



June 28, 2024 – Friday

Economy

Post-pandemic, households' share in capital formation falls

After the pandemic, the corporate sector, comprising both the private and public-sector companies, have acquired a larger share of India's savings as households ceded their share, but they still reported a relatively lower increase in the financing of capital formation, according to official data. Households' (HH) savings inevitably saw a sharp increase during the pandemic thanks to risk-aversion, but the pace came down thereafter. While HH used savings and higher post-pandemic borrowings to finance capital formation in real estate, asset creation in the industry was aided by the corporate sector.

<https://www.financialexpress.com/policy/economy-post-pandemic-households-share-in-capital-formation-falls-3535817/>

India's weekly vegetable spending up in the past few weeks, says survey

A survey carried out by LocalCircles, a community social media platform, has revealed that seven out of 10 households have indicated that their weekly vegetable spending has increased by 25-100% in the last few weeks due to higher prices. Within the last week alone, per kilogram price paid for tomatoes by 2 in 3 consumers has risen from Rs 30 or more to Rs 50 or more. In some states, it has crossed Rs 100/kg. If the monsoon does not deliver better than normal rains during July, when most of the sowing is done in rain-fed areas, or if it rains too much where vegetables are grown, the situation is likely to worsen as far as vegetable supplies and prices are concerned.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-weekly-vegetable-spending-up-in-the-past-few-weeks-says-survey/articleshow/111318616.cms>

Finance

RBI announces SAARC currency swap framework for 2024-27

The Reserve Bank of India has put in place a revised framework on currency swap arrangements for countries within the South Asian Association of Regional Cooperation (SAARC) grouping for the time period 2024 to 2027. "Under the Framework for 2024-27, a separate INR Swap Window has been introduced with various concessions for swap support in Indian Rupee. The total corpus of the Rupee support is ₹250 billion (Rs 25,000 crore)," the RBI said on Thursday. The central bank will continue offering swap arrangements in US dollars and euros under a separate dollar/euro swap window with an overall corpus of \$2 billion.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-announces-saarc-currency-swap-framework-for-2024-27/articleshow/111319067.cms>

Fintech lenders have high delinquency levels in small value loans says RBI

The RBI has raised the red flag on consumer loans, especially personal loans, where more than half the borrowers are running at least three loans simultaneously. In the latest edition of the Financial Stability Report, the regulator drew attention to high delinquency levels of fintech lenders. "Delinquency levels among borrowers with personal loans below Rs 50,000 remain high. In particular, NBFC-Fintech lenders, which have the highest share in sanctioned

and outstanding amounts, also have the second highest delinquency levels, only below that of small finance banks,” the RBI said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/fintech-lenders-have-high-delinquency-levels-in-small-value-loans-says-rbi/articleshow/111315483.cms>

Sharpen focus on education and health this Budget, experts urge FM

Experts and representatives of social sectors Thursday called on finance minister Nirmala Sitharaman, who chaired the customary pre-Budget consultation meeting, to further step up focus on health and education. They argued such a move will not just lead to greater ease of living but also bolster the economy's productive capacity. Some of them also called for raising the budgetary spending on these critical social sectors, said a person aware of the deliberations.

<https://economictimes.indiatimes.com/news/economy/policy/sharpen-focus-on-education-and-health-this-budget-experts-urge-fm/articleshow/111322785.cms>

GST suppliers giving discounts must ensure undertaking from client: CBIC

Suppliers giving post-sale discounts through credit notes under GST will have to ensure that the client gives an undertaking or a CA certificate stating that the ITC availed on the discount value has been reversed, the CBIC has said. Currently, there is no mechanism to track whether the Input Tax Credit (ITC) on such discounts has been reversed or not.

https://www.business-standard.com/economy/news/gst-suppliers-giving-discounts-must-ensure-undertaking-from-client-cbic-124062700654_1.html

SEBI tweaks F&O inclusion, eases delisting norms

The Securities and Exchange Board of India (SEBI) on Thursday tweaked the selection criteria for F&O stocks, while easing norms for voluntary delisting, and borrowing by alternative investment funds (AIFs).

