



September 03, 2024 – Tuesday

## Economy

### Growth in Indian mfg sector slows to 3-mth low in August, PMI dips to 57.5

Growth in the Indian manufacturing sector slowed to a three-month low in August, as firms saw softer growth in new orders and output. The headline Purchasing Managers Index (PMI) figure released by HSBC on Monday stood at 57.5, down from 58.1 in July. A figure above 50 in the index denotes expansion and that below signifies contraction. However, cost pressures moderated and supported the rise in purchasing activity as the rate of input price inflation softened to the slowest in five months.

[https://www.business-standard.com/economy/news/growth-in-indian-mfg-sector-slows-to-3-mth-low-in-august-pmi-dips-to-57-5-124090200364\\_1.html](https://www.business-standard.com/economy/news/growth-in-indian-mfg-sector-slows-to-3-mth-low-in-august-pmi-dips-to-57-5-124090200364_1.html)

### Work demand under NREGS down, again

Work demand under the government's flagship rural employment scheme fell for a tenth straight month in August from the year ago as strong economic activities brightened more remunerative job prospects, and the base effect remained favourable. About 19 million individuals sought work in August under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), down 17% from 22.91 million a year earlier, preliminary data compiled by the rural development ministry showed.

<https://economictimes.indiatimes.com/news/economy/indicators/work-demand-under-nregs-down-again/articleshow/113003034.cms>

### Nomura lowers its FY25 GDP forecast for India to 6.7%

Nomura lowered its FY25 economic growth forecast for India to 6.7% year-on-year from 6.9% after official data on Friday showed the country's gross domestic product (GDP) grew slower than expected on an annual basis in the April-June quarter. "Overall, Q2 GDP data are weaker than expected, although the role of transitory factors like elections, versus more persistent factors like slowing profit growth is still unclear," said Nomura analysts, in a note dated Aug. 30.

<https://economictimes.indiatimes.com/news/economy/indicators/nomura-lowers-its-fy25-gdp-forecast-for-india-to-6-7/articleshow/112984711.cms>

## Finance

### 97.9% of Rs 2,000 notes returned, Rs 7,261 cr worth notes still with public

The Reserve Bank of India (RBI) on Monday said 97.96 per cent of the Rs 2000 denomination banknotes have returned to the banking system, and only Rs 7,261 crore worth of the withdrawn notes are still with the public. On May 19, 2023, the RBI announced the withdrawal of Rs 2,000 denomination banknotes from circulation. The total value of Rs 2000 banknotes in circulation, which was Rs 3.56 trillion at the close of business on May 19, 2023, when the withdrawal of Rs 2000 banknotes was announced, has declined to Rs 7,261 crore at the close of business on August 30, 2024, the RBI said.

[https://www.business-standard.com/economy/news/97-9-of-rs-2-000-notes-returned-rs-7-261-cr-worth-notes-still-with-public-124090200975\\_1.html](https://www.business-standard.com/economy/news/97-9-of-rs-2-000-notes-returned-rs-7-261-cr-worth-notes-still-with-public-124090200975_1.html)

### **Personal loan sees 14% growth; cards, gold major factors behind surge**

As of July's end, credit card dues emerged as the fastest-growing sector among those accounting for over 1% of total bank loans, increasing 22% year-on-year to nearly Rs 2.8 lakh crore, ToI reported on September 2. Loans against gold jewellery, however, grew the fastest within personal loans, rising by 39%, the report (by Mayur Shetty) said. According to RBI's sectoral data on bank credit, personal loans grew by 14.4%, reaching nearly Rs 55.3 lakh crore. Credit to agriculture and allied activities also saw an 18.1% increase, totaling about Rs 21.6 lakh crore. Despite a slower growth rate, home loans, the largest segment in personal loans, still contributed significantly to the overall category's growth.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/personal-loan-sees-14-growth-cards-gold-major-factors-behind-surge/articleshow/112991638.cms>

### **India weighs Russia's 'doable' proposal on 'SWIFT' alternative**

Russia's proposal to India to use its own financial messaging mechanism – developed as an alternative to the SWIFT global network – to help push rupee-rouble trade settlement, has been scrutinised by the RBI and found “doable” but discussions continue, sources have said.

