



April 08, 2024 – Monday

Economy

Consumer confidence for year ahead improves further: RBI survey

Consumer confidence for the year ahead has improved further on the back of higher optimism, which resulted in the Future Expectations Index (FEI) rising by 2.1 points to 125.2, the highest level since mid-2019, according to a Reserve Bank of India survey conducted in March 2024. Households' sentiments on the general economic situation and employment prospects recorded notable improvements for both the current period as well as the upcoming year. Also in tandem, their outlook on discretionary spending improved.

https://www.business-standard.com/economy/news/consumer-confidence-for-year-ahead-improves-further-rbi-survey-124040700507_1.html

Labour codes may top new govt's 100-day plan

The pending implementation of streamlined labour codes could top the 100-day agenda of a new government led by the Bharatiya Janata Party (BJP) after the general election, said people with knowledge of the matter. A shift toward 'living wages' from 'minimum wages', social security for all unorganised workers and measures to improve women's workforce participation are also likely to figure on the short and medium-term agenda of a BJP-led regime, as per plans the labour ministry is working on. A senior government official told ET the plan is to roll out the labour codes from the beginning of the next fiscal year on April 1, 2025, to sync it with the business cycle. "However, it is important to come up with the rollout plan in advance so that enterprises get enough time to prepare for the changes that will come in with the codes," the official said.

<https://economictimes.indiatimes.com/news/economy/policy/labour-codes-may-top-new-govts-100-day-plan/articleshow/109113008.cms>

E-WAY Bill generation reached all-time high at 10.35 crore in March, April collection likely to be benefitted

Fiscal year-end closing coupled with better compliance and improved consumption pushed e-WAY bill generation to an all-time high of 10.35 crore in March, data collected by GST Network (GSTN) showed. This could have some impact on GST collection in April for which data will be out on May 1.

<https://www.thehindubusinessline.com/economy/e-way-bill-generation-reached-all-time-high-at-1035-crore-in-march-april-collection-likely-to-be-benefitted/article68039249.ece>

Finance

Public-sector banks may be allowed to transfer unclaimed shares to IEPF

The finance ministry is considering amending the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, which governs public sector banks (PSBs), to make suitable provisions for allowing PSBs to transfer shares to the Investor Education and Protection Fund (IEPF) when dividends of such shares remain unclaimed by the investors for seven consecutive years. "While Section 10B of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, allows the transfer of unclaimed dividends to the IEPF, it, however, does not mention a

provision for transferring unclaimed shares and may now be amended by the next government to allow such transfers to happen,” said a person familiar with the matter.

https://www.business-standard.com/industry/banking/psbs-likely-to-be-allowed-to-transfer-unclaimed-shares-to-iepf-124040700418_1.html

Investment bankers lead the charge with Rs 1,000 crore record haul in Q1

Investment banks (i-banks) raked in a record \$123.4 million (Rs 1,000 crore) for handling equity share sales in the Indian markets during the three months ended March 2024. The fees were 2.34x higher than those during the first quarter (Q1) of the calendar year 2023 and also marked the highest Q1 total since records began in 2000, according to a report by LSEG Data & Analytics.

https://www.business-standard.com/economy/news/investment-bankers-lead-the-charge-with-rs-1-000-crore-record-haul-in-q1-124040700327_1.html

SEBI proposes direct reporting of AIFs' PPM changes to cut compliance cost

To facilitate ease of doing business, SEBI has proposed that certain changes in the private placement memorandum of alternative investment funds can be submitted directly to the regulator rather than through a merchant banker. Also, the proposed move would rationalise the cost of compliance for alternative investment funds (AIFs). In its draft circular, Sebi said that certain changes carried out in private placement memorandum (PPM) are not required to be filed through merchant bankers and can be filed directly to the regulator.

https://www.business-standard.com/markets/news/sebi-proposes-direct-reporting-of-aifs-ppm-changes-to-cut-compliance-cost-124040700330_1.html