<https://www.thehindubusinessline.com/markets/sebi-eases-delisting-norms-revises-criteria-for-fo-inclusion/article68341481.ece>

India set to attract billions as JPMorgan adds Government bonds to emerging markets index today

India is set to lure billions of dollars more inflows when JPMorgan Chase & Co. adds the nation's government bonds to its emerging markets index on Friday, opening up a \$1.3 trillion market to a broader range of investors. Global funds have already poured close to \$11 billion into index-eligible bonds since JPMorgan's announcement in September. The US bank expects \$20 billion to \$25 billion to come in over the next 10 months, raising foreign ownership to 4.4% from 2.5% currently.

<https://www.thehindubusinessline.com/money-and-banking/india-set-to-attract-billions-as-jpmorgan-adds-government-bonds-to-emerging-markets-index-today/article68343097.ece>

Industry

India embraces 24-hour retail, nighttime consumer spending soars by 60%

Seven states, including Maharashtra, Karnataka, Telangana, Haryana, and New Delhi, have allowed shops and establishments to operate 24 hours a day, a significant shift towards round-the-clock commerce. This move has led to a surge in consumer spending, particularly during late-night hours, as more people avail themselves of various services at unconventional times. According to data from Simpl's Checkout Scan, there has been a remarkable 60 per cent increase in total payment volumes for orders placed between 10 pm and 4 am over the past year. This uptick spans a diverse array of merchants, including those in quick-commerce, food and beverage, mobility, and other services. These orders were placed by millions of consumers across the country using Simpl's Checkout solutions, including 1-Tap Checkout and Pay-in-3.

https://www.business-standard.com/industry/news/india-embraces-24-hour-retail-nighttime-consumer-spending-soars-by-60-124062700599_1.html

MSME ministry targets onboarding 500,000 micro, small enterprises on ONDC

The government on Thursday launched an initiative to facilitate onboarding of 5,00,000 micro and small enterprises on the Open Network for Digital Commerce (ONDC) platform. The initiative, titled 'MSME TEAM', was launched by

Union Minister for Micro, Small & Medium Enterprises (MSMEs) Jitan Ram Manjhi. It will provide financial assistance for onboarding, cataloguing, account management, logistics, packaging material, and design.

https://www.business-standard.com/economy/news/msme-ministry-targets-onboarding-500k-micro-and-small-enterprises-on-ondc-124062701056_1.html

Auto sector sees resilient two-wheeler growth amidst mixed performance in PVs and CVs for June 2024

Wholesale volumes across various segments of the automobile industry in June 2024 are anticipated to reflect a subdued trend, primarily attributed to the absence of wedding dates, according to Anand Rathi report. Analysts project a mixed performance with two-wheeler (2W) volumes showing resilience, while passenger vehicles (PVs) and commercial vehicles (CVs) are expected to see slight declines. Tractor volumes are likely to remain flat during this period.

<https://economictimes.indiatimes.com/industry/auto/auto-news/auto-sector-sees-resilient-two-wheeler-growth-amidst-mixed-performance-in-pvs-and-cvs-for-june-2024/articleshow/111309773.cms>

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. To frame the finer contours of the new electronics policy, Meity has set up a working group “for the promotion of domestic manufacturing in the sub-sectors of electronics and development of domestic capital industry”, according to sources.

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

Indians spend twice on weddings Vs education; promise a ‘happily ever after’ for many industries

India believes in going big when it comes to celebrations, more so, wedding celebrations. The Indian wedding industry, valued at US\$130 billion, drives immense economic activity, with an average Indian spending twice as much on wedding as compared to on education. According to a report by Jefferies, the average expenditure on a wedding at US\$15k, is a multiple of per-cap or household income. “Interestingly, an average Indian couple spends approximately 2x on weddings vs education (pre-primary to graduation), in sharp contrast to countries such as the US where the spend is less than half vs education,” it stated.

<https://www.financialexpress.com/business/industry-indias-wedding-industry-a-happily-ever-after-for-varied-industries-indians-spend-twice-on-weddings-vs-education-details-here-3536672/>

Online pharmacy players look for regulatory framework for industry

The recent Madras High Court’s (HC’s) ruling in favour of the online pharmacy players will usher in the required validation and certainty to their business model, said industry players. They are now awaiting discussions with the central government on the regulatory framework. The Madras HC has reportedly set aside an earlier order by a single judge Bench asking them to stop engaging in the digital trade of medicines.

https://www.business-standard.com/industry/news/online-pharmacy-players-look-for-regulatory-framework-for-industry-124062701119_1.html

Infrastructure

PM GatiShakti: Eight infra projects worth ₹13,000 crore evaluated

The Network Planning Group met on June 21 and evaluated eight infrastructure projects worth Rs 18,000 crore from railways and National Industrial Corridor Development Corporation (NICDC), the commerce and industry ministry said Thursday. Two projects pertained to the railways and six were of the NICDC. During the meeting, all projects were evaluated for their integrated planning and conformity with the PM GatiShakti principles. Emphasis was placed on the socio-economic benefits, improved connectivity, reduced transit costs and enhanced efficiency.

