



Public Finance

A weaker Modi government will slow India's fiscal tightening, Moody's says

Indian PM Modi's narrower election victory limits aggressive fiscal reforms, per Moody's analyst Christian de Guzman. BJP secured 240 seats, with NDA totaling 293. Despite this, fiscal consolidation will persist, but populist spending risks increase. India's fiscal deficit target is 4.5% by 2025/26. Bond yields surged post-election, and Moody's sees stable economic prospects. (*The Economic Times*)

View: GOI has the solution of India's economic puzzle but it needs to let go fiscal hesitations

As a new government is formed, India's economic backdrop couldn't look better. 8.2% GDP estimates exceed most estimates. While inflation's a bit sticky, it's not at a level where alarm bells start ringing. Global commodity prices, especially oil, are holding down at moderate levels. Strong growth in tax revenues - both direct taxes and GST - have kept post-Covid fiscal consolidation (as a Union budget level) on track, even a touch accelerated. (*The Economic Times*)

FY25 capital expenditure outlay may be hiked by 10%

India could increase its FY25 capital expenditure outlay by 8-10% from the ₹11.11 lakh crore allocated in the vote on account when the full budget is presented thanks to better-than-expected tax revenue and a record surplus transfer by the RBI to the government. Both tax and non-tax revenue are expected to be better," a senior official told ET. "Additional surplus transfer from RBI provides enough headroom to spend more. (*The Economic Times*)

Deutsche Bank expects FY25 fiscal deficit target could be lowered to under 5 per cent of GDP

A faster-than-anticipated pace of fiscal consolidation could pave the way for a sooner-rather-than-later sovereign rating upgrade for India, according to Kaushik Das, Chief Economist - India and South Asia, Deutsche Bank. "The Central government's target to bring the fiscal deficit down to 5.1 per cent of GDP in FY25 and further to 4.5 per cent of GDP in FY26 looks more credible now as the FY24 fiscal deficit has finally come in at 5.6 per cent of GDP vs the revised estimate of 5.8 per cent of GDP. (*BusinessLine*)

Fiscal deficit in FY24 improves to 5.6% on better tax mop-up

The Central government's fiscal deficit during 2023-24 at 5.6% of the GDP was better than previous estimates of 5.8% on account of higher revenue realisation and lower expenditure, according to official data released on Friday. In actual terms, the fiscal deficit — or gap between expenditure and revenue — was ₹16.53 lakh crore, or 5.63% of the GDP, which grew 8.2% in 2023-24. (*The Hindu*)

Expect broad policy continuity with focus on capex: Ratings agencies

Economists emphasize the new Indian government's need to focus on growth, job creation, fiscal stability, tax reforms, and risk management. Reforms in land, labor, and capital markets are crucial, along with fiscal consolidation and increased government spending to attract private investments. They suggest balancing pro-consumer policies in agriculture and tackling judicial delays. *(The Economic Times)*

Modi govt's fiscal consolidation pace post-Covid worse than peers? Moody's report flags weaker fiscal, debt metrics

Moody's rating agency has pointed out that India's fiscal consolidation following the Covid-19 pandemic has lagged behind when compared to its peers. This includes several emerging markets in the Asia-Pacific region. *(The Economic Times)*

BJP-led NDA's narrow majority shifts focus to rural spending and increased private investments

The recent election results in India saw the ruling BJP-led NDA secure a majority, though narrower than expected. A Bernstein report predicts increased focus on direct social schemes, especially in rural areas. Private sector investments are expected to drive the capex cycle, with implications for economic growth and market dynamics. Market volatility is anticipated due to policy uncertainty, while financials remain a key sector. *(The Economic Times)*

Modi 3.0 has heavy lifting to do on tax reforms to managing stock risks

Economists outline key priorities for India's incoming government, emphasizing the need for growth, job creation, and macro stability. Pranab Sen highlights the importance of sustainable livelihoods, while Pranjul Bhandari suggests that 'easy' reforms could maintain 6.5% growth. However, achieving 70 million jobs requires politically sensitive reforms in agriculture, labor, and land. Additional recommendations include infrastructure investment, judicial reforms, enhancing export competitiveness, and further tax reforms, particularly bringing petroleum and power under GST. *(The Economic Times)*



