



December 20, 2024 – Friday

Economy

PMEGP scheme enables nearly 10 lakh micro units, over 80 lakh jobs: Govt data

The government's Prime Minister's Employment Generation Programme (PMEGP), which supports aspiring entrepreneurs to set up micro units and manufacturing and service sectors through bank-finance subsidy, has enabled 9.86 lakh units and 80.52 lakh jobs so far since its launch back in 2008. The scheme offers subsidies from 15 per cent to 35 per cent for loans up to Rs 50 lakh for setting up a manufacturing unit and Rs 20 lakh for a service unit. In the current fiscal, as of December 12, 28,496 units were established with an estimated 2.28 lakh employment, according to the data shared by Shobha Karandlaje, Minister of State in the MSME Ministry in a written reply to a question in the Lok Sabha on Thursday.

<https://www.financialexpress.com/business/sme-pmegp-scheme-enables-nearly-10-lakh-micro-units-over-80-lakh-jobs-govt-data-3695573/>

Rental housing scheme for industrial workers to be unveiled this week

To support worker's productivity for manufacturing growth, the Centre will unveil the scheme framework later this week for affordable rental housing for industrial workers under a public-private partnership (PPP) model with likely viability gap funding (VGF) of around 40% of the project cost to the private concessionaires, sources told FE. Under the scheme, both the states and anchor industries can seek VGF support for projects to provide workers a dignified affordable rental housing close to their workplace.

<https://www.financialexpress.com/business/industry-rental-housing-scheme-for-industrial-workers-to-be-unveiled-this-week-3694843/>

Finance

Govt proposes ban on unregulated lending, imprisonment for offenders

The Centre, in collaboration with states, has proposed to classify unregulated lending as a cognizable and non-bailable offence, with penalties including imprisonment of up to 10 years. The finance ministry has invited feedback by February 13 from stakeholders on the draft Bill, titled BULA (Banning of Unregulated Lending Activities), which aims to address both traditional and digital lending. "Unregulated lending activities are defined as those not governed by any legal framework, carried out by individuals or entities not authorised by the Reserve Bank of India (RBI), or other regulatory bodies. Essentially, the Bill prohibits any form of public lending by individuals or organisations that are neither registered under any law, nor authorised by the RBI or other regulators," according to the draft Bill.

https://www.business-standard.com/india-news/govt-proposes-ban-on-unregulated-lending-imprisonment-for-offenders-124121901332_1.html

SEBI introduces new measures to curb misleading investment return claims

In a bid to clamp down on individuals and entities making lofty return claims, the Securities and Exchange Board of India (Sebi) has introduced a "Past Risk and Return Verification Agency" (PaRRVA), which will be tasked to verify the

risk-return metrics of services offered by investment advisors, research analysts (RAs), algorithmic trading platforms, and other such entities. Industry players said that for any claims such as “best performing”, “safety during volatility”, “top ranked”, or those on high returns, it would be mandatory to seek verification of the same. In its board meeting on Wednesday, the market regulator announced that a credit rating agency will act as the verification agency while a stock exchange will serve as the data centre.

https://www.business-standard.com/markets/news/sebi-introduces-new-measures-to-curb-misleading-investment-return-claims-124121901196_1.html

RBI advises states to be more prudent in managing finances

A Reserve Bank of India study of state finances has given a thumbs up to the states for containing the consolidated fiscal deficit, but at the same time also nudged them to move to the 'golden rule' of funding current expenditure from current revenues, and use borrowed funds for capital expenditure.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-advises-states-to-be-more-prudent-in-managing-finances/articleshow/116477190.cms>

States' freebies crowd out resources needed for development: RBI report

A Reserve Bank report on Thursday sounded a note of caution saying sops like farm loan waiver, free power and transport, by states could crowd out their critical resources for social and economic infrastructure. The RBI's 'State Finances: A Study of Budgets of 2024-25', however, said state governments have made commendable progress towards fiscal consolidation by containing their aggregate gross fiscal deficit within 3 per cent of GDP for three consecutive years (2021-22 to 2023-24), while restricting revenue deficit at 0.2 per cent of the GDP in 2022-23 and 2023-24. "This has allowed states to scale up their capital spending and improve the quality of expenditure," the report said.