<https://economictimes.indiatimes.com/news/economy/infrastructure/pm-gatishakti-eight-infra-projects-worth-13000-crore-evaluated/articleshow/111320229.cms>

NHAI sets up dedicated cell to review detailed project reports of national highways

State-owned NHAI has set up a dedicated cell to review detailed project reports of national highway projects, an official statement said on Thursday. The statement further said the cell will provide expert inputs and enable end-to-end monitoring of the DPR (detailed project report) for national highway projects. "To ensure the highest construction standards, cost effectiveness and timely completion of National Highway projects, NHAI has set up a Detailed Project Report (DPR) cell at NHAI headquarters in New Delhi," it added.

<https://economictimes.indiatimes.com/news/economy/infrastructure/nhai-sets-up-dedicated-cell-to-review-detailed-project-reports-of-national-highways/articleshow/111317129.cms>

PM Gati Shakti scheme is transforming India's infrastructure: Morgan Stanley

In a recent report American multi-national investment bank and financial company Morgan Stanley has all praise for PM Gati Shakti scheme. The report says India has scaled up its infrastructure strongly over the last decade, investment is not only increasing but it is better targeted and potentially more productive. The report further adds India's thrust on infrastructure spending is set to continue. The report said, "We expect India's infrastructure investment to steadily increase from 5.3 per cent of GDP in F24 to 6.5 per cent of GDP by F29. Indeed, this implies that infrastructure investments are expected to register a strong 15.3 per cent CAGR, resulting in cumulative spending of USD 1.45 trillion over the next five years. In our view, this will help to lift the investment rate, leading to a sustained period of high productive growth."

<https://economictimes.indiatimes.com/news/economy/infrastructure/pm-gati-shakti-scheme-is-transforming-indias-infrastructure-morgan-stanley/articleshow/111309760.cms>

Home sales in India cool down after two years on high base, rising prices

India, for the first time in two years, recorded a dip in housing sales in April-June compared to the previous quarter, according to data shared by real estate consultancy Anarock on Thursday. As many as 120,340 homes were sold in the April-June quarter against 130,370 units sold in January-March, dipping 8 per cent. The last such quarterly decline was in the April-June quarter of 2022 when sales fell by 15 per cent to 84,925 units compared to 99,550 in the January-March quarter of that year.

https://www.business-standard.com/industry/news/home-sales-in-india-cool-down-after-two-years-on-high-base-rising-prices-124062700393_1.html

Airports need to review pricing strategies to increase profitability: Capa

Indian airports need to review their pricing strategies and can substantially increase their profitability by garnering more non-aeronautical revenues, according to aviation consultancy firm CAPA India. India is the world's third largest domestic civil aviation market and air traffic is on the rise. Airlines are increasing their fleet, operating more routes while airports are also expanding their capacities.

https://www.business-standard.com/industry/news/airports-need-to-review-pricing-strategies-to-increase-profitability-cap-124062700986_1.html

Energy

Wind power generation picks up pace in TN; clean energy meets one-third of state's power demand

More than one third of the total power needs of Tamil Nadu was met on Wednesday by green energy -- wind and solar together -- as wind power generation picked up pace after a lull. While the overall power consumption was 372.226 million units (Mu) in the state on Wednesday, wind and solar power together was close to 130Mu. Windmills contributed 105.138 million units (Mu) on Wednesday, the maximum ever recorded this year, and the power generation peaked at 5,110 megawatts (MW), also the maximum in the year so far. This is the third time when wind power generation crossed 100Mu mark this year.

