



December 17, 2024 – Tuesday

## Economy

### WPI inflation eases to three-month low in Nov as food prices cool

India's wholesale price inflation in November eased to a three-month low of 1.89 per cent as prices of food items, especially vegetables fell, government data showed on Monday. Wholesale price index (WPI) was 2.36 per cent in October and stood at 0.39 per cent in November last year. Food prices declined to 8.63 per cent in November from 13.54 per cent in October, according to data released by the Ministry of Commerce and Industry. The decline was helped by a fall in vegetable prices, which stood at 28.57 per cent as against 63.04 per cent in October. Onion prices fell 2.85 per cent in November. The fuel and power category witnessed further deflation of 5.83 per cent in November, compared to 5.79 per cent in October.

[https://www.business-standard.com/economy/news/wpi-inflation-at-3-month-low-of-1-89-in-nov-food-prices-witness-decline-124121600367\\_1.html](https://www.business-standard.com/economy/news/wpi-inflation-at-3-month-low-of-1-89-in-nov-food-prices-witness-decline-124121600367_1.html)

### Economy ends 2024 strong as business growth reaches 4-month high, shows PMI

India's private sector output grew at the fastest pace in four months, preliminary readings from a survey showed, helping the economy end 2024 on a positive note underpinned by sturdier demand in services and manufacturing and record jobs growth. Asia's third-largest economy grew a softer 5.4 per cent last quarter, but easing inflation is expected to spur demand among private sector firms, improving the outlook for next year. Monday's HSBC's December flash India Composite Purchasing Managers' Index (PMI), compiled by S&P Global, rose to 60.7 this month - matching August's reading - after dropping to 58.6 in November.

[https://www.business-standard.com/economy/news/economy-ends-2024-strong-as-business-growth-reaches-4-month-high-shows-pmi-124121600265\\_1.html](https://www.business-standard.com/economy/news/economy-ends-2024-strong-as-business-growth-reaches-4-month-high-shows-pmi-124121600265_1.html)

### Labour ministry seeks to lower budget allocation for ELI schemes for FY25

The Ministry of Labour and Employment has urged the Ministry of Finance to pare down allocation for three Employment Linked Incentive (ELI) schemes for the current financial year (FY25) by almost a third to Rs 6,852 crore in the revised estimates (RE), citing the eligibility conditions and limited time available for the schemes in FY25. "This year, because of this new ELI scheme, we have been given a BE (Budget estimates) of Rs 10,000 crore. We have a limited amount of time this year. Therefore, in RE, we have requested for a cut on that amount," the labour ministry said in its response to a query by the House panel on Labour and Employment.

[https://www.business-standard.com/india-news/labour-ministry-seeks-to-lower-budget-allocation-for-eli-schemes-for-fy25-124121601155\\_1.html](https://www.business-standard.com/india-news/labour-ministry-seeks-to-lower-budget-allocation-for-eli-schemes-for-fy25-124121601155_1.html)

### Impact of digitalisation on inflation needs close monitoring: DG Patra

The impact of digitalisation on key economic variables relevant to monetary policy demands close monitoring, especially its effect on inflation, as the price disparities between online and offline goods could potentially steepen the Phillips curve, necessitating a reassessment of traditional inflation models, said Michael Debabrata Patra, deputy governor of the Reserve Bank of India (RBI). Speaking at the Maldives Monetary Authority (MMA) Research Conference, Patra said, "Research interest is being drawn to examine how financial innovations like digital

payments, FinTech, central bank digital currencies (CBDCs), and AI can reshape monetary policy transmission and affect financial stability,” adding that dynamic methods and big data analytics like web scraping, text mining, large language techniques, and machine learning frameworks are becoming vital for macro-financial analysis and monetary policy tech.

