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Economy

Niti Aayog to undertake research study on cost of doing business in India

The government think tank NITI Aayog will soon undertake research study on 'cost of doing business in India' and has invited expression of interest for the research project as India continues to face strong competition from countries like Vietnam, China, and Indonesia, which offer lower operational costs in key sectors, despite significant reforms undertaken by the government to improve business climate. According to the Aayog, the cost of doing business is a pivotal factor influencing the competitiveness of an economy, encompassing the expenses businesses incur to establish, operate, and expand.

<https://economictimes.indiatimes.com/news/economy/policy/niti-aayog-invites-eoi-for-undertaking-research-on-cost-of-doing-business-in-india/articleshow/116405571.cms>

Govt examines relaxing foreign exchange payment rules for domestic units getting SEZ services

With delay in the proposed SEZ Amendment Bill, the Commerce Ministry is exploring if domestic companies, at least in critical sectors such as defence and space, can be allowed to make payments in Indian rupee instead of foreign exchange while sourcing services from units in SEZs by introducing some exceptions to existing regulations, sources have said.

<https://www.thehindubusinessline.com/economy/govt-examines-relaxing-foreign-exchange-payment-rules-for-domestic-units-getting-sez-services/article68996570.ece>

Finance

Indian banking liquidity deficit hits highest in six months

The liquidity deficit in the Indian banking system hit the highest in nearly six months on advance tax payments by companies and likely dollar sales by the central bank to curb rupee volatility. The banking system cash deficit, as measured by banks' borrowings from the Reserve Bank of India, was at 1.5 trillion rupees (\$17.7 billion) as of Monday, the highest since June 24, according to a Bloomberg Economics index. The RBI has been net selling dollars since October, which has resulted in a substantial drain on liquidity, according to IDFC First Bank Ltd.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/indian-banking-liquidity-deficit-hits-highest-in-six-months/articleshow/116397804.cms>

As RBI frowns, fintechs pivot to secured loans

As the Reserve Bank of India (RBI) tightens screws on unsecured lending, digital lenders are diversifying into secured lending with products like micro loans against property, business loans for MSMEs and green financing. While some digital lenders are exploring the phygital mode to expand their secured loan book, others are opting for feet on the street with a loan-at-home option. However, lenders complain that secured lending is turning out to be a cumbersome process that requires physical verification and collateral checks.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/as-rbi-frowns-fintechs-pivot-to-secured-loans/articleshow/116412181.cms>

SEBI tightens norms for FPIs issuing offshore derivative instruments

Securities and Exchange Board of India (SEBI) on Tuesday tightened rules on issuance of offshore derivative instruments by foreign portfolio investors. This follows a consultation paper in August proposing these changes.

<https://www.thehindubusinessline.com/markets/sebi-tightens-norms-for-fpis-issuing-offshore-derivative-instruments/article68996801.ece>

CBDT launches campaign to intimate taxpayers on mismatch in ITR filed and AIS

The income tax department on Tuesday said it is sending SMS and emails to taxpayers and non-filers where it has identified mismatch between transactions reported in Annual Information Statement (AIS) and income disclosed in ITRs for the financial years 2023-24 and 2021-22. In a statement, the Central Board of Direct Taxes (CBDT) said it has launched an electronic campaign to assist taxpayers in resolving mismatches between the income and transactions reported in the AIS and those disclosed in Income Tax Returns (ITRs) for the financial years 2023-24 and 2021-22.

<https://economictimes.indiatimes.com/news/economy/finance/cbd-t-launches-campaign-to-intimate-taxpayers-on-mismatch-in-itr-filed-and-ais/articleshow/116395606.cms>

Multi-Factor Authentication required for E-Way Bill and E-Invoice generation for all GST assesses from April 1, 2025

Multi-Factor Authentication (MFA) for using the updated versions of the E-Way Bill and E-Invoice Systems for all assesses will be made mandatory for all taxpayers from April 1 next year, an advisory on GST portal has said. Also, there will be new provisions for restricting the generation of E-Way Bill.

