



December 02, 2024 – Monday

## Economy

### After Q2 GDP surprise, agencies downgrade India's FY25 growth forecast

Agencies have sharply reduced their gross domestic product (GDP) growth forecasts for FY25, following the surprise seven-quarter low print of 5.4 per cent in July-September (Q2). Growth stood at 6 per cent during the first half (April-September) of FY25. While the Reserve Bank of India (RBI) has estimated it at 7.2 per cent for FY25, the finance ministry expects 6.5-7 per cent. The Monetary Policy Committee of the RBI may lower its projection in its policy review, to be announced on December 6. Sakshi Gupta, principal economist at HDFC Bank, said she had reduced her full-year growth estimate to 6.5 per cent from 6.8 per cent, with further downside risks.

[https://www.business-standard.com/economy/news/after-q2-gdp-surprise-agencies-downgrade-india-s-fy25-growth-forecast-124120100468\\_1.html](https://www.business-standard.com/economy/news/after-q2-gdp-surprise-agencies-downgrade-india-s-fy25-growth-forecast-124120100468_1.html)

### India's GDP growth expected to rebound to 6.7 pc in H2, full-year forecast at 6.4 pc: JP Morgan

India's economic growth is expected to accelerate to 6.7 per cent in the second half (H2) of the fiscal year, bringing the full-year 2024-25 GDP growth to 6.4 per cent, according to a report by JP Morgan. The report highlighted that the sluggish figures for the third quarter were not entirely unexpected, as the economy had been showing signs of cooling in recent months.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-gdp-growth-expected-to-rebound-to-6-7-pc-in-h2-full-year-forecast-at-6-4-pc-jp-morgan/articleshow/115868266.cms>

## Finance

### Growth in bank credit to NBFCs declines sharply to 6.4%: RBI data

The growth in bank credit to non-banking financial companies (NBFCs) declined sharply to 6.4 per cent in October compared to 18.3 per cent in the year-ago period, dragging down the growth of overall credit to the services sector, according to the Reserve Bank of India's (RBI's) sectoral deployment of credit data. Overall growth in credit offtake by the services sector dropped to 14.1 per cent Y-o-Y in October compared to 20.4 per cent, largely due to reduced growth in credit to NBFCs and trade segment.

[https://www.business-standard.com/finance/news/bank-s-october-credit-growth-to-nbfc-slows-to-6-4-shows-rbi-data-124120100390\\_1.html](https://www.business-standard.com/finance/news/bank-s-october-credit-growth-to-nbfc-slows-to-6-4-shows-rbi-data-124120100390_1.html)

### Rate cut is unlikely but RBI may signal it's ready to act

For the first time in more than 30 months, the Reserve Bank of India's (RBI's) Monetary Policy Committee (MPC) will probably be devoting more time to faltering economic growth than on containing inflation when it meets December 4-6. The underwhelming gross domestic product growth figure for a second straight quarter-the slowest in about two years-is raising questions about how long India will remain the world's fastest-growing major economy and the need for policy measures to meet its aspirational 8% annual growth.

<https://economictimes.indiatimes.com/news/economy/policy/rate-cut-is-unlikely-but-rbi-may-signal-its-ready-to-act/articleshow/115875516.cms>

### **Net GST mopup rises 11% to Rs 1.63 trillion in Nov amid drop in refunds**

Net goods and services tax (GST) collections rose by 11.1 per cent year-on-year (Y-o-Y) to Rs 1.63 trillion in November amid sharp drop in refunds, according to provisional data released by the government on Sunday. However, sequentially net GST collections were below the October level of Rs 1.68 trillion with 7.9 per cent growth. The latest GST data comes ahead of the all-powerful GST Council meeting on December 21. The Council is expected to take up rationalisation of indirect tax rates among other issues.

[https://www.business-standard.com/economy/news/india-s-net-gst-mop-up-grew-11-1-to-rs-1-63-trillion-in-november-124120100640\\_1.html](https://www.business-standard.com/economy/news/india-s-net-gst-mop-up-grew-11-1-to-rs-1-63-trillion-in-november-124120100640_1.html)

### **Post-festive slump: UPI volume down 7%, value drops 8% in November**

Unified Payments Interface (UPI) transactions saw a 7 per cent drop in volume to 15.48 billion and an 8 per cent fall in value to Rs 21.55 trillion in November compared with the previous month, according to data from the National Payments Corporation of India (NPCI). In October, they touched an all-time high, driven by festive sales. In October, UPI recorded 16.58 billion transactions worth Rs 23.5 trillion, the highest since the digital system became operational in April 2016. In September, volume was seen at 15.04 billion, and value at Rs 20.64 trillion. The October transactions were up due to a rise in person-to-merchant transactions (for buying goods or services) during the festive season, which came down in November.

