



May 06, 2024 – Monday

Economy

India urges ADB not to overlook its focus on growth, shared prosperity

India on Sunday urged the Asian Development Bank (ADB) not to overlook its focus on reduction of remaining poverty while promoting sustainable growth for the member nations in the Asia Pacific region. Making intervention at the Board of Governors Business Session at the 57th Annual Meeting of ADB, India's Temporary Alternate Governor Vikas Sheel said the bank has played a critical role in facilitating measures of faster economic development, reducing poverty and promoting regional cooperation while effectively addressing the challenges and delivery of global public goods.

https://www.business-standard.com/finance/news/india-urges-adb-not-to-overlook-its-focus-on-growth-shared-prosperity-124050500448_1.html

Pain increases on rural wages

Real rural wages have contracted in 25 of the 27 months to February, 2024, suggesting that the recovery in the hinterland could take longer than expected. February saw a big contraction of 3.1%; before this, the highest contraction was 2.9% in September, 2022. The dip has been particularly sharp in the four months to February with rural inflation going up. Inflation faced by rural labourers ranged between 7.1 and 7.5% in the November 2023 -February, 2024 period.

<https://www.financialexpress.com/policy/economy-pain-increases-on-rural-wages-3476831/>

Finance

Indians make 10-12 billion cashless payments: Jaishankar on digital infra

Highlighting India's growth in cashless payments, External Affairs Minister S Jaishankar said that many countries sit with us to discuss our digital infrastructure which has become India's identity in the world. He also said that 10-12 billion cashless payments are made every month in the country. "There are many countries, where when we are done talking our business, they sit with us to discuss our Digital Infrastructure. This has become India's identity in the world... Every month, Indians make 10-12 billion cashless payments. In contrast, the US makes 4 billion cashless payments in an entire year...", said Jaishankar while addressing a public meeting in Sambalpur.

https://www.business-standard.com/finance/news/indians-make-10-12-billion-cashless-payments-jaishankar-on-digital-infra-124050500755_1.html

Securitisation market booms as shadow banks diversify funding sources

Securitisation volumes in financial year 2023-24 (FY24) are back to their record highs of Rs 1.9 trillion, last seen in the two financial years before the pandemic. But a closer look at the numbers tells you that this is despite the fact that HDFC Ltd is no more in this market after merging with HDFC Bank. The housing finance company accounted for 23 per cent of the FY23 volumes of Rs 1.8 trillion; and adjusted for this, growth is 27 per cent. In FY24, issuance diversity in securitisations was up at 165 originators logging 1,100 transactions in FY24 from 160 and 1,000 in FY23.

https://www.business-standard.com/finance/news/securitisation-market-booms-as-shadow-banks-diversify-funding-sources-124050500658_1.html

Outstanding credit to housing up by Rs 10 trillion in last 2 years: RBI

Credit outstanding to the housing sector rose by nearly Rs 10 lakh crore in the last two fiscals to reach a record Rs 27.23 lakh crore in March this year, according to RBI's data on 'Sectoral Deployment of Bank Credit'. Experts from banking and real estate sectors attributed this growth in housing credit outstanding to a strong revival in the residential property market post-COVID pandemic on pent-up demand.

https://www.business-standard.com/finance/news/home-loan-outstanding-up-by-rs-10-trillion-in-last-2-years-rbi-data-124050500262_1.html

Govt announces bond buyback: Short-term yields to soften, liquidity to ease

The Centre's decision to repurchase short-term government bonds, maturing within 6-9 months, is expected to lower the yields and ease liquidity conditions, said market participants. On Friday, the Reserve Bank of India (RBI) had announced its plan to repurchase securities worth Rs 40,000 crore. The securities scheduled for buyback include G-Secs 6.18 per cent 2024, 9.15 per cent 2024, and 6.89 per cent 2025, according to RBI's release.

https://www.business-standard.com/finance/news/short-term-yields-to-soften-liquidity-to-ease-govt-announces-bond-buyback-124050500391_1.html

Financial Intelligence Unit arms itself with AI to check money laundering

India's Financial Intelligence Unit (FIU) has operationalised an advanced 2.0 version of its information technology system, armed with artificial intelligence and machine learning tools, to check money laundering and terrorist financing crimes in the country's economic channels. The upgrade of the technological backbone was required as the volume of data (suspicious transaction reports) flagged by banks and various other financial institutions to the FIU for analysis and further dissemination to investigative and intelligence organisations has been "increasing", a latest report for the 2022-23 fiscal said.

https://www.business-standard.com/finance/news/financial-intelligence-unit-arms-itself-with-ai-to-check-money-laundering-124050500225_1.html

Industry

PLI for electronics parts: Meity seeks info on production competitiveness

The Ministry of Electronics and Information Technology (Meity) has asked stakeholders to create a list of benchmarks for electronics component manufacturing. The government will use these in formulating the proposed production-linked incentive (PLI) scheme for the sector. The benchmarks are to be based on four key criteria: India's disability against competing countries in electronics components compared to other countries; the identifiable foreign and homegrown players that could or are planning to make investments in setting up manufacturing plants; the major original equipment manufacturer (OEM) buyers of components and sub-assemblies; and the export potential of the products.

