



December 23, 2024 – Monday

## Economy

### Real GDP growth seen lower than RBI estimates in Oct-Mar

The real gross domestic product (GDP) growth for the second half of FY25 is likely to be softer than the Reserve Bank of India's (RBI) revised estimates, economists said, citing the latest suite of incoming high-frequency data contained in the minutes of the review of the rate-setting panel. Economists project downside risks of up to 60 basis points to 6.4% to 6.6% in H2FY25, versus central bank projections of 7% for the traditionally busy season in the local economy. Such indicators for October and November, which coincided with the biggest festive month and the start to the wedding season in north India, remained mixed for both consumption- and investment-oriented sectors, economists said, analysing the minutes of the monetary policy committee (MPC) meeting.

<https://economictimes.indiatimes.com/news/economy/indicators/real-gdp-growth-seen-lower-than-rbi-estimates-in-oct-mar/articleshow/116574018.cms>

### HDFC Securities expects India GDP to moderate to 6.4% in 2024-25

Financial advisory services firm HDFC Securities expects India's GDP to grow at 6.4 per cent in 2024-25, with downside risks given a slowdown in urban demand and a lack of substantial revival in private capex. Growing rural demand and an anticipated increase in government spendings are however key growth levers. The Reserve Bank in its latest monetary policy had cut India's growth forecast to 6.6 per cent from 7.2 per cent. The revision came after the economy grew by 5.4 per cent in real terms in the July-September quarter of the current financial year 2024-25.

<https://economictimes.indiatimes.com/news/economy/indicators/hdfc-securities-expects-india-gdp-to-moderate-to-6-4-in-2024-25/articleshow/116559924.cms>

## Finance

### Unique ID to be deployed to check GST evasion in select commodities

India will soon launch a Unique Identification Marking or UIM as part of a "track & trace" mechanism for select evasion-prone commodities such as tobacco products. Non-compliance by an entity will attract a penalty of ₹1 lakh or 10% of the tax payable. The Goods and Services and Tax (GST) Council, which met Saturday, approved an amendment in the central goods and services tax act to provide a legal framework for developing the mechanism to trace specified commodities throughout the supply chain. A specific definition will be incorporated in the law defining the Unique Identification Marking, which includes a digital stamp, mark or similar sign that's unique, secure and non-removable as may be notified by the government. A detailed procedure will be prescribed through rules under the provision after finalisation of the technology.

<https://economictimes.indiatimes.com/news/economy/policy/unique-id-to-be-deployed-to-check-gst-evasion-in-select-commodities/articleshow/116573917.cms>

### Bank deposit rates to stay firm in Q4 as loan demand peaks

Interest rates on bank deposits are unlikely to fall before the end of this fiscal year as lenders, analysts believe, will likely be under pressure to mobilise funds to meet expected demand for loans in the fourth quarter. Although this

month's reduction in the cash reserve ratio (CRR) has provided some liquidity relief to lenders, experts said that banks would refrain from tinkering with rates in the months ahead when credit demand peaks.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-deposit-rates-to-stay-firm-in-q4-as-loan-demand-peaks/articleshow/116575002.cms>

### **Number of UPI apps grows in 2024, yet top two command maximum market share**

In 2024, the National Payments Corporation of India (NPCI) approved 20 third-party Unified Payments Interface (UPI) applications, a record since UPI's launch in 2016. This surge reflects growing interest from financial technology (fintech) companies, driven by the integration of credit products like UPI-linked credit cards and pre-approved credit lines. In October, NPCI Managing Director and Chief Executive Officer Dilip Asbe said that around 50 entities were keen on obtaining third-party application provider (TPAP) approvals, despite the current zero merchant discount rate regime on UPI payments. A surge in new participants may not necessarily make a sizeable dent in the market share of top players, PhonePe and Google Pay, who dominate nearly 85 per cent of the country's UPI volumes. For most new applications, UPI is less about market share and more about leveraging payments as a gateway to higher-margin businesses like lending, insurance, and wealth management.