<https://economictimes.indiatimes.com/industry/renewables/wind-power-generation-picks-up-pace-in-tn-clean-energy-meets-one-third-of-states-power-demand/articleshow/111320274.cms>

After installing solar plants atop houses, Goa consumers struggle to get govt subsidy

Several of the 350-odd consumers in Goa who have installed rooftop solar plants on their houses at their own cost and are eligible for a subsidy, can't find a way to get it, as the govt portal doesn't let the state electricity department

grant the final approval for the same. "People are facing this problem on and off, not just in Goa but across the country," said a senior govt official with knowledge of the subject. Explaining the issue, he said that there was a National Rooftop Solar portal, which was later migrated to the PM Surya Ghar portal. However, during the migration process, some issues cropped up on the new portal, resulting in the current hardships.

<https://economictimes.indiatimes.com/industry/renewables/after-installing-solar-plants-atop-houses-goa-consumers-struggle-to-get-govt-subsidy/articleshow/111320205.cms>

Viability gap funding set to boost offshore wind energy space: Crisil

The Union Cabinet's approval of Rs 7,453 crore viability gap funding (VGF) for offshore wind energy projects is a much-awaited boost for the segment and could possibly trigger investments into the space where developers have so far shied away due to high cost, operational challenges and offtake related risks, CRISIL Market Intelligence and Analytics said on Thursday. The VGF support will reduce the cost of power from offshore wind projects, which are costlier than onshore wind. The move is a major step towards implementation of the National Offshore Wind Energy Policy notified in 2015, it said.

<https://economictimes.indiatimes.com/industry/renewables/viability-gap-funding-set-to-boost-offshore-wind-energy-space-crisil/articleshow/111322901.cms>

India keen to speed up power grid link talks with Sri Lanka

India is keen to fast-track longstanding talks with Sri Lanka on setting up a power grid link between the two neighbours for electricity trading, especially renewable energy. The aim is to eventually sign a memorandum of understanding between state-owned Power Grid Corporation of India and Sri Lanka's Ceylon Electricity Board, said people familiar with the matter. "Discussion is still going on with the Sri Lankan government on the grid connectivity project," an Indian government official said. The grid connectivity project is being planned through both overhead and under-sea cables, a second official added.

<https://economictimes.indiatimes.com/industry/energy/power/india-keen-to-speed-up-power-grid-link-talks-with-sri-lanka/articleshow/111322763.cms>

Telecom

Govt likely to take 6 months for notifying new rules for Telecom Act

Rules falling under the Telecommunications Act, 2013, will be in place in the next six months, senior sources at the Department of Telecommunications have said. They partially came into effect on Wednesday. Without the rules in place, many of the provisions of the Act can't be enforced, they added. A case in point, inter-ministerial consultations with the Ministry of Electronics and Information Technology (Meity) will decide on the rules for intercepting and detaining messages.

https://www.business-standard.com/industry/news/govt-likely-to-take-6-months-for-notifying-new-rules-for-telecom-act-124062700985_1.html

Trai inputs sought on rolling out authorisation mechanism

The government has asked the Telecom Regulatory Authority of India (Trai) to recommend the terms and conditions for the authorisation mechanism to be followed to regulate the industry, as it looks to abolish the licensing regime. The Department of Telecommunications has asked Trai to share its recommendations preferably in 60 days as it looks to act swiftly on the matter, said officials. "Trai met the telecom operators and internet service providers today (Thursday) to seek their inputs on the authorisation structure. The players can provide their comments by early next week, following which Trai will issue a consultation paper," an official told ET on condition of anonymity.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/trai-inputs-sought-on-rolling-out-authorisation-mechanism/articleshow/111322787.cms>

States

Maharashtra's economy expected to grow by 7.6 per cent in FY24: Economic Survey

Maharashtra's economy, the top contributor to the national nominal GDP, is expected to expand by 7.6 per cent in 2023-24, similar to the country's projected growth of 7.6 per cent, according to the state's latest Economic Survey.

The agriculture and allied activities sector, which was hit by "scarcity situation", in the state is expected to grow by 1.9 per cent and the Industry sector by 7.6 per cent, while the services sector is likely to register an expansion of 8.8 per cent in the last fiscal, it said.

