



October 21, 2024 – Monday

Economy

Fresh formal hirings fell to a four month low in August, shows EPFO data

The number of monthly fresh formal hirings saw a slowdown in August, signalling a downturn in the formal labour market. In August, the number of new monthly subscribers under the Employees' Provident Fund (EPF) decreased by nearly 11 per cent to 930,000. This is a four-month low from 1.05 million in July, according to the latest monthly payroll data released by the Employees' Provident Fund Organisation (EPFO) on Sunday.

https://www.business-standard.com/economy/news/fresh-formal-hirings-fell-to-a-four-month-low-in-august-shows-epfo-data-124102000463_1.html

PM's Internship Scheme included in common theme for CPSEs CSR spend in FY25

The Government has revised the CSR guidelines for CPSEs by including PM's Internship Scheme as the common theme for the current fiscal, an official said. Currently, Central Public Sector Enterprises (CPSEs) follow a theme-based approach in utilising their Corporate Social Responsibility (CSR) funds. CPSEs have to spend 60 per cent of their CSR funds on the theme set for a particular year. "We have added PM's Internship Scheme to 'Health and Nutrition' as the common theme for CSR activities by the CPSEs for 2024-25. CPSEs will spend 60 per cent of their CSR funds towards 'health and nutrition' and PM's Internship Scheme this fiscal," an official told PTI.

https://www.business-standard.com/india-news/pm-s-internship-scheme-included-in-common-theme-for-cpses-csr-spend-in-fy25-124102000145_1.html

Finance

Govt bond yields seen hardening after RBI governor ruled out a rate cut

Government bond yields are expected to rise on Monday as the market sentiment dampened after Reserve Bank of India (RBI) Governor Shaktikanta Das cautioned that an interest rate cut at this stage could be "very premature" and "risky", citing significant inflation risks. The RBI has projected inflation at 4.5 per cent for the current financial year (FY25), based on the assumption of a normal monsoon and stable supply conditions. However, retail inflation surged to a nine-month high of 5.49 per cent in September, driven by rising food prices and unfavourable base.

https://www.business-standard.com/economy/news/govt-bond-yields-seen-hardening-after-rbi-governor-ruled-out-a-rate-cut-124102000412_1.html

Banks prepare for higher outflow rates on retail deposits ahead of revised liquidity coverage ratio rules

Commercial banks have started applying higher outflow rates on retail deposits in preparation for the upcoming revisions to the liquidity coverage ratio (LCR) rules, which require them to purchase more high-quality liquid assets. The banking regulator is set to issue revised LCR rules to mitigate the risk emanating from mass withdrawals of deposits—an event that triggered the collapse of Silicon Valley Bank in the US. Although the Reserve Bank of India has not yet issued the final guidelines for the revised LCR regulations, banks said that they are likely to be effective April 1 next year.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-prepare-for-higher-outflow-rates-on-retail-deposits-ahead-of-revised-liquidity-coverage-ratio-rules/articleshow/114403722.cms>

IRDAI asks insurers to check vulnerabilities in IT systems, take measures

Following data leaks from insurance, the Insurance Regulatory and Development Authority of India (Irdai) has issued an advisory to all insurance companies asking them to check their Information Technology (IT) systems for vulnerabilities and take steps to protect policyholders' data. The insurance regulator said in a statement, "There have been reports of data leaks from two insurers recently. At the outset, it is stated that the Irdai considers data security as very important and takes data breach, cyber-attacks on IT systems of insurance companies, etc very seriously."

https://www.business-standard.com/finance/insurance/irdai-asks-insurers-to-check-vulnerabilities-in-it-systems-take-measures-124101900330_1.html

Inter-state disparity in terms of revenue receipt remains huge: Report

The revenue disparity among Indian states continues to be significant, while some states have shown revenue growth in FY25 but others have reported a revenue contraction, highlighted a report by National Stock Exchange. The report said "Inter-state disparity in terms of revenue receipts remains huge". It noted that while the central government has budgeted a 14.7 per cent growth in revenue receipts, many states have set more modest targets.

<https://economictimes.indiatimes.com/news/economy/finance/inter-state-disparity-in-terms-of-revenue-receipt-remains-huge-report/articleshow/114411113.cms>

GST panels propose slew of tax tweaks; rate changes likely for 100+ products

A Group of Ministers (GoM), tasked with reviewing the manner of Goods and Services Tax levy on life and health insurance premiums, has taken the view that term life insurance could be exempt from tax, along with health insurance cover up to Rs 5 lakh and premiums paid by 'senior citizens' above 60 years. The panel, however, decided against a complete tax waiver for health insurance, where the GST is levied at 18% at present.

<https://www.financialexpress.com/policy/economy-gst-panels-propose-slew-of-tax-tweaks-rate-changes-likely-for-100-products-3644525/>

Industry

Retailers pare down festive season growth to single digits due to lower footfalls

Retailers are paring down their festive season growth rate to single digits compared to earlier expectations of a double-digit growth as they witnessed a decrease in footfall during the week leading up to Dussehra.

