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Economy

Hurt in Covid-19, MSMEs recover slowly as initiatives for them continue

Micro, small and medium enterprises (MSME) are a vital contributor to India's growth, but their share in the economic pie has stagnated over the years despite initiatives for credit access, formalisation and employment. The MSME Ministry has a target of increasing the sector's contribution to the Gross Domestic Product (GDP) to 50 per cent by 2025. It is likely to miss the deadline, as the economic impact of Covid-19 weighs on industries. MSMEs' share in the GDP was 32.2 per cent in FY15 and declined to 30.5 per cent in FY20 (pre-pandemic level). It fell further to 27.3 per cent in FY21 during the pandemic and in FY23 reached 30.1 per cent, a shade below the pre-pandemic level. The change in MSMEs' share in GDP looks tepid compared to how economic sectors are doing before and after the pandemic. Agriculture and allied sectors are faring worse than MSMEs.

https://www.business-standard.com/industry/news/hurt-in-covid-19-msmes-recover-slowly-as-initiatives-for-them-continue-124120600398_1.html

Pharma, FMCG, oil and gas lead hiring for AI/ML roles

Pharmaceuticals, FMCG, and oil and gas were among the top hirers for niche profiles like artificial intelligence/machine learning (AI/ML), cybersecurity, cloud computing, data science and big data analytics and blockchain in 2024. Due to the increasing demand for these profiles, and the shortage of experienced talent, companies led by GCCs (global capability centres) paid up to 30% higher salaries for these profiles, bringing the average pay appreciation to around 20% over 2023, staffing experts said.

<https://www.financialexpress.com/business/industry/pharma-fmcg-oil-and-gas-lead-hiring-for-aiml-roles/3692277/>

Finance

Home loans drive Indian banks' retail books

The loan book of Indian banks has grown primarily due to a surge in retail borrowings. An analysis of state-wise retail lending data shows borrowings are rising across geographies. The share of states in the bottom half of the market has gone up from 44% of the total borrowings in 2013-14 to 49% in 2023-24. Three states together account for more than half of all retail loans disbursed by banks, show the data.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/home-loans-drive-banks-retail-books/articleshow/116350869.cms>

Banks struggle to meet SEBI's cybersecurity deadline amid new regulations

Overwhelmed by a thicket of demanding rules, banks will miss the January 1 deadline set by the capital market regulator to put in place a cybersecurity framework. Last week, several banks, particularly the multinational lenders offering custody and investment banking services, asked the Securities & Exchange Board of India (SEBI) for more time to implement the onerous measures that involve frequent software audit, challenges of dealing with IT firms providing the services, fast response time in case of disruptions, formation of an internal panel with independent

expert to make sure the rules are being followed, along with a slew of time-defined reporting requirements among other things.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-struggle-to-meet-sebis-cybersecurity-deadline-amid-new-regulations/articleshow/116345301.cms>

India Inc raises record Rs 1.21 lakh crore via QIPs till Nov in 2024

Fundraising through qualified institutional placements (QIPs) reached an all-time high in 2024, surpassing the Rs 1 lakh crore-mark for the first time ever in a calendar year, fuelled by strong stock market conditions and higher valuations. Indian companies have raised Rs 1,21,321 crore through QIPs till November, according to data compiled by Prime Database. This represents a more than two-fold increase compared to the Rs 52,350 crore mobilised in the previous calendar year. The sharp increase showed market resilience has been a key factor driving this growth as companies will continue to garner capital through Qualified Institutional Placements (QIPs), analysts said.

