



December 06, 2024 – Friday

## Economy

### Tech to catch price trends in CPI revision

The government plans to switch to Computer-Assisted Personal Interviewing for collection of price trends, gearing up for revision of the base year to 2024 from 2012 and weightage of items tracked for Consumer Price Index to enhance the efficiency and accuracy of data. The revision of the CPI base year is currently under progress and weights for the items will be derived from the Household Consumption Expenditure Survey (HCES) 2022-23, the ministry said. The inflation data based on the new base year will be released in 2026. The CPI tracks monthly retail prices of goods and services, currently covering 299 items across 1,181 rural and 1,114 urban markets.

<https://economictimes.indiatimes.com/news/economy/indicators/tech-to-catch-price-trends-in-cpi-revision/articleshow/116019885.cms>

### Female labour force participation in rural India up at 41.5% from 24.6% between 2017–18 and 2022–23: EAC-PM

India has witnessed a dramatic increase in female labour force employment between 2017–18 and 2022–23 across many states and particularly within rural areas with marital status being a significant determinant of labour force participation rate (LFPR) for both women and men, shows a working paper by the Economic Advisory Council to the PM (EAC-PM). "At the national level, rural female LFPR surged from 24.6% to 41.5% while urban LFPR rose modestly from 20.4% to 25.4% with significant interstate variations," the paper, authored by Shamika Ravi, member, EAC-PM and Mudit Kapoor of Indian Statistical Institute, said.

<https://economictimes.indiatimes.com/news/economy/indicators/female-labour-force-participation-in-rural-india-up-at-41-5-from-24-6-between-201718-and-202223-eac-pm/articleshow/116015911.cms>

### Govt expanding data sources for better decisions

The ministry of statistics and programme implementation (MoSPI) is exploring alternative data sources, such as ecommerce, social media and satellite data, to enhance data-driven decision making, Saurabh Garg, secretary of the ministry, said on Thursday. "The aim is to leverage the data available effectively to ensure that the issues and problems facing the country can be resolved in our quest for a Viksit Bharat in 2047," he said. The ministry will soon release the Time Use Survey (TUS), which tracks time spent by people on leisure, entertainment, travel, among other things. Additionally, a capex survey outlining industrial investment intentions will also be released, the secretary said at the Data User Conference on the Annual Survey of Industries (ASI) 2022-23.

<https://economictimes.indiatimes.com/news/economy/policy/govt-expanding-data-sources-for-better-decisions/articleshow/116019520.cms>

### Home-cooked veg thali cost up 7.2% in Nov, non-veg 2%: Crisil

The cost of home-cooked vegetarian and non-vegetarian thalis increased by 7.2% and 1.8%, respectively, year-on-year, in November, according to a report by CRISIL released on Thursday. The increase in the cost of vegetarian thali was driven by higher tomato and potato prices, which together account for 26% of the thali's cost. Tomato prices rose by 35% year-on-year in November, while potato prices surged by 50% due to lower yields caused by late blight infestation in Punjab, Uttar Pradesh, and Gujarat, the report added. "We expect prices of vegetables and pulses to

stabilise from December as fresh supplies enter the market, providing some respite to the veg thali cost," said Pushan Sharma, Director-Research, CRISIL Market Intelligence and Analytics.

<https://economictimes.indiatimes.com/news/economy/indicators/home-cooked-meals-get-dearer-in-nov-on-expensive-tomato-and-potato/articleshow/116014201.cms>

### **Q2 current account deficit to widen to 7 quarter high of 1.6%: Report**

The current account deficit (CAD) for the September quarter is set to widen to 1.6 per cent -- the most in the last seven quarters -- a report said on Thursday. In absolute terms the July-September CAD will be \$ 15 billion, or 1.6 per cent, as against \$ 9.8 billion, or 1.1 per cent, in the June quarter, India Ratings and Research said in the report. The CAD in the second quarter will be the highest since Q3 FY23, where the crucial gap representing the country's external position was \$ 16.8 billion, or 2 per cent of the GDP.