<https://www.thehindubusinessline.com/economy/retailers-pare-down-festive-season-growth-to-single-digits-due-to-lower-footfalls/article68776491.ece>

Urban stress continues to pull down growth for consumer goods firms

Consumer goods companies including Parle, Dabur and Tata Consumer said rural demand for daily essentials and food is recovering but there is still stress in cities due to food inflation, dragging the overall growth down in the September quarter. While rural demand "is recovering from where it was...urban (demand) has softened," Sunil D'Souza, managing director of Tata Consumer, told investors recently. "I think a good monsoon and, therefore, the kharif crop is only going to help in the rural recovery, but it is still not at the stage where it gives us a double-digit volume growth, and a penetration growth, etc," D'Souza said.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/urban-stress-continues-to-pull-down-growth-for-consumer-goods-firms/articleshow/114403598.cms>

FMCG distributors write to CCI over unfair practices by quick commerce cos

The fast-moving consumer goods (FMCG) distributors' association has written to the Competition Commission of India (CCI) flagging unfair practices, such as predatory pricing, deep discounting, and monopolistic tendencies, by quick commerce (q-com) players. The All India Consumer Products Distributors Federation (AICPDF) has also expressed concerns over the operational model of q-com platforms in relation to the country's Foreign Direct Investment (FDI) regulations. It pointed out several challenges faced by the traditional supply chain due to the rapid growth of quick commerce, particularly the appointment of these platforms as direct distributors of FMCG items by various companies.

https://www.business-standard.com/industry/news/fmcg-distributors-write-to-cci-over-unfair-practices-by-quick-commerce-cos-124102000546_1.html

Agriculture

Foodgrain production target set at 341.55 MT in 2024-25

The government has set a target of a record foodgrain production of 341.55 million tonne (MT) in the 2024-25 crop year (July-June), which is an increase of around 3% from the 2023-24 crop year, agriculture minister Shivraj Singh Chouhan said on Saturday. "We plan to achieve record foodgrain production through introduction of high yielding varieties, intercropping, crop diversification, increased area and better agricultural practices," Chouhan said after the conclusion of the National Conference on Agriculture for Rabi Campaign 2024.

<https://www.financialexpress.com/policy/economy-foodgrain-production-target-set-at-341-55-mt-in-2024-25-3644510/>

Infrastructure

FPCE writes to govt seeking realty-specific rules for homebuyers' interest

Homebuyers' association FPCE has written to consumer affairs ministry to frame specific guidelines for the Indian real estate sector to curb unfair trade practices and protect consumers' interest. Forum For People's Collective Efforts (FPCE) President Abhay Upadhyay has written a letter to Consumer Affairs Secretary Nidhi Khare, requesting her to issue "real estate sector specific guidelines under Consumer Protection Act 2019 to curb the malpractices prevalent in the sector and to save the consumers of the sector from being duped and cheated by developers."

https://www.business-standard.com/industry/news/fpce-writes-to-govt-seeking-realty-specific-rules-for-homebuyers-interest-124102000436_1.html

Mumbai property registrations up 13% during Navratri festival

The country's most expensive and biggest property market, Mumbai has kicked off the festive season with a strong performance in registrations during the nine-day Navratri festival, highlighting continued buyer interest and activity, apart from signalling robust growth and confidence in the property sector. Mumbai city has recorded 5,199 property registrations between October 3 and 11, a 13.2% year-on-year growth against the performance in Navratri 2023, showed data from Inspector General of Registration (IGR) and Controller of Stamps, Maharashtra.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/mumbai-property-registrations-up-13-during-the-navratri-festival/articleshow/114403589.cms>

Energy

Power plants may not need to install Sulphur removing gear as study shows emissions are not impacting air quality

India could halt installation and award of new flue gas desulphurisation (FGD) units at public sector coal-based power plants as a recent study found that sulphur dioxide emissions from Indian coal-based power plants were not adversely impacting ambient air quality. Niti Aayog, the government's premier think-tank, has held stakeholder consultations in this regard and is likely to recommend this in its final report by month end, officials said.

<https://economictimes.indiatimes.com/industry/energy/power/power-plants-may-not-need-to-install-sulphur-removing-gear-as-study-shows-emissions-are-not-impacting-air-quality/articleshow/114402902.cms>

Meeting 2030 renewable energy target may push India's solar equipment imports to \$30 bn/yr, says GTRI

The country's target of installing 500 GW of renewable energy by 2030 may push solar equipment import bill to about USD 30 billion per year and increase dependence on Chinese goods, think tank GTRI said in a report on Sunday. It said developing a self-reliant solar manufacturing industry in India will require significant investment to create an integrated supply chain, especially in areas like polysilicon and wafer production. Without this, India may continue to face high import costs and struggle to meet its renewable energy goals.

