



July 11, 2024 – Thursday

## Economy

### **Retail inflation for industrial workers eases to 3.86% in May: Govt**

Retail inflation for industrial workers eased to 3.86 per cent in May compared to 4.42 per cent in the same month a year ago. The Consumer Price Index-Industrial Workers (CPI-IW) was 3.87 per cent in April 2024, a labour ministry statement said. According to the statement, year-on-year inflation for May 2024 moderated to 3.86 per cent against 4.42 per cent in May 2023. The All-India CPI-IW for May 2024 increased by 0.5 points and stood at 139.9 points. It was 139.4 points in April 2024.

[https://www.business-standard.com/economy/news/retail-inflation-for-industrial-workers-eases-to-3-86-in-may-labour-min-124071000982\\_1.html](https://www.business-standard.com/economy/news/retail-inflation-for-industrial-workers-eases-to-3-86-in-may-labour-min-124071000982_1.html)

### **Own Account Enterprises rose by 6.5 mn between 2010 and 2023: NSO data**

The number of Own Account Enterprises (OAEs), which are run solely by the owners and do not employ hired workers, rose by 6.5 million to 55.3 million between 2010-11 and 2022-23, a comparison of the latest Annual Survey on Unincorporated Sector Enterprises (ASUSE) data released by National Statistical Office (NSO) with the 67th National Sample Survey (NSS) round showed. In contrast, the number of Hired Worker Enterprises (HWEs), which employ at least one hired worker on a fairly regular basis, increased by merely 850,000 units to 9.71 million during the same period, indicating that it is the OAEs that are driving employment in the unorganised sector.

[https://www.business-standard.com/economy/news/own-account-enterprises-rose-by-6-5-mn-between-2010-and-2023-nso-data-124071001198\\_1.html](https://www.business-standard.com/economy/news/own-account-enterprises-rose-by-6-5-mn-between-2010-and-2023-nso-data-124071001198_1.html)

### **Need to find out practical solutions of problems facing states: NITI member**

NITI Aayog member Arvind Virmani on Wednesday made a case for finding 'practical' solutions to problems faced by states, as many of them like Rajasthan and Odisha have done well without getting the special category status. Virmani further said in a democracy one has to recognise specific problems and find out pragmatic solutions. He was responding to a question on the issue of granting special category status (SCS) to Bihar and Andhra Pradesh.

[https://www.business-standard.com/india-news/need-to-find-out-practical-solutions-of-problems-facing-states-niti-member-124071000681\\_1.html](https://www.business-standard.com/india-news/need-to-find-out-practical-solutions-of-problems-facing-states-niti-member-124071000681_1.html)

### **India's path to economic success lies in powering service sector: Rajan**

Former Reserve Bank of India (RBI) Governor Raghuram Rajan called on India to prioritise the enhancement of its service sector over the expansion of manufacturing to achieve sustainable economic growth and create jobs. Speaking at the Annual World Bank Conference on Wednesday, Rajan argued that manufacturing is not the "holy grail" for India's economic success. Rajan highlighted that the manufacturing sector faces challenges due to limited export absorption and is no longer competing against high-cost labour in the US, instead facing intense competition from countries such as China, Vietnam, Indonesia, and Mexico, which also offer cheap labour and have more capital than India.

[https://www.business-standard.com/economy/news/india-s-path-to-economic-success-lies-in-powering-service-sector-rajan-124071100019\\_1.html](https://www.business-standard.com/economy/news/india-s-path-to-economic-success-lies-in-powering-service-sector-rajan-124071100019_1.html)

### **India Ratings sees rise in private consumption led by rural demand**

India Ratings and Research expects a rise in private consumption in FY25, led by a volume-led recovery in rural demand. While growth rates would remain polarised with premium products and services showing higher growth rates than the value segment (i.e., K-shaped recovery), the growth disparity would moderate in FY25, exhibiting slightly more broad-based growth contours, the agency said. "Private consumption is likely to recover in FY25 as likely normal monsoon and moderating inflation would support volume growth in rural India," said Prashant Tarwadi, Director, Large Corporates at the rating agency.

