



December 09, 2024 – Monday

## Economy

### **NSO to unveil 1st private capex survey in March amid investment push**

The National Statistics Office (NSO) is set to release the results of the first private sector capital expenditure (capex) survey in March, as the government nudges the private sector to ramp up investments to drive economic growth, said a government official. The survey tracks the annual capex by the private sector by compiling information on the projected capital investment for the next two years, in addition to capital expenditure in the past three years. The survey uses the company's database from the Ministry of Corporate Affairs (MCA) for the purpose. "The inaugural edition of the survey started in October and is expected to be completed by January next year. Since it is an inaugural edition, we will have robust data checks to ensure consistency in results. The results will be out by March, soon after advance estimates are made public," said the official privy to the development.

[https://www.business-standard.com/economy/news/nso-to-release-inaugural-private-sector-capex-survey-results-in-march-124120800417\\_1.html](https://www.business-standard.com/economy/news/nso-to-release-inaugural-private-sector-capex-survey-results-in-march-124120800417_1.html)

### **India set to become \$30 trillion-economy by 2047: Dharmendra Pradhan**

Union Education Minister Dharmendra Pradhan has asserted that India will become a US\$ 30 trillion-economy by 2047. Delivering a lecture at the concluding function of XLRI-School of Management's year-long platinum jubilee celebration here on Saturday, Pradhan said that India, the fastest-growing global economy, is currently in the fifth position and will bag the third spot in the next three years. "The world didn't even count India on the economic front when XLRI came into being 75 years ago. Today, we are the fastest-growing economy and fifth-largest economy in the world, with a size of US 3 trillion. We will be the third-largest economy in the next three years at US\$ 5 trillion. Our economy will grow to US\$ 30 trillion by 2047," he said.

[https://www.business-standard.com/economy/news/india-set-to-become-30-trillion-economy-by-2047-dharmendra-pradhan-124120800174\\_1.html](https://www.business-standard.com/economy/news/india-set-to-become-30-trillion-economy-by-2047-dharmendra-pradhan-124120800174_1.html)

## Finance

### **Banks unlikely to offer higher deposit rates after CRR cut**

Banks are unlikely to offer savers higher rates for fresh deposits as credit growth moderation and last week's cut in the cash reserve ratio (CRR) should ensure the lenders have sufficient liquidity to meet financing demand until the end of FY25. Bankers said slower credit growth has narrowed the gap between credit and deposits. Additionally, the ₹1.16-lakh-crore liquidity infusion through a lower CRR threshold will prevent deposit rates from climbing.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-unlikely-to-offer-higher-deposit-rates-after-crr-cut/articleshow/116113524.cms>

### **Need to go beyond 'band-aid' to address liquidity: Economists**

The Reserve Bank of India (RBI) will have to infuse more liquidity into the banking system through additional measures as the expected impact of the 50-basis-point cash reserve ratio (CRR) cut announced Friday will likely wane within a few months, economists said. The central bank will likely use other liquidity instruments, like open market operations (purchases), foreign exchange swaps, and long-term variable rate repo auctions (VRR), they said.

<https://economictimes.indiatimes.com/news/economy/finance/need-to-go-beyond-band-aid-to-address-liquidity-economists/articleshow/116114592.cms>

#### **Banks wary of family trusts' large 'gifts' to NRI members**

Several banks are blocking transfer of earnings and shares by family trusts, set up for succession planning, to the NextGen members who have settled abroad, distancing themselves from family businesses in India to chase their own dreams. Banks suspect that some trusts are acting as a subterfuge for the patriarch in India to overcome the limits laid down by the Reserve Bank of India (RBI) on the amount of cash and stock that a resident can give as gifts to a non-resident.

