



December 24, 2024 – Tuesday

Economy

Retail inflation for farm, rural workers eases in November

Retail inflation for farm workers and rural labourers dipped to 5.35 per cent and 5.47 per cent in November compared to 5.96 per cent and 6 per cent, respectively, in October this year. The All-India Consumer Price Index for Agricultural Labourers (CPI-AL) and Rural Labourers (CPI-RL) registered an increase of 5 points each in November 2024, reaching levels of 1,320 and 1,331, respectively, a labour ministry statement said. "The year-on-year inflation rates based on CPI-AL and CPI-RL for the month of November 2024 were recorded at 5.35 per cent and 5.47 per cent, respectively, compared to 7.37 per cent and 7.13 per cent in November 2023. The corresponding figures for October 2024 were 5.96 per cent for CPI-AL and 6.00 per cent for CPI-RL," it stated.

<https://economictimes.indiatimes.com/news/economy/indicators/retail-inflation-for-farm-rural-workers-eases-in-november/articleshow/116601968.cms>

Govt weighs junking customs relief in 'Make in India' push

India could in the upcoming budget remove customs duty exemptions for certain imported components such as bulk drugs used to manufacture certain insulins, raw material to produce rough lab grown diamonds, plastics used to manufacture optical fibre, components used in LED and LCD TV panels and goods required for coal mining and power generation to boost their local manufacturing. The government is examining the data on planned investments, domestic production and capacity of 31 products where conditional customs duty rates and exemptions are set to expire by September 30, 2025. The finance ministry has sounded out the concerned ministries and departments and sought their inputs.

<https://economictimes.indiatimes.com/news/economy/policy/govt-weighs-junking-customs-relief-in-make-in-india-push/articleshow/116608372.cms>

Finance

Govt may peg FY26 fiscal deficit lower than 4.5% of GDP: Finance Ministry

The Union government is committed to pursuing the glide path of fiscal consolidation, as announced in Budget for FY22, and to attain a level of fiscal deficit "lower than 4.5%" of GDP by FY26, the finance ministry said. Going forward, the thrust will be on improving the quality of public spending, while at the same time, strengthening the social security net for the poor and needy. "This approach would help further strengthen the nation's macro-economic fundamentals and ensure overall financial stability," the ministry said.

<https://www.financialexpress.com/policy/economy-govt-may-peg-fy26-fiscal-deficit-lower-than-4-5-of-gdp-finance-ministry-3698612/>

Seed funding hits a 4-year low despite modest recovery in startup investments

Despite a modest recovery in startup funding this year, seed-stage investments remain in a slump, hitting their lowest since 2020. The number of seed funding rounds plummeted 40% to 925 in 2024, down from 1,545 last year, according to Tracxn data. The total raised also shrank 22%, barely crossing \$971 million. The lowest before this was

in 2019, when funding stood at \$814 million. The dip reflects a growing investor hesitancy to back untested business models. First-time funding rounds fell 40% to 393 startups this year, compared to 665 in 2023.

https://www.financialexpress.com/business/sme-seed-funding-hits-a-4-year-low-despite-modest-recovery-in-startup-investments-3698703/?ref=hometop_hp

Claims ratio of non-life insurers dips to 82.52% in FY24: Irdai report

Net incurred claims to net earned premium (claims ratio) of non-life insurance industry stood at 82.52 per cent during 2023-24 as against 82.95 per cent in the preceding fiscal year, as per the Irdai's annual report. According to the Annual Report 2023-24 of the Insurance Regulatory and Development Authority of India (Irdai), during 2023-24, the non-life insurance industry underwrote a total direct premium of Rs 2.90 lakh crore in India registering a growth of 12.76 per cent from previous year. The contribution of public sector general insurers increased 8.88 per cent from Rs 82,891 crore in 2022-23 to Rs 90,252 crore in 2023-24. Private sector insurers, including standalone health insurers, have underwritten Rs 1.88 lakh crore as against Rs 1.58 lakh crore in 2022-23.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/claims-ratio-of-non-life-insurers-dips-to-82-52-in-fy24-irdai-report/articleshow/116602733.cms>

Industry

Rural FMCG growth slows as wheat flour demand drops: Kantar report

The slowdown in rural consumption of daily necessities is led by wheat flour or atta which is a "mega category" for the market, with the non-atta rural fast moving consumer goods (FMCG) growth being stable and growing seasonally, as per a latest research report by Kantar. Kantar, which tracks household consumption of both branded and unorganised products, said the "confidence" on rural markets is more pronounced due to good growth in personal care categories there which is considered an indicator of positive growth. The data shows the personal care segment grew in rural areas by 5.4% in the quarter ending October as compared to 2.8% in the same period a year back.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/rural-fmcg-growth-slows-as-wheat-flour-demand-drops-kantar-report/articleshow/116603585.cms>

India to kick off critical minerals mission to bolster energy transition, EV manufacturing

India is set to kick off a national mission for the critical and strategic minerals sector as the country looks to propel its journey towards green energy transition and boost electric vehicle manufacturing capacity. While much of 2024 was spent in doing ground work, the next is poised to be a landmark year for India's mineral and mining sector. As the world races to secure vital minerals for renewable energy and emerging technologies, India gears up to take the centre stage with the launch of its much-touted Critical Mineral Mission in 2025.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/india-to-kick-off-critical-minerals-mission-to-bolster-energy-transition-ev-manufacturing/articleshow/116592655.cms>

Government mulls 30 per cent subsidy for local electric ambulances

India is planning to offer up to 30% subsidy of the cost of producing electric ambulances to encourage local manufacturing, officials said.

