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Economy

India may face 24.7% GDP loss by 2070 thanks to climate change: ADB report

Climate change under a high-end emissions scenario could lead to a 16.9 per cent loss in GDP by 2070 across the Asia and Pacific region, with India projected to suffer a 24.7 per cent GDP loss, according to a new report. Rising sea levels and decreasing labour productivity would drive the most significant losses, with lower-income and fragile economies being hit the hardest, it said. The new research, presented in the inaugural issue of ADB's "Asia-Pacific Climate Report", details a series of damaging impacts threatening the region.

<https://economictimes.indiatimes.com/news/economy/indicators/india-may-face-24-7-gdp-loss-by-2070-thanks-to-climate-change-adb-report/articleshow/114816260.cms>

Finance

Deposits outpace credit growth after 30 months, hinting at stability

After nearly 30 months, banks' deposit growth has edged above credit expansion, potentially signalling an end to a period when the reverse was in operation. Growth in credit staying ahead of growth in deposits had prompted the Reserve Bank of India (RBI) to encourage banks to adopt innovative strategies to get more funds and narrow the gap between the two. However, the alignment of deposit growth with credit expansion can largely be attributed to a decline in credit growth from its previous highs.

https://www.business-standard.com/industry/banking/deposits-outpace-credit-growth-after-30-months-hinting-at-stability-124103100853_1.html

Banking lending to industry up 42.8% in H1FY25; credit to NBFC shrinks

Reflecting buoyancy and growth momentum, bank credit to industry – small, medium and large – grew by 42.85 per cent in the first half of the current financial year (H1FY25) over the same period last year. Reserve Bank of India (RBI) data showed that in absolute terms, banks lent Rs 1.5 trillion in H1FY25 as against Rs 1.05 trillion in H1FY24. The outstanding credit to industry stood at Rs 37.86 trillion in September 2024. This data excludes the merger of HDFC with HDFC Bank.

https://www.business-standard.com/finance/news/banking-lending-to-industry-up-42-8-in-h1fy25-credit-to-nbfc-shrinks-124103101052_1.html

Banks seek a ticket to RBI's LRS server

Banks have approached the Reserve Bank of India (RBI) seeking integration with its Centralised Information Management System (CIMS) platform, aiming for real-time verification of limit utilisation under the Liberal Remittance Scheme (LRS), said people familiar with the development.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-seek-a-ticket-to-rbis-lrs-server/articleshow/114831494.cms>

Fintech firms capitalise on digital gold rush this festive season

This festival season, a digital gold rush has descended on the financial technology (fintech) sector, with companies rolling out new ways for users to invest in gold through micro-purchases and even systematic investment plans (SIPs) for regular savings. Major fintech platforms — PhonePe, Paytm, Amazon Pay, MobiKwik, BharatPe, and others — are offering special deals to drive interest in digital gold investments during Diwali. Paytm, for instance, allows users to invest in gold digitally with a minimum entry of just Rs 1.

https://www.business-standard.com/industry/news/fintech-firms-capitalise-on-digital-gold-rush-this-festive-season-124103100890_1.html

Auction of stressed assets now via centralised platform

In order to maximise the liquidation value of stressed assets under the insolvency law and enhance recovery for creditors, the Insolvency and Bankruptcy Board of India (IBBI) has now mandated the auction process of these assets to be conducted through a centralised electronic platform. In a circular, dated October 29, the IBBI said that it has collaborated with the Indian Banks' Association (IBA) to facilitate the auction of assets through the "eBKray platform" which is presently owned and managed by PSB Alliance Private Limited (a consortium of 12 public sector banks). eBKray has been conducting auctions for assets mortgaged to public sector banks under the SARFAESI Act for the past five years.

<https://www.financialexpress.com/policy/economy-auction-of-stressed-assets-now-via-centralised-platform-3653155/>

SEBI proposes key reforms for REITs and InvITs to enhance investment opportunities

Real estate investment trusts, including small and medium REITs, and infrastructure trusts may be permitted to use interest rate derivatives to hedge, locked-in units may be transferred within sponsor groups, fixed deposits can be included for cash balances while computing leverage and REITs may be able to invest in liquid mutual funds, according to a consultation paper by the Securities and Exchange Board of India (SEBI).

