



April 25, 2024 – Thursday

Economy

'Nearly 6% growth in productivity needed for India, China to catch up with developed nations'

India, China and 28 other emerging market economies will catch up faster with the advanced economies in terms of productivity growth and living standards if they continue to witness around 6% level of productivity gains each year, McKinsey Global Institute said in a report released on Wednesday. It said India and China were responsible for nearly half the productivity gains witnessed between 1997 and 2022, which helped them lift nearly a billion people out of poverty. India's productivity growth rate of 5.6% per annum was outmatched only by China's, as the latter's GDP per worker increased to \$21,800 per worker in 2022 from \$6,200 in 1997, the report said.

<https://economictimes.indiatimes.com/news/economy/indicators/nearly-6-growth-in-productivity-needed-for-india-china-to-catch-up-with-developed-nations/articleshow/109572939.cms>

India's consumer tech poised for dominance in \$300 b online spend: Elevation Report

India's online consumer expenditure, forecasted to more than double from \$140 billion to \$300 billion by 2030, according to report by venture capital firm Elevation Capital. The report also highlighted that India's top 2 per cent, or roughly 5 million households, will increase their pool of discretionary expenditures from \$40 billion currently to \$100 billion over the coming decade. The top 5 million households, constituting approximately 2 per cent of the population, allocate approximately \$40 billion annually towards discretionary expenditures. Over the next decade, this spending pool will expand to \$100 billion as their incomes grow, the report noted.

<https://www.thehindubusinessline.com/info-tech/indias-consumer-tech-poised-for-dominance-in-300-b-online-spend-elevation-report/article68102636.ece>

Finance

RBI notifies amended FEMA regulations

The Reserve Bank has notified amendments to the FEMA regulations related to purchases of shares of Indian companies on international exchanges. The central bank has also notified the amendments to Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regulations. The Department of Economic Affairs (DEA) in the Ministry of Finance amended Foreign Exchange Management (Non-debt Instruments) Rules and notified the 'Direct Listing of Equity Shares of Companies Incorporated in India on International Exchanges Scheme'. Also, the Ministry of Corporate Affairs (MCA) has issued Companies (Listing of Equity Shares in Permissible Jurisdictions) Rules, 2024.

<https://economictimes.indiatimes.com/markets/ipos/fpos/overseas-listing-rbi-notifies-amended-fema-regulations/articleshow/109570542.cms?from=mdr>

RBI flags unauthorised forex entities offering exorbitant returns

The Reserve Bank of India (RBI) on Wednesday flagged unauthorised entities offering foreign exchange (forex) trading facilities with promises of exorbitant returns. The central bank said that authorised dealers should promptly report such transactions to the Enforcement Directorate when they detect such instances. Upon investigation, the

RBI noted that to facilitate unauthorised forex trading, these entities have employed local agents to open accounts at various bank branches for the purpose of collecting money related to margins, investments, charges, and more. These accounts are established under the names of individuals, proprietary concerns, trading firms, etc.

https://www.business-standard.com/finance/news/rbi-flags-unauthorized-forex-entities-offering-exorbitant-returns-124042401068_1.html

India Inc to tap private credit to finance new projects, says PwC

Private credit is fast emerging as a major source of finance for projects in India as several entrepreneurs are looking for short-term debt to bridge the funding gap due to difference in pricing for equity dilution, top officials at PwC India said. They said while new private equity (PE) investments during the past two years have declined, several public market exits by PEs were observed during that period.

https://www.business-standard.com/companies/news/india-inc-to-tap-private-credit-to-finance-new-projects-says-pwc-124042400773_1.html

Over 73% of KYC records validated, systems in place for remaining: KRAs

Know-your-customer (KYC) registration agencies said on Wednesday that 73 per cent of the 108.3 million KYC records were validated as of March 31, 2024, and that the system was in place for the rest of the investors to validate their KYC. The update comes amid several investors and mutual fund (MF) distributors voicing their issues and concerns around the new KYC norms, which bar investors with unvalidated KYC records from starting a new MF investment account in any fund house other than those where they are already invested.

