



August 02, 2024 – Friday

Economy

Softer increase in new orders, output slows down manufacturing PMI in July

Growth in Indian manufacturing softened in July due to "slightly" softer increases in new orders and output, according to a private agency's survey on Thursday. The HSBC final India Manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, came in at 58.1 last month, little changed from June's 58.3 reading. The index has been above the 50-mark separating growth from contraction since July 2021. International sales by Indian manufacturing expanded at the fastest pace in more than 13 years, while job creation remained robust and selling price saw the steepest increase since October 2013.

https://www.business-standard.com/economy/news/softer-increase-in-new-orders-output-slows-jul-manufacturing-pmi-to-58-1-124080100435_1.html

India to take 75 years to reach quarter of US GDP: World Bank report

India will take 75 years to reach a quarter of the United States' GDP at the current rate, according to a new World Bank report that provides a comprehensive roadmap to enable developing countries to escape the "middle-income trap". The report titled 'World Development Report 2024' highlights a challenge to Prime Minister Narendra Modi's aspiration to transform the country into a developed economy by 2047, or achieve high-income status within a generation. It also reveals that over 100 countries, including India, China, Brazil, and South Africa, face significant challenges in attaining high-income status in the coming decades.

https://www.business-standard.com/economy/news/india-to-take-75-years-to-reach-just-a-quarter-of-us-gdp-world-bank-report-124080101344_1.html

Govt to keep a watch on prices of 16 more food items

The Indian government will begin monitoring daily wholesale and retail prices of 16 additional essential food commodities from August 1 to help stabilise rates through policy interventions, Union Food and Consumer Affairs Minister Pralhad Joshi said. The Department of Consumer Affairs currently tracks the daily prices of 22 essential food commodities from 550 centers across 34 states and Union Territories.

"We are now adding 16 more commodities, taking the total number of food items to 38 whose prices will be monitored on a daily basis," Joshi said.

<https://economictimes.indiatimes.com/news/economy/agriculture/govt-to-keep-a-watch-on-prices-of-16-more-food-items/articleshow/112194370.cms>

India's family-owned biz projected to drive 85% of GDP by 2047: McKinsey

The contribution of family-owned businesses (FOBs) to India's GDP is projected to reach 80 to 85 per cent by 2047, according to a McKinsey report on family offices. Currently, FOBs contribute more than 75 per cent of national GDP, one of the highest percentages in the world. The report analysed 300 publicly listed family-owned businesses with each having annual revenues of over Rs 2,000 crore at least once in the past five years. From 2017 to 2022, FOBs outperformed non-family-owned businesses, reporting approximately 2.3 per cent higher revenue growth.

https://www.business-standard.com/economy/news/india-s-family-owned-biz-projected-to-drive-85-of-gdp-by-2047-mckinsey-124080101109_1.html

MGNREGA demand dips 19% as agriculture activities pick up pace

Demand for work under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) dropped 19.42 per cent in July, as compared to the same period last year. Sequentially, there was a sharper 28.31 per cent dip as sowing activities picked up pace due to the onset of monsoon in many parts of the country. July and August are usually considered lean months for the scheme in terms of demand for work as agricultural activities are in full swing in the rural parts of the country. However, whether fluctuations in work demand are a true reflection of rural distress or prosperity is open to debate.

https://www.business-standard.com/economy/news/mgnrega-demand-dips-19-as-agriculture-activities-pick-up-pace-124080101442_1.html

Finance

UPI clocks Rs 20 lakh crore for the third straight month in July

India's most used payments platform, Unified Payments Interface (UPI), crossed the Rs 20 lakh crore for the third straight month in July. The platform clocked a transaction amount of Rs 20.64 lakh crore in the month of July growing by 35% on year. It also recorded a transaction volume of 14.44 billion a growth of 45%, as per data released by the National Payments Corporation of India (NPCI).

<https://economictimes.indiatimes.com/industry/banking/finance/banking/upi-clocks-rs-20-lakh-crore-for-the-third-straight-month-in-july/articleshow/112202103.cms>

Indian banks allocate only 5% revenue on IT spends

Indian banks allocate a lower percentage of their revenue to IT spending compared to global peers, a report by Boston Consulting Group has pointed out. Global banks typically invest 7% - 9% of their revenue on IT costs while Indian banks allocate only up to 5%, it said. According to the BCG report "The Poster Child", 75% of digital payments and loans and 25% of new digital accounts will originate from third-party platforms by FY26.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/indian-banks-allocate-only-5-revenue-on-it-spends/articleshow/112202524.cms>

