



October 04, 2024 – Friday

Economy

More people now employed in agri than before Covid, says PLFS data

The share of workers in manufacturing still remains below the pre-pandemic levels while there is an increase in the proportion of people in agriculture, shows the latest Periodic Labour Force Survey (PLFS) data. The data shows the share of workers in manufacturing is 11.4 per cent while the pre-pandemic level was 12.1 per cent. And, the share of people in agriculture has increased to 46.1 per cent from 42.5 per cent during the same period. Experts attribute the decline in the share of workers in manufacturing to a slow revival in the sector, coupled with changes in migration patterns of workers from labour-surplus states.

https://www.business-standard.com/economy/news/share-of-workers-in-manufacturing-still-remains-below-covid-levels-plfs-124100301163_1.html

Cabinet meeting highlights: Modi & Co's nod to two farm sector schemes worth over Rs 1.01 lk cr and more

The Union Cabinet led by Prime Minister Narendra Modi on Thursday took multiple decisions including improving farmers' income and maintaining food security for middle class. The government has allocated a budget of Rs 1,01,321 crore towards farmers' income and food security, emphasizing two major initiatives: PM-Rashtriya Krishi Vikas Yojana (PM-RKVY) and Krishonnati Yojana.

<https://economictimes.indiatimes.com/news/economy/policy/cabinet-meeting-highlights-inter-dependent-scheme-for-farmers-income-and-food-security-for-middle-class-among-key-decisions/articleshow/113913032.cms>

Finance

MPC's new members may stay with RBI's view on inflation

Less than a week before the Monetary Policy Committee (MPC) meets to review rates for the first time since the US began easing, investors in Mumbai do not have much to glean the leanings of the three new external members joining the panel. But analysts broadly agree the newcomers are unlikely to call for a tilt in policy away from the MPC's current focus: A durable retreat in inflation.

<https://economictimes.indiatimes.com/news/economy/policy/mpcs-new-members-may-stay-with-rbis-view-on-inflation/articleshow/113916837.cms>

RBI's overseas reserves deployment income up 52% in June quarter

The Reserve Bank of India (RBI) earned 52% more by deploying its reserves overseas in the June quarter thanks largely due to higher returns on treasury bonds and interest on deposits parked with other central banks. But rate cuts by the US Federal Reserve going ahead could trim these gains.

<https://economictimes.indiatimes.com/news/economy/finance/rbis-overseas-reserves-deployment-income-up-52-percent-in-june-quarter/articleshow/113914729.cms>

RBI research says onion farmers get 36% of consumers' spend, pitches for futures trading, pvt mandis

A Reserve Bank of India research paper has suggested reforms in agricultural marketing, including increase of private mandis to help farmers realize better value for their produce. The paper on vegetable inflation studying Tomato,

Onion and Potato (TOP) prices noted that onion farmers get only 36 pc of consumers' spends, for tomato it stood at 33 per cent and for potato it was 37 per cent.

<https://economictimes.indiatimes.com/news/economy/agriculture/rbi-research-says-onion-farmers-get-36-of-consumers-spend-pitches-for-futures-trading-pvt-mandis/articleshow/113916010.cms>

RBI likely to continue using forex reserve to reduce volatility: Report

The Indian rupee will hold steady against the U.S. dollar over the coming year as the Reserve Bank of India will use its considerable FX reserves to reduce volatility and keep the currency on a tight leash, a Reuters poll found. While most Asian currencies posted gains against the greenback following the Federal Reserve's larger-than-expected 50 basis point rate cut last month, the rupee has traded largely flat with the currency, losing just around 0.8 per cent for the year.

https://www.business-standard.com/economy/news/rbi-likely-to-continue-using-forex-reserve-to-reduce-volatility-report-124100300721_1.html

New PMAY rules will curb misuse, 'trading of loans': Mortgage companies

Indian mortgage lenders expect new guidelines for the affordable home subsidy plan to plug fund leakages and ensure intended benefits percolate down to more end-users, although the quantum of the Central subsidy spread over five years will be lower than that offered by the earlier variant of the programme, industry executives said.