https://www.business-standard.com/industry/news/over-73-of-kyc-records-validated-systems-in-place-for-remaining-kras-124042401206_1.html

Non-linkage of PAN-Aadhaar: CBDT gives relief to tax deductors

The Central Board of Direct Taxes (CBDT) on Wednesday said tax deductors such as companies will not be treated as a defaulter for any failure in deduction of tax at a higher tax on transactions carried out between July 1, 2023, and March 31, 2024, by those whose Permanent Account Number (PAN) had become inoperative due to non-linkage with Aadhaar. Such entities will be exempted from paying any penalty on these transactions, the CBDT said, providing relief to many businesses which were facing tax notices from the income tax department for shortfall in deduction. The relief comes with the rider that such PAN cards are linked with Aadhaar and become operative by May 31, 2024.

<https://economictimes.indiatimes.com/news/economy/policy/non-linkage-of-pan-aadhaar-cbd-t-gives-relief-to-tax-deductors/articleshow/109572899.cms>

Industry

Large utility vehicles race past compact cars in growth lane

Sales of large utility vehicles such as SUVs and MPVs, which meet the government's definition of 'popular SUVs', advanced at a faster clip of 27% in FY24 ahead of a 25% growth in the compact SUV segment, according to analysis of data compiled by the Society of Indian Automobile Manufacturers (SIAM). While compact SUV models - defined as per body type and ground clearance - are driving the surge in the overall passenger vehicle market on account of their larger share in absolute terms, bigger UVs are fast catching up.

<https://economictimes.indiatimes.com/industry/auto/cars-uv/s-large-utility-vehicles-race-past-compact-cars-in-growth-lane/articleshow/109572856.cms>

IT sector to see second consecutive year of muted revenue growth: CRISIL

The Indian IT services sector is staring at a second consecutive year of muted revenue growth due to modest increase in tech spends in Europe and the US, a domestic rating agency said on Wednesday. Crisil Ratings said it expects the sector to grow at 5-7 per cent in FY25, after a growth of 6 per cent estimated to have been achieved in FY24. The overall industry size is pegged at USD 250 billion and it creates over 50 lakh direct jobs.

https://www.business-standard.com/industry/news/it-sector-to-see-second-consecutive-year-of-muted-revenue-growth-crisil-124042400590_1.html

IT sector expects AI push, clarity on labour laws post LS elections

The Indian information technology (IT) sector is expecting a stronger push towards making India a global artificial intelligence (AI) powerhouse from the government that will come to power after the upcoming general elections. Industry leaders highlighted the need to prioritise original research and development (R&D) in software intellectual property (IP) creation and the simplification of labour laws.

https://www.business-standard.com/industry/news/it-sector-expects-ai-push-clarity-on-labour-laws-post-ls-elections-124042400857_1.html

India ranks highest for global implementation of AI projects: Report

India heads the pack as an AI leader, with 70 per cent of companies having AI projects up and running, or in motion. This is in stark contrast with the global average of 49 per cent, according to a report by NetApp.

<https://www.thehindubusinessline.com/info-tech/india-ranks-highest-for-global-implementation-of-ai-projects-report/article68101507.ece>

Agriculture

Govt nudges 3 states to produce pulses, offers MSP with no bar

The Centre is working systematically with farmers in Bihar, Jharkhand and Uttar Pradesh for the first time to sow kharif pulses such as tur, urad and moong even before sowing for the season starts, with a promise to procure an unlimited quantity of their produce at the minimum support price (MSP). The objective is to increase the cultivation of pulses and reduce import dependence, said a senior official. However, the government has not set a production target, according to the official, who did not wish to be identified. In 2022-23, Uttar Pradesh produced about 2.85 million tonnes of pulses, Jharkhand produced 761,000 tonnes and Bihar produced 450,000 tonnes, according to agriculture and farmers welfare ministry data. Until now, the Centre has not been procuring pulses from these states, said the official.

