



September 13, 2024 – Friday

Economy

Retail inflation rises a tad to 3.65% in August

The Consumer Price Index (CPI) based retail inflation came in at 3.65% in August. It stood at 3.6% in July and 6.83% in August 2023. Inflation in the food basket was 5.66% in August, marginally up from 5.42% in July. As per the data released by the Ministry of Statistics and Programme Implementation, inflation in cereals, eggs, pulses, fruits and vegetables was above 6% each with pulses being 13.6%. Inflation in vegetables was 10.7%.

<https://economictimes.indiatimes.com/news/economy/indicators/retail-inflation-rises-a-tad-to-3-65-in-august-factory-output-increases/articleshow/113301813.cms>

India's industrial production grows at 4.8 per cent in July 2024

The Index of Industrial Production (IIP) in India witnessed a growth of 4.8 per cent in July on an annual basis against 4.2 per cent in June, as per data released by the Ministry of Statistics and Programme Implementation (MoSPI) on Thursday. The three major components of IIP, including mining, manufacturing and electricity, grew at 3.7 per cent, 4.6 per cent and 7.9 per cent respectively.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-index-of-industrial-production-grows-at-4-8-per-cent-in-july-2024/articleshow/113282568.cms>

In a first, govt to conduct yearly private capex survey from October

At a time when the government is nudging the private sector to ramp up its capital expenditure (capex), the Ministry of Statistics and Programme Implementation (MoSPI) is poised to kick-start the first-of-its-kind annual survey on the status of private sector capex from next month. "The inaugural edition of the annual exercise will start in October and will be completed by December. The results will be made public by February next year," said Geeta Singh Rathore, director general, National Sample Survey Office (NSSO), at a data users' conference on Thursday.

https://www.business-standard.com/economy/news/stats-ministry-set-to-conduct-private-capex-survey-starting-october-124091201035_1.html

India handled inflation much better than US, Germany and France: SBI Report

India has demonstrated a largely successful inflation targeting regime compared to advanced economies such as the USA, Germany, and France, according to a research report by the State Bank of India (SBI). The report credits government initiatives, the RBI, and banks for addressing these issues over the past decade, allowing for better policy transmission and improved inflation management.

<https://economictimes.indiatimes.com/news/economy/indicators/india-handled-inflation-much-better-than-us-germany-and-france-sbi-report/articleshow/113287079.cms>

Finance

Compounding rules eased to speed up FEMA cases

The finance ministry on Thursday raised the monetary limits of contraventions that can be compounded by relevant officers under the Foreign Exchange Management Act (FEMA) and introduced electronic payment options for aggrieved parties, as it sought to simplify various provisions to fast-track settlements of cases.

<https://economictimes.indiatimes.com/news/economy/policy/compounding-rules-eased-to-speed-up-fema-cases/articleshow/113302151.cms>

Govt notifies NaBFID as a public financial institution under Companies Act

The government has notified the National Bank for Financing Infrastructure and Development (NaBFID) as a public financial institution under the Companies Act. This will help the government fortify the nation's infrastructure finance structures. In a notification issued on September 10, the Corporate Affairs Ministry said that in exercise of the powers, Section 2 of the Companies Act, 2013, the Central Government, in consultation with the Reserve Bank of India, hereby notifies National Bank for Financing Infrastructure and Development as a "public financial institution".

https://www.business-standard.com/companies/news/govt-notifies-nabfid-as-a-public-financial-institution-under-companies-act-124091200974_1.html

Industry

Half of respondents plan to spend more online in festive season: Report

Around 50 per cent of respondents are planning to spend more on online shopping during the upcoming festive season, an IPSOS survey commissioned by Amazon said on Thursday. The survey claims to have captured replies from 7,263 people in July-August 2024 across 35 centres including Delhi NCR, Allahabad, Lucknow, Mathura, Muradabad, Etawah, Jalandhar, Jaipur, Udaipur, Kolkata etc.

https://www.business-standard.com/industry/news/half-of-respondents-plan-to-spend-more-online-in-festive-season-report-124091201275_1.html

Steel ministry draws up Rs 23.52 lk cr proposal for decarbonisation

India will need to invest \$ 283 billion (approximately ₹23.52 lakh crore) for decarbonising existing local steel production. This, along with tapping Energy Efficiency Revolving Funds (EERF) and defining what should be 'green steel' are parts of a comprehensive decarbonisation strategy devised by the steel ministry.

