MSME Ministry, DPIIT sign pact to promote GI products' market access

NEW DELHI, AUG 11: The Ministry of Micro, Small and Medium Enterprises and the Department for Promotion of Industry and Internal Trade (DPIIT) have signed an agreement to boost commercialisation and market access of Indian GI products, the government said on Tuesday.

The agreement is expected to enhance the livelihoods of indigenous artisans, weavers, and producers, while also strengthening the One District One Product (ODOP) ecosystem in the country. Both organisations will work towards integrating ODOP into their programme design and interventions, and collaboratively facilitate the onboarding of Geographical Indication (GI) collectives and authorised users onto the Open Network for Digital Commerce (ONDC) and the Government e-Marketplace (GeM).

The onboarding will be done under a dedicated "Bharat GI" banner, and co-sponsor dedicated GI Pavilions at national and international trade expos, buyer-seller meets and exhibitions for domestic and global marketing of GI products. "The collaboration is expected to strengthen India's GI ecosystem by facilitating capacity building, digital enablement and enhanced market access for artisans, weavers and producer collectives.

It will further support the integration of GI products with premium domestic and international markets, contributing to the vision of Aatmanirbhar Bharat and Vocal for Local," the MSME Ministry said. (PTI)

RBI Guv asks banks to build meaningful human oversight, not blame AI models for faulty decisions

MUMBAI, AUG 11: Reserve Bank Governor Sanjay Malhotra on Tuesday asked banks to have "meaningful human oversight" over decisions as a design principle while building artificial intelligence models, making it clear that blaming the technology tools will not be "acceptable" to the regulator.

Addressing the annual Fibac event in the financial capital, Malhotra urged banks to use artificial intelligence tools to augment rather than merely replace human judgment to serve customers better.

He made it clear that the RBI sees AI as a capability to be responsibly harnessed and not as a risk to be contained, and urged banks to adopt the tools rather than sitting on the sidelines.

However, as the system adopts AI, there can be an erosion of human judgement and accountability over a period time, Malhotra warned.

"For a bank's decision, the ultimate responsibility has to lie with the bank and not with the vendor or with the algorithm. We cannot say that it is the model who decided it. That can never be an acceptable answer, (18:35) whether to the bank, to the customer, or to the regulator," Malhotra said.

"Meaningful human oversight, the ability to explain, to intervene, and where necessary to override, must remain a design principle and not an afterthought," he added.

It can be noted that a slew of Indian lenders have been reporting a massive adoption of AI tools for a variety of functions, including credit underwriting and customer service, with some hoping that their reliance on human capital will reduce over a period time.Geographic Reference

"(AI must be) used to augment rather than merely to replace human judgement," Malhotra said in the remarks that come amid wide-ranging concerns on the impact of AI on employment intensity across sectors in the economy.

Explaining his point, Malhotra said a relationship manager assisted by an AI system that presents the right product, the right risk flag can serve a higher number of customers more efficiently.

The governor also flagged potential risks and concerns from AI to the bankers, including cyber security risks, pointing to a recent incident of the AI itself attacking the system. Banks need to guard against other risks from AI, including that of biases in models, Malhotra said, warning that there may be tendencies to have a liking or disliking for certain geographies, occupations or even communities.

Additionally, there is the risk of "herding" which can be triggered if a handful of financial models or tech vendors come to supply platforms, he said, fearing that a bias can perpetuate across the system in such a case.

He asked banks to look at data privacy beyond just complying with the requirements of the law, manage AI-related risks better when collaborating with outside partners and also ensure that AI platforms are able to explain why they recommend a particular decision on a proposal.

The RBI should be knowing as to which are the models that are actually running in banks, Malhotra said, asking banks to maintain a complete inventory of those models.

Banks need to establish a board-approved AI governance policy with clear accountability for outcomes and not merely for technology procurement, he said, adding that they should preserve meaningful human oversight at each and every point wherein AI's system error could cause material harm to a customer or have concerns for financial stability. (PTI)

Asian shares track Wall Street gains, while oil prices bounce higher

BANGKOK, AUG 11: Shares were mostly higher Monday in Asia, with Japan's Nikkei 225 leading advances after stocks rose on Wall Street.