<https://economictimes.indiatimes.com/industry/banking/finance/new-pmay-rules-will-curb-misuse-trading-of-loans-mortgage-companies/articleshow/113916844.cms>

Unsecured business loans showing early signs of stress: India Ratings

After micro-loans exhibited pressures from the second half of FY24, the unsecured business loans (UBLs) segment has now started showing early signs of stress, possibly due to continuing strain on cash flows in certain end-borrower segments and on-field attrition, according to India Ratings. The rating agency, in a statement, said the asset quality of UBLs may also be impacted by lower-than-expected recoveries, leading to higher write-offs, over-leveraging of borrowers, and increasing competitive intensity among lenders.

https://www.business-standard.com/finance/news/unsecured-business-loans-show-stress-as-credit-costs-spike-to-5-1-in-q1-124100301051_1.html

Industry

PM E-DRIVE scheme: New plan to subsidise charging stations for 2 and 3-wheelers

The Centre has overhauled its plan to deploy electric vehicle (EV) charging stations by including subsidies for setting up two- and three-wheeler chargers. This is a significant development since earlier iterations of the EV subsidy scheme, called Faster Adoption and Manufacturing of Electric Vehicles (FAME), did not support deployment of two- or three-wheeler charging stations.

<https://economictimes.indiatimes.com/industry/renewables/pm-e-drive-scheme-new-plan-to-subsidise-charging-stations-for-2-and-3-wheelers/articleshow/113916550.cms>

75% business leaders say AI key to their competitive advantage: Report

Three out of four business leaders agree that their competitive advantage is dependent on making the best use of artificial intelligence (AI) and tools like Generative AI (GenAI) and machine learning, according to Experian's latest report conducted by Forrester Consulting. The report delves into the insights of senior decision-makers across four key domains: strategic priorities, data and analytics, technology, and risk management. The research surveyed 1,320 C-suite executives and directors from the financial services and telecommunications sectors across ten countries in the EMEA and APAC regions, including India, Australia, Denmark, Germany, Italy, New Zealand, Norway, South Africa, Spain, and the Netherlands.

https://www.business-standard.com/industry/news/75-business-leaders-say-ai-key-to-their-competitive-advantage-report-124100300617_1.html

Digital transformation to drive media revenue growth to 8% by FY2027

The Indian media industry is expected to see annual revenue growth of approximately 8 per cent by FY2027, driven by the increasing dominance of digital platforms, with annual revenue reaching approximately Rs 60,000 crore. This follows a slower annual growth of 5 per cent between FY2019 and FY2024, as consumer preferences shifted to digital platforms, according to data provided in a CRISIL report. The revenue growth, along with a focus on rationalising costs, is projected to expand operating margins by almost 500 basis points (bps) to approximately 18 per cent by FY2027.

https://www.business-standard.com/industry/news/digital-transformation-to-drive-media-revenue-growth-to-8-by-fy2027-124100300546_1.html

Agriculture

Cabinet meeting highlights: Modi & Co's nod to two farm sector schemes worth over Rs 1.01 lk cr and more

The Union Cabinet led by Prime Minister Narendra Modi on Thursday took multiple decisions including improving farmers' income and maintaining food security for middle class. The government has allocated a budget of Rs 1,01,321 crore towards farmers' income and food security, emphasizing two major initiatives: PM-Rashtriya Krishi Vikas Yojana (PM-RKVY) and Krishonnati Yojana. Here are the highlights of today's cabinet meeting:

<https://economictimes.indiatimes.com/news/economy/policy/cabinet-meeting-highlights-inter-dependent-scheme-for-farmers-income-and-food-security-for-middle-class-among-key-decisions/articleshow/113913032.cms>

Infrastructure

Cabinet approves Rs 63,246 crore Chennai metro Phase II; Bonus and rewards for Railway, port workers ahead of festive season

The Union Cabinet approved the second phase of the Chennai Metro Rail Project at a financial outlay of Rs 63,246 crore Thursday. There will be three corridors in this phase spanning 118.9 kilometres (kms) covering 128 stations, an official statement said. The Cabinet also approved Productivity Linked Bonus (PLB) worth Rs 2028.57 crore for 78 days to 11.72 crore railway employees. In addition to these, a modified Productivity Linked Reward (PLR) Scheme for the major ports and dock labour board employees got the cabinet nod.