<https://economictimes.indiatimes.com/news/company/corporate-trends/india-inc-raises-record-rs-1-21-lakh-core-via-qips-till-nov-in-2024/articleshow/116342027.cms>

Industry

India's cement sector sees a concrete 2024 with over 10 major deals

With over 10 deals announced in 2024, the cement sector logged the highest number of pacts, including acquisitions and fresh financial investments, in a single calendar year since 2014, with the combined value of investments over \$3.5 billion. During the year so far, 11 deals have been announced, according to Bloomberg data. Some of them were led by the top two firms in the cement sector in India- UltraTech Cement and Adani-promoted Ambuja Cements- and were concentrated in the South India market.

https://www.business-standard.com/industry/news/with-over-10-deals-2024-busiest-for-india-s-cement-sector-in-a-decade-124121500369_1.html

Indian tourism sector to double to \$523 years in 10 years: WTTC chief

The Indian tourism sector is expected to double in size to \$ 523 billion in the next 10 years, according to World Travel and Tourism Council (WTTC) President and CEO Julia Simpson. WTTC works with governments on issues of the travel and tourism industry, and is the global authority on the economic and social contribution of the sector. The travel and tourism sector employs 45 million people in India, and is going to double in its value. In 10 years, the sector is going to be worth \$ 523 billion in India, more than double the present size of \$ 256 billion, Simpson told PTI in an interview.

https://www.business-standard.com/industry/news/indian-tourism-sector-to-double-to-523-years-in-10-years-wttc-chief-124121500154_1.html

Indian firms see revenue surge in FY24, but employee wage growth slows: SBI Report

Around 4,000 listed companies in India reported a 6 per cent growth in revenue or gross sales during the financial year 2024, according to a report by the State Bank of India (SBI). While the growth in revenue was moderate, the earnings before interest, taxes, depreciation, and amortization (EBIDTA) and profit after tax (PAT) saw a robust increase of 28 per cent and 32 per cent, respectively. It said, "Around 4000 listed entities reported 6 per cent growth in top line in FY24, while EBIDTA and PAT grew by 28 per cent and 32 per cent, respectively. However, Employee expenses grew by only 13 per cent in FY24 as compared to 17 per cent in FY23".

<https://www.thehindubusinessline.com/companies/indian-firms-see-revenue-surge-in-fy24-but-employee-wage-growth-slows-sbi-report/article68990673.ece>

Agriculture

Shifting from soyabean to maize poses challenge for Oilseeds Mission to succeed

There was an increase in maize area this kharif season, but it also seems to have an unintended impact on oilseeds area in some states as farmers seem to be moving towards a new evolving 'cash crop' which was so far only known as a coarse cereal. But, experts feel that there needs to be proper crop planning to make sure that the recently rolled out National Oilseeds Mission becomes a success.

<https://www.thehindubusinessline.com/economy/agri-business/shifting-from-soyabean-to-maize-poses-challenge-for-oilseeds-mission-to-succeed/article68988439.ece>

Infrastructure

Airlines are price takers, don't have influence on prices they pay: IATA

Airlines are price takers as they do not have an influence on the prices they pay, IATA Chief Economist Marie Owens Thomsen has said and highlighted that carriers' need to diversify their revenues is complicated by slim profit margins as well as weak balance sheets. In a fast-growing aviation market like India where the air traffic demand is on the rise, there are persistent concerns about airfare trajectory and suggestions from various quarters to make air tickets more affordable. Discussing overall airfares and the costs of airlines, Thomsen said airlines do not have any influence on the prices they pay.

https://www.business-standard.com/industry/news/airlines-are-price-takers-don-t-have-influence-on-prices-they-pay-iata-124121500263_1.html

Energy

Coal imports rise 4% to 162 million tonnes in April-October period

The country's coal import rose by 4.2 per cent to 162.45 million tonnes (MT) in the April-October period of the current financial year compared to 155.87 MT in the year-ago period. Coal imports in October dropped by 14.4 per cent to 21.84 MT compared to 25.54 MT in the corresponding month of the previous fiscal, according to data compiled by mjunction services, a B2B e-commerce platform. Of the total imports in October, non-coking coal imports stood at 13.49 MT against 18.82 MT imported in October last fiscal. Coking coal imports stood at 4.45 MT, against 4.31 MT imported in October last financial year. In September, non-coking coal imports were 13.24 MT and coking coal at 3.39 MT.