<https://www.thehindubusinessline.com/economy/multi-factor-authentication-required-for-generating-e-way-bill-and-e-invoice-for-all-gst-assesses-from-april-1-2025/article68997345.ece>

Cos may have to pay more for fire and engineering cover

Businesses, industrial units and commercial establishments may need to pay higher premiums for fire and engineering insurance starting January due to rising claims from catastrophic events, prompting insurers and reinsurers to increase rates. The increase in premiums is driven by shrinking profitability, inadequate capital, and the withdrawal of reinsurance support, industry sources said. Claims from the catastrophes such as Vijayawada and Vadodara floods have prompted reinsurers to demand revised pricing models and stricter underwriting practices, industry sources said. Fire and engineering insurance policies are typically bought by businesses, industrial units, and property owners to protect against risks like fire damage, machinery breakdown, and engineering-related perils.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/cos-may-have-to-pay-more-for-fire-and-engineering-cover/articleshow/116412210.cms>

NPCI cautions users against digital frauds, highlights 'common tricks'

With incidents of online frauds, including 'digital arrest' on the rise, the National Payments Corporation of India (NPCI) -- that oversees India's retail payment systems -- has issued an advisory outlining steps to protect users against such scams. It has asked citizens to identify such scams based on themes such as unexpected calls from alleged government officials, a fear-induced language from perpetrators, and attempts to coerce individuals to divulge sensitive bank details. "Terms like 'clearing your name (from involvement in an alleged crime)', 'assisting with the investigation', or 'refundable security deposit/escrow account' might be used by scammers to persuade you into transferring money to specified bank accounts or UPI IDs," the NPCI said in a note.

https://www.business-standard.com/finance/news/npci-issues-advisory-outlining-steps-to-protect-users-from-digital-frauds-124121701083_1.html

Industry

Quality compliance certificates for Chinese steelmakers soon

The Bureau of Indian Standards (BIS) is likely to soon issue compliance certificates to Chinese steelmakers, the first time since quality norms were put in place for the sector in 2023-24 and tightened in this financial year, said officials. Three companies are being certified for cold rolled grain oriented steel (CRGO), whose short supply was flagged by Indian transformer manufacturers. "The decision to issue quality compliance certificates to Chinese steel follows severe shortage in the domestic market for this grade of steel," a senior official told ET on condition of anonymity.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/quality-compliance-certificates-for-chinese-steelmakers-soon/articleshow/116411974.cms>

Auto industry on track to achieve target of Rs 25,000 crore import cut

The Indian automotive industry is poised to achieve its ambitious target of up to ₹25,000 crore (about \$3 billion) reduction in import value in the five years through this fiscal-year end by accelerating localisation of advanced parts such as electric motors, airbags and automatic transmissions, said industry executives. As per the plan, several projects were initiated to cut parts imports and boost localisation by up to 20% from FY20 levels across 11 critical categories including drive transmissions, engines, steering, electronics and electrical parts. These components comprise about 70% of total imports.

<https://economictimes.indiatimes.com/industry/auto/auto-news/auto-industry-on-track-to-achieve-target-of-rs-25000-crore-import-cut/articleshow/116411539.cms>

India's electrical and electronics industry set to hit \$130 billion by 2030: ELECRAMA 2025 preview

The Electrical and Electronics Industry in India is targeting massive growth, poised to become a USD 130 billion industry by 2030, Vikram Gandotra, President-Elect of IEEMA and Chairman of ELECRAMA 2025, said. "Presently, the industry size is USD 70 billion in India, with USD 12 billion in exports. We are poised to grow to a USD 130 billion industry with exports of USD 25 billion by 2030," Vikram Gandotra told ET.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/indias-electrical-and-electronics-industry-set-to-hit-130-billion-by-2030-elecrama-2025-preview/articleshow/116406948.cms>

Gold jewellery consumption to grow 14-18 pc in FY25 in value terms: Report

The domestic gold jewellery consumption in value terms is expected to continue its growth momentum in the current financial year and is likely to witness an on-year rise of 14-18 per cent, a report said on Tuesday. Rating agency Icria in a report said in FY25, gold jewellery consumption growth is pegged at 14-18 per cent in value terms, led by favourable realisations. According to the report, while gold prices were volatile, improving consumer sentiments and festive-led demand aided consumption growth in the recent months.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics-/jewellery/gold-jewellery-consumption-to-grow-14-18-pc-in-fy25-in-value-terms-report/articleshow/116401503.cms>