<https://economictimes.indiatimes.com/news/economy/policy/cabinet-approves-rs-63246-crore-chennai-metro-phase-ii-bonus-and-rewards-for-railway-port-workers-ahead-of-festive-season/articleshow/113915067.cms>

Centre releases draft guidelines on deregulating PPP port tariffs

Amid long-standing calls by private port players to bring parity between recent winners of public-private-partnership (PPP) projects at major ports and players with older contracts, the Centre has brought out draft guidelines for tariff migration, which will allow concessionaires to switch tariff regimes to a market-based one. "In the past, tariffs were regulated due to limited competitive landscape but the evolving market and competitive landscape necessitates deregulation. The original objective of introducing the tariff regulations in 2005 inter alia included safeguarding interest of users, while ensuring fair returns to the port and encouraging competition & efficiency. The long term objective outlined in the Tariff Guideline 2005 was competitive pricing. The market and the competitive landscape in the Indian Port sector has since witnessed a significant shift," the shipping ministry said in the draft guidelines.

https://www.business-standard.com/industry/news/centre-releases-draft-guidelines-on-deregulating-ppp-port-tariffs-124100301110_1.html

Affordable housing supply in India's top 6 cities slows to a trickle

The supply of affordable housing -- units costing less than Rs 40 lakh -- in India's top six cities declined from one-fourth of total in 2022 to around 13 per cent this year, said real estate companies that find such projects unviable due to costs. In the first quarter of calendar year 2022 (Q1 CY 2022), affordable houses comprised 25.44 per cent of all new launches in Delhi-National Capital Region (NCR), Bengaluru, Pune, Hyderabad, Chennai, and Kolkata. The share declined to 18.03 per cent in Q1 2024 and then to 13.24 per cent in Q3 2024, according to ANAROCK Research. Supply improved in the Mumbai Metropolitan Region (MMR).

https://www.business-standard.com/industry/news/affordable-housing-supply-in-india-s-top-6-cities-slows-to-a-trickle-124100300463_1.html

Housing sales rise 5% across top 8 cities in July-Sept: Knight Frank

Housing sales rose 5 per cent annually during July-September to 87,108 units in eight major cities as demand stayed strong for premium homes, according to Knight Frank India. Real estate consultant Knight Frank India on Thursday released its report 'India Real Estate' for the third quarter of 2024 calendar year through a webinar, showing a modest increase in housing sales in contrast to data provided by Anarock and PropEquity which reported drop in total sales during July-September across major cities.

https://www.business-standard.com/industry/news/housing-sales-rise-5-across-top-8-cities-in-july-sept-knight-frank-124100300362_1.html

Road logistics industry pegged to post 6-9% growth in FY25 on uptick in manufacturing output, consumer spending

The revenues of the Indian road logistics industry is expected to grow by a moderate 6-9 per cent on-year in FY2025, stated a report by ICRA. While the business activities were disrupted during Q1 amidst General Elections, ICRA said that the sector is now preparing for a seasonally strong festive period. The growth in the logistics sector will be driven by an increase in manufacturing output amidst restocking and an uptick in consumer spending and e-commerce activities. This, coupled with a favourable monsoon and the Government's continued thrust on capital formation, is likely to support revenue growth.

<https://www.financialexpress.com/business/industry-road-logistics-industry-pegged-to-post-6-9-growth-in-fy25-on-uptick-in-manufacturing-output-consumer-spending-3629534/>

Energy

Coal production from captive, blocks rises 32% to 79.72 mn MT in H1

The coal production from both captive and commercial coal blocks rose by 32 per cent to 79.72 Million Tonne (MT) in the April-September period of the ongoing fiscal. The coal output from both captive and commercial coal blocks was 60.52 MT in the first half of the previous fiscal. The coal dispatch rose by 34 per cent year-over-year, from 65.37 MT in H1 of FY'24 to 87.86 MT in H1 of FY'25.

