



April 24, 2024 – Wednesday

Economy

India's positive demand trends fuel flash composite PMI to 62.2 in April

India's private sector activity strengthened in April, helped by positive demand trends that fuelled new business intakes and output. In both the cases, the rates of expansion remained the fastest in nearly 14 years, said a survey by HSBC on Tuesday. According to the survey, the headline flash composite Purchasing Managers' Index (PMI) rose to 62.2 in April, compared with March's 61.8, which had seen an upward revision.

https://www.business-standard.com/economy/news/india-s-positive-demand-trends-fuel-flash-composite-pmi-to-62-2-in-april-124042300798_1.html

Extreme weather conditions, crude pose inflation risk: RBI Bulletin

Retail inflation — the main yardstick for the central bank's policymaking — is 'finally' in sight of hitting the 4 per cent target, but extreme weather events, along with a spike in international crude oil prices due to geopolitical uncertainties, pose an inflation risk, the Reserve Bank of India's (RBI's) State of the Economy report said. The report, authored by RBI staffers including Deputy Governor Michael Patra, says that the country must grow by 8-10 per cent for the next three decades to reap the advantage of demographic dividends, which will last until 2055.

https://www.business-standard.com/economy/news/extremely-weather-events-crude-oil-pose-risk-to-inflation-rbi-report-124042301061_1.html

Upgraded National Career Service portal to give job market a fillip

The Centre plans to upgrade the nine-year-old National Career Service (NCS) portal to link millions of youths with prospective employers in a bid to prepare a future-ready workforce, two government officials said. The ministry of labour and employment, which is working on the upgraded version of the portal — NCS 2.0 — plans to leverage artificial intelligence (AI) and machine learning (ML) to make it more efficient.

https://www.business-standard.com/economy/news/upgraded-national-career-service-portal-to-give-job-market-a-fillip-124042201082_1.html

India objects to ILO report that claims 83% unemployed are youth

India has formally conveyed its objections to the International Labour Organization (ILO) over its recent report on employment, questioning the inconsistency in data sets and misinterpretation of data on youth employment and ignoring international mobility as well as gig and platform workers data. Labour and employment secretary Sunita Dawra called senior ILO officials and conveyed the government's displeasure over the India Employment Report 2024, prepared by the Institute for Human Development in collaboration with a multilateral organisation, people familiar with the development told ET.

<https://economictimes.indiatimes.com/jobs/fresher/india-objects-to-ilo-report-that-claims-83-unemployed-are-youth/articleshow/109541204.cms>

India's GDP growth can average 7.5% till 2030: Nomura

India's GDP growth can average at least 7.5% per annum for this decade if the economy witnesses a faster-than-expected revival of private investment, Nomura said in a report. The Tokyo-headquartered investment banking firm said India's GDP growth is likely to average 7% from 2024-25 to 2029-30.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-gdp-growth-can-average-7-5-till-2030-nomura/articleshow/109541413.cms>

Morgan Stanley forecasts strong Indian GDP growth amid robust domestic demand

Morgan Stanley, a global investment banking firm, has expressed optimism about India's economic growth prospects, citing robust domestic demand. The firm remains positive about the growth outlook, expecting India's GDP to grow at 6.8% in the current financial year 2024-25 and 6.5% in 2025-26. Morgan Stanley predicts that inflation will remain around 5% in the second quarter, before easing to 4.1% in the second half of 2024. For the next financial year, it anticipates retail inflation to average 4.5%. The firm expects the current account deficit to stay within 1-1.5% of GDP in 2025-26, supported by strong service exports.

<https://economictimes.indiatimes.com/news/economy/indicators/morgan-stanley-forecasts-strong-indian-gdp-growth-amid-robust-domestic-demand/articleshow/109535080.cms>

Finance

SEZ units exempt from IGST on certain services from DTA players: AAR ruling

Units operating within special economic zones (SEZs) could potentially be exempt from paying the integrated goods and services tax (IGST) on specified services taken from the domestic tariff area (DTA) through the reverse charge mechanism, if a ruling by the Gujarat-based Authority for Advance Rulings (AAR) sets a precedent. To qualify for this exemption, these units will need to provide a letter of undertaking (LUT) or furnish a bond.