<https://economictimes.indiatimes.com/news/economy/agriculture/govt-nudges-3-states-to-produce-pulses-offers-msp-with-no-bar/articleshow/109572803.cms>

FCI wheat procurement picks up, nears 120 lakh tonnes

Wheat procurement in the country reached 119.26 lakh tonnes (lt) until April 23, against 159.23 lt year-ago, official data show. Though there is a drop in Punjab, as much as 31.64 lt was bought in last six days from April 19 for the Central Pool stock, which indicates that the procurement is back on track. Procurement by the food Corporation of India (FCI) got affected by untimely rains earlier this month in Punjab resulting in higher grain moisture.

<https://www.thehindubusinessline.com/economy/agri-business/fci-wheat-procurement-picks-up-nears-120-lakh-tonnes/article68102650.ece>

Sugar mills can use 670,000 tons of B-heavy molasses to make ethanol: Govt

The government has allowed sugar mills to use 6.7 lakh tonnes of B-heavy molasses as feedstock for making ethanol in the current year, a senior Food Ministry official said on Wednesday. Sugar mills were holding excess stock of B-heavy molasses -- a byproduct of the sweetener -- produced before the ban on its use on December 7 last year. However, a week later, the government reversed the ban and allowed the use of cane juice and B-heavy molasses, but within the overall cap of a diversion of 17 lakh tonnes of sugar for ethanol production for the 2023-24 supply year (November-October).

https://www.business-standard.com/industry/news/sugar-mills-can-use-670-000-tons-of-b-heavy-molasses-to-make-ethanol-govt-124042400986_1.html

Infrastructure

Railways working on Amrit Yard model to decongest junctions, chokepoints

After Amrit Bharat stations and trains, the Ministry of Railways is now working on the Amrit Yard concept to decongest saturated yards on the railway network, which have been impacting the speeds and movement of trains, despite track expansion works undertaken in the past years. The ministry has set up a committee consisting of senior

railway board officials and a Centre for Railway Information Systems (CRIS) senior executive to realise the Amrit Yard concept.

https://www.business-standard.com/economy/news/railways-working-on-amrit-yard-model-to-decongest-junctions-chokepoints-124042400955_1.html

REITs, InvITs mobilise Rs 1.3 trillion in past four years: RBI data

Investment vehicles for realty and infrastructure sectors -- REITs and InvITs -- have garnered Rs 1.3 lakh crore in the past four years till March-end, and are expected to facilitate more pooled funds, Reserve Bank said in a report. Experts and stakeholders are of the view that with India growing at a fast pace, REITs and InvITs are emerging as alternative investment instruments, especially for high net-worth individuals.

https://www.business-standard.com/economy/news/reits-invits-mobilise-rs-1-3-trillion-in-past-four-years-rbi-data-124042400677_1.html

Centre considering widening housing subsidy scope for urban poor under PMAY

The Centre is considering an expansion of the housing subsidy for the urban poor under the Pradhan Mantri Awas Yojana (PMAY), reported CNBC-TV18, citing sources familiar with the discussions. In the proposed expansion, self-employed individuals, shopkeepers, and small traders are likely to be included, source the business news network. The subsidised loan in this broader scheme is expected to be linked to the price and size of the housing unit. For a house costing Rs 35 lakh, a subsidised loan of up to Rs 30 lakh is being proposed.

https://www.business-standard.com/industry/news/centre-considering-widening-housing-subsidy-scope-for-urban-poor-under-pmay-124042400753_1.html