Taxation

GST collection in May stands at ₹1.73 lakh crore

Collection from Goods & Services Tax (GST) in May stood at ₹1.73-lakh crore, the Finance Ministry reported on Saturday. It was lower than ₹2.10-lakh crore in April but higher than ₹1.57-lakh crore in May, last year. According to a Finance Ministry statement, the gross GST collections in FY 25 till May stood at ₹3.83-lakh crore. This represents an impressive 11.3 per cent year-on-year growth, driven by a strong increase in domestic transactions (up 14.2 per cent) and marginal increase in imports (up 1.4 per cent). *(BusinessLine)*

CBIC issues instructions for initiating early GST recovery

The CBIC has said the Principal Commissioner or commissioner level officers can issue directions to recover GST dues before the stipulated three months of serving of demand order. The Central Board of Indirect Taxes and Customs (CBIC) said, it has been brought to its notice, that some of the field formations are initiating recovery before the specified period of three months from the date of service of the order, even in the cases where the

taxable person has not been specifically required by the proper officer, for reasons to be recorded in writing, for payment of such amount within a lesser period. *(BusinessLine)*

IATA opposes GST levy on foreign airlines in India

Foreign airlines operating in India should not be liable to pay goods and services tax (GST) on services provided by their headquarters to local offices in India, International Air Transport Association (IATA) said on Tuesday. The Directorate General of GST Intelligence had issued summons to foreign airlines for alleged tax evasion for import of services by airlines in India. While investigations are underway, IATA has opposed the government move and said the costs incurred by airline head offices should not be liable to GST. IATA is an airlines body representing 330 carriers globally. *(BusinessLine)*

GST rate rationalisation may see further delay

With a new coalition government at the helm, a key economic reform involving GST rate rationalisation may be further delayed. Many experts feel that as rate rejig impacts inflation, there may be pressure to not undertake it at all. However, there is a section that feels there is still hope for this long-pending reform. A seven-member committee under the convenorship of Suresh Kumar Khanna (Finance Minister, Uttar Pradesh) has been working on rate rationalisation exercise for 1,200 category of goods and all services, excluding those in negative list. *(BusinessLine)*



National Accounts and State of the Economy

RBI MPC meeting: India's FY25 GDP forecast raised to 7.2% from 7%

The Reserve Bank of India (RBI) raised the FY25 real GDP growth forecast to 7.2% from 7% due to improved rural and urban demand, bolstered by monsoon predictions. The Monetary Policy Committee kept the benchmark rate at 6.25%, noting domestic economic resilience. India's FY24 GDP growth accelerated to 8.2%, driven by a sharp decline in the GDP deflator. *(The Economic Times)*

Economy expands 7.8% in Q4, lifting FY24 growth to 8.2%

This is the highest annual growth since FY17, excluding the 9.7% post-Covid rebound in gross domestic product (GDP) in FY22 after the 5.8% contraction in FY21. The advance estimate released in February had pegged FY24 growth at 7.6%. Economists and government expect the high growth to continue though tepid private consumption remains a concern. *(The Economic Times)*

Economists project continued economic momentum and stability after India reports robust GDP growth in Q4

India's economy experienced a 7.8% growth rate in the January-March quarter, surpassing expectations due to strong performance in the manufacturing sector. The GDP growth in the fourth quarter of FY24 was slightly lower than the revised 8.6% growth in the previous quarter. Economists are optimistic about sustained momentum throughout the year, with the gap between GDP and gross value added (GVA) expected to normalize from the second quarter of FY25. *(The Economic Times)*

New govt needs to fight inflation while bringing back focus on farm reforms

As a new government takes office in New Delhi, the biggest challenge that it would face in the food and agriculture sector are the ways to manage food inflation that has got aggravated due to supply-side pressures of 2023. Though, the good news is that the southwest monsoon in 2024 is projected to be not only good but also well-distributed. The India Meteorological Department in its second stage forecast also said rainfed areas of the country too might get copious 'above normal' rains. *(Business Standard)*