Oil prices rose and US futures were little changed.

In Tokyo, the benchmark Nikkei 225 jumped 2.1% to 66,970.22, pulled higher by strong gains for technology companies.

Computer chip equipment maker Tokyo Electron climbed 4.1%, while chip testing device maker Advantest rose 6.4%.

In South Korea, the gains were more modest, as the Kospi added 0.7% to 6,299.66 as shares in major chipmakers slipped. Samsung Electronics lost 0.4%, while its smaller rival, memory chipmaker SK Hynix, lost 0.1%.

Analysts said foreign investors were selling shares in the Big Tech companies to lock in profits from recent gains and rebalance holdings into other industries, such as defense contractors.

Hong Kong's Hang Seng gained 0.9% to 25,904.94, while the Shanghai Composite index picked up 0.7% to 3,966.59.

In Australia, the S&P/ASX 200 lost 0.3% to 9,232.60.

Taiwan's Taiex surged 1.6% and the Sensex in India was up 0.2%.

Oil prices rose after Israel rejected a deal announced by US President Donald Trump for Gaza. Details emerged on the potential deal between Iran and Oman on managing the Strait of Hormuz as Tehran suggested that vessels linked to "hostile countries" would be barred.

Meanwhile, Yemen's Iranian-backed Houthi rebels struck a government-held port on the country's Red Sea coast, deepening fears over threats to strategic shipping routes and a potential return to civil war.

Brent crude, the international standard, gained 0.6% to $84.01 per barrel. US benchmark crude advanced 0.3% to $78.46 per barrel.

"Negotiators said that a deal to establish a safe shipping route was close, but Iran may now be exploring just how much it can extract from the US in return," Bas van Geffen, senior macro strategist for Rabobank, said in a commentary.

On Friday, US stocks rose and Treasury yields fell after the government reported that employers unexpectedly cut 23,000 jobs last month.

A weaker jobs market raised hopes the Federal Reserve might wait longer before raising interest rates to fight inflation. That buoyed share prices, pushing every major index to a second straight week of gains and several fresh records.

The S&P 500 rose 0.6% to 7,757.64, topping an all-time high. The Dow Jones Industrial Average rose 0.3% to 54,036.93, just short of the record it set on Wednesday. The Nasdaq composite rose 1.3% to 26,690.62.

Overall, the jobs report dimmed one of the brighter areas of the economy, adding to worries about household spending at a time of high inflation. It included a revision to the figures for June and May that involved slashing a combined 103,000 jobs from payrolls for those months.

Slowing employment complicates the Fed's effort to balance job growth with fighting inflation. Higher interest rates can help tame inflation by slowing economic growth, but businesses will find it more difficult to expand under increased borrowing rates.

As usual, technology stocks did much of the heavy lifting for the broader market. Nvidia jumped 2.3% and Broadcom rose 1.7%.

The yield on the 10-year Treasury fell to 4.64% from 4.67% just before the jobs update. It was as low as 4.60% before recovering a bit. The yield on the two-year Treasury, which more closely tracks expectations for Fed action on interest rates, fell to 4.20% from 4.22% before the report's release.

It was as low as 4.15% before edging back up.

This week, investors will get several important inflation updates. The most closely watched will be the consumer price index, or CPI, which measures costs for consumers. Inflation in July is forecast to have risen at a 3.4% rate, easing slightly from 3.5% in June. Inflation has held stubbornly above 3% for most of the year In other dealings early Monday, the US dollar rose to 158.45 Japanese yen from 157.71 yen. The euro fell to $1.1557 from $1.1568. (AP)

Oil prices hold steady after jumping 5 per cent, while Asian shares are mixed

BANGKOK, AUG 11: Shares were mixed in Asia, while oil prices were holding steady Tuesday after jumping the day before as uncertainty persisted over when the Strait of Hormuz could reopen and get the global flow of crude going again.

US futures edged higher.

Brent crude oil was unchanged at USD 87.72 a barrel, while US benchmark crude also was flat at USD 82.13 a barrel.

