



December 13, 2024 – Friday

Economy

November retail inflation eases to 5.48%

The Consumer Price Index (CPI)-based retail inflation slowed to 5.48 per cent in November from a 14-month high of 6.21 per cent in October, indicating persistent price pressures across sectors, data released by the Ministry of Statistics and Programme Implementation (MoSPI) said on Thursday. The data shows higher inflation in rural areas at 5.95 per cent, compared to 4.83 per cent in urban regions.

https://www.business-standard.com/economy/news/nov-retail-inflation-eases-to-5-48-industrial-output-grows-3-5-in-oct-124121200751_1.html

India's industrial production grows 3.5% in October

India's industrial output, measures by the Index of Industrial Production (IIP) rose 3.5 per cent in October 2024, up from 3.1 per cent the previous month, official data released on December 12 showed. Manufacturing output rose 4.1% year-on-year in October, electricity generation grew 2% and mining activity was up 0.9%, the data showed. The sectors had grown by 10.6%, 20.4% and 13.1%, respectively, from a year ago. In the April-October period, industrial output increased by 4%, compared to a revised 7% from a year earlier. On a year-on-year basis, however, October IIP was a significant climbdown from the same month a year ago when it hit 11.9%.

<https://economictimes.indiatimes.com/news/economy/indicators/iip-grows-3-5-in-october-up-from-3-1-a-month-ago/articleshow/116251702.cms>

India's outward FDI halves to \$2.28 billion in November, shows RBI data

India's outward foreign direct investment (FDI) commitments almost halved to \$2.28 billion in November 2024, from \$4.17 billion in November 2023. Sequentially, it also declined from \$3.43 billion in October 2024, according to data from the Reserve Bank of India (RBI). Outbound FDI, expressed as a financial commitment, comprises three components: equity, loans, and guarantees. Equity commitments fell to \$743.29 million in November 2024, compared with \$1.2 billion a year ago and \$783.5 million recorded in October 2024. Debt commitments rose sharply to \$967.7 million in November 2024, up from \$179.2 million in November 2023. However, outward debt FDI was lower than the \$1.3 billion in October 2024.

https://www.business-standard.com/finance/news/india-s-outward-fdi-halves-to-2-28-billion-in-november-shows-rbi-data-124121201003_1.html

Expect economic growth of 6.5-7 pc this fiscal; pick up in private investment: FICCI President

Terming the 5.4 per cent GDP growth in the second quarter as a "temporary phenomena", FICCI President Harsha Vardhan Agarwal on Thursday said the industry body expects India to achieve 6.5-7 per cent economic growth in the current financial year, while projecting a pick up in private investment. In an interview to PTI, Agarwal, who is also the Vice Chairman & Managing Director of Emami Ltd, said the RBI needs to manoeuvre a "tight-rope balancing act" between inflation and economic growth, as he opined that the central bank has been doing a prudent job. Notably, the FICCI President shared that he sees "less of a challenge" for India once the Donald Trump-led administration in the US assumes office next month. "Geo-politically now every country is working towards a policy where the primary

focus is their interest, their countries' interest which comes first. But yes, going forward we see less of a challenge for India particularly because a lot of the challenges, what Trump is saying regarding the tariffs etc., might be more for countries like Mexico, China etc.

<https://economictimes.indiatimes.com/news/economy/indicators/expect-economic-growth-of-6-5-7-pc-this-fiscal-pick-up-in-private-investment-ficci-president/articleshow/116253798.cms>

India needs \$2.2 trn investment to be \$7 trn economy by 2030: Knight Frank

India will require an investment of \$2.2 trillion for infrastructure development to become \$ 7 trillion economy by 2030, Knight Frank India said on Thursday, while stressing on the need of radical measures to encourage private participation in this area. Real estate consultant Knight Frank India released a report, 'India Infrastructure: Reviving Private Investments', which mentioned that "an estimated investment of \$2.2 trillion into infrastructure development is imperative to support India's GDP size to expand to \$ 7 trillion by 2030."

https://www.business-standard.com/economy/news/india-needs-2-2-trn-investment-to-be-7-trn-economy-by-2030-knight-frank-124121200422_1.html

