



July 15, 2024 – Monday

Economy

Ease of living issues high on agenda at PM-chaired NITI Aayog meeting

Prime Minister Narendra Modi will review recommendations on 'ease of living' during the ninth meeting of Governing Council of NITI Aayog on July 27, which are supposed to be an outline of the common development agenda and a blueprint for cohesive action in partnership with the States.

<https://www.thehindubusinessline.com/news/national/ease-of-living-issues-high-on-agenda-at-pm-chaired-niti-aayog-meeting/article68402737.ece>

Expect retail inflation to remain close to 5%: SBI Research report

Retail inflation, or the Consumer Price Index (CPI) in India, is expected to remain below or close to 5.0 percent in the remaining months of 2024-25, except for September, according to SBI Research. India's retail inflation rate increased in June, deviating from the moderation seen in previous months, driven by rising food prices.

<https://economictimes.indiatimes.com/news/economy/indicators/expect-retail-inflation-to-remain-close-to-5-sbi-research-report/articleshow/111729050.cms>

Finance

Commercial banks in India step up their control to check 'mule' fraud

Commercial banks in India have stepped up their control mechanism in taking on new current- and savings-accounts customers while enhancing surveillance on the existing ones. This is in the wake of an increase in the number of "mule accounts" (illegal accounts) in the past six-nine months, bankers said. In an interaction with managing directors and chief executive officers of public- and private-sector banks earlier this month, Reserve Bank of India (RBI) Governor Shaktikanta Das asked the lenders to step up efforts to tackle mule accounts and also intensify customer awareness and education initiatives, among other measures, to curb digital frauds.

https://www.business-standard.com/economy/news/commercial-banks-step-up-account-control-to-counter-mule-fraud-in-india-124071400342_1.html

India's retail digital payments set to double to \$7 trn by 2030: Report

With digital adoption fast gaining currency, India is likely to see retail digital payments double to \$ 7 trillion by 2030 from current levels, a study by Kearney and Amazon Pay said. In the report 'How Urban India Pays', Kearney-Amazon Pay said strong adoption of digital payments in online purchases has potentially led to a permanent shift in consumer behaviours, fueling offline adoption as well.

https://www.business-standard.com/finance/news/india-s-retail-digital-payments-set-to-double-to-7-billion-by-2030-report-124071400236_1.html

Govt may introduce insurance laws amendment bill in Budget session

The government is likely to introduce a bill seeking amendments to the Insurance Act, 1938, during the upcoming Budget session to achieve 'Insurance for All by 2047'. Some of the provisions, which could be part of the amendment bill, include composite license, differential capital, reduction in solvency norms, issuing captive license, change in

investment regulations, one-time registration for intermediaries and allowing insurers to distribute other financial products, sources said.

<https://economictimes.indiatimes.com/news/economy/policy/govt-may-introduce-insurance-laws-amendment-bill-in-budget-session/articleshow/111728168.cms>

Only 6% of total ₹3.68-lakh crore loans under ECLGS are bad debts

Non-performing assets (NPA) have been around 6 per cent under Emergency Credit Line Guarantee Scheme (ECLGS), government officials have said. This means the cost to providing a full guarantee under the scheme will be much less than anticipated.

<https://www.thehindubusinessline.com/economy/only-6-of-total-loans-under-eclgs-are-bad-debts/article68403088.ece>

Industry

India Inc's cash flow surged in FY24, but investments remained tepid

India Inc generated strong cash flows in FY24, with cash and bank balances shooting up 18% to nearly Rs 10 trillion, the fastest pace in four years. A universe of 1,350 large companies for which comparative data is available, generated operating cash flows of nearly Rs 15 trillion. This is in sync with the strong increase in corporate profits last year, driven partly by a jump in other income. For a sample of 2,345 companies (excluding banks and financials) net profits were up a sharp 32%. Among the sectors that generated high operating cash flows last year were refineries, power generation and distribution, software services and telecom services.