<https://economictimes.indiatimes.com/news/economy/policy/banks-wary-of-family-trusts-large-gifts-to-nri-members/articleshow/116112787.cms>

#### **Eye on cybersecurity, PSBs told to conduct hackathons annually**

The finance ministry has asked public sector banks (PSBs) to conduct annual hackathons in association with the Indian Institutes of Technology (IITs), universities and science institutions. It is part of an initiative to develop and encourage new initiatives in the fintech sector and strengthen cybersecurity, said a government official, adding that each PSB will conduct a hackathon in one location every year, selecting one institute or university.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/eye-on-cybersecurity-psbs-told-to-conduct-hackathons-annually/articleshow/116113143.cms>

#### **Cash still has demand in times of digital push**

Even as digital payments touch fresh peaks every month, cash still continues to have loyal users. Reserve Bank of India (RBI) data on currency in circulation shows that it has been a roller coaster ride for cash demand this year. It rose sharply during elections and festivals and fell at the same pace subsequently. An ET analysis shows that cash demand went up by Rs 87,000 crore from the date the Lok Sabha elections were announced in mid-March until the last phase of the election in the first week of June. Then, they fell by Rs 84,000 crore until end September.

<https://economictimes.indiatimes.com/news/economy/finance/cash-still-has-demand-in-times-of-digital-push/articleshow/116111250.cms>

#### **Central banks surge in gold purchases: India leads with 27 tonnes in October**

The October gold purchase by the Central banks across the globe doubled that of the 12-month average with the Reserve Bank of India (RBI) leading both y-t-d purchases and those reported during the month, according to a report released by the World Gold Council. India added 27 tonnes of gold in October, bringing its total gold purchases to 77 tonnes y-t-d. India's y-t-d net buying represents a five-fold increase on its 2023 activity. Emerging market central banks continued to dominate the market with Turkey and Poland adding 72 tonnes and 69 tonnes y-t-d to their gold reserves respectively. These three central banks alone account for 60% of total global net purchases reported this year.

<https://economictimes.indiatimes.com/news/economy/indicators/central-banks-surge-in-gold-purchases-india-leads-with-27-tonnes-in-october/articleshow/116097355.cms>

#### **Limited appetite raises questions on insurance FDI growth projections**

Amid reports that a Bill to raise the foreign investment cap in the insurance sector to 100 per cent could be introduced in Parliament either in this session or the next, government data reveals that companies have utilised only 32.67 per cent of the current 74 per cent foreign direct investment (FDI) limit, indicating limited demand for such capital. Data as of March 31, 2024, shows that of the total paid-up capital of Rs 96,016.54 crore in the sector, only Rs 31,365.57 crore was FDI. If the government-owned LIC and the four general insurers were excluded, the share would rise slightly to 36.56 per cent. Many commentators argue that higher FDI will provide the necessary capital for insurance companies to expand, but the data does not support this assumption.

[https://www.business-standard.com/economy/news/limited-appetite-raises-questions-on-insurance-fdi-growth-projections-124120800411\\_1.html](https://www.business-standard.com/economy/news/limited-appetite-raises-questions-on-insurance-fdi-growth-projections-124120800411_1.html)

#### **NBFCs raise funds via ECB route as banks tighten loan pipeline**

As banks become wary of extending loans to non-banking finance companies (NBFCs), top-rated private and government owned NBFCs have tapped the external commercial borrowing (ECB) market for raising funds, senior bankers say. Earlier this week, Girish Kousgi, PNB Housing Finance MD, said the housing financier could raise \$100 million-\$125 million each in two tranches by FY25 end. "We are planning for two more ECBs because it comes at a lower cost compared to bank borrowing. It (each issuance) would be around \$100 to \$125 million (in size). If we get good rate, we might do two more before March 2025," he said. Separately, NBFC major Shriram Finance has plans to raise up to \$1.5 billion from the overseas market, whereas Muthoot Finance has received the Reserve Bank of India's (RBI) approval to raise \$1 billion through ECBs, after having raised \$600 million earlier this year via the same route, MD George Alexander Muthoot said.

<https://www.thehindubusinessline.com/money-and-banking/nbfc-raise-funds-via-ecb-route-as-banks-tighten-loan-pipeline/article68961939.ece>

#### **GIFT IFSC may become hub for private credit funds**

GIFT IFSC may become an attractive destination for private credit funds, given the tax and regulatory advantages offered by the financial centre. "The private credit opportunity is large and GIFT City is the ideal place for aggregating international capital, which is why more funds are setting up in the region," said Srini Srinivasan, Managing Director, Kotak Alternate Asset Managers. The RBI circular on evergreening of loans has resulted in a number of private credit funds in India taking a more cautious approach, said experts. This might prompt funds to turn to GIFT IFSC, where the regulatory regime is light touch.