https://www.business-standard.com/economy/news/states-freebies-crowd-out-resources-needed-for-development-rbi-report-124121901079_1.html

Industry

Indian EV market to touch Rs 20 trn by 2030, to create 50 mn jobs: Gadkari

Union minister Nitin Gadkari on Thursday said the Indian electric vehicle market potential is likely to touch Rs 20 trillion and will create around 50 million jobs across the entire EV ecosystem by 2030. Addressing the '8th Catalyst Conference on Sustainability of E-Vehicle Industry - Evexpo 2024', Gadkari said estimated electric vehicles finance market size will be around Rs 4 trillion by 2030. "The Indian electric vehicles market potential is of Rs 20 trillion by 2030, creating five crore jobs across the entire EV ecosystem," he said. The road transport and highways minister said 40 per cent of air pollution in India is because of the transport sector.

https://www.business-standard.com/industry/auto/indian-ev-market-to-touch-rs-20-trn-by-2030-to-create-50-mn-jobs-gadkari-124121900707_1.html

India's tech funding grows 6%, number of deals falls 31.5% to 1,448 in 2024

India's tech landscape raised \$11.3 billion from investors in 2024, marking a modest 6 per cent increase from \$10.7 billion raised in the previous year, signalling a recovery in funding trends after a two-year slump. However, compared to the funding highs of previous years, the value of deal activity declined significantly—down 55.5 per cent and 69.6 per cent compared to 2022 and 2021, respectively. The country's startup ecosystem had raised \$37.2 billion in 2021 and \$25.4 billion in 2022, according to data from market intelligence platform Tracxn.

https://www.business-standard.com/industry/news/india-s-tech-funding-grows-6-number-of-deals-falls-68-to-1-448-in-2024-124121900915_1.html

Agriculture

Farmers body FAIFA releases agricultural roadmap, pushes for digital reform

The Federation of All India Farmer Association (FAIFA) released a comprehensive agricultural roadmap on Thursday, calling for enhanced digital infrastructure and sustainable farming practices to boost India's agricultural sector through 2040. The white paper, titled "Indian Agriculture Outlook 2025," was unveiled by parliamentarians Magunta

Sreenivasulu Reddy and Putta Mahesh Kumar to mark Kisan Divas 2024, highlighting persistent challenges, including low productivity, weather vulnerabilities, and fragmented landholdings.

https://www.business-standard.com/industry/agriculture/farmers-body-faifa-releases-agricultural-roadmap-pushes-for-digital-reform-124121900506_1.html

Infrastructure

Big tech submarine cables may see govt infra support

Following announcements by Google, Meta, and telecom operators to invest in submarine fiber cables in the country, the focus is now on establishing repair and maintenance infrastructure along the Indian coastline, sources said. This step aims to address cable cuts more effectively and reduce associated costs. The companies, however, are looking at building the infrastructure with support from the government as setting up cable depots, Indian submarine cable repair vessels, trained crew, and skilled engineers, will entail huge costs.

<https://www.financialexpress.com/business/digital-transformation-big-tech-submarine-cables-may-see-govt-infra-support-3695353/>

Road InvIT AUM to rise 68% to Rs 3.2 trillion by Mar 2026: CRISIL Ratings

The assets under management of infrastructure investment trusts (InvITs) in the road sector are poised to surge 68 per cent to Rs 3.2 trillion by March 2026 from Rs 1.9 trillion as of September 2024, Crisil Ratings said on Thursday. The rating agency further said the growth will be fuelled by the expansion of existing InvITs' asset pool and the emergence of new InvITs. "The AUM (assets under management) growth will be accompanied by diversification in terms of geography and concession type, which will help build resilience," Crisil Ratings said, adding that this, along with leverage levels being under control, will keep credit profiles of road InvITs strong.

