



June 10, 2024 – Monday

Economy

Consumption inequality up in rural areas of 11 states in past decade: HCES

Bucking the national trend, consumption inequality rose in rural areas of 11 states as the Gini coefficient of total consumption expenditure saw an increase between the periods 2011-12 and 2022-23, an analysis by the Household Consumption Expenditure Survey (HCES), released on Friday, showed. Of the 25 states taken for analysis, Gini coefficient in rural areas has seen an increase in Bihar, Chhattisgarh, Jharkhand, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Himachal Pradesh and Rajasthan.

https://www.business-standard.com/economy/news/consumption-inequality-may-have-risen-in-rural-areas-of-11-states-hces-124060900566_1.html

Commerce Ministry may seek more funds for startups in forthcoming Budget

The commerce and industry ministry may seek more funds for startups in the forthcoming Budget, to be announced by the new government, to promote innovation in the country, an official has said. The new government may announce the Budget for 2024-25 in July. The seed fund scheme, announced in April 2021 with a corpus of Rs 945 crore, will end in 2025, and the ministry may consider proposing a new scheme on similar lines. The seed fund scheme was aimed at providing financial assistance to startups for proof of concept, prototype development, product trials, market-entry, and commercialisation.

<https://economictimes.indiatimes.com/news/economy/policy/commerce-ministry-may-seek-more-funds-for-startups-in-forthcoming-budget/articleshow/110836748.cms>

Security & legal proposals to now come under Niti

The government has asked its think tank Niti Aayog to appraise its security and law related proposals, a remit that was outside the planning body's purview till now. It recently created two independent and dedicated verticals related to security and law to be headed by retired Major General K Narayanan under the Aayog to seek its intervention in related matters.

<https://economictimes.indiatimes.com/news/economy/policy/security-legal-proposals-to-now-come-under-niti/articleshow/110853488.cms>

Implementation of criminal laws, adoption of AI key tasks for law ministry

As India awaits its new law minister, the ministry grapples with the challenge to implement the new criminal laws and adopt a more technology-friendly arbitration, conciliation, and mediation landscape. The Parliament had introduced Bharatiya Nyaya Sanhita, Bharatiya Nagarik Suraksha Sanhita, and Bharatiya Sakshya Adhinyam in 2023, replacing the Indian Penal Code, Code of Criminal Procedure, and Indian Evidence Act. The new laws will come into effect from July 1, 2024.

https://www.business-standard.com/india-news/implementation-of-criminal-laws-adoption-of-ai-key-tasks-for-law-ministry-124060900568_1.html

Finance

Banks ask RBI to ease liquidity rule to keep credit taps open

Indian banks want the industry regulator to ease the existing liquidity coverage mandate to free up more funds for lending at a time when Mint Road has cautioned financiers about deposits trailing credit disbursements in a booming economy, potentially creating future asset-liability imbalances for the lenders. Banking industry executives told ET that the lenders have urged the Reserve Bank of India (RBI) to relax the mandate in such a way that they would be required to set aside less funds in highly liquid investments, thus allowing them to lend more with the surpluses extracted from an easier liquidity coverage ratio (LCR) mandate. The requests coincide with a near-80 aggregate credit-deposit ratio for the industry, with banks often selling bond holdings to meet increasing demand for loans.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-ask-rbi-to-ease-liquidity-rule-to-keep-credit-taps-open/articleshow/110853738.cms>

SEBI proposes review in rules for trading in stock derivatives

Financial market regulator Securities and Exchange Board of India (SEBI) has proposed updating the framework for trading in stock derivatives. Floating a consultation paper on its website, the regulator said there can be higher risks of market manipulation, increased volatility, and compromised investor protection.

The consultation paper seeks view from all stakeholders on updating the selection criteria for entry and exit of stocks in the derivatives market. Derivatives trading typically help one make profits by betting on the future value of an underlying asset. Trading in derivatives by small retail investors, particularly in futures and options (F&O) segment, has risen in India over the past years.

<https://www.thehindubusinessline.com/markets/sebi-proposes-review-in-rules-for-trading-in-stock-derivatives/article68272584.ece>

Industry

Electronics cos charged up for big revenue boost, set to double revenues to \$55 billion by FY2027

India's domestic electronics manufacturing services (EMS) industry revenues are set to more-than-double to reach \$55 billion by FY2027, driven by increased sourcing of components locally, with Apple, Samsung, Lenovo and other global companies expected to expand their presence in India. A BNP Paribas report expects Apple to expand its investment to \$40 billion in the next 4-5 years to significantly increase its production capacity in India, while Korean major Samsung is looking to expand its manufacturing presence by producing laptops, in addition to smartphones.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/electronics-cos-charged-up-for-big-revenue-boost/articleshow/110853966.cms>

Indian GCCs turn digital twins of their HQs, lead in emerging tech like AI

Global capability centres (GCCs) in India have come a long way from the early 1990s when they were referred to as 'captives' of their global headquarters (HQs) to today, when they are emerging as the 'digital twins' of their HQs, replicating the work done at their parent organisations and adding more value than ever before. Indian GCCs today are more like mirrors of their parent organisations in the kind of work they do.

https://www.business-standard.com/industry/news/indian-gccs-turning-digital-twins-of-hqs-leading-in-emerging-tech-like-ai-124060900221_1.html