<https://economictimes.indiatimes.com/industry/renewables/government-mulls-30-per-cent-subsidy-for-local-electric-ambulances/articleshow/116609549.cms>

Agriculture

Govt working on new scheme to help farmers transport farm produce to other states, markets: Agri Min Shivraj Singh Chouhan

The Centre and state governments are working on a new scheme to help farmers transport the farm produce to other states and markets, Union Agriculture Minister Shivraj Singh Chouhan announced on Monday. Speaking on the occasion of the platinum jubilee of the Gokhale Institute of Politics and Economics (AERC), Singh said: "...the central government is working on a new scheme to deliver the farmers' products to distant places," according to an official statement. The contribution of the farm sector to the country's GDP is 18 per cent, and the government is

working on many areas to further strengthen the sector, the minister said. He stressed the judicious use of natural resources and called for stopping the indiscriminate use of pesticides.

<https://economictimes.indiatimes.com/news/economy/agriculture/govt-working-on-new-scheme-to-help-farmers-transport-farm-produce-to-other-states-markets-agri-min-shivraj-singh-chouhan/articleshow/116607264.cms>

Weather woes to crush India's sugar production, export hopes

Sugarcane yields in India are declining due to last year's drought and this year's excessive rains, which could reduce the country's sugar production below consumption levels for the first time in eight years, farmers and industry officials said on Monday. Lower-than-expected output by the world's second-largest sugar producer could eliminate the possibility of India allowing exports in the current season ending in September 2025, supporting global sugar prices.

<https://economictimes.indiatimes.com/news/economy/agriculture/weather-woes-to-crush-indias-sugar-production-export-hopes/articleshow/116599631.cms>

Nano urea demand pegged at 2.36 crore bottle for rabi season; six plants operational

The country's nano urea requirement for the ongoing 2024-25 rabi season is estimated at 2.36 crore bottles of 500 ml each, with Uttar Pradesh leading the demand, government data shows. The maximum requirement is from Uttar Pradesh at 43.38 lakh bottles, followed by Maharashtra (34.7 lakh bottles) and Punjab (20.82 lakh bottles). Haryana and Karnataka are estimated to require 17.35 lakh bottles each, while Rajasthan needs 15.01 lakh bottles and Madhya Pradesh 12.54 lakh bottles for this season. However, no requirement has been reported from Gujarat, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Meghalaya, Chandigarh, Daman & Diu, Dadar & Nagar Haveli, and Andaman & Nicobar.

<https://economictimes.indiatimes.com/news/economy/agriculture/nano-urea-demand-pegged-at-2-36-crore-bottle-for-rabi-season-six-plants-operational/articleshow/116598703.cms>

Cotton farmers from Telangana may get central price support

The Centre is likely to launch a pilot of the Bhavantar Bhugtan Yojana - a price support scheme that compensates farmers for the difference when the prevailing market price falls below the minimum support price (MSP) - for cotton farmers from Telangana's Adilabad next month. A meeting of the committee instituted for this purpose, headed by agricultural economist and Niti Aayog member Ramesh Chand and comprising representatives of the industry, growers and state governments, took place last week, multiple people who attended the meeting told ET. As most of the farmers have sold their cotton crop harvested from October onward, the scheme would be implemented on a pilot basis after deliberations with the officials of the Telangana government, they said.

<https://economictimes.indiatimes.com/news/economy/agriculture/cotton-farmers-from-telangana-may-get-central-price-support/articleshow/116608542.cms>

Infrastructure

Nitin Gadkari warns of suspension over delayed Nagpur Airport runway recarpeting

Union Minister for Road Transport and Highways, Nitin Gadkari, issued a stern warning on Monday, stating that authorities would be suspended if the recarpeting of the Nagpur airport runway is not completed within a month. The last recarpeting of the runway was carried out in 2013-14 by the Airports Authority of India (AAI). Gadkari conducted an on-site inspection of the runway earlier on Monday morning.

<https://economictimes.indiatimes.com/news/economy/infrastructure/nitin-gadkari-warns-of-suspension-over-delayed-nagpur-airport-runway-recarpeting/articleshow/116599990.cms>

Asian Development Bank to provide \$500 million loan to support sustainable infra projects in India

The Government of India and the Asian Development Bank (ADB) has signed a USD 500 million (about Rs 4,250 crore) loan to support green and sustainable infrastructure projects aligned with the country's climate commitments. The ADB loan, with a sovereign guarantee, will be extended to the India Infrastructure Finance Company Ltd (IIFCL), the finance ministry said in a statement on Monday. The signatories to the Financing Environmentally Sustainable

Growth in Infrastructure Project were Juhi Mukherjee, Joint Secretary, Department of Economic Affairs, Ministry of Finance, for the Government of India, and Country Director Mio Oka for ADB.