https://www.business-standard.com/industry/news/sez-unit-not-required-to-pay-igst-on-specific-services-from-dtas-aar-124042301097_1.html

PSBs don't have power to issue 'Look Out Circulars' against defaulters: HC

The Bombay High Court on Tuesday ruled that public sector banks do not have the power in law to issue Look Out Circulars (LOCs) against default borrowers. The HC's verdict would render all LOCs issued by such banks against defaulters as quashed. A division bench of Justices Gautam Patel and Madhav Jamdar held as unconstitutional the clause of an office memorandum issued by the central government empowering the chairpersons of public sector banks to issue LOCs against default borrowers.

https://www.business-standard.com/industry/banking/psbs-don-t-have-power-to-issue-look-out-circulars-against-defaulters-hc-124042300432_1.html

Co-lending on personal loans set to decline

In the aftermath of the Reserve Bank of India (RBI) measures on unsecured consumer credit, banks and non-bank lenders are looking to reduce their personal loan portfolios. This will lead to a fall in the personal loan mix within the overall co-lending assets under management, say experts. "Considering the increase in risk weight from the RBI and the nudge on unsecured credit, we may see some drop in the share of unsecured retail loans within the overall co-lending assets under management," Ajit Velonie, Senior Director, CRISIL Ratings said, adding that it is more of a strategic recalibration by banks and non-banking financial companies (NBFC).

<https://www.financialexpress.com/business/banking-finance/co-lending-on-personal-loans-set-to-decline/3465213/>

Industry

PLI: Automobile, auto parts cos invested Rs 13,000 cr in past one year in EV, EV parts making

Automobile and auto parts makers in India invested a total Rs 13,000 crore in the past year for manufacturing green vehicles and related parts under the government's Production Linked Incentive (PLI) scheme. Senior government officials told ET eight automakers and parts suppliers--Mahindra & Mahindra, Tata Motors, Bajaj Auto, Ola Electric, Toyota Kirloskar Auto Parts, TVS Motor Company, Sona BLW Precision Forgings, Delphi TVS Technologies have

invested and got approval under the PLI scheme. The government expects to achieve its target of attracting investments worth Rs 42,500 crore in the next 2-3 years, ahead of the initial timeline of five years.

<https://economictimes.indiatimes.com/industry/renewables/pli-automobile-auto-parts-cos-invested-rs-13000-cr-in-past-one-year-in-ev-ev-parts-making/articleshow/109538641.cms>

7 bids flood in for giga-scale ACC manufacturing under PLI scheme

The Ministry of Heavy Industries (MHI) on Tuesday said it has received as many as seven bids under the global tender for the re-bidding of production linked incentives (PLI) for 10-GWh Advanced Chemistry Cell (ACC) manufacturing announced on January 24 this year.

<https://www.thehindubusinessline.com/economy/power-surge-7-bids-flood-in-for-giga-scale-acc-manufacturing-under-pli-scheme/article68098173.ece>

Expect capex for EV components to cross Rs 25K cr in next 3-4 years: Icra

The auto component industry is expected to invest over Rs 25,000 crore in the next 3-4 years to expand production of electric vehicle parts, rating agency Icra said on Tuesday. EV penetration in the country has reached 4.7 per cent in FY2024, with much of it driven by the electric two-wheeler segment, although e-three-wheelers and electric buses have also contributed to the same, it said in a statement.

https://www.business-standard.com/industry/auto/expect-capex-for-ev-components-to-cross-rs-25k-cr-in-next-3-4-years-icra-124042300487_1.html

Cement volume growth recovers to 7-8% in Q4FY24, benign costs to prop up profitability on-year, says CRISIL

Cement volume growth recovered to 7-8 per cent on-year in the last quarter of fiscal 2024, after growing approximately 15 per cent on-year in the first half and logging a moderate slowdown in the third quarter due to regional hindrances, said a report by CRISIL. This, it added, was driven on aggressive volume push. This ensured the third straight year of healthy demand growth at around 11 per cent in fiscal 2024 to approximately 441 million tonne (MT). On this high base, CRISIL MI&A Research said that the demand growth is expected to cool to 6-7 per cent in fiscal 2025.