[https://www.business-standard.com/finance/news/number-of-upi-apps-grows-in-2024-yet-top-two-command-maximum-market-share-124122200429\\_1.html](https://www.business-standard.com/finance/news/number-of-upi-apps-grows-in-2024-yet-top-two-command-maximum-market-share-124122200429_1.html)

### **Punjab presents slew of demands to boost infra at pre-budget meeting with Sitharaman**

Punjab presents slew of demands to boost infra at pre-budget meeting with Sitharaman. Punjab has sought Rs 1,000 crore Central assistance to strengthen its police infrastructure and security efforts in the border districts, among a slew of other demands, at a pre-budget meeting with Union Finance Minister Nirmala Sitharaman held in Jaisalmer, an official statement said on Sunday. Industrial incentives similar to those provided to Jammu and Kashmir and the neighbouring hill states were also sought to support the MSMEs in Punjab's border and sub-mountainous regions, a Punjab government statement said on Sunday. Quoting Punjab Finance Minister Harpal Singh Cheema, the statement said the state has strongly raised the demand to restore NABARD's Short-Term Seasonal Agricultural Operations (ST-SAO) limit to Rs 3,041 crore, from the reduced limit of Rs 1,100 crore, for FY 2024-25.

<https://economictimes.indiatimes.com/news/economy/policy/punjab-presents-slew-of-demands-to-boost-infra-at-pre-budget-meeting-with-sitharaman/articleshow/116572213.cms>

## **Industry**

### **DoCA to launch apps to empower consumers to identify dark patterns on website**

The Department of Consumer Affairs said that it is set to launch the 'Jago Grahak Jago App,' and 'Jagruti App,' for public use on National Consumers Day 2024, December, 24. It said these apps will empower consumers with tools to identify dark patterns on e-commerce platforms. Also, the Central Consumer Protection Authority is being strengthened with the 'Jagruti Dashboard' which is used to generate real-time reports on e-commerce URLs for the presence of dark patterns, enhancing the capability to monitor and regulate online consumer interactions effectively.

<https://www.thehindubusinessline.com/news/national/doca-to-launch-apps-to-empower-consumers-to-identify-dark-patterns-on-website/article69015763.ece>

### **Car companies may hit road to robust sales next year**

Sales of passenger vehicles are expected to grow by 5% in calendar year 2025 against a high base, indicating healthy consumer demand on the back of a pick-up in government spending, good monsoon rain and strong consumer sentiment in rural markets due to robust crop yields, several senior industry executives ET spoke to said. While sales of SUVs will remain strong, carmakers expect demand for entry-level small cars to rise as indicated by a spurt in two-wheeler sales in recent months. After six months of slow growth in this fiscal year, car sales grew by about 1% in October and 4% in November. Passenger vehicle sales grew by 3% in the first quarter.

<https://economictimes.indiatimes.com/industry/auto/auto-news/car-companies-may-hit-road-to-robust-sales-next-year/articleshow/116575083.cms>

### **With new launches, expansions, every fifth scooter may be electric in FY26**

Buoyed up by distribution expansion, a bevy of new launches, and the entry of Honda Motorcycles with electric Activa, two-wheeler manufacturers are confident that electric scooter (e-scooter) penetration could rise to a fourth or fifth of the total market (ICE and e-scooters) in FY26. A top executive at a leading electric two-wheeler company said: "The industry is expecting two scenarios. At an average run rate of 120,000 units per month, we should reach 1.5 million sales in FY26. However, if we push the pedal a bit harder, penetration could reach 25 per cent, at a monthly run rate of 150,000 units." This optimism is driven by the rapid increase in distribution, which allows major players to cover 60 per cent of the overall market where two-wheelers are sold. Falling e-scooter prices, with new entry-level models, are also expected to expand the overall market.

[https://www.business-standard.com/industry/auto/with-new-launches-expansions-every-fifth-scooter-may-be-electric-in-fy26-124122200628\\_1.html](https://www.business-standard.com/industry/auto/with-new-launches-expansions-every-fifth-scooter-may-be-electric-in-fy26-124122200628_1.html)

### **Investments in new EV assembly line within a factory eligible for sops**

Investment in setting up a dedicated electric vehicle (EV) assembly line within existing factory premises will qualify as eligible investment for sops under the Scheme to Promote Manufacturing of Electric Passenger Cars (SMEC). According to officials aware of the development, this was a much sought after policy clarity that global EV makers with manufacturing presence in India were looking for before participating in the SMEC. "Guidelines for SMEC are finalised...investment in a new EV assembly line will be eligible for getting sops," a senior government official told ET. Foreign companies, including those with existing facilities in India, can apply for benefits under SMEC, which allows automakers to initially import high-end electric cars at a concessional duty even as they set up local units and scale up production.