<https://www.thehindubusinessline.com/economy/india-weighs-russias-doable-proposal-on-swift-alternative/article68597907.ece>

## **Industry**

### **Sales of electric vehicles in August decline 13% to 156,199 units**

Sales of electric vehicles (EVs) in August dropped by 13 per cent compared to July, reaching 156,199 units, primarily due to a high base effect and potential buyers delaying purchases in anticipation of festive season offers and clarity on government incentives. Sector experts and industry executives attribute the drop in sales to several factors, including original equipment manufacturers (OEMs) and customers holding off on investments and purchases while awaiting clarity on government policies and festive season discounts.

[https://www.business-standard.com/industry/auto/sales-of-electric-vehicles-in-august-decline-13-to-156-199-units-124090200365\\_1.html](https://www.business-standard.com/industry/auto/sales-of-electric-vehicles-in-august-decline-13-to-156-199-units-124090200365_1.html)

### **Commercial vehicle wholesale volume likely to grow up to 3% in FY25: ICRA**

The commercial vehicles (CV) wholesale volume may witness year-on-year growth of up to 3 per cent in current fiscal year, rating agency ICRA said in a report on Monday. ICRA had earlier estimated 4-7 per cent decline in CV volume for FY25. The change in projection is due to better-than-expected volume growth in first four months of the current fiscal and expectations of a marginal uptick in demand in the second half of the year, Icra said in a statement.

[https://www.business-standard.com/industry/auto/commercial-vehicle-wholesale-volume-likely-to-grow-up-to-3-in-fy25-icra-124090201121\\_1.html](https://www.business-standard.com/industry/auto/commercial-vehicle-wholesale-volume-likely-to-grow-up-to-3-in-fy25-icra-124090201121_1.html)

### **India's hospitality industry to grow at 10.5% over next three years: report**

India's hospitality industry is projected to grow at a Compound annual growth rate (CAGR) of 10.5 per cent over the next three years, Axis Securities said in its latest sectoral report.

<https://www.thehindubusinessline.com/economy/indias-hospitality-industry-to-grow-at-105-over-next-three-years-report/article68599526.ece>

## **Agriculture**

### **Cabinet approves seven agricultural projects worth Rs 13,966 crore**

To boost India's agricultural sector, the Union Cabinet approved seven major projects with a combined investment of Rs 13,966 crore on Monday. The announcement was made by Union Minister Ashwini Vaishnaw during a press briefing, where he outlined the government's commitment to advancing agricultural research, digital farming, and sustainable practices. This announcement comes a week after Vaishnaw revealed the approval of 12 industrial smart cities across 10 states worth Rs 28,602 crore.

[https://www.business-standard.com/industry/agriculture/cabinet-approves-seven-agricultural-projects-worth-rs-13-966-crore-124090200687\\_1.html](https://www.business-standard.com/industry/agriculture/cabinet-approves-seven-agricultural-projects-worth-rs-13-966-crore-124090200687_1.html)

#### **India's kharif sowing up 2% from last year; paddy acre continues to rise**

Overall sowing under all crops in the current kharif season touched 1,087.33 lakh hectares (lh) as of August 30, up by 2 per cent from 1066.89 lh a year ago, the Agriculture Ministry said on Monday. The government is hopeful of another year of bumper harvest with higher area and good rainfall across the country. However, with the prediction of above-normal rains in September, policymakers are closely watching the weather scenario.