<https://www.thehindubusinessline.com/markets/sebi-proposes-key-reforms-for-reits-and-invits-to-enhance-investment-opportunities/article68817328.ece>

APAC private debt rises, India raises \$2.3 bn in Q3 alone: Report

APAC's (Asia-Pacific) private capital fundraising slowed in the first three quarters of 2024, with \$77 billion raised, down from \$83 billion during the same period last year. In terms of deal activity, both APAC private equity (PE) and venture capital (VC) have stabilised at around a five-year low, according to Preqin's latest report. However, India remains a key market within the APAC region for private debt, the report said. In the September quarter (Q3), private debt fundraising reached \$2.3 billion, more than doubling from \$1.1 billion in Q2, with nearly 70 per cent of APAC's private debt capital in 2024 so far raised by India-focused and Asia-regional funds.

https://www.business-standard.com/finance/news/apac-private-debt-rises-india-raises-2-3-bn-in-q3-alone-report-124103100968_1.html

Industry

Strong demand for premium products persists despite inflation pressures

The demand for premium products remains strong even as consumers cut back on lower-priced items due to inflation, according to a report by The Economic Times. Consumer companies have also indicated that while urban growth slowed during the September quarter, rural demand showed gradual recovery. Hindustan Unilever chief Rohit Jawa told The Economic Times that premium segments continue to grow around 30 per cent faster than the other segments. This comes even as a slowdown has been observed in the growth trends compared to last year. According to data by Kantar, urban markets grew 4.3 per cent while rural areas saw volume growth at 3.9 per cent within the FMCG segment. This marks a decline from last year's growth rates of 8.1 per cent in cities and 6.3 per cent in villages.

https://www.business-standard.com/economy/news/strong-demand-for-premium-products-persists-despite-inflation-pressures-124103100571_1.html

FMCG sector flags urban consumption slowdown as food inflation bites

A worrying trend is unfolding in the Indian consumer sector, with fast-moving consumer goods (FMCG) companies reporting a slowdown in urban consumption in the September quarter. While temporary factors, such as a heavy monsoon, have worsened the slowdown, especially for out-of-home consumption, companies say high levels of food inflation remain a key concern for urban consumers.

https://www.business-standard.com/companies/news/fmCG-sector-flags-urban-consumption-slowdown-as-food-inflation-bites-124103100979_1.html

Silver, the poor man's gold, beats precious metal to set a record in festive season

For the first time in the history of the Indian jewellery market, silver sales surpassed gold during this Dhanteras season. High gold prices have dampened consumer demand, leading shoppers to turn to silver instead.

"Silver sales have shot up 30-35% this year despite prices being 40% higher than last Dhanteras," Surendra Mehta, national secretary at Indian Bullion & Jewellers Association (IBJA), told ToI. "We are collating data for silver because this is the first time we are seeing such a huge demand," he added.

<https://economictimes.indiatimes.com/industry/services/retail/dhanteras-2024-silver-the-poor-mans-gold-beats-precious-metal-to-set-a-record-in-festive-season/articleshow/114809372.cms>

E-commerce strikes gold this Diwali as stores lose shine

It's an unprecedented situation for Rahul Bahl, the owner of Bahl Enterprises, a utensil and appliances shop in Lajpat Nagar, Delhi, who is sitting idle on a Friday evening barely a week before Diwali. "There are hardly any customers in the market, despite it being Diwali time. People prefer to buy online, where they get a lot of discounts and offers which we are not able to compete with. Big shopkeepers and brands might be doing well, but small shopkeepers like us are suffering. At my shop, sales are down by 50%-80%," he lamented.