The plan, officials say, will focus on increasing renewable energy penetration in the steel sector to 43% by 2029-30 from 7.2% in fiscal 2021-22. There may also be lower taxes for green steel production to incentivise adoption along with a mandate on luxury car producers for using the cleaner feedstock.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/steel-ministry-draws-up-rs-23-52-lk-cr-proposal-for-decarbonisation/articleshow/113302241.cms>

Domestic steel consumption likely to see 9-10% growth in FY25: ICRA

Domestic steel consumption is likely to witness 9-10 per cent growth this financial year, rating agency ICRA said on Thursday. The demand for steel was robust in the first quarter of the ongoing financial year with consumption growing at a rate of 15 per cent on a year-on-year basis amidst competitively priced imports. "ICRA projects the domestic steel consumption growth at a healthy 9-10 per cent in FY2025," the rating agency said in a statement.

https://www.business-standard.com/industry/news/domestic-steel-consumption-likely-to-see-9-10-growth-in-fy25-icra-124091200487_1.html

With sales in the slow lane, car companies ramp up September discounts

Carmakers are offering deeper discounts in a desperate push to entice buyers and clear inventory as sales remain sluggish. Starting this month, the level of discounts has risen to 12-14% of the average selling price (ASP) of a vehicle from 10-12% in August. For some models, total discounts offered are well over ₹3 lakh which include cash discounts and corporate benefits.

<https://economictimes.indiatimes.com/industry/auto/cars-uvs/with-sales-in-the-slow-lane-car-companies-ramp-up-september-discounts/articleshow/113302422.cms>

Personal audio product sales rise amid new-found passion for podcasts, audio series

Indians' new-found passion for podcasts and audio series has boosted sales of personal audio products like headsets and mini/Bluetooth speakers, bucking the consumption slowdown in the electronics industry, as per market researcher GfK India. Anant Jain, head of customer success for tech and durables at GfK said, "The Indian Audio Devices Market in offline retail is valued at Rs 5000 crore, reflecting increased consumer engagement and a shift towards superior quality, immersive audio experiences. As home and personal audio solutions become more sophisticated and accessible, they are becoming integral to the lifestyle of the Indian consumer."

<https://economictimes.indiatimes.com/industry/cons-products/electronics/personal-audio-product-sales-rise-amid-new-found-passion-for-podcasts-audio-series/articleshow/113292887.cms>

Infrastructure

Government to inspect 100% quality tests by contractors under EPC mode of highway construction

Tightening the noose on road contractors, the ministry of road transport and highways have mandated 100% inspection check of quality tests undertaken by contractors in the engineering procurement and construction (EPC) mode of contract by authority engineer for all highway projects as well as for the request for proposal (RFP) document for consultancy services for such projects. This will apply to all road and bridge construction under EPC mode and will kick in for new projects. The EPC mode of contract gives the entire responsibility of design and construction to the contractor and therefore has a longer defect liability period cum maintenance period of 5-10 years.

<https://economictimes.indiatimes.com/news/economy/infrastructure/government-to-inspect-100-quality-tests-by-contractors-under-epc-mode-of-highway-construction/articleshow/113297169.cms>

DGCA proposes stricter norms for wet-leased plane operations by Indian airlines

The Directorate General of Civil Aviation (DGCA) on Thursday proposed stricter norms for the oversight of wet-leased planes operated by Indian airlines. Faced with the grounding of a significant number of planes due to engine and supply chain woes, domestic carriers are utilising more wet-leased aircraft as a short-term measure to cater to rising air traffic demand. The watchdog has issued a draft for public consultation on the revised Civil Aviation Requirements (CAR) on wet/damp lease operations by Indian operators to strengthen the regulatory framework for safety oversight of wet/damp lease operations.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/dgca-proposes-stricter-norms-for-wet-leased-plane-operations-by-indian-airlines/articleshow/113299597.cms>

Domestic firms surge in India's office market; set to lease 60-65 million square feet by 2025

India's office market is experiencing a notable shift, with domestic companies projected to lease 60-65 million square feet between 2024 and 2025, challenging the historical dominance of global corporations, particularly from the US, in leasing, according to a report by property consulting firm CBRE.

