India may Link Local Lithium Price with London Exchange

Indian Bureau of Mines to publish rare earth oxide prices after referring to USGS

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New Delhi: India is proposing to peg the domestic lithium price to the weekly prices of lithium hydroxide monohydrate published by the London Metal Exchange (LME). At present, there is no uniform parameter to assess the value of lithium or rare earth elements (REEs) found in the country.

The move to fix pricing comes after the Geological Survey of India (GSI) conducted exploration and handed over geological reports for blocks of REEs and lithium in the country.

In the absence of a uniform parameter, bidding for these blocks cannot go through as the revenue to states from mining is linked to the average sale price (ASP) of a metal.

"An amendment has now been drafted to the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 that suggests how to calculate the price of lithium and rare earth elements extracted in the country," a senior government official told ET.

For REEs, the Indian Bureau of Mines shall be asked to publish the ASP of rare earth oxide after referring to the basis of prices published by the United States Geological Survey (USGS).

The demand for lithium has surged globally with the push towards decarbonisation and adoption of electric vehicles. REEs are used extensively across electronic devices such as the screens of smartphones, computers and flat panel televisions, among others.

For many sought after elements, the methodology for arriving at the ASP has been specified in the existing Mineral Concession Rules. Settlement price of aluminium, copper, lead, nickel, tin and zinc on the LME is used to fix Indian prices. In respect of gold and silver, the London Bullion Market Association auction price is taken.

In February this year, lithium inferred resources of 5.9 million tonnes in Salal-Haimana area of Reasi district of Jammu & Kashmir were established by the GSI. "Geological reports for some more blocks of REEs have also been prepared and will be handed over to the state governments in due course," the official added.

According to official estimates, India has 13.07 million tonnes in-situ monazite (containing approximately 55-60% total rare earth elements oxide) resource occurring in the coastal beach placer sands in parts of Kerala, Tamil Nadu, Odisha, Andhra Pradesh, Maharashtra and Gujarat, and in the inland placers in parts of Jharkhand, West Bengal and Tamil Nadu.

Once approved, the pricing methodology will enable state governments to fix the ASP and value of estimated resources (VER) mineral blocks.

India may have Achieved Current Account Surplus, say Experts

Our Bureau

New Delhi: Weakening of commodity prices, strong services exports and rising remittances by people working abroad likely pushed India's current account balance to surplus in the quarter ended March. In that case, the country will be reporting current account surplus after a gap of six quarters, and experts are hopeful the gains will continue this quarter.

"India's external financing needs have shrunk dramatically in the past few quarters, helped by falling commodity prices, an expanding services trade surplus and rising remittances," said Rahul Bajoria, head of EM Asia (ex-China) economics research at Barclays, positing a surplus in the fourth quarter.

India Ratings and Research (Ind-Ra) has projected a current account surplus of $6 billion, or 0.7% of the gross domestic product (GDP), in the January-March quarter.

The country posted a current account deficit of $18.2 billion, or 2.2% of the GDP, in the third quarter of FY23 ended December.

Buoyed by services exports, Ind-Ra expects the trend to continue in the current quarter.

"Ind-Ra expects the services surplus to come in at a record high of around $42 billion in Q1 FY24," said Paras Jasrai, senior analyst at the ratings agency. Jasrai noted that services demand has held firm despite global goods demand remaining anaemic.

Service exports jumped over 40% in FY23, according to government data last month.

Although the current account balance is likely to post a 1.8% deficit as a proportion of GDP in FY23 – a four-year high—experts indicate a lower deficit in the current fiscal.

Barclays in a report released on Tuesday lowered its current account deficit forecast for FY24 to 1.1% from 1.4% earlier.

ADB Launches India Strategy for 2023-27; Focus on Employment Creation, Green Growth

Our Bureau

New Delhi: The Asian Development Bank (ADB) on Tuesday rolled out its 2023-27 country partnership strategy for India that identifies accelerating structural transformation and job creation, promoting climate-resilient growth, and deepening social and economic inclusiveness as key focus areas.

The Manila-headquartered multilateral bank said it is focussed on deepening its engagement with the country and supporting the country's drive for robust, climate-resilient, and inclusive growth for the next five years.

"Support to India's climate agenda will be at the forefront of the new strategy via interventions in energy transition, transport decarbonisation, climate adaptation, and disaster risk management," ADB country director for India Takeo Konishi said in a statement.

"The new CPS aims to help India achieve a higher growth trajectory. ADB will simultaneously increase support for education, health, and social protection, and will assist improvements in urban liveability and rural development while ensuring gender empowerment and environmental sustainability," Konishi added.

ADB projects India to grow at 6.4% in FY24.

"The country needs to accelerate and sustain inclusive growth by tackling critical challenges in infrastructure and human development, income and regional disparities, and vulnerability to climate change and natural hazards," it stated.

The bank plans to contribute to national flagship programmes on industrial corridors, multimodal logistics systems, urban infrastructure, skill ecosystem, and small businesses. It also plans to meet its objectives using public-private partnerships.