<https://www.financialexpress.com/business/industry-e-commerce-strikes-gold-this-diwali-as-stores-lose-shine-3653166/>

Tech, e-commerce giants rake in Rs 60,000 crore in FY24 ad revenue

Tech and e-commerce giants Google, Meta, Amazon, and Flipkart collectively generated over Rs 60,000 crore in advertising revenue in FY24, a 9% increase from Rs 55,053 crore in FY23, according to Registrar of Companies (RoC) filings. For the first time, the Indian arms of Google and Meta surpassed Rs 50,000 crore in combined gross revenue. The marketplace arms of Flipkart and Amazon garnered over Rs 10,000 crore in cumulative ad revenue, with Flipkart Internet alone raking in close to Rs 5,000 crore.

<https://economictimes.indiatimes.com/industry/services/advertising/tech-e-commerce-giants-rake-in-rs-60000-crore-in-fy24-ad-revenue/articleshow/114830644.cms>

Agriculture

Agricultural exports flat in first half

India's exports of agricultural and processed food products declined marginally (1%) to \$ 12.13 billion in the first half of FY25, owing to sharp fall of 17% in non-basmati rice shipments. Shipments of basmati rice, buffalo meat and fresh fruits, however rose during April-September, 2024-25 compared to the same period in FY24. Exports of aromatic and long-grain basmati rice saw a sharp spike of 11% on year to \$ 2.87 billion in April-September of FY25. The minimum export price (MEP) of \$ 950/tonne imposed in October, 2023 was removed last month, which is expected to boost shipment of high value rice.

<https://www.financialexpress.com/policy/economy-agricultural-exports-flat-in-first-half-3652329/>

Government steps up onion supplies via rail transport to control prices; 840 tonne reaches Delhi

The government on Wednesday said about 840 tonne of buffer onion arrived via rail at Delhi's Kishanganj railway station, as part of its multi-pronged strategy to control prices. This marks the second major rail delivery after 1,600 tonne reached Delhi on October 20 through 'Kanda Express', an official statement said. The shipment, procured by NAFED under the price stabilization fund, will primarily be released through Azadpur Mandi, with a portion earmarked for retail sale at Rs 35 per kg.

<https://economictimes.indiatimes.com/news/economy/agriculture/government-steps-up-onion-supplies-via-rail-transport-to-control-prices-840-tonne-reaches-delhi/articleshow/114779891.cms>

Infrastructure

Festive season boosts Mumbai property market, helps record best-ever October

Mumbai, the country's biggest and most expensive property market, has scaled a new peak by recording the best October performance in terms of registration of real estate deals and revenue collection through stamp duty charges. The festive period, beginning with Navratri followed by Diwali, are considered auspicious for property purchases, and has played a key role in this rise in registrations apart from the ongoing positive momentum in deal activity.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/festive-season-boosts-mumbai-property-market-helps-record-best-ever-october/articleshow/114819169.cms>

Energy

Commercial LPG price hike: 19 Kg cylinder up by Rs 62, now Rs 1,802 in Delhi

Oil marketing companies increased the prices of commercial LPG gas cylinders on Friday, affecting businesses across the country soon after Diwali. The cost of the 19 kg commercial LPG cylinder has gone up by Rs 62, making it Rs 1,802 in Delhi. Before this, it was priced at Rs 1,740. Smaller cylinders have also seen a price hike; the 5 kg Free Trade LPG (FTL) cylinders increased by Rs 15. However, there is no change in the price of the 14.2 kg domestic LPG cylinders.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/commercial-lpg-price-hike-19-kg-cylinder-up-by-rs-62-now-rs-1802-in-delhi/articleshow/114832343.cms>

External

Brics+ group expected to surpass G7 in global trade by 2026: EY India

The Brics+ grouping of nations like India, China and Russia is rapidly increasing its share in global merchandise exports and imports and is expected to surpass G7 group by 2026, EY India said in its latest edition of EY Economy Watch. The share of Brics+ group in global merchandise exports has increased from 10.7 per cent in 2000 to 23.3 per cent in 2023, an increase of 12.6 percentage points. On the other hand, the share of the G7 group in global exports has fallen by a margin of 16.2 percentage points from 45.1 per cent to 28.9 per cent over the same period.

https://www.business-standard.com/economy/news/brics-group-expected-to-surpass-g7-in-global-trade-by-2026-ey-india-124103100815_1.html