Brent surged 5 per cent on Monday. It swung between USD 72 and USD 102 last month as hopes rose and fell that the United States and Iran could reach an agreement that would allow oil tankers to freely exit the Middle East again to deliver crude worldwide.

Stocks wavered in Asia after the US market edged away from its all-time highs.

South Korea's Kospi gained 1.5 per cent to 6,391.71 as shares in market heavyweight Samsung Electronics jumped 4.6 per cent. Memory chipmaker SK Hynix advanced 1.3 per cent.

Markets in Tokyo were closed for a holiday.

In Hong Kong, the Hang Seng lost 0.6 per cent to 25,773.56, while the Shanghai Composite index edged 0.1 per cent lower, to 3,964.79.

Australia's S&P/ASX 200 gained 0.5 per cent to 9,277.00 after the Reserve Bank of Australia opted to keep its benchmark interest rate unchanged at 4.35 per cent.

Taiwan's Taiex rose 0.4 per cent and the Sensex in India lost 0.4 per cent.

On Monday, the S&P 500 slipped 0.1 per cent from its record set on Friday. The Dow Jones Industrial Average dipped 0.1 per cent and the Nasdaq composite fell 0.3 per cent.

The recent rally, powered by soaring profits for US companies, has slowed. Reports are on track to show earnings per share leaped 50 per cent in the spring from a year earlier for companies in the S&P 500, according to FactSet. That would be the best growth since five years ago, when the economy was roaring out of the chasm created by COVID.

Berkshire Hathaway, famous for buying stocks at what it considers low prices, gained 1.5 per cent. It is one of the latest companies to deliver a stronger profit for the last quarter than analysts expected, and the company built by legendary investor Warren Buffett said over the weekend that it's also invested some of its massive pile of cash into stocks under its new CEO, Greg Abel.

MarineMax jumped 46.1 per cent after the retailer, marina operator and superyacht services provider said it agreed to sell itself for about USD 1.5 billion in cash to a portfolio company of Blackstone.

Varex Imaging leaped 48.8 per cent after Teledyne Technologies said it would buy the maker of X-ray imaging components for USD 18.90 per share in cash.

But Intel helped offset such gains and fell 4.1 per cent after saying it may sell USD 15 billion of its stock. Such a move would dilute the ownership stakes of shareholders, and Intel said it would likely use the cash for investments to take advantage of the huge spending underway on artificial-intelligence technology.

The main event for Wall Street this week will likely be Wednesday's update on inflation in July. Economists expect it slowed to 3.4 per cent from 3.5 per cent in June, and that would relieve pressure on the Federal Reserve to raise interest rates.

Higher rates would help keep a lid on inflation, but they would also slow the economy by making it more expensive for US households and companies to borrow money. They would also undercut prices for stocks and other investments.

In other dealings early Tuesday, the US dollar fell to 159.19 Japanese yen from 159.30 yen. It has been inching higher despite a recent rate intervention in the markets by Japan and the US to help raise the yen's value against the dollar.

The euro was unchanged at USD 1.1544.

The price of gold, often used as a hedge against risk in times of uncertainty, jumped 1.2 per cent to 4,472.90 an ounce. (AP)

Parliament clears taxation bill, Sitharaman says UPI transactions to remain free for consumers

NEW DELHI, Aug 11 : Parliament on Monday passed the Taxation and other Laws (Amendment) Bill, with Finance Minister Nirmala Sitharaman making clear that the legislation does not impose any tax on UPI and the digital payment system will remain free for consumers.Public Finance

The Bill, which was passed by the Lok Sabha last week, was returned by the Rajya Sabha with a voice vote after a brief discussion and reply by the Finance Minister.

The Bill does not propose any tax or transaction charge on UPI, she asserted.

"Will consumer pay any UPI charge - No. UPI has remained free for consumers since its launch and every Indian will continue to make this instant digital without paying any transaction charge," Sitharaman said.

The Bill also proposed to remove the linkage between the Payment and Settlement Systems Act and the Income Tax Act, and provide legal backing to the government to modify the zero-MDR framework of UPI and RuPay card transactions.