Rs 2000 banknotes: 97.92 pc returned; Rs 7,409 cr worth notes still with public

The Reserve Bank of India (RBI) on Thursday said 97.92 per cent of the Rs 2000 denomination banknotes have returned to the banking system, and only Rs 7,409 crore worth of the withdrawn notes are still with the public. On May 19, 2023, the RBI announced the withdrawal of Rs 2000 denomination banknotes from circulation. The total value of Rs 2000 banknotes in circulation, which was Rs 3.56 lakh crore at the close of business on May 19, 2023, when the withdrawal was announced, has declined to Rs 7,409 crore at the close of business on July 31, 2024.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rs-2000-banknotes-97-92-pc-returned-rs-7409-cr-worth-notes-still-with-public/articleshow/112199972.cms>

Govt to decide on Sovereign Gold Bond issuance for next fiscal

A decision regarding the issuance of Sovereign Gold Bonds during the current fiscal will be taken next month when the Finance Ministry and the Reserve Bank of India (RBI) will meet to discuss borrowing for the next six months, a senior Government official said on Thursday. Meanwhile, there are no plans as of now to halt the issuance of Sovereign Green Bonds.

<https://www.thehindubusinessline.com/economy/govt-to-decide-on-sovereign-gold-bond-issuance-for-next-fiscal/article68473924.ece>

Industry

Passenger vehicle sales drop for first time in 2.5 years

Passenger vehicle sales fell for the first time in two and a half years in July amid sluggish demand and high dealer inventory, reflecting a broader slowdown in consumer spending across sectors after a two-year post-pandemic

boom. While industry body Society of Indian Automobile Manufacturers (SIAM) will issue official sales only later this month, industry estimates accessed by ET show around 344,000-345,900 units were sold in the local market last month, down by about 2.5% from 353,000-354,000 units sold in July 2023. Dealer stocks are currently at about 407,000 vehicles.

<https://economictimes.indiatimes.com/industry/auto/auto-news/passenger-vehicle-sales-drop-for-first-time-in-2-5-years/articleshow/112202800.cms>

India's iron ore production rises 9.7 pc to 79 MT in April-June

The country's iron ore production grew by 9.7 per cent to 79 million tonnes (MT) in the first quarter of the ongoing fiscal, the government said on Thursday. India's iron ore output was 72 MT in the year-ago period, as per the provisional data. Limestone production grew by 1.8 per cent to 116 MT in the first quarter of 2024-25 from 114 MT in the April-June period of 2023-24, the mines ministry said in a statement.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/indias-iron-ore-production-rises-9-7-pc-to-79-mt-in-april-june/articleshow/112203078.cms>

India's construction equipment industry to reach \$25 b by 2030

India's construction equipment industry is expected to grow at a CAGR of 12 per cent to reach \$25 billion by the end of this decade, aided by the government's focus on expanding the infrastructure sector, a report by Indian Construction Equipment Manufacturers Association (ICEMA) reveals. "As a result of current announced infrastructure investments in India, the CE industry is expected to reach \$25 billion in FY30, posting a CAGR of 12 percent with an envisaged investment in the industry value chain of around \$4 billion, which includes around \$1 billion over next five years in manufacturing by OEMs and 3X investment (around \$3 billion) by suppliers, component manufacturers and distribution channels," ICEMA said in the report, 2035 Construction Equipment Market Outlook for India.

<https://www.thehindubusinessline.com/economy/indias-construction-equipment-industry-to-reach-25-b-by-2030/article68473843.ece>

Domestic travel operators to see 15-17% revenue growth in FY25: CRISIL

Rising domestic tourism and increasing propensity to travel overseas will expand the revenue of India's tour and travel operators by 15-17 per cent this fiscal, CRISIL Ratings said on Thursday. Factors like improving infrastructure, rising disposable incomes, a behavioural shift in travel patterns, and the government's increasing focus on boosting domestic tourism will further support the sector's revenue growth. The assessment was based on an analysis of the country's four major travel operators, who account for about 60 per cent of the sector's revenue.

https://www.business-standard.com/industry/news/domestic-travel-operators-to-see-15-17-revenue-growth-in-fy25-crisil-124080100869_1.html

Infrastructure

Projects worth Rs 3 trn to be awarded by road ministry in 3 months: Gadkari

Road Transport and Highways Minister Nitin Gadkari on Thursday said his ministry will award road contracts worth Rs 3 lakh crore within three months and close the current financial year with contracts worth Rs 5 lakh crore. Addressing an event here, Gadkari said because of the Lok Sabha elections and the model code of conduct, the speed of awarding road projects was slow in the initial months of the current financial year. "I assure you, within three months, we will finalise the (road) contracts more than Rs 3 lakh crore, and our target is to award over Rs 5 lakh crore of (road) contracts by March 2025," he said.

https://www.business-standard.com/economy/news/projects-worth-rs-3-trn-to-be-awarded-by-road-ministry-in-3-months-gadkari-124080101581_1.html