<https://www.financialexpress.com/business/industry-cement-volume-growth-recovers-to-7-8-in-q4fy24-benign-costs-to-prop-up-profitability-on-year-says-crisil-3465814/>

India seeks details from Hong Kong, Singapore food regulators

India has sought details from the Hong Kong and Singapore food safety regulators as well as Indian spice brands MDH and Everest after the two countries banned certain spices exported by them. The Spices Board of India, which is the nodal body for the spices sector under the commerce and industry ministry, is separately ascertaining the cause of the ban. While Singapore has alleged the presence of ethylene oxide, a pesticide classified as a carcinogen, at levels exceeding the permissible limit in Everest's Fish Curry Masala, Hong Kong claimed to have detected the pesticide in three MDH products-Madras Curry Powder, Mixed Masala Powder and Sambhar Masala-besides Everest's Fish Curry Masala. "We are getting the details and looking at the root cause of the issue and will get clarity in a day," said an official from the Spices Board.

<https://economictimes.indiatimes.com/industry/cons-products/food/ban-on-mdh-everest-masala-india-seeks-details-from-food-regulators-of-singapore-hong-kong/articleshow/109528565.cms>

Agriculture

India sugar demand surges amid heat wave, elections; set to hit record high

India's sugar consumption this year is poised to hit a record high as demand during the peak summer season gets a boost from heat waves and the mobilisation of millions for elections in the scorching temperatures. Higher consumption would lift local prices and boost margins of sugar producers such as Balrampur Chini, Shree Renuka Sugars, Bajaj Hindusthan, and Dwarikesh Sugar and help them in making cane payments on time to farmers.

https://www.business-standard.com/industry/news/india-sugar-demand-surges-amid-heat-wave-elections-set-to-hit-record-high-124042300439_1.html

Over 7,000 firms fail to comply KYC norms in pesticides

In a major reform aimed at curbing spurious and fake pesticides, the government has weeded out over 7,000 firms that had registered their products with the Central Insecticides Board and Registration Committee (CIBRC) after enforcing KYC as only 2,584 companies have been found to be compliant with the norms. Accordingly, States are advised to take note that products of those firms are not marketed since their registrations are automatically cancelled, sources said.

<https://www.thehindubusinessline.com/economy/agri-business/over-7000-firms-fail-to-comply-kyc-norms-in-pesticides/article68098630.ece>

Infrastructure

Highways sector on expansion drive but project delays persist

Leaving behind a good infrastructure is a legacy which every government aspires for. "We consider infrastructure development as the driving force of the economy," Prime Minister Narendra Modi emphasised last month highlighting his government's efforts in the last 10 years to expand roads and highways infrastructure, an exercise crucial to propel India among the top three economies globally.

<https://www.thehindubusinessline.com/news/elections/highways-sector-on-expansion-drive-but-project-delays-persist/article68099312.ece>

DGCA directs airlines to seat kids up to 12 years with their parents

A child, who is less than 12 years of age, must be allotted a seat beside at least one parent or a guardian with whom he is traveling, the Directorate General of Civil Aviation (DGCA) told airlines on Tuesday. The DGCA has said that the air transport circular on unbundling of services and fees by scheduled airlines is being modified. It allows airlines to charge for excess baggage, preferential seats, meals, snacks, drinks, and carriage of musical instruments.

https://www.business-standard.com/industry/news/child-should-be-assigned-flight-seat-beside-parent-dgca-to-airlines-124042300782_1.html

India saw highest Q1 office leasing in 5 years this year: Savills India

India saw a 20 per cent year-on-year (Y-o-Y) growth in office leasing between January and March this year, making it the highest first quarter absorption over the last five years. According to data released by Savills India on Tuesday, the demand for office space in the first quarter of this year was 16.7 million square feet (msf).

https://www.business-standard.com/industry/news/india-saw-highest-q1-office-leasing-in-5-years-this-year-savills-india-124042300565_1.html

Growth in housing prices may moderate in FY25 to 5% annually: India Ratings

Housing demand and prices are likely to moderate this fiscal on a high base effect with sales expected to rise 8-10 per cent and rates by around 5 per cent annually, India Ratings and Research (Ind-Ra) said on Tuesday. The rating agency has maintained a neutral outlook for the residential real estate sector for the 2024-25 fiscal. "Absorption and prices are likely to be supported by affordability and stability of interest rates. However, given the high base of FY24, the growth rates are likely to taper down," Ind-Ra said in a statement.