Premium stays and solo escapes among India's year-end travel trends: Report

Increased searches for both domestic and international travel, a growing preference for premium travel options, and a sharp rise in solo international trips are among the top travel trends among Indians during the year-end holiday season (December 16-31), a report by MakeMyTrip revealed on Tuesday. While Goa continues to take the top spot as the most sought after domestic travel destination, many hill stations are also seeing interest from travelers. Here is a closer look at significant trends emerging across destinations, travel habits, and spending patterns during this festive season.

https://www.business-standard.com/industry/news/year-end-travel-trends-india-go-uae-solo-premium-report-124121700689_1.html

Agriculture

Sugar production till Dec 15 trails by 17%, says ISMA

India's progressive sugar production during the ongoing 2024-25 sugar production season trails by 17% year-on-year due to higher diversion of sugar for ethanol and a late beginning of the sugarcane crushing operations in Maharashtra and Karnataka, said industry body Indian Sugar and Bio-energy Manufacturers' Association (ISMA). "Sugar production till December in the current season has reached 61.39 lakh tonnes, against 74.05 lakh tonnes produced last year on the corresponding date," said ISMA. The increase in diversion of sugar for ethanol is one of the reasons for lower sugar production.

<https://economictimes.indiatimes.com/news/economy/agriculture/sugar-production-till-dec-15-trails-by-17-says-isma/articleshow/116403211.cms>

Implement legally binding MSP, waive farm loans: House panel

Amid the ongoing farmers' protest, a parliamentary panel on Tuesday recommended that the government implement a legally binding minimum support price (MSP) for farm produce, as well as loan waivers for farmers and farm labourers. The report of the Parliamentary Standing Committee on Agriculture Animal Husbandry and Food Processing headed by senior Congress leader Charanjit Singh Channi came at the time when farmers are sitting on the protest at Shambu on Punjab-Haryana border, demanding legal guarantee of MSP.

<https://economictimes.indiatimes.com/news/economy/agriculture/implement-legally-binding-msp-waive-farm-loans-house-panel/articleshow/116400344.cms>

DMEO to evaluate decentralized procurement of wheat and paddy under the Minimum Support Price (MSP) scheme

The Development Monitoring and Evaluation Office (DMEO) will soon undertake evaluation of decentralized procurement of wheat and paddy under the Minimum Support Price (MSP) scheme of the department of food and public distribution, aimed at rationalizing the food subsidy outgo. DMEO has floated a request for proposal, inviting bids from consultancy firms to support in the evaluation. The budgetary allocation to decentralized procurement has gone up from Rs 32,000 crore in 2017-18 to Rs 72,250 crore in 2023-24.

<https://economictimes.indiatimes.com/news/economy/agriculture/dmeo-to-evaluate-decentralized-procurement-of-wheat-and-paddy-under-the-minimum-support-price-msp-scheme/articleshow/116395939.cms>

Milk industry sounds the alarm as India's production growth sees steep fall

India, the world's largest producer of milk, is seeing a slowing of its rate of growth in production, latest data showed. Annual growth rate in milk production which has slowed from 3.83 per cent in FY23 to 3.78 per cent in 2023-24 fiscal, though the country continues to remain the world's largest producer, with 239.3 million tonnes annually. The growth rate in milk production was 6.62 per cent in 2017-18; 6.47 per cent in FY19; 5.69 per cent in FY20; 5.81 per cent in FY21; and 5.77 per cent in FY22. The drop in growth has raised alarm bells within a section of the industry, with some attributing it to structural challenges that the country's dairy sector faces while others say it is a one-off event due to COVID-led disruption in interventions such as artificial insemination as well as a poor monsoon in 2023.

https://www.business-standard.com/economy/news/milk-industry-sounds-the-alarm-as-india-s-production-growth-sees-steep-fall-124121700853_1.html

Energy

India needs greater support to achieve 2030 clean energy goals: Report

India is on track to meet its 2030 clean energy goals for solar power and battery energy storage systems (BESS), but immediate government support is needed to accelerate the deployment of offshore wind and green hydrogen (GH2), according to a new report. The report, 'Budgeting for Net Zero: Government Support Needed to Meet India's 2030 Clean Energy Goals', is jointly produced by the Center for Study of Science, Technology and Policy (CSTEP) and the International Institute for Sustainable Development (IISD).