[https://www.business-standard.com/industry/news/post-festive-slump-upi-volume-down-7-value-drops-8-in-november-124120100276\\_1.html](https://www.business-standard.com/industry/news/post-festive-slump-upi-volume-down-7-value-drops-8-in-november-124120100276_1.html)

### **Govt likely to double EPF monthly-wage cap to Rs 30,000 per month**

In a bid to expand social-security cover for workers in the country, the government is likely to double the monthly-wage ceiling for mandatory deductions from their salaries for contribution to the Employees' Provident Fund (EPF). Plans are also afoot to bring the wage ceiling under Employees' State Insurance Corporation (ESIC) on a par with that of the EPF. Both these issues were discussed at length in the recently held meeting of the Central Board of Trustees (CBT), which is the apex decision-making body of the Employees Provident Fund Organisation (EPFO) on Saturday.

[https://www.business-standard.com/economy/news/epfo-may-double-wage-cap-to-rs-30-000-esic-cap-likely-to-be-brought-at-par-124120100565\\_1.html](https://www.business-standard.com/economy/news/epfo-may-double-wage-cap-to-rs-30-000-esic-cap-likely-to-be-brought-at-par-124120100565_1.html)

## **Industry**

### **Indian govt opposes regulating production of primary plastic polymers**

India on Sunday said it did not support any measures to regulate the production of primary plastic polymers as it could impact the development rights of nations. This statement came as a global meeting in South Korea's Busan to finalise a legally binding treaty to combat plastic pollution ended without an agreement. At the closing plenary of the fifth meeting of the Intergovernmental Negotiating Committee, tasked with drafting the treaty, India said some suggestions from countries, including its own, were not reflected in the draft text. It sought assurances from the chair that countries would have the opportunity to include their views in future discussions.

[https://www.business-standard.com/external-affairs-defence-security/news/indian-govt-opposes-regulating-production-of-primary-plastic-polymers-124120100698\\_1.html](https://www.business-standard.com/external-affairs-defence-security/news/indian-govt-opposes-regulating-production-of-primary-plastic-polymers-124120100698_1.html)

### **Wedding season, rural traction drive car sales; PV wholesales up 4% in Nov**

The domestic passenger vehicle (PV) wholesales have increased by about four per cent year-on-year (Y-o-Y) in November to approximately 350,000 units due to continuing momentum after the festival season, ongoing wedding season and good demand in rural areas of the country, a top executive of the country's largest carmaker Maruti said. In November 2023, the domestic PV wholesales stood at 335,954 units. "In November 2024, the domestic PV wholesales of the Indian automobile industry stood at about 350,000 units, which could be up or down by 5,000 units," Partho Banerjee, Senior Executive Officer, Marketing and Sales, Maruti Suzuki India (MSIL), told Business Standard.

[https://www.business-standard.com/industry/news/domestic-passenger-vehicle-wholesales-rise-by-nearly-4-in-november-124120100539\\_1.html](https://www.business-standard.com/industry/news/domestic-passenger-vehicle-wholesales-rise-by-nearly-4-in-november-124120100539_1.html)

### **Govt scraps registration for some items under chip import monitoring system**

The government has removed mandatory registration of certain electronic integrated circuits under the chip import monitoring system. Under the system, importers of these items would have to provide advance information in an online system for import and obtain a registration number by paying a specific amount of registration fee. "The requirement of compulsory registration under chip imports monitoring system has been discontinued with immediate effect," according to a notification of the directorate general of foreign trade (DGFT).

[https://www.business-standard.com/industry/news/govt-scraps-registration-for-some-items-under-chip-import-monitoring-system-124120100359\\_1.html](https://www.business-standard.com/industry/news/govt-scraps-registration-for-some-items-under-chip-import-monitoring-system-124120100359_1.html)

### **Cement, steel inventory drawdown raises concerns**

Consumption across some core sector segments like cement and steel are up but production of items have not registered a corresponding rise, indicative of an inventory drawdown, latest data released by Statistics and Programme Implementation Ministry show.

