



Public Finance

Govt spending, agriculture sector buoy up GDP growth to 7.8% in Q1

The government frontloading its capital expenditure coupled with sustained momentum in services and agriculture helped the Indian economy grow 7.8 per cent in the April-June, or the first, quarter of 2023-24, the Statistics office reported on Thursday. The government is optimistic about the momentum sustaining, but experts do not agree. *(BusinessLine)*

514 researchers to get ICSSR funding to study impact of Centrally sponsored schemes

The Indian Council of Social Science Research (ICSSR) received 3801 project proposals to study the impact of various Centrally sponsored schemes and 514 among them — from collaborative and individual categories. *(The Hindu)*

Modi has no moral right to speak about graft as CAG has exposed Centre'

Speaking at the wedding ceremony of the daughter of the Nagapattinam MP, M. Selvaraj of the Communist Party of India at Pavithra Manickam in Tiruvarur district, Mr. Stalin said the Prime Minister had no moral right to speak about corruption as the Comptroller and Auditor General (CAG) report has exposed the “corrupt deeds” of the BJP government at the Centre. *(The Hindu)*

Budget exercise: Finance Ministry to ask ministries to seek enough funds for H1FY25

The finance ministry will kick-start the annual Budget exercise next month by writing to all the ministries to provide their budget estimate (BE) for 2024-25, including a well thought-out expenditure estimate for the first six months, to avoid any funds shortage till a new government assumes office, a senior official said. *(Financial Express)*

GDP growth prospects bright, private capex takes off: CEA Nageswaran

Private sector capital formation, supported by the government’s capex push, has already taken off with investment intentions coming back in a big way, Chief Economic Advisor (CEA), V Anantha Nageswaran, said on Thursday. *(Business Standard)*



Taxation

India's gross tax revenue up 2.8% at Rs 8.9 trillion so far in FY24

India’s gross tax revenue, comprising both direct and indirect taxes between April and July, reported a growth of merely 2.8 per cent to Rs 8.9 trillion compared to the same period a year ago, as shown by government data on Thursday. This growth was dampened by direct tax figures, offsetting the healthy growth in goods and services tax collections and Customs duties. *(Business Standard)*

SC issues notice in petition challenging power to arrest & summon under GST law

The Supreme Court has issued notice to the Central Government in a petition challenging the provision related to the power to arrest & summon under GST laws. Meanwhile, it has also directed no coercive action against the petitioner as an interim measure. CGST Act has various provisions to take action in case of tax evasion, fraudulent use of Input Tax Credit (ITC), creating fake identities for GST registration, beside other illegal activities. *(BusinessLine)*

Rate hikes are a blunt tool, moving to broaden the tax base is the key

Noted economist Bibek Debroy only stated the obvious when he said recently that the country's tax-GDP ratio must go up for the government to take public expenditure to the desired level. The combined tax collections of the Centre and states are still languishing at 15% of the GDP, while the requirement for government spending on public infrastructure, education, healthcare and defence is 23%, he noted. *(Financial Express)*



National Accounts and State of the Economy

India's GDP growth accelerates to four-quarter high of 7.8% in Q1 FY24

India's economy grew at the fastest pace in four quarters -- at 7.8 per cent -- in the April-June period of FY24, which is a little below the central bank's estimate, aided by a supportive base along with a robust increase in investment. *(Business Standard)*

India's Q1 GDP growth may hit one-year high banking on capex spike, services activity: Economists

India Q1 GDP news: The Indian economy likely grew at a rate closer to 8 per cent in the first quarter of FY24 owing to pick-up in the country's services sector, higher capital expenditure by central and state governments and stronger consumption, economists have said. The Narendra Modi-led government of late increased focus on capex. *(The Economic Times)*

India's GDP uptick for economic heavy-weights, shows OECD data

The latest quarterly economic growth rate figures of India's peers among large economies have broadly seen an improvement. China, Japan, the United States (US), and the United Kingdom (UK) have shown a stronger rate of gross domestic product (GDP) growth in the second quarter (Q2) of calendar year 2023 (CY23) compared to the previous quarter. *(Business Standard)*

Poorer states drove formal job creation in January-June period: EPFO data

The growth in formal job creation in the first six months of 2023 was led by poorer states such as Assam (33 per cent), Uttarakhand (28.6 per cent), Bihar (21.1 per cent), and Jharkhand (20.5 per cent). The trend also suggests a more rapid transition of the informal workforce towards formal employment. *(Business Standard)*