At present, banks and payment system providers cannot directly or indirectly charge users for payments made through UPI and RuPay debit cards. The Bill proposes allowing the central government to decide, through notification, which electronic payment modes or transactions must remain free. Besides other objectives, through the Bill, the government seeks to attract more foreign capital, promote domestic electronics manufacturing and make it easier for foreign cloud companies to use Indian data centres by providing "process certainty".

The Taxation and other Laws (Amendment) Bill, 2026, replaces the June 5 ordinance that provided I-T exemption to interest income and capital gains made by FPIs from investments in G-Secs. The Bill also proposes to make it easier for fund managers to relocate to India by cutting down on the list of conditions that these funds will have to satisfy to ensure that their global income does not get taxed in India.

CNH's India posts 42 pc jump in H1 tractor sales, eyes capacity boost as US tariff strain eases

NEW DELHI, AUG 11: Italian-American agriculture equipment firm CNH's India unit sold 30,248 tractors in the domestic market in the first half of the 2026 calendar year, a 42 per cent jump from a year earlier, posting its highest-ever market share in the country, its India head said on Monday.

In an interview to PTI, Narinder Mittal, President and Managing Director of CNH India, said exports rose about 20 per cent to 6,666 units in the same six-month period, outpacing the prior year despite headwinds from US tariffs earlier in 2026.

The New Delhi-based subsidiary, which operates the New Holland and Case IH brands in India, said the overall domestic tractor industry grew 25 per cent in the first half, meaning CNH significantly outgrew the market as a whole.

"We did quite well in H1, achieving our highest-ever market share in India. The industry grew 25 per cent, we grew 42 per cent, selling more than 30,000 tractors domestically," Mittal said.

"On exports, we sold 6,666 tractors in H1 this year, and growth this year has been close to 20 per cent."

Mittal said a cut in the goods and services tax (GST) and favourable monsoon conditions had driven a bumper first quarter, though he flagged softer sentiment that could weigh on sales in the second half.

"Now with the sentiment getting a little negative, we might see some drop in the industry in H2," he said.

"But overall put together for the entire calendar year, I believe still the demand should be good."

He credited last year's outperformance to the company's technology-driven products and expanding dealer network, as well as support from its financial services arm, CNH Capital.

CNH's expansion plans remain on track, with a fourth manufacturing facility planned near its existing Greater Noida plant, Mittal said.

"We've been allotted 100 acres by the Yamuna Expressway Authority. The new plant will be very close to the existing plant and will serve both the domestic and export markets," he said.

The facility, expected to be commissioned in early 2028, would roughly double CNH's annual tractor production capacity in India to about 1,20,000 units from around 70,000 currently. The existing plant produced 59,000 units in 2025.

Separately, CNH plans to launch a new compact tractor in the 25-30 HP range in the second half of 2028 for both domestic and export markets, including the US and Europe.

CNH's exports were briefly disrupted by US tariffs, Mittal said, but shipments have since resumed as the situation "eased out".

The United States accounts for about 30 per cent of the company's export mix, but Mittal said CNH has no plans to diversify away from its existing markets, adding that overall demand across the US, Europe and other regions "remains the same," with only local shifts in product mix.

"The overall market pool remains the same across the US, Europe, and other markets worldwide," he said, explaining that CNH manufactures one type of tractor tailored to each market.

CNH India's market share remains around 4.5 per cent, well behind sector leader Mahindra & Mahindra. Mittal attributed the company's historically modest scale to its longstanding focus on higher-horsepower tractors -- the 45-50 HP segment and above -- and said CNH has since moved to broaden its portfolio into lower horsepower categories.

"We came up with a smart series of tractors and compact tractors that we've been supplying to Indian farmers. Now we have the complete range available in the Indian market, and growing our network will help us grow market share further," he said.

About the feasibility of reaching double-digit market share within five to six years, Mittal expressed confidence. "Our product is getting better and better technologically, and we're providing affordable technology to farmers.

Mittal described India as central to CNH's global strategy, built on four pillars -- the domestic market, exports, the India Technology Center in Gurgaon, and sourcing components from India's supplier base for plants worldwide.

Beyond finished tractors, CNH exports components such as power take-offs (PTOs) and axles from India, he said.