



Public Finance

Government likely to curb spending from its pocket, open door for private investments: GS

Goldman Sachs predicts that India's government will reduce its investment spending in the future to control the budget deficit, allowing the private sector to take over. The rapid growth in capital expenditure cannot be sustained, according to Goldman economists. The private sector has the opportunity to increase investment, especially as businesses diversify their supply chains and expand manufacturing beyond China. *(The Economic Times)*

Public capex will dip as government reduces fiscal deficit: Report

The government has set a fiscal deficit target of 5.9% for FY24. Central government capex has increased at a compounded annual growth rate of 33% over the last three years, with the ratio of capex spending doubling to 3.3% in FY24 from 1.5% between FY18 and FY21. *(The Economic Times)*

New govts in 5 poll-bound States have to balance poll promises with economic realities

Five poll-bound States - Telangana, Rajasthan, Madhya Pradesh, Chhattisgarh and Mizoram, have one thing in common -- limited fiscal space for populist measures. Apart from this, the economic indices vary vastly with Telangana being among the highest per capita income States and Rajasthan with the highest rate of inflation. *(BusinessLine)*

Finance Ministry steps up vigil, but sees no major impact from Israel war for now

After panic signals on Monday, stocks rebounded on Tuesday, Brent crude oil shed some gains and the rupee partly recovered and remained only a tad lower against the greenback than the October 6 (pre-war) level, as markets began to gauge the precise impact of the conflict in the absence of any fresh trigger point. *(The Economic Times)*

Debt stress very high for Rajasthan, Telangana still to curb off-budget spend

Rajasthan and Telangana are seeing a flurry of welfare scheme announcements by political parties, which, if implemented, could exacerbate the debt stress of these states. Rajasthan, with a debt-GSDP of around 40% is one of the highest fiscally stressed states in the country. *(Financial Express)*

Populist expenditure may not hit govt's fiscal deficit targets: Goldman Sachs

The government is targeting a fiscal deficit of 5.9% of GDP in FY24 and given the medium-term fiscal consolidation path, it intends to reduce the fiscal deficit by almost 1.5% of GDP over the next two years, to achieve a target of 4.5% of GDP by FY26. *(The Economic Times)*

RBI Governor Das says centre sticking to fiscal consolidation roadmap, no 'major problem' with govt finances

RBI Governor Shaktikanta Das on Friday said that the government is sticking to its fiscal consolidation roadmap with no major problems or worries. The announcement from the governor came in a press conference post announcement of the key decisions taken by the RBI MPC in its bi-monthly meeting. *(The Economic Times)*

States borrowing cost soars to 7.68%, the highest so far this fiscal

Eight states raised Rs 9,600 crore through state government securities (SGS) on Tuesday, which is 13.6 per cent higher than the amount indicated for this week in the auction calendar, according to Aditi Nayar, the chief economist at Icmra Ratings. *(The Economic Times)*

Loans from Centre keep states' capex strong

Aided by the front-ending of capex loans by the Centre, the state governments' capital expenditure seem to have grown at a much higher pace than last year in April-August period of the current financial year. The combined capex of 17 big states, whose finances were reviewed by FE, rose by 45% to around Rs 1.67 trillion in the first five months of the current fiscal, compared with Rs 1.15 trillion in the year-ago period. *(Financial Express)*

India has high debt like China, but risks are moderated: IMF

India's debt is high, standing at 81.9% of GDP, similar to China's 83%. However, the risks associated with India's debt are not as great as China's. India's debt is projected to fall slightly to 80.4% in 2028, due to its high growth rate. Factors that moderate the risks include long maturities of debt and domestically held debts denoted in domestic currency. *(The Economic Times)*

India will work on resource mobilisation with IMF: FM Sitharaman

During the meeting with International Monetary Fund (IMF) managing director Kristalina Georgieva on the sidelines of the annual meetings of IMF and World Bank, in Marrakech, Morocco, Sitharaman thanked IMF for support during the G20 India Presidency. *(The Economic Times)*



Taxation

GST Council Meet: GST rate on millet-based products slashed to 5%

The Goods and Services Tax (GST) Council has decided to reduce the GST on millet flour food preparations from 18% to 5%. The fitment committee of the GST Council had previously recommended the exemption for powdered millets but had refused to provide incentives for prepared produce made from millet. India is focusing on promoting the production and consumption of millets in 2023. *(The Economic Times)*