<https://www.thehindubusinessline.com/economy/cement-steel-inventory-drawdown-raises-concerns/article68934712.ece>

### **FMCG growth remains slow in Oct-Nov**

Fast-moving consumer goods (FMCG) companies continued to see sluggish growth in October-November, led largely by an urban slowdown. While most company executives that FE spoke to said they expect a turnaround in market growth rates by March-April next year, they added that the picture is dismal for now. "There is not much of a demand surge in the FMCG market this (December) quarter. October-November hasn't been that good at all. Sluggish economic conditions are also showing up in FMCG, which is a barometer of overall consumption. FMCG offtakes are not looking too good, there is cash-strapping by retail and wholesale trade.

<https://www.financialexpress.com/business/industry/fmcg-growth-remains-slow-in-oct-nov/3681394/>

### **Magic price tags no longer cast a spell on shoppers**

Indians are shifting away from daily essentials and grocery products with price tags of ₹5 and in many cases ₹10, often called popular or magic price points, an indication of consumers upgrading their shopping basket or opting for larger packs that offer them more grammage for every rupee spent. In several categories including noodles, chocolates, detergents, toothpaste, soaps and dishwash, contribution especially of ₹5 packs has fallen over the past four years while it has stagnated in biscuits, according to latest data by Kantar. Under ₹2 shampoo, however, is an exception, and saw its share expanding as people buy sachets in bulk especially in rural markets.

<https://economictimes.indiatimes.com/industry/services/retail/magic-price-tags-no-longer-cast-a-spell-on-shoppers/articleshow/115875402.cms>

### **India Inc is adopting all-season sales strategies**

India Inc is seeking to turn weather-related disruptions into an opportunity. With instances of adverse weather conditions becoming increasingly commonplace, affecting sales of seasonal consumer goods and company operations, marketers are striving to push sales of some products during off-season periods to drive revenue. Consumer goods maker Dabur rolled out a monsoon advertising campaign this year to promote its Chyawanprash Ayurvedic formulation for all-year consumption instead of only during the winter season. Chief executive officer Mohit Malhotra told analysts recently that the efforts yielded dividends, with sales growing 12% in the September quarter.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/weathering-the-storm-india-inc-is-adopting-all-season-sales-strategies/articleshow/115868137.cms>

### **FSSAI classifies packaged drinking water as 'High Risk Food Category'**

The Food Safety and Standards Authority of India (FSSAI) has decided to treat the packaged drinking and mineral water segment as a "High Risk Food Category" and subject it to mandatory inspection and third-party audit norms. This follows the government's decision in October to do away with the mandatory condition to obtain certification from the Bureau of Indian Standards for the packaged drinking and mineral water industry.

<https://www.thehindubusinessline.com/companies/fssai-classifies-packaged-drinking-water-as-high-risk-food-category/article68935349.ece>

### **India's GCC sector to exceed 2.2 million workforce by 2026, shifting focus to Tier II and III cities**

By 2026, the global capability centers (GCC) sector is expected to surpass a workforce of 2.2 million. As part of its expansion strategy, it is increasingly focusing on tier II and tier III cities to tap into a large pool of unexplored talent. Data indicates that the demand for GCCs in these cities is projected to rise by 25-30 per cent, signaling a move away from traditional metropolitan hubs.

<https://www.thehindubusinessline.com/companies/indias-gcc-sector-to-exceed-22-million-workforce-by-2026-shifting-focus-to-tier-ii-and-iii-cities/article68935127.ece>

## **Agriculture**

### **Agriculture growth expected to remain strong in second half of FY25: Bank of Baroda**

The agriculture sector is expected to maintain robust growth in the second half of FY25, driven by favorable monsoon conditions, higher reservoir levels, and healthy Rabi sowing, according to a report by Bank of Baroda. The report highlighted that factors like favorable monsoon conditions, and higher reservoir levels are likely to strengthen rural demand, increase farm incomes, and contribute to a positive economic outlook.