https://www.business-standard.com/industry/news/road-inv-it-aum-to-rise-68-to-rs-3-2-trillion-by-mar-2026-crisil-ratings-124121900706_1.html

Centre released Rs 47,225 crore to states and UTs under Smart Cities Mission: Tokhan Sahu

The Central government has released Rs 47,225 crore to the states and union territories under the Smart Cities Mission till November 15 and out of which Rs 44,626 crore has been utilised, the Lok Sabha was informed on Thursday. In a written reply to a question, Union Minister of State for Housing and Urban Affairs Tokhan Sahu said the work orders have been issued till November 15 in 8,066 crore amounting to Rs 1,64,669 crore, of which 7,352 projects (i.e. 91 per cent of total projects) amounting to Rs 1,47,366 crore have been completed under the mission. The Ministry of Housing and Urban Affairs (HUA) has a multi-level review structure to expedite the progress of projects under the Smart Cities Mission, said Sahu, adding mission implementation at the state level is monitored by the state level high powered steering committee chaired by the chief secretary.

<https://economictimes.indiatimes.com/news/economy/infrastructure/centre-released-rs-47225-crore-to-states-and-uts-under-smart-cities-mission-tokhan-sahu/articleshow/116475404.cms>

Energy

Coal-based power generation up 3.87% in Apr-Oct, coal imports drop 3%: Govt

The government on Thursday said coal-based power generation rose 3.87 per cent in the April-October period of the current fiscal year. "...there was a significant growth of 3.87 per cent in coal-based power generation from April 2024 to October 2024 compared to the same period last year," the coal ministry said in a statement. The ministry further said the imports for blending purposes by thermal power plants dropped 19.5 per cent during the same period. This decline emphasises the country's commitment to achieve self-sufficiency in coal production and reducing reliance on imports.

https://www.business-standard.com/industry/news/coal-based-power-generation-up-3-87-in-apr-oct-coal-imports-drop-3-govt-124121900835_1.html

Telecom

Trai move on int'l SMSes unlikely to help Reliance Jio, Bharti Airtel and Vodafone Idea's cash flow

The telecom regulator's latest move to formally define international SMSes as those originating from computers outside India is unlikely to help local telcos Reliance Jio, Bharti Airtel, and Vodafone Idea generate more cash from multinationals like Amazon, Uber, Meta, and American Express. This is since the Telecom Regulatory Authority of India's (Trai) definition is open-ended and has not made a clear differentiation for data processed by global servers, according to legal experts. "For global operations and multi-cloud environments, it's difficult to justify whether a transaction has originated from within or outside India," a senior lawyer involved in the consultations said. He added that it also must be noted that the origin of an SMS must not be linked to the origin of a transaction.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/trai-move-on-intl-smses-unlikely-to-help-reliance-jio-bharti-airtel-and-vodafone-ideas-cash-flow/articleshow/116480773.cms>

States

Govt approves Rs 398 crore for 19 road development projects in Arunachal Pradesh

The Union government has approved Rs 398 crore for 19 road development projects in Arunachal Pradesh under the Central Road and Infrastructure Fund (CRIF) for the fiscal year 2024-25. Union Minister for Road Transport and Highways, Nitin Gadkari, made this announcement stating its objective of improving last-mile connectivity in the northeastern state's border areas. This development will lead to socio economic growth and enhance accessibility in remote regions. Union Minister Gadkari underlined that the investments showcase the government's commitment to boost infrastructure in underserved areas. "This initiative will result in regional growth and will uplift livelihoods in the North-east," he mentioned in a social media post.