https://www.business-standard.com/industry/news/coal-imports-rise-4-to-162-million-tonnes-in-april-october-period-124121500127_1.html

Telecom

Chinese Internet of Things (IoT) modules on govt's radar now

One crucial component of the telecom network equipment has so far escaped India's stringent security checks of imports from China: Internet of Things modules that allow IoT devices to communicate wirelessly with the network. New Delhi is now trying to plug the loophole by bringing in a mandate for such modules similar to that for the other segments of telecom equipment, as Chinese suppliers have had a virtually free run in the Indian market for these components due to their cheaper prices. Market tracker Counterpoint Research estimates that Chinese vendors such as Quectel, Neoway and Simcom currently dominate the IoT module market in India with a volume share of more than 80%, beating off competition from global players such as Mediatek and Qualcomm. The only non-Chinese company with a notable share in India is US-based Telit Cinterion, according to the research firm.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/chinese-internet-of-things-iot-modules-on-govts-radar-now/articleshow/116343934.cms>

Tech firms say using centralised blockchain to control spam impossible for OTTs

Technology companies have rejected telecom operators' demand to bring OTT messaging channels like Meta's WhatsApp and Google RCS under the centralised blockchain system and regulate them to check spam, saying it wasn't technically possible. The telcos' call to look at anti-spam measures through the prism of regulation was flawed and overlooked the need for innovation to check the menace, they said. Instead of pressing regulators to bring apps such as WhatsApp and RCS under regulation, telecom companies should focus on investing in innovation to bring down their own compliance costs, they suggested.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/tech-firms-say-using-centralised-blockchain-to-control-spam-impossible-for-otts/articleshow/116343977.cms>

States

Bihar sees over 3,800 industrial investment proposals, fueling rapid growth and development

Bihar has received more than 3,800 proposals for setting up factories since launching its Industrial Investment Promotion Policy in 2016, a major factor driving the state's rapid industrial development, according to Chief Secretary Amrit Lal Meena. The Bihar Industrial Investment Promotion Policy, 2016, offers a variety of incentives, including interest subvention, state GST reimbursement, stamp duty waivers, export subsidies, and concessions on transportation, power, and land fees. In addition, a State Investment Promotion Board was established to review and approve investment proposals, further simplifying the process for investors.

<https://www.financialexpress.com/business/industry-bihar-sees-over-3800-industrial-investment-proposals-fueling-rapid-growth-and-development-3691759/>

Healthcare

ICMR sets up India's first diabetes biobank in Chennai

The country's first diabetes biobank, a repository of population-based biological samples aimed at supporting scientific research, has been established in Chennai by the Indian Council of Medical Research (ICMR) in collaboration with the Madras Diabetes Research Foundation (MDRF). The biobank set up at the MDRF, Chennai aims to gather, process, store and distribute biospecimens to assist scientific studies with the permission of the ICMR. The biobank will facilitate advanced research on the causes of diabetes, the variations of the Indian type of diabetes and related disorders, said Dr V Mohan, chairman of the MDRF and Dr Mohan's Diabetes Specialities Centre.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/icmr-sets-up-indias-first-diabetes-biobank-in-chennai/articleshow/116335976.cms>

External

Govt aims to secure Russian crude oil term deal by next financial year

The government plans to strengthen ongoing efforts to secure a term deal for crude oil purchase from Russia by the next financial year, petroleum ministry sources said. Russian state oil firm Rosneft's recent deal to supply record volumes of crude oil to Reliance Industries (RIL) shows the time is right to strike a major deal with the country, they added. A joint front of state-owned refiners are discussing crude oil purchase from Russia under a term deal, and will be asked to step up talks, sources said. Crude oil from Russia is usually purchased on spot prices, while long-term contracts are usually reserved for crude from India's traditional import sources in West Asia. Spot purchase allows refineries to secure different grades of oil, otherwise unavailable.

https://www.business-standard.com/economy/news/govt-aims-to-secure-russian-crude-oil-term-deal-by-next-financial-year-124121500440_1.html