[https://www.business-standard.com/economy/news/impact-of-digitalisation-on-inflation-needs-close-monitoring-dg-patra-124121601109\\_1.html](https://www.business-standard.com/economy/news/impact-of-digitalisation-on-inflation-needs-close-monitoring-dg-patra-124121601109_1.html)

#### **High interest rates, fiscal consolidation slowing GDP growth: CRISIL**

High interest rates and fiscal consolidation have contributed to slower economic growth for India in the current financial year (FY25) so far. India’s real gross domestic product (GDP) is likely to move closer to trend growth of 6.5-7 per cent this year, CRISIL said in its insight report — Why growth is moving to trend after the pandemic swings — released on Monday. Some technical factors such as net product taxes and the GDP deflator have also disrupted the GDP’s trajectory. The main macro drivers remain healthy. Private consumption growth has fared better than last year in the first half of FY25. While investment growth has moderated relative to last year, its share of GDP remains higher than the pre-pandemic decade.

[https://www.business-standard.com/economy/news/high-interest-rates-fiscal-consolidation-slowing-gdp-growth-crisil-124121600865\\_1.html](https://www.business-standard.com/economy/news/high-interest-rates-fiscal-consolidation-slowing-gdp-growth-crisil-124121600865_1.html)

### **Finance**

#### **Non-performing assets in P2P lending grows over two times in FY24**

Non-performing assets (NPAs) in the peer-to-peer (P2P) lending industry more than doubled in financial year 2024 (FY24) to Rs 1,163 crore from Rs 472.1 crore in FY23, according to a report. NPAs were recorded at a modest Rs 14.7 crore at the end of FY19, at a time when the P2P lending segment was still in its nascent stage. The data was accessed by Capitalmind Financial Services from the Reserve Bank of India (RBI) through a right to information (RTI) application. The company added that these NPAs represent over 17 per cent of the total lending in the sector.

[https://www.business-standard.com/economy/news/non-performing-assets-in-p2p-lending-grows-over-two-times-in-fy24-124121600830\\_1.html](https://www.business-standard.com/economy/news/non-performing-assets-in-p2p-lending-grows-over-two-times-in-fy24-124121600830_1.html)

#### **Over 1.12 lakh new cos registered till November-end this fiscal: MCA**

The Open Network for Digital Commerce expects transaction levels to increase seven to eight times by December next year on the back of diverse set of participants getting onboarded on the network. It will also focus on enabling consumers to buy multi-modal trips in the coming months. Mobility related transactions contribute nearly 40 per cent to the monthly transactions done through ONDC.

<https://www.thehindubusinessline.com/companies/ondc-expects-to-see-transaction-levels-growing-7-8-times-by-next-december-md/article68992717.ece>

#### **GST Council likely to consider lowering tax on online food delivery fees**

India's GST Council, chaired by the federal finance minister, may lower the tax on food delivery charges by e-commerce operators to 5 per cent from 18 per cent, CNBC-TV18 reported, citing sources. The potential tax cut, which could take effect from Jan. 1, 2022, would not allow food delivery platforms such as Zomato and Swiggy to claim tax credits. This comes as India's tax department ordered Zomato to pay Rs 804 crore in taxes and fines for non-payment of certain taxes from 2019 to 2022.

[https://www.business-standard.com/finance/news/gst-council-likely-to-consider-lowering-tax-on-online-food-delivery-fees-124121601159\\_1.html](https://www.business-standard.com/finance/news/gst-council-likely-to-consider-lowering-tax-on-online-food-delivery-fees-124121601159_1.html)

#### **Downturn blues ease as Q3 advance tax mop-up jumps 16.8%**

Advance tax collections in the third quarter rose 16.8% from a year earlier to ₹3.14 lakh crore, which economists see as a likely indication of the economy shrugging off the downturn blues triggered by weak growth in the previous three months. Advance tax collections for the current financial year until December 15 totalled ₹7.5 lakh crore, up 20.19% from a year earlier. The figure comprises corporate advance tax of ₹5.60 lakh crore and personal income tax of ₹1.91 lakh crore.