<https://www.thehindubusinessline.com/economy/agri-business/indias-kharif-sowing-up-2-than-normal-paddy-acre-continues-to-rise/article68597580.ece>

#### **Agri ministry owned NSC starts selling seeds & planting materials on ONDC**

In a pioneering initiative aimed at delivering quality seeds directly to farmers, the state-owned National Seed Corporation (NSC) has launched the sale of various seed varieties and planting materials on the Open Network for Digital Commerce (ONDC), an e-commerce platform. Operating under the ministry of agriculture, NSC has begun onboarding its regional and area offices onto MyStore, an online marketplace connected to ONDC. Farmers buying seeds and planting materials directly from the corporation helps reduce cost and NSC has tied up with India post and other ONDC logistic players for actual shipping, which can be tracked, an official said.

<https://www.financialexpress.com/business/industry-agri-ministry-owned-nsc-starts-selling-seeds-planting-materials-on-ondc-3598903/>

### **Infrastructure**

#### **Cabinet approves Rs 18,036 cr railway line connecting Manmad and Indore**

The Union Cabinet Committee on Economic Affairs (CCEA) on Monday approved a new 309-kilometre railway line between Maharashtra and Madhya Pradesh worth Rs 18036 crore, which will connect Manmad and Indore. Speaking at a press conference, Union Minister for Railways, Electronics and Information Technology, and Information and Broadcasting Ashwini Vaishnaw said the project had a "strategic importance" and was in the works for a long time.

[https://www.business-standard.com/economy/news/cabinet-approves-rs-18-036-cr-railway-line-connecting-manmad-and-indore-124090201047\\_1.html](https://www.business-standard.com/economy/news/cabinet-approves-rs-18-036-cr-railway-line-connecting-manmad-and-indore-124090201047_1.html)

#### **Luxury property frenzy set to drive up home prices in India: Reuters poll**

Home prices in India are set to rise steadily over the next few years, driven by demand for luxury properties from cash-rich individuals, according to a Reuters poll of housing experts who forecast rent increases will outpace consumer inflation. While economic growth in Asia's third-largest economy is likely to outpace its major peers, policy experts warn the benefits are increasingly being funnelled to a select few, leaving millions of job-seekers, especially young people, out of the growth story.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/luxury-property-frenzy-set-to-drive-up-home-prices-in-india-reuters-poll/articleshow/113008427.cms>

#### **Easy terms drive lease renewals by companies in key cities**

India's office space market is seeing a resurgence, marked by a sharp uptick in lease renewals across major cities with multinationals like Amazon, Cognizant, IBM, Accenture, and McKinsey opting to renew large office spaces, extending up to 1.6 million sq ft, led by Bengaluru in the January-July period.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/easy-terms-drive-lease-renewals-by-companies-in-key-cities/articleshow/113003252.cms>

#### **Joint shipbuilding projects at Indian shipyards to be explored at this week's EEF**

Russia is working to include Vietnam, Thailand and Indonesia as intermediate stops of the Eastern Maritime Corridor connecting Vladivostok with Chennai as part of efforts to boost India's business connections with resource rich Far East.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/joint-shipbuilding-projects-at-indian-shipyards-to-be-explored-at-this-weeks-eeef/articleshow/113007355.cms>

## Energy

### **Gadkari asks state FMs to consider reducing GST on flex-fuel vehicles**

As India aims to bring down its fossil fuel consumption, Union Minister for Road Transport and Highways Nitin Gadkari on Monday asked finance ministers of different states to propose reduction of Goods and Services Tax (GST) on flex-fuel vehicles at the next GST Council meeting. "In the GST Council, we need support from finance ministers of different states. Recently, I spoke to the finance minister of Maharashtra, and I asked him to put up a proposal to reduce the GST on flex-fuel cars, scooters, etc. to up to 12 per cent," the minister said at the India Bio-Energy & Tech Expo, organised by IFGE, in New Delhi.