GST Council: 18% tax on parent company's guarantee to subsidiary, waives tax for director's personal guarantees

The parent company's corporate guarantee to its subsidiary for a bank loan will attract 18 per cent GST, recommended the GST Council on Saturday. However, there will be no GST if a director provides a personal guarantee for a loan from a bank or any financial institution to his/her own company." *(BusinessLine)*

GST Council cedes right to levy tax on distilled alcohol to states

Finance Minister Nirmala Sitharaman said that Allahabad High Court had ruled that states have no power to impose tax on Extra Neutral Alcohol (ENA). The responsibility now lies solely with the GST Council and the Centre. However, in the interest of maintaining healthy Centre-state relations, it was decided at the GST Council meeting that this right would be given to the states. *(The Economic Times)*

Online gaming, casinos liable to 28 per cent GST since beginning: Revenue Secretary Sanjay Malhotra

"Certain members had raised the issue of retrospective taxation. It was informed to them that this is not retrospective, and this was the law earlier. These liabilities already existed because money online games played with bets...They were already attracting (28 per cent GST) by way of betting or gambling," Malhotra told reporters. In the 52nd GST council meeting, Delhi and Goa raised the issue of tax demands on e-gaming companies and casinos. *(The Economic Times)*

GST Council to discuss on apportioning, renaming compensation cess beyond March 2026

The GST Council will discuss the future of the compensation cess on luxury and demerit goods collected to repay loans taken by the Indian government during the COVID-19 pandemic. The council will decide on the name and distribution of the cess beyond March 2026, the deadline for loan repayment. Some states have raised concerns about the utilization and apportionment of the cess amount. *(The Economic Times)*

No GST on Gangajal, CBIC refute reports

The clarifications came after certain media reports that the centre has imposed 18% GST on Gangajal, which was flagged further by the opposition parties and triggered war of words between congress and the ruling BJP. *(The Economic Times)*

Centre collected Rs 600 crore from online gaming companies in TDS

The CBDT Chairman said that while there was a rule earlier it was subject to diverse interpretations and now rules are simplified, this will ensure better compliance for both players and companies. *(The Economic Times)*

Updated I-T returns fetch Rs 1,300 crore additional tax

Taxpayers in India have filed 1.68 million updated income-tax returns, resulting in an additional tax payment of around ₹1,300 crore. The Central Board of Direct Taxes (CBDT) chairman, Nitin Gupta, credits technology and tax deducted at source for ensuring compliance. The CBDT has also collected ₹600 crore from online gaming companies and ₹105 crore from cryptocurrencies in the current fiscal year. *(The Economic Times)*

GST led to revenue growth, formalisation of economy: EAC-PM

The Goods and Services Tax (GST) regime in India has shown positive outcomes, including revenue growth, formalization of the economy, reduced tax rates, and a more unified market, according to Bibek Debroy, chairman of the Economic Advisory Council to the Prime Minister. *(The Economic Times)*

GST regime altered contours of fiscal federalism in India: Debroy

The Goods and Services Tax (GST) regime in India has transformed fiscal federalism in the country, with steady growth of GST revenue indicating the success of the reform, according to Bibek Debroy, Chairman of the Economic Advisory Council to the PM.

Debroy proposed the construction of a GST Rate Index to track tax rate movements and their impact on tax collections and taxpayer behavior. (*Business Standard*)



National Accounts and State of the Economy

Good economic management positive for India: World Bank

Indermit Gill, the India-born chief economist of the World Bank group, expressed optimism about India's focus on infrastructure, digital public goods, and economic management. Gill also highlighted the challenges of slowing global growth, rising public and private debt, trade restrictions, and the potential impact of tensions in West Asia on oil prices and inflation. (*The Economic Times*)

Indian space economy needs \$22 billion in investment by 2033: IN-SPACE

The Indian space economy will need an overall investment of \$22 billion in the next 10 years to reach its potential of \$44 billion in revenue by 2033, making up 8 per cent of the global share, according to the Indian National Space Promotion and Authorization Centre (IN-SPACE), an autonomous agency in the Department of Space (DOS), Department of Science, Government of India. (*BusinessLine*)

Salaried employment slips in 12 major states, UTs, shows PLFS data

The quality of employment has deteriorated in 12 of the 21 major states and Union Territories, as the proportion of workers in regular or salaried jobs declined between July 2022 and June 2023 compared to the previous year, according to a Business Standard analysis of the latest Periodic Labour Force Survey (PLFS) released by the National Statistical Office. (*Business Standard*)

