



Public Finance

Gov't spending to drive India growth this fiscal year, economists say: Reuters poll

The Indian economy will grow a robust 6.1% this fiscal year fueled mainly by strong government spending, according to a Reuters poll of economists who also said consumption and exports will be the biggest drag. Over 50% of economists in a recent Reuters poll said government spending would be the primary driver, with investment playing a pivotal role. However, there are doubts over whether private sector investment will increase in order to add to the government's capex push. *(The Economic Times)*

Finmin meets secretaries over budget capex

Secretaries and senior officials from across ministries met on June 17 to discuss ways to fast-track rollout of projects and to draw up a road map for swift delivery under various government schemes, the finance ministry said on Monday. *(The Economic Times)*

Faster tax devolution may not affect states' borrowings, but will boost capex: Experts

Faster tax devolution payments are unlikely to affect states' market borrowing in fiscal 2024, but may encourage them to increase capital expenditure, said experts. *(The Economic Times)*

Banks need to collaborate and create policies for mobilizing capital towards green finance: Joshi

Financial Services Secretary Vivek Joshi on Saturday asked banks to collaborate and create policies for mobilizing capital towards green finance. He stressed the steps taken by India to address the climate change issue and urged banks to collaborate and create policies for mobilizing capital towards mitigation and adaptation finance. *(The Economic Times)*

Need to mobilise fund flows for green financing needs: SBI chief

There is a need to mobilise domestic and international flows from retail as well as institutional investors to meet the green finance requirements of the country, according to Dinesh Kumar Khara, Chairman, State Bank of India. *(BusinessLine)*

NHAI plans to raise Rs 60,000 crore from securitisation of 4 projects

The National Highways Authority of India (NHAI) is seeking to raise ₹60,000 crore through securitisation of four under-construction road projects over the next three-five years, officials said. A proposal in this regard is before the Cabinet Committee on Economic Affairs (CCEA), said a senior NHAI official, who did not wish to be identified. *(The Economic Times)*



Net direct tax collection rises 11 pc to Rs 3.80 lakh cr, so for in FY24: FinMin

Corporate tax collections so far in FY24 is at Rs 1.57 lakh crore, while personal income tax collections at Rs 2.22 lakh crore. Advance tax collections for April-June 2024 at Rs 1.17 lakh crore as on June 17, up 13.7% year-on-year. *(The Economic Times)*

88% MSME say GST reduced cost of goods and services, optimised supply chain

About 80% of the businesses say that the GST law requires additional reforms including removing Input tax credit restrictions and introducing an amnesty scheme, for resolving existing tax disputes that had tied up business capital and government revenue. Introduced in 2017, the law will complete six years on July 1. *(The Economic Times)*



National Accounts and State of the Economy

Formal job creation under ESIC registers 2.8% growth in April on a monthly basis

Formal job creation under the Employees' State Insurance Scheme registered a month-on-month growth of 2.8% in April with the addition of 1.78 million net new employees compared to 1.73 million formal workers added in March. *(The Economic Times)*

In next 3-5 years, 6.5% GDP growth is par: Bibek Debroy

In 2022-23, the real GDP growth was 7.2%. This was higher than what many people had expected. Many forecasters underestimated India's growth recovery and momentum. They underestimated the Q4 growth figure of 6.1% too. As one looks forward to 2023-24, one discerns the same syndrome. In 2022-23, outside government, predictions were generally reluctant to cross that mental threshold of 7%. It was almost as if that was a price point for a product, with 6.9% preferred to 7.1%. *(The Economic Times)*

Affordable indulgences prevail as inflation bites the average Indian

In times of inflation and diminishing spending power, a notable shift in consumer behavior has emerged, highlighting the trend that money seemingly can buy happiness, albeit in a different form. The shift towards affordable indulgences can be seen in various sectors. *(The Economic Times)*

India's economy is humming along even with still-high rates

Robust demand and moderating raw material costs are helping the South Asian nation grow faster than most major economies in the world. It's giving room to the Reserve Bank of India to keep borrowing costs higher until inflation is firmly under control. India's economic activity continued to expand in May thanks to buoyant domestic demand, assuring policymakers that rates can be kept higher for longer though the biggest risk now is heat waves and below-normal rains. *(Financial Express)*

Heavier packs signal end of shrinkflation

Packs of soaps, snacks, and cookies are gradually turning heavier as companies benefiting from cheaper inputs pass on the benefit without making direct price cuts. When

commodity prices surge, companies raise prices or shrink the quantity sold, especially across set price points of ₹10, 20, and 30, where prices are hard to tinker with. *(Mint)*