Finance

Bank deposits went up in line with credit growth in year to Nov

Banks' deposit mobilisation from the public increased 10.6% between November 2023 and November 2024, in tandem with credit growth, latest Reserve Bank of India (RBI) data showed. Term deposits and demand deposits also clocked double-digit growth in the same period. This is a result of banks' relentless effort to mobilise deposits and a fall in credit expansion, especially in the retail side, following the concerns raised by the regulator on the possible overheating. "Overall, a better balance is emerging between deposit and credit growth, with the incremental credit-deposit ratio falling to more normal levels from stratospheric heights earlier," RBI said in its state of economy report last month.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-deposits-went-up-in-line-with-credit-growth-in-year-to-nov/articleshow/116265278.cms>

GNPA of PSBs declines to 3.12% in Sep from 14.58% in March 2018: FinMin

Gross non-performing assets (NPAs) of public sector banks (PSBs) have declined to a decade low of 3.12 per cent at the end of September 2024 from a peak of 14.98 per cent in March 2018 on the back of measures like the 4Rs -- recognition, recapitalisation, resolution, and reform -- taken by the government, the finance ministry said on Thursday. Since 2015, the government implemented a comprehensive 4Rs strategy of recognising NPAs transparently, resolution and recovery, recapitalising PSBs, and reforms in the financial system to address the challenges faced by PSBs, it said.

https://www.business-standard.com/finance/news/gnpa-of-psbs-declines-to-3-12-in-sep-from-14-58-in-march-2018-finmin-124121200899_1.html

Centre seeks Parliament approval for extra Rs 86,730 crore spending in FY25

The Centre on Thursday (December 12) requested parliamentary approval for an additional gross expenditure of Rs 86,730 crore during the current financial year, according to the finance ministry. The net additional spending, as stated by the government, amounts to Rs 44,183 crore for the financial year ending March 31. The remaining amount will be managed through reallocation of resources, according to a Reuters report. The request comes in the wake of a significant economic slowdown, with India's GDP growth for the second quarter (July-September) plummeting to 5.4 per cent — the lowest level since the third quarter of FY23, as per data released by the National Statistics Office (NSO) on November 29.

https://www.business-standard.com/economy/news/centre-seeks-parliament-approval-for-extra-rs-86-730-crore-spending-in-fy25-124121200605_1.html

Retailers urge FinMin and GST Council not to go for higher 35% tax rate

Indian Sellers Collective, an umbrella body of trade associations and sellers across the country, has urged the finance minister and the GST Council not to accept some of GST rate rationalisation suggestions, including the proposal for inclusion of a special rate of 35 per cent on some products. The sellers body is of the view that a fifth GST slab of 35

per cent on demerit goods such as aerated beverages, cigarettes and tobacco, and pricing-based rate structure will materially and fundamentally alter the country's GST framework with devastating outcomes.

https://www.business-standard.com/economy/news/retailers-urge-finmin-and-gst-council-not-to-go-for-higher-35-tax-rate-124121200549_1.html

Insurance sale at parent banks worries regulator

The Insurance Regulatory and Development Authority of India (Irdai) is concerned over insurers' heavy dependence on parent banks for bancassurance sales and may come up with regulations to address it, according to sources. The regulator may ask life insurers to diversify their bank partnerships, curbing the dominance of parent banks, which in some cases contribute over 90% of total sales for their insurance subsidiaries.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/insurance-sale-at-parent-banks-worries-regulator/articleshow/116264961.cms>

Industry

Govt announces formula for classifying green steel based on emissions

India's steel ministry on Thursday announced a formula for defining 'green steel,' classifying it under three categories based on the quantity of carbon emissions per metric tonne of the alloy produced. Steel produced with carbon dioxide emissions of less than 2.2 tonne per tonne of finished steel would be defined as "green steel," a ministry presentation released in New Delhi showed. Steel produced with emissions below 1.6 tonnes per tonne of alloy would be classified as "five-star green-rated steel," the cleanest of the three.

https://www.business-standard.com/industry/news/govt-announces-formula-for-classifying-green-steel-based-on-emissions-124121200573_1.html