https://www.business-standard.com/industry/news/coal-production-from-captive-blocks-rises-32-to-79-72-mn-mt-in-h1-124100300444_1.html

Telecom

Trai seeks help from RBI, sectoral regulators to push via anti-spam process

The Telecom Regulatory Authority of India (Trai) has reached out to the Reserve Bank of India (RBI), and other sectoral regulators to push entities, including banks, businesses and insurance companies, to register for the Trai's Digital Consent Acquisition (DCA) process, officials said. The move comes after only a few businesses registered for DCA, which was first mandated in June, 2023 to rein in exponentially rising cases of spam and excessive tele-calling in the country.

https://www.business-standard.com/industry/news/trai-seeks-help-from-rbi-sectoral-regulators-to-push-via-anti-spam-process-124100301011_1.html

Healthcare

Quick access to key HIV drug hinges on waiver of local clinical trials: Experts

Faster accessibility to the ground-breaking HIV drug lenacapavir in India will require waiver of local clinical trials, public health experts said. On Wednesday, half a dozen drug makers including three Indian companies entered into non-exclusive, royalty-free licensing agreements with the drug's developer, Gilead Sciences, to manufacture generic versions of lenacapavir and market it locally and in 120 low- and middle-income countries.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/quick-access-to-key-hiv-drug-hinges-on-waiver-of-local-clinical-trials-experts/articleshow/113916321.cms>

Pharmaceutical firms up their game to crackdown on spurious drugs

Indian pharmaceutical companies are stepping up their efforts to combat the problem of counterfeit drugs, employing a variety of strategies, from packaging innovations to engaging private investigation agencies. The stakes

are high, as counterfeit medicines not only harm consumers but also tarnish the reputation of leading brands. Earlier in September, an interstate gang was busted for distributing fake antibiotics to some government hospitals. The drugs — which contained nothing more than talcum powder and starch — were being manufactured in a veterinary medicine laboratory in Haridwar. These fake antibiotics were then circulated across several states, including Uttar Pradesh, Uttarakhand, Jharkhand, and Maharashtra, before being uncovered by the Nagpur Rural police.

https://www.business-standard.com/industry/news/pharma-cos-up-their-game-to-crackdown-on-spurious-drugs-124100200546_1.html

External

India's Sept palm oil imports hit 6-month low on price rise, say dealers

India's palm oil imports in September fell by nearly a third compared to the previous month, hitting a six-month low as a surge in tropical oil prices made it more expensive than rival oils, forcing refiners to postpone purchases, five dealers said. Lower purchases by the world's biggest importer of vegetable oils could lead to higher stocks of palm oil in key producers Indonesia and Malaysia, weighing on benchmark futures.

https://www.business-standard.com/industry/news/india-s-sept-palm-oil-imports-hit-6-month-low-on-price-rise-say-dealers-124100300544_1.html

India, US discuss ways to strengthen critical minerals supply chain

Commerce and Industry Minister Piyush Goyal discussed strengthening bilateral cooperation in critical minerals supply chains with his US counterpart Gina Raimondo during the former's visit to that country to discuss investment avenues in India, the department of commerce said on Thursday. Goyal and US Secretary of Commerce Raimondo on Wednesday also discussed opportunities to increase US investments in India, especially in some of the new industrial cities being planned in India. The US is India's largest trade partner and export destination.

https://www.business-standard.com/economy/news/india-us-talks-focus-on-bolstering-critical-minerals-supply-chain-ties-124100301046_1.html

US port strike to hit Indian textile, pharma, auto part exports, push costs up 3x: GTRI

The strike at 14 major ports in the US, which began Tuesday, is already causing delays in unloading and processing of shipments from India, affecting goods like textiles, pharmaceuticals, and auto parts, Global Trade Research Initiative (GTRI) said Thursday. If the strike continues, shipments would need be rerouted to US West Coast or Canadian ports, leading to higher costs and longer transit times, which may result in increased prices for consumers, it said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/us-port-strike-to-hit-indian-textile-pharma-auto-part-exports-push-costs-up-3x-gtri/articleshow/113914654.cms>