



December 19, 2024 – Thursday

Economy

Formal job creation up 3% under ESIC at 1.78 million in October: Payroll data

Formal job creation under the Employees' State Insurance Corporation (ESIC) went up by 3% in October to 1.78 million compared to 1.72 million in October 2023, shows the provisional payroll data released by the ministry of labour and employment on Wednesday. Month-on-month, the formal jobs created under ESIC, however, fell by 13.2% when compared to 2.05 million formal jobs created in September 2024. As per the provisional payroll data, around 21,588 new establishments have been brought under the social security ambit of the ESI scheme in October compared to 23,043 establishments added in September, 2024. "Out of the total 1.78 million employees added during the month, 0.85 million employees or 47.7% of the total registrations belong to the age group of up to 25 years," it said.

<https://economictimes.indiatimes.com/news/economy/indicators/formal-job-creation-up-3-under-esic-at-1-78-million-in-october-payroll-data/articleshow/116432655.cms>

EPFO, ESIC subscribers may soon use claim money via e-wallets: Labour secy

Subscribers of retirement fund body EPFO and Employees' State Insurance Corporation may soon be able to use the claim settlement amounts through e-wallets, a top official said on Wednesday. Replying to a question on EPF withdrawal from ATMs, Secretary in the Ministry of Labour and Employment Sumita Dawra told PTI, "This is an area of great interest for the insured person, for a contributor. How can I withdraw my money more easily." In cases of auto settlement... the money goes to the bank account and they in any case are able to withdraw it from the bank account, from any ATM presently, Dawra said.

https://www.business-standard.com/economy/news/epfo-esic-subscribers-may-soon-use-claim-money-via-e-wallets-labour-secy-124121800947_1.html

Inflation to weigh heavier on households; grocery, consumer goods will soon be 5-20% costlier

Inflationary pressures are set to upend household budgets, potentially worsening stressed urban demand. Starting this month, fast-moving consumer goods (FMCG) companies such as Hindustan Unilever, Godrej Consumer, Dabur, Tata Consumer, Parle Products, Wipro Consumer, Marico, Nestle and Adani Wilmar are rolling out price hikes to offset higher commodity costs and increased customs duty, said executives at companies and FMCG distributors. The entire basket - from tea and edible oil to soap and skin cream-will be 5-20% more expensive, marking the biggest price hike in 12 months. Companies' production costs have swelled due to 22% increase in import duty on edible oil this September, and up to 40% in calendar year 2024. In 2023 too, the cost of key commodities such as sugar, wheat flour and coffee had surged.

<https://economictimes.indiatimes.com/news/economy/indicators/inflation-to-weigh-heavier-on-households-grocery-consumer-goods-will-soon-be-5-20-costlier/articleshow/116449157.cms>

Investments, consumption to drive growth in FY26 to 6.6%: India Ratings

Gradual improvement in consumption demand and investments from both the public and private sector due to monetary easing are expected to push India's economy to grow a tad faster at 6.6 per cent in the financial year 2025-

2026 (FY26) compared with the downward revised projection of 6.4 per cent for the current financial year, India Ratings and Research said on Wednesday. "India-Ratings expects investments to be a key growth driver in FY26. Capital formation is forecasted to increase by 7.2 per cent in FY26 as both the government and private sectors are expected to contribute towards the Gross Fixed Capital Formation (GFCF) growth in FY26.

https://www.business-standard.com/economy/news/investments-consumption-to-drive-growth-in-fy26-to-6-6-india-ratings-124121801183_1.html

Finance

New home (A) loan scheme without collateral on cards

The government is firming up a zero-collateral housing loan scheme for low- and middle-income groups which will offer up to Rs 20 lakh with minimal documentation or third-party guarantee, said people familiar with the matter. Amendments to the Credit Risk Guarantee Fund Scheme for Low-Income Housing (CRGFTLIH) are being examined to pave the way for the scheme, they said, adding that the loan could have a tenure of 30 years.

