



December 26, 2024 – Thursday

## Economy

### Rise in unincorporated establishments driven by OAEs, shows NSO data

A rise in the number of establishments in the vast unincorporated sector during October 2023-September 2024 was led by an increase in the share of own account enterprises (OAEs), the latest fact sheet titled 'Annual Survey of Unincorporated Sector Enterprises (ASUSE) 2023-24' released by the National Statistical Office (NSO) on Tuesday showed. Data showed that the share of OAEs grew to 86.4 per cent during the October 2023-September 2024 period from 85.1 per cent in October 2022-September 2023. This comes as the total number of establishments in the unincorporated sector grew by 12.8 per cent to 73.4 million during the same time period. The share of OAEs stood at 84.2 per cent in the 73rd round of the National Sample Survey (NSS), conducted between July 2015 and June 2016. [https://www.business-standard.com/economy/news/rise-in-unincorporated-establishments-driven-by-oaes-shows-nso-data-124122500621\\_1.html](https://www.business-standard.com/economy/news/rise-in-unincorporated-establishments-driven-by-oaes-shows-nso-data-124122500621_1.html)

### Net formal jobs under EPFO down to five-month low of 1.34 million in October

Net formal job creation under the Employees' Provident Fund Organisation (EPFO) fell to a five-month low of 1.34 million in October, a year-on-year dip of 11.8% compared to 1.52 million in October 2023 shows government data. As per the provisional EPFO payroll data, released by the ministry of labour and employment on Wednesday, the retirement fund body witnessed a month-on-month decline of 28.7% compared to 1.88 million in September 2024, despite October being the festive month when hiring is expected to be up. <https://economictimes.indiatimes.com/news/economy/indicators/net-formal-jobs-under-epfo-down-to-five-month-low-of-1-34-million-in-october/articleshow/116655705.cms>

### Low pvt consumption, reduced govt spending a worry but GDP to grow 6.5%: EY

India's economy is expected to grow at 6.5 per cent in FY25 and FY26, despite challenges from weak private consumption and reduced government spending, according to the EY Economy Watch December 2024 report. The GDP growth rate fell to a seven-quarter low of 5.4 per cent in the July-September period, down from 6.7 per cent in the previous quarter. The Reserve Bank of India (RBI) has revised its real GDP growth forecast for FY25 to 6.6 per cent during its latest Monetary Policy Committee (MPC) meeting. [https://www.business-standard.com/economy/news/india-gdp-growth-forecast-ey-report-low-consumption-fy25-fy26-124122500399\\_1.html](https://www.business-standard.com/economy/news/india-gdp-growth-forecast-ey-report-low-consumption-fy25-fy26-124122500399_1.html)

### Economists seek FTAs, factor-market reforms

Economists on Tuesday made a strong pitch for a new set of reforms to seamlessly integrate India with the global supply chains, including an aggressive pursuit of free trade agreements (FTAs), easing of land and labour market rigidities, and steps to raise farm income and consumption. In their pre-Budget meeting with Prime Minister Narendra Modi, the economists stressed the need to return to 7-8% gross domestic product (GDP) growth, and the "next phase of development cycle", sources said. Modi met 19 economists from various sectors to seek their suggestions, ahead of Budget FY26, which is to be presented in the background of slowing of economic growth, tepid urban consumption, persisting external volatility, and the threat of high tariffs further impeding world trade and stoking global inflation.

<https://www.financialexpress.com/policy/economy-economists-seek-ftas-factor-market-reforms-3699479/>

## Finance

### **PPI wallets register 20% drop to 1.14 bn in November, says RBI data**

The total number of prepaid payment instrument (PPI) wallets saw a 20.4 per cent year-to-date (YTD) decline, dropping from 1.44 billion in January to 1.14 billion in November, according to data from the Reserve Bank of India (RBI). On a year-on-year (Y-o-Y) basis, PPI wallets declined 16.7 per cent from 1.37 billion in November 2023. The top two banking players for wallets — Paytm Payments Bank and Airtel Payments Bank — recorded a decline in the cumulative number of PPI wallets between January and November this year. The fall in numbers came after the banking regulator took action on Paytm Payments Bank in January.