Domestic steel capacity utilisation to hit four-year low, says ICRA

Capacity utilisation of the domestic steel industry in FY2025 is poised to slip below 80 per cent for the first time in four years as cheap imports nibble at market share, ICRA said in its latest note on the steel sector. The credit rating agency noted that the fresh upcoming capacity addition plan of 90-95 million tonne per annum (mtpa), entailing investments of \$45-50 billion, could be at risk of a slowdown unless earnings of domestic steel mills inch up from prevailing levels.

https://www.business-standard.com/industry/news/domestic-steel-capacity-utilisation-to-hit-four-year-low-says-icra-124121200825_1.html

Auto component industry grows 11% to Rs 3.32 trillion in Apr-Sep: Acma

The automotive components industry grew 11 per cent year-on-year to Rs 3.32 lakh crore in the first half of the current fiscal, industry body ACMA said on Thursday. The turnover of the automotive component industry in the April-September period of last fiscal stood at Rs 2.98 lakh crore. "With vehicle sales across all segments reaching pre-pandemic levels and despite geopolitical challenges on the exports front, the auto components sector witnessed a steady growth in both domestic and international markets in the first half of FY2024-25," Automotive Component Manufacturers Association of India (ACMA) President Shradha Suri Marwah said.

https://www.business-standard.com/industry/auto/auto-component-industry-grows-11-to-rs-3-32-trillion-in-apr-sep-acma-124121200746_1.html

FMCG companies count on urban revival by FY26

Domestic consumer goods companies expect market growth rates to improve by FY26 as the urban slowdown pangs may subside by then, executives at top FMCG firms said. Companies also expect mid-single digit price-led growth to drive the overall topline growth. This would come after multiple quarters of pricing decline due to benign commodity costs on the non-food front in the current fiscal. "FY26 should be better than FY25 as the overall consumer goods market is likely to stabilise, especially in urban areas, as slowdown concerns reduce. There is likely to be some pain visible in the December and March quarters of FY25 as demand has been weak. After that, market growth rates, both in FMCG as well as paints, should improve, led by urban and rural areas," Abhijit Roy, MD & CEO, Berger Paints, said.

<https://www.financialexpress.com/business/industry/fmccg-companies-count-on-urban-revival-by-fy26/3689685/>

Malls feel the chill as brands start winter sale early

Malls are concerned over some retailers making an early start to end of season sale (EOSS) this year instead of waiting for all brands to go on sale together. Early start of sale impacts mall revenues as they tend to operate on a revenue-sharing model with retailers. Some retailers have started their respective sales even before the onset of peak winter, triggering some mall operators to write to the retailers requesting them to delay their sales.

<https://economictimes.indiatimes.com/industry/services/retail/malls-feel-the-chill-as-brands-start-winter-sale-early/articleshow/116262954.cms>

Infrastructure

Airports may hike capex to Rs 60,000 crore in 3 years

Indian airports are expected to raise total capex spending to ₹60,000 crore over the next three years through FY27 from ₹53,000 crore in FY22 to FY24, in a bid to expand infrastructure to cater to about 65 million additional passengers a year, according to Crisil. In the report released Thursday, the rating agency said 70% of the fresh capex is expected to be funded through debt, adding that its estimates are based on a study of 11 private airports that contributed about 60% of total passenger traffic in FY24.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/airports-may-hike-capex-to-rs-60000-crore-in-3-years/articleshow/116263011.cms>

Telecom

India's 6G technology ambitions run into funding challenges

India's ambition to own at least a tenth of 6G technology patents globally looks challenging as the country has yet to secure billions of dollars in funding for 6G research and upgrade existing 4G/5G networks to support the sixth-generation wireless broadband technology, analysts and industry experts said. Top industry executives have decried the government's modest ₹1,100 crore FY25 budgetary allocation, amounting to 0.03% of the GDP, for telecom-related R&D, including allocations towards the IndiaAI Mission and design-linked incentive scheme. They termed it an unrealistic and feeble attempt to aspire for leadership on the global 6G stage.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/indias-6g-technology-ambitions-run-into-funding-challenges/articleshow/116264927.cms>