https://www.business-standard.com/industry/news/growth-in-housing-prices-may-moderate-in-fy25-to-5-annually-india-ratings-124042300522_1.html

Telecom

'Auction route for spectrum to continue, admin allocation in limited cases'

The government will continue to auction telecom spectrum, and the administrative allocation route will be used sparingly, only in those cases where it is technically not feasible to do so or for areas that are strategic in nature, sources said. The Department of Telecom (DoT) is gearing up to hold the next round of spectrum auction on June 6 for eight spectrum bands (800 MHz, 900 MHz, 1,800 MHz, 2,100 MHz, 2,300 MHz, 2,500 MHz, 3,300 MHz, and 26 GHz) meant for mobile phone services at a base price of about Rs 96,317 crore.

https://www.business-standard.com/industry/news/auction-route-for-spectrum-to-continue-admin-allocation-in-limited-cases-124042301145_1.html

Telecom service sector's AGR up 1.8% to Rs 67,835 cr in Dec 2023 qtr: Trai

The Adjusted Gross Revenue (AGR) of the telecom service sector rose 1.88 per cent on a sequential basis to Rs 67,835 crore in the December 2023 quarter, according to telecom regulator Trai's data. Seen year-on-year, the AGR (earned by telcos from the sale of telecom services and other stipulated items) increased by 7.84 per cent.

https://www.business-standard.com/industry/news/telecom-service-sector-s-agr-up-1-8-to-rs-67-835-cr-in-dec-2023-qtr-trai-124042301090_1.html

Healthcare

Govt expands committee for drug and medical device pricing reforms, includes more industry representation

The government has broadened the committee which will look into the reforms in pricing for drugs and medical devices so as to have better representation from the industry. The committee will evaluate the availability of medicines and medical devices, the pricing of essential medicines while providing incentives to the industry to maintain growth and build sustainability in exports. The committee will soon start consultations with the industry experts and associations of both medicines and medical devices, people in the know told ET.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/govt-expands-committee-for-drug-and-medical-device-pricing-reforms-includes-more-industry-representation/articleshow/109541666.cms>

Revamped health schemes to focus on kids' nutrition

The Centre is planning to revamp key health schemes targeted at children, focusing on improving nutrition as well as strengthening mental health, said people familiar with the matter. "The idea is to come up with a comprehensive physical and mental development programme for schoolchildren, with a focus on nutrition to minimise cases of anaemia and to strengthen their mental health to reduce increasing incidence of anxiety, depression and suicides," said a senior government official, who did not wish to be identified. The government could make changes to the School Health Programme under Ayushman Bharat, the National Mental Health Programme and Anaemia Mukh Bharat as part of this drive or subsume them under a single initiative to strengthen their overall focus, according to people in the know.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/revamped-health-schemes-to-focus-on-kids-nutrition/articleshow/109541248.cms>

Healthy occupancies, ARPOB to drive double-digit growth for pvt hospitals

Steady uptick in average revenue per occupied bed (ARPOB) and healthy occupancy levels on enhanced capacities will increase revenues of Indian private hospital companies by 11 to 12 per cent in financial year 2025, according to ratings agency Crisil. The expected revenue growth in FY25 comes on the back of an estimated 14 per cent growth in the last financial year.

https://www.business-standard.com/industry/news/healthy-occupancies-arpob-to-drive-double-digit-growth-for-pvt-hospitals-124042301008_1.html

External

Action plans for banana, mangoes exports among 20 agricultural products in works

The government is formulating action plans for around 20 agricultural products including banana, mangoes, potato and baby corn to boost their exports and these are likely to be ready in the next 3-4 months. "We have identified 20 products. At present, India's share is low in global exports. We are working on a detailed action for all these products," said Rajesh Agarwal, additional secretary, department of commerce, adding that the action plan will be discussed with all the stakeholders including states for further action. Fresh grapes, pomegranate, watermelon, guava, green chilly, capsicum, okra, garlic, onion, groundnut, alcoholic beverages, cashew nut, buffalo meat, jaggery, natural honey, and ghee are the other products included in the exercise as India aims to increase its share in global exports to 4-5% in the next few years from 2.5% now.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/action-plans-for-banana-mangoes-exports-among-20-agricultural-products-in-works/articleshow/109535305.cms>

