



June 27, 2024 – Thursday

## Economy

### **FY25 GDP growth may come close to 7.5%: NCAER's Monthly Economic Review**

Gross domestic product (GDP) growth during 2024-25 (FY25) may turn out to be higher than 7 per cent and even close to 7.5 per cent, with high frequency indicators showing resilience amid growth dynamism in the Indian economy, the monthly economic review released by the National Council of Applied Economic Research (NCAER) said on Wednesday. "This outlook is underpinned by the buoyancy in economic activity witnessed in the first quarter; a keen policy focus on investment, growth, and macroeconomic stability; and the expectations of normal monsoon," said NCAER director-general Poonam Gupta.

[https://www.business-standard.com/economy/news/fy25-gdp-growth-may-come-close-to-7-5-ncaer-s-monthly-economic-review-124062600789\\_1.html](https://www.business-standard.com/economy/news/fy25-gdp-growth-may-come-close-to-7-5-ncaer-s-monthly-economic-review-124062600789_1.html)

### **Private consumption seen growing, concerns on capex growth: Morgan Stanley Research**

India's consumption growth is expected to average 6.1% in FY25 and 6% in FY26, improving from 4% in 2023-24, Morgan Stanley Research said Wednesday. It said that private consumption growth could recover further on moderation in inflation which improves purchasing power and an improvement in labour demand conditions after a slowdown in 2023. However, it cautioned that even though growth is enjoying upgrades, there are concerns stemming from a weaker trend in consumption growth versus capex growth. As per the research report, consumption growth, while recovering, is tracking at 4% – below capex growth of 6.5% and gross domestic product (GDP) growth of 7.8% in the quarter ended March 2024.

<https://economictimes.indiatimes.com/news/economy/indicators/private-consumption-seen-growing-concerns-on-capex-growth-morgan-stanley-research/articleshow/111291354.cms>

### **India must add 1.7-3.6 GW data centre capacity to its 2028 target: Report**

Owing to a huge amount of data being generated in the country amid rapid digital adoption, India would require an additional colocation data centre capacity of 1.7–3.6 Gigawatts (GW) by 2028, over and above the planned development of 2.32 GW, a report released by real estate consultancy Cushman & Wakefield on Wednesday revealed. The report titled "Is India Building Enough to Power its Digital Transformation?" noted that India's data generation, particularly through smartphones, is very high compared to other major countries. At the same time, there is low internet and smartphone penetration.

[https://www.business-standard.com/industry/news/india-must-add-1-7-3-6-gw-data-centre-capacity-to-its-2028-target-report-124062600657\\_1.html](https://www.business-standard.com/industry/news/india-must-add-1-7-3-6-gw-data-centre-capacity-to-its-2028-target-report-124062600657_1.html)

### **Departments advised against blanket approval of Chinese FDI**

India's security establishment is advocating a cautious approach to any unhindered and blanket approval to the FDI proposals from China given the history of corporate behaviour of Chinese companies in the country. ET has learnt that it has been suggested that before lifting the restrictions for Chinese FDI that were put in place during Covid, a system of risk assessment must be put in place. There must be review and monitoring, including through robust IT tools and databases, when it comes to FDI from countries of concern, highly placed sources told ET. Once a system is in place, disposal of cases should take place through a time-bound mechanism, sources pointed out.

<https://economictimes.indiatimes.com/news/economy/finance/departments-advised-against-blanket-approval-of-chinese-fdi/articleshow/111294975.cms>

### **Govt to form Mediation Council to streamline business dispute resolution**

The government is expected to establish a Mediation Council of India (MCI) by the end of this year to improve the ease of doing business, according to LiveMint. The initiative aims to facilitate the resolution of disputes, especially those related to business, outside the court system. Earlier this year, a committee formed by the Insolvency and Bankruptcy Board of India (IBBI) suggested the introduction of a voluntary mediation framework to expedite the resolution of disputes out of court.

[https://www.business-standard.com/industry/news/govt-to-form-mediation-council-to-streamline-business-dispute-resolution-124062600521\\_1.html](https://www.business-standard.com/industry/news/govt-to-form-mediation-council-to-streamline-business-dispute-resolution-124062600521_1.html)

## **Finance**

### **Credit Card issuance soars despite worries over unsecured loans**

Credit card base grew 18% year on year (y-o-y) to reach an outstanding base of 103 million as on end May 2024, with HDFC bank adding the highest number of new cards, and Kotak Mahindra bank seeing a sharp drop amid RBI restrictions. Spendings by credit cards also grew 17% to reach Rs 1.65 trillion, according to a report by Motilal Oswal Financial Services. The credit card industry has seen a continuous decline as major players are cautious of large unsecured loans and amid asset quality issues.