Nirmala Sitharaman stresses on need for IMF to remain well capitalised

Indian Finance Minister Nirmala Sitharaman participated in a roundtable discussion on IMF policy priorities, emphasizing the importance of a well-capitalized IMF to meet future challenges. (*The Economic Times*)

Indian economic policy always centred on producer interests: CUTS International

CUTS International, a global NGO, celebrated its 40th anniversary with a panel discussion on India's economic progress. The discussion highlighted the transformation of the Indian economy over the past four decades and its future prospects and challenges. The successful G20 Summit, India's commitment to the Global South, and the re-emergence of industrial policy were also discussed. (*The Economic Times*)

Unemployment rate in India at its lowest level in 6 years: PM Modi

Prime Minister Narendra Modi on Thursday said India's expanding economy is creating new possibilities for the youth and the unemployment rate in the country is at its lowest level in the last six years. (*Business Standard*)

India's retail inflation eases to 5% in September, drops within RBI tolerance band

India's retail inflation dropped to 5.02% in September compared to 6.83% in August, according to data from the ministry of statistics. The food price inflation for September stood at 6.56% compared to 9.94% in August. (*The Economic Times*)

Global Hunger Index 2023: India ranks 111th out of 125 countries; Pakistan, Bangladesh fare better

India's neighbouring countries Pakistan (102th), Bangladesh (81st), Nepal (69th) and Sri Lanka (60th) have fared better than it in the index. South Asia and Africa South of the Sahara are the world regions with the highest hunger levels, with a GHI score of 27 each, indicating serious hunger. *(The Economic Times)*

ESIC adds 1.94 million formal workers in August

Formal job creation by the Employees' State Insurance Corporation (ESIC) slightly decreased in August, with 1.94 million jobs added compared to 1.98 million in July. However, the number of new establishments registered with ESIC in August was lower than in July. The data also showed that a significant proportion of the workforce added to ESIC in August were aged 25 or younger. *(The Economic Times)*

AI programme will enable to achieve \$1 trn digital economy: Chandrasekhar

"This is a deep, multi-year roadmap to make Indian AI work for being a kinetic enabler of the trillion dollar digital economy," Chandrasekhar said. The minister had earlier said the government plans to make India a USD 1-trillion digital economy by 2026. *(Business Standard)*

Unemployment rate declines, female labour force participation rises in Q1FY24: MoSPI

The Indian economy saw strong growth in the first quarter, leading to improved employment numbers. The unemployment rate in urban areas decreased to 6.6% in the April-June quarter, compared to 6.8% in the previous quarter. Female labor force participation also increased to 23.2% in urban areas. *(The Economic Times)*

Stellar GDP growth in Q1 results in better employment numbers

The Indian economy grew 7.8% in the first quarter of the year on the back of services growth and strong domestic demand. The improving employment situation in the country also translated into an improvement in female labour force participation in urban areas to 23.2% from 22.7% in the previous quarter. Male labour force participation remained steady at 73.5%. *(The Economic Times)*

IMF raises India's FY24 GDP growth forecast to 6.3% from 6.1%

The International Monetary Fund (IMF) has upgraded India's growth forecast for FY24 to 6.3% from 6.1% due to stronger-than-expected consumption in the April-June quarter. The forecast for FY25 remains unchanged at 6.3%. India is expected to continue being the fastest-growing major economy. The global economy is projected to slow down, with growth forecasts revised downwards. *(The Economic Times)*

India needs 8% growth to topple China as global driver, Barclays says

India's economy needs to grow 8% a year in order to overtake China as the largest contributor to the global economy, Barclays Plc estimated, a scenario that requires much more investment, especially in traditional sectors. *(The Economic Times)*

India expected to become \$30-trillion economy by 2050: Chakraborty

India is expected to become a USD 30-trillion economy by 2050 due to strong consumption and exports, according to HDFC Bank chairman Atanu Chakraborty. International financial institutions have projected India's growth to be around 6.3% this year, with a nominal GDP of 10-12%. *(Business Standard)*



Banking and Monetary Policy

Foreign banks stay away from domestic loans

The Reserve Bank of India in its latest Monetary Policy Report noted that the share in incremental credit of foreign banks has slipped to an all-time low of 0.1 per cent as on September 22. It was at 2.6 per cent for the comparable period a year-ago. (*BusinessLine*)