[https://www.business-standard.com/economy/news/q2-current-account-deficit-to-widen-to-7-quarter-high-of-1-6-report-124120501166\\_1.html](https://www.business-standard.com/economy/news/q2-current-account-deficit-to-widen-to-7-quarter-high-of-1-6-report-124120501166_1.html)

## **Finance**

### **RBI adds 27 tn gold to country's reserve in October: WGC**

Gold buying by central banks surged to 60 tonnes in October, mainly led by the Reserve Bank of India (RBI) which added 27 tonnes of the precious metal to its reserves, the World Gold Council (WGC) said on Thursday. India added 27 tonnes of gold in October, bringing its total gold purchases to 77 tonnes from January to October, according to WGC data based on reported monthly data from the International Monetary Fund (IMF). This buying by RBI represents a five-fold increase as compared to the same period of 2023, said WGC. According to the data, with this purchase the total gold reserve of India is now at 882 tonnes, of which 510 tonnes are held in India.

<https://economictimes.indiatimes.com/news/economy/finance/rbi-adds-27-tn-gold-to-countrys-reserve-in-october-wgc/articleshow/116015035.cms>

### **Over 70% MSMEs use biz loans for immediate financial needs: Study**

Over 70 per cent of micro, small, and medium enterprises (MSMEs) and self-employed consumers are seeking loans to meet immediate financial needs, according to an analysis by Paisabazaar released on Thursday. "Over 70 per cent of MSMEs and self-employed consumers needed a business loan to meet immediate financial needs like working capital expenses, purchasing raw materials, consolidating debt, etc," the company's analysis showed. Meanwhile, less than 30 per cent of these businesses applied for loans based on future growth prospects and initiatives like marketing and brand building, upgrading machinery, or acquiring additional office space for expansion.

[https://www.business-standard.com/finance/news/70-msmes-self-employed-use-loans-to-meet-immediate-financial-needs-study-124120501216\\_1.html](https://www.business-standard.com/finance/news/70-msmes-self-employed-use-loans-to-meet-immediate-financial-needs-study-124120501216_1.html)

### **PSBs lag behind on govt insurance enrolment targets, shows data**

Public-sector banks (PSBs) have fallen short on achieving the annual targets of two flagship insurance schemes for social security, Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), according to the government data reviewed by Business Standard. Till October 2024-25, while PSBs have achieved only 40 per cent of their enrolment target of 64 million for the PMSBY, they have met just 30 per cent of the 41 million target of the PMJJBY.

[https://www.business-standard.com/finance/insurance/psbs-slow-at-achieving-govt-s-insurance-targets-for-fy25-shows-data-124120501258\\_1.html](https://www.business-standard.com/finance/insurance/psbs-slow-at-achieving-govt-s-insurance-targets-for-fy25-shows-data-124120501258_1.html)

### **NBFC-MFIs' asset growth to moderate at 5% in FY25 on stricter norms: ICRA**

Stricter lending norms adopted in face of slew of concerns will restrict asset growth OF NBFC-MFIs to 5 per cent in FY25, a report by Icra said on Thursday. Icra has assigned a negative outlook on the sector, given the significant near-term headwinds on growth, asset quality and profitability. The last two years had seen a robust expansion in assets under management for non-banking finance companies-microfinance institutions (NBFC-MFIs) but the same is set to moderate to 0-5 per cent in FY25, the report said.

[https://www.business-standard.com/finance/news/nbfc-mfis-asset-growth-to-moderate-at-5-in-fy25-on-stricter-norms-icra-124120501129\\_1.html](https://www.business-standard.com/finance/news/nbfc-mfis-asset-growth-to-moderate-at-5-in-fy25-on-stricter-norms-icra-124120501129_1.html)

### **NHB frowns at delayed data filing to mask delinquencies**

The National Housing Bank (NHB) has told chiefs of all Housing Finance Companies (HFCs) to report bad loan data on the first day of each month, two people in the know said. This is after the NHB noticed that HFCs continued collecting loans for the prior month even a week after the month ended. This was being done to keep bad loan ratios under control and avoid adverse reporting to the regulator. HFCs would generally report key financial figures to the NHB by the 10th or 12th of each month, which the regulator is unhappy about. In the letter dated December 2, 2024, addressed to managing directors of all HFCs, the NHB raised the issue of non-submission of delinquent data as per the laid down procedures. ET has reviewed a copy of the letter.