Fitch raises India's GDP forecast to 6.3% from 6% for current fiscal year

Fitch Ratings on Thursday raised its forecast for Indian economic growth to 6.3% for the current fiscal year 2023-24 from the 6% it had predicted previously. The growth forecast changed because of a stronger outturn in the first quarter and near-term momentum. In FY23, the growth forecast compares with a 7.2% GDP expansion. The economy had a growth of 9.1% in FY22. *(The Hindu)*



Banking and Monetary Policy

India's inflation may have cooled but premature to bet on rate cuts

India's inflation may have dropped to its lowest in two years, but the optimism of softer interest rates may be premature as a myriad of factors, including the adverse El Nino impact on food items, pose worries for Mint Road policymakers. Consumer Price Index (CPI) inflation was at 4.25% in May, the lowest in 25 months. *(The Economic Times)*

Instructions on compromise settlements rationalise regulatory norms: RBI

The RBI on Monday said its recent instructions on 'compromise settlements and technical write-offs' have rationalised the existing regulatory guidance to banks and tightened some of the related provisions to ensure greater transparency. As part of the bi-monthly monetary policy, the RBI on June 8 issued a comprehensive regulatory framework governing compromise settlements and technical write-offs covering all regulated entities. *(The Economic Times)*

Madhivanan Balakrishnan appointed ED of IDFC FIRST Bank

Madhivanan Balakrishnan has been elevated as the Executive Director and Chief Operating Officer of IDFC First Bank following the RBI's approval, a statement said on Wednesday. His elevation was recommended by the nomination and remuneration committee for a period of three years, IDFC FIRST Bank said in the statement. *(The Economic Times)*

SMFG India Credit Co readies growth plan post Covid shock

The Sumitomo Mitsui Financial Group (SMFG), Japan's second-largest bank with over \$2 trillion in assets will double down on its investment in India and increase stake in its non-banking finance company (NBFC) to 100% as the parent seeks to take advantage of the robust demand for loans in the country. *(The Economic Times)*

Compromise settlement is not available to borrowers as a matter of right: RBI

The Reserve Bank of India (RBI) has plugged interpretation gaps in its recently issued circular on "Framework for Compromise Settlements and Technical Write-offs", clarifying "penal measures" and "minimum cooling period", among others, through frequently asked questions. This comes in the wake of Bank unions opposing a clause in the circular that allows Banks' Boards to take up proposals for compromise settlements in respect of debtors classified as fraud or wilful defaulter. *(BusinessLine)*



India and UAE in talks to resolve customs concerns raised by exporters

India and the United Arab Emirates (UAE) are entering into discussions to address concerns raised by exporters regarding the extensive details of manufacturing and procurement required by customs authorities in both countries. *(Business Standard)*

Top U.N. official flags 'accountability deficit' in Sri Lanka

Referring to the Sri Lankan government's plans to set up a Truth Commission, to probe allegations of war crimes and grave human rights violations during the country's civil war, U.N. Deputy High Commissioner for Human Rights Nada Al-Nashif noted that Sri Lanka has "witnessed too many ad hoc commissions" in the past that failed to ensure accountability. *(The Hindu)*

India, US to end 6 trade disputes at WTO; Delhi to remove customs duties

India and the US have agreed to end six trade disputes at the World Trade Organisation while New Delhi will also remove retaliatory customs duties on 28 American products such as almonds, walnuts, and apples, according to an official statement. This comes amid Prime Minister Narendra Modi's State Visit to the US at the invitation of President Joe Biden and First Lady Jill Biden. *(Business Standard)*

US jobless claims hold steady at 20-month high, current account gap widens

Data from the Bureau of Labor Statistics showed 264,000 new claims were filed for jobless benefits on a seasonally adjusted basis in the week ended June 17, unchanged from the prior week's upwardly revised level, which is the highest level of initial claims activity since October 2021. *(Business Standard)*

China starts fresh round of nationwide inspections to reveal govt debt

China has begun a fresh round of nationwide inspections to work out how much money local governments' owe, according to people familiar with the matter, a sign that authorities are preparing to take concrete steps to tackle a key financial risk. Local officials will be pressed to come clean about their so-called hidden debt as national leaders attempt to get a fuller picture of liabilities across all levels of government, the people said, asking not to be named discussing private information. *(Business Standard)*