<https://economictimes.indiatimes.com/news/economy/indicators/downturn-blues-ease-as-q3-advance-tax-mop-up-jumps-16-8/articleshow/116377402.cms>

#### **LIC's unclaimed maturity amounts stand at Rs 881 crore in FY24**

Life Insurance Corporation (LIC) has unclaimed maturity amounts of Rs 880.93 crore in 2023-24, Parliament was informed on Monday. As many as 3,72,282 policyholders did not claim maturity benefits during FY2024, Minister of State for Finance Pankaj Chaudhary said in a written reply to the Lok Sabha.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/lics-unclaimed-maturity-amounts-at-rs-881-crore-in-fy24/articleshow/116372536.cms>

### **Industry**

#### **Capacity utilisation by steel companies falls to a four-year low**

At the core of the heightened demand for a higher tariff wall, in the form of safeguard duty, on steel imports is the relative uncompetitiveness of the domestic primary steel makers. The world steel supplies remain robust, making imported cost of the alloy cheaper, even as domestic producers complain of low profitability. At the end of November, domestic HRC (hot rolled coil) prices were trading at a significant premium of \$12-16/MT compared to the landed costs of imports from China and Japan.

<https://www.financialexpress.com/business/industry-capacity-utilisation-by-steel-companies-falls-to-a-four-year-low-3692205/>

#### **Roaring SUV sales puts diesel back on the growth path**

Roaring SUV sales are driving the share of diesel with nine out of ten diesel-powered vehicles sold in the country this year being SUVs. This has helped boost the share of diesel in the domestic passenger vehicle market for only the second time in 13 years at a time when the auto fuel is getting increasingly outshined by petrol, CNG and electric vehicles. The share of diesel in total PV sales is estimated at 18% as of the first half of December 2024, up from 17.8% in 2023, according to Jato Dynamics, a market research, data and analytics firm. Diesel vehicle sales climbed to 774,000 units from 738,000 units during this period. SUVs have a 55% share of total car sales this year, up from 48.4% in 2023.

<https://economictimes.indiatimes.com/industry/auto/auto-news/roaring-suv-sales-puts-diesel-back-on-the-growth-path/articleshow/116377570.cms>

#### **Auto OEMs likely to invest \$323 billion by 2070 on EVs: CSI report**

Automobile original equipment manufacturers (OEMs) are likely to invest \$323 bn by 2070 to de-carbonise the transportation sector, and electric vehicle (EV) sales could add \$9.6 trillion to OEM revenues by that time, according to a recent report by the Climate and Sustainability Initiatives (CSI). The Singapore-based CSI, an international organisation committed to decarbonising the economies of Asia and Africa, said in the report that achieving net zero targets by 2070 will require an increase in investment from \$7 billion in the five years ending in 2025 to \$70 billion in the five years ending in 2070. "The largest share of investments — amounting to around \$263 billion until 2070 — is likely required in the four-wheeler category. Additionally, truck manufacturers are anticipated to invest over \$45 billion by 2070 to meet domestic demand," the report said.

[https://www.business-standard.com/industry/news/auto-oems-likely-to-invest-323-billion-by-2070-on-evs-csi-report-124121601022\\_1.html](https://www.business-standard.com/industry/news/auto-oems-likely-to-invest-323-billion-by-2070-on-evs-csi-report-124121601022_1.html)

#### **Cheaper 5G smartphones ramp up volumes**

Prices of 5G smartphones are on the decline backed by new launches at comparatively lower prices, cheering customers. But while falling ASPs has revived volume growth, smartphone makers are a tad disappointed as it has led to flat value growth. Average selling prices (ASPs) of mobile handsets stayed flat at about \$258 in the first three quarters of calendar 2024, helping volumes grow 6% on-year to 46 million units, according to market researcher IDC. However, higher volume at flat ASPs led to a modest 6% growth in industry revenue in the September and June quarters to \$11.86 billion, halving from a 12% growth in Q1 2024.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/cheaper-5g-smartphones-ramp-up-volumes/articleshow/116379139.cms>