LPG cut to cool inflation by 10-30 bps this fiscal: Experts

An ET analysis shows that LPG prices were cooling off even before the cut. Inflation in LPG had dropped down to 4.9% in July, compared with 11.8% in the April-June quarter and 18.3% in 2022-23. *(The Economic Times)*

Government may extend free grains scheme till June

Ahead of the general elections in April-May, the Centre is likely to extend the free grains scheme by another six months till June next year, which will benefit 800 million beneficiaries at the bottom of the pyramid covered under the scheme. *(Financial Express)*

India's unyielding path to economic eminence: A vision for a \$5 trillion economy

Prime Minister Narendra Modi's at the BRICS Business Forum Leaders' Dialogue in Johannesburg, South Africa, reaffirmed India's resolute commitment to ascending to a \$5 trillion economy. His address encapsulated India's steadfast momentum as the world's fastest-growing major economy, poised to transform its ambitious target into a reality. *(Financial Express)*



Banking and Monetary Policy

Reserve Bank of India's liquidity withdrawal pushes bank CD issuances to 3-month high

The Reserve Bank of India's move to withdraw liquidity from the banking system has forced lenders to scout the market for funds, pushing up the issuances of certificates of deposits (CDs) to a three-month high for the previous fortnight. *(The Economic Times)*

Bank credit growth surges to 19% in July due to HDFC-HDFC Bank merger impact

The merger of mortgage lender HDFC with HDFC Bank has pushed up the credit growth figures for July to 19 percent compared to 14.5 percent a year ago, driven by a steep rise in retail loans. But without the merger impact loan growth amounted to only 14.7 percent according to latest data on sectoral deployment of bank credit released by the Reserve Bank of India. *(The Economic Times)*

Bank deposit growth touches six-year high of 13.5 pc in fortnight ended Aug 11: Report

Deposit growth in banks reached a six-year high of 13.5 per cent in the fortnight ended August 11, a report said on Monday. Care Edge Ratings said it is the first time since 2017 that the deposit growth has crossed 12.5 per cent. *(The Economic Times)*

Share of term deposits bearing 6-8% interest rate went up to 70.7%: RBI data

The share of term deposits bearing less than 6 per cent interest rate came down. In comparison, the percentage of term deposits bearing 6 to 8 per cent interest rate went up even as return on bank deposits rose significantly during Q1 (April-June):2023-24. *(BusinessLine)*

UPI transactions may have crossed 10 billion in August

Transactions on the unified payments interface (UPI) are likely to have crossed the all-time high of 10 billion in August. Also, in terms of value, transactions are likely to have crossed Rs 15 trillion in August, projections made on the basis of the available data show. *(Financial Express)*

PSU banks focus on expanding start-up branch network

Public sector banks (PSB) are increasingly focusing on opening more start-up specialised branches as they receive government incentives including credit guarantee while funding such entities. *(Financial Express)*



External Sector

FPI net inflows into debt market hit highest amount in past 6 year

Foreign portfolio investors (FPIs) have pumped Rs 28,216 crore into the Indian debt market so far this year on a net basis — the highest amount in the past six years. FPIs have invested Rs 6,067 crore into Indian debt in August (till 29th), as against Rs 3,113 crore in July, data from the National Securities Depository Limited (NSDL) showed. With the exception of March, FPIs were net buyers of Indian debt every month this year. *(Business Standard)*

India, EU make good progress in FTA, investment, GI pact talks: Govt

India and the European Union have made good progress in the ongoing three negotiations- India-EU Free Trade Agreement; a standalone Investment Protection Agreement; and a Geographical Indications Agreement, the government said Saturday. The commerce and industry ministry said in a statement that the two sides discussed their market access issues and review the progress made so far under the India-EU Trade and Technology Council. *(The Economic Times)*

India, US discuss ways to promote trade, investments

Commerce and Industry Minister Piyush Goyal and US Trade Representative Katherine Tai have discussed ways to enhance trade and investments between India and the US. They are working towards resolving their last trade dispute related to poultry in the World Trade Organisation and exploring opportunities for companies from both countries to participate in each others' government procurement. *(The Economic Times)*

UK-India FTA deal may face troubles; PM Sunak questioned over transparency issues over wife's Infosys shares: Report

British Prime Minister Rishi Sunak is facing criticism for lack of transparency regarding his wife's shares in Infosys and the potential benefits the company could receive from a trade deal with India. There are concerns that Infosys is seeking easier access to the UK for its contract workers through changes in the visa regime. *(The Economic Times)*

