



December 27, 2024 – Friday

Economy

Formal job growth slows in October; EPF and ESIC see decline

The number of new subscribers to the Employees' Provident Fund (EPF) scheme was at its lowest at 0.75 million in October in 2024-25, according to a report released by the Ministry of Statistics and Programme Implementation (MoSPI) on Thursday. New subscribers to Employees State Insurance Corporation (ESIC) was the lowest at 1.29 million in the current financial year except for April. On the other hand, new subscribers to the National Pension Scheme (NPS) increased by 12% to 64,977 in October from 58,018 in the month before. However, the additions were lower than at the beginning of the financial year.

<https://economictimes.indiatimes.com/news/economy/indicators/formal-job-growth-slows-in-october-epf-and-esic-see-decline/articleshow/116692088.cms>

Revised GDP series will have new, real-time data sources

The revised gross domestic product (GDP) series, scheduled for release in 2026, will incorporate new and real-time data sources like E-Vahan and eGram Swaraj, according to sources. The Ministry of Statistics and Programme Implementation (MoSPI) is reaching out to various ministries to enable the use of alternative datasets, they added. eGram Swaraj, a portal by the Ministry of Panchayati Raj, includes panchayat profile, budget monitoring, and the progress on utilisation of central/state schemes. The road transport and highways ministry's E-Vahan dashboard provides comprehensive data on vehicle registrations, categorised by fuel type and states.

<https://economictimes.indiatimes.com/news/economy/policy/revised-gdp-series-will-have-new-real-time-data-sources/articleshow/116692219.cms>

CCI to intervene selectively, considering sector-specific dynamics

The Competition Commission India (CCI) takes into account sector-specific characteristics and the larger economic and policy backdrop to intervene carefully when necessary, the antitrust watchdog said in its annual report. Earlier this month, CCI chairperson Ravneet Kaur had said that the government, while framing the ex-ante (preventative) regulations for the digital markets, was very conscious of the fact that India is a hub of innovation and entrepreneurship with a large number of startups, unlike the European Union which has already implemented such laws. The annual report for 2023-24 noted that the rapid rise of digital markets, based on new business models, poses a challenge for the regulator.

https://www.business-standard.com/economy/news/cci-to-intervene-selectively-considering-sector-specific-dynamics-124122600712_1.html

Economic growth seen at 6.5% in FY25, RBI policy pushed down demand: FinMin

The Centre expects the economy to grow at 6.5 per cent in FY25 after a dull first half of the current fiscal, driven by gain in agricultural and industrial activity, according to Finance Ministry's Monthly Economic Review released on Wednesday. In the review, the ministry has cited the Reserve Bank of India's (RBI) monetary policy stance among the reasons for the slowdown in the first half of FY25. The GDP growth rate fell to a seven-quarter low of 5.4 per

cent in the July-September quarter, down from 6.7 per cent in the previous quarter. However, the RBI kept its key rates unchanged for 11 straight monetary policy meetings despite pressure from the industry, citing inflation.

https://www.business-standard.com/economy/news/gdp-growth-h2-fy25-economy-india-finance-ministry-rbi-policy-demand-124122600750_1.html

Finance

Banking frauds rise in H1FY25, amount involved jumps eightfold: RBI report

The number of bank frauds witnessed a significant on-year increase in the first half of the current fiscal to 18,461 cases and the amount involved jumped more than eight-fold to Rs 21,367 crore, according to RBI data released on Thursday. The Reserve Bank of India has released the Report on Trend and Progress of Banking in India 2023-24 which presents the performance of the banking sector, including commercial banks, co-operative banks and non-banking financial institutions, during 2023-24 and 2024-25 so far.

https://www.business-standard.com/industry/banking/banking-frauds-rise-in-h1fy25-amount-involved-jumps-8-time-rbi-report-124122600769_1.html