States to sustain capex focus with improved fiscal space: Ind-Ra report

India Ratings and Research (Ind-Ra) has put out a report maintaining a neutral outlook on the finances of Indian states for the fiscal year 2024-2025 (FY25), showing States' aggregate revenue deficit is projected to be 0.4 per cent of gross domestic product (GDP) for FY25, down from 0.5 per cent in FY24. Additionally, the agency expects the aggregate fiscal deficit of all states for FY25 to decrease to 3.1 per cent of GDP, compared to the revised figure of 3.2 per cent in FY24. The report underscores the containment of revenue deficits, which provides greater fiscal flexibility to states, enabling them to sustain focus on capital expenditure (capex) projects.

<https://economictimes.indiatimes.com/news/economy/indicators/states-to-sustain-capex-focus-with-improved-fiscal-space-ind-ra-report/articleshow/109100263.cms>

Industry

Sequential recovery to neutralise chemical companies' sales slump

For the first time in multiple quarters, specialty chemical companies are likely to report a sequential increase in revenues and earnings for the January–March quarter (Q4). While the sector reported a 9 per cent sequential decline in revenues in the October–December quarter (Q3), it is expected to post 10–11 percent growth (quarter-on-quarter) in Q4. Early signs of recovery, stabilising price levels, and easing pressure from Chinese suppliers are being cited as reasons for the improvement.

https://www.business-standard.com/markets/news/sequential-recovery-likely-to-neutralise-chemical-majors-sales-slump-124040700336_1.html

FMCG industry expects improving macro-indicators to drive consumer demand

Leading industry players expect improving macro-indicators and expectations of good monsoon and rabi crops to drive consumer demand for FMCG in the current fiscal. Consumer demand for FMCG (fast-moving consumer goods) remained sluggish amid a subdued operating condition in the March quarter. The industry expects a mid-to-high-single-digit growth in value/volume in the January–March period, along with a continuation of the gross margins expansion trend, helped by deflation in input cost.

https://www.business-standard.com/industry/news/fmkg-industry-expects-improving-macro-indicators-to-drive-consumer-demand-124040700280_1.html

Imports fall as PLI boosts local production of electronics parts

India's local manufacturing of electronics is widening each year with more and more components being made in the country, leading to a sharp fall in imports of mechanics, vibrator motors, charger adapters, plastic parts, and other parts by value and volume. Imports of completely boxed units of electronics such as smartphones slumped 40% during April-January FY24, commerce ministry data show. Market trackers said local manufacturing of electronics, especially smartphones, rose 5% on year in 2023, driven by the government's production-linked incentive (PLI) scheme, with more manufacturers procuring components that have a large impact on the bill of materials (BoM) from local producers.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/imports-fall-as-pli-boosts-local-production-of-electronics-parts/articleshow/109112066.cms>

March sales indicate sizzling summer prospects for AC, beverage and ice-cream players

Early summer demand trends in March indicate that makers of seasonal products such as air conditioners, beverages and ice-creams have begun seeing soaring sales. AC, beverage and ice-cream companies are eyeing strong double-digit growth rates as they have ramped up capacities and distribution for a scorching summer season. This is a respite for seasonal product makers who witnessed sluggish summer sales last year due to unseasonal rains.

<https://www.thehindubusinessline.com/companies/march-sales-indicate-sizzling-summer-prospects-for-ac-beverage-and-ice-cream-players/article68039096.ece>

India targets \$600 billion textile exports by 2047, aims to create \$1.8 trillion domestic market

India is working on an ambitious target to achieve \$600 billion of textile exports by 2047 from \$44 billion in FY22 and the domestic market to grow to \$1.8 trillion from \$110 billion in 2022, led by a surge in fast fashion and growth in ecommerce. The textiles ministry is formulating its Vision 2047 based on five thematic pillars-research & innovation; infrastructure, trade & investment; marketing & brand promotion; skilling & quality and sustainability. "One workshop has taken place with the stakeholders. Discussions are on to have ambitious but realistic targets," said a person aware of the deliberations.