Energy

Power consumption up by 3.5% to 145.4 bn units in July amid rainfall

India's power consumption rose a meagre 3.5 per cent to 145.4 Billion Units (BU) in July compared to the year-ago period as rainfall brought down temperatures from the scorching heat. In July 2023, the power consumption stood

at 140.41 BU, according to official data. The highest supply in a day (peak power demand met) also rose to 226.63GW in July 2024 against 208.95 GW in the year-ago month. The peak power demand touched an all-time high of 250.20 GW in May this year. The previous all-time high peak power demand of 243.27 GW was recorded in September 2023. https://www.business-standard.com/industry/news/power-consumption-up-by-3-5-to-145-4-bn-units-in-july-amid-rainfall-124080100827_1.html

Ujjwala LPG use rises again after post-pandemic slump

After a declining trend seen after 2020-21, the pandemic year, the number of subsidized LPG refills and new bottles availed by the beneficiaries of the Pradhan Mantri Ujjwala Yojana has started increasing again. According to official data, the per capita consumption of LPG by Ujjwala beneficiaries has improved to 3.95 refills per year in 2023-24 against 3.71 refills in 2022-23. However, this is still lower than 4.4 refills recorded in the financial year 2020-21 when the government provided up to three refills free of cost in the light of Covid-19 pandemic.

<https://www.financialexpress.com/business/industry-ujjwala-lpg-use-rises-again-after-post-pandemic-slump-3571408/>

Coal production increases by 6.69% to 74.07 mn tonnes in July: Govt

India's coal output rose by 6.69 per cent year-on-year to 74.07 million tonnes (MT) in July, the government said on Thursday. The country's coal production was 69.42 MT in the corresponding month of previous fiscal, the coal ministry said in a statement. Cumulative coal dispatch witnessed a significant boost in July 2024, touching 79.54 MT, compared to 76.05 MT recorded in July 2023, registering a growth rate of 4.58 per cent. In a separate statement, the ministry said that vesting orders were issued for 10 strategically important coal mines, marking a significant advancement in the nation's coal production capabilities.

https://www.business-standard.com/industry/news/coal-production-increases-by-6-69-to-74-07-mn-tonnes-in-july-govt-124080101694_1.html

Telecom

DoT allocates airwaves to all three telecom companies

The Department of Telecommunications (DoT) has allocated spectrum to all the three private telecom operators who bought airwaves in the June auction. "The frequency assignment letters have been issued to the companies today (Thursday)," an official aware of the details told ET.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-allocates-airwaves-to-all-three-telecom-companies/articleshow/112205499.cms>

Trai calls up telcos for data on calls made below radar

Intensifying its efforts to curb spam, particularly robocalls, the telecom regulator has directed all telecom firms to submit data about unregistered telemarketers based on the complaints they have received from consumers in the April-June quarter. Telecom consumers receive thousands of robocalls every day from unregistered entities or telemarketers. The government has earmarked the 140 series for telemarketers for making promotional calls, but a majority of spam calls comes from the normal 10-digit numbers, making it difficult for consumers to identify. Officials at the Telecom Regulatory Authority of India (Trai) told ET that consumers have complained about such robocalls, and the authority is going to take action against those who are found to be involved in making those calls. "We have asked for data from the telecom firms. We have also shared some numbers, which have been reported by consumers for making robocalls," an official said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/trai-calls-up-telcos-for-data-on-calls-made-below-radar/articleshow/112204973.cms>

States

Karnataka launches cybersecurity policy

The Karnataka government has launched its new Cybersecurity Policy 2024, with a budget allocation of ₹104 crore aimed at combating online crime and raising awareness about cybersecurity initiatives over the next five years. The

awareness program will concentrate on key areas, including education, skill-building, the promotion of industry and startups, and the development of partnerships for capacity building.

<https://www.thehindubusinessline.com/news/karnataka-launches-cybersecurity-policy/article68473395.ece>

External

Comprehensive Economic Partnership Agreement helped trade between UAE, India increase by 15%

Vijayawada, The Ambassador of the United Arab Emirates to India, Abdalnasser Alshaali, on Thursday said here that bilateral trade between the Middle Eastern country and India rose by 15 per cent to USD 83.6 billion in fiscal 2023-24, powered by the Comprehensive Economic Partnership Agreement. Alshaali noted that the deal inked in May 2022 propelled trade from USD 73 billion in FY 2021-22 to USD 83.6 billion by streamlining trade processes, reducing tariffs and creating more robust pathways for businesses to operate across borders.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/comprehensive-economic-partnership-agreement-helped-trade-between-uae-india-increase-by-15/articleshow/112192634.cms>