Banking and Monetary Policy

RBI rate-setting panel starts deliberations on monetary policy, decision on Friday

The rate-setting panel of RBI on Wednesday started its three-day deliberations to decide the next monetary policy amid expectations of continuation of the current interest rate. Reserve Bank Governor Shaktikanta Das will announce the decisions taken by the Monetary Policy Committee (MPC) on Friday. Experts are of the view that the central bank is unlikely to cut the benchmark interest rate (repo) as inflation still remains a matter of concern. *(The Economic Times)*

NBFCs' funding costs to rise as banks cut back

The cost of funds for non-banks could rise 200 to 300 basis points as banks squeeze funding to this segment. Recent data show that bank funds to the non-bank segment dropped to 15% in April from 22% seen in the same period last year. Non-banks are also likely to face a squeeze on their margins and profitability as they access more expensive sources of borrowing. Bank funding to non-banks accounts for more than half of their overall borrowings. *(The Economic Times)*

Electoral shock dashes hopes of rate cut

It is well known that food inflation has been a thorn in the Reserve Bank of India's (RBI) side for long, but the elections have thrown up a new reason for the central bank to keep rate cuts at bay for the foreseeable future - a potentially new fiscal landscape led by populist spending. Exit polls last week had predicted a resounding majority for the BJP-led National Democratic Alliance. This had led to widespread speculation in bond markets that the Centre, which has recently received a record-high surplus dividend from the RBI, could use the extra funds to sharply reduce fiscal deficit. The results, however, present a different situation. *(The Economic Times)*

IBA chief explains what bank frauds really are, stresses on critical 'golden hour'

The Chairman of the Indian Banks' Association (IBA) underlined on June 3 that most bank frauds highlighted by the recent RBI annual report are third-party scams. According to M V Rao, the Chairman of the IBA, the significant rise in bank frauds reported in the RBI's annual reports is primarily attributed to customers falling victim to scams orchestrated by third parties, rather than vulnerabilities in banking systems. Rao emphasized the importance of raising awareness about early reporting, particularly within the critical 'golden hour', to effectively tackle these fraudulent activities. *(The Economic Times)*

Rupee to stay volatile within a band

The rupee (INR) depreciated 0.46 per cent on Tuesday as it ended at 83.53 versus dollar (USD). This is the biggest intraday fall since February 6, 2023. As the election results came in, the market spooked, leading to a substantial sell-off. Not just rupee, but the domestic equity benchmark, Nifty 50, too, slumped nearly 6 per cent. Indicating the fear in the local market, India 10-year yield rose to 7.10 per cent compared with Monday's close of 7 per cent. Despite staying volatile in the last two trading sessions, the rupee remains with key levels and the chart does not lend us any clue about the direction of the next leg of trend. *(BusinessLine)*

Banking frauds triple in the past fiscal year: RBI data

The number of frauds detected in the banking system last fiscal almost tripled on year, even as the amount involved decreased. Public sector banks continue to contribute the most to the total fraud amount, data from the Reserve Bank of India showed. The amount involved due to fraud in public banks was Rs. 10,507 crores, while private banks incurred losses of Rs. 3,107 crores. The number of frauds due to card and internet transactions shot up more than four times, with 29,000 cases being detected in FY24. *(The Economic Times)*

Centre to take decisive steps to strengthen banking system, says Finance Minister

Finance minister Nirmala Sitharaman Friday said the government will continue to take decisive measures to strengthen and stabilise the banking system, "ensuring banks' support India's growth path to Viksit Bharat by 2047". "During FY 2023-24, public sector banks recorded the highest-ever aggregate net profit of ₹1.41 lakh crore, almost 4 times higher than ₹36,270 crore in FY 2014," she noted, adding that the government has turned banks from being "NPA-laden nightmares" into "pillars of jan kalyan". *(The Economic Times)*

Credit growth slows in April across major sectors

Bank lending slowed down marginally in April to 15.3 percent from 16.2 percent a year ago as lending to all major sectors except agriculture slowed, according to the data on sectoral deployment of bank credit released by the Reserve bank of India. On a year-on-year (y-o-y) basis, non-food bank credit registered a growth of 15.3 per cent in April 2024 as compared with 16.2 per cent a year ago. *(The Economic Times)*