<https://www.financialexpress.com/business/industry/india-incs-cash-flow-surged-in-fy24-but-investments-remained-tepid/3553358/>

Centre plans to expand area limits to boost critical minerals mining

In an effort to accelerate the pace of critical mineral mining in the country, the Centre is planning to increase the area granted to individual players by more than four fold. For mining leases, the area will be expanded from the current limit of 10 square kilometres (sq km) to 50 sq km. For prospecting licences (granted in the case of composite licence), the limit will be increased from 25 sq km to 100 sq km.

https://www.business-standard.com/economy/news/centre-plans-to-expand-area-limits-to-boost-critical-mineral-mining-124071400298_1.html

India sees fastest growth in electronic waste generation: Unctad report

India saw the highest 163 per cent growth globally in generating electronic waste from screens, computers, and small IT and telecommunication equipment (SCSIT) between 2010 and 2022, according to a United Nations Trade and Development (Unctad) report. The '2024 Digital Economy Report: Shaping an environmentally sustainable and inclusive digital future' notes that India doubled its share in SCSIT waste generation in the world from 3.1 per cent in 2010 to 6.4 per cent in 2022. The report states that developing countries in Asia generated most of such waste in 2022, with China contributing almost half of it.

https://www.business-standard.com/industry/news/india-records-163-increase-in-electronic-waste-says-unctad-report-124071400395_1.html

Govt proposes mandatory labelling for bulk pre-packaged commodities

The Consumer Affairs Ministry on Sunday proposed an amendment to the Legal Metrology (Packaged Commodities) Rules, 2011, seeking to mandate the declaration of key information on pre-packaged commodities weighing over 25 kg or measuring more than 25 litres sold in retail markets. The move aims to close a loophole that currently exempts such bulk packages from displaying crucial details like maximum retail price (MRP), best before date, manufacturer information, and country of origin.

https://www.business-standard.com/industry/news/govt-proposes-mandatory-labelling-for-bulk-pre-packaged-commodities-124071400311_1.html

Hybrids face uphill drive to sops in Uttar Pradesh; Only FAME II-certified vehicles to benefit from state scheme

Carmakers selling hybrid vehicles in Uttar Pradesh may not be able to immediately take advantage of benefits under a promotional scheme that was announced July 5. The state transport authority has informed manufacturers in a July 9 letter that the benefits under the state scheme would apply to vehicles certified under the central government's flagship Faster Adoption and Manufacturing of Electric Vehicles (FAME II) incentive programme. <https://economictimes.indiatimes.com/industry/renewables/hybrids-face-uphill-drive-to-sops-in-uttar-pradesh-only-fame-ii-certified-vehicles-to-benefit-from-state-scheme/articleshow/111736804.cms>

On expat experts' visas, cos want a PLI encore for core

Local metal and power producers have asked the government for a visa regime for expats - including those from China - on a par with that for companies in the 14 sectors under production-linked incentive (PLI) schemes. They cited project execution difficulties due to delays in processing visas for foreign experts, people aware of the issue told ET. This has emerged as a bottleneck amid signs of a pickup in private capital formation. The manufacturers have flagged these issues to their administrative ministries.

<https://economictimes.indiatimes.com/news/economy/indicators/on-expat-experts-visas-cos-want-a-pli-encore-for-core/articleshow/111736728.cms>

Indian AC industry likely to double in next 4 years: Blue Star

The air-conditioning industry, valued at around Rs 27,500 crore (USD 3.3 billion), is likely to double in the next four years, Blue Star has said in its annual report. The Indian HVAC&R (heating, ventilating, air conditioning and refrigerating) is poised for exponential growth, said Blue Star Chairman & Managing Director Vir S Advani. This growth would be driven by factors such as "low penetration" of room ACs and the burgeoning middle-class consumers with "high disposable incomes", especially from smaller Tier III, IV & V markets.