<https://economictimes.indiatimes.com/industry/banking/finance/nhb-frowns-at-delayed-data-filing-to-mask-delinquencies/articleshow/116019573.cms>

## **Industry**

### **Tractor sales may witness fertile H2; analysts expect 10-11% growth**

The domestic tractor industry is set for a rebound in the second half of the current financial year (H2FY25), riding on robust reservoir levels after a good monsoon and higher minimum support price (MSP) for key rabi crops. Analysts expect 10-11 per cent growth in H2FY25, partly led by low base (as FY24 had seen sales fall in H2), as well as positive agriculture sentiments. The first half of the current financial has been flat in terms of wholesales – 472,079 units sold against 469,383 in H1FY24. Tractor sales in India for FY24 totalled 874,504 units, a 7 per cent decrease from the previous year's 940,985 units. The decline was primarily due to the poor monsoon, which affected kharif crop production and agricultural activities.

[https://www.business-standard.com/economy/news/farm-sentiments-likely-to-cheer-domestic-tractor-sales-in-h2-fy25-124120500859\\_1.html](https://www.business-standard.com/economy/news/farm-sentiments-likely-to-cheer-domestic-tractor-sales-in-h2-fy25-124120500859_1.html)

### **Food processing sector attracts \$368.37 mn FDI till Sep FY25: Govt tells LS**

The food processing sector received foreign direct investment (FDI) of \$ 368.37 million till September of the current fiscal year, Parliament was informed on Thursday. Minister of State for Food Processing Industries Ravneet Singh Bittu in a written reply to the Lok Sabha said, Ireland invested \$ 83.84 million, Singapore \$ 48.45 million, Mauritius \$ 41.65 million, the United States \$ 38.60 million, Australia \$ 20.18 million, and Mexico \$ 9.59 million in April-September FY25. In FY24, FDI in food processing was \$ 608.31 million.

[https://www.business-standard.com/industry/news/food-processing-sector-attracts-368-37-mn-fdi-till-sep-fy25-govt-tells-ls-124120500997\\_1.html](https://www.business-standard.com/industry/news/food-processing-sector-attracts-368-37-mn-fdi-till-sep-fy25-govt-tells-ls-124120500997_1.html)

### **Will reduce demand, lead to job losses: Apparel body on proposed GST hike**

The apparel industry has expressed serious concerns over the proposed GST rate hike recommended by the Group of Ministers (GoM) on rate rationalisation. Under the new tax structure, garments priced between Rs 1,500 and Rs 10,000 would be taxed at 18 per cent, while apparel above Rs 10,000 would fall under the highest GST slab of 28 per cent. The rate for apparel priced up to Rs 1,500 would remain at 5 per cent. The Clothing Manufacturers Association of India (CMAI) has urged the government to reconsider the hike, warning that it could lead to reduced consumer demand, widespread job losses, and disruptions in the industry's value chain.

[https://www.business-standard.com/industry/news/will-reduce-demand-lead-to-job-losses-apparel-body-on-proposed-gst-hike-124120500725\\_1.html](https://www.business-standard.com/industry/news/will-reduce-demand-lead-to-job-losses-apparel-body-on-proposed-gst-hike-124120500725_1.html)

### **Hosiery makers to stitch 10-12% revenue growth this fiscal on rural demand revival, exports, modern trade sales**

Indian hosiery makers are expected to post a revenue growth of 10-12 per cent on-year this fiscal following a revival in rural demand, volume support from the export market and robust modern trade sales, stated a report by CRISIL Ratings. The volume growth, it added, will more than offset a 1-2 per cent YoY decline in average sales realisation because of a drop in selling prices to clear year-end inventory after demand from channel partners slackened. The report said that the industry's operating margin is expected to improve 150-200 bps this fiscal, due to softer input prices and improved capacity utilisation, aided by higher volume growth.

