



January 07, 2025 – Tuesday

## Economy

### Jobs, growth, demand in focus as FinMin concludes pre-Budget talks

As the finance ministry concluded nine rounds of pre-budget consultations with various stakeholders on Monday, steps to boost consumption and employment growth, tax concessions—from individuals to MSMEs—and wide-ranging reforms have formed the broad theme of the suggestions. Economists have called for a manufacturing policy to boost growth and employment, as well as supply-side measures such as cold chain storage at the local level to tackle food inflation in the FY26 Budget.

[https://www.business-standard.com/budget/news/jobs-growth-demand-in-focus-as-finmin-concludes-pre-budget-talks-125010600754\\_1.html](https://www.business-standard.com/budget/news/jobs-growth-demand-in-focus-as-finmin-concludes-pre-budget-talks-125010600754_1.html)

### India's services PMI hits 59.3 in Dec 2024, indicating strong growth

The final India Services Purchasing Managers' Index (PMI) for December 2024 rose to 59.3 points, an increase from 58.4 points recorded in November, signalling growth in the country's services sector, the HSBC Final India Services PMI, compiled by S&P Global, reported on Monday. The PMI is a critical economic indicator derived from a survey of business executives in key industries. It assesses several aspects of business activity, including employment, production levels, new orders, supplier deliveries, and inventory levels. The responses are weighted and consolidated into a single index number, providing insights into the health and trajectory of the services sector.

[https://www.business-standard.com/economy/news/india-services-pmi-december-2024-growth-125010600207\\_1.html](https://www.business-standard.com/economy/news/india-services-pmi-december-2024-growth-125010600207_1.html)

### Prices of tomato, potato in bitter taste; home-cooked meals get costlier in December: Report

Prices of home-cooked meals increased in December on dearer key kitchen staples like tomato and potato, a report said on Monday. The average cost of preparing a vegetarian thali was up 6 per cent at Rs 31.6 per plate in December when compared to the year-ago period's Rs 29.7, but was down from preceding November month's rate of Rs 32.7, the report by a unit of rating agency Crisil said.

<https://economictimes.indiatimes.com/news/economy/indicators/prices-of-tomato-potato-in-bitter-taste-home-cooked-meals-get-costlier-in-december-report/articleshow/116995300.cms>

## Finance

### RBI releases master direction on reporting of customers credit information

The RBI on Monday came out with a master direction consolidating various instructions issued to banks and other financial institutions on reporting of the credit information of their customers. Credit information companies (CICs) will have to send alerts through SMS/ email to customers when their Credit Information Report (CIR) is accessed by the specified users (SUs). Also, Credit Institutions (CIs), which include banks and Non-Banking Financial Companies (NBFCs), will have to inform customers the reasons for the rejection of their request for data correction, if any, to enable such customers to better understand the issues in the CIR. The objective for issuing the master direction is

aimed at establishing a standardised framework for reporting and dissemination of credit information; safeguard the confidentiality and security of sensitive credit data; among others.

[https://www.business-standard.com/industry/banking/rbi-releases-master-direction-on-reporting-of-customers-credit-information-125010600809\\_1.html](https://www.business-standard.com/industry/banking/rbi-releases-master-direction-on-reporting-of-customers-credit-information-125010600809_1.html)

#### **FIU-IND, IRDAI sign MoU for enhanced coordination**

The Financial Intelligence Unit-India (FIU-IND) and the Insurance Regulatory and Development Authority of India (IRDAI) have signed a memorandum of understanding (MoU) as part of continued coordinated efforts in effective implementation of requirements of the Prevention of Money Laundering Act and its Rules. The MoU was signed in the Capital on Monday by Vivek Aggarwal, Director, FIU-IND and Satyajit Tripathy, Member (Distribution), IRDAI.

<https://www.thehindubusinessline.com/economy/fiu-ind-irdai-sign-mou-for-enhanced-coordination/article69069191.ece>

#### **Securitisation volumes jump 80 pc in July-Sep, FY25 likely to see deals worth Rs 2.4 lakh cr: Icra**

Domestic rating agency Icra on Monday said securitization volumes jumped 80 per cent on-year to Rs 68,000 crore in the December quarter, and has also upped its estimates on total volumes for this financial year. The financial system is estimated to witness securitization deals, where a lender passes on future receivables to another stakeholder against upfront cash, of around Rs 2.4 lakh crore, up from the previously estimated Rs 2.1 lakh crore.