[https://www.business-standard.com/finance/news/ppi-wallets-register-20-drop-to-1-14-bn-in-november-says-rbi-data-124122500570\\_1.html](https://www.business-standard.com/finance/news/ppi-wallets-register-20-drop-to-1-14-bn-in-november-says-rbi-data-124122500570_1.html)

### **India's insurance penetration declines for second consecutive fiscal year**

India's insurance coverage decreased in the fiscal year 2024 (FY24), marking the second consecutive year of decline. The Insurance Regulatory and Development Authority of India (IRDAI) annual report, released Monday, shows penetration, the ratio of annual premiums to GDP, fell to 3.7% in FY24 from 4% in FY23. This follows a peak of 4.2% during the Covid period. Life insurance penetration saw a slight drop to 2.8% in FY24, compared to 3% the previous year. Non-life insurance penetration held steady at 1%. Despite the decline in overall penetration, the per capita premium (insurance density) rose slightly from \$92 in FY22 to \$95 in FY23. This contrasts with the global trend, which saw increased insurance penetration. The global average reached 7% in 2023, up from 6.8% in 2022.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/indias-insurance-penetration-declines-for-second-consecutive-fiscal-year/articleshow/116649538.cms>

### **GST on old used cars only when sale price higher than depreciated value**

A registered person will have to pay GST on sale of old and used vehicle only if the seller has earned a margin, which is the selling price is higher than the depreciation adjusted cost price of the vehicle, sources said. The GST Council in its meeting last week decided to prescribe a single rate of 18 per cent on sale of all old and used vehicles including EVs, earlier leviable at different rates. If an individual sells old and used car to another individual, GST would not be applicable.

[https://www.business-standard.com/finance/news/gst-on-old-used-cars-only-when-sale-price-higher-than-depreciated-value-124122401045\\_1.html](https://www.business-standard.com/finance/news/gst-on-old-used-cars-only-when-sale-price-higher-than-depreciated-value-124122401045_1.html)

### **Customers likely to gain as high-end hotels get GST options on dining**

In a major change for the hospitality industry and in what could be a good news for diners, the Goods and Services Tax (GST) Council has decided to allow high-end hotels to choose between two indirect tax rates for restaurant services provided on their premises. Starting April 1 next year, according to the GST Council's decision last week, such hotels will have the option to choose between two GST rates: 5 per cent without Input Tax Credit (ITC) or 18 per cent with ITC, if the value of accommodation rented out exceeds Rs 7,500 per unit a day in the previous year. Currently, these hotels don't have the option as they have to charge 18 per cent with ITC.

[https://www.business-standard.com/economy/news/customers-likely-to-gain-as-high-end-hotels-get-gst-options-on-dining-124122500662\\_1.html](https://www.business-standard.com/economy/news/customers-likely-to-gain-as-high-end-hotels-get-gst-options-on-dining-124122500662_1.html)

## Industry

### **FinMin rejects the plan to establish body for procuring green steel**

The finance ministry has rejected a proposal by the steel ministry to establish a central organisation for the bulk procurement of green steel. It cited that most steel procured for government projects is purchased indirectly through contractors rather than directly by the government, making such an organisation unnecessary, officials told Business Standard. The steel ministry did not respond to queries sent by Business Standard on this matter. Green steel refers to steel produced using environmentally friendly methods that reduce carbon emissions, typically by replacing fossil

fuels with renewable energy sources such as hydrogen or electricity from wind and solar power. The ministry had suggested an agency similar to Energy Efficiency Services (EESL).