European Union's powerful lending arm eyes first 'debt-for-nature' swap

The European Union's powerful lending arm, the European Investment Bank, expects to back its first 'debt-for-nature' swap this year as it bolsters efforts to stem biodiversity loss. Debt-for-nature swaps, which help countries cut their debt in return for conservation commitments, are attracting growing interest after Ecuador's record \$1.6 billion deal last month to protect the Galapagos Islands. *(Business Standard)*

Britain's debt exceeds 100% of GDP for the first time in 62 years

Rocketing interest rates and inflation drove UK government debt above 100 per cent of GDP for the first time since 1961, dealing a blow to Prime Minister Rishi Sunak's pledge to get it falling and denting hopes for tax cuts in the build up to an expected general election next year. *(Business Standard)*

Nepal resumes import of onions from India after halting it for 2 weeks

Traders in Nepal have resumed importing onions from India, more than two weeks after they stopped buying from the neighbouring country following the Nepal government's move to impose a hefty 13 per cent Value-Added Tax (VAT) on vegetables last month. According to the financial bill introduced in the Himalayan country's Parliament on May 29, imported onions, potatoes and other vegetables and fruits will now be subjected to a 13 per cent VAT. *(Business Standard)*

Sky not the limit for India-US partnership, says PM Narendra Modi

India and the US upgraded their strategic partnership by a few crucial notches on the second day of Prime Minister Narendra Modi's "state visit" to Washington, DC, with the signing of agreements spanning mega defence deals, semiconductors, critical minerals, cooperation in critical and emerging technology, artificial intelligence, quantum computing, telecommunications and space cooperation on Thursday. *(Business Standard)*

Technology collaboration. PM Modi invites General Electric, Applied Materials, Micron to be part of India's growth story

Prime Minister Narendra Modi has invited leading global companies such as General Electric (GE), Applied Materials, and Micron to participate in India's growth story. During his second leg of the US visit, Modi met the Chiefs of these companies in Washington on Wednesday (EST time). *(BusinessLine)*

India-UK FTA: Govt draws red lines to safeguard sensitive areas

The India-UK FTA negotiations are poised for an early conclusion, possibly by the year end, but India has fixed some red lines to safeguard sensitive areas such as generic medicine production, regulatory data protection, and reservation for small and medium enterprises (MSEs) in government procurement that it is unlikely to cross, sources tracking the development have said. *(BusinessLine)*

India's trade dilemma with China

Contrary to the global slogan of "China plus One", and India's initiatives towards boosting up its own manufacturing exports, trade deficit between India and China has been high and growing. For 2022-23 India's trade deficit increased to \$83 billion, which accounts for 31.6 per cent of India's total trade deficit. *(BusinessLine)*



Agriculture and Rural Economy

Retail inflation for farm, rural workers eases in May

Retail inflation for farm workers and rural labourers eased to 5.99 per cent and 5.84 per cent, respectively, in May. Point-to-point rate of inflation based on the CPI-AL (consumer price index-agricultural labourers and CPI-RL (rural labourers) stood at 6.50 per cent and 6.52 per cent respectively in April 2023 and 6.67 per cent and 7.00 per cent respectively during the corresponding month (May 2022) of the previous year, a labour bureau statement said. *(The Economic Times)*

Centre launches mobile app for PM-Kisan e-KYC

Launching the app in a function, Agriculture and Farmers' Welfare Minister Narendra Singh Tomar said that "Pradhan Mantri Kisan Samman Nidhi" (PM-Kisan) is the Centre's

ambitious and popular scheme for income support to farmers. He said through this app, farmers can complete e-KYC easily by scanning faces without OTP or fingerprint. They can help 100 other farmers do e-KYC, he added. *(BusinessLine)*

Oil producers' body to establish model groundnut farms in MP, Rajasthan

Model farms to help enhance productivity of major crop groundnut, says Solvent Extractors' Association. The managing committee of SEA, which met on June 16, has decided to establish 100-150 model groundnut farms in Madhya Pradesh and Rajasthan during the current season. *(BusinessLine)*

Profitability of rice farmers increases 73% in 4 years

The profitability of farmers in growing paddy in West Bengal, Punjab, Haryana, Uttar Pradesh, Bihar, Chhattisgarh, Andhra Pradesh, Telangana and Karnataka, has increased to an average ₹26,000/acre from ₹15,000 (or 73 per cent) during last four years, according to a market research firm. *(BusinessLine)*

BIS notifies standard for utensils made of Agri by-products

In a bid to reduce usage of disposable plastic cutlery, the Bureau of Indian Standards (BIS) has published a standard for utensils made from Agri-products such as leaves and sheaths for food consumption. This will enable reduction in plastic pollution and promotion of sustainability. *(BusinessLine)*