<https://www.thehindubusinessline.com/money-and-banking/gift-ifsc-may-become-hub-for-private-credit-funds/article68962385.ece>

#### **Defaults under EPFO hit all-time high, rise 69.3%**

Defaults under the Employees' Provident Fund Organisation (EPFO) surged to an all-time high of ₹25,820.88 crore at the end of 2023-24, up 69.3% from ₹15,254.06 crore a year ago, showed official data. The latest data showed an increase in defaults by exempted establishments.

<https://economictimes.indiatimes.com/news/india/defaults-under-epfo-hit-all-time-high-rise-69-3/articleshow/116113065.cms>

#### **Industry**

#### **India plans final refinery expansion as electric vehicle era looms**

In what may be the last wave of grassroots refinery projects, the crude oil-refining capacity of state-run companies may go up by 500,000-600,000 barrels per day (bpd) in a little more than 10 years, according to industry executives and government officials. This comes even as New Delhi is struggling to strike a balance between rapidly adopting electric vehicles and bolstering energy security by taking recourse to affordable and more reliable transport fuels. There are plans for three new refineries, which are in addition to the ongoing addition of around 800,000 bpd, around 16 per cent of the current capacity, according to the industry data.

[https://www.business-standard.com/economy/news/india-plans-final-refinery-expansion-as-electric-vehicle-era-looms-124120800433\\_1.html](https://www.business-standard.com/economy/news/india-plans-final-refinery-expansion-as-electric-vehicle-era-looms-124120800433_1.html)

#### **Cars set to get expensive from January as OEMs announce increase in price**

Prices of various car models -- ranging from entry-level hatchbacks to high-end luxury offerings -- are set to rise as automakers have announced price hikes with effect from January. Carmakers cite an increase in input costs and operational expenses as the main reason to implement price increases from the next month. Industry experts, however, note that the exercise is also undertaken by automakers every year in December to shore up sales volume in the last month of the year, as customers postpone buyouts to later months to get the new year manufactured units.

[https://www.business-standard.com/industry/auto/cars-set-to-get-expensive-from-january-as-oems-announce-increase-in-price-124120800248\\_1.html](https://www.business-standard.com/industry/auto/cars-set-to-get-expensive-from-january-as-oems-announce-increase-in-price-124120800248_1.html)

#### **Restaurants body cautions members of aggregator disruption in dine-in space**

The National Restaurant Association of India (NRAI) on Sunday cautioned its 500,000-plus restaurant members on what it termed "dangers" of deep discounting on dining-in, monopolising of payment gateways and data control by aggregators such as Swiggy and Zomato. "Deep discounting has caused significant challenges in food delivery; NRAI warns that similar tactics are being employed to capture the dine-in market," the NRAI said in a detailed advisory, a copy of which was seen by ET. The development could escalate multiple long-standing disputes between India's ₹5.69 lakh crore restaurant sector and food delivery aggregators, which have been clocking healthy growth year-on-year on the back of consumer convenience and last-mile discoverability.

<https://economictimes.indiatimes.com/industry/services/hotels/-/restaurants/restaurants-body-cautions-members-of-aggregator-disruption-in-dine-in-space/articleshow/116113326.cms>

### **From Zara to Nike, H&M, and Levi's, garment makers feel the heat under EU sustainability laws**

Workers in some of the world's biggest garment manufacturing hubs in Bangladesh, Vietnam, and Pakistan are increasingly exposed to extreme heat as climate change pushes temperatures up, a report found on Sunday, a problem multinational retailers and brands will have to help address. New European Union regulations make retailers selling in the bloc, like Inditex, H&M and Nike, legally liable for conditions at their suppliers, putting pressure on them to help fund improvements to cool factories they source from.

