



July 22, 2024 – Monday

Economy

India likely to have highest per-capita income growth, says OECD report

India is likely to have the highest per-capita income growth in the world at 5.4 per cent per annum during 2024-33, allowing it and other emerging economies to drive global consumption of agricultural and fisheries products in the next decade, according to a recent report by the Organisation for Economic Co-operation and Development (OECD) and the Food and Agriculture Organization (FAO). The Agricultural Outlook 2024-33 report, released earlier this month, said India and Southeast Asian countries are expected to increase their influence in driving global food and agricultural consumption, owing to their growing urban populations, increased production through technological advances, and rising income levels, overtaking the waning Chinese influence and leading to changes in global agricultural patterns.

https://www.business-standard.com/economy/news/india-to-record-highest-per-capita-income-growth-in-next-decade-report-124072100430_1.html

Youth hirings in formal sector witness upswing in April-May: EPFO data

Fresh youth employment in the formal sector of the economy gathered momentum in April-May, with the number of subscribers under the Employees' Provident Fund (EPF) in the 18-28 age group increasing by 3.3 per cent year-on-year (Y-o-Y) in FY25 to 1.27 million. Earlier, the number of young EPF subscribers in the same age bracket had contracted by nearly 10 per cent (Y-o-Y) to 1.23 million during these two months of FY24. Tracking first-time job seekers in India is crucial as around 8 million youths enter the labour market annually and high youth unemployment signals challenges in the job market.

https://www.business-standard.com/economy/news/fresh-hirings-picked-up-pace-in-april-may-shows-epfo-payroll-data-124072100458_1.html

Elderly population in India likely to double by 2050: UNFPA India chief

India's elderly population is expected to double by 2050, UNFPA India chief Andrea Wojnar said, stressing that more investment in healthcare, housing and pensions is needed, especially for older women who are "more likely to live alone and face poverty". In an interview with PTI given days after the World Population Day on July 11, Resident Representative for UNFPA India, Wojnar, outlined key population trends that India is prioritising to accelerate sustainable development.

https://www.business-standard.com/india-news/elderly-population-in-india-likely-to-double-by-2050-unfpa-india-chief-124072100120_1.html

Public procurement rules revised to boost local manufacturing

In an effort to further push the Make in India initiative, the government has tightened public procurement norms by excluding imported inputs while calculating the local content in its purchase orders. In the latest revision to its Public Procurement (preference to Make in India) Order 2017, the Department for Promotion of Industry and Internal Trade (DPIIT) has also clarified that procurement and supply of repackaged, refurbished, rebranded imported products shall be treated as selling imported products.

<https://www.financialexpress.com/business/industry/public-procurement-rules-revised-to-boost-local-manufacturing/3559590/>

Budget 2024: Job creation, other booster shots likely for fitter economy

The first budget of the new government will seek to energise the economy with focused interventions in job creation, rural areas, micro, small and medium enterprises (MSMEs) and technology, people familiar with the deliberations told ET. However, it will likely not deviate from the fiscal consolidation plan, they said.

<https://economictimes.indiatimes.com/news/economy/policy/budget-2024-job-creation-other-booster-shots-likely-for-fitter-economy/articleshow/111909334.cms>

Finance

Plan in works to get trade finance activities under one umbrella

India is working to develop a 'trade finance ecosystem' to bring all sectoral regulators on board. This initiative led by the commerce and industry ministry seeks to bring policymaking for trade finance under one umbrella to make it more efficient, said people aware of the developments. "These are initial discussions, and various models, including setting up a council like the Financial Stability Development Council (FSDC), are being looked at," said an official.

<https://economictimes.indiatimes.com/news/economy/policy/plan-in-works-to-get-trade-finance-activities-under-one-umbrella/articleshow/111909223.cms>

Industry

Rural two-wheeler demand roars back to life in first half of 2024

The two-wheeler segment has shown signs of recovery in the first half (H1) of calendar year (CY) 2024, largely driven by improving performance in rural areas. According to the Federation of Automobile Dealers Associations, rural contribution to two-wheeler sales surged by 57-60 per cent in the April-June quarter of 2024-25, indicating a rising demand in these regions. Experts believe that this trend will continue, supported by a favourable monsoon season and government initiatives aimed at rural development.

https://www.business-standard.com/industry/auto/rural-demand-for-two-wheelers-reviving-in-the-first-half-of-2024-fada-124072100307_1.html

Rising imports may pose a challenge for local steel makers: JSW Steel's chief executive officer Jayant Acharya

A continued rise in steel imports at ultra-competitive rates could pose a challenge for domestic manufacturers investing in additional capacities to capture local demand that stands in sharp relief against sluggish sales globally, JSW Steel's chief executive officer Jayant Acharya told ET. "The demand (in the domestic market) is a tailwind and is naturally one of the key factors for us to be able to grow the capacity," said Acharya, who heads the country's biggest maker of the primary infrastructure alloy. "But it is important to see that the investments made by the steel industry are not jeopardised," he said. While the apparent consumption of steel in India has grown at nearly 15% on-year in the June quarter, imports have surged by more than 27% in the same period. Apart from China, a major chunk of these imports came in from countries with which India has Free Trade Agreements.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/rising-imports-may-pose-a-challenge-for-local-steel-makers-jsw-steels-chief-executive-officer-jayant-acharya/articleshow/111909366.cms>

Tyre makers to hike prices up to 6% this quarter

With the continuous increase in raw material prices and increase in the price of domestic natural rubber, tyre makers are expecting to hike prices on its product offerings.