G20 Agriculture Ministers Meeting adopts 'Outcome Document' with focus on food security, nutrition for all

The three-day G20 Agriculture Ministers Meeting that concluded here on Saturday adopted an 'Outcome Document and Chair's Summary' which reiterated its commitment to food security and nutrition for all while also calling for action on food security and nutrition. *(The Economic Times)*

Chief of UN farm fund lauds India for reviving global focus on millets, exporting wheat to 18 countries

The United Nations fund for agricultural development has lauded India for reviving focus on millets and exporting 1.8 million tonnes of wheat to 18 countries that faced an acute shortage of food last year in the wake of the war in Ukraine. Alvaro Lario, the president of the International Fund of Agricultural Development (IFAD), also said that India's G20 presidency has the potential to "transform" the global food systems as some of New Delhi's priority areas are in sync with that of the UN body. *(The Economic Times)*

Foodgrain prices up 5-15% as delayed monsoon hits sowing

Prices of kitchen staples like rice and rice products like poha, murmura, besides jowar, bajra and chicken have shot up by 5-15% in the last fortnight after the slow progress of monsoon delayed the sowing of kharif crops. Prices of wheat and pulses too have been ruling firm at high levels despite government's price control measures. *(The Economic Times)*

Paddy sowing picking up in some areas: Agriculture Commissioner

Sowing of paddy, the main kharif crop, is underway in areas which received monsoon rains and the planting is picking up as the monsoon progresses in different parts of the country, Agriculture Commissioner P K Singh said on Tuesday. "Paddy sowing has just started and it has been good so far in areas which have received rainfall. It is picking up

as the monsoon progresses in different parts of the country," Singh told PTI. In some parts, farmers have started preparing nurseries, he said. *(The Economic Times)*

India approves wheat, broken rice exports requests from 4 countries

India has decided to approve wheat and broken rice exports to a few selected countries following their requests to allow the shipments of the grains, the government said in two separate notifications issued late on Tuesday. *(The Economic Times)*

Govt's rice procurement reaches 55.8 million tonnes and wheat 26.2 million tonnes so far

The government's rice procurement has reached 55.8 million tonnes so far in the ongoing 2022-23 marketing season, benefitting 1.22 crore farmers with MSP of Rs 1.7 lakh crore, the food ministry said on Tuesday. *(The Economic Times)*

El Nino likely to hit rabi crops: Top weather forecasters

The El Nino weather event may adversely impact rainfall during the upcoming winter season - thereby affecting the key rabi crop of wheat - and make the next summer season the hottest ever, one of the top weather forecasters in the country has said. *(The Economic Times)*

Maharashtra govt advises farmers to hold back kharif sowing

The Maharashtra government has advised farmers to hold back sowing of kharif crops till the state gets sufficient rainfall. Maharashtra is the top producer of tur or arhar, and sugar, and second largest producer of cotton and soyabeans. *(The Economic Times)*

Govt initiatives focus on transition, but better markets needed to scale up organic farming: CSE report

Help with transitioning to organic farming and better marketing as well as market access are the key issues that need to be tackled to scale up organic farming in the country, the latest report of the Centre for Science and Environment (CSE), 'Market Access for Organic and Natural Produce', says. *(The Economic Times)*

Insufficient rainfall in many parts of India could hit kharif crop sowing

The delay in monsoon progress is likely to affect sowing of paddy and soybean this harvesting season as key producing areas of these major kharif crops face an acute rainfall deficiency in June, agriculture experts said. Major agricultural states such as Maharashtra, Chhattisgarh, Madhya Pradesh, Uttar Pradesh and West Bengal stare at a rainfall deficiency of 88%, 94%, 77%, 66% and 31%, respectively, this month, according to the India Meteorological Department (IMD). *(The Economic Times)*



Industry, Manufacturing, Services and Technology

Government e-Marketplace enters into partnership with TANSTIA

GeM (Government e-Marketplace), India's leading online public procurement platform, has partnered with TANSTIA (Tamil Nadu Small and Tiny Industries Association) in Coimbatore to enhance the GeM seller base in the State. The Memorandum of Understanding outlines the commitments and collaborative efforts of both parties to

promote transparency, efficiency, and inclusivity in public procurement processes. *(BusinessLine)*

Mandatory quality norms for large and medium footwear manufacturers to come into effect from July 1: BIS

The Bureau of Indian Standards (BIS), on Monday, said the Quality Control Order, which will bring the footwear sector under the ambit of mandatory quality standards, will be implemented from July 1. Pramod Tiwari, Director General, BIS, told mediapersons that large and medium-scale footwear manufacturers and all importers will need to follow the mandatory quality standards from July 1. *(BusinessLine)*