RBI announces 'FREE-AI' committee to develop AI framework

The Reserve Bank of India on Thursday announced the setting up of an eight member panel to develop the framework for responsible and ethical enablement of artificial intelligence. The committee called FREE-AI will be headed by Pushpak Bhattacharyya from the Department of Computer Science and Engineering, IIT Bombay. The committee, which will be supported by the RBI's fintech department, will be required to submit its report within six months from the date of its first meeting. The committee's mandate will be to study the present level of AI adoption in financial services and review regulatory and supervisory approaches on AI with focus on the financial sector globally. The committee will also recommend a framework including governance aspects for responsible, ethical adoption of AI models for the financial sector.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-announces-free-ai-committee-to-develop-ai-framework/articleshow/116684195.cms>

Banks told to integrate compliance systems with RBI's Daksh platform

The Reserve Bank of India (RBI) has asked banks to integrate their internal compliance monitoring systems with its advanced supervisory platform Daksh, two executives aware of this development told ET. Some foreign banks operating in India are resisting the move, saying their internal compliance systems are very advanced and that any integration would require major recalibration, even as public sector lenders are working on the required changes, the executives said. The regulator has asked banks to implement the integration through straight-through processing (STP), and to facilitate this, the deadline for regulated entities to streamline their compliance functions has been extended to April 2025. "Lenders had requested the RBI to extend the deadline for review and implementation of new internal compliance tracking and monitoring processes, which has been accepted, but now the regulator wants such systems to be integrated with Daksh," a senior bank executive said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-told-to-integrate-compliance-systems-with-rbis-daksh-platform/articleshow/116692308.cms>

Nirmala Sitharaman holds pre-budget meeting with trade experts, stakeholders

Union Finance Minister Nirmala Sitharaman chaired the fourth Pre-Budget Consultation meeting on Thursday with stakeholders and experts from the export, trade, and industry sectors in preparation for the Union Budget 2025-26. The Ministry of Finance, in a social media post, stated, "Union Minister for Finance & Corporate Affairs Smt. @nsitharaman chairs the fourth Pre-Budget Consultation with the stakeholders and experts from export, trade and industry sectors in connection with the upcoming Union Budget 2025-26, in New Delhi, today."

<https://economictimes.indiatimes.com/news/economy/policy/nirmala-sitharaman-holds-pre-budget-meeting-with-trade-experts-stakeholders/articleshow/116678637.cms>

Budget 2025: Govt may cut income tax rates to lift consumption, say report

India is considering cutting income tax for individuals making up to Rs 15 lakh (\$17,590) a year in February's budget to provide relief to the middle class and boost consumption as the economy slows, two government sources told

Reuters. The move could benefit tens of millions of taxpayers, especially city dwellers burdened by high living costs, if they opt for a 2020 tax system that strips exemptions like housing rentals. Under that system, annual income of Rs 300,000 to Rs 15 lakh is taxed at between 5 per cent to 20 per cent. Higher income draws 30 per cent.

https://www.business-standard.com/budget/news/budget-2025-govt-may-cut-income-tax-rates-to-lift-consumption-say-sources-124122600629_1.html

Plans underway for bigger role for TReDS, to enrol million MSMEs in 2 years

The country's Trade Receivables E-discounting System (TReDs) platforms are drawing up plans to on-board as many as a million micro, small, and medium enterprises (MSMEs) over the next couple of years. The issue figured in recent discussions between the Reserve Bank of India (RBI) and firms in the TReDs space. Other matters which were taken up as part of the stock-taking were the status of inclusion of insurance companies as the "fourth participant" on TReDS (apart from MSME sellers, buyers and financiers), and its linkage with the Goods and Service Tax Network (GSTN).

https://www.business-standard.com/finance/news/plans-underway-for-bigger-role-for-treds-to-enrol-million-msmes-in-2-years-124121901540_1.html

Toll mopup may top Rs 70,000 cr in 2024

India's toll collection in 2024 could surpass ₹70,000 crore, government data indicates, as average daily collections continue to rise on the back of addition of new toll plazas and a pickup in economic activity.