[https://www.business-standard.com/economy/news/finmin-rejects-the-plan-to-establish-body-for-procuring-green-steel-124122400745\\_1.html](https://www.business-standard.com/economy/news/finmin-rejects-the-plan-to-establish-body-for-procuring-green-steel-124122400745_1.html)

### **Cement industry eyes 8% growth in 2025 on infra boost, higher margins**

The Indian cement industry, witnessing a consolidation and heightened rivalry between two corporate houses snapping smaller players, pins its hope on 2025 for an improvement in sales realisation, higher margins and acceleration in demand, expecting around 8 per cent sales growth helped by an increased government spendings on big-ticket infra projects. Over 50 MTPA (million tonnes per annum) capacity are being acquired for \$4.5 billion by two leading players - Aditya Birla group firm UltraTech Cement and billionaire Gautam Adani-led Ambuja Cements, besides organic expansion of the existing units as they have kept their war chest ready prowling for opportunities.

[https://www.business-standard.com/industry/news/cement-industry-eyes-8-growth-in-2025-on-infra-boost-higher-margins-124122500285\\_1.html](https://www.business-standard.com/industry/news/cement-industry-eyes-8-growth-in-2025-on-infra-boost-higher-margins-124122500285_1.html)

### **Steelmakers may cut down on Capex amid price slump**

Steel makers are likely to moderate their capital expenditure plans in 2025 as prices of the alloy remain under pressure. Their debt reduction plans are also likely to be hit as cash flows may be impacted. Prices of hot-rolled coils (HRCs) in India fell 8-10% year-on-year in 2024 amid an onslaught of steel from China, pulling them to their lowest levels in more than four years. Prices of flat steel products have seen a higher impact as compared to long steel products, said experts, even as the overall consumption of steel products is seen growing in high single-digits for the year.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/steelmakers-may-cut-down-on-capex-amid-price-slump/articleshow/116660832.cms>

### **EVs lose the funding race as investors drive hard bargain**

Funding for India's electric vehicle (EV) sector has nearly halved between 2022 and 2024 as policy changes and a decline in sales growth prompt investors to push for better unit economics and profitability at companies before committing further capital. According to data from Venture Intelligence, funding in the overall EV industry dropped to \$586 million in 2024 from \$808 million last year, while the number of deals closed stood at 44, similar to a year ago. EV startups had racked up \$934 million in 2022 on the back of investor bullishness, fuelled by government incentives for the sector. The PM-E Drive Scheme, implemented in October, aims to gradually reduce the industry's reliance on subsidies, replacing the FAME-II programme.

<https://economictimes.indiatimes.com/industry/renewables/evs-lose-the-funding-race-as-investors-drive-hard-bargain/articleshow/116661488.cms>

### **Fireworks in defence sector in Q4: Sharp rise in order inflow expected as indigenization up**

The defence sector is expected to witness a sharp rise in order inflow in Q4FY25 given that defence capex is set to be met in FY25, stated a report by Elara Capital. With indigenization as the primary theme for India's defence story, the allocation to domestic companies stands at 75 per cent of the total budgeted defence capex in FY25BE or Rs 1.05 trillion. The Navy's budget, meanwhile, has risen by 18 per cent YoY in FY25BE to Rs 625 billion. Allocation to Air Force grew by 1 per cent YoY to Rs 590 billion (down 150bps to 34 per cent share) and allocation to Army fell by 4 per cent YoY to Rs 356 billion (down 223bps to 21 per cent share).

<https://www.financialexpress.com/business/industry-fireworks-in-defence-sector-in-q4-sharp-rise-in-order-inflow-expected-as-indigenization-up-3699735/>

### **Diamond workers try their hands at jewellery making**

Diamond cutting and polishing units in Surat are diversifying into jewellery manufacturing to stay afloat and tide over the current business uncertainty triggered by weak demand for natural diamonds in the global market, industry executives said. The move is also prompted by rising demand for studded and plain gold jewellery in India and overseas, they said. "The units have gradually started doing job work in jewellery manufacturing. Jewellery demand is increasing both in India and abroad, therefore, they are trying to leverage this opportunity. In this way, the units

in Surat are trying to engage workers," said Vipul Shah, chairman of the Gem & Jewellery Export Promotion Council (GJEPC).