Domestic firms have seen a 60% increase in office space over the last two years compared with the pre-pandemic years of 2018-2019.

<https://economictimes.indiatimes.com/industry/services/property/-construction/domestic-firms-surge-in-indias-office-market-set-to-lease-60-65-million-square-feet-by-2025/articleshow/113301907.cms>

Energy

Petrol, diesel prices may be cut if crude rates stay low for longer: Petroleum Secretary

Indians now need to pray for the global oil prices to stay at lower levels for a longer period to get the much-needed relief from petrol and diesel prices that fan inflation and add to severe cost pressure for the households. Petrol prices and diesel rates in India have continued to remain at elevated levels for last few years in India, even as crude oil prices had fallen. Oil companies will consider reducing fuel prices if the price of crude oil remains low for an extended period, said Pankaj Jain, secretary at the Ministry of Petroleum and Natural Gas.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/petrol-diesel-prices-may-be-cut-if-crude-rates-stay-low-for-longer-petroleum-secretary/articleshow/113284553.cms>

Telecom

Rescue package on the cards for MTNL, RINL; committee of secysto take final call on servicing MTNL debt of nearly Rs 8,000 cr

The government is considering bailout plans for public sector enterprises Mahanagar Telephone Nigam (MTNL) and Rashtriya Ispat Nigam (RINL), with the steel and telecom ministries discussing the support package with the finance ministry, said people familiar with the development. A committee of secretaries from the departments of expenditure, investment and public asset management, and telecommunications will take a final call on MTNL's bank debt, they said. "The government will make the payment for bonds issued by MTNL," an official told ET. "The decision for over ₹7,925 crore bank debt will soon be taken by the committee of secretaries."

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/rescue-package-on-the-cards-for-mtnl-rinl-committee-of-secysto-take-final-call-on-servicing-mtnl-debt-of-nearly-rs-8000-cr/articleshow/113302453.cms>

External

Exporters to raise "declining" bank credit at Board of Trade meet

Exporters will raise the issue of "declining bank credit" to exporters at the Board of Trade (BoT) meeting that will be held on Friday in Mumbai along with other problems faced by them due to disruption in global logistics and emerging demand situation. The BoT will be the forum to raise the issue of declining credit to the export sector as it would see participation of Deputy Governor of Reserve Bank of India, officials from Department of Financial Services and bankers, director general and chief executive officer of Federation of Indian Export Organisations Ajay Sahai said.

<https://www.financialexpress.com/business/industry-exporters-to-raise-declining-bank-credit-at-board-of-trade-meet-3609523/>

Duty refund scheme may be extended beyond September

Govt is hoping to extend the duty remission scheme for exporters beyond Sept, but a decision on interest subvention is awaited in the absence of a finance ministry nod, as per a TOI report. TOI Sources said the duty refund scheme or RoDTEP is likely to continue in its existing form as govt seeks to ensure that exports stay competitive and are not burdened by levies.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/duty-refund-scheme-may-be-extended-beyond-september/articleshow/113292040.cms>

India's cooking oil imports down by 16% in August, says SEA

The import of edible oils in August 2024 reported at 15.63 lakh tonnes compared to 18.66 lakh tonnes in August 2023; down by 16%, shows data compiled by industry body Solvent Extractors' Association of India (SEA).

"The overall import of vegetable oils during the first ten months of the current oil year (November 2023 to August 2024) is reported at 136.8 lakh tonnes compared to 141.2 lakh tonnes during the same period of last year; down by 3%," said SEA in a media release.

<https://economictimes.indiatimes.com/industry/cons-products/food/indias-cooking-oil-imports-down-by-16-in-august-says-sea/articleshow/113287264.cms>

Indian firms ramp up investment in Bahrain, projected to hit \$80 million in 2024

Indian companies are making a strategic push into Bahrain, making a notable increase in investment. Bahrain Economic Development Board (EDB) has disclosed securing investment commitments from India valued at \$16.65 million across the manufacturing and ICT sectors. This amount includes investments from Chemco, Bhageria Industries, and a notable ICT firm.

<https://www.thehindubusinessline.com/economy/indian-companies-make-significant-investment-push-into-bahrain-with-projections-to-touch-80-million-for-2024/article68634771.ece>