<https://economictimes.indiatimes.com/industry/cons-products/garments-/textiles/india-targets-600-billion-textile-exports-by-2047-aims-to-create-1-8-trillion-domestic-market/articleshow/109112382.cms>

'Social commerce set for growth, concern of authenticity looms large'

Social commerce is poised for dynamic growth, with some estimating a 10-fold rise by 2030, but building digital trust and inspiring consumer confidence around product authenticity is what will set the cash registers ringing for brands and founders as online shoppers eagerly browse, purchase and checkout directly from social media apps, say experts. The coming together of e-commerce and social media to create a new business channel, social commerce is increasingly gaining traction in the retail space. Consumers discover and purchase goods and services directly through social media platforms like Facebook, Instagram, and YouTube among others.

https://www.business-standard.com/industry/news/social-commerce-set-for-growth-concern-of-authenticity-looms-large-124040700339_1.html

India emerges as a curious mkt in global restructuring of industrial majors

In the past few years, global industrial majors have busied themselves with the revamp of their business structures. Amidst these amalgamations and demergers, many of these are also navigating Indian regulatory requirements and shareholder concerns along the way. Linde Plc, Siemens, and GE are three such entities that have made changes to their global business structures in the past few years.

https://www.business-standard.com/industry/news/india-emerges-as-a-curious-mkt-in-global-restructuring-of-industrial-majors-124040700359_1.html

Mid-sized companies catch the PE/VC wave

Mid-sized consumer brands - from packaged foods and liquor to personal care - are turning top draws for investors, with a dozen raising funds from large private equity (PE) and venture capital (VC) firms in the past three to four months. More such deals are in the works, signalling that these companies could be serious competition for larger players amid the post-Covid resurgence, executives said.

The list includes Dairy Classic and NIC ice creams, SkinQ dermo-cosmetics, Grameen Kulfi, Fresh Press juices, Woodsmen Mountain Whiskey, Yu instant foods and Natch snacks, among others.

<https://economictimes.indiatimes.com/news/company/corporate-trends/surfs-up-mid-sized-companies-catch-the-pe/vc-wave/articleshow/109117023.cms>

AI can drive efficiency, raises mkt concentration concerns: CCI chief Kaur

Artificial intelligence and machine learning can drive efficiency and innovation but also raise concerns related to market concentration and potential anti-competitive behaviour, according to CCI chief Ravneet Kaur. The watchdog CCI, which has the mandate to curb anti-competitive ways and foster fair competition, will soon commission a study to look at all aspects of artificial intelligence (AI).

https://www.business-standard.com/industry/news/ai-can-drive-efficiency-raises-mkt-concentration-concerns-cci-chief-kaur-124040700165_1.html

Infrastructure

Railways on track to meet target of 100% electrification by FY25

Indian Railways is planning to conclude the electrification of the broad-gauge network by the end of this financial year, senior officials aware of the developments said. The national transporter has so far electrified 95 per cent of the broad-gauge track network in 2023-24. In 2021, the Union Ministry of Railways said in a Rajya Sabha answer that the Indian Railways is "likely to electrify all broad gauge rail lines by 2023-24."

https://www.business-standard.com/economy/news/railways-on-track-to-meet-target-of-100-electrification-by-fy25-124040700416_1.html

Coworking firms take on lease 3.1 mn sq ft office space in Jan-Mar: CBRE

Leasing of office space by co-working centre operators grew 7 per cent to 31 lakh square feet during the January-March period across nine major cities amid rising demand for flexible workspaces from corporates, according to CBRE. Co-working firms had taken on lease 29 lakh square feet of office spaces from property owners in the year-ago period. In its latest report on the Indian office market, real estate consultant CBRE noted that flexible operators became second largest contributor to the total gross demand for office spaces during the quarter ended March 2024.

https://www.business-standard.com/industry/news/coworking-firms-take-on-lease-3-1-mn-sq-ft-office-space-in-jan-mar-cbre-124040700340_1.html