<https://www.thehindubusinessline.com/companies/tyre-makers-to-hike-prices-up-to-6-this-quarter/article68429259.ece>

Agriculture

Domestic cotton yarn sector to rebound in FY25, 6-8% expansion expected, says ICRA

The domestic cotton spinning sector is anticipated to rebound in FY25, expanding by 6–8 per cent with the help of modest realisation increases and a 4-6 per cent increase in volume, stated a report by ICRA. This comes after two years of de-growth due to declining yarn realisations and muted domestic demand. More than two thirds of all cotton yarn produced is used domestically, where recovering downstream industries such as home textiles and ready-made clothing are beginning to show signs of life. After increasing on a reduced foundation in FY24, exports are probably going to return to normal in FY25. While the exports will remain exposed to headwinds from sluggish global demand, a shift in sourcing preference away from other countries will offset this impact to an extent, it added. <https://www.financialexpress.com/business/industry-domestic-cotton-yarn-sector-to-rebound-in-fy25-6-8-expansion-expected-says-icra-3560000/>

Infrastructure

Land deals drop 57% to 325 acres in Apr-Jun on high prices: Anarock

Land acquisitions remained muted during April-June, and only 25 deals covering 325 acres were closed during this period, mainly due to high prices and general elections, according to Anarock. In contrast, there were 29 land deals closed in the year-ago period, comprising 721 acres. Real estate consultant Anarock pointed out that the general elections and the heated land prices seem to have dented the appetite for land acquisition for developers and other entities in the second quarter of 2024.

https://www.business-standard.com/industry/news/land-deals-drop-57-to-325-acres-in-apr-jun-on-high-prices-anarock-124072100330_1.html

NHAI to charge double toll from vehicles with non-affixed FASTag on front

To deter National Highway users from deliberately not fixing FASTag on the windscreen of the vehicle, NHAI has issued guidelines to collect double user fee from such users entering the toll lane with non-affixed FASTag on the front windshield from the inside, an official release said on Thursday. NHAI said deliberate non-affixation of FASTag on the windscreen leads to unnecessary delays at the toll plazas causing inconvenience to fellow National Highway users. "Detailed Standard Operating Procedures (SOP) has been issued to all User Fee Collection Agencies and Concessionaires to charge double user fee in case of non-affixation of FASTag on the front windshield," it said.

https://www.business-standard.com/industry/auto/nhai-to-charge-double-toll-from-vehicles-with-non-affixed-fastag-on-front-124071801497_1.html

Telecom

Telecom tariffs likely to see more hikes in long road to Rs 300 Arpu

On Friday, as Reliance Industries announced its financial results for the June quarter, its telecom business stood out for its double-digit growth both in revenue and net profit, beating the Street forecast. Reliance Jio also emerged as the biggest telecom data company. But its Arpu, or monthly average revenue per user, which captures the financial health and promise of a telecom service provider (telco), remained flat at Rs 181.7 for the fourth consecutive quarter. The telecom industry leader is now looking at improving Arpu over the next few quarters because of recent tariff increases.

https://www.business-standard.com/economy/news/telecom-tariffs-likely-to-see-more-hikes-in-long-road-to-rs-300-arpu-124072100681_1.html

States

Karnataka government in the spotlight again; Plans to amend the 14-hour workday bill

The Karnataka government is planning to review the proposed amendment to the Karnataka Shops and Commercial Establishment Act which proposes extending the working hours in the IT sector from the current 10 hours per day to a 14-hour workday. The reconsideration comes in response to strong opposition from IT sector unions like KITU Karnataka State IT/ITes Employees Union (KITU), and Nascent Information Technology Employees Senate (NITES).

<https://www.thehindubusinessline.com/news/national/karnataka-government-in-the-spotlight-again-plans-to-amend-the-14-hour-workday-bill/article68429381.ece>

Healthcare

Pharma MNCs seek relief from price control for patented drugs

The Organisation of Pharmaceutical Producers of India (OPPI), which represents prominent multinational pharma companies, has sought exemption for patented and orphan drugs from the government-set price controls, people in the know told ET. It has asked the government to do away with the existing practice of 50% price cuts upon patent expiry, arguing that the government's price-setting provisions will stymie innovation. In a recent meeting held with the Department of Pharmaceuticals (DoP), the OPPI also sought exemption from price controls for drugs used for rare diseases.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/pharma-mncs-seek-relief-from-price-control-for-patented-drugs/articleshow/111909430.cms>

External

India FTA talks set to be revived with first major UK ministerial visit

The renewed parameters of the India-UK free trade agreement negotiations are set to be defined this week as UK Foreign Secretary David Lammy is expected in India on Tuesday, the first high-profile visit under the newly elected Labour government in Britain. The free trade agreement (FTA) talks began in January 2022, under the then Conservative government, with a target to significantly boost the GBP 38.1 billion a year bilateral trading partnership but hit a block in the fourteenth round of negotiations to make way for general elections in both countries.

https://www.business-standard.com/economy/news/india-fta-talks-set-to-be-revived-with-first-major-uk-ministerial-visit-124072100267_1.html

Complex procedures, import restrictions hurt garment export growth: GTRI

Issues like complex procedures of DGFT and customs, import restrictions and domestic vested interests are holding up the export growth of the Indian garment sector, think tank GTRI said on Sunday. At the root of the exporters' problem is difficulty in obtaining quality raw fabric, particularly synthetic fabric, the Global Trade Research Initiative said. "Unlike in Bangladesh and Vietnam, where exporters easily access quality imported fabrics, Indian exporters struggle daily. High import duties on fabrics, coupled with DGFT (Directorate General of Foreign Trade) and Customs; intricate procedures, force exporters to meticulously account for every inch and type of fabric imported," GTRI founder Ajay Srivastava said.

https://www.business-standard.com/industry/news/complex-procedures-import-restrictions-hurt-garment-export-growth-gtri-124072100135_1.html