2.2 pc of Rs 2000 banknotes, with value of Rs 7755 crore, still in circulation

About 2.2 per cent or Rs 7,755 crore of the withdrawn Rs 2,000 banknotes are still in circulation, about eight months after the deadline to deposit or exchange them at bank branches was over. This essentially means 97.82 per cent of the total value of the high-value Rs 2,000 banknotes are back in the banking system by the end of May 2024. The total value of Rs 2000 banknotes in circulation was Rs 3.56 lakh crore at the close of business on May 19, 2023, the date on which RBI decided to withdraw the banknote. *(The Economic Times)*

UPI transactions set new record, scale 14 billion peak in May

The Unified Payments Interface (UPI) network operated by the National Payments Corporation of India (NPCI) has set a new record by processing 14.04 billion transactions in May, compared to 13.3 billion in April. By value, UPI recorded transactions worth ₹20.45 lakh crore in May, compared to ₹19.64 lakh crore in April, according to the data released by NPCI on Saturday. *(The Economic Times)*

RBI sees moderation in unsecured retail loans, tells banks to maintain prudent asset-liability balance

The Reserve Bank of India (RBI) noted a moderation in unsecured retail loans and advances following concerns raised in November 2023. Governor Shaktikanta Das highlighted that growth in personal loans and NBFC funding reliance has slowed. The RBI continues to monitor these trends and has urged financial institutions to maintain risk within acceptable limits. *(The Economic Times)*

RBI following the US Fed? Guv Das says "we play according to local weather, pitch conditions"

The Reserve Bank of India (RBI) has emphasized its independence from global influences and prioritizing domestic economic conditions over distant horizons. The RBI's actions are primarily determined by domestic growth-inflation conditions and the outlook. India has maintained its stance of 'withdrawal of accommodation' since February 2023 and has not changed its stance of 'withdrawal of accommodation' since February 2023. *(The Economic Times)*



External Sector

India offers \$500 billion investment opportunities in clean energy, other sectors by 2030

India offers huge investment opportunities worth over \$500 billion, particularly in clean energy value chain including renewables, green hydrogen, and EV, by 2030, the Commerce Ministry. The 14-member IPEF bloc, was launched jointly by the US, and other partner countries of the Indo-Pacific region on May 23, 2022, in Tokyo. Together, they account for 40 per cent of the world's economic output, and 28 per cent of trade. The framework is structured around four pillars relating to trade, supply chains, clean, and fair economy. India has joined all the pillars except the trade. *(BusinessLine)*

Indian cardamom exports likely to benefit from Guatemalan drought

Indian cardamom exports are expected to gain significantly in the near term, thanks to drought conditions in Guatemala, one of the largest producers globally. It is reported that a fall in cardamom production in Guatemala this season will force many Gulf countries to source Indian cardamom, which is superior in quality. The cardamom harvest season in India will start by July end or early August. *(BusinessLine)*

India's forex reserves drop by \$2 billion, retreat from record highs

India's foreign exchange reserves declined a little over \$2 billion in the week that ended on May 24, to come off from its all-time high it experienced a week prior. The reserves are now at \$646.673 billion. In the previous week, the reserves rose for the third straight week, by \$4.549 billion to \$648.700 billion, according to data shared by the Reserve Bank of India (RBI). In the process, they touched a fresh lifetime high. According to the latest data released by the Reserve Bank of India (RBI), India's foreign currency assets (FCA), the biggest component of the forex reserves, declined by \$1.510 billion to \$567.499 billion. *(BusinessLine)*

CBIC starts electronic disbursement of duty drawback to exporter's bank accounts via PFMS

The Central Board of Indirect Taxes and Customs (CBIC) on Wednesday said it will now electronically disburse duty drawback amounts directly to exporters' bank accounts using the PFMS platform, a move which will increase transparency and will improve efficiency of the process. The payment of duty drawback amounts into the exporters' accounts will be facilitated through the Public Finance Management System (PFMS) automatically. This feature will be initiated with immediate effect, the finance ministry said in a statement. *(The Economic Times)*