<https://economictimes.indiatimes.com/news/economy/agriculture/agriculture-growth-expected-to-remain-strong-in-second-half-of-fy25-bank-of-baroda/articleshow/115882833.cms>

## **Infrastructure**

### **Nearly 3,500 projects completed under PMGSY in J&K**

Nearly 3,500 projects, including 217 bridges, have been completed under the centrally sponsored Pradhan Mantri Gram Sadak Yojana (PMGSY) over the past two decades in Jammu and Kashmir, officials said on Sunday. The information was given at a meeting chaired by Joint Secretary, Ministry of Rural Development, Amit Shukla here to conduct a comprehensive review of the implementation of the PMGSY in the Union territory. The review focused on expediting project completion, ensuring adherence to quality standards and enhancing rural connectivity across the region, the officials said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/nearly-3500-projects-completed-under-pmgsy-in-jk/articleshow/115861563.cms>

### **India home prices to rise 6.5% in 2025, driven by demand from wealthy: Poll**

Average home prices in India are set to rise steadily over the coming years driven mainly by demand from wealthy individuals, while the rising cost of living will make owning a property unattainable for most people, a Reuters poll found. While India's middle class tightens its belt, cutting back on everything from tea to two-wheelers due to soaring consumer inflation, the richest 1% who own 40% of the country's wealth are snapping up homes in cities with well-paying jobs.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/india-home-prices-to-rise-6-5-in-2025-driven-by-demand-from-wealthy-poll/articleshow/115881394.cms>

## **Energy**

### **Petrol, diesel consumption rebounds in November on festival demand**

India's petrol and diesel consumption soared in November as the festive season reversed a fall in demand witnessed in previous months, preliminary data of state-owned firms showed on Friday. While petrol sales had shown a year-on-year increase, diesel has been a laggard since monsoon and November was the first month that saw positive growth in consumption. Petrol sales of three state-owned firms, which control 90 per cent of the fuel market, soared 8.3 per cent to 3.1 million tonnes in November compared to 2.86 million tonnes of consumption in the same month last year.

[https://www.business-standard.com/economy/news/petrol-diesel-consumption-rebounds-in-november-on-festival-demand-124120100422\\_1.html](https://www.business-standard.com/economy/news/petrol-diesel-consumption-rebounds-in-november-on-festival-demand-124120100422_1.html)

## **Healthcare**

### **PE-VC investments in India's healthcare sector fall in 2024, shows data**

After picking up during the Covid-19 pandemic, private equity, venture capitalist (PE-VC) investments in the healthcare sector in India seems to have slowed down in 2024. According to data from Venture Intelligence, in the first 11 months of 2024 (till November 27), the sector attracted \$5.33 billion investments, involving 57 deals. This is a 14 per cent drop from 2023 full-year figure of \$6.26 billion. Though a full month is yet to go for 2024 to end, there seems no major deals in the pipeline. PE-VC investments in the sector have grown over the last few years, barring pandemic-hit 2020. In 2019, investments into the sector were around \$3.98 billion, which fell to \$2.8 billion in 2020, but picked up after that. In 2021, investments touched \$6 billion.

[https://www.business-standard.com/industry/news/pe-vc-investments-in-india-s-healthcare-sector-fall-in-2024-shows-data-124112900930\\_1.html](https://www.business-standard.com/industry/news/pe-vc-investments-in-india-s-healthcare-sector-fall-in-2024-shows-data-124112900930_1.html)

### **External**

### **FDI inflows increase 45% to \$29.79 billion during Apr-Sep quarter**

Foreign direct investment in India rose by 45 per cent year-on-year to \$29.79 billion in April-September this fiscal on healthy inflows in services, computer, telecom and pharma sectors, according to government data. FDI inflows were at \$20.5 billion in April-September 2023-24. In the July-September quarter, the inflows grew by about 43 per cent year-on-year to \$13.6 billion against \$9.52 billion in the same quarter last fiscal. The foreign direct investment in India was up 47.8 per cent to \$16.17 billion in the April-June quarter.

[https://www.business-standard.com/finance/news/fdi-inflows-increase-45-to-29-79-billion-during-apr-sep-quarter-124120100419\\_1.html](https://www.business-standard.com/finance/news/fdi-inflows-increase-45-to-29-79-billion-during-apr-sep-quarter-124120100419_1.html)

### **India plans 'safeguard duty' to check steel influx**

India is mulling possible measures, including safeguard duty, to check influx of steel at low to zero duty under free trade agreement from the Asean region amid Chinese companies setting up large steel manufacturing capacities there. The steel and commerce & industry ministries are in discussions about possible measures in the backdrop of the next round of India-Asean FTA review talks slated for February. Chinese companies are putting up about 97 million tonnes (mt) of blast furnace-basic oxygen furnace (BF-BOF) capacity in the Asean region, which is expected to be ready over the next 5-6 years, said industry experts.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/india-plans-safeguard-duty-to-check-steel-influx/articleshow/115874187.cms>