<https://economictimes.indiatimes.com/news/economy/infrastructure/asian-development-bank-to-provide-500-million-loan-to-support-sustainable-infra-projects-in-india/articleshow/116606856.cms>

Energy

Middle East share of India's November oil imports at 9-month high; Russia down

India's November crude imports showed Middle Eastern oil at a 9-month high while Russia accounted for its smallest share in three quarters, ship tracking data obtained from sources showed. Refiners in India have been gorging on cheaper Russian oil despite problems posed by sanctions aimed at reducing Moscow's oil revenue to fund its war in Ukraine. The world's third biggest oil importer and consumer in November shipped in 13% less Russia oil compared with October at 1.52 million barrels per day (bpd), about 32% of India's overall intake, the data showed.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/middle-east-share-of-indias-november-oil-imports-at-9-month-high-russia-down/articleshow/116595304.cms>

Telecom

TRAI mandates voice and SMS-only tariff packs for price-conscious consumers, impacting ARPU growth

Price-conscious mobile consumers will now have the option to buy voice and SMS-only tariff packs as the telecom regulator has mandated telcos offer such no-frills service options to customers.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/trai-mandates-voice-and-sms-only-tariff-packs-for-price-conscious-consumers-impacting-arpu-growth/articleshow/116606803.cms>

States

Chhattisgarh's new industrial policy: CM Vishnu Deo Sai elaborates on steps to boost investment

A year after assuming office, Chhattisgarh Chief Minister Vishnu Deo Sai has unveiled a new industrial policy aimed at attracting investments in various sectors such as semiconductors, information technology, electronics, food processing, renewable energy, tourism and education. On Monday the state received investment proposals worth Rs 15,184 crore from leading industrialists after a meet here. Sai spoke to Financial Express's Sandip Das on a range of issues from eliminating naxalism by 2026 to the potential of the state to emerge as an investment destination.

<https://www.financialexpress.com/policy/economy-chhattisgarhs-new-industrial-policy-cm-vishnu-deo-sai-elaborates-on-steps-to-boost-investment-3698535/>

Andhra govt approves roadworks worth Rs 2,723 crore in Amaravati

The Andhra Pradesh government on Monday said it has approved road infrastructure works worth Rs 2,723 crore in greenfield capital Amaravati. Municipal Minister P Narayana said these funds will be deployed for building layout roads in Amaravati zone - 7 and 10. "Funds for works worth Rs 47,288 crore were approved until now during Capital Region Development Authority (CRDA) meetings for the development of Amaravati," said Narayana, addressing a press conference at the secretariat.

<https://economictimes.indiatimes.com/news/economy/infrastructure/andhra-govt-approves-roadworks-worth-rs-2723-crore-in-amaravati/articleshow/116608047.cms>

External

MFN status suspension not to delay implementation of EFTA trade pact with India: Switzerland

The Swiss decision to suspend the most favoured nation clause in the Double Taxation Avoidance Agreement will not delay the ratification and implementation of the already signed trade agreement between India and the EFTA bloc, Switzerland has said. The Swiss government has suspended the Most Favoured Nation (MFN) status, which could potentially impact Swiss investments in India and lead to higher taxes on Indian companies operating in the European nation. "No, the decision will not delay the ratification and implementation of EFTA-India TEPA," the Embassy of Switzerland in India has said in a response to PTI queries on the matter.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/mfn-status-suspension-not-to-delay-implementation-of-efta-trade-pact-with-india-switzerland/articleshow/116599504.cms>

Foreign Secy Misri meets top US diplomats, discusses wide range of issues

Ahead of External Affairs Minister S. Jaishankar's visit to the United States, India's Foreign Secretary Vikram Misri on Monday had meetings with top American diplomats on a wide range of bilateral, regional and global issues. Jaishankar is scheduled to visit the United States from December 24-29, the Ministry of External Affairs (MEA) announced a day earlier. During the visit, Jaishankar will meet his American counterparts to discuss key bilateral, regional and global issues, an official statement said. On the eve of Jaishankar's visit, Misri on Monday had meetings with the Deputy Secretary of State Kurt Campbell and Deputy Secretary for Management Richard Verma at Foggy Bottom headquarters of the State Department.

https://www.business-standard.com/external-affairs-defence-security/news/foreign-secy-misri-meets-top-us-diplomats-discusses-wide-range-of-issues-124122400078_1.html

India's tea export likely to be higher this year despite geopolitical tensions

Despite geopolitical tensions, India's tea export will likely to be higher this year compared to last year mainly due to increase in shipments to Iran and Iraq.

<https://www.thehindubusinessline.com/economy/indias-tea-export-likely-to-be-higher-this-year-despite-geopolitical-tensions/article69019672.ece>