<https://economictimes.indiatimes.com/industry/banking/finance/securitisation-volumes-jump-80-pc-in-july-sep-fy25-likely-to-see-deals-worth-rs-2-4-lakh-cr-icra/articleshow/116999063.cms>

#### **RBI added 8 tonnes gold to its reserves in November 2024: WGC report**

Central banks around the world collectively, in November 2024, added 53 tonnes of gold to their reserves, of which the Reserve Bank of India's addition was 8 tonnes, the World Gold Council (WGC) said in a report on Monday. In 2024, central banks - mostly those from emerging markets - remained keen buyers of gold, driven by the need for a stable and secure asset amid global economic uncertainties. The gold price dip in November, following the US election, may have provided some central banks with added impetus to accumulate, WGC said.

[https://www.business-standard.com/markets/commodities/rbi-added-8-tonnes-gold-to-its-reserves-in-november-2024-wgc-report-125010600894\\_1.html](https://www.business-standard.com/markets/commodities/rbi-added-8-tonnes-gold-to-its-reserves-in-november-2024-wgc-report-125010600894_1.html)

### **Industry**

#### **Budget 2025: Plastics manufacturers seek PLI to scale up global presence**

All-India Plastics Manufacturers' Association on Monday urged the government for a production-linked incentive scheme for the sector in the upcoming Budget 2025, to increase India's share in the global plastics market. Besides, it has also sought lowering of GST to 5 per cent, from 18 per cent, on the conversion cost of recycled plastic granules, and providing a 20 per cent subsidy to purchase capital equipment for recycling, the association said in a statement. AIPMA also demanded the establishment of a technical upgradation fund for the plastic processing sector with an allocation of Rs 2,500 crore over 5 years on the lines of the textile sector's Technology Upgradation Fund (TUF).

[https://www.business-standard.com/budget/news/budget-2025-plastics-manufacturers-seek-pli-to-scale-up-global-presence-125010601026\\_1.html](https://www.business-standard.com/budget/news/budget-2025-plastics-manufacturers-seek-pli-to-scale-up-global-presence-125010601026_1.html)

#### **New PLI scheme for drone ecosystem likely in Budget**

The Centre is expected to announce a new version of a PLI (Production-Linked Incentive) scheme to develop a self-sustaining drone ecosystem in the country, industry insiders told businessline. Accordingly, a new PLI scheme with an outlay of over ₹500 crore is expected to feature in the Budget. It will succeed an earlier version of the scheme, which provided an incentive of ₹120 crore for domestic manufacturing of drones and drone components based on their value addition.

<https://www.thehindubusinessline.com/economy/budget/new-pli-scheme-for-drone-ecosystem-likely-in-budget/article69069007.ece>

#### **India steel ministry proposes KIOCL, NMDC merger: Govt official**

The Indian steel ministry is proposing a merger between state-run KIOCL and NMDC, a government official said on Monday. Mining company NMDC aims to export iron ore pellets from KIOCL post the merger, the official told reporters but declined to be identified.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/india-steel-ministry-proposes-kiocl-nmdc-merger-govt-official/articleshow/116997583.cms>

#### **Centre assessing feasibility of mandatory BIS standards on silver: Minister**

Consumers are asking for mandatory hallmarking of silver jewellery by Bureau of Indian Standards (BIS), union minister for public distribution, and consumer affairs, Pralhad Joshi said Monday. Speaking at the 78th BIS foundation day, Joshi said the standards making body must deliberate on this call.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/centre-assessing-feasibility-of-mandatory-bis-standards-on-silver-minister/articleshow/116989052.cms>

#### **Indian space industry's funding falls 55% in 2024, data shows**

Funding in India's space sector, a key part of the country's ambitions to become a global superpower, plummeted by 55 per cent in 2024 to \$59.1 million from \$130.2 million the previous year. The drop, which came amid a global 20 per cent decline in space sector investment, marks the first fall in at least five years. India's space industry has gained global attention with the Chandrayaan-3 lunar landing and the Aditya-L1 solar probe launch. Its private space sector growth is increasingly seen as crucial for achieving the long-term goal a \$44 billion private space economy. The government has sought to stimulate the sector by approving a Rs 1,000 crore (\$119 million) fund in October 2024 to support space startups and setting plans to expand India's share of the global commercial space market by 2033.