<https://economictimes.indiatimes.com/news/economy/indicators/india-ratings-sees-rise-in-private-consumption/articleshow/111636192.cms>

### **India needs 1 million high-tech engineers as economy expands**

India's technology sector will need more than 1 million engineers with advanced skills in artificial intelligence and other capabilities over the next 2-3 years, an industry body estimates, a demand that won't be met unless the government significantly beefs up education and training in the country. The sector will need to reskill more than half of its existing workforce to take up jobs in fields such as AI, big data analytics and cyber-security, said Sangeeta Gupta, senior vice president and chief strategy officer at the National Association of Software and Service Companies, based in Bengaluru.

<https://economictimes.indiatimes.com/jobs/fresher/india-needs-1-million-high-tech-engineers-as-economy-expands/articleshow/111647851.cms>

### **India-involvement M&A activity grew 4.4% in H1 at \$37.3 billion: LSEG Deals Intelligence**

India-involvement announced M&A activity grew 4.4 per cent in January-June 2024 to touch \$37.3 billion, latest LSEG Deals Intelligence Data showed. This is the highest first half period activity since 2022 when M&As had hit a record level of \$ 129.77 billion. In the first half last year, India-involvement M&A deal value stood at \$35.74 billion. However, the number of M&A deals for the first half this calendar year fell 18 per cent to 1,262 (1,546). The latest deal count is three-year low with number of deals in January-June 2022 coming at 1,374.

<https://www.thehindubusinessline.com/economy/india-involvement-ma-activity-grew-44-in-h1-at-373-billion-lseg-deals-intelligence/article68389584.ece>

## **Finance**

### **Budget 2024: Banks seek hike in interest subvention on farm loans**

Banks have urged the government to increase the interest subvention on short-term agriculture loans, said people aware of the matter. Currently, lenders receive an interest subvention relief of 1.5% on short-term farm loans of up to ₹3 lakh. Banks have argued that a 0.5 percentage point increase in subvention can help them absorb the increase in cost of funds and push more credit towards the farm sector over the short term, the people said.

<https://economictimes.indiatimes.com/news/economy/agriculture/budget-2024-banks-seek-hike-in-interest-subvention-on-farm-loans/articleshow/111642242.cms>

### **Proposed IBC amendment on guarantees to aid NPA recovery: India Ratings**

The Insolvency and Bankruptcy Board of India's (IBBI) proposed amendments to the regulations regarding the treatment of guarantees in resolution plans will increase prudence among potential guarantors, knowing they would remain accountable even post-resolution, according to India Ratings. This could lead to more responsible financial practices and risk assessments by corporate debtors and their guarantors, promoting a healthier credit ecosystem, it said. "The amendment is likely to enhance recovery value for creditors," India Ratings said. "The proposed amendment clears the ambiguity around the liability of guarantors, thus bringing in the much-needed clarity to the resolution process involving guarantors and will significantly reduce the cross litigation on account of varied interpretations."

<https://economictimes.indiatimes.com/news/economy/policy/proposed-ibc-amendment-on-guarantees-to-aid-mpa-recovery-india-ratings/articleshow/111640347.cms>

### **Four PSU banks pay Rs 6,481 cr dividend to Govt**

Four public sector banks, including Canara Bank and Indian Bank, on Wednesday presented dividend cheques worth Rs 6,481 crore to Finance Minister Nirmala Sitharaman for financial year 2023-24. "Smt @nsitharaman receives a dividend cheque of Rs 2,514.22 crore for FY 2023-24 from Shri Debadatta Chand, Managing Director & CEO - @bankofbaroda," the finance ministry said in a post on X.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/four-psu-banks-pay-rs-6481-cr-dividend-to-govt/articleshow/111639535.cms>

### **Digital payments yet to dethrone cash in priority list of Indians during offline purchases: Survey**

Despite the rise among Indians in adopting digital payment methods, cash is still preferred when it comes to offline purchases. About 60% of the 'aspiring' class (annual income up to Rs 5 lakh) and 52% of the middle class (Rs 5 lakh to Rs 10 lakh) use cash to make offline transactions, reported ToI quoting a report by Amazon Pay and management consulting firm Kearney. "For offline purchases, the preference of digital modes of payment increases with higher income levels," analysts said in the report. Beyond UPI, which has become ubiquitous, the well-heeled also use credit cards and digital wallets. In fact, as transaction size increases, a higher percentage of the consumers in the upper income segments prefer credit cards.