https://www.business-standard.com/industry/news/electronics-parts-pli-meity-seeks-info-on-production-competitiveness-124050500643_1.html

Spice row: Govt plans greater scrutiny, guidelines on use of ethylene oxide

The government is formulating guidelines on the use of ethylene oxide (ETO) in samples of spices for the domestic market and exports, people aware of the matter said, as it plans to step up efforts to make quality checks more stringent. ETO, a flammable, colourless gas, is typically used as a disinfectant. It is also used as a sterilising agent and an insecticide to reduce microbial contamination in spices. However, its use is considered carcinogenic, beyond permissible limits.

https://www.business-standard.com/economy/news/govt-plans-stricter-monitoring-guidelines-for-ethylene-oxide-in-spices-124050500375_1.html

Need for infra status for hospitality sector to bring more investments: HAI

There is an urgent need for the hospitality sector to be granted industry status at state level and infrastructure by the Centre for it to attract more investments and play a part in the development of 50 new destinations announced by the government, according to newly elected president of Hotel Association of India (HAI), KB Kachru. The sector is also hopeful that international tourist arrivals in India will reach pre-pandemic levels by March next year but ease of getting visas needs to be facilitated, while also taking up campaigns to promote the country as a destination globally.

https://www.business-standard.com/industry/news/need-for-infra-status-for-hospitality-sector-to-bring-more-investments-hai-124050500107_1.html

Infrastructure

Plan in works to revamp goods and urban transport

India is eyeing a complete revamp of its urban transport that would include integrating metro and bus networks with emphasis on a switch to clean fuel. Under the proposed plan, some incentives will also be offered for greening intracity goods transport through small trucks. Also, states will be aided to align bus and metro routes for improving viability of both systems.

<https://economictimes.indiatimes.com/industry/renewables/plan-in-works-to-revamp-goods-and-urban-transport/articleshow/109864539.cms>

Energy

Thermal power plants have 68% of normative coal stocks, shows data

As many as 184 thermal power plants with a total generation capacity of 211 GW have 68 per cent of normative coal stock levels amid rising electricity demand due to soaring temperatures in the country. According to the Central Electricity Authority's (CEA) May 3 daily report, 184 plants, that are monitored by the CEA, have 47.78 million tonnes of coal stocks against the normative level of 70.55 million tonnes.

https://www.business-standard.com/industry/news/thermal-power-plants-have-68-of-normative-coal-stocks-shows-data-124050500232_1.html

Healthcare

Number of medical tourists in India to exceed pre-pandemic levels in CY24

Medical tourism in India is set to get a boost with projections indicating that the number of medical tourists will exceed pre-pandemic levels. According to data released by credit rating agency Crisil, the number of medical tourists visiting India is projected to be around 7.3 million in calendar year (CY) 2024, up from 6.1 million estimated in CY 2023. The last time these figures touched 7 million was in CY2019, before crashing due to Covid-19 induced lockdowns.

https://www.business-standard.com/industry/news/number-of-medical-tourists-in-india-to-exceed-pre-pandemic-levels-in-cy24-124050500374_1.html

India raises issue of pharma pricing control in Australia on generic drugs

India has raised the issue of pharmaceutical pricing control in Australia, particularly on generic medicines, during a recent bilateral meeting between the officials of the two countries. The two sides have decided to work closely on timely resolution of market access issues, deepen people-to-people contacts, and create an institutional mechanism for sharing of preferential import data, the commerce ministry said on Saturday.

https://www.business-standard.com/industry/news/india-raises-issue-of-pharma-pricing-control-in-australia-on-generic-drugs-124050400684_1.html

External

India extends duty-free import of yellow peas by four months

India has extended the timeline for duty-free imports of yellow peas by four more months until October 2024, according to an official notification. In early December, the central government allowed duty-free imports of yellow peas until March 2024, later to be extended till April and then June. It was part of New Delhi's intervention to cool the prices of the overall pulse basket.

<https://economictimes.indiatimes.com/news/economy/agriculture/india-extends-duty-free-import-of-yellow-peas-by-four-months/articleshow/109856033.cms>

Govt lifts ban on onion exports, sets floor price with 40% export duty

India has lifted restrictions on the export of onions, according to an official notification on Saturday, a day after the government announced a 40% export duty. The export ban was imposed by the world's biggest exporter of the vegetable last December and then extended in March. The policy changes comes in the middle of staggered voting in India's national election in which Prime Minister Narendra Modi is seeking a rare third term.

https://www.business-standard.com/economy/news/govt-lifts-ban-on-onion-exports-sets-floor-price-with-40-export-duty-124050400514_1.html

India, Ghana agree for operationalisation of UPI on Ghana interbank systems

India and Ghana are working to link their payment systems - Unified Payments Interface (UPI) and Ghana Interbank Payment and Settlement Systems (GHIPSS) respectively to permit users to make instant, low-cost fund transfers on a reciprocal basis. The two countries have also delved into discussions regarding the possibilities of a Memorandum of Understanding on Digital transformation Solutions; Local Currency Settlement System and the opportunities offered by African Continental Free Trade Agreement (AfCFTA).

https://www.business-standard.com/finance/news/india-ghana-agree-for-operationalisation-of-upi-on-ghana-interbank-systems-124050500413_1.html