[https://www.business-standard.com/industry/news/indian-space-industry-s-funding-falls-55-to-59-1-mn-in-2024-data-shows-125010600408\\_1.html](https://www.business-standard.com/industry/news/indian-space-industry-s-funding-falls-55-to-59-1-mn-in-2024-data-shows-125010600408_1.html)

#### **Lack of big market, high costs chipping away at India semicon story: Foreign Companies**

Global chip designers Marvell Technology, Microchip Technology and NXP Semiconductors have flagged the lack of a large domestic market and high cost of chip design and manufacturing as hurdles to the emergence of local players in chip design in India. However, the country's talent pool for chip design is a major asset, which is now evolving to add more value to the chip design process with over 20-25% of designs now coming out of India, they said.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/lack-of-big-market-high-costs-chipping-away-at-india-semicon-story-foreign-companies/articleshow/117002713.cms>

### **Agriculture**

#### **Govt fixes 8.19% 'return on capital' for jute bag supplies for packaging**

Indian jute mills will earn an 8.19-per cent "return on capital" for supplying jute bags for foodgrain packaging under the newly approved pricing framework by the Ministry of Textiles, a senior official said. This implies that mills will earn the predetermined percentage of profit on the capital invested, regardless of market fluctuations of input costs, he said. According to the Indian Jute Mills Association, the new pricing formula will result in only a 4-5 per cent increase in the price of gunny sack supplies.

[https://www.business-standard.com/industry/agriculture/govt-fixes-8-19-return-on-capital-for-jute-bag-supplies-for-packaging-125010600463\\_1.html](https://www.business-standard.com/industry/agriculture/govt-fixes-8-19-return-on-capital-for-jute-bag-supplies-for-packaging-125010600463_1.html)

#### **Rubber Board urges farmers to optimise tapping to counter drop in global production**

Given the declining trend in natural rubber production across producing countries, the Rubber Board has called upon growers to capitalise on the favourable market conditions by engaging in tapping activities to derive maximum yield.

<https://www.thehindubusinessline.com/economy/agri-business/rubber-board-urges-farmers-to-optimise-tapping-to-counter-drop-in-global-production/article69067290.ece>

#### **Flour mills struggle as wheat prices surge to record high: Report**

Indian wheat prices jumped to a record high on Monday due to dwindling supplies amid robust demand from flour mills that are struggling to secure the grain to operate at full capacity, industry officials told Reuters. The record

prices are likely to lift retail inflation, which eased in November after surging to a 14-month high in October, and could influence the central bank's decision on interest rate cuts. "Wheat supplies are limited in the market. Even after paying record prices, flour mills are unable to secure enough to operate at full capacity," said Ajay Goyal, managing director of Shivaji Roller Flour Mills.

[https://www.business-standard.com/industry/agriculture/flour-mills-struggle-as-wheat-prices-surge-to-record-high-report-125010601088\\_1.html](https://www.business-standard.com/industry/agriculture/flour-mills-struggle-as-wheat-prices-surge-to-record-high-report-125010601088_1.html)

## Infrastructure

### **Budget 2025: NAREDCO pitches for hike in deduction on housing loan interest payment**

National Real Estate Development Council on Monday pressed for a hike in deduction on housing loan interest payment from Rs 2 lakh to Rs 5 lakh and accord infrastructure status to the housing sector in the forthcoming Budget. Talking to reporters after attending the customary pre-budget meeting with Finance Minister Nirmala Sitharaman, National Real Estate Development Council (NAREDCO) Chairman Niranjan Hiranandani said that efforts are needed to be made to increase the flow of funds to the affordable housing sector.

<https://economictimes.indiatimes.com/industry/services/property/-construction/budget-2025-naredco-pitches-for-hike-in-deduction-on-housing-loan-interest-payment/articleshow/117000012.cms>

### **Railways ministry spends 76% of FY25 capital expenditure by December**

The Ministry of Railways has spent 76 per cent of its allocated budgetary capital expenditure for 2024-25 (FY25) in the first nine months of the financial year, according to estimates from Indian Railways. The budget for customer amenities has only been utilised to half of its allocated value, at Rs 8,238 crore by December. With three months to go, the ministry would need to spend 46 per cent of its remaining customer infrastructure.