### **Indian IT sector to grow in mid single digit for FY25: ICRA Report**

The Indian IT services industry is expected to clock revenue growth in the mid-single digit for the financial year 2024-2025 (FY25), according to a report by IcrA for the year. The Indian IT service sector will log growth in the range of 4-6 per cent, slightly better than the low-single digit growth of 3.8 per cent for FY24, the report said. With demand still in the slow lane, the hiring target of the industry is also expected to be in the low range. "Hiring is likely to pick up materially only by the end of H1 FY26," said the report.

[https://www.business-standard.com/industry/news/indian-it-sector-to-grow-in-mid-single-digit-for-fy25-icra-report-124121600974\\_1.html](https://www.business-standard.com/industry/news/indian-it-sector-to-grow-in-mid-single-digit-for-fy25-icra-report-124121600974_1.html)

### **Traveltech startups taking to acquisitions to drive growth**

Traveltech startups like Oyo, ixigo, EaseMyTrip are driving growth through a surge in acquisitions, targeting market expansion, customer reach and enhanced capabilities, given the post-pandemic travel boom. Recent notable deals include Oyo's acquisition of G6 Hospitality, the parent of Motel 6 and Studio 6, to boost its international footprint. Similarly, MakeMyTrip acquired Happay, ixigo took over Zoop India, and Yatra snapped up Globe India. According to Tracxn, the median acquisition price in the sector rose sharply to \$15.3 million this year, up from \$1 million in 2022.

<https://www.financialexpress.com/business/industry/traveltech-startups-taking-to-acquisitions-to-drive-growth/3692250/>

## **Infrastructure**

### **Road ministry to automate highway construction**

The ministry of road transport and highways will soon adopt Automated & Intelligent Machine aided Construction (AIMC), including GPS aided motor grader, intelligent compactor and stringless paver, on pilot basis on some of its existing expressways to improve quality and enhance efficiency in highway construction. In a daft circular dated december 16, 2024, the ministry has mandated certain section of identified expressways or access controlled highways to be built using AIMC following a positive feedback of the use of this technology for the first time in Lucknow-Kanpur Expressway Project by the National Highways Authority of India (NHAI).

<https://economictimes.indiatimes.com/news/economy/infrastructure/road-ministry-to-automate-highway-construction/articleshow/116375574.cms>

### **GIFT City invites bids to build 754,000 sq ft commercial tower**

The Gujarat International Finance Tec-City Company Ltd (GIFTCL), the Gujarat government's special purpose vehicle responsible for the development of the GIFT City, has invited global bids to develop a commercial tower spread over 754,000 sq ft in the processing area of the special economic zone. Bidders can be a domestic or international company, a consortium or a joint venture. As a co-developer of the project, the selected bidder will be required to design, finance, develop, construct, operate and maintain the commercial tower. The land for the project will be allotted on a leasehold basis for 99 years. The lease deed will be executed only after completion of the construction, which has to be done in five years.

<https://economictimes.indiatimes.com/industry/services/property/-cstruction/gift-city-calls-bids-from-global-companies-to-develop-7-54-lakh-sq-ft-commercial-tower/articleshow/116379539.cms>

## **Energy**

### **Govt looks to further relax solar power scheme credit process for households**

The government is looking at easing the process for households to avail credit for generating solar power under the government's flagship scheme, PM Suryaghar Muft Bijli Yojana, officials said. The new and renewable energy ministry is in discussions with the Department of Financial Services and public sector banks to simplify the process for grant of loans under the scheme, they said. Discussions are going on to cut down on processes and document submissions and on the need to inspect the installation site by banks, among others, a government official said.