India's smartphone exports breached Rs 20K crore mark in November

Breaking all previous records, smartphone exports from India have, for the first time, breached the Rs 20,000 crore mark in a single month, according to data submitted by companies and figures compiled from industry associations. Smartphone exports in November reached Rs 20,395 crore, representing a staggering 92 per cent increase over the same month last year, when the figure was Rs 10,634 crore. Leading the pack were Apple iPhones, followed by South Korean giant Samsung. Together, they accounted for the lion's share of November's exports. Queries sent to Apple Inc and Samsung India did not elicit any response.

https://www.business-standard.com/industry/news/india-s-smartphone-exports-breached-rs-20k-crore-mark-in-november-124121500574_1.html

India seeks stronger WTO subsidy regulations for high seas fishing

India has pitched at the WTO for stricter regulations on subsidies granted by countries that are engaged in high seas fishing activities, an official said. Highlighting the stark disparity, an Indian document submitted at the World Trade Organization (WTO) has noted that it provides a modest \$35 per fisher annually, compared to subsidies as high as \$76,000 per fisher per year in some European nations. India also suggested that historical subsidisers should seek permission of the Committee on Fisheries Subsidies for grant of subsidies in future. The country has made these remarks in the meetings of the Negotiating Group on Rules (Fisheries subsidies), which are going on in Geneva.

https://www.business-standard.com/india-news/india-seeks-stronger-wto-subsidy-regulations-for-high-seas-fishing-124121500251_1.html

Good deal can be lost while chasing best: Portugal foreign minister on India-EU FTA

Portugal has been a big champion of the proposed India-EU FTA since the launch of negotiations and the two entities should focus on getting a 'good deal' instead of focusing their energy on achieving the 'best deal', visiting Portuguese foreign minister Paulo Rangel told ET. "There is a saying in Portugal that 'best' is the enemy of good. The goal should be working towards a good deal as a good deal can be lost while chasing the best. We should focus on a faster, simpler and pragmatic deal," the minister noted. Rangel mentioned that Portugal has been the frontrunner in supporting India-EU FTA which has geo-economic and geo-political implications. The minister in this context referred to the EU-MERCOSUR FTA which has opened up huge opportunities between the EU and Latin America.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/good-deal-can-be-lost-while-chasing-best-portugal-foreign-minister-on-india-eu-fta/articleshow/116343964.cms>

Swiss withdrawal of MFN status to India won't have immediate impact on trade: Officials

Switzerland's decision to suspend the most favoured nation (MFN) treatment for India under their double-taxation avoidance agreement (DTAA) from January 1 is unlikely to have any immediate impact on trade, officials said. Experts have expressed apprehensions over the withdrawal of MFN impacting investment flows under the European Free Trade Association (EFTA). India has the option of remedial actions, such as partial withdrawal of tariff concessions under the free trade deal recently inked with EFTA nations, if the bloc fails to meet its investment commitments.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/swiss-withdrawal-of-mfn-status-to-india-wont-have-immediate-impact-on-trade-officials/articleshow/116344046.cms>

Mexico, Canada, ASEAN gained more from US-China trade war than India: GTRI

Canada, and 10-nation Southeast Asian bloc ASEAN benefited more from the US-China trade war than India, economic think tank GTRI said in a report. It said that India has to strengthen its local supply chains and produce critical intermediates to reduce reliance on China, while improving cost efficiency and ease of doing business to enhance competitiveness of domestic industries and increase exports to the US. "Key beneficiaries of the trade war included Mexico, Canada, and ASEAN nations, which collectively accounted for 57 per cent of the growth in US imports. India also emerged as a significant gainer, with exports to the US rising by USD 36.8 billion, driven by sectors like electronics, pharmaceuticals, and engineering goods," GTRI Founder Ajay Srivastava said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/mexico-canada-asean-gained-more-from-us-china-trade-war-than-india-gtri/articleshow/116335546.cms>