Infrastructure

448 infra projects hit by cost overrun of over Rs 5.55 trn in April

As many as 448 infrastructure projects, each entailing an investment of Rs 150 crore or above, were hit by a cost overrun of more than Rs 5.55 lakh crore in April 2024, according to an official report. According to the Ministry of Statistics and Programme Implementation (MoSPI), which monitors infrastructure projects worth Rs 150 crore and above, out of 1,838 projects, 448 reported cost overruns and 792 projects were delayed.

https://www.business-standard.com/industry/news/448-infra-projects-hit-by-cost-overrun-of-over-rs-5-55-trn-in-april-124060900118_1.html

India's aviation mkt growth needs to be matched with capacity; open for partnerships: Emirates CCO

Indian aviation market's pace of growth needs to be matched with capacity, and increased competition will provide more choices for consumers, Emirates Airline Deputy President and Chief Commercial Officer Adnan Kazim has said, as he pitched for increased bilateral flying rights between Dubai and India. On whether Emirates is looking for partners in India, Kazim said it is open to any such future engagements if there is an appetite in an Indian airline for that sort of dialogue and engagement.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/indias-aviation-mkt-growth-needs-to-be-matched-with-capacity-open-for-partnerships-emirates-cco/articleshow/110854302.cms>

Energy

India's end-use energy consumption to grow 90% by 2050: Rosneft CEO

India's end-use energy consumption is set to grow by 90 per cent by 2050 -- one of the fastest growth rates in the world, Russian oil giant Rosneft CEO Igor Sechin said. Sechin, Chief Executive Officer of Rosneft, Russia's biggest oil producer, addressed key global business and political leaders at the Energy Panel of the 27th St. Petersburg International Economic Forum (SPIEF), according to a statement by the company. In his keynote speech titled "Energy transition and phantom barrels", he provided a comprehensive analysis of the current state of the energy market and highlighted key challenges facing the industry.

https://www.business-standard.com/industry/news/india-s-end-use-energy-consumption-to-grow-90-by-2050-rosneft-ceo-124060900450_1.html

Domestic open access solar capacity addition doubles to 1.8 GW in Jan-Mar: Mercom

Open access solar installations rose two-fold in India to 1.8 gigawatts during January-March this year supported by several factors, including reduced module cost, US-based Mercom Capital has said. Solar power through open access is an arrangement where a power producer establishes a solar power plant to supply green energy to consumers. India added over 1.8 gigawatts (GW) of solar open access capacity in the first quarter of the calendar year of 2024, posting a two-fold increase from 909.3 megawatts (MW) in Q4 2023, the report titled 'Mercom India Solar Open Access Market' said. As of March 2024, the cumulative installed solar open access capacity stood at 14.3 GW.

<https://economictimes.indiatimes.com/industry/renewables/domestic-open-access-solar-capacity-addition-doubles-to-1-8-gw-in-jan-mar-mercom/articleshow/110854327.cms>

From chimneys to skies: NTPC explores sustainable aviation fuel

State-run NTPC Ltd is exploring ways to produce sustainable jet fuel by mixing carbon captured from its thermal power plant and green hydrogen, people familiar with the development said. India's largest power producer may look to set up annual capacity of 100,000 tonnes of clean jet fuel, said the people cited above. The company could explore production at its upcoming green hydrogen hub at Pudimadaka in Andhra Pradesh. However, the location is not finalised yet, one of the persons said.

<https://economictimes.indiatimes.com/industry/renewables/from-chimneys-to-skies-ntpc-explores-sustainable-aviation-fuel/articleshow/110853514.cms>

External

PV exports rise by 2.68 lakh units in last 4 years; Maruti accounts for 70 pc of incremental shipments

Passenger vehicle exports from India rose by 2.68 lakh units in the last four financial years with Maruti Suzuki India accounting for nearly 70 per cent of the incremental shipments during the period. As per the industry data, passenger vehicle exports in the 2020-21 fiscal stood at 4,04,397 units. It rose to 5,77,875 units in the 2021-22 fiscal year and to 6,62,703 units in 2022-23 financial year. Last fiscal, exports stood at 6,72,105 units, an increase of 2,67,708 units since 2020-21. In the last three fiscal years, Maruti Suzuki has accounted for 70 per cent of the incremental 2,67,708 units across the industry which were shipped to overseas markets.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/pv-exports-rise-by-2-68-lakh-units-in-last-4-years-maruti-accounts-for-70-pc-of-incremental-shipments/articleshow/110832852.cms>

Commerce Ministry's focus likely on signing FTAs, reviving exports

The biggest challenge for the commerce and industry ministry under the coalition government led by Prime Minister Narendra Modi would be to revive the growth of merchandise exports that has been grappling with external factors such as geopolitical risks and high inflation. A dedicated road map is expected to be drawn towards this, aligning with the \$1 trillion merchandise exports target by 2030. The new government is likely to complete the unfinished agenda, particularly related to signing of the free trade agreement (FTA) with Oman. The negotiation between India and Oman concluded earlier this year and the pact is ready to be signed as soon as it gets an approval from the Cabinet after the formation of the new government.

https://www.business-standard.com/economy/news/signing-ftas-reviving-exports-top-agenda-for-commerce-industry-ministry-124060900373_1.html

New government unlikely to tweak trade policy

The new coalition government led by Prime Minister Modi is unlikely to bring about any major changes in the trade policy that is characterised by high tariff and non-tariff barriers on imports, bilateral trade negotiations for free trade with select countries, and export promotion through some duty exemption schemes for imports of capital goods and inputs required for export production.

https://www.business-standard.com/economy/news/new-government-unlikely-to-tweak-trade-policy-124060900379_1.html