<https://www.financialexpress.com/business/industry-hosiery-makers-to-stitch-10-12-revenue-growth-this-fiscal-on-rural-demand-revival-exports-modern-trade-sales-3685290/>

### **Centre tightens rules on district mineral foundations, plans to halt funds for non-compliance**

The Centre has tightened guidelines that govern expenditure by District Mineral Foundations (DMF). According to officials aware of the move, fund disbursement to states can be stopped if they are non-compliant with fund governance rules. The union mines ministry can also investigate if a state is doesn't follow DMF rules that mandate expenditure on welfare activities in districts where mining activities take place. "There are reports of DMF expenditure not being very well managed in some states. We want to plug the loopholes," a senior official told ET.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/centre-tightens-rules-on-district-mineral-foundations-plans-to-halt-funds-for-non-compliance/articleshow/116019608.cms>

## **Infrastructure**

### **Shipping firms scale up ops, help India ride growth wave**

Shipping lines are adding capacity to support India's export growth, with multinationals such as Maersk-Hapag-Lloyd's Gemini Cooperation, MSC, and CMA CGM launching new routes and upgrading services. This expansion is expected to boost trade efficiency, reduce freight costs and turnaround times. Merchandise export growth reached 17% year-on-year in October, with total exports projected to hit \$435 billion this fiscal year. Starting February, Maersk and Hapag-Lloyd will introduce three dedicated and eight to nine shuttle routes under their Gemini network, while MSC plans a Mediterranean-Asia route linking Mediterranean ports to North India and Colombo. CMA CGM recently launched an Asian route calling at India and may add another route to select Middle Eastern ports next year.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/shipping-firms-scale-up-ops-help-india-ride-growth-wave/articleshow/116019055.cms>

## **Energy**

### **India beats China on green pitch of attracting clean funds**

India has outpaced China as a destination for clean technology funding in recent months, as efforts to boost domestic green manufacturing help attract investors. Deals worth about \$2.4 billion were completed in the third quarter, more than four times the value of those in China and the second-highest total globally behind the US, data compiled by BloombergNEF show. The momentum is being driven by India's push to build out local clean energy capacity to limit reliance on China, and the prospects of becoming an exporter of the technologies, said Raj Pai, founding partner of GEF Capital Partners, a climate-focused private equity fund.

<https://economictimes.indiatimes.com/industry/renewables/india-beats-china-on-green-pitch-of-attracting-clean-funds/articleshow/116028037.cms>

## **Healthcare**

### **Indian pharma develops more effective drug to combat antibiotic-resistance**

Mumbai-based healthcare enterprise Wockhardt has developed a new drug called 'nafithromycin', aimed at treating community-acquired bacterial pneumonia (CABP). This drug is seen as a potent alternative to existing antibiotics like azithromycin, which is facing resistance levels, according to a report by The Times of India. Nafithromycin is the product of significant effort by pharmaceutical firms in India trying to combat antibiotics and antimicrobial resistance (AMR). So far, testing of nafithromycin (Miqnaf) has found a 96.7 per cent clinical cure rate, one that is significantly higher than traditional treatments. It also offers eight times the lung exposure and ten times the potency of azithromycin.

[https://www.business-standard.com/health/indian-pharma-develops-more-effective-drug-to-combat-antibiotic-resistance-124120500493\\_1.html](https://www.business-standard.com/health/indian-pharma-develops-more-effective-drug-to-combat-antibiotic-resistance-124120500493_1.html)

## **External**

### **Potential shifts in US trade policy to affect trade in 2025: Unctad**

Potential shifts in United States (US) trade policy to a more protectionist one, inward looking industrial policies in many countries, threat of renewed and expanded trade wars along with ongoing geopolitical tensions are set to

negatively influence international trade in 2025, a report released on Thursday said. Although moderating global inflation, stable economic growth forecasts and improving business activity point to continued positive momentum in global trade for early 2025, the trend is expected to face challenges, United Nations Trade and Development (UNCTAD) said in its report on Global Trade Update.