<https://economictimes.indiatimes.com/industry/renewables/investments-in-new-ev-assembly-line-within-a-factory-eligible-for-sops/articleshow/116574224.cms>

### **Sub-Rs 10,000 category 5G phones set to ring loud and clear in New Year**

Calendar 2025 is set to see a sharp surge in market penetration of entry-level 5G phones, triggered by the likely availability of more aggressively priced devices in the sub-₹10,000 range. Top handset brands seeking to clear this year's inventory of base 5G devices at discounts exceeding a sixth of the sticker prices should push volumes further, handset industry trackers said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/sub-rs-10000-category-5g-phones-set-to-ring-loud-and-clear-in-new-year/articleshow/116575434.cms>

### **Online electronics sale quickens through shift to qcomm**

Consumers moved thousands of crores worth of electronics shopping online this year, including for large appliances, a trend strengthened by the entry of quick commerce into the segment. Online channels accounted for 34% of the consumer electronics sales in the country this year, up from 32% in 2023, shows data from market researcher NielsenIQ. This 2 percentage point increase means sales of around ₹11,000 crore have shifted to ecommerce from offline retail, the researcher said.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/electronics-sale-through-qcomm-quickens-online-shift/articleshow/116575269.cms>

### **Consumer tech, renewables top themes as M&A activity picks up: Barclays India CEO**

Consumer tech, renewables and healthcare companies are likely to dominate investment banking activities in 2025, even as a slowdown in earnings growth over the next two quarters on weakening demand could correct equity valuations, Barclays India CEO Pramod Kumar said. "The biggest risk to current valuation is probably over the next couple of quarters. Earnings growth may disappoint, in some cases, at least for the next couple of quarters, with inflation (leading to) a bit of a slowdown in demand....We will not see a massive fall in the markets because of the underlying strong economic growth and the huge amount of domestic inflows that are supporting the market," Kumar said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/consumer-tech-renewables-top-themes-as-ma-activity-picks-up-barclays-india-ceo/articleshow/116574640.cms>

### **Hotel room rates set to rise in 2025, driven by strong demand growth**

After hotel room rates hit record highs in 2024, they are set to rise further in 2025 driven by a surge in demand of 7-8 per cent across segments. Hotels are going fully booked at the end of the year despite foreign tourist arrivals still remaining below pre-Covid levels. "With most markets continuing to record strong occupancies and amid average daily rate (ADR) growth, we do not expect too much pressure to be exerted by new supply," said Manav Thadani, founder and chairman, Hotelivate, a hotel consulting firm. He added, "As a result, hotels should be expected to continue their strong performance and record ADR growth of over 7-8 per cent in 2025." Corroborating Thadani's estimates, Nishant Pitti, chief executive officer (CEO) and co-founder, EaseMyTrip, said he expects India's hotel room rates to continue their upward trajectory in 2025. It would be driven by the dynamic interplay of rising demand across luxury, midscale, and budget segments.

[https://www.business-standard.com/industry/news/hotel-room-rates-set-to-rise-in-2025-driven-by-strong-demand-growth-124122200460\\_1.html](https://www.business-standard.com/industry/news/hotel-room-rates-set-to-rise-in-2025-driven-by-strong-demand-growth-124122200460_1.html)

## Agriculture

### Govt asks retailers to lower price of pulses

The government advised the retail industry at a recent meeting to reduce the price of pulses in line with the decline in wholesale rates. Although the price of tur, masur, chana, moong, yellow peas, urad etc. have declined by 5-20% in the past two months in the wholesale markets, the retail prices continue to rule firm. Food and consumer affairs ministry officials recently met industry representatives to understand why retail prices are not coming down. Some of the top industry sources told ET on condition of anonymity that the government has advised the retail trade to sell at least some pulses at lower prices and aim for a 15-20% reduction. It is learnt that if the retail prices are not reduced, then the government may opt to increase the sale of Bharat brand pulses in the open market.