<https://economictimes.indiatimes.com/industry/banking/finance/credit-card-base-reaches-103-million-spending-hits-rs-1-65-trillion/articleshow/111292536.cms>

### **Embedded finance to be \$320-billion revenue market by 2030: BCG**

The embedded finance market projected to reach over \$320 billion in revenue by 2030, said a report by QED Investors and Boston Consulting Group (BCG). The report highlighted the growth in real-time payments in India. The number of monthly real-time payments has grown by five times in the last three years, from 2.6 billion to 13.3 billion. The availability of an alias directory and QR codes on top of RTP infrastructure was critical to propelling innovation

<https://www.thehindubusinessline.com/money-and-banking/embedded-finance-to-be-320-billion-revenue-market-by-2030-bcg/article68336475.ece>

### **Budget could stick to Rs 50,000 cr asset-sale, monetisation targets**

The Centre in the upcoming Budget may stick to its capital-receipts target of Rs 50,000 crore in 2024-25 (FY25) on account of disinvestment, asset monetisation, and other capital receipts, continuing its new calibrated approach to asset-sale strategy, according to official sources. Further, the focus will remain on the strategic sale of IDBI Bank. However, the transaction could spill over to FY26, given the process involved, sources said. In the Interim Budget in February, the Centre had reworked its strategy on capital management. For the first time, it did not explicitly mention the disinvestment target for FY25. It had set a target of Rs 50,000 crore under miscellaneous capital receipts.

[https://www.business-standard.com/economy/news/budget-could-stick-to-rs-50-000-cr-asset-sale-monetisation-targets-124062601031\\_1.html](https://www.business-standard.com/economy/news/budget-could-stick-to-rs-50-000-cr-asset-sale-monetisation-targets-124062601031_1.html)

## **Industry**

### **Meity planning reboot of NPE; aims to revitalise electronics manufacturing**

The Ministry of Electronics and Information Technology (Meity) is learnt to be planning an overhaul of the ambitious National Policy on Electronics 2019 (NPE 2019) to revitalise electronics manufacturing in the country and boost exports. The policy, which was approved by the Union Cabinet five years ago, aims to achieve a turnover of \$400 billion for the electronics system design and manufacturing (ESDM) sector by 2025.

[https://www.business-standard.com/industry/news/electronics-policy-reboot-soon-in-production-push-124062601316\\_1.html](https://www.business-standard.com/industry/news/electronics-policy-reboot-soon-in-production-push-124062601316_1.html)

### **Electric 2-wheelers may need more domestic value addition for subsidy**

In a move that could support companies looking to raise their value addition and reduce imports, the government is learnt to be considering increasing the eligibility condition of domestic value addition (DVA) in electric two-wheelers for subsidy under the new Electric Mobility Promotion Scheme (EMPS), provided it is extended beyond July 31. The heavy industries ministry is expected to seek an extension of the scheme. Under the existing rule, companies must have at least 50 per cent localisation to qualify for the subsidy. While the government is looking at half-yearly audits of companies to ensure they comply with the localisation norms, it is also considering various methods to calculate value addition — through definitions of manufacturing phase and production-linked incentive scheme, and so on.  
[https://www.business-standard.com/industry/auto/electric-2-wheelers-may-need-more-domestic-value-addition-for-subsidy-124062601134\\_1.html](https://www.business-standard.com/industry/auto/electric-2-wheelers-may-need-more-domestic-value-addition-for-subsidy-124062601134_1.html)

#### **Competitive intensity in used vehicle market to be on the rise: India Ratings**

India Ratings and Research expects vehicle financiers to increase the share of used vehicles in their overall vehicle asset under management (AUM). This is because the rising new vehicle prices, driven by the changes in emission norms, technological changes and higher commodity prices, have made the purchase of new vehicles out of reach for first-time buyers, driver-cum-operators and small road transport operators.  
<https://economictimes.indiatimes.com/industry/auto/auto-news/competitive-intensity-in-used-vehicle-market-to-be-on-the-rise-india-ratings/articleshow/111288004.cms>

#### **Global tyre makers accelerate make-in-India plans, buoyed by govt's PLI scheme**

Global tyre manufacturers including the likes of Michelin, Bridgestone, and Goodyear are gearing up to invest in India's manufacturing sector, with potential entrants Yokohama and Birla Tyre also eyeing opportunities under a government scheme that links imports to local investment, TOI reported on Wednesday. These investments, expected to total around Rs 3,000 crore, mark a significant response to the Centre's import restrictions aimed at boosting domestic production. The new investments are anticipated to create several hundred jobs, with Yokohama, likely the largest investor, planning a plant in Haryana where nearly half the workforce will be women.  
<https://economictimes.indiatimes.com/industry/auto/tyres/global-tyre-makers-accelerate-make-in-india-plans-buoyed-by-govts-pli-scheme/articleshow/111288647.cms>