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/diamond-workers-try-their-hands-at-jewellery-making/articleshow/116661057.cms>

## Agriculture

### Farmers borrowing more from banks and are creditworthy, too

Bad loans from agricultural lending have decreased by 2-4 percentage points across bank groups between FY20 and FY24. This is despite farmers increasingly borrowing from the formal sector. Outstanding agricultural loans rose faster than corporate loans at an average rate of 15.2% after the Covid period compared to a contraction or a singledigit annual growth in corporate loans during the pandemic. The number of farmers' accounts opting for credit through institutional sources increased by 381 lakh from March 2020 to March 2024. A large number of urban labourers moved back to their rural homes post Covid, Covid, fostering growth in agricultural activities.

<https://economictimes.indiatimes.com/news/economy/agriculture/farmers-borrowing-more-from-banks-and-are-creditworthy-too/articleshow/116661671.cms>

### Centre launches 10,000 new PACS, eyes 2 lakh target before 5-year timelines: Amit Shah

Cooperation Minister Amit Shah launched 10,000 new multi-purpose Primary Agricultural Cooperative Societies (PACS) on Wednesday and asserted that the government will achieve its target of establishing 2 lakh such societies before the five-year timeline. Addressing the launch event, Shah said prosperity through cooperation cannot be achieved unless cooperatives function effectively at the panchayat level. "We have kept a target of setting up 2 lakh PACS in five years. I want to tell you that we will establish 2 lakh PACS before five years. In three months, we established 10,000 new PACS," the minister said. The initiative will be rolled out in two phases, with NABARD establishing 32,750 new M-PACS in the first phase, while NDDB will set up 56,500 dairy cooperatives and NFDB 6,000 fishery cooperatives.

<https://economictimes.indiatimes.com/news/economy/agriculture/centre-launches-10000-new-pacs-eyes-2-lakh-target-before-5-year-timelines-amit-shah/articleshow/116656824.cms>

## Infrastructure

### Office market buoyant, premium workspaces under-construction: Anarock

With rising demand of premium workspaces, real estate consultant Anarock has said that realty firms are currently developing around 250 lakh square feet of office space across major cities for catering to the requirements of domestic and foreign companies. Homegrown Anarock entered into office leasing segment in April this year, expanding its business from housing brokerage, capital market transactions, and leasing of retail as well as industrial & warehousing spaces, among others. In an interview with PTI, Peush Jain, Managing Director, Commercial Leasing and Advisory, Anarock, highlighted that the year 2024 has been extremely good for Indian office market with record gross leasing activities and drop in vacancy rates.

[https://www.business-standard.com/industry/news/office-market-buoyant-premium-workspaces-under-construction-anarock-124122500252\\_1.html](https://www.business-standard.com/industry/news/office-market-buoyant-premium-workspaces-under-construction-anarock-124122500252_1.html)

### Rural roads scheme could get 10% topup; FY26 outlay hike likely

The Centre is likely to raise the outlay for its key roads scheme by nearly 10% in the budget for the next fiscal year to deepen its rural push, recognising the high multiplier effect of such productive spending on the economy.

<https://economictimes.indiatimes.com/news/economy/infrastructure/budget-2025-26-rural-roads-scheme-could-get-10-topup-fy26-outlay-hike-likely/articleshow/116662058.cms>

## Energy

### India to drive global oil demand growth till 2035: IEA Report

India is set to lead global oil demand growth until 2035, according to a recent report by the International Energy Agency (IEA). The report highlighted that India will add nearly 2 million barrels per day (mb/d) to global oil demand

during this period, making it the primary growth driver of the entire industry. It said "India becomes the main source of oil demand growth, adding almost 2 million barrels per day (mb/d) to 2035".