Green bond issues to pick up, SBI working on matrix for ESG credits

Even though the cost of green bonds continues to be high in India, the issuances of such bonds are expected to pick up in the remainder of the current financial year following the announcement of the government's borrowing plan, according to SBI Chairman Dinesh Kumar Khara. (*BusinessLine*)

Federal Bank to stop funding for thermal power projects by 2030: Official

Federal Bank, the largest private sector lender in Kerala, has announced that it will completely stop funding for thermal power projects by 2030. As a first step towards this goal, the bank plans to halve its exposure to the thermal power sector by 2025. The bank currently has a green power sector exposure of Rs 5,083 crore, mainly in solar and wind projects. (*The Economic Times*)

India gets 5th set of Swiss bank account details under automatic info exchange framework

India has received a new set of Swiss bank account details of its nationals and organisations as part of an annual automatic information exchange under which Switzerland has shared particulars of nearly 36 lakh financial accounts with 104 countries. The data would be used extensively in probes of suspected tax evasion and other wrong doings, including of money laundering and terror funding. (*Financial Express*)

RBI imposes monetary penalty on five co-operative banks

The Reserve Bank has imposed monetary penalties on five co-operative banks for deficiencies in regulatory compliance. These co-operative banks are: SBPP Co-operative Bank, Sahayadri Sahakari Bank, Rahimatpur Sahakari Bank, Gadhinglaj Urban Co-operative Bank and Kalyan Janata Sahakari Bank. (*Mint*)

'There is no urgency to cut interest rates right now': IMF's Asia and Pacific director Krishna Srinivasan

Krishna Srinivasan, director of the IMF's Asia and Pacific Department, advises the Reserve Bank of India (RBI) to maintain its current monetary policy until inflation decreases. He suggests that conservative approaches are necessary on both the monetary and fiscal sides to bring down inflation and build fiscal reserves. (*The Economic Times*)

G20 finance ministers and central bank governors embrace roadmap for Crypto asset regulation

The G20 finance ministers and central bank governors have adopted a roadmap for the implementation of a comprehensive policy framework for crypto assets. The roadmap, based on recommendations by the IMF and FSB, focuses on regulations rather than a ban to prevent crypto assets from destabilizing the economy. (*The Economic Times*)

US should rethink currency manipulator list: RBI governor Shaktikanta Das

The US practice of putting emerging markets countries on a watchlist as potential currency manipulators should be reviewed, said India's central bank governor, who defended the need to buttress their economies from market swings. *(Business Standard)*

Nirmala Sitharaman asks World Bank to align process with other MDBs for benefit of members

India's Finance Minister, Nirmala Sitharaman, has urged the World Bank to align its processes and procedures with other Multilateral Development Banks (MDBs) to benefit developing nations. She also expressed support for the World Bank's vision to create a world free of poverty and its mission to end extreme poverty and boost shared prosperity. *(The Economic Times)*

Risk of Indian banks' unsecured retail loans turning sour is rising: UBS

The risk of Indian banks' unsecured retail loans turning sour is rising as lending to borrowers with overdue debt has increased, UBS said in a note. In recent months, lenders in Asia's third-largest economy have boosted their unsecured lending portfolios as the pandemic-induced stress on household finances has eased. *(Business Standard)*

87 pc of Rs 2,000 notes back in banks, Rs 12,000 cr of currency yet to return, says Shaktikanta Das

Reserve Bank Governor Shaktikanta Das announced that 87% of the Rs 2,000 denomination notes being withdrawn have been returned as bank deposits, while the rest has been exchanged. He also stated that Rs 12,000 crore worth of Rs 2,000 notes are yet to come back. The RBI is focusing on the 4% inflation target and will maintain an actively disinflationary monetary policy until inflation decreases. *(The Economic Times)*

RBI's report calls for pro-active supply side measures to mitigate the adverse impact of supply shocks

Pro-active supply side measures assume importance in mitigating the adverse impact of supply shocks in the short-run, according to RBI's Monetary Policy Report (MPR). The MPR observed that medium-term policies to encourage crop diversification, promote climate-resilient crops, improve storage conditions, facilitate value addition in agriculture and augment agricultural supply chains would make food prices more resilient to climate vagaries. *(BusinessLine)*



External Sector

Israel-Hamas war: Transmission of global inflation to India will be restricted to mainly crude oil, says BoB Chief Economist