<https://economictimes.indiatimes.com/news/economy/finance/toll-mopup-may-top-rs-70000-cr-in-2024/articleshow/116692321.cms>

Industry

Defence Acquisition Procedure 2020 to undergo a complete revamp in 2025

The government is planning to come up with defence reform 2.0 in 2025, as the complex and time consuming acquisition procedures are being "reviewed and renewed to boost Aatmanirbharta". The move comes as the industry as well as armed forces have for long been suggesting the Ministry of Defence to simplify acquisition procedures as it takes minimum of seven years for induction of major platforms which tri-services can ill-afford in the futuristic warfare era where military technology itself has little shelf-lives. "Defence Acquisition Procedure 2020 is likely to undergo a complete revamp in 2025 and efforts are being made to make it amenable to service requirements. More than 500 schemes have been planned for acquiring potent fighting capability in next 15 years," the Ministry of Defence said in its wrap up of achievements of 2024 on Thursday.

<https://www.thehindubusinessline.com/news/national/defence-acquisition-procedure-2020-to-undergo-a-complete-revamp-in-2025/article69030143.ece>

Weddings regain glitz as budgets rise, yet to peak, say industry experts

Marriages might be made in heaven but for those on the earth, the occasion to celebrate the exchange of vows is back to being an expensive affair. And no one's complaining. Not too long ago, the world watched in awe as business tycoon Mukesh Ambani's son Anant Ambani tied the knot with Radhika Merchant in a whopping Rs 5,000-crore affair. While those are astronomical numbers, the middle class and upper middle class, too, joined the party through 2024 and the lull in the wedding market seen in 2020-2021 appears to be a thing of the past.

https://www.business-standard.com/industry/news/weddings-regain-glitz-as-budgets-rise-yet-to-peak-say-industry-experts-124122600386_1.html

IT industry treads with a sense of cautious optimism

Amid gloom caused by global economic headwinds and geopolitical challenges, the Indian IT industry managed to weather one of the toughest years in recent times as clients pressed a pause button on IT spending.

<https://www.thehindubusinessline.com/info-tech/it-industry-treads-with-a-sense-of-cautious-optimism/article69029304.ece>

Branded hotels to log 13-14% growth in FY25 on demand surge: CRISIL report

Branded hotels in the country are likely to see double-digit revenue growth of 13-14 per cent in 2024-25, and 11-12 per cent in the next financial year on demand surge, a report said on Thursday. While domestic leisure and business travel will continue to be the primary demand drivers, growing traction in the MICE (meetings, incentives, conventions and exhibitions) segment and pickup in foreign tourist arrivals will provide additional fillip, Crisil Ratings said in a report. The branded hotels segment registered a strong 17 per cent growth last fiscal, it added. To meet the increasing demand, the pace of room additions, which has increased since last fiscal, is expected to pick up further and majorly through the asset-light management contract route, it said.

https://www.business-standard.com/industry/news/branded-hotels-to-log-13-14-growth-this-fy-on-demand-surge-crisil-report-124122600723_1.html

Agriculture

Traders demand cut in cotton MSP

Amidst declining cotton exports and rising imports, the clamour for reducing the Minimum Support Price of the crop is growing among cotton traders and associations in Gujarat. According to Ajay Shah, Secretary of Gujcot Trade Association, if the MSP remains the same, it may signal another nationwide dry spell for the cotton sector, and the textile value chain. “Implement a free market mechanism for cotton while giving farmers more subsidies,” he said. The MSP mechanism is implemented by the government to support farmers by purchasing their crops at a pre-determined remunerative price.