<https://economictimes.indiatimes.com/news/economy/indicators/maharashtras-economy-expected-to-grow-by-7-6-per-cent-in-fy24-economic-survey/articleshow/111309968.cms>

Industrial sector in Rajasthan fears output slump after power cut order

Trade groups have raised concerns about the impact of the Rajasthan government ordering power cuts in the state's industrial areas. Industries have laid out suggestions that could help tackle the state's deficiency in electricity, and have asked the power department to make amends in the solar policy. The power department on Wednesday announced intermittent power cuts in industrial areas daily between 8pm and 3am.

https://www.business-standard.com/industry/news/industrial-sector-in-rajasthan-fears-output-slump-after-power-cut-order-124062700866_1.html

Healthcare

USFDA highlights quality concerns over drugs manufactured in India

The Center for Drug Evaluation and Research (CDER), a division of the US Food and Drug Administration (FDA), has expressed concern over the quality of drugs manufactured in India, asserting that it found violations at 11 per cent of the facilities it inspected in the country, the highest in any other global region, a senior official said. Data integrity problems were found in bioavailability and bioequivalence studies conducted by contract research organisations (CROs). These data integrity issues found in Indian manufacturers, included falsified pharmacokinetic (PK) data which is the study of how the human body interacts with administered substances, deliberate distribution of subject data into distinct cohorts to pass the bioequivalence study, questionable practices in reanalysing samples schemes and deficiencies poor quality management of systemic procedures.

https://www.business-standard.com/industry/news/usfda-highlights-quality-concerns-over-drugs-manufactured-in-india-124062700924_1.html

Indian regulator says 36% of inspected drug-making units had to be shut

More than 36% of the 400 drug manufacturing units inspected since last year in India were ordered to be shut, the country's drug regulator said on Thursday, after deaths linked to sub-standard cough syrups prompted an increase in scrutiny. The country, regarded as the world's pharmacy given the volume of drugs it produces, is working to restore confidence after Indian-made cough syrups were linked to deaths of children in Gambia, Uzbekistan, and Cameroon.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/indian-regulator-says-36-of-inspected-drug-making-units-had-to-be-shut/articleshow/111319804.cms>

'\$10 bn opportunity up for grabs in off patent drug market by 2029'

As many as 15 blockbuster drugs whose revenues worth \$112 billion will be off-patented during 2023 to 2029 and the Indian pharma industry will have a growth opportunity of \$10 billion in the form of generics (including complex), a top official of Pharmaceuticals Export Promotion Council of India (Pharmexcil), a body under the Department of Commerce said on Thursday. Addressing a press conference, Udaya Bhaskar, Director General of Pharmexcil also said Indian pharma exports recorded 8.85 per cent growth during April and May this year at \$4.73 billion against \$4.35 billion during the same period last fiscal.

https://www.business-standard.com/industry/news/10-bn-opportunity-up-for-grabs-in-off-patent-drug-market-by-2029-124062700989_1.html

Risk-based audits of drug units to begin from July 1

The Drug Controller General of India (DCGI) Rajeev Raghuvanshi on Thursday said the risk-based inspections based on revised Schedule M of the Drugs and Cosmetics Act will begin from July 1. "We will make a framework (for the risk-based inspection). We will switch the checklist and the questions which we look at when we go there (for audits)," Raghuvanshi said on the sidelines of an Indian Pharmaceutical Alliance (IPA) event.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/risk-based-audits-of-drug-units-to-begin-from-july-1/articleshow/111322114.cms>

External

India imposes anti-dumping duties on three Chinese products

India on Thursday imposed anti-dumping duties on three Chinese products including hydraulic rock breaker with an aim to protect domestic players from cheap imports. These duties were imposed following a recommendation by the commerce ministry's directorate general of trade remedies (DGTR), which has concluded in its probe that dumping of these goods are impacting domestic industry. The DGTR held investigations after complaints were filed by domestic players on the dumping of these goods.

https://www.business-standard.com/economy/news/india-imposes-anti-dumping-duties-on-three-chinese-products-124062701211_1.html

Exporters seek separate division for non-trade issues, faster customs clearance

Exporters on Thursday sought a separate division in the Commerce and Industry Ministry to deal with non-trade barriers such as those on environment and sustainability. At a meeting with Union Minister Piyush Goyal, they also raised the issue of Chinese goods entering India through the ASEAN free trade agreement. The EU's Ecodesign for Sustainable Products Regulation (ESPR), Deforestation regulation, Carbon Border Adjustment Mechanism and the US' Inflation Reduction Act to establish green technology industries are some of the non-trade barriers that will hurt India's exports.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/exporters-seek-separate-division-for-non-trade-issues-faster-customs-clearance/articleshow/111321535.cms>