India to drag Australia to WTO arbitration on services trade commitments

In a first, India has dragged Australia to arbitration at the World Trade Organization (WTO) as Canberra is making changes to its commitments which New Delhi believes could impact its services trade. These commitments seek to mitigate unintended trade restrictive effects or measures relating to licensing and qualification requirements. The new disciplines on services domestic regulation is expected to lower trade costs by over \$125 billion globally and around 70 countries have committed to them. *(The Economic Times)*

Refined Russian petro goods imports rise 14% in May

India's import of refined products from Russia increased by 14% sequentially in May, while that of crude remained flat. Import of refined products increased to 164 thousand barrels per day (TBD) in May from 144 TBD in April on higher imports of naphtha, which more than tripled to 77 TBD, according to energy cargo tracker Vortexa. Fuel oil and naphtha are the key refined products that India imports from Russia. *(The Economic Times)*



Agriculture and Rural Economy

India Q4 GDP Data Highlights: FY24 growth hits 8.2%; "Just a trailer of things to come," says PM Modi

India Q4 GDP Data Highlights: India's economic growth for the full fiscal year 2023/24 was revised up to 8.2 per cent, the highest among large economies globally, from an earlier mark of 7.6 per cent. *(Mint)*

₹1 investment in agri R&D can fetch ₹13 return, says NAAS chief

The National Academy of Agricultural Sciences (NAAS) on Wednesday suggested a major overhaul in India's agricultural research and education system amid challenges such as high cultivation costs, low productivity, and climate change impacts. *(BusinessLine)*

Total foodgrain products in 2023-24 lower than 2022-23: Third Advance Estimate

The total foodgrain production in India is estimated at 3,288.52 lakh tonne in 2023-24, which is lower than 3,296.87 lakh tonnes of foodgrain production of 2022-23, according to the third advance estimates of production released by agriculture ministry on Tuesday. *(The Economic Times)*

Govt offers par-boiled rice to boost sales under 'Bharat rice'

To boost sales of highly subsidised Bharat rice, the food ministry has asked agencies such as Nafed, National Cooperative Consumers' Federation of India (NCCF) and Kendriya Bhandars and others to sell par-boiled rice in the southern states. *(Financial Express)*

Rural sector comes in focus, moderate consumption push likely

A clutch of steps aimed at addressing the issue of income stagnation being faced by sections of the population and the persisting rural distress could be part of the short-term agenda of the new government, according to sources privy to the deliberations in the National Democratic Alliance (NDA). *(Financial Express)*

Will Centre succumb to pressure of rising prices and allow wheat import?

During the last few weeks, the Indian wheat market has been all agog with talk of an imminent relaxation in import norms to allow the country to import the grain — after a gap of six years — to cool the prices down. *(Business Standard)*

Global agricultural trade focuses on India policies post new govt formation

The fifth-biggest economy has kept key crops like sugar and some major rice varieties off the global markets for more than a year. Prime Minister Narendra Modi sought to ensure adequate domestic supplies and temper consumer costs ahead of national elections, walking back a pledge to “feed the world” in the wake of Russia’s invasion of Ukraine. It also refrained from cutting a tax on wheat imports to appease farmers, a large voting bloc. *(Business Standard)*



Industry, Manufacturing, Services and Technology

India Inc cheers continuity at the Centre, but rues fragility

Indian industry honchos said the continuity of the NDA-BJP government at the Centre would ensure resilience in the economy and grow despite the unexpected outcome in terms of an absolute majority at the Centre. However, they cautioned about horse-trading among political allies and the vulnerability of the government to push through policy changes without the total consensus among ideologically diverse parties. *(The Economic Times)*

Government's protectionist move divides aviation industry

India’s policy to freeze flying rights to Middle East nations has divided the aviation industry with Air India CEO Campbell Wilson calling for limiting market access for foreign carriers. However, Wilson’s call for more protectionism has not found support among other Indian carriers like indigo and new entrants Akasa who are looking to launch new flights to the Middle East. *(The Economic Times)*