The transmission of global inflation to India in the wake of the Israel-Hamas war will be restricted to mainly crude oil followed by urea and metals like tin and lead, according to Madan Sabnavis, Chief Economist, Bank of Baroda. *(BusinessLine)*

India likely to skip China's BRI summit

India is likely to skip China's third summit marking President Xi Jinping's signature Belt and Road Initiative (BRI), which, Beijing announced on Wednesday, will be held on October 17 in the Chinese capital. *(The Hindu)*

G20 Summit showcased India's commitment to fostering global togetherness: Ruchira Kamboj

India's Permanent Representative to the United Nations Ruchira Kamboj on October 10 (local time) said that the G20 Summit held in New Delhi showcased the country's commitment to "fostering a sense of global togetherness." *(The Hindu)*

Sri Lanka to take over as Chair of Indian Ocean Rim Association

Several Foreign Ministers, including those of India, Bangladesh, Mauritius, Iran, Malaysia and South Africa, will participate in the Indian Ocean Rim Association (IORA) Council of Ministers meeting in Colombo on October 11, 2023, according to the Sri Lankan government, which is preparing to take over as Chair of the regional grouping this week. *(The Hindu)*

Sunak, Trudeau underscore need for de-escalation of India-Canada row

British Prime Minister Rishi Sunak and his Canadian counterpart Justin Trudeau have underscored the importance of de-escalation of the India-Canada diplomatic row and respect for the rule of law in a call, which was dominated by the standoff over the killing of a Sikh separatist leader in Canada in June. *(The Hindu)*

India still far from replacing China as global growth engine, says HSBC

India's impressive recent economic gains are unlikely to displace China as the world economy's main growth engine anytime soon, according to HSBC Holdings Plc. "The numbers don't exactly add up," economists Frederic Neumann and Justin Feng wrote in a report Friday. India, at the moment, "runs on too few cylinders," while China is "simply too large to have its importance for the world economy readily eclipsed," they said. *(Business Standard)*

Israel-Hamas War Highlights: Gaza left without electricity; Operation Ajay launched to bring back Indians from Israel

External Affairs Minister Jaishankar on Wednesday took to X to announce the launching of Operation Ajay to bring back Indian nationals from war-torn Israel. *(Mint)*

India won't impose restrictions on laptop imports: Sunil Barthwal

Trade Secretary Sunil Barthwal on Friday said that India will not impose restrictions on laptop imports. He said the government "only wants importers to be on close watch." The remarks from Barthwal came while he was addressing a press conference. *(The Economic Times)*

World Co-operative Economic Forum formed in India

On the lines of the World Economic Forum, some co-operative sector leaders and experts have formed the World Cooperative Economic Forum (WCEF), to be based in New Delhi, claiming to provide voice to over three million co-operatives spread over all countries. *(BusinessLine)*

Ensuring fair trade rules in digital markets and emerging areas like AI, biotech a challenge: MCA secy

The ministry is piloting discussions on having a digital competition law and a committee set up for the purpose has held a series of consultations and is looking at various aspects. Fostering cooperation on competition issues among the BRICS countries will have a positive global outcome, Govil said as he also mentioned that competition law and policy face numerous challenges in today's rapidly evolving landscape. *(The Economic Times)*

Nirmala Sitharaman meets Brazil's Minister of Economy, discusses issues of mutual interest

Finance Minister Nirmala Sitharaman met with Brazil's Minister of Economy Fernando Haddad and UK Chancellor of Exchequer Jeremy Hunt to discuss various issues, including the strengthening of Multilateral Development Banks (MDBs). Brazil will take over the G20 presidency from India on December 1, and Sitharaman wished Brazil success and assured full support. *(The Economic Times)*

India far from replacing China as global growth engine: HSBC

HSBC Holdings has stated that India's recent economic gains are unlikely to surpass China as the main growth engine of the world economy in the near future. HSBC expects the gap between the two economies to widen, reaching \$17.5 trillion by 2028. The bank highlights the difference in consumption and investment trends between the two countries. *(The Economic Times)*

India's September trade deficit narrows to \$19.37 bn; imports slide 15%, exports dip 2.6%

India's merchandise trade deficit for September 2022 was \$19.37 billion, lower than the previous month's \$26.72 billion. Exports slowed by 2.6% to \$34.47 billion, while imports decreased by over 15% to \$53.84 billion. The government revised August's exports to \$38.45 billion and imports to \$60.1 billion. Services exports in September were \$29.37 billion, while imports were \$14.91 billion. *(The Economic Times)*