Fundraise by InvITs, REITs surges multi-fold to Rs 17,116 cr in FY24

Investor enthusiasm towards InvITs and REITs is on the rise, with fundraising through these routes reaching Rs 17,116 crore in 2023-24, a 14-fold year-on-year surge fuelled by the prospect of stable returns. Going ahead, the outlook for infrastructure investment trusts (InvITs) and real estate investment trusts (REITs) in terms of fundraising for the current fiscal FY25 is very optimistic, industry experts said.

https://www.business-standard.com/industry/news/fundraise-by-invits-reits-surges-multi-fold-to-rs-17-116-cr-in-fy24-124040700133_1.html

Energy

Domestic coal import rises 13% in Feb to 21.64 MT ahead of summer

India's coal import rose by 13 per cent to 21.64 million tonnes (MT) in February as some buyers took fresh positions to replenish stocks ahead of summer, according to online marketplace mjunction. The country's coal import was 19.15 MT in the corresponding month of FY23. "Coal imports in February 2024 were up by 13 per cent as against 19.15 MT in February 2023," as per the data compiled by mjunction. Of the total import in February, non-coking coal import increased to 13.77 MT compared to 11.68 MT imported in the year-ago period.

https://www.business-standard.com/industry/news/domestic-coal-import-rises-13-in-feb-to-21-64-mt-ahead-of-summer-124040700148_1.html

External

India secures second overseas port: Sittwe agreement approved by MEA

After Chabahar, India has gained the rights to operate a second overseas port, Sittwe, in Myanmar. The Ministry of External Affairs (MEA) has approved a proposal for India Ports Global (IPGL) to take over the operations of the entire port located on the Kaladan River. IPGL is a company 100 per cent owned by the Ministry of Ports, Shipping and Waterways. In the Indian Ocean, China and India are engaged in a struggle to expand their economic influence. Ports have become highly significant in this rivalry. China, in particular, has been aggressively seeking to acquire operating rights for numerous ports in different countries in the region, such as Hambantota in Sri Lanka and Djibouti in Africa. It has also approached Maldives and Bangladesh to invest in their ports, all of which raise serious concerns for India.

https://www.business-standard.com/economy/news/india-secures-second-overseas-port-sittwe-agreement-approved-by-mea-124040700550_1.html

Europe is the saving grace for declining Indian exports in 2023

Despite tough economic conditions, Europe provided a modest boost to Indian merchandise exports during the calendar year 2023, even as overall shipments from the country contracted. Exports to Europe, comprising 27 European Union (EU) countries, four European Free Trade Association (EFTA) nations, and seven other countries, witnessed 2 per cent growth year-on-year (Y-o-Y) at \$98 billion during 2023, while merchandise exports saw a 4.8 per cent contraction in the year.

https://www.business-standard.com/economy/news/europe-is-the-saving-grace-for-declining-indian-exports-in-2023-124040700314_1.html

PMO asks commerce min to examine model text of bilateral investment treaty

The Prime Minister's Office (PMO) has asked the commerce ministry to examine the model text of the bilateral investment treaty (BIT) and suggest modifications to further improve the ease of doing business, according to sources. The exercise assumes significance as only seven countries have accepted the existing model text treaty, and most of the developed nations have expressed their reservations on the text with regard to provisions like the resolution of disputes.

https://www.business-standard.com/economy/news/pmo-asks-commerce-min-to-examine-model-text-of-bilateral-investment-treaty-124040700094_1.html

India-Singapore bilateral trade grows 18.2% to \$35.6 bn in FY 2022-23

The bilateral trade between Singapore and India rose to \$35.6 billion in 2022-23, a growth of 18.2 per cent on the year, a senior diplomat at the Indian High Commission here said on Saturday. Singapore is India's eighth largest trade partner (2022-23), with a share of 3.1 per cent of India's overall trade, T Prabakar, the First Secretary (Commerce) at the high commission said.

https://www.business-standard.com/economy/news/india-singapore-bilateral-trade-grows-18-2-to-35-6-bn-in-fy-2022-23-124040600183_1.html