<https://www.financialexpress.com/policy/economy-traders-demand-cut-in-cotton-msp-3700958/>

Energy

India's coal-power plant growth holds near five-year high at 4 GW in 2024

India — which relies on coal to meet about three-quarters of electricity demand — kept installations of new capacity near a five-year high to try to meet surging power usage. Almost 4 gigawatts of coal-fired capacity was added this year, about the same as in 2023, according to the Central Electricity Authority. While that’s the most since 2019 — when the nation added 7.4 gigawatts — it falls short of state targets for what’s needed by 2032. India’s dependence on the dirtiest fossil fuel will likely continue for years, despite plans for the rapid deployment of clean power capacity. On a global level, thanks to growing demand in China and India, coal use is expected to hit records through 2027, according to the International Energy Agency.

https://www.business-standard.com/industry/news/india-s-coal-power-plant-growth-holds-near-five-year-high-at-4-gw-in-2024-124122600605_1.html

Modified policy to revive ageing oilfields expected to be out in 2025

The government may notify the modified version of the policy on enhanced recovery (ER) and improved recovery (IR) for oil and gas in 2025, officials said. Set to replace the existing policy from 2018, the new policy is expected to provide better financial incentives for projects to be commercially viable. While an expert committee had provided its recommendations on the updated policy, it could not be adopted earlier. “Other issues were being studied. This is expected to be taken up for consideration (to be notified) in the early part of next year,” an official said.

https://www.business-standard.com/industry/news/modified-policy-to-revive-ageing-oilfields-expected-to-be-out-in-2025-124122500565_1.html

Healthcare

Chemists selling spurious meds may face prosecution

Cracking the whip, the government has formed a committee to frame rules for prosecuting chemists and retailers selling spurious drugs. According to the Central Drugs Standard Control Organisation (CDSCO), it had come to light after investigations that in case of spurious drugs, a chemist or retail store claims to produce GST bills/ invoice of the drug which they have purchased. However, in most cases, the place of procurement is from another part of the country.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/chemists-selling-spurious-meds-may-face-prosecution/articleshow/116692619.cms>

Healthcare sector in India to reach \$320 billion by 2028, says report

India's healthcare sector is expected to reach \$320 billion by 2028, Great Place To Work said in its latest report on the pharmaceuticals, healthcare, and biotechnology sectors. The pharmaceutical sector is targeting \$130 billion by 2030 and biotechnology is aiming for \$300 billion by the same year, the report added. International expansion, talent driving growth. Over the past year, the pharmaceuticals, healthcare, and biotechnology industries have gone through major transformation. Major trends observed include: International expansion: Robust growth in exports and partnerships. Industry consolidation: Mergers and acquisitions driving efficiency. Investment in talent: Leveraging India's skilled workforce to power innovation. The Great Place To Work report also found that firms are doubling down on employee development, leadership grooming, and strategic talent retention, aligning workforce goals with technological advancements like artificial intelligence (AI).

https://www.business-standard.com/industry/news/india-healthcare-growth-2028-pharma-biotech-talent-report-124122600669_1.html

External

Govt initiates anti-dumping probe into LNG fuel tanks imports from China

India has initiated a probe into alleged dumping of LNG fuel tanks from China following a complaint by a domestic player, according to a commerce ministry notification. The commerce ministry's investigation arm, Directorate General of Trade Remedies (DGTR), is probing the dumping of liquified natural gas (LNG) fuel tanks as imports are allegedly hurting the margins of the domestic industry. Inox India Ltd has filed an application seeking the imposition of anti-dumping duty, stating that the cheap imports are causing material injury to the domestic industry.

https://www.business-standard.com/industry/news/govt-initiates-anti-dumping-probe-into-lng-fuel-tanks-imports-from-china-124122600600_1.html

Exporters seek Rs 750 cr to tap US potential amid tariff threats on China

Exporters on Thursday sought a fund of Rs 750 crore for three years to tap \$25 billion export potential in the US, aiming to seize potential opportunities that may arise as the US President-elect, Donald Trump, has threatened to impose high tariffs on Chinese goods. In its pre-Budget meeting with the finance ministry, Federation of Indian Export Organisations (FIEO) President Ashwani Kumar has also demanded extension of the five per cent Interest Equalisation Scheme (IES). "A marketing scheme to focus on the US with a corpus of Rs 250 crore per year (Rs 750 crore overall) for three years may be launched to generate additional exports of \$25 billion," Kumar said.