<https://economictimes.indiatimes.com/industry/banking/finance/digital-payments-yet-to-dethrone-cash-from-being-priority-list-of-indians-during-offline-purchases-survey/articleshow/111637435.cms>

## **Industry**

### **Commercial vehicle sales volume to fall 3-6 pc in FY25: Report**

New Delhi: Commercial vehicle sales volume is expected to decline 3-6 per cent in the current fiscal due to a slump in demand, according to a report by CareEdge Ratings. The drop in sales volume is due to a slowdown in demand in both the medium and heavy commercial and light commercial vehicle segments, as well as on account of high inventory levels with dealers, it said in a statement. The muted growth in FY24 was mainly due to the high base of FY23, the transition to BS VI leading to higher vehicle costs and a slowdown in infrastructure projects amidst elections during the latter part of the year leading to higher inventory with dealers, it added.

<https://economictimes.indiatimes.com/industry/auto/auto-news/commercial-vehicle-sales-volume-to-fall-3-6-pc-in-fy25-report/articleshow/111636926.cms>

### **Battery energy storage capacity grows over 4-fold to 219 MW in Q1: Report**

India's battery energy storage capacity grew more than four-fold to 219 MWh as of March 2024, Mercom Capital said. As of March 2023, the overall battery energy storage capacity in India was at 47.6 megawatt hour (MWh), the US-based research firm said in its report on Wednesday. Policy measures such as deviation settlement mechanism, grid connectivity regulations, and ancillary services regulations are being issued to ensure efficient renewable integration and grid stability, it said.

[https://www.business-standard.com/industry/news/battery-energy-storage-capacity-grows-over-4-fold-to-219-mw-in-q1-report-124071000646\\_1.html](https://www.business-standard.com/industry/news/battery-energy-storage-capacity-grows-over-4-fold-to-219-mw-in-q1-report-124071000646_1.html)

## **Agriculture**

### **India to sell wheat from state stocks to flour millers, biscuit makers**

India plans to sell wheat from its state reserves to bulk consumers such as flour millers and biscuit makers from next month, according to a government order seen by Reuters, as it seeks to keep a lid on local prices by boosting supplies. The government has allowed the state-run Food Corporation of India (FCI) to start offering wheat from its inventories from next month at 23,250 rupees (\$279) a ton, the order said, nearly 12% lower than prevailing open market prices.

<https://economictimes.indiatimes.com/news/economy/agriculture/india-to-sell-wheat-from-state-stocks-to-flour-millers-biscuit-makers/articleshow/111630578.cms>

### **Jute manufacturers' margins to shrink amid wage hikes and weak export demand**

An analysis of 10 jute companies rated by CRISIL Ratings, accounting for 30% of the sector's revenue, has shown that operating margins of jute manufacturers are expected to shrink 50 basis points (bps) this fiscal, owing to wage hikes and subdued demand in the more profitable export markets. That will mark the second consecutive year of decline

in profitability. Their credit profiles, however, will be stable owing to strong procurement by government agencies, healthy balance sheets and negligible capital expenditure (capex) debt. Wages of jute mill workers in West Bengal, which produces almost 80% of India's jute products, have been raised, effective end of last fiscal, following a tripartite agreement between the state government, mill owners and various trade unions.