<https://economictimes.indiatimes.com/industry/renewables/meeting-2030-renewable-energy-target-may-push-indias-solar-equipment-imports-to-30-bn/yr-says-gtri/articleshow/114394611.cms>

Tatas, Adani & other top companies confront talent crunch in India's renewable energy sector

India's renewable energy sector, where some of the top business houses and large corporations are lining up ambitious expansion plans, is facing a talent shortage, according to top industry officials. Data from TeamLease Degree Apprenticeship shows that the sector as a whole—consisting of solar, wind, hydro, battery storage—is estimated to create 1.7 million jobs, direct and indirect, in the next three years as several companies are looking to ramp up workforce. About 30-35% of these will be direct jobs and the rest, indirect.

<https://economictimes.indiatimes.com/industry/renewables/tatas-adani-other-top-companies-confront-talent-crunch-in-indias-renewable-energy-sector/articleshow/114403381.cms>

States

Rajasthan shines as India's solar power hub

Rajasthan has emerged as a prime destination for solar energy investment, not just in India, but globally. With an impressive installed capacity of 22,860 MW, the state now ranks first in the country in solar energy production. As India pushes toward its ambitious goal of achieving 500 GW of non-fossil fuel energy capacity by 2030, Rajasthan is set to play a pivotal role. The state's potential solar generation capacity is estimated at 142 GW, underscoring the immense investment opportunities in this sector.

<https://www.financialexpress.com/business/industry/rajasthan-shines-as-indias-solar-power-hub/3644887/>

Healthcare

Indian pharma firms trail global peers in R&D, innovation, and talent metrics: FAST India-IIFL Securities

Indian pharmaceutical firms are falling behind their global counterparts across key performance indicators, including R&D intensity, the proportion of PhD employees, and the number of patents and publications generated per billion USD of revenue, according to a report by the Foundation for Advancing Science and Technology (FAST India) in collaboration with IIFL Securities. The largest disparity was observed in the number of publications per billion USD revenue, with global firms producing 8.4 times more publications than Indian firms, the report noted.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/indian-pharma-firms-trail-global-peers-in-rd-innovation-and-talent-metrics-fast-india-iifl-securities/articleshow/114395822.cms>

India's bioeconomy at \$150 billion, innovation crucial for growth: BIRAC MD

India's biotechnology sector is witnessing remarkable growth, with the country's bioeconomy now valued at USD 150 billion but there is still significant untapped potential in innovation and product development, which could further elevate India's global standing in the sector, Dr Jitendra Kumar, Managing Director of the government's Biotechnology Industry Research Assistance Council (BIRAC), said. BIRAC is a not-for-profit public sector enterprise set up by the Department of Biotechnology (DBT) under the government that supports and promotes innovation, entrepreneurship, and research in the sector.

https://www.business-standard.com/economy/news/india-s-bioeconomy-at-150-billion-innovation-crucial-for-growth-birac-md-124102000167_1.html

External

Ministry may soon tap Cabinet for green flag on FTA SOPs as new guidelines nearly ready

The commerce and industry ministry will soon seek Cabinet nod for the standard operating procedure (SOP) for negotiating its free trade agreements (FTA) and address new issues — labour, environment, digital services, gender and indigenous people and has temporarily paused some new trade pacts. Officials said a review of India's trade pact with the UAE in two years after it came into force and a rise in sustainability measures being imposed by the US and the EU, have led the government to develop a new FTA strategy.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/ministry-may-soon-tap-cabinet-for-green-flag-on-fta-sops-as-new-guidelines-nearly-ready/articleshow/114404430.cms>

India seeks critical mineral pact with US

India has proposed to the United States to convert their memorandum of understanding in critical minerals into a critical minerals agreement (CMA) that will give the benefits of a free trade agreement to the trade of electric vehicles. "I have suggested that our critical minerals MoU should be converted to critical minerals partnership agreement and become a beginning point to move towards a free trade agreement (FTA)," commerce and industry minister Piyush Goyal told reporters on Saturday.

<https://www.financialexpress.com/business/industry-india-seeks-critical-mineral-pact-with-us-3644533/>

Automobile exports from India rise 14% in April-September period

Automobile exports from India in the first six months of the current fiscal year rose 14 per cent year-on-year, led by gains in shipments of passenger vehicles and two-wheelers. According to Siam data, the overall exports in the April-September period stood at 25,28,248 units, up 14 per cent as compared with 22,11,457 units in the year-ago period. "Key markets like Latin America and Africa, which had slowed down for various reasons, have bounced back. This has been the main reason for exports coming back," Society of Indian Automobile Manufacturers (Siam) President Shailesh Chandra said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/automobile-exports-from-india-rise-14-in-april-september-period/articleshow/114393105.cms>