### **India readies various strategies to tackle 'US first' trade policy**

India is working on various strategies and finance and commerce & industry ministries have already started brainstorming about the potential challenges that US President-elect Donald Trump's protectionist trade policies could pose, said a senior government official. Trump champions his 'Make America Great Again' slogan and an 'America First' agenda. The incoming President's main tool for achieving these goals is tariffs. The US is India's largest trade partner, export destination, as well as the fourth-largest source of imported goods.

[https://www.business-standard.com/economy/news/india-readies-various-strategies-to-tackle-us-first-trade-policy-124120100262\\_1.html](https://www.business-standard.com/economy/news/india-readies-various-strategies-to-tackle-us-first-trade-policy-124120100262_1.html)

### **Plan in works to prioritise EFTA investments**

India is developing a mechanism to prioritise investments from the members of the European Free Trade Association (EFTA), which includes Switzerland, Norway, Iceland and Liechtenstein, officials said. Norway has expressed keen interest to invest in India's renewable energy sector and Switzerland in the pharmaceutical business.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/plan-in-works-to-prioritise-efta-investments/articleshow/115874897.cms>

### **Huge import opportunities for UK apparel companies in India: AEPC**

Apparel Export Promotion Council (AEPC) on Sunday said huge import opportunities are there for British apparel firms in India and they should participate in large numbers in the upcoming mega textile show here next year. Bharat Tex 2025 will be held here from February 14-17, 2025, at Bharat Mandapam and from February 12-15 next year at

the India Expo Centre and Mart in Greater Noida. Companies will showcase the entire textile value chain, with a special focus on key sectors such as Handicrafts, Apparel Machinery, Chemicals, and Dyes. AEPC Chairman Sudhir Sekhri said that the UK is a global fashion hub and the sixth largest importer of apparel, with a total import value of USD 20.27 billion in 2023.

[https://www.business-standard.com/industry/news/huge-import-opportunities-for-uk-apparel-companies-in-india-aepec-124120100348\\_1.html](https://www.business-standard.com/industry/news/huge-import-opportunities-for-uk-apparel-companies-in-india-aepec-124120100348_1.html)

#### **100% tariff on BRICS countries if dollar countered: Trump**

US President-elect's Donald Trump has threatened nine country BRICS bloc with 100% tariffs if they went ahead the plan to counter US dollar's prominence in global transactions as a reserve currency, by creating alternatives. Trade experts, however, called the move not only counter-productive, but also impractical. India is key member of BRICS along with Brazil, Russia, China, South Africa, Iran, Egypt, Ethiopia and the UAE.

<https://www.financialexpress.com/policy/economy-100-tariff-on-brics-countries-if-dollar-countered-trump-3681389/>

#### **Italy seek to promote space & Blue economy partnership with India**

The Blue & Space Economy conference, attended by Italian and Indian institutions and companies, was held on Saturday at the Villaggio Italia, set up at the Indira Dock in Mumbai for the Vespucci World Tour stop in India. The event was inaugurated by the Italian Ambassador to India Antonio Bartoli, and by speeches of the Indian Minister of Ports, Shipping and Waterways Hon. Sarbananda Sonowal,

<https://economictimes.indiatimes.com/news/economy/foreign-trade/italy-seek-to-promote-space-blue-economy-partnership-with-india/articleshow/115868526.cms>

#### **Crucial to rely on trusted partners in turbulent times: French trade minister on ties with India**

After forging close partnership in the defence domain, India and France are now looking at ramping up economic and trade ties as it is crucial to rely on "trusted" partners in these "turbulent times", French foreign trade minister Sophie Primas has said. In an interview to PTI, Primas said French companies are looking at expanding engagement with India in sectors like aeronautics, transport, energy infrastructures, sustainable development and emerging technologies. "India and France have always maintained a relationship of deep trust over the years, which becomes even more significant in the context of geopolitical turmoil and disruptions in supply chains," she said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/crucial-to-rely-on-trusted-partners-in-turbulent-times-french-trade-minister-on-ties-with-india/articleshow/115868364.cms>