Forex reserves further drop by \$2.17 billion to \$584.74 billion: RBI

The country's forex reserves dropped by a further USD 2.166 billion to USD 584.742 billion for the week ended October 6, the RBI said on Friday. India's forex kitty had gone down by USD 3.794 billion to USD 586.908 billion in the previous week. *(Business Standard)*

Imports from Russia up 67 per cent to USD 30.42 billion in April-September

India's imports from Russia have increased by 67% to \$30.42 billion during April-September this fiscal year. This surge is mainly due to higher shipments of crude oil and fertilizers. As a result, Russia has become India's second-largest import source in the first half of this fiscal year. Russia's share of India's oil imports has risen to over 40%. *(The Economic Times)*

India's coal imports decline 12 pc in August

India's coal imports in August fell by 12.08% to 18.26 million tonnes compared to the same month last year, according to data from mjunction services ltd. Overall coal imports between April and August also dropped by 10.3% to 103.93 million tonnes. The decline in imports is due to increased domestic availability, which has risen by around 10%. Non-coking coal imports fell by 20 million tonnes during this period. *(The Economic Times)*

India Exim Bank pitches for new export markets to empower Indian businesses

India Exim Bank is focusing on expanding exports to new markets and collaborating with existing ones to foster growth amid economic slowdown and geopolitical challenges. The bank is not concerned about its exposure in Canada and believes that the situation has adequate attention from the government. *(The Economic Times)*

US biggest export destination for Indian smartphones in Apr-Jul; UAE 2nd: Govt data

The US was followed by the UAE (USD 836.36 million), the Netherlands (USD 379.3 million), the UK (USD 336.27 million), Italy (USD 245.7 million), and the Czech Republic (USD 230.25 million). *(The Economic Times)*

Israel-Hamas conflict may impact gems, jewellery trade: Exporters

The Israel-Hamas conflict is expected to impact the trade of gems and jewellery between India and Israel, exporters said on Monday. Colin Shah, MD, Kama Jewelry, said the war can "adversely" impact Indian exports to Israel. *(The Economic Times)*

India mulls imposing 25% duty on molasses exports

The Indian government is considering imposing a 25% duty on the export of molasses due to an expected decline in sugar production. The move aims to increase the availability of molasses for domestic distilleries, helping them meet the government's ethanol blending target. India experienced a dry August, causing damage to the sugarcane crop in key cane-producing states. *(The Economic Times)*

Israel-Palestine conflict could hurt India-Israel bilateral trade: Container xChange bl-premium-article-image

India is a crucial trading partner for Israel with \$3.94 billion in Israeli exports. The ongoing conflict between Israel and Palestine group Hamas could have an impact on bilateral trade, potentially leading to disruptions in Israel's exports to India, says Container xChange, an online platform for container logistics based in Germany. *(BusinessLine)*

India, Tanzania can team up on IT, food security: Piyush Goyal

"Tanzania is our biggest export destination in Africa. Over the next few years, we are looking to make this another very fast-growing growth story," Goyal said in the India-Tanzania Investment Forum organised by the Federation of Indian Chambers of Commerce and Industry. *(The Economic Times)*

India can ride out Gaza war impact on crude: IMF ED KV Subramanian

The International Monetary Fund's executive director, KV Subramanian, believes that India will be able to handle the spike in crude oil prices caused by the conflict in Gaza. He stated that India's strong handling of the pandemic and its balanced approach to supply and demand measures have positioned the country well. However, he noted that higher oil prices may require additional measures to address inflation. *(The Economic Times)*

Escalation in Israel-Palestine war could affect India's trade, diplomatic stance: Experts

Palestine-based terror outfit Hamas' deadly attack on Israel on Saturday and Israeli Prime Minister Benjamin Netanyahu's consequent declaration of war is likely to affect India's trade and diplomatic stance with the region. However, the seriousness of the impact will depend on how long the escalation continues, say experts. *(BusinessLine)*



Agriculture and Rural Economy

GST rate on millet-based products slashed to 5%

The Goods and Services Tax (GST) Council on Saturday decided to slash GST on millet flour food preparations from the current 18 per cent GST to 5 per cent, reported ANI citing sources. *(The Economic Times)*

Govt to computerise 1,851 agri & rural development banks and state cooperative registrars