<https://economictimes.indiatimes.com/news/economy/agriculture/jute-manufacturers-margins-to-shrink-amid-wage-hikes-and-weak-export-demand/articleshow/111629097.cms>

### **Vegan leather from sugarcane: PETA sees potential in India's agri-waste**

Animal rights group PETA India on Wednesday said India's position as a major global sugarcane producer offers significant opportunities for expanding the use of sugarcane-based vegan leather. The organisation highlighted that India's vast sugarcane production could be leveraged to effectively utilise sugarcane waste through technology developed by PA Footwear P Ltd, a company specialising in vegan leather alternatives.

[https://www.business-standard.com/industry/news/vegan-leather-from-sugarcane-peta-sees-potential-in-india-s-agri-waste-124071000462\\_1.html](https://www.business-standard.com/industry/news/vegan-leather-from-sugarcane-peta-sees-potential-in-india-s-agri-waste-124071000462_1.html)

## **Infrastructure**

### **Nitin Gadkari to hold meet on stalled highway projects**

Road transport and highways minister Nitin Gadkari will hold a detailed review meeting with top officials across ministries and contractors this month on the stalled highway projects to resolve inter-ministerial issues and fast track the implementation of the projects. The idea is to substantially reduce the number of stalled road projects, which is the highest among all infrastructure ministries. The meeting is aimed at preventing further cost and time overruns and to enable the government firm-up fresh milestones, revised cost estimates and revised commissioning schedule for these projects, a senior government official told ET.

<https://economictimes.indiatimes.com/industry/transportation/roadways/nitin-gadkari-to-hold-meet-on-stalled-highway-projects/articleshow/111642359.cms>

### **PM GatiShakti platform may adopt AI to boost India's economic development**

The Prime Minister Narendra Modi-led NDA 3.0 government is "considering" leveraging artificial intelligence (AI) as a part of an advanced version of the PM GatiShakti platform, to fast-track infrastructure development in the country. "We are looking at having a next version of futuristic PM Gati Shakti National Master Plan, which we call as PMGS 2.0 or AI-enabled predictive platform, where we can imagine various scenarios and make an assessment of what is going to be the trends for economic development, which area or sector, and at what pace," Surendra Kumar Ahirwar, Joint Secretary - Logistics at the Department of Commerce told ET.

<https://economictimes.indiatimes.com/news/economy/infrastructure/soon-ai-powered-pm-gatishakti-platform-to-boost-indias-economic-development-official/articleshow/111638976.cms>

### **DGCA issues safety rules for ground handling service providers at airports**

Aviation watchdog DGCA has come out with safety standards for ground handling service providers at airports, including the compulsory safety clearance requirement, as part of efforts to ensure safe ground operations amid rising air traffic. The norms also come against the backdrop of ground incidents at some airports that have resulted in damage to aircraft. The new Civil Aviation Requirements (CAR), prepared after detailed consultations, will strengthen the oversight mechanism, DGCA said in a release on Wednesday.

[https://www.business-standard.com/industry/news/dgca-issues-safety-rules-for-ground-handling-service-providers-at-airports-124071000403\\_1.html](https://www.business-standard.com/industry/news/dgca-issues-safety-rules-for-ground-handling-service-providers-at-airports-124071000403_1.html)

### **Air cargo companies seek custom-fit tag for transshipment goods**

Major Indian airlines and airports have sought a change in the transshipment policy to improve their business and position India as a major air cargo hub in the region. India had set itself an ambitious target to handle 10 million metric tonnes of air cargo by 2030. Shipments in and out of Indian airports were 3.4 mmt in 2023-24, up 7% year on year, according to new data from Airport Authority of India (AAI).