<https://economictimes.indiatimes.com/industry/cons-products/garments/-/textiles/from-zara-to-nike-hm-and-levis-garment-makers-feel-the-heat-under-eu-sustainability-laws/articleshow/116120075.cms>

## **Agriculture**

### **Mandi prices of 7 Kharif crops ruled 12-26% below MSPs, only 3 crops commanded higher**

Half of the 14 Kharif crops, for which the government declares the minimum support price (MSP), ruled at least 10 per cent below their respective benchmark rates during October-November, the first two months of the harvesting season. On the other hand, only three crops – tur, sesame and paddy (non-Basmati) -- were seen above MSPs and cotton almost at par.

<https://www.thehindubusinessline.com/economy/agri-business/mandi-prices-of-7-kharif-crops-ruled-12-26-below-msp-only-3-crops-commanded-higher/article68962054.ece>

## **Infrastructure**

### **Rail freight loading slowdown continues; November sees 1.4% growth**

Freight loading on Indian Railways continued to show sluggish growth in November, with the national transporter handling 130 million tonnes (mt) of goods, marking a 1.36 per cent increase compared to the same month last year. Coal, which makes up half of the railway's freight volume, saw a year-on-year (Y-o-Y) growth of 3.4 per cent, reaching 65.5 mt. According to the India Meteorological Department, average temperatures in India in November were 1.05 degrees Celsius above normal, making it the seventh hottest November on record.

[https://www.business-standard.com/economy/news/rail-freight-loading-slowdown-continues-november-sees-1-4-growth-124120800465\\_1.html](https://www.business-standard.com/economy/news/rail-freight-loading-slowdown-continues-november-sees-1-4-growth-124120800465_1.html)

### **Realty rules, land record digitisation push propels proptech**

Policy reforms for the realty sector, including efforts to digitise land records through The Digital India Land Records Modernisation Program (DILRMP) and the implementation of the Real Estate (Regulation & Development) Act, 2016 (RERA) are driving growth of property technology (proptech) in the country. These dual forces of regulatory reforms and technological advancements are helping introduce transparency, trust, and innovation in the sector, long burdened by inefficiencies and lack of accountability, said industry experts.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/revolutionizing-real-estate-how-proptech-and-regulatory-reforms-are-transforming-indias-realty-sector/articleshow/116112938.cms>

## **Energy**

### **Amid solar power row, centre plans to review bidding process**

Amid the controversy over the Adani-Azure solar power deal, the Centre is holding deliberations to review and reassess the current bidding approach for renewable energy projects used by the Ministry of New and Renewable Energy (MNRE) and the Solar Energy Corporation of India (SECI). A possible policy shift - from a Centre-driven bidding process to a state government-led one - is being mulled, ET has learnt. It is gathered that there is a clear view emerging that the Centre and SECI may shift gears and avoid suo moto initiation of large scale power tenders, as has been the case so far.

<https://economictimes.indiatimes.com/industry/energy/power/amid-solar-power-row-centre-plans-to-review-bidding-process/articleshow/116112632.cms>

## States

### **Odisha govt suffered loss of Rs 75 crore excise revenue during COVID pandemic: CAG**

The Comptroller and Auditor General (CAG) unearthed a loss of excise revenue amounting to Rs 75.07 crore due to manipulation of manually maintained sales registers by retail shops of alcoholic beverages in Odisha during the COVID-19 pandemic. In its report, which was placed in the assembly on Saturday, the CAG said that the Odisha Excise Department in May 2020 imposed the Special COVID Fee (SCF), at the rate of 50 per cent of the maximum retail price, on all foreign made foreign liquor, Indian Made Foreign Liquor (IMFL), beer, wine and ready to drink beverages, sold in the state.

<https://economictimes.indiatimes.com/news/economy/finance/odisha-govt-suffered-loss-of-rs-75-crore-excise-revenue-during-covid-pandemic-cag/articleshow/116102391.cms>

### **Following Maharashtra and Gujarat, Tamil Nadu initiates land pooling area development**

Following Maharashtra and Gujarat, Tamil Nadu has initiated 'land pooling area development' to convert unstructured areas into structured layouts. In this process, lands that are scattered here and there are converted into a contiguous parcel, making it easier to provide essential infrastructure like roads.