<https://www.financialexpress.com/business/roadways-govt-approves-rs-398-crore-for-19-road-development-projects-in-arunachal-pradesh-3695592/>

NTPC plans to set up nuclear power project in Bihar, says CMD Gurdeep Singh

Power giant NTPC has plans to set up a nuclear project in Bihar, a move which will increase its non fossil energy portfolio, the company's Chairman and Managing Director (CMD) Gurdeep Singh said on Thursday. NTPC has also requested the state government for a land parcel at a suitable location to take forward its nuclear plans, he said addressing a session at the 'Bihar Business Connect 2024' summit here. "Looking at the future of the energy sector, nuclear (energy) is expected to become extremely important for the energy sector, 20-30 years down the line. I want to share that NTPC is now entering the nuclear energy space," Singh said.

https://www.business-standard.com/companies/news/ntpc-plans-to-set-up-nuclear-project-in-bihar-says-cmd-gurdeep-singh-124121900899_1.html

External

India to reassess gold import data amid calculation errors, double-counting concerns

India's import data since July may have to be recast as the ministries of finance and commerce & industry look into the sudden spike recorded in imports of gold. Officials from both ministries will hold discussions this week and next to examine the issue. Transmission of data from the special economic zone (SEZ) portal to the Indian Customs Electronic Gateway (Icgate) may have led to calculation errors in the case of gold. Officials ruled out a similar issue with any other commodity.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-to-reassess-gold-import-data-amid-calculation-errors-double-counting-concerns/articleshow/116481865.cms>

Commerce ministry may face possible repeat of 2011 trade data error

The commerce ministry this time around may witness a repeat of 2011 when a discrepancy of about USD 9 billion was detected in the trade data for the April-November period. This time, the issue involves suspected errors in calculating gold import figures for November 2024. In 2011, there was over-reporting of export data on account of miss-classifications and double counting due to problems in the computer software, which was getting upgraded. Noticing an unusual surge in the gold imports in November this year, pushing the country's trade deficit to a record, a commerce ministry official on Wednesday said that DGCIS (Directorate General of Commercial Intelligence and Statistics) has taken up detailed examination of the gold import data and reconciliation would be done with the data received by CBIC (Central Board of Indirect Taxes and Customs).

<https://economictimes.indiatimes.com/news/economy/foreign-trade/commerce-ministry-may-face-possible-repeat-of-2011-trade-data-error/articleshow/116476469.cms>

India moves to guard against Trump's likely tariff strike

India has begun a detailed sector-wise analysis, drawing up multiple scenarios, to prepare for a possible increase in tariffs on product exports to the United States under the Donald Trump administration, multiple people familiar with the matter told ET. "Ministries and departments are examining various scenarios, apprehending such a move by the US and possible remedies," one of the persons said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-moves-to-guard-against-trumps-likely-tariff-strike/articleshow/116448875.cms>

India gears up for a potential trade deal as Trump targets China, say government sources

India is preparing to offer tariffs cuts on some farm and other goods mainly imported from the U.S., aiming to clinch a broader trade and investment deal once president-elect Donald Trump takes charge, government and industry sources in New Delhi said. To tackle Trump's threat of a "reciprocal tax" on Indian goods for high tariffs, some officials of the Indian commerce ministry are ready to consider cuts on certain products such as pork, a senior government source said. Currently India slaps about a 45% import tariff on pork, which is mostly supplied by the U.S. Tariffs could also be reduced on high-end medical devices such as pace makers and luxury motor-cycles, including Harley Davidson, said a second official with direct knowledge of trade issues, citing the 25% to 60% tariffs on these products.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-gears-up-for-a-potential-trade-deal-as-trump-targets-china-say-government-sources/articleshow/116474355.cms>

Trump's reciprocal tariff plan to open talks for market access

As US president-elect Donald Trump on Wednesday asserted that the world's largest economy would charge taxes (import tariffs) on India on a strictly reciprocal basis, experts here said the move would force open negotiations for greater market access between the two countries. While Trump talked of reciprocity, product-to-product parity on tariffs is not possible because items of export for both countries are not the same as imports, they pointed out. One form the US action could take was matching the tariffs that India imposes on some US products with a similar burden on some other products that India sells to the US.

<https://www.financialexpress.com/policy/economy-trumps-reciprocal-tariff-plan-to-open-talks-for-market-access-3694855/>