CBDT Rolls Out e-appeals Scheme

New Delhi: The Central Board of Direct Taxes (CBDT) Tuesday launched an e-appeal scheme that allows electronic filing and processing of appeals. The scheme, which was announced in the 2023-24 budget, aims to reduce the backlog of pending cases related to tax deducted at source (TDS) default issues and tax collection at source (TCS). – **Our Bureau**

Dubai's changing economic landscape

Dubai's Innovative Strategies Pave the Way for Economic Diversification into Non-Oil Sectors

Dubai attracted the highest number of greenfield foreign direct investment (FDI) projects in the world in 2022, twice as many as the world's second-ranked city, London.

The buzz around diversification, innovation, cutting-edge technology, and advanced manufacturing, helped by a world-class investment environment, is attracting investors and businesses from across the globe.

Oil, the mainstay of the other economies, is of shrinking importance in the emirate. As much as 95% of Dubai's GDP comes from non-oil sources, and their share is likely to increase further amid an ambitious multi-sector growth drive.

"Dubai's strategies are focused on driving innovation and economic diversification, as well as building a knowledge-based economy and the world's leading digital economy hub," said Mohammad Ali Rashed Lootah, President & CEO, Dubai Chambers.

The latest data indicates that manufacturing, trade, financial and communication services account for 60.7% of the economy. The attempt is to lift these into a higher orbit.

Under its Dubai Economic Agenda (D33), the emirate has plans to promote green and sustainable manufacturing and foster innovation. The 'Sandbox Dubai' initiative will allow the testing and commercialisation of new technologies to make it an innovation hub.

The move, along with the target of scaling up companies to establish 30 unicorns in new economic sectors, is expected to increase the share of manufacturing, trade, and business and financial services in Dubai's economy.

"Prospects for future growth remain bright, especially with the launch of the new Dubai Economic Agenda (D33). D33 aims to invest AED 32 trillion by 2033, helping the city become one of the world's top four global financial centres," said Lootah.

The free trade zone, which now houses more than 10,000 companies, is a key element of the strategy to get more growth-generating investment in the coming years.

"Jebel Ali Free Zone Authority and the port account for a third of Dubai's GDP, and the share will increase in the coming years," said Abdulla Bin Damithan, CEO of DP World UAE and JAFZA.

MULTI-SECTOR PLAY

Dubai attracted 1,173 FDI projects in the country, of which, according to the Financial Times 'FDI Market' data, 837 or 71.4% were greenfield investments, where the company builds its operations from the ground up.

It plans to widen the gap with other cities. Under D33, it plans to double the average FDI per year to AED 60 billion within a decade from the current average of AED 32 billion.

The average annual FDI in Dubai has increased 80% since 2016.

The quantum and the nature of Dubai's incoming investments has also changed.

While retail and wholesale trade, accommodation and food services accounted for 42% of the city's total FDI projects in 2016, the advanced service economy had a 39% share of total projects in 2022.

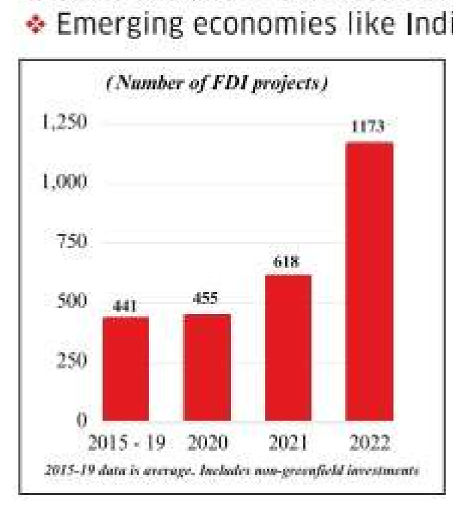
According to Dubai FDI monitor data, a fifth of the projects were in software and IT services, and another 18% in business services.

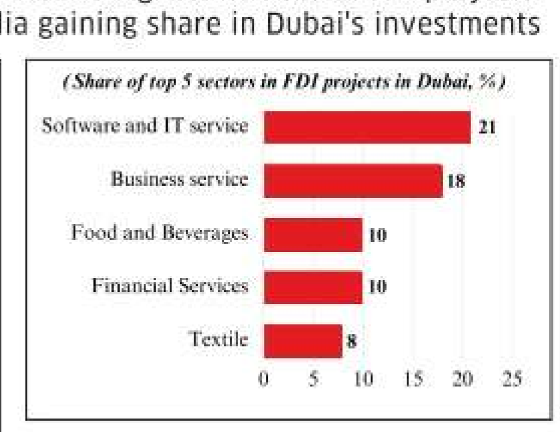
In terms of value, transportation and warehousing accounted for 45% of total FDI in 2022, with renewable energy and hotels and tourism accounting for 9% each. Software and IT services received 8% of total investments.

Emerging economies like India are also finding a chance for investing in Dubai. In 2022, India was the third highest investor, accounting for 12% of the total projects in Dubai and 4% of the money flowing into the city.

CHANGING NATURE OF INVESTMENTS IN DUBAI

- 95% of GDP comes from non-oil sources
- Software and IT services attract the highest number of FDI projects
- Emerging economies like India gaining share in Dubai's investments





Source: Dubai FDI monitor

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