India, US must map out economies, form supply chains in complementary ways: Katherine Tai

US Trade Representative (USTR) Katherine Tai said the India-US relationship is on an upward trajectory and the two sides should map out their economies to develop supply chains in complementary ways. In an interview with ET's Kirtika Suneja and Deepshikha Sikarwar, Tai, who was on a visit to India to attend the G20 trade ministers meeting, said the upcoming conference of the World Trade Organization (WTO) will be the first of the "reform ministerials". *(The Economic Times)*

India-Russia trade could touch \$100-125 billion over next three years, says Russian industrialist

Oleg Deripaska, top Russian industrialist and founder of Rusal (among world's biggest aluminum firms) has told ET that he expected that India-Russia trade that has leaped in the last 1.5 years will reach 100-125 bn usd over the next three years. *(The Economic Times)*

Government likely to extend export benefits under RoDTEP scheme for pharma, steel, chemical sectors

"As exports are not doing good for the last few months, there is a demand to extend it for about six months till March 2024. It is under consideration. We may extend it," the official said. These three sectors were late entrants into the scheme that aims to refund duties, taxes and levies at the central, state and local level that gets added to the cost of products meant for exports. *(The Economic Times)*

India's exports increased despite recession, registering lowest inflation, says Piyush Goyal

India's exports from Coimbatore have increased to \$776 billion USD from \$500 billion USD in just two years, despite challenges such as the recession and the Russia-Ukraine war, according to Union Commerce and Industry Minister Piyush Goyal. He attributed this growth to the efforts of Prime Minister Narendra Modi and the cooperative federalism between the central and state governments. *(The Economic Times)*

Govt to tap districts for enhancing exports: DGFT

Director General of Foreign Trade (DGFT) Santosh Sarangi on Friday said that the government will go to the districts to enhance exports. Seventy districts in the country account for 80 per cent of the country's exports total exports, he told reporters at the Indian Chamber of Commerce. In West Bengal, two districts - Darjeeling and Howrah have been identified for the purpose so far. *(The Economic Times)*



Agriculture and Rural Economy

Why Indian exporters favour bulk rice shipments over consumer packs

Indian rice exporters' reluctance to pay "slotting charges" for space in the shelves of global retail giants such as Walmart, Tesco, Carrefour, Metro, Schwarz and Kruger is stopping them from earning more, particularly through packaging and labelling, experts in the sector. *(BusinessLine)*

Need to boost crop productivity with new technologies: India's G20 Sherpa Amitabh Kant

Digitisation of agriculture, the technological transformation and innovation in the farm sector has been the central priority pushed in the Indian presidency in the G20 this year. *(The Economic Times)*

Over 400 farmers turn up at protest site in Karnataka

The farmers' protest against release of Cauvery water to Tamil Nadu continued at the Krishnaraja Sagar (KRS) site for the second day on Thursday. The protest, launched by Karnataka Rajya Raitha Sangha (KRRS), has evoked strong response from the agricultural

community who assembled at Mandya, Srirangapatna, and other centres in Mandya district to express their ire against the release of water. *(The Hindu)*

Number of micro irrigation schemes increased by 1.42 million between 2013-14 and 2017-18

Out of 23.14 million MI schemes examined, 21.93 million (94.8 per cent) constitute groundwater schemes, while 1.21 million (5.2 per cent) are classified as Surface Water Schemes. This underscores the substantial reliance on groundwater resources for irrigation needs. There has been a delay in release of the 6th census due to COVID-19 and work on the 7th census has already been started, a senior official said. *(The Economic Times)*

South, short by 62%, drags India's monsoon deficit to 32% in August

August rainfall may prove worse than India Meteorological Department's 'below normal' monsoon forecast, as the pan-India deficit was recorded at 32 percent until Monday, with the southern peninsula receiving 62 percent less rains than normal during August 1-28. *(BusinessLine)*

India gets record low August rains, IMD says

India witnessed the driest August in more than a century as the country received 36% less rainfall than normal in 2023, according to data compiled by the India Meteorological Department (IMD). The country has received 10% lower rainfall than normal from June 1 to August 31 *(The Economic Times)*

Govt urged to stop export of blended basmati rice

Even as the Indian government has fixed a minimum export price (MEP) of \$1,200 a tonne for basmati rice, experts in the sector say it is time for the Centre to set right an anomaly that has continued since 2003. *(BusinessLine)*