[https://www.business-standard.com/economy/news/gadkari-asks-state-fms-to-consider-reducing-gst-on-flex-fuel-vehicles-124090200752\\_1.html](https://www.business-standard.com/economy/news/gadkari-asks-state-fms-to-consider-reducing-gst-on-flex-fuel-vehicles-124090200752_1.html)

### **Ethanol blending has saved Rs 99,000 crore forex since 2014, says Puri**

India's ethanol blending program has saved Rs 99,014 crore in foreign exchange since 2014, Union petroleum minister Hardeep Singh Puri said on Monday. Puri also said that the government has achieved a 15 per cent Ethanol blending target so far, a combination which he wants to take to 20 per cent by Ethanol Supply Year (ESY) 2025-26.

[https://www.business-standard.com/economy/news/ethanol-blending-has-saved-rs-99-000-crore-forex-since-2014-says-puri-124090200389\\_1.html](https://www.business-standard.com/economy/news/ethanol-blending-has-saved-rs-99-000-crore-forex-since-2014-says-puri-124090200389_1.html)

### **Coal production increases by 6.48% to 384.08 mn tonnes in April-August**

The country's coal production rose by 6.48 per cent to 384.08 million tonne (MT) in the first five months of the ongoing fiscal. The production was 360.71 MT in April-August FY24. The figures for the period under review are provisional. The production of CIL, which accounts for over 80 per cent of the domestic coal output, rose to 290.39 MT during April-August FY25, marking a growth of 3.17 per cent year-on-year, the coal ministry said in a statement. Coal production from captive and other entities rose to 68.99 MT in April- August FY25 from 52.84 MT a year ago.

[https://www.business-standard.com/industry/news/coal-production-increases-by-6-48-to-384-08-mn-tonnes-in-april-august-124090200739\\_1.html](https://www.business-standard.com/industry/news/coal-production-increases-by-6-48-to-384-08-mn-tonnes-in-april-august-124090200739_1.html)

## Telecom

### **Rs 80,000 crore 'Digital Bharat Nidhi' fund to boost urban telecom services**

The Rs 80,000 crore Digital Bharat Nidhi will now fund telecommunication services in urban areas, the central government said on Monday. For the funds, the projects have to meet certain criteria, such as improving telecom service affordability and security. The funding will support mobile and broadband services, as well as telecommunication equipment, an official press release issued by the Centre on Monday read. The scheme, under the Telecommunications Act 2023, was notified on Saturday.

[https://www.business-standard.com/industry/news/rs-80-000-crore-digital-bharat-nidhi-fund-to-boost-urban-telecom-services-124090200679\\_1.html](https://www.business-standard.com/industry/news/rs-80-000-crore-digital-bharat-nidhi-fund-to-boost-urban-telecom-services-124090200679_1.html)

### **Companies, banks struggle to implement Trai's URL whitelisting norms**

Large enterprises and banks are finding it challenging to register unique, dynamic weblinks and shortened URLs under the telecom regulator's mandate which are generated in real-time and cannot be pre-registered on the SMS filtering platform deployed by telecom companies. Besides, there are dynamic links specific to a user which are created for purposes like KYC, password resets etc. These temporary and dynamic links are generated in real-time and cannot be registered with the telecom companies beforehand, say industry executives. Brands and enterprises also use new links frequently such as those used in marketing campaigns which run for a week or so.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/companies-banks-struggle-to-implement-trais-url-whitelisting-norms/articleshow/113003426.cms>

## External

**PM Modi confident that his visits would further strengthen partnership with Brunei, Singapore and ASEAN region**

Prime Minister Narendra Modi on Tuesday expressed confidence of advancing India's historical ties with Brunei and deepening its Strategic Partnership with Singapore, as he embarked on a visit to the two countries. Noting that it will be first ever bilateral visit by an Indian prime minister to Brunei Darussalam, he said in his departure statement that he looked forward to his meetings with Sultan Haji Hassanal Bolkiah and other members of the royal family to advance the historical relationship to new heights.

<https://economictimes.indiatimes.com/news/india/pm-modi-confident-that-his-visits-would-further-strengthen-partnership-with-brunei-singapore-and-asean-region/articleshow/113008628.cms>