<https://economictimes.indiatimes.com/news/economy/agriculture/govt-asks-retailers-to-lower-price-of-pulses/articleshow/116574324.cms>

## Infrastructure

### Data centre capacity in colocation space to grow by 230 MW in 2024: Cushman & Wakefield

Data centre capacity addition in the colocation space is expected to reach approximately 230 MW (IT load) by the end of 2024, with a similar or higher capacity addition anticipated in 2025, according to Cushman & Wakefield data. India has the potential to become a global data centre hub due to its low construction, land and power costs compared to other countries, coupled with a well-established IT and digitally enabled services ecosystem. According to Cushman & Wakefield, the median cost of constructing a data centre in India is estimated at \$6.8 million per MW of capacity, significantly lower than most APAC nations-Australia is at \$9.17 million, Japan is at \$12 million. The report said that three crucial undersea data cable projects landing at Mumbai could be completed in 2025, thereby helping to position India's financial capital as a regional data centre hub.

<https://economictimes.indiatimes.com/industry/services/property/-construction/data-centre-capacity-in-colocation-space-to-grow-by-230-mw-in-2024-cushman-wakefield/articleshow/116575431.cms>

## Energy

### India has potential to be key sustainable aviation fuel producer, says IATA official

India has the potential to be a key producer of sustainable aviation fuel by utilising its ethanol supplies and availability of lipids feedstocks like non-edible industrial oils, according to a senior official at the global airlines' grouping IATA. With decarbonisation in focus, efforts are being made to reduce emissions and over the years, Indian carriers have operated some flights with a blend of Sustainable Aviation Fuel (SAF) and traditional Aviation Turbine Fuel (ATF). Hemant Mistry, Director of Net Zero Transition at the International Air Transport Association (IATA), said the ecosystem for SAF has developed but there is more work to be done. "There are some very good opportunities for India right now. One is in terms of SAF feedstocks like agricultural waste... there is a growing understanding on what to do for SAF production. We are talking to a number of companies to understand how we can collaborate... oil companies," Mistry told PTI in a recent interview in Geneva.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/india-has-potential-to-be-key-sustainable-aviation-fuel-producer-says-iata-official/articleshow/116567704.cms>

## Telecom

### **Telcos face new fines over failure to curb spam calls**

The Telecom Regulatory Authority of India (Trai) imposed another set of financial penalties on telcos last week for their failure to curb spam, officials aware of the details told ET. "The penalties have been imposed on all the four major mobile operators-Reliance Jio, Bharti Airtel, Vodafone Idea (Vi) and BSNL-as well as some smaller firms, as part of the TCCPR rules," an official said on condition of anonymity.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/telcos-face-new-fines-over-failure-to-curb-spam-calls/articleshow/116575321.cms>

## External

### **Bilateral investment treaty and FTAs are two separate pacts; should continue to remain so: Sources**

Demands of certain developed countries from India to negotiate 'investment protection' elements under an FTA is inappropriate as negotiating the matter as part of a separate chapter under the trade pact could have larger and detrimental implications, source said. Legally speaking, they said, the investment protection element provides a wide range of obligations and commitments bestowed upon foreign investors, which are expansive in nature. "Recently, a lot has been heard about countries that are desiring India to negotiate 'investment protection' elements vis-a-vis investment chapter as part of the free trade agreement (FTA). However, this is incorrect," one of the sources said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/bilateral-investment-treaty-and-ftas-are-two-separate-pacts-should-continue-to-remain-so-sources/articleshow/116566247.cms>

### **I2U2 & IMEEC chart new course for global economic cooperation: Experts**

A recent event comprising senior experts has highlighted the transformative potential of the I2U2 Group, a groundbreaking quadrilateral partnership between India, Israel, the United Arab Emirates, and the United States. The event, titled "I2U2: Towards a Transformative Quadrilateral Partnership", brought together distinguished experts who explored the partnership's role in reshaping international cooperation and economic integration. The event held virtually was organised by the CUTS International, a leading public policy body of India.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/i2u2-imeec-chart-new-course-for-global-economic-cooperation-experts/articleshow/116571659.cms>