https://www.business-standard.com/industry/news/exporters-seek-rs-750-cr-to-tap-us-potential-amid-tariff-threats-on-china-124122600581_1.html

Onion export duty to stay till retail prices cool

Despite a sharp fall in mandi prices of onions due to arrival of kharif crop, the government is unlikely to remove 20% export duty on the staple vegetable citing higher retail prices. "We have to wait till retail prices come down for (withdrawal of) export duty," an official with the department of consumer affairs said. While the modal retail prices of onions was Rs 40/kg on Tuesday, in several cities prices are around Rs 50/kg which is still 'higher' in comparison to the mandi prices of the staple vegetable. With arrivals of the fresh kharif crops, the average mandi prices of onions at Lasalgaon, Nashik, Maharashtra, the hub of the country's wholesale trade has declined by more than 50% to Rs 1900/quintal on Tuesday from Rs 4000/quintal prevailed in the last month.

<https://www.financialexpress.com/policy/economy-onion-export-duty-to-stay-till-retail-prices-cool-3699978/>

Govt imposes import restrictions on low ash metallurgical coke for 6 months

The government has imposed import restrictions on low ash metallurgical coke for six months from January 1 to June 30, 2025, according to a notification. The government has also imposed quantitative restrictions (QR) on the imports from certain countries, including Australia, China, Colombia, Indonesia, Japan, Poland, Qatar, Russia, Singapore, Switzerland, and the UK. Based on the recommendations of the directorate general of trade remedies (DGTR) in April this year, "...import of low ash metallurgical coke have been placed under restriction as per the country-wise QR for a period of six months, effective from January 1, 2025 up to June 30, 2025," the Directorate General of Foreign Trade (DGFT) said in a notification.

https://www.business-standard.com/industry/news/govt-imposes-import-restrictions-on-low-ash-metallurgical-coke-for-6-months-124122600966_1.html

India-US critical mineral partnership step forward, China nods to some fish imports: Govt

India's MoU with the US on critical minerals will be "a step forward" for their engagement as the scaling up of this will lead to more binding commitments fructifying to benefits under the US' Inflation Reduction Act (IRA), the government said Thursday. New Delhi has proposed a critical minerals partnership agreement (CMPA) with the US in sectors like electric vehicles. "India re-iterated its keenness to get into the CMPA with USA, leading to a pathway under the IR Act," the commerce department said in its year-end review for 2024.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-us-critical-mineral-partnership-step-forward-chinas-nod-to-some-fish-imports-govt/articleshow/116687745.cms>

India's share in global trade doubled since 2005, comparatively moderated in last 10 years: Report

India's contribution to global trade has seen significant growth over the last two decades, with its share in both exports and imports doubling during this period, according to a report by the National Stock Exchange (NSE). The report revealed that India's share in global merchandise exports rose from 0.9 per cent in 2005 to 1.8 per cent in 2023, while its share in services exports more than doubled from 2 per cent to 4.3 per cent.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-share-in-global-trade-doubled-since-2005-comparatively-moderated-in-last-10-years-report/articleshow/116676603.cms>

Rupee depreciation may push import bill by USD 15 bn: GTRI

The depreciation of Indian rupee against the US dollar is expected to push the country's import bill by about USD 15 billion, think tank GTRI said on Thursday. Compared to December last year, the Indian Rupee (INR) has depreciated 2.34 per cent against the US dollar, moving from Rs 83.25 to Rs 85.20, while the Chinese Yuan has weakened by 0.06 per cent, the Global Trade Research Initiative (GTRI) said. It added that this depreciation of the INR will negatively impact gold imports, especially as gold prices have surged 27 per cent from USD 2,066.26 per ounce in December 2023 to USD 2,617.11 per ounce in December 2024.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/rupee-depreciation-may-push-import-bill-by-usd-15-bn-gtri/articleshow/116692874.cms>