Buyer sentiment strong in housing segment, says Magicbricks survey

Housing sentiment remains robust across the country with strong buyer confidence undeterred by inflationary pressures, according to the findings of a survey by Magicbricks, covering more than 4,500 customer respondents across 11 cities between March and April. The real estate platform unveiled its flagship Housing Sentiment Index (HSI) report, reflecting a positive outlook for the residential real estate market, with an overall HSI of 149.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/buyer-sentiment-strong-in-housing-segment-says-magicbricks-survey/articleshow/109572686.cms>

64% HNI investors prefer fractional ownership investment model in CRE: Neo-realty survey

The 2024 edition of the Neo-Realty survey by WiseX, a Neo-realty investments platform, stated that 60 per cent of overall investors (out of 6578 respondents) and 64 per cent of High Networth Individuals (2174 HNI respondents) prefer the fractional ownership model to invest in Commercial Real Estate (CRE) in India.

<https://www.thehindubusinessline.com/news/real-estate/64-hni-investors-prefer-fractional-ownership-investment-model-in-cre-neo-realty-survey/article68102380.ece>

Energy

Govt asks States to ensure surplus power is sold in market

As mercury starts soaring, pushing higher demand for electricity, the Power Ministry on Monday asked States to ensure that generating companies (Gencos) offer surplus power in the market so that un-requisitioned electricity can be utilised in areas facing shortage.

<https://www.thehindubusinessline.com/economy/govt-asks-states-to-ensure-un-requisitioned-surplus-power-is-sold-in-market/article68101845.ece>

India's first multi-purpose green hydrogen pilot project inaugurated

India's first multi-purpose green hydrogen pilot project at 1,500 MW Nathpa Jhakri Hydro Power Station (NJHPS) in Himachal's Jhakri was inaugurated on Wednesday, according to Satluj Jal Vidyut Nigam (SJVN) officials. SJVN Chairman and Managing Director Geeta Kapur inaugurated a 20Nm³/hr electrolyzer and 25kW fuel cell capacity-based green hydrogen pilot project, a statement issued here said.

https://www.business-standard.com/companies/news/india-s-first-multi-purpose-green-hydrogen-pilot-project-inaugurated-124042401151_1.html

Sampling, grading of coal at 427 mines completed; to be applicable for FY24

The coal ministry on Wednesday said it has completed the annual exercise of sampling and grading of coal at 427 mines and the new fuel grade will be applicable from April 1 this year. Of the total 427 mines, 331 are central public sector units, 69 under state governments and 27 private sector mines, the coal ministry said in a statement. "To ensure the correctness of the grade, the samples drawn were analyzed in two different labs," it added.

https://www.business-standard.com/industry/news/sampling-grading-of-coal-at-427-mines-completed-to-be-applicable-for-fy24-124042401041_1.html

Offshore wind capacity of 1GW may be auctioned in first 100 days of new govt

India could bid out 1 GW of offshore wind capacity under the viability gap funding (VGF) scheme and issue guidelines to implement the PM-Surya Ghar Muft Bijli Yojana within 100 days of the next government taking charge, people familiar with the matter said. Financial assistance for 1 GW offshore wind energy projects was announced in the union budget for FY25. The PM-Surya Ghar Muft Bijli Yojana, with an outlay of ₹75,021 crore, was launched on February 13 with an aim to solarise 10 million households. Currently, draft guidelines for the rooftop solar programme have been circulated for stakeholders' views, one of the people said. An offshore wind capacity of about 37 GW is planned to be auctioned till 2030 under VGF and non-VGF schemes, according to the Ministry of New and Renewable Energy's document stating the planned bidding trajectory. The scheme supports infrastructure projects that are economically justified but fall marginally short of financial viability.