[https://www.business-standard.com/economy/news/ministry-of-railways-spends-76-of-fy25-capital-expenditure-by-december-125010601184\\_1.html](https://www.business-standard.com/economy/news/ministry-of-railways-spends-76-of-fy25-capital-expenditure-by-december-125010601184_1.html)

### **Stable policy framework key to attract investments in infrastructure sector: Aviation secy**

Policy stability, improvement in efficiency and respect for contracts are the key essentials for attracting international investments into the infrastructure sector in the country, civil aviation secretary Vumlunmang Vualnam said. "Infrastructure, by design, tends to have a long gestation period and a long investment period. So I think that certainty, that confidence, that the framework would remain stable is important to attract international investors or international developers and various other agencies," Vualnam said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/stable-policy-framework-key-to-attract-investments-in-infrastructure-sector-aviation-secy/articleshow/116990900.cms>

### **Institutional inflows into Indian realty highest in 5 years at \$6.5 billion**

Institutional investments inflows into Indian real estate touched \$6.5 billion in 2024, marking a substantial 22% increase from the previous year's \$ 5.4 billion, marking an annual high for both domestic and foreign investments since 2020, said real estate consultancy firm Colliers in a report. Overall, at \$ 4.3 billion, foreign inflows continued to drive annual real estate investments at 66% share, while domestic investments too witnessed a steady rise, surging 27% YoY during the year.

[https://www.business-standard.com/finance/personal-finance/institutional-inflows-in-indian-realty-highest-in-5-ys-at-6-5-bn-in-2024-125010600328\\_1.html](https://www.business-standard.com/finance/personal-finance/institutional-inflows-in-indian-realty-highest-in-5-ys-at-6-5-bn-in-2024-125010600328_1.html)

### **Construction players to witness moderation in revenue growth to 8-10% for FY2025 on construction activity slowdown**

The construction activity, primarily for road players, was impacted by the model code of conduct in Q1FY25 and an elongated monsoon period, along with milestone-based billing (against monthly billing till March 2024) in Q2FY25, stated a report by ICRA. The impact is reflected in the modest revenue growth of approximately 1.5 per cent in year-on-year terms in H1FY25 for ICRA's sample set of 19 companies (with combined turnover of Rs 1.28 trillion in FY2024). Within the various sub-segments, because of a relatively moderate order book, the entities focused on Central Government Road projects are expected to witness pressure on revenue in FY2025, thereby dragging the overall growth rate, he added.

<https://www.financialexpress.com/business/industry-construction-players-to-witness-moderation-in-revenue-growth-to-8-10-for-fy2025-on-construction-activity-slowdown-3708437/>

### **Hybrid annuity model for road construction is expensive, says NHAI member**

The hybrid annuity model (HAM) is costly to the government and the new build-operate-transfer (BOT) model is expected to attract more private players to invest in road construction in India, Rajender Kumar, member (finance), the National Highways Authority of India said Monday. "Unfortunately, the previous version of BOT has not worked. Several factors contributed to the challenges including forecasting or estimation as we had issues pertaining to land acquisition," he said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/hybrid-annuity-model-for-road-construction-is-expensive-says-nhai-member/articleshow/116995074.cms>

## **Energy**

### **India set to add 18 GW coal-based power capacity by FY26**

India, which has around 211 gigawatts (GW) of coal-based power capacity, will add 18 GW of additional coal-based capacity by March 2026. According to India Ratings and Research (Ind-Ra), thermal capacity additions are expected to pick up pace with the commissioning of around 7 GW and 11 GW of under-construction thermal capacity in FY25 and FY26, respectively. The rating agency expects the plant load factor, or capacity utilisation, of thermal power plants (TPPs) to remain healthy at around 70 per cent during FY25 and FY26, driven by continued higher thermal power contribution.