<https://economictimes.indiatimes.com/industry/energy/oil-gas/india-to-drive-global-oil-demand-growth-till-2035-ia-report/articleshow/116667793.cms>

## Telecom

### Telcos draw up a long New Year wishlist

Come 2025, India's top telecom operators will be looking to the government for ensuring a level playing field with global satcom companies such as Starlink and Amazon-backed Kuiper on satellite spectrum access. They are also hopeful that rules will be in place for ensuring large data traffic generators are pushed to share 5G network infrastructure costs with telcos, and OTTs are brought within the ambit of spam regulations. Another key expectation is allocation of 6GHz band for offering 5G services, and going forward, 6G. ET looks at the top expectations of Reliance Jio, Bharti Airtel and Vodafone Idea next year.

<https://economictimes.indiatimes.com/industry/telecom/news/great-expectations-telcos-draw-up-a-long-new-year-wishlist/articleshow/116661418.cms>

## Healthcare

### NATHEALTH asks govt to address systemic gaps in healthcare in upcoming Budget

Healthcare industry body NATHEALTH has asked the government to address systemic gaps such as acute shortage of medical specialists, escalating cancer care costs, and inadequate hospital infrastructure to meet the demands of a growing population in the upcoming union Budget. In its pre-Budget recommendations, NATHEALTH sought increasing budgetary allocations of the healthcare sector to over 2.5 per cent of GDP and asked Finance Minister Nirmala Sitharaman to address the growing burden of communicable and non-communicable diseases, compounded by long standing challenges.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/nathealth-asks-govt-to-address-systemic-gaps-in-healthcare-in-upcoming-budget/articleshow/116649413.cms>

## External

### Electronics exports soar 28% in Apr-Nov of FY25, led by smartphone surge

Driven by smartphone, electronics exports have reached \$22.5 billion in value in the first eight months of the current financial year (FY25), a near 28% growth over the \$17.66 billion electronics exports during the corresponding period of FY24. This record performance makes electronics the fastest-growing among India's top-10 exports in FY25. Electronics, which was ranked 6th at the end of the first eight months of FY24, is now firmly entrenched in the 3rd position, only behind engineering goods and petroleum. The main driver behind this massive surge has been the smartphone production linked incentive (PLI) scheme, which has led to smartphone exports reaching \$13.11 billion in the first eight months of FY25. This is a whopping 45% increase over smartphone exports of \$9.07 billion during the same period of FY24.

[https://www.business-standard.com/economy/news/electronics-exports-soar-28-in-apr-nov-of-fy25-led-by-smartphone-surge-124122500542\\_1.html](https://www.business-standard.com/economy/news/electronics-exports-soar-28-in-apr-nov-of-fy25-led-by-smartphone-surge-124122500542_1.html)

### Duty-free import of yellow peas till February

The government on Tuesday extended duty free import of yellow peas used as substitute of chana for two more months till end of February aimed at curbing prices of key pulse variety. In December last year, the government allowed duty free import of yellow peas while an import duty of 50% was imposed on pulses variety in 2017 to encourage domestic production.

<https://www.financialexpress.com/policy/economy-duty-free-import-of-yellow-peas-till-february-3699466/>

### Indian businesses target billions in US market amid tariff threat to China

Indian exporters are preparing to increase their presence in the US market, anticipating higher tariffs on Chinese goods, ToI reported. They are discussing strategies with the Indian government to capitalize on potential

opportunities in sectors like textiles, leather, chemicals, electronics, auto parts, and toys. These discussions involve collaborating with American trade organizations and raising awareness of Indian products in the US.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-us-trade-donald-trump-trade-tariffs-indian-businesses-target-billions-in-us-market-amid-tariff-threat-to-china/articleshow/116649919.cms>