#### **Not enough demand for satellite launch market in India yet: Isro chairman**

ISRO Chairman S Somanath on Wednesday said there is not enough internal demand for the satellite launch market in India but it can be created through more work on the application of satellite technology. Addressing the India Space Congress 2024, he said big companies are willing to enter the space sector but they are concerned about the timeline for breaking even and securing orders.  
[https://www.business-standard.com/industry/news/not-enough-demand-for-satellite-launch-market-in-india-yet-isro-chairman-124062600772\\_1.html](https://www.business-standard.com/industry/news/not-enough-demand-for-satellite-launch-market-in-india-yet-isro-chairman-124062600772_1.html)

### **Infrastructure**

#### **FHRAI seeks infra status for hotels, convention centres across categories**

Federation of Hotel and Restaurant Associations of India has asked the government to grant infrastructure status for hotels across all categories and convention centres built at a project cost of Rs 10 crore and above to give a fillip to budget segment in the hotel industry. In its pre-budget recommendation, the Federation of Hotel and Restaurant Associations of India (FHRAI) also sought GST rationalisation proposing a 12 per cent GST rate across all hotels.  
[https://www.business-standard.com/budget/news/fhrai-seeks-infra-status-for-hotels-convention-centres-across-categories-124062600510\\_1.html](https://www.business-standard.com/budget/news/fhrai-seeks-infra-status-for-hotels-convention-centres-across-categories-124062600510_1.html)

#### **Budget 2024-25 to focus on infra expansion, fiscal consolidation: EY India**

The upcoming Budget is expected to emphasise sustaining India's medium-term growth by focusing on infrastructure expansion and ensuring fiscal consolidation, consulting major EY India said in a report on Wednesday. It said India's economy has shown "resilience" with gross domestic product (GDP) expanding by 8.2 per cent in 2023-24 after 9.7 per cent and 7 per cent in the previous two years. At the same time, the fiscal deficit has narrowed from 9.17 per cent in 2020-21 to 5.6 per cent in 2023-24.

[https://www.business-standard.com/economy/news/budget-2024-25-to-focus-on-infra-expansion-fiscal-consolidation-ey-india-124062600908\\_1.html](https://www.business-standard.com/economy/news/budget-2024-25-to-focus-on-infra-expansion-fiscal-consolidation-ey-india-124062600908_1.html)

## Energy

### Hi-tech thermal plants may get Rs 6,000 cr viability support

The Union budget for 2024-25 is likely to announce a support scheme for setting up 800 MW coal-based power plants through the newest Advanced Ultra Supercritical (AUSC) technology. A proposal to offer about ₹6,000 crore viability gap funding (VGF) mooted by the heavy industries ministry is being evaluated by the finance ministry, people familiar with the development told ET.

<https://economictimes.indiatimes.com/industry/energy/power/budget-2024-hi-tech-thermal-plants-may-get-rs-6000-cr-viability-support/articleshow/111294258.cms>

## Telecom

### Know all about the Telecom Act which came into effect on June 26

The Telecommunications Act 2023, along with certain provisions, came into force on June 26. The Act that replaces earlier laws governing the sector has been enacted to keep pace with emerging technologies. Several countries including the US, UK and Singapore have updated their legislation to deal with innovation in the telecom sector.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/know-all-about-the-telecom-act-which-comes-into-effect-on-june-26/articleshow/111295242.cms>

### Budget 2024: Tech Inc for fewer tariffs, Rs 1 trillion deeptech fund

To develop a strong electronics components and sub-assembly ecosystem, the tech industry has demanded fiscal support and streamlining of the input tariffs in the sector from the government which is consulting all the stakeholders before the upcoming Union Budget 2024-25. "We propose reducing the current seven slabs to three slabs. Aligning our tariff structure with those of competing electronics manufacturing nations will boost cost competitiveness, simplify trade, and attract global value chains," said Pankaj Mohindroo, Chairman of the India Cellular and Electronics Association (ICEA).

[https://www.business-standard.com/economy/news/budget-24-tech-industry-seeks-support-for-component-manufacturing-others-124062601203\\_1.html](https://www.business-standard.com/economy/news/budget-24-tech-industry-seeks-support-for-component-manufacturing-others-124062601203_1.html)

## States

### Mumbai Metro 3 to be completed by end of December 2024

In the first cabinet meeting held on Wednesday, the Maharashtra Government decided to complete the Mumbai Metro 3 project by the end of December 2024. The first phase of Mumbai Metro 3, will run between SEEPZ (Santacruz Electronics Export Processing Zone) and Bandra Kurla Complex. The project will be completed by the end of December 2024 which was initially scheduled to be completed by September 2024.