<https://economictimes.indiatimes.com/news/economy/policy/new-home-loan-scheme-without-collateral-on-cards/articleshow/116449129.cms>

Fintechs seek RBI nod for credit line on UPI platform

Non-banking finance companies (NBFCs) operating in the digital lending space have sought the Reserve Bank of India's permission to offer pre-approved credit on the United Payments Interface (UPI) platform, a product the central bank opened for small finance banks earlier this month, people aware of the matter said. "During the monthly 'finteraction' with the RBI and in individual meetings, the fintech industry has requested that the credit on UPI be extended to them as well," an official told ET. The RBI has designated one day for monthly interactions with the fintech industry called "finteraction".

<https://economictimes.indiatimes.com/industry/banking/finance/fintechs-seek-rbi-nod-for-credit-line-on-upi-platform/articleshow/116448891.cms>

SEBI permits inter-se sponsor transfers of locked-in units in InvITs, REITs

Securities and Exchange Board of India has permitted real estate investment trusts and infrastructure investment trusts to invest in unlisted shares under certain conditions and has also allowed the inter-se transfer of locked-in units among sponsor group entities.

<https://www.thehindubusinessline.com/markets/sebi-permits-inter-se-sponsor-transfers-of-locked-in-units-in-invits-reits/article69003175.ece>

SEBI tightens norms for SME IPOs, investment bankers

The SEBI board on Wednesday tightened norms for SME firms going public and merchant bankers, while broadening the definition of unpublished price sensitive information (UPSI) to include more material events.

<https://www.thehindubusinessline.com/markets/sebi-tightens-norms-for-sme-ipos-investment-bankers/article69001820.ece>

Govt extends ban on derivatives trading in 7 agri commodities by one year

The Government has extended the ban on derivatives trading in seven agriculture commodities by one year till December 2025 on the expectation that trading in these commodities could stoke inflation further. The ban has been extended for the third time, after it was first imposed in 2021.

<https://www.thehindubusinessline.com/economy/agri-business/govt-extends-ban-on-derivatives-trading-in-7-agri-commodities-by-one-year/article69003070.ece>

Net direct tax collection rises 16.45% to Rs 15.82 trillion till Dec 17

Net direct tax collection grew 16.45 per cent year-on-year to over Rs 15.82 lakh crore till December 17 this fiscal, buoyed by higher advance tax mop-up, government data showed. Advance tax collection during the period rose 21 per cent to Rs 7.56 lakh crore. The collection includes corporate tax of over Rs 7.42 lakh crore and non-corporate tax mop-up of Rs 7.97 lakh crore. Securities Transaction Tax (STT) of Rs 40,114 crore was collected between April 1-

December 17 of current fiscal year. Refunds worth Rs 3.39 lakh crore were issued during the period, registering a growth of 42.49 per cent year-on-year.

https://www.business-standard.com/economy/news/net-direct-tax-collection-rises-16-45-to-rs-15-82-trillion-till-dec-17-124121800922_1.html

Expecting 20% recovery or Rs 6,000 cr dues under GST amnesty: Ajit Pawar

Maharashtra Deputy Chief Minister Ajit Pawar on Wednesday said the government expected a recovery of 20 per cent of the outstanding tax or Rs 6,000 crore from the dues under an amnesty scheme related to state GST demands. The amnesty scheme, introduced on November 1, is expected to receive 1.14 lakh applications for the waiver of penalty and interest accumulated from 2017-18 to 2019-20, he said. "The scheme will be in force till March 31, 2025, for the recovery of the outstanding Rs 54,000 crore, including Rs 27,000 crore towards the disputed tax and the rest in penalty and accumulated interest," Pawar said in the legislative assembly.

https://www.business-standard.com/finance/news/expecting-20-recovery-or-rs-6-000-cr-dues-under-amnesty-scheme-ajit-pawar-124121801271_1.html

Heavy agenda for GST Council meet on Saturday

The Group of Ministers (GoM) panel under the GST Council, tasked with deciding the levy on health & life insurance premiums, has submitted its report to the Council, a senior official said on Wednesday. The Council is likely to take up the matter for discussion in its meeting on December 21, in Jaisalmer. Meanwhile, the state finance ministers are also slated to meet the Union finance minister on Friday for pre-Budget consultations.