The government has announced a scheme to computerize state cooperative registrars and Agriculture and Rural Development Banks (ARDBs) offices with a budget of Rs 225.09 crore. This comes after the government started computerizing all Primary Agriculture Credit Societies (PACS) in the country. *(The Economic Times)*

Rubber industry faces global challenges: Low prices, labor costs, and more

Low prices of rubber, increased labour costs, labour shortages, diseases, climate change, environmental problems are the common challenges that all NR-producing countries face today- M. Vasanthagesan Executive Director of the Rubber Board *(The Economic Times)*

Agrochemicals sector to witness 3% dip in revenue in FY24 on tepid demand: Report

The Indian agrochemicals sector is expected to face a 3% decline in revenue this year due to falling prices, weak demand, and lower reservoir levels, according to a report by Crisil. This decline is attributed to a supply deluge from China, reduced demand for exports, and the impact of lower reservoir levels on rabi sowing. *(The Economic Times)*

North Bengal tea gardens settle for 19 per cent bonus payment for FY'23: Official

Tea gardens in the Dooars and Terai regions of north Bengal have agreed to pay a bonus of 19% for the 2022-23 fiscal year, compared to 20% in the previous year. However, the issue of bonus payment for Darjeeling tea gardens is still unresolved, with unions demanding 20% and managements offering 8.33%. There are approximately 135 tea gardens operating in north Bengal, excluding Darjeeling. *(The Economic Times)*

World Cooperative Economic Forum formed to give voice to over 3 mn cooperatives across globe

The World Cooperative Economic Forum (WCopEF) has been established by cooperative sector experts to represent the interests of over three million cooperatives worldwide. The forum aims to promote cooperative thinking and movement, as well as raise concerns with governments and other stakeholders. *(The Economic Times)*

West Bengal does not have a single farmer suicide: Agriculture minister Sobhondeb Chattopadhyay

Sobhondeb Chattopadhyay said the income of West Bengal's farmers has tripled, making it the highest growth rate in the country. He was speaking at the seventh Food Processing Conclave organized by CII. He also stressed the crucial role that 864 Farmer Producer Organizations (FPOs) in the state should play in bridging the gap between buyers and producers for the benefit of both parties. *(The Economic Times)*



Govt aims to bring 1,500-2,000 products under mandatory quality certification in next 2-3 years: Goyal

The Indian government plans to expand the mandatory quality standard certification to include 1,500-2,000 products in the next 2-3 years, according to Food and Consumer Affairs Minister Piyush Goyal. Currently, over 500 products are covered by mandatory certification, compared to just 106 products prior to 2014. Goyal highlighted the importance of setting and maintaining quality standards, stating that they are crucial for sustainable development. *(The Economic Times)*

Road logistics industry anticipates favourable demand in FY2024: ICRA

Rating agency ICRA on Wednesday said that it anticipates a favourable demand scenario for the road logistics sector in FY2024, aided by stable domestic consumption and investment demand. It said the industry's revenue growth is pegged at 6-9 per cent in FY2024 on an elevated base of FY2023, driven primarily by demand from varied segments like e-commerce, FMCG, retail, chemicals, pharmaceuticals, and industrial goods. *(Business Standard)*

Piyush Goyal asks industry to accelerate production

He was addressing industry leaders at a chintan shivir (brainstorming session) where issues related to creating a manufacturing ecosystem, maintaining quality standards, promoting domestic value addition, government policies and support, and fostering industry agility were discussed. *(The Economic Times)*

Rs 51,000-crore Eastern Dedicated Freight Corridor (EDFC) completed

The first commercial service on this route is scheduled for November 1. Its counterpart, the 1046 km long Western DFC connecting Khurja to Jawaharlal Nehru Port (Maharashtra) is estimated to cost Rs 72,000 crore when complete during the next fiscal. *(The Economic Times)*

Govt to hold off on introducing PLI schemes, evaluates existing initiatives

The government has decided to hold off introducing the production-linked incentive (PLI) scheme for additional sectors until it verifies the efficacy of existing initiatives. Top government officials have received mixed feedback on the scheme, including insights from the Economic Advisory Council to the Prime Minister, people aware of the matter said. *(Business Standard)*

Report card on 2nd anniversary: PM Gati Shakti gives 'Gati' to ₹11.58 lakh cr infrastructure projects

As PM Gati Shakti completes two years on Friday, the Ministry of Commerce and Industry has prepared a performance report card outlining the significant improvement in ease of doing business and ease of living since its launch. As per the analysis, the initiative has significantly improved the ease of doing business by bringing down the pre-alignment finalisation time for infrastructure projects from three-four months earlier to one month now. *(The Economic Times)*