Electricity trade volumes on IEX jumps nearly 29 pc to 10,633 mn units in May

Indian Energy Exchange's (IEX) overall trade volume grew nearly 29 per cent to 10,633 million units (MU) in May against 8,251 MU in the year-ago period. The electricity (trade) volumes at 9,568 MU increased 21 per cent year-on-year, an IEX statement said. According to the statement, IEX achieved a monthly overall volume of 10,633 MU in May 2024, marking a 28.9 per cent year-on-year increase. *(The Economic Times)*

Solar investment outstrips all other power forms: IEA

More money is pouring into solar power than all other electricity sources combined, with investments set to reach half a trillion dollars this year, the world's top energy research body said Thursday. The International Energy Agency (IEA) forecast in a report that global investment in clean energy this year will hit \$2 trillion, twice the amount going to fossil fuels. *(The Economic Times)*

Scorching heat drives India's gas-fired power use to multi-year highs in May

Sweltering heat and policy measures are fuelling a surge in the use of gas-fired power in India, with imports of liquefied natural gas (LNG) forecast to rise sharply over the next two years, industry officials and experts say. The country's gas-fired power generation doubled in April and May to 8.9 billion kilowatt-hours (kWh) compared with the same period last year, data from Grid India showed, eating into the share of coal-fuelled electricity for the first time since the COVID-19 pandemic. *(The Economic Times)*

Domestic air traffic likely to touch 164 mn in FY25

India's domestic air traffic is expected to rise 6 to 8 per cent to 161 to 164 million in the current financial year, according to a report. Aviation advisory firm CAPA India in a report on Wednesday said international air traffic is projected to jump 9-11 per cent to 75 to 78 million in the fiscal ending March 2025. *(The Economic Times)*

GDP growth surges to 8.2% on manufacturing gains

“Nominal GDP has witnessed a growth rate of 9.6% in FY24 over the growth rate of 14.2% in FY23,” the NSO said, adding that real Gross Value Added (GVA) had likely expanded by 7.2% in FY24, faster than FY23's 6.7%. “This GVA growth has been mainly due to significant growth of 9.9% in the manufacturing sector in FY24” over a 2.2% contraction in FY23, and mining and quarrying's growth of 7.1% in FY24 over 1.9% in FY23, the NSO explained. *(The Hindu)*

Game Theory — the gateway to a healthy lifestyle through technology

It is a comfortable life, if you have the money. However, the flow of money and resources seem to have reduced the physical activity of people, making them more dependent on machines and leading to an increasingly sedentary life. To be healthy, you need to have physical activity and be constantly engaged mentally. Sports offers a ready solution. You play sports not only to entertain yourself or others, but lead a happy and healthy life. Now you want anything, it gets delivered at your door step. There is no need to even go to a nearby shop or the market. You have all the time to stay glued to your phone for entertainment. *(The Hindu)*

Crude oil marginally down as industry data show rise in US inventory

According to the industry body American Petroleum Institute (API), crude oil inventories increased by 4.05 million barrels for the week ending May 31. API report was forecasting a decline of 1.9 million barrels in the crude oil inventories during the period. Warren Patterson, Head of Commodities Strategy, and Ewa Manthey, Commodities Strategist, said in ING Think's Commodities Daily that sentiment in the oil market continues to weaken. ICE Brent came under further pressure on Tuesday, settling more than 1 per cent lower and taking prices below \$78 a barrel. *(BusinessLine)*

To raise sugarcane yields, industry asks govt for ₹37,996 crore

The sugar industry has asked the government for allocation of ₹37,996 crore, under various existing schemes and for the 5-year period between 2024-25 and 2028-29, to increase the per-hectare yield of sugarcane and thereby avoid competition between sugar and ethanol. In a letter written to the food secretary dated May 14, two sugar industry bodies—Indian Sugar Mills Association and National Federation of Cooperative Sugar Factories—have referred to five existing schemes of the government, (such as the ‘per drop more crop’ scheme), and has asked for financial allocation under each. *(BusinessLine)*