India's eB2B market to reach \$90-\$100 billion by 2030: Report

India's eB2B market is estimated to grow at a compound annual growth rate (CAGR) of 40-45 per cent from \$5-6 billion in CY2022 to \$90-\$100 billion by 2030, according to a report released by Redseer Strategy Consultants. The Indian retail market is worth \$950 billion but is unorganised and dominated by general trade. While general trade drives 83 per cent of the overall market, its share is greater than 90 per cent in the grocery space. *(BusinessLine)*

Global steel output declines 5.1% in April as China's production drops

Global crude steel declined 5.1 per cent in May as China continues to drag the output. According to World Steel Association (worldsteel), production in 63 countries was down to 161.6 million tonnes (mt) against 169.9 mt in May 2022. Top producer China produced 90.1 mt, a decline of 7.3 per cent compared with the year-ago period. China produced 92.6 mt in April, a decrease of 1.5 per cent over March 2022. *(BusinessLine)*

In Indian start-up technology churn, generative AI gets edge over Web3

Indian start-ups' technology priority is shifting from Web3.0 to generative artificial intelligence (AI), shaping investor sentiment and sectors. Generative AI refers to a type of artificial intelligence that can create new content, such as text, images, or audio, by learning patterns from existing data. *(Business Standard)*

Industry eyes access to Gati Shakti portal to boost capex in connectivity, allied sectors

Industry is hopeful that the government may soon agree to open up access to the PM Gati Shakti portal developed for planning multi-modal infrastructure projects, thus helping facilitate greater private capital investments especially in connectivity projects that are seen as critical to sustain the economy's momentum. *(The Hindu)*

Technology to contribute 20-25% of Indian GDP by 2025-26: IT Minister Chandrasekhar

The Indian Government has set a goal of making technology 20-25% of the country's GDP by 2025, India's IT Minister Rajeev Chandrasekhar has told Indian American entrepreneurs and asked them to be part of this story of India. *(The Hindu)*

NIIF in talks to raise \$244 million for infrastructure

India's National Investment & Infrastructure Fund is in talks to raise at least 20 billion rupees (\$244 million) for an infrastructure investment trust, according to people familiar with the matter. The vehicle would include some assets from Athaang Infrastructure, which operates toll roads, according to one of the people, who declined to be identified

because the information is private. The investment will be a private placement and the fund raising should take place by September. *(The Economic Times)*



News on Kerala

Research parks to be set up in tie-up with universities: Bindu

Higher Education Minister R. Bindu has said research parks will be established in association with universities to enhance the research ecosystem in the State. Financial assistance will also be provided to bring marginalised sections closer to the research sector. *(The Hindu)*

A. P. J. Abdul Kalam space museum to come up on 1.3 acres at Kowdiar

After getting entangled in a heritage zone row, redemption seems to be in sight for the A. P. J. Abdul Kalam Knowledge Centre and Space Museum project with the State Cabinet giving the go-ahead for the transfer of land on Wednesday. The facility, which will be jointly run by Indian Space Research Organisation's Vikram Sarabhai Space Centre (VSSC) and the State government, is planned on 1.3 acres of land close to the Kowdiar Palace. *(The Hindu)*

RBI's financial literacy quiz for schoolchildren

Reserve Bank of India in association with the Education department is organising a financial literacy quiz for schoolchildren in the State. The quiz, starting at sub-district level, focuses on government schools, and will end at the national level after the district and State level, the organisers said in a release here. The first phase of the quiz, sub-district level, will be held online on June 26, 2023. *(The Hindu)*

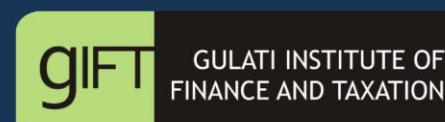
Pinarayi Vijayan to inaugurate Kerala Startup Mission's Infinity Centre in Dubai

Chief Minister Pinarayi Vijayan will on Sunday inaugurate the first Infinity Centre of the Kerala Startup Mission (KSUM) in Dubai, rolling out a programme of setting up one-stop destinations across the world to strengthen the State's ecosystem for nascent companies. *(The Hindu)*

Second phase of Malinya Mukta Nava Keralam begins in Kollam

Help desks will be expanded and social audit reports published by various local self-government institutions (LSGIs) in the district during the second phase of 'Malinya Mukta Nava Keralam'. *(The Hindu)*

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