<https://economictimes.indiatimes.com/industry/cons-products/durables/indian-ac-industry-likely-to-double-in-next-4-years-blue-star/articleshow/111734725.cms>

Agriculture

Active rains spur kharif sowing

With the south peninsula and northwest India receiving surplus to normal rainfall, overall precipitation since the onset of monsoon stood in 'normal' range at 2% below the benchmark long period average (LPA) on Saturday. Of the 36 subdivisions in the country, 69% received rainfall in the range of surplus to normal so far. However, Chhattisgarh, Jharkhand, Odisha, Kerala, Punjab and Haryana remain rain-deficient. Indian Meteorological Department (IMD) has predicted 'above normal' rainfall in the current month at 106% of LPA.

<https://www.financialexpress.com/policy/economy-active-rains-spur-kharif-sowing-3553085/>

Budget 2024: Agro-chemical sector seeks hike in import duties

Ahead of the budget, the country's agrochemical sector has sought an increase in import duties, flagging dumping of chemicals from China. Crop Care Federation of India, which represents key players in the agrochemical sector, has sought an increase in import tariffs, currently at about 7.5%. "The government should raise import tariffs by 7.5% counteracting Chinese predatory pricing and monopolistic practices with targeted tariff," said Harish Mehta, senior advisor, Cropcare Federation of India.

<https://economictimes.indiatimes.com/news/economy/policy/budget-2024-agro-chemical-sector-seeks-hike-in-import-duties/articleshow/111736462.cms>

Infrastructure

Railways looks to get monetisation proceeds on track with Rs 17K cr goal

The Ministry of Railways is looking to increase its monetisation of assets this financial year, seeking to better its weak performance on this count. The railways has identified assets worth Rs 17,000 crore for 2024-25, according to officials privy to the developments. The ministry seeks to generate revenue from the private sector by leasing its land parcels, station land for commercial purposes, and railway colonies, a senior government official said.

https://www.business-standard.com/industry/news/railways-looks-to-get-monetisation-proceeds-on-track-with-rs-17k-cr-goal-124071400305_1.html

Builders cut project completion time by 20% in top 7 cities: Anarock

Real estate developers across seven major cities are taking an average 18-20 per cent less time to complete a project because of tight regulations and the use of latest construction technologies, according to Anarock. Real estate consultant Anarock data analysed all projects that were launched and completed between 2010-2019 and 2014-H1 2024 across the top seven cities. In the last decade, the average time taken to complete smaller projects of less than 500 units across these seven cities was four years, while builders took 4.9 years to complete large projects of more than 500 units each.

https://www.business-standard.com/industry/news/builders-cut-project-completion-time-by-20-in-top-7-cities-anarock-124071400381_1.html

Realty project completion gets faster now, thanks to tech & stricter rules

Real estate developers have been completing large-scale projects in under five years since 2014, a marked improvement from the previous six-year timeframe, due to modernised construction technology and the implementation of the Real Estate Regulatory Authority (RERA), ensuring home buyers receive their homes on time, according to a report by a real estate consulting firm.

<https://economictimes.indiatimes.com/industry/services/property/-/construction/realty-project-completion-gets-faster-now-thanks-to-tech-stricter-rules/articleshow/111736566.cms>

Telecom

Consumer spending on mobile services dips sequentially in Q4

Consumer spending on mobile services in India slumped sequentially in the fourth quarter of FY24, which was reflected in lower revenues for telecom operators from their postpaid services business as well as reduced payouts for data services, according to an assessment collated by the telecom regulator.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/consumer-spending-on-mobile-services-dips-sequentially-in-q4/articleshow/111736314.cms>

States

Tamil Nadu emerges as GCC magnet, pharma major AstraZeneca leads the charge

Earlier this month, British-Swedish pharmaceutical (pharma) major AstraZeneca announced the expansion of its global capability centre (GCC) in Chennai, marking it as the company's largest such centre worldwide. This development underscores Tamil Nadu's emergence as India's latest hotspot for GCCs, with over 50,000 jobs created by more than 40 global companies in the past three years, intensifying competition in the region. AstraZeneca joins Pfizer and Roche, who have also established their centres in the state. Global giants such as World Bank Group (the largest outside its headquarters), Standard Chartered, Hitachi Energy, Renault Nissan, Caterpillar, Nokia, and Ford have chosen Chennai for their largest centres globally.

