital communications space via transparent and safe live testing environments, known as regulatory sandboxes. A leading telco also pushed the regulator to recommend that regulatory sandboxes be kept outside the ambit of the Right to Information (RTI) Act, 2005, to ensure privacy and confidentiality of sensitive business data shared in any government-backed live product testing environment. <https://economictimes.indiatimes.com/industry/telecom/telecom-news/telcos-push-for-testing-of-gear-use-cases-under-current-rules/articleshow/108597107.cms>

States

Uttar Pradesh govt invites private players to invest in e-mobility market

The Uttar Pradesh government has invited private players to invest in its e-mobility push. It has proposed to introduce 50,000 electric buses across 75 districts over the next five years. According to a bidding document, the Uttar Pradesh State Road Transport Corporation (UPSRTC) has floated a tender, inviting bids for the supply, operation, and maintenance of 5,000 e-buses on gross cost contract basis. The bids could be submitted by March 28.

https://www.business-standard.com/industry/auto/uttar-pradesh-govt-invites-private-players-to-invest-in-e-mobility-market-124031800720_1.html

Rajasthan govt prepares draft policy to boost exports via ease of doing biz

The Rajasthan government has prepared a draft policy to boost exports through ease of doing business, faster clearances, and digital infrastructure. The government is seeking suggestions from industrialists, exporters, and trade bodies on the policy, sources in the government said. "Now that the model code of conduct is in force, the final policy will be announced after the Lok Sabha elections," they added.

https://www.business-standard.com/india-news/rajasthan-govt-prepares-draft-policy-to-boost-exports-via-ease-of-doing-biz-124031800751_1.html

External

India's outward FDI rises to \$3.47 billion in February, shows RBI data

India's outward foreign direct investment (FDI) commitments rose substantially to \$3.47 billion in February 2024, compared to over \$2.82 billion in February 2023. Sequentially, FDI commitments were also up from \$2.18 billion in January 2024, according to Reserve Bank of India (RBI) data. Outbound FDI, expressed as a financial commitment, comprises three components: equity, loans, and guarantees. The equity commitments declined to \$502.14 million in February 2024 from \$776.79 million a year ago. It was also lower than the \$764.29 million recorded in January 2024.

https://www.business-standard.com/economy/news/india-s-outward-fdi-rises-to-3-47-billion-in-february-shows-rbi-data-124031801007_1.html

FM meets ADB vice prez, urges to become partner in development agenda

Finance Minister Nirmala Sitharaman on Monday met Asian Development Bank's new Vice-President (market solutions) Bhargav Dasgupta and discussed ways to further the development agenda. "Both exchanged views on how @ADB_HQ may partner with India to further the development agenda. They also discussed harnessing ADB's convening power to crowd in other public and private sector institutions to participate in India's growth," the finance ministry said in a post on X.

https://www.business-standard.com/economy/news/fm-meets-adb-vice-prez-urges-to-become-partner-in-development-agenda-124031800832_1.html

Exporters need to follow new British rules to avail duty benefits: DGFT

Exporters seeking to avail duty concessions on shipments to the UK will have to adhere to the new British rules under the Developing Countries Trading Scheme (DCTS). In a trade notice, the Directorate General of Foreign Trade said that the United Kingdom (UK) has replaced its existing origin declaration process under Generalized Scheme of Preferences (GSP) with the UK DCTS effective from June 19, 2023.

https://www.business-standard.com/industry/news/exporters-need-to-follow-new-british-rules-to-avail-duty-benefits-dgft-124031801032_1.html

Govt allows urea imports by state-owned fertiliser companies till March' 25

The government Monday allowed the import of urea through India Potash Ltd (IPL), Rashtriya Chemicals & Fertilizers Ltd (RCF), and National Fertilizers Ltd (NFL) for another year until March 31, 2025. The Directorate General of Foreign Trade (DGFT) in a notification, said that import of urea (for agriculture purpose) on government account shall be allowed either by designated state trading enterprises (STE) itself, or other entities authorised by the fertilizers department. "Import of urea (for agriculture purpose) on government account shall be allowed either by designated STEs itself, or through any entity/entities (fertilizer marketing entities) so authorised by the Department of Fertilizers from time to time, for filing BEs at India ports," DGFT said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/govt-allows-urea-imports-by-state-owned-fertiliser-companies-till-march-25/articleshow/108594224.cms>