<https://economictimes.indiatimes.com/industry/renewables/govt-looks-to-further-relax-solar-power-scheme-credit-process-for-households/articleshow/116377512.cms>

## Telecom

### Trai to roll out user-friendly DND app to combat spam menace

The Telecom Regulatory Authority of India (Trai) will launch an updated and more user-friendly 'do not disturb' (DND) app soon to provide mobile phone users some respite from the menace of spam. The app is planned to be launched in two months after deliberations with stakeholders on the technical feasibility of the new features, Trai chairman AK Lahoti told ET.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/trai-to-roll-out-user-friendly-dnd-app-to-combat-spam-menace/articleshow/116377816.cms>

## Healthcare

### Pharma lobby, govt meet to discuss OTC drug regulation

Pharma lobby groups, multinational pharma companies and government officials will meet Tuesday to iron out issues regarding over the counter (OTC) drugs. "Appropriate use of OTC drugs improves accessibility and affordability for treatment and prevention of commonly occurring conditions. While OTC drugs provide multiple benefits, there are several associated challenges. The brainstorming session between the industry, pharma lobby groups and government officials is hence important," said a senior person in the know. The drug regulator had earlier this year formed an expert panel to evaluate medicines which can become OTC from prescription after pharmaceutical companies approached the regulator to make their drugs OTC, a person said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/pharma-lobby-govt-meet-to-discuss-otc-drug-regulation/articleshow/116379614.cms>

## External

### India's merchandise trade deficit widens to \$37.8 billion in November

India's merchandise trade deficit in November widened to a record level, led by a surge in gold imports while exports fell driven by a drop in crude oil prices, trade ministry officials said on Monday. India's merchandise trade deficit in November stood at \$37.84 billion, according to a Reuters calculation based on export and import data. Economists had expected the country's November trade deficit to be \$23.9 billion, according to a Reuters poll. The deficit stood at \$27.14 billion in October. India's merchandise exports in November stood at \$32.11 billion, while imports were \$69.95 billion, per data. In the previous month, merchandise exports were at \$39.2 billion and imports stood at \$66.34 billion.

[https://www.business-standard.com/economy/news/india-s-merchandise-trade-deficit-widens-to-37-8-billion-in-november-124121600662\\_1.html](https://www.business-standard.com/economy/news/india-s-merchandise-trade-deficit-widens-to-37-8-billion-in-november-124121600662_1.html)

### India shifts motor fuel exports towards Asia amid reduced European demand

In a significant move, India has pivoted its motor fuel exports towards Asia in recent months, data from London-based commodity data analytics provider Vortexa shows. Asia's share in India's motor fuel exports has risen threefold between August and November to more than 30 per cent. The share of Europe fell from 20 per cent to 8 per cent during the same period, data shared by Vortexa suggests. Export of motor fuel, the third-largest category of export within petrochemicals behind automotive diesel fuel, and aviation turbine fuel, from India has swung by a wide margin since the pandemic.

[https://www.business-standard.com/industry/news/india-shifts-motor-fuel-exports-towards-asia-amid-reduced-european-demand-124121601125\\_1.html](https://www.business-standard.com/industry/news/india-shifts-motor-fuel-exports-towards-asia-amid-reduced-european-demand-124121601125_1.html)

### DGTR probing alleged jump in steel imports for safeguard duty; to consult MSMEs as well

The commerce ministry's investigation arm DGTR has started a probe into an alleged jump in steel imports and it will also consult MSME downstream industries before making its recommendations, a top government official said on Monday. Commerce Secretary Sunil Barthwal said that the ministry has received a request from the steel ministry for conducting the safeguard investigations. "The DGTR is doing it and in the investigation, they look at the whole value chain. So we are looking at not only the HR (hot-rolled) and CR (cold-rolled) coil (steel products)

which is coming to India, they are also looking at the requirement of downstream industry whether there is a production imbalance or whether it is an injury because of excess capacity in steel," he told reporters here.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/dgtr-probing-alleged-jump-in-steel-imports-for-safeguard-duty-to-consult-msmes-as-well/articleshow/116375821.cms>