Supreme Court rejects centre's plea to go ahead with release of GM mustard

The Supreme Court has refused the Indian government's request to proceed with the environmental release of genetically modified (GM) mustard. The court stated that the impact on the environment and ecology needs to be thoroughly examined. The additional solicitor general argued that allowing the release would have significant policy implications for food security, as India heavily relies on edible oil imports. *(The Economic Times)*



Industry, Manufacturing, Services and Technology

India's core sector output slowed to 8% in July 2023, shows govt data

Output of eight key infrastructure sectors — known as the core sector — marginally slowed to 8 per cent in July from 8.3 per cent in June. This is due to a low base effect and positive growth in all the eight sectors during the month. In July last year, the core sector had grown by 4.8 per cent. *(Business Standard)*

Gati shakti framework could unsnarl India's infrastructure bottlenecks

Many infrastructure development projects in India have faced implementation challenges, leading to significant cost and time overruns. According to data published by the Ministry

of Statistics and Programme Implementation (Mospi), as of July 2023, of a total of 1,646 central infrastructure projects costing Rs 150 crore and above, 809 were running behind their original schedules, with an average delay of over 37 months. *(Business Standard)*

Fibre rollout pace jumps 6-fold since 5G launch; still trails target, global markets

The government has introduced amendments to facilitate faster telecom infrastructure deployment, but challenges from local entities are hindering implementation. Initiatives such as using street furniture to install digital infrastructure are helping, but more needs to be done. *(The Economic Times)*

Mithai prices may stay in sweet spot this festive season

Mithai makers plan to absorb any marginal increase in the cost of their offerings, giving consumers a breather during the most popular festival season, which has started with Onam and Rakshabandhan in August and will continue till Christmas in December *(The Economic Times)*

India turning into magnet for foreign luxury brands

India is becoming an attractive destination for foreign luxury brands as they aim to tap into the growing affluence of Indian consumers. Factors such as exposure to global trends, younger consumers purchasing luxury goods, and a post-pandemic economic boom are driving this trend. Luxury brands like Laderach, Galeries Lafayette, Balenciaga, TimeVallee, and Keune are entering the Indian market. *(The Economic Times)*

Govt received 'excellent' response for hardware PLI scheme from cos, says IT Min Ashwini Vaishnaw

The Indian government has received a positive response from global companies, including Lenovo, HP, Dell, and Acer, for its Production Linked Incentive (PLI) Scheme for hardware. The government has received applications from 32 companies for the scheme, which aims to promote the manufacturing of laptops, PCs, tablets, and other devices in India. However, Apple has not shown interest in the scheme *(The Economic Times)*.

India's record dry August may push domestic FMCG sector in slow lane

NIQ said in its Fast Moving Consumer Goods (FMCG) Snapshot for the June quarter that the industry in India grew at 12.2 per cent in value, compared to 10.2 per cent growth in the previous quarter and 10.9 per cent in the year-ago period. The quarter also saw an overall volume growth of 7.5 per cent, the highest in eight quarters *(Business Standard)*

PSU oil marketing companies to bear LPG price cut for non-Ujjawala consumers

State-run Oil Marketing Companies (OMCs) will bear the cut in the cost price of LPG for all non-Ujjawala consumers, a senior Government official clarified on Wednesday. While it is not clear whether they will be compensated by the government, it is expected that the firms will have no under recoveries, at least for the next 2-3 months. *(BusinessLine)*

Housing prices rose in 43 cities in Q1: NHB

India's eight key primary residential markets witnessed appreciating property prices during the April-June 2023 period on a year-on-year basis, the latest NHB RESIDEX showed. For the quarter under review, Ahmedabad (9.1 per cent) saw the largest increase while Delhi recorded the least increase at 0.8 per cent. The other major cities that witnessed appreciating property prices are Bengaluru (8.9 %), Chennai (1.1 %), Hyderabad (6.9 %), Kolkata (7.8 %), Mumbai (2.9 %) and Pune (6.1 %). *(BusinessLine)*

Govt to provide grant-in-aid of up to ₹50 lakhs to start-ups in technical textiles

To promote the startup ecosystem in technical textiles, the government has approved startup guidelines for the sector providing grant-in-aid of up to ₹50 Lakhs for up to a period of 18 months. *(BusinessLine)*