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/air-cargo-companies-seek-custom-fit-tag-for-transshipment-goods/articleshow/111642381.cms>

## Telecom

### Most telecoms want price reduction in 40GHz spectrum band

Telecom companies have sought a reduction in the reserve price of newly identified high frequency spectrum ranges in the 40GHz band to 50% of its valuation, keeping in mind the higher cost of building terrestrial networks in higher frequency ranges. They pointed out that the muted bidding seen in the past few auctions should also prompt the regulator to set the reserve price at 50% of the valuation of the spectrum, compared with 70% now.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/most-telecoms-want-price-reduction-in-40ghz-spectrum-band/articleshow/111636935.cms>

### Telecom equipment production sales cross Rs 50,000 crore under PLI scheme

The Production Linked Incentive (PLI) scheme for telecom equipment manufacturing has achieved a remarkable feat, with sales surpassing Rs 50,000 crore. The Centre announced this milestone on Wednesday. Within three years, the Telecom PLI scheme attracted investments of Rs 3,400 crore, with telecom equipment production exceeding Rs 50,000 crore and exports totalling Rs 10,500 crore, the data shared by the Centre revealed. The scheme has pushed the production, employment generation, economic growth, and exports in the country, the Ministry of Communications indicated in an official press release.

[https://www.business-standard.com/industry/news/telecom-equipment-production-sales-cross-rs-50-000-crore-under-pli-scheme-124071000415\\_1.html](https://www.business-standard.com/industry/news/telecom-equipment-production-sales-cross-rs-50-000-crore-under-pli-scheme-124071000415_1.html)

### From 68k crore, trade deficit in telecom has dropped to 4k cr: Scindia

The trade deficit in the telecom sector has reduced to Rs 4000 crore over the last five years, down from Rs 68,000 crore earlier as a result of the production linked scheme (PLI), telecom minister Jyotraditya Scindia said on Wednesday. "The PLI scheme has significantly reduced the country's reliance on imported telecom equipment, resulting in import substitution of 60 per cent," he said.

[https://www.business-standard.com/economy/news/trade-deficit-in-telecom-reduced-to-rs-4000-crore-in-last-5-years-scindia-124071001155\\_1.html](https://www.business-standard.com/economy/news/trade-deficit-in-telecom-reduced-to-rs-4000-crore-in-last-5-years-scindia-124071001155_1.html)

## States

### Odisha govt approves 26 investment projects worth Rs 5,992.92 crore

The Odisha government on Wednesday approved 26 investment projects worth Rs 5,992.92 crore, which are expected to create employment for more than 19,000 persons, an official statement said. The State Level Single Window Clearance Authority (SLSWCA) led by Chief Secretary Manoj Ahuja has approved a series of projects across diverse sectors including steel, chemicals, renewable energy, textiles, manufacturing, packaging, food processing, IT, infrastructure, and tourism, it said.

[https://www.business-standard.com/industry/news/odisha-govt-approves-26-investment-projects-worth-rs-5-992-92-crore-124071001013\\_1.html](https://www.business-standard.com/industry/news/odisha-govt-approves-26-investment-projects-worth-rs-5-992-92-crore-124071001013_1.html)

### Andhra govt, BPCL explore possibility of setting up Rs 70,000 cr petrochemical complex

Andhra Pradesh Chief Minister N Chandrababu Naidu on Wednesday met Bharat Petroleum Corporation Ltd officials here to explore the possibility of setting up an oil refinery and petrochemical complex, which could attract investments worth Rs 70,000 crore. The Chief Minister met with Bharat Petroleum Corporation Ltd (BPCL) chairman and managing director G Krishna Kumar at the secretariat. "We explored the establishment of an oil refinery and petrochemical complex in Andhra Pradesh with an investment of 60-70,000 Cr. (Rs 60,000 to Rs 70,000 crore," said Naidu in a post on X.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/petrochem/andhra-govt-bpcl-explore-possibility-of-setting-up-rs-70000-cr-petrochemical-complex/articleshow/111640743.cms>

### Bengaluru second airport: 3 new locations added. Here is the list of 7 sites under review

The Karnataka government has emphasized the need for a second airport in Bengaluru, a rapidly expanding global metropolis, capable of handling 100 million passengers annually. Karnataka's Minister for Infrastructure, MB Patil,

confirmed on Wednesday that the construction of a second airport for the city is a definite plan. The Bangalore International Airport Limited (BIAL), which operates KIA, has stipulated that no new international airport should be built within a 150 km radius until 2033. However, starting the planning and development process now could see the new airport ready by 2033, in alignment with these stipulations.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/bengaluru-second-airport-3-new-locations-added-here-is-the-list-of-7-sites-under-review/articleshow/111649651.cms>