https://www.business-standard.com/industry/news/india-needs-greater-support-to-achieve-2030-clean-energy-goals-report-124121701050_1.html

NHPC aims to have installed capacity of 50 GW by 2047

State-run hydropower company NHPC Ltd plans to raise its total installed capacity to 23 gigawatt (GW) by 2032 from its current capacity of 7.2 GW. By 2047, the company aims to increase the total capacity to more than 50 GW, the company's Chairman and Managing Director Raj Kumar Chaudhary tells Arunima Bharadwaj in an interview. The company is optimistic of increasing its net profit to Rs 4,500 crore in the next financial year 2025-26. The company reported a decline of 37% on year in consolidated net profit to Rs 1,069.28 crore in the second quarter of the current financial year.

<https://www.financialexpress.com/business/industry-nhpc-aims-to-have-installed-capacity-of-50-gw-by-2047-3693985/>

No more duty-free import of solar power items: CBIC

To push domestic manufacturing, the government has withdrawn a scheme, which permitted duty-free import of goods for solar power generation. In an official notification, the Central Board of Indirect Taxes and Customs (CBIC)

announced that effective December 17 goods imported for solar power generation will no longer be permitted to undergo any manufacturing processes or operations within a warehouse – a facility which allows for imported items to be stored without payment of customs duties on an immediate basis.

<https://www.financialexpress.com/business/industry-no-more-duty-free-import-of-solar-power-items-cbic-3693918/>

Telecom

New chip units to be key cog in India's 6G localisation strategy

The government will capitalise on the upcoming semiconductor manufacturing units in Assam and Gujarat to drive local production of sixth-generation network hardware, including advanced chipsets that will be used for running 6G mobile broadband networks. "A critical component of India's 6G strategy is local development and production of advanced chipsets that will enable devices to process and transmit data efficiently...the importance of cutting-edge chipsets cannot be overstated for 6G technology, which promises ultra-high-speed connectivity and low latency," one of the officials told ET.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/new-chip-units-to-be-key-cog-in-indias-6g-localisation-strategy/articleshow/116397103.cms>

States

Jharkhand govt initiates process for legal action to realise 'coal dues' from Centre

The Jharkhand government initiated the process for legal action to realise "Rs 1.36 lakh crore coal dues" from the Centre. The government issued a notification on Tuesday authorising Secretary, Revenue, Registration and Land Reforms to commence the legal procedure to realise the dues. The development came shortly after the state government announced in its first cabinet meeting last month that it would take legal action to get its dues. "Secretary, Revenue, Registration and Land Reforms is nominated as nodal officer to initiate immediate legal action to realise Rs 1.36 lakh crore dues from the Centre.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/jharkhand-govt-initiates-process-for-legal-action-to-realise-coal-dues-from-centre/articleshow/116418764.cms>

Healthcare

1,394 batches of drugs recalled in 2023-24 for failing quality tests: Minister

The number of batches of drugs recalled after failing quality tests rose from 950 in 2019-20 to 1,394 (provisional) in 2023-24, Minister of State for Health Anupriya Patel told the Rajya Sabha on Tuesday. In 2022-23, 1,171 batches were recalled as per information received from drug controllers of various states and UTs, Patel said in a written reply. The data regarding drugs recalled after failing quality tests is not maintained centrally by the Central Drugs Standard Control Organization (CDSCO). Based on the findings, 604 prosecutions were launched for the manufacturing, sale and distribution of spurious/adulterated drugs. A total of 1,06,150 drug samples were tested during the period, she said in the written reply.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/1394-batches-of-drugs-recalled-in-2023-24-for-failing-quality-tests-minister/articleshow/116405625.cms>

External

Govt plans up to 25% temporary tax to curb cheap Chinese steel imports

India is likely to impose a "safeguard duty" or temporary tax of up to 25 per cent on steel imports, industry and government sources said, to help to curb cheap imports from top producer China. The proposal gained broad support at a meeting chaired by commerce minister Piyush Goyal on Tuesday after small industries dropped initial opposition once they received assurances that they would not be hit by higher steel prices. "It seems the safeguard duty will be imposed after an investigation, likely completed within a month," said an industry official who attended the meeting. "To address concerns of small manufacturers, large steelmakers will supply them steel at reduced prices."