<https://www.financialexpress.com/policy/economy-heavy-agenda-for-gst-council-meet-on-saturday-3694788/>

Industry

Govt to streamline regulatory framework for bakery-confectionery industry

Food Processing Industries Secretary Subrata Gupta assured on Wednesday that the government will address the concerns of the bakery and confectionery industry, including streamlining regulatory frameworks. During an interactive session with industry leaders, key focus areas emerged, including regulatory simplification, sustainability, and innovation, an official statement said. The secretary, who chaired the high-level roundtable discussion, assured participants of the government's commitment to addressing sector challenges and fostering collaborative growth.

https://www.business-standard.com/industry/news/govt-to-streamline-regulatory-framework-for-bakery-confectionery-industry-124121801293_1.html

All together, smartphone cos fail to increase volume again

After a tepid festive season for smartphone sales with low single-digit increase in volume, market trackers estimate shipments to be flat for the second year in a row in 2024. Analysts expect 2025 to also witness low single-digit growth, which will hinge on whether brands are able to revive demand in the mass-segment and make generative AI features more attractive to users. Brands need to revamp partnerships with offline retail channels and increase marketing spending around generative AI features in smartphones, they added. According to Counterpoint Research, the 30-day festive period, which this year started late-September and lasted till end-October, saw volumes grow only 1-2% compared with the previous season.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/all-together-smartphone-cos-fail-to-increase-volume-again/articleshow/116446671.cms>

Tourism boom to spur 24% annual growth for 5 years

India's tourism industry is likely to grow at an annual rate exceeding 24% over the next five years, driven by robust economic growth, an expanding middle class and government initiatives to meet evolving needs and aspirations of both domestic and international travellers, tourism minister Gajendra Singh Shekhawat said. The sector should grow 12-13% in 2025, he told ET in an interview on the sidelines of the 18th annual CII Tourism Summit. The minister said the government is working on several projects to spruce up tourism hubs and to create new ones.

<https://economictimes.indiatimes.com/industry/services/travel/tourism-boom-to-spur-24-annual-growth-for-5-years/articleshow/116449018.cms>

Indian startups to boost hiring by 20-30% in 2025 as funding improves

Indian startups are preparing to ramp up their talent acquisition efforts as the funding environment improves after a prolonged period of layoffs. Staffing firms project a 20-30 per cent increase in hiring among startups heading into 2025, according to a report by Moneycontrol. Layoffs in the startup sector have significantly declined, falling by 46 per cent year-on-year (YoY) to 8,895 in 2024, compared to an estimated 16,398 in 2023, the report said, citing data from Layoffs.fyi.

https://www.business-standard.com/industry/news/indian-startups-hiring-2025-funding-improves-trends-124121800614_1.html

59% Companies faced financial fraud in past 2 years: PwC Survey

A growing number of Indian companies have faced financial or economic frauds over the past two years, outpacing the global average, according to the PwC's Global Economic Crime Survey 2024. As many as 59% of the Indian organisations surveyed said that they had faced financial or economic frauds in the past 24 months, compared with 41% globally and 52% in the 2022 edition of the same survey. The survey said procurement fraud has emerged as a predominant issue for Indian businesses, with 50% of the respondents identifying it as a major problem. This marks a 21% increase over the global average. In 2022, however, customer fraud was reported as the top concern by 47% of businesses. Meanwhile, globally, 44% of business leaders' highlighted cybercrime as their top concern.