<https://www.thehindubusinessline.com/news/following-maharashtra-and-gujarat-tamil-nadu-initiates-land-pooling-area-development/article68961611.ece>

## Healthcare

### **AI helping in early cancer detection via genomics solutions, data analytics**

Indian hospitals are increasingly integrating artificial intelligence (AI) into cancer care which aids in early detection, diagnosis accuracy, personalised treatments, and patient outcomes, according to experts. Bengaluru-based Strand Life Sciences, a Reliance Industries subsidiary, partnered with Agilent, Celemics, and SOPHiA Genetics to enhance cancer care through AI. The company said AI improves early melanoma detection by distinguishing benign from malignant skin lesions. In breast cancer, it streamlines mammogram screenings, reduces errors, and boosts efficiency. AI also predicts patient outcomes and optimises resource allocation for better prognosis.

[https://www.business-standard.com/technology/tech-news/ai-helping-in-early-cancer-detection-via-genomics-solutions-data-analytics-124120800429\\_1.html](https://www.business-standard.com/technology/tech-news/ai-helping-in-early-cancer-detection-via-genomics-solutions-data-analytics-124120800429_1.html)

### **Centre steps up on gas to increase 70+ enrollment in Ayushman Bharat**

With over a month since the launch of the expanded Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) to provide insurance cover for those aged 70 and above, the Centre is using enrolment drives and information, education, and communication (IEC) campaigns, along with some help from the ruling Bharatiya Janata Party (BJP)'s machinery, to add beneficiaries under the scheme. This comes as over 2.4 million separate Ayushman Bharat Vaya Vandana cards have been issued since the scheme's launch, making up a modest 4 per cent of the Centre's estimate of 60 million eligible beneficiaries under the scheme.

[https://www.business-standard.com/politics/centre-steps-up-on-gas-to-increase-70-enrollment-in-ayushman-bharat-124120800436\\_1.html](https://www.business-standard.com/politics/centre-steps-up-on-gas-to-increase-70-enrollment-in-ayushman-bharat-124120800436_1.html)

## External

### **India's electronics exports may dominate trade negotiations with US**

Electronic exports, which accounted for over 62 per cent of the increase in India's trade surplus with the US between 2020-21 (FY21) and 2023-24 (FY24), as well as their growing share in overall exports to the country, are expected to be a focal point as India negotiates trade issues with the new US Trump administration, according to sources. During this four-year period (FY21–FY24), India's trade surplus with the US increased by \$12.6 billion, from \$22.7 billion in FY21 to \$35.3 billion in FY24. Electronics exports in the same period increased by \$7.9 billion, from \$2.1 billion to \$10 billion.

[https://www.business-standard.com/economy/news/india-s-electronics-exports-may-dominate-trade-negotiations-with-us-124120800562\\_1.html](https://www.business-standard.com/economy/news/india-s-electronics-exports-may-dominate-trade-negotiations-with-us-124120800562_1.html)

#### **Norway planning to ratify India-EFTA free trade agreement next year**

Norway on Sunday said that it plans to ratify the India-EFTA free trade agreement next year, the commerce and industry ministry said. India and the four-nation EFTA (European Free Trade Association) bloc inked the agreement, officially dubbed as Trade and Economic Partnership Agreement (TEPA), on March 10 this year. However, it needs ratification from the four countries for its implementation. The agreement came up for discussions during the India-Norway Business Forum which was held in Mumbai.

[https://www.business-standard.com/economy/news/norway-planning-to-ratify-india-efta-free-trade-agreement-next-year-124120800644\\_1.html](https://www.business-standard.com/economy/news/norway-planning-to-ratify-india-efta-free-trade-agreement-next-year-124120800644_1.html)

#### **India, EU officials may meet in March to clear FTA logjam**

India and the European Union are looking to bridge their differences on issues pertaining to rules of origin and government procurement in the next round of the bilateral free trade agreement (FTA) talks likely to be scheduled in March in Brussels. Officials said the 10th round of negotiations next round on the proposed trade deal could be held on March 10-14, 2025 and is likely to cover wider elements.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-eu-officials-may-meet-in-march-to-clear-fta-logjam/articleshow/116112925.cms>