[https://www.business-standard.com/economy/news/potential-shifts-in-us-trade-policy-to-affect-trade-growth-in-2025-unctad-124120501083\\_1.html](https://www.business-standard.com/economy/news/potential-shifts-in-us-trade-policy-to-affect-trade-growth-in-2025-unctad-124120501083_1.html)

#### **India's steel imports from China hit record high, latest data shows.**

India's finished steel imports from China reached an all-time high during the first seven months of the current financial year from April, according to provisional government data reviewed by Reuters, rattling hundreds of small Indian steel producers. China, the world's biggest steel producer, shipped 1.7 million metric tons of finished steel to India during April-October, a 35.4 per cent increase year-on-year, the data showed. This has exacerbated the deteriorating financial health of Indian steel producers struggling with cheap Chinese imports and falling domestic prices despite robust demand driven by rapid economic growth and rising infrastructure spending in the world's fastest growing major economy.

[https://www.business-standard.com/industry/news/india-s-steel-imports-from-china-hit-record-high-latest-data-shows-124120500858\\_1.html](https://www.business-standard.com/industry/news/india-s-steel-imports-from-china-hit-record-high-latest-data-shows-124120500858_1.html)

#### **Experts demand custom duty cut on artefacts being brought back to India**

At the 106th National Convention of the Indian Numismatic Society here, experts called for the removal or reduction of customs duty on bringing back valuable artefacts and cultural heritage from abroad. They argued that such measures would encourage individuals and organisations to restore India's cultural legacy. The convention was organised by the Uttar Pradesh State Archaeology Department.

[https://www.business-standard.com/industry/news/experts-demand-custom-duty-cut-on-artefacts-being-brought-back-to-india-124120500698\\_1.html](https://www.business-standard.com/industry/news/experts-demand-custom-duty-cut-on-artefacts-being-brought-back-to-india-124120500698_1.html)

#### **Putin expresses interest in setting up manufacturing in India, hails 'India-first' policy**

Russian president Vladimir Putin has expressed willingness to establish manufacturing operations in India as investments in India are profitable, the government said Thursday. "Putin praised Prime Minister Narendra Modi's India-first policy and the Make in India initiative," the commerce and industry ministry said in a statement.

<https://economictimes.indiatimes.com/news/economy/policy/putin-expresses-interest-in-setting-up-manufacturing-in-india-hails-india-first-policy/articleshow/116018530.cms>

#### **India's exports to Bangladesh dip amid 'volatile' situation**

The political turmoil in Bangladesh has slowed down exports of gem and jewellery, imitation jewellery, engineering goods and oilmeals from India. The raw cotton, cotton yarn and textiles exporters are facing delays in payments, even though the buyers are depositing payments in local currency Bangladeshi Taka. However, due to dollar shortage, banks are finding it difficult to convert Taka into dollars, resulting in payment delays.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-exports-to-bangladesh-dip-amid-volatile-situation/articleshow/116018143.cms>

#### **India for fast-tracking talks in WTO on special safeguard mechanism**

India has pitched for fast-tracking negotiations in the WTO on special safeguard mechanism (SSM), which would allow developing countries to temporarily raise tariffs on agricultural imports in response to import surges or price drops, an official said. The country flagged the issues during a meeting of a committee on agriculture issues in Geneva on December 4. In the meeting, India emphasized on the need to prioritize unresolved mandated issues such as a permanent solution to public stockholding, SSM, and cotton, treating them as standalone issues.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-for-fast-tracking-talks-in-wto-on-special-safeguard-mechanism/articleshow/116008799.cms>

#### **India, Pak join hands at WTO against attempt for facilitator-led farm talks**

India, Sri Lanka and Pakistan have raised concerns at the World Trade Organization (WTO) on attempts to appoint facilitators to oversee the resumption of the stalled agriculture negotiations. At a meeting of the committee on

agriculture on Wednesday, India rejected the facilitator-led approach, which is based on "convergence" instead of the WTO's tenet of consensus, and said that trust deficit is a major reason for agriculture talks not moving forward. Under the proposed facilitator-led process, facilitators appointed by the chair of the agriculture negotiations would guide the discussions on various topics. New Delhi believes that such a process undermines ministerial mandates. <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-pak-join-hands-at-wto-against-attempt-for-facilitator-led-farm-talks/articleshow/116018644.cms>