https://www.business-standard.com/industry/news/govt-plans-up-to-25-temporary-tax-to-curb-cheap-chinese-steel-imports-124121701464_1.html

Five more firms look for govt approval to set up e-commerce export hubs

As many as five more firms have submitted their applications to the government to set up e-commerce export hubs in the country and a decision on this is expected soon, a senior official said. Logistics aggregator Shiprocket and air cargo handling company Cargo Service Centre (CSC) have already been selected by the government on a pilot basis to set up these hubs in the country. "We have received five more applications, including from DHL and Lexship. Out of the five, we have shortlisted three. We are going to decide on these applications soon," the official said.

https://www.business-standard.com/industry/news/five-more-firms-look-for-govt-approval-to-set-up-e-commerce-export-hubs-124121700748_1.html

Govt needs to properly monitor export promotion scheme EPCG: CAG report

The commerce ministry needs to properly monitor the scheme to promote exports, EPCG, as it not only allows duty-free imports of capital goods but also grants a long gestation period for meeting the export obligation, according to a CAG audit report. The scheme allows import of capital goods for pre-production, production, and post-production at nil customs duty but subject to meeting export obligations. The report also said the import of capital goods from ports other than the registered port without adhering to the prescribed procedure involves the risk of importing the goods from multiple ports using the same authorisation that have revenue implications and has the risk of misuse of the bonds.

https://www.business-standard.com/industry/news/govt-needs-to-properly-monitor-export-promotion-scheme-epcg-cag-report-124121701326_1.html

Exclude precious metals from FTA ambit: GTRI

India should exclude precious metals from its free trade agreements (FTA) so as to curb speculative imports, safeguard foreign exchange reserves and protect India's trade balance and economic resilience, think tank Global Trade Research Initiative (GTRI) said Tuesday. Gold imports reached a staggering \$14.9 billion in November 2024, accounting for 21.2% of India's total merchandise imports of \$70 billion and for the first time, gold surpassed crude petroleum as the country's largest single import item.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/exclude-precious-metals-from-fta-ambit-gtri/articleshow/116404616.cms>

New banking data reveals 'huge' leap within India business corridor

Business activity between the UK and India has flourished in 2024 as the value of payments received by clients in Britain from India rose by 121 per cent, according to the latest data released by HSBC UK. The multinational bank, which highlighted the figures based on its two-way support for businesses within the India-UK corridor this week, said its data on payments and client referrals showed year-on-year growth. In the nine months to October 2024, the value of payments made by HSBC UK business clients to India reportedly rose by 32 per cent and the bank received 36 per cent more new business client referrals from HSBC India year-on-year.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/new-banking-data-reveals-huge-leap-within-india-business-corridor/articleshow/116402643.cms>

US to update its MTCR export control policies for India

The outgoing Biden administration is in the process of finalising a national security memorandum that will update America's export control policies under the Missile Technology Control Regime (MTCR), a move that is likely to facilitate more cooperation between India and US companies in the space sector, the White House said Tuesday. The goal of updating export control policies under the MTCR is to be able to advance commercial space cooperation even further with close partners like India, Principal Deputy National Security Advisor Jon Finer told reporters during a conference call here.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/us-to-update-its-mtcr-export-control-policies-for-india/articleshow/116417274.cms>

India charges lot of tariff: Trump as he threatens to impose reciprocal tax

US President-elect Donald Trump has reiterated his intention to impose reciprocal tariffs in retaliation for the high tariff imposed by New Delhi on import of certain American products. Reciprocal. If they tax us, we tax them the same amount. They tax us. We tax them. And they tax us. Almost in all cases, they're taxing us, and we haven't been taxing them, Trump told reporters on Monday. He made the remarks while responding to a question on a potential trade agreement with China. Trump said India and Brazil were among countries that impose high tariffs on certain US products.

https://www.business-standard.com/economy/news/india-charges-lot-of-tariff-trump-as-he-threatens-to-impose-reciprocal-tax-124121800062_1.html