## External

### Commerce min caps interest equalisation at Rs 1.66 cr per IEC for Jul-Aug

The commerce ministry on Wednesday clarified that the interest equalisation will be capped at Rs 1.66 crore per IEC (import-export code) for the July 1-August 31 period. Last month, the government extended the interest equalisation scheme (IES) on pre- and post-shipment rupee export credit for two months to promote the country's outbound shipments. The scheme, which provides exporters interest benefits, ended on June 30 this year. In a trade notice, the Directorate General of Foreign Trade (DGFT) said the scheme extended on June 28, 2-24 is applicable only to MSME manufacturer exporters, who are eligible for IES benefit of 3 per cent.

[https://www.business-standard.com/industry/news/commerce-min-caps-interest-equalisation-at-rs-1-66-cr-per-iec-for-jul-aug-124071000559\\_1.html](https://www.business-standard.com/industry/news/commerce-min-caps-interest-equalisation-at-rs-1-66-cr-per-iec-for-jul-aug-124071000559_1.html)

### India, Taiwan pact to facilitate trade of agri goods comes into force

An agreement between India and Taiwan to facilitate trade in organically-produced goods, including tea and medicinal plants, has come into force from July 8, the commerce ministry said on Wednesday. The mutual recognition agreement (MRA) will ease the export of organic products by avoiding dual certifications, thereby reducing compliance cost, simplifying compliance requirements by adhering to only one regulation and enhancing trade opportunities in the organic sector.

[https://www.business-standard.com/india-news/india-taiwan-pact-to-facilitate-trade-of-agri-goods-comes-into-force-124071000530\\_1.html](https://www.business-standard.com/india-news/india-taiwan-pact-to-facilitate-trade-of-agri-goods-comes-into-force-124071000530_1.html)

### India-EFTA FTA: Goyal to meet Swiss investors on on \$100-bn FDI commitment

Commerce and Industry Minister Piyush Goyal is set to travel to Switzerland on Sunday to meet investors, in line with the \$100-billion investment commitment under the India-European Free Trade Association (EFTA) trade deal signed earlier this year. The minister's visit will also see discussions on ratification of the trade deal by both sides. EFTA nations comprise Iceland, Switzerland, Norway, and Liechtenstein.

[https://www.business-standard.com/economy/news/india-efta-fta-goyal-to-meet-investors-in-switzerland-on-fdi-commitment-124071000935\\_1.html](https://www.business-standard.com/economy/news/india-efta-fta-goyal-to-meet-investors-in-switzerland-on-fdi-commitment-124071000935_1.html)

### Seafood exporters in troubled waters as shipping freight rates see 5x surge

India's \$7.26-billion seafood export industry has raised alarm about the 4-5 times surge in shipping freight rates in less than two months, saying it is staring at losses as it is unable to pass on the increase in costs to buyers. The US tariffs on China, set to take effect from August 1, have led to a dramatic increase in container demand in China, causing shortages and sharp increase in freight rates in India, said the Seafood Exporters Association of India (SEAI).

<https://economictimes.indiatimes.com/news/economy/foreign-trade/seafood-exporters-in-troubled-waters-as-shipping-freight-rates-see-5x-surge/articleshow/111642377.cms>

### GoM to decide on rice export ban, spice exporters cautious of quality

Commerce and industry minister Piyush Goyal Wednesday said a Group of Ministers will take a call on lifting the ban on certain varieties of non-basmati rice after considering the demand-supply and price situation. India has banned exports of non-basmati white rice since July 20, 2023 to boost domestic supply. "These decisions are taken by a Group of Ministers. We meet periodically, assess the production of agri produce, the consumption patterns, price in the retail and wholesale market, and we take a balanced decision," he said on the sidelines of a Ficci event.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/gom-to-decide-on-rice-export-ban-spice-exporters-cautious-of-quality/articleshow/111638116.cms>