Healthcare

Respiratory drug sales surge as pollution, monsoon drive higher demand

Sales of respiratory therapy drugs saw rapid growth in the last four months in the domestic market, driven by increased demand for asthma, chronic obstructive pulmonary disease (COPD), and cough and cold subgroups, according to medical experts and industry insiders. In November, for example, respiratory drug sales grew by 7.6 per cent over October. According to data from market research firm Pharmarack, while the therapy area was witnessing a drop in sales figures until June 2024, the onset of monsoon and the infection season led to a surge from July onwards. Sales in the respiratory therapy area were recorded at Rs 1,591 crore in January this year, before falling to Rs 989 crore in June 2024, and have since increased every month. While the respiratory market only rose 2.7 per cent year-on-year (Y-o-Y) in November 2024, the therapy area saw a 7.6 per cent growth over October.

https://www.business-standard.com/industry/news/respiratory-drug-sales-surge-as-pollution-monsoon-drive-higher-demand-124121200726_1.html

External

Edible oil import up 39% in Nov on higher shipment of crude oils: SEA

India's edible oil import rose 38.5 per cent to 15.9 lakh tonne in November mainly due to sharp jump in shipments of crude sunflower oil and crude soyabean oil, according to industry data. On Thursday, Solvent Extractors' Association of India (SEA) released the data of import of vegetable oil (edible and non-edible) for November. As per

the data, import of vegetable oils during November, the first month of the 2024-25 oil marketing year, rose 40 per cent to 16,27,642 tonne compared to 11,60,590 tonne a year ago.

https://www.business-standard.com/economy/news/edible-oil-import-up-39-in-nov-on-higher-shipment-of-crude-oils-sea-124121200473_1.html

Safeguard duty on steel imports under consideration

A plan to impose safeguard duty on steel imports is on, but the government will also address the concerns of the user industry, while taking a final call, steel minister H D Kumaraswamy said on Thursday. The minister unveiled Indian standards for green steel and hinted at incentives for the producers to encourage its production. In government procurement, green steel may get preferential treatment.

<https://www.financialexpress.com/business/industry/safeguard-duty-on-steel-imports-under-consideration/3690374/>

FTA talks with UK to resume by Jan-end

The negotiations on the free trade agreement with the United Kingdom will resume by the end of January after remaining suspended since May this year because of elections in both the countries, a senior official said Thursday. "The firm date of the next round of talks has still not been communicated by the UK so far," the official who did not wish to be named said. He also said that the statements by US President-elect Donald Trump on additional tariffs on imports from Canada, Mexico and China could result in gains for India. The FTA negotiations between India and UK were launched in January 2022 and since then 14 rounds of talks have been held between officials of both sides. With the UK various rounds of negotiations have been long drawn. Last few rounds of talks have extended for months, sometimes with breaks.

<https://www.financialexpress.com/business/industry/fta-talks-with-uk-to-resume-by-jan-end/3690535/>

Trade talks with EU need political direction for meaningful deal: Govt

India and the EU are working towards a balanced, ambitious, comprehensive and mutually beneficial free trade agreement (FTA) and the talks need political directions to reach a commercially meaningful deal while understanding each other's sensitivities, the government said Thursday. The pact came up for discussion during an interaction between commerce and industry minister Piyush Goyal and ambassadors of the European Commission delegation. "The FTA negotiations, after nine rounds of intense engagement, need political directions to arrive at a commercially meaningful deal while understanding the sensitivities of each other," the commerce and industry ministry said in a statement.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/trade-talks-with-eu-need-political-direction-for-meaningful-deal-govt/articleshow/116265426.cms>

India lays stress on 'transition period' for European Union green norms

India has shared a "non-paper", or discussion paper, with the European Union (EU) to convey New Delhi's point of view regarding the disruption that will be created with the implementation of European regulations such as carbon border adjustment mechanism (CBAM), deforestation, and due diligence, among others. As a part of the non-paper — typically an informal document — India has emphasised on the need for a "transition period" before adhering to these regulations, a senior government official told Business Standard. This is because India believes that it is crucial to keep in mind the principle of common but differentiated responsibility and respective capabilities (CBDR-RC), which means that countries should be given responsibility according to their growth potential.

https://www.business-standard.com/economy/news/india-lays-stress-on-transition-period-for-european-union-green-norms-124121200948_1.html