India's industrial production grows 10.3% in August, highest since June 2022

India's industrial production in August rose to 10.3 per cent on an annual basis after growing 5.7 per cent in July, official data showed on Thursday. Factory output measured in terms of the Index of Industrial Production (IIP) had contracted by 0.7 per cent in August 2022. *(The Economic Times)*

India to contribute 22% to the global ER&D sourcing market by FY30: Report

India remains a preferred destination for global engineering research and development (ER&D) sourcing, driven by its vast pool of digital talent, a rich and vibrant ecosystem, and a mature ER&D ecosystem. *(BusinessLine)*



News on Kerala

Exclude State's spending on land acquisition for NH widening from its borrowing limit: Balagopal

Kerala has urged the Centre to exclude the share of cost borne by it for acquiring the land needed for widening national highways from its annual borrowing limit. The State has spent ₹5,580 crore so far on this account. But as this expenditure is made through the Kerala Infrastructure Investment Fund Board (KIIFB), the Union Finance Ministry has deemed it to be part of the State's borrowing limit. *(The Hindu)*

Local bodies told to spur economic activities

Minister for Local Self Government M.B. Rajesh has called on local bodies to assume a key role in spurring the local economy by promoting entrepreneurship at the grassroots level. *(The Hindu)*

Key role for IEDCs in realising jobs for 20 lakh people in Kerala: Minister

Higher Education Minister R. Bindu has said that Innovation and Entrepreneurship Development Centres (IEDCs) will play a major role in achieving the government's target of providing employment for 20 lakh people in Kerala. *(The Hindu)*

Promote innovative models from the Global South: Chief Minister Pinarayi Vijayan

Chief Minister Pinarayi Vijayan on Wednesday underscored the need for promoting interventions from the Global South that have become models for the world in transforming societies. The prevailing information asymmetry in the world order often impedes the propagation and popularisation of such models, Mr. Vijayan said, inaugurating the 20th edition of the Globelics International Conference at the Gulati Institute of Finance and Taxation (GIFT) here. *(The Hindu)*

"Dialogue between global south and global north should be continued and nurtured"

"The discourse to address climate change, the widening inequalities, ensuring that new technologies do not create more damage than good, all of that requires discussion between the north and the south," Prof. Erika Kraemer-Mbula said, speaking at the 20th Globelics International Conference which opened at the Gulati Institute of Finance and Taxation (GIFT). *(The Hindu)*

Kerala government defers payment of second instalment of pay revision arrears too

The Kerala government has decided to put off the payment of the second instalment of the pay revision arrears to government employees, citing the present financial crisis. The second instalment of the arrears should have been credited to the provident fund (PF) accounts of the employees on October 1, 2023, but it has been deferred until further orders, the Finance department said. *(The Hindu)*

Kerala launches insurance cover for MSME sector

The Kerala Government on Thursday launched a comprehensive insurance scheme covering the entire spectrum of Micro, Small and Medium Enterprises (MSMEs), seeking to protect them from various risks and boost their confidence to flourish in a competitive business ecosystem. *(The Hindu)*

State will be totally rid of extreme poverty by 2025: CM

Kerala would be totally rid of extreme poverty by 2025 and an estimated 93% of the families found to be extremely poor would be rescued from their dire state or taken care of by November 1, 2024, Chief Minister Pinarayi Vijayan said here on Thursday. *(The Hindu)*

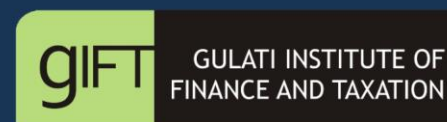
Kerala puts in motion process to measure Panchayat Development Index

Kerala has begun the process to measure Panchayat Development Index (PDI) of local bodies to assess the progress of individual panchayats in achieving the Localised Sustainable Development Goals (LSDG), as proposed by the Union Ministry of Panchayati Raj. The index will be measured by taking into consideration achievements in nine broader indicators, including infrastructure, socio-economic, environmental sustainability and governance. *(The Hindu)*

Innovation should be a continuous effort: Gabriela Dutrenit

The growth of an economy should be measured in terms of the development of a National Innovation System (NIS) and how issues are tackled rather than the quantum of foreign direct investment (FDI) pouring in, economist Gabriela Dutrenit has said. *(The Hindu)*

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