https://www.business-standard.com/industry/news/tamil-nadu-turns-latest-hotspot-for-gccs-adds-50-000-jobs-in-three-years-124071400281_1.html

Healthcare

Pharma industry seeks relief from price cap rule for cheap drugs

The pharmaceutical industry has sought exemption from the government on fixation of ceiling prices for all low-priced formulations or those that are priced at up to ₹5 per unit. At a meeting last week, the Federation of Pharma Entrepreneurs (FoPE) lobby group also asked for the exemption of patented drugs from price control for 10 years instead of the existing five. According to FoPE, in the absence of a 10-year exemption, many companies are conducting research outside the country.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/pharma-industry-seeks-relief-from-price-cap-rule-for-cheap-drugs/articleshow/111736665.cms>

External

Exports positive in April-June quarter despite challenges: Piyush Goyal

India's exports have recorded healthy growth in May and remained in the positive zone in June and the first quarter of the current fiscal despite global challenges, Commerce and Industry Minister Piyush Goyal has said. He also said that growth in the services sector is helping the country's outbound shipments to register positive growth rates. "In May, exports were positive, the figure for June is also positive. The first quarter is also in the positive territory," Goyal told PTI.

https://www.business-standard.com/economy/news/exports-positive-in-april-june-quarter-despite-challenges-piyush-goyal-124071400176_1.html

Non-tariff barriers: Centre readies steps to ease exporters' woes

The government is working towards a strategy to tackle non-tariff barriers faced by exporters by setting up a committee and launching a portal, a senior official said. Typically, non-tariff barriers take several years to resolve. The development comes at a time when India is negotiating free-trade agreements (FTAs) with several developed economies, where non-tariff measures related to environment and sustainability have become a cause for concern for Indian exporters. During a recent review meeting, exporters had urged Commerce and Industry Minister Piyush Goyal to develop a strategy to tackle non-tariff barriers imposed by trade partners that hinder India's exports.

https://www.business-standard.com/economy/news/govt-firms-up-strategy-to-resolve-non-tariff-barriers-faced-by-exporters-124071400302_1.html

More instructions on FTA-COO for claiming exemptions

The Jawaharlal Nehru Customs House (JNCH), Nhava Sheva, near Mumbai has issued revised guidelines for verification of certain details when importers claim clearance at lower or nil rate of customs duty under various exemption notifications giving effect to preferential/free/regional trade agreements (FTA). Other customs houses may follow suit. For availing exemptions under FTAs, the importers have to obtain certificates of origin (COO) from the sellers in accordance with the relevant rules for determination of origin of the goods and produce them before the Customs.

https://www.business-standard.com/economy/news/more-instructions-on-fta-coo-for-claiming-exemptions-124071400687_1.html

Next round of India-Korea FTA review meeting from July 17 in Seoul

With talks to upgrade the existing India-Korea free trade agreement (FTA) moving forward, senior officials of both countries will hold the next round of negotiations from Wednesday in Seoul, an official said. The agreement, dubbed as comprehensive economic partnership agreement (CEPA), was operationalised in January 2010. So far, 10 rounds of review talks have been concluded.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/next-round-of-india-korea-fta-review-meeting-from-july-17-in-seoul/articleshow/111726578.cms>

Automobile exports from India rise 15.5 pc in Q1

Automobile exports from India rose 15.5 per cent year-on-year in the June quarter with all verticals, barring three-wheelers, recording growth in shipments, according to the latest SIAM data. Overall shipments stood at 11,92,577 units in the first quarter the current fiscal year, as compared with 10,32,449 units in the same period of the last fiscal. Passenger vehicle exports stood at 1,80,483 units in the first quarter, registering a jump of 19 per cent over 1,52,156 units in the same period last year.

<https://economictimes.indiatimes.com/industry/auto/auto-news/automobile-exports-from-india-rise-15-5-pc-in-q1/articleshow/111726006.cms>