Renewable helped power sector save \$ 520 bn globally in 2022

Power sectors worldwide saved an astounding \$520 billion in fuel costs last year. The report, titled "Renewable Power Generation Costs in 2022," underscores how the escalating crisis in fossil fuel prices has significantly bolstered the competitiveness of renewable power. Around 86 percent, equivalent to 187 gigawatts, of the newly commissioned renewable energy capacity in 2022 was found to have lower costs than electricity generated from fossil fuels. *(Mint)*

Home textile industry to rebound with 7-9% growth this fiscal: Crisil

The Indian home textile industry is poised for a notable resurgence, with revenue expected to surge 7-9% in the current financial year, Crisil Ratings said in a report. This comes on the heels of a sharp 15% decline in the previous fiscal and signals a recovery for an industry that faced considerable challenges. *(Mint)*

India's real estate sector likely to expand to \$5.8 trillion by 2047: Report

India's real estate sector is expected to expand to \$5.8 trillion by 2047, contributing 15.5% to the GDP from an existing share of 7.3% a joint report by Knight Frank and National Real Estate Development Council (Naredeco) said. *(Mint)*

ONDC provides huge growth opportunities for financial services, manufacturing, e-commerce, agri sectors: Deloitte

The government's initiative ONDC is providing a huge platform for growth of four key sectors, including financial services, agriculture, manufacturing, and e-commerce retail, a Deloitte report said on Thursday. The Open Network for Digital Commerce (ONDC) is an initiative of the commerce and industry ministry to create a facilitative model to help small retailers take advantage of digital commerce. *(Financial Express)*

India tech industry decentralising to 26 cities from 7 major hubs, 11-15% talent in tier-2, -3 cities: Report

India's technology industry is decentralising from seven major hubs to 26 cities like Chandigarh, Nagpur and Kanpur as about 11-15 per cent of tech talent is based in tier-2 and tier-3 cities, says a report. The majority of the 5.4 million people employed in the technology industry in India have clustered around seven major cities of Delhi, Mumbai, Kolkata, Chennai, Bengaluru, Hyderabad and Pune, the report by Deloitte and Nasscom stated. *(Financial Express)*

S&P Global India Manufacturing PMI signals August activity hit nearly three-year high

Manufacturing firms' order books and output levels expanded at the fastest pace in nearly three years this August, as per the S&P Global India Manufacturing Purchasing Managers' Index (PMI) that rose to 58.6 last month from 57.7 in July. *(The Hindu)*

Delivery workers live in precarity, but are slightly better off than the average urban worker: report

A report released on Monday by the National Council for Applied Economic Research (NCAER) delivered detailed insights on the tenuous place in the urban economy of food

delivery workers — overwhelmingly male, and often college-educated — for platforms like Zomato and Swiggy. Delivery agents' real wages are shrinking as high fuel prices and inflation have eaten away at what little they are saving. And yet, the report says, these workers' earnings are comparably better than the income of the average urban male worker. *(The Hindu)*



News on Kerala

Government aims to make Kerala poverty-free by 2025: CM

Chief Minister Pinarayi Vijayan has announced that the Government has set November 1, 2025 as the deadline for ensuring the State with no family living in extreme poverty. He said the state had around 64,000 people living in extreme poverty, adding one section of them is expected to emerge from the BPL category by November 1 this year. *(BusinessLine)*

Fitch revises Kerala's rating to 'stable' from 'negative'

Kerala, which is frequently criticised for poor financial management, has received a fillip with the rating agency Fitch revising the State's long-term financial outlook to 'stable' from 'negative'. The Kerala Finance Minister K.N. Balagopal said that the revision is a reflection of efficient and judicious financial management, despite the Centre denying the State its legitimate resource allocation. *(BusinessLine)*

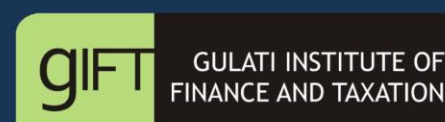
Digital University Kerala wins national award for e-governance

Digital University Kerala has won the national award for e-governance for the AI-based Lucky Bill App it developed for the Kerala GST Department that ensures tax compliance apart from promoting transparency in financial transactions. Digital University Kerala Vice Chancellor Saji Gopinath along with the team of researchers who developed the app received the award at the 26th National Conference on e-Governance being held in Indore. *(BusinessLine)*

Kerala Industries Dept to give awards for best ventures

In a major initiative to appreciate and motivate the performance of different categories of enterprises and facilitators across the industrial ecosystem in Kerala, the Department of Industries and Commerce (DIC) will be giving awards for the best enterprises, entrepreneurs, local bodies and District Industrial Centres (DICs). *(BusinessLine)*

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