<https://economictimes.indiatimes.com/news/company/corporate-trends/59-companies-faced-financial-fraud-in-past-2-years-pwc-survey/articleshow/116448968.cms>

Infrastructure

Domestic shipping companies to witness dip in revenue, margin as charter rates retract

Domestic shipping companies are expected to continue to see a declining trend in revenue growth with an on-year dip of 8-10 per cent in fiscal 2026, stated a report by CRISIL Ratings. This, it added, will be on account of softening of charter rates — for crude oil and petroleum products amid stagnant demand, and moderation in those for dry bulk carriers following fleet additions. Revenue and margins which came down last fiscal, per the report by CRISIL, continue to slide in the current fiscal after a growth of 35 per cent in fiscal 2023, when charter rates had surged as a result of disruption in global sea borne trade caused by the Russia-Ukraine confrontation and pent-up demand after the pandemic. However, it added that a sharper decline in revenue is unlikely since the overall tonne-mileage remains healthy owing to long-haul travel routes adopted by ships amid the ongoing geopolitical conflicts.

<https://www.financialexpress.com/business/industry-domestic-shipping-companies-to-witness-dip-in-revenue-margin-as-charter-rates-retract-3694470/>

Energy

High local cell prices may impact tariffs of solar projects: Crisil

High prices of domestically manufactured cells can be a headwind for the sector because they would tend to impact the tariff bid at solar power project auctions, said Crisil Market Intelligence & Analytics, emphasising the need for timely commissioning of upcoming cell capacities. "The prices of Indian solar cells today are 1.5-2 times more than alternatives from China even after basic customs duty," said Sehul Bhatt, director-research, Crisil Market Intelligence & Analytics. "Such high prices can drive up the capital cost of solar power projects by ₹5-10 million/MW and require tariff increase of 40-50 paise per unit as offset based on current market dynamics." The research agency estimates domestic solar cells capacity to more than quadruple to 43-47 GW by June 2026 from 10 GW in March 2024. The average annual demand for the same is expected to be 40-45 GW between fiscal 2027 and 2030, it said.

<https://economictimes.indiatimes.com/industry/renewables/high-local-cell-prices-may-impact-tariffs-of-solar-projects-crisil/articleshow/116448685.cms>

States

UP to surpass 1 bn tourist visits, generating Rs 3 trn revenue: Minister

Uttar Pradesh Jal Shakti and Namami Gange Minister Swatantra Dev Singh said on Wednesday that the state is on track to surpass one billion tourist visits, generating Rs 3 lakh crore in economic activity. Speaking at the foundation

stone-laying ceremony of a 180-foot-tall Shiva temple being constructed by the Ram Janki Temple Trust, Singh credited this surge in tourism to the development of corridors across various religious sites and the leadership of Prime Minister Narendra Modi and Chief Minister Yogi Adityanath.

https://www.business-standard.com/india-news/up-to-surpass-1-bn-tourist-visits-generating-rs-3-trn-revenue-minister-124121801339_1.html

Bihar to organise investor summit for 2nd time to boost industrial growth

After an impressive maiden show, Bihar will on December 19-20 host the second edition of Bihar Business Connect - the global investor summit that looks at boosting industrial and entrepreneurial growth in the state. The prestigious event, curated by the state's Department of Industries, seeks to showcase Bihar as a vibrant investment destination. "The inaugural edition in 2023 witnessed participation from over 600 entrepreneurs from India and abroad. Bihar Business Connect 2023 was a landmark initiative. During the two-day summit held last year, a total of 278 investment proposals amounting to Rs 50,530 crore were signed as MoUs, out of which 244 projects worth Rs 38,000 crore have already been implemented on the ground," an official statement said.

https://www.business-standard.com/india-news/bihar-to-organise-investor-summit-for-2nd-time-to-boost-industrial-growth-124121800928_1.html

Tamil Nadu: Madurai junction being redeveloped under Amrit Bharat Station Scheme

The redevelopment work at the Madurai junction in Tamil Nadu is ongoing under the Amrit Bharat Station Scheme (ABSS). The redevelopment project includes new terminals, multi-level parking, and skywalks, according to Southern Railway. The ABSS was launched in February 2023 by the Ministry of Railways to redevelop railway stations across India. Currently, the scheme envisages to take-up 1,275 stations for upgradation. "After redevelopment, we will provide all airport-like facilities here. There will be all passenger facilities including AC waiting hall, restaurant, retail shops, commercial and speciality shops... We will also provide multi-level two-wheeler parking and multi-level car parking facilities here..." Gnanasekar told ANI.