<https://economictimes.indiatimes.com/industry/transportation/railways/mumbai-metro-3-to-be-completed-by-end-of-december-2024/articleshow/111300333.cms>

### TN to boost renewable capacity, to spend ₹700 crore in bolstering distribution infrastructure

The Tamil Nadu government has announced a few new measures to enhance renewable energy capacity in the State, with plans to invest about ₹700 crore in improving power distribution and transmission infrastructure.

<https://www.thehindubusinessline.com/economy/tn-to-boost-renewable-capacity-to-spend-700-crore-in-bolstering-distribution-infrastructure/article68336385.ece>

## Healthcare

### Norms soon on disposing of expired medicines

Throwing expired medicines with household trash is not an ideal way to get rid of them. The country's drug controller is working on a guidance document detailing methods to be followed for safe disposal of unused and expired

medicines. "The need was felt for safe and proper disposal of expired/unused medicines/drugs for protecting the environment and public health," a government official aware of the development told ET.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/norms-soon-on-disposing-of-expired-medicines/articleshow/111295169.cms>

### **Nearly 70% health claim users opting for reimbursement mode don't have enough liquid savings to pay bills: Survey**

Buried under the often-sudden medical bills, many health insurance policyholders who opt for reimbursement from insurance companies find themselves borrowing money or tapping into long-term savings to cover medical expenses. According to a survey, 68% of claimants using reimbursement lacked adequate liquid savings for medical bills. Borrowing increased notably for treatments costing over Rs 1 lakh, a trend more pronounced in smaller towns where financial resources may be scarcer, said the survey as reported by TOI.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/nearly-70-health-claim-users-opting-for-reimbursement-mode-dont-have-enough-liquid-savings-to-pay-bills-survey/articleshow/111288889.cms>

### **External**

### **Govt grants duty concessions for corn, vegetable oil imports under TRQ**

India on Wednesday allowed limited imports of corn, crude sunflower oil, refined rapeseed oil, and milk powder under the tariff-rate quota (TRQ), where importers pay nil or lower duty, as New Delhi tries to bring down food inflation. India is the world's biggest importer of vegetable oils such as palm oil, soyoil and sunflower oil and the top producer of milk.

[https://www.business-standard.com/industry/news/govt-grants-duty-concessions-for-corn-vegetable-oil-imports-under-trq-124062601207\\_1.html](https://www.business-standard.com/industry/news/govt-grants-duty-concessions-for-corn-vegetable-oil-imports-under-trq-124062601207_1.html)

### **Five-yr extension expected for export credit scheme**

The Centre is likely to extend a key support scheme for export credit to enhance competitiveness of India's export sector, which was hit hard by slowdown in the developed countries, said people familiar with the matter. The upcoming budget could extend the scheme for pre- and post-shipment rupee export credit by five years, they said. The commerce and industry ministry has proposed an extension of the interest equalisation scheme beyond June 30, its sunset date, wherein manufacturer micro, small and medium enterprises (MSME) get 3% benefit and exporters of 410 identified tariff lines get 2% incentive.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/five-yr-extension-expected-for-export-credit-scheme/articleshow/111294435.cms>

### **Russia exports major consignment via INSTC ahead of PM Modi's Moscow trip**

Ahead of PM Narendra Modi's proposed visit to Moscow in July 2nd week, India-Russia trade via International North South Transport Corridor (INSTC) has got a major boost as consignment of coal from Siberia has been exported to India via Kazakhstan-Turkmenistan-Iran branch of INSTC. The consignment will reach Mumbai port via Bandar Abbas port in Iran, ET has learnt. "For the first time, two trains with Kuzbass coal headed to India along the International North-South Transport Corridor. The trains set off from the Kemerovo region. They followed along the eastern branch of the INSTC through Kazakhstan and Turkmenistan to the Iranian port of Bandar Abbas," Russian Railways said on Monday in a statement.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/russia-exports-major-consignment-via-instc-ahead-of-pm-modis-moscow-trip/articleshow/111291440.cms>

### **Narrowing trade deficit, rise in remittances aid current account surplus: CRISIL**

India's current account surplus in the fourth quarter of the 2023-24 fiscal was aided by narrowing of the merchandise trade deficit, an increase in remittances and a surplus in services trade, according to a CRISIL report released on Wednesday. The country's current account recorded a surplus of USD 5.7 billion, which is 0.6 per cent of the GDP, in the fourth quarter of the last financial year. It was in deficit of USD 8.7 billion, equivalent to one per cent of GDP,

in the third quarter of the 2023-24 fiscal, the report said. In the corresponding fourth quarter of 2022-23, the country's current account was also in deficit of USD 1.3 billion, which was 0.2 per cent of the GDP.

<https://economictimes.indiatimes.com/news/economy/indicators/narrowing-trade-deficit-rise-in-remittances-aid-current-account-surplus-crisil/articleshow/111288069.cms>