<https://economictimes.indiatimes.com/industry/renewables/offshore-wind-capacity-of-1gw-may-be-auctioned-in-first-100-days-of-new-govt/articleshow/109572972.cms>

Telecom

DoT to finalise terms of reference for satellite spectrum in few weeks

The Department of Telecommunications (DoT) will finalise in a few weeks the terms of reference (ToR) for the administrative allocation of spectrum for satellite broadband communications, senior sources in the government said on Wednesday. With the Telecom Bill making the spectrum allocation route mandatory for satellite spectrum last year, the old consultation on the matter by the Telecom Regulatory Authority of India (Trai) has ended, they said. Trai will begin new consultations after the DoT provides the updated ToR.

https://www.business-standard.com/industry/news/dot-to-finalise-terms-of-reference-for-satellite-spectrum-in-few-weeks-124042401095_1.html

Spectrum sharing, leasing should be allowed for better efficiency: TRAI

The Telecom Regulatory Authority of India (TRAI) on Wednesday recommended that inter-band spectrum sharing and spectrum leasing should be permitted to better utilise spectrum resources in the country. It also called for the sharing of both active and passive telecom infrastructure by telecom service providers. In its latest recommendation, TRAI stated that inter-band access spectrum sharing between access service providers could be implemented either by pooling access spectrum held by the participating providers in different frequency bands through common radio access networks or by allowing the partnering access service providers to use each other's radio access networks operating in the shared frequency bands in the local service area.

https://www.business-standard.com/industry/news/spectrum-sharing-leasing-should-be-allowed-for-better-efficiency-tra-124042401241_1.html

Regulator plans new tariff policy for petroleum product pipelines

After coming out with unified tariff for natural gas pipelines, the Petroleum and Natural Gas Regulatory Board is now seeking to revise the tariff policy for the product pipelines laid out by the state-owned oil marketing companies and private refiners, a member of the regulatory board, who did not wish to be identified told FE. The new tariff structure will depend upon the capacity utilisation, capex, and the internal rate of return (IRR) of the pipeline. This will be a significant shift as the product pipeline tariffs are currently calculated as the 75% of rail tariffs on equivalent rail distance, along the pipeline route, except for LPG (liquefied petroleum gas) where it is 100%.

<https://www.financialexpress.com/business/industry-regulator-plans-new-tariff-policy-for-petroleum-product-pipelines-3466320/>

External

Pharma exports rise around 10% to \$27.9 billion, US biggest importer

The country's drugs and pharmaceuticals exports increased 9.67 per cent year-on-year to \$27.9 billion in 2023-24, even as the total exports dipped by 3 per cent in the last fiscal. According to the commerce ministry data, pharma exports in March grew by 12.73 per cent to \$2.8 billion. In 2022-23, the exports stood at \$25.4 billion.

https://www.business-standard.com/industry/news/pharma-exports-rise-around-10-to-27-9-billion-us-biggest-importer-124042400568_1.html

'India, UAE on track to surpass \$100 bn non-oil trade target by 2030'

India and UAE trade has increased 15 per cent since the implementation of the free trade agreement in May 2022 and the two countries are on track to surpass the target of \$100 billion in non-oil trade by 2030, CEPA Council Director Ahmed Aljneibi said on Wednesday. The UAE-India CEPA Council (UICC) was launched on the sidelines of the Vibrant Gujarat Summit in January. The two countries implemented the Comprehensive Economic Partnership Agreement (CEPA) in May 2022.

https://www.business-standard.com/pti-stories/national/india-uae-on-track-to-surpass-usd-100-bn-non-oil-trade-target-by-2030-ahmed-aljneibi-124042400704_1.html

Spices exports to Hon Kong, Singapore to undergo mandatory testing

The government on Wednesday said it will carry out mandatory testing for ethylene oxide (ETO) contamination in its spice exports to Singapore and Hong Kong. The move follows a ban imposed by the two countries on certain spices exported by Indian brands MDH and Everest. Singapore and Hong Kong have alleged the presence of ETO in certain spices exported by the two companies. The government also said spice consignments to other countries will also be strictly monitored for the presence of ETO.

<https://economictimes.indiatimes.com/industry/cons-products/food/spices-exports-to-hon-kong-singapore-to-undergo-mandatory-testing/articleshow/109573040.cms>