Isro Chairman inaugurates HAL facilities, boosting rocket manufacturing

Isro Chairman S Somanath inaugurated state-of-the-art propellant tank production and computer numerical control (CNC) machining facilities at Hindustan Aeronautics Limited's Aerospace Division here, boosting rocket manufacturing capacity. HAL said the facilities would provide a major boost to Isro's ability to meet its growing production needs, particularly for the Launch Vehicle Mark3, India's heaviest and most powerful rocket. *(Business Standard)*

India's FDI inflows fell 3% to \$44 bn in FY24; manufacturing down 18%

According to the latest data released by the government, foreign direct investment (FDI) equity inflows in India decreased by 3.49 per cent in FY24 to \$44.42 billion. Reduced investments in sectors such as services, computer hardware and software, telecom, auto, and pharma, are being attributed as the primary reasons for the slump. In FY23, FDI equity inflow was recorded at \$46.03 billion. This is the second consecutive year of FDI decline as equity inflows had declined by 22 per cent in FY23 compared to FY22. In FY22, India received a record high of \$84.83 billion in FDI inflows. *(Business Standard)*

Services activity growth eases to 5-month low in May

India's services sector output growth moderated in May, reaching its lowest level in five months, according to the HSBC India Services Business Activity Index. The index slipped to 60.2 from 60.8 in April, indicating a softening in services activities due to factors like severe heat waves and price pressures. While domestic new orders eased slightly, they remained robust, supported by strong demand conditions and successful advertising. *(The Economic Times)*



News on Kerala

Need for environment-friendly development: Kerala CM

Chief Minister Pinarayi Vijayan has called for development that does not harm the environment in modern times. He was speaking after performing the State-level inauguration of the World Environment Day celebrations in the State on Wednesday. Mr. Vijayan said the lessons from natural disasters that were caused by climate change were in front of the State. *(The Hindu)*

Kerala's youth being equipped to meet the requirements of global jobs: CM

The combination of knowledge and skills can revolutionise the economy and society in the era of the Fourth Industrial Revolution, Chief Minister Pinarayi Vijayan has said. He

was speaking after inaugurating the Employers' Conclave organised by the Kerala Development and Innovation Strategic Council (K-DISC) here on Wednesday. He said that the State government is endeavouring to take Kerala forward by modernizing it as a knowledge economy in the current transition phase of global industry. (*The Hindu*)

United Democratic Front repeats sterling performance in Kerala

The Congress-led United Democratic Front (UDF) has retained its lead in Kerala, winning 18 out of 20 seats in the coastal state, with AICC leader Rahul Gandhi leading the winning spree. Gandhi won by a margin of about 3.64 lakh votes from Wayanad, his second victory from the constituency bordering Karnataka and Tamil Nadu. (*The Economic Times*)

Kerala to become child-friendly: Veena George

Kerala will be transformed into a child-friendly State, Minister for Women and Child Development Veena George has said. She was speaking after inaugurating the State-level anganwadi Pravesanotsavam and release of the Anganapoomazha books here on Thursday. The Minister said safety of children in homes and public spaces such as schools, shops, and malls was the aim. This would help the Women and Child Development department safeguard the rights of children. (*The Hindu*)

Kerala introduces gender neutrality concept in school textbooks

A father grating coconut in the kitchen and cooking snacks for his daughter may sound a bit odd in a patriarchal society. But what if the message appears in school textbooks? That is what has happened in the State, where the government has introduced innovative textbooks comprising gender neutral messages. The objective is to inculcate the message of gender neutrality in the minds of children, authorities said. (*The Hindu*)

Private investment has led to Kerala's economic resurgence

Kerala - 1956 to the Present: India's Miracle State by Tirthankar Roy, Professor of Economic History, London School of Economics and Political Science, and State Planning Board Member K. Ravi Raman argues that attributing the economic resurgence since the 1990s - from an income-poor State in the preceding decades - to the oft-celebrated human development factor is "unpersuasive." Private investment, rather, has led the recent growth, according to the authors. "Attrition of private investment caused the falling behind. Any account that omits to show how private investment fell and rose again is incomplete," the book, published by Cambridge University Press, says. (*The Hindu*)

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