Agri exports fall 9 pc to \$43.7 bn during Apr-Feb 2024 due to global, domestic factors

The country's agriculture exports declined by 8.8 per cent to USD 43.7 billion during April-February period of 2023-24 fiscal due to factors like the Red Sea crisis, Russia-Ukraine war, and domestic restrictions imposed on critical items like rice, wheat, sugar and onion. According to the data of the commerce ministry, the exports stood at USD 47.9 billion in April-February 2022-23. India's agricultural GDP also witnessed a significant deceleration, growing by only 0.7 per cent in 2023-24, down from 4.7 per cent in 2022-23. The data also showed that exports of the 719 scheduled agri products in the APEDA basket declined by 6.85 per cent to 22.4 billion during the 11-month period of the last fiscal as against USD 24 billion in April-February 2022-23.

<https://economictimes.indiatimes.com/news/economy/agriculture/agri-exports-fall-9-pc-to-43-7-bn-during-apr-feb-2024-due-to-global-domestic-factors/articleshow/109533912.cms>

Govt plans to boost exports of 20 'high-potential' agricultural products

The Centre is working on a strategy to boost exports of 20 'high potential' agriculture products, including basmati rice, alcoholic beverages, honey, mango and banana. An action plan on this will be ready in the next three months. The department of commerce and the Agricultural and Processed Food Products Export Development Authority (Apeda) have started discussions on this with all stakeholders, including states, additional secretary at the department of commerce Rajesh Agarwal said. Currently, India's share in global exports is low.

https://www.business-standard.com/economy/news/govt-plans-to-boost-exports-of-20-high-potential-agricultural-products-124042300928_1.html

Cashew kernel exports touch a 7-year low at \$339 million in FY23-24

India's cashew exports in value terms touched a seven-year low at \$339.21 million for the financial year 2023-24, a decline of around 4.8 per cent over the previous year's \$356.32 million.

<https://www.thehindubusinessline.com/economy/agri-business/cashew-kernel-exports-touch-a-7-year-low-at-339-million-in-fy23-24/article68098295.ece>

Flows into NRI deposits up 84.4% to \$11.8 bn in April 2023-February 2024

The money flowing into Non-Resident Indians' (NRIs') deposits rose by 84.4 per cent to \$11.8 billion in April 2023-February 2024, from \$6.40 billion in the same period a year ago. The maximum flows came into Foreign Currency Non-Resident (FCNR) accounts. The amount of money that came into FCNR accounts was \$5.53 billion in the April 2023-February 2024 period, compared to an inflow of \$1.48 billion in the previous year period (April 2022-February 2023), according to data from the Reserve Bank of India (RBI).

https://www.business-standard.com/economy/news/flows-into-nri-deposits-up-84-4-to-11-8-bn-in-april-2023-february-2024-124042301118_1.html

Silver imports from UAE route rises sharply

The India-UAE Comprehensive Economic Partnership Agreement (CEPA) signed in 2022 is giving substantial fillip to imports of silver through that route in recent months. In the first three months of the calendar year, over 40% (1,542 tonnes) of silver import in India in 2024 far has been come through the UAE route. This is largely due to the duty difference. As against 15% under other routes, silver imports attracts 8% under the CEPA route. Till March 2023, it stood at 9%.

<https://www.financialexpress.com/business/industry-silver-imports-from-uae-route-rises-sharply-3465147/>

Russia nudges Azerbaijan to play active role in INSTC that would boost trade with India

Russia has nudged Azerbaijan to play an active role to boost the International North South Transport Corridor (INSTC) that is a key trade link between India and Russia. INSTC is the key transport corridor between Mumbai and St Petersburg via Iran. There are plans to link INSTC with the North Sea Route of the Arctic and the Chabahar Port in future. Azerbaijan has been slow in full implementation of INSTC, which has otherwise contributed to increase in India-Russia trade since 2022. Armenia is also interested in developing a branch of INSTC. While the Kazakhstan-Turkmenistan route is another branch of INSTC, another branch is the Iran-Caspian Sea route.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/russia-nudges-azerbaijan-to-play-active-role-in-INSTC-that-would-boost-trade-with-india/articleshow/109521910.cms>