<https://economictimes.indiatimes.com/industry/transportation/railways/tamil-nadu-madurai-junction-being-redeveloped-under-amrit-bharat-station-scheme/articleshow/116456280.cms>

Healthcare

NPPA ropes in patent office to decide on pleas for price cap exemption

Drug companies seeking price exemption for their medicines and vaccines will have to face intense scrutiny as India's drug pricing regulator has sought expertise from the Indian Patent Office to decide on applications seeking exemption from drug price norms. However, the NPPA has asked the patent office to participate in the meetings to discuss the issue. "An officer not below the rank of deputy controller of patents, design and trade marks from the office of controller general of patents, design and trade marks (CGPDTM) who is well versed with the subject matter would be invited for deliberations. It was also decided that the agenda for the deliberations on the applications received under para 32 of DPCO, 2013 may be sent in advance to CGPDTM," said the NPPA, according to the minutes of the meeting, a copy of which was seen by ET.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/nppa-ropes-in-patent-office-to-decide-on-pleas-for-price-cap-exemption/articleshow/116448755.cms>

External

Gem, jewellery exports drop 12.9% in Nov amid geopolitical tension: GJEPC

Gems and jewellery exports saw a decline of 12.94 per cent to USD 1,986.21 million (Rs 16,763.13 crore) in November on prolonged geopolitical tension, Gem and Jewellery Export Promotion Council (GJEPC) said on Wednesday. Gems and jewellery exports in November 2023 stood at USD 2,281.4 million, the GJEPC data added. Cut and polished diamonds export in November declined 39.81 per cent to USD 666.01 million compared to USD 1,106.53 million for the same period last year. Provisional exports of polished lab grown diamonds during November declined 42.37 per cent to USD 62.88 million over USD 109.10 million for the previous year.

https://www.business-standard.com/industry/news/gem-jewellery-exports-drop-12-9-in-nov-amid-geopolitical-tension-gjepc-124121800876_1.html

Tea, rice exports to Iran may take a hit on rial devaluation

Exports of premium quality Indian orthodox tea and basmati rice to Iran, a major market for both commodities, may take a hit as the West Asian nation has further devalued its currency, making imported products pricier in the domestic market. A new official price for the US dollar has been fixed by the Central Bank of Iran (CBI) at 596,470 rials, up from 42,0000 rials in November, which will make import costlier for the country.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/tea-rice-exports-to-iran-may-take-a-hit-on-rial-devaluation/articleshow/116448783.cms>

High interest rates deterrent for MSME exporters; working with FinMin: DGFT

The country's high interest rates are a big deterrent for exporters community and the commerce ministry is working with its finance counterpart to help them at this front, a senior government official said on Wednesday. Director General of Foreign Trade Santosh Kumar Sarangi said that the department of commerce has been "struggling" to convince the finance ministry regarding the relevance of the Interest Equalisation Scheme (IES) and the extent to which it is maintaining manufacturing competitiveness. Sarangi said there are many studies which suggest that very high collateral demand by financial institutions is a big deterrent for MSMEs to access institutional finance and that deters them from getting into the export market.

https://www.business-standard.com/economy/news/high-interest-rates-deterrent-for-msme-exporters-working-with-finmin-dgft-124121800581_1.html

China-India Talks Mark Key Step Toward Restoring Bilateral Stability

On December 13, 2023, Chinese Vice President Han Zheng met with India's National Security Adviser (NSA) Ajit Doval in Beijing, signalling a renewed commitment to stabilizing the often-tense bilateral relationship between the two countries. The meeting, following a five-year hiatus in the Special Representatives (SR) dialogue, focused on rebuilding political trust, expanding cooperation, and addressing the long-standing boundary dispute. With 2024 marking the 75th anniversary of diplomatic ties, the discussions are seen as a critical step in bringing India-China relations back to a stable and constructive track.

<https://www.financialexpress.com/business/defence-china-india-talks-mark-key-step-toward-restoring-bilateral-stability-3694799/>

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>