<https://www.thehindubusinessline.com/economy/india-to-add-18-gw-coal-based-power-capacity-by-fy26/article69067352.ece>

## **Telecom**

### **ARPU repair of Indian telcos to continue from Q1 2025: Analysts**

The average revenue per user (ARPU) repair in the Indian telecom sector would continue from the first quarter of 2025 and may continue beyond, said analysts on Monday. The Indian telecom tariffs are low in absolute terms as compared with other global comparable markets, which should support potential tariff hikes going forward, they said. "We expect higher data consumption, higher tariffs and premiumisation of existing data users to high-value packs to continue, driving stronger ARPU," said Rahul Malhotra at Bernstein Societe Generale Group, an independent research firm.

<https://www.thehindubusinessline.com/info-tech/arpur-repair-of-indian-telcos-to-continue-from-q1-2025-analysts/article69069199.ece>

## **States**

### **Centre asks states to attract private capital for \$107 bn grid expansion**

India is asking states to attract more private capital to accelerate the expansion of its power transmission network, part of a plan to revamp the country's grid and accommodate more clean power. States should monetise their transmission assets by transferring ownership to businesses for a period of time, and re-invest the proceeds into new projects, according to a report by the federal government's Central Electricity Authority. Power regulators should design a pricing system that guarantees predictable revenues for investors, it said. The nation is planning to invest Rs 9.2 trillion (\$107 billion) through 2032 to build more transmission lines, as it seeks to nearly triple its clean power capacity by that time. New networks are also needed to haul power from coal plants being set up to meet rising demand.

[https://www.business-standard.com/industry/news/centre-asks-states-to-attract-private-capital-for-107-bn-grid-expansion-125010600865\\_1.html](https://www.business-standard.com/industry/news/centre-asks-states-to-attract-private-capital-for-107-bn-grid-expansion-125010600865_1.html)

### **ISPRL seeks private firms to build 2.5 mn tonnes petroleum reserve at Padur**

India is seeking private companies to build and operate a 2.5 million metric ton store for petroleum reserves at Padur in southern Karnataka state, according to a tender posted on the website of Indian Strategic Petroleum Reserve Ltd

(ISPRL). In 2021, India overhauled its policy to allow part of SPRs to be used commercially, mirroring a model adopted by countries such as Japan and South Korea that allows private lessees, mostly oil majors, to re-export crude. A pre-bid meeting for the new Padur facility will be held on Jan. 10 and the tender will close on Feb. 3.

[https://www.business-standard.com/industry/news/ispri-seeks-private-firms-to-build-2-5-mn-tonnes-petroleum-reserve-at-padur-125010600697\\_1.html](https://www.business-standard.com/industry/news/ispri-seeks-private-firms-to-build-2-5-mn-tonnes-petroleum-reserve-at-padur-125010600697_1.html)

#### **UP govt's new export policy to provide additional benefits to exporters**

The Uttar Pradesh government is drafting a new export policy to boost the state's share in India's exports. The move aims to provide additional incentives to exporters. The proposed policy would introduce several incentives for exporters, especially in the food processing, handicrafts, and One District One Product sectors. The policy would emphasise job creation and offer incentives, including marketing development support, air freight subsidies, international certification subsidies, and gateway port freight subsidies, the official added. The state government is aiming to achieve merchandise exports worth Rs 3 trillion in the next two to three years. Being a landlocked state, UP is also focusing on creating infrastructure to support its export supply chain.

[https://www.business-standard.com/economy/news/up-govt-s-new-export-policy-to-provide-additional-benefits-to-exporters-125010600694\\_1.html](https://www.business-standard.com/economy/news/up-govt-s-new-export-policy-to-provide-additional-benefits-to-exporters-125010600694_1.html)

#### **External**

#### **Brazil announces Indonesia as new member of BRICS**

Brazil has announced that Indonesia has become a full member of the BRICS group. Brazil, which holds the presidency of the BRICS in 2025, said that Indonesia's candidature was endorsed by leaders of the bloc at the Johannesburg summit in 2023. In a statement, the Brazilian Foreign Ministry welcomed Indonesia for its entry into BRICS. It said that Indonesia and other BRICS members support the reform of the global governance institutions.

<https://economictimes.indiatimes.com/news/international/world-news/brazil-announces-indonesia-as-new-member-of-brics/articleshow/117007423.cms>

#### **Industry seeks extension of RoDTEP scheme to SEZs, EOUs till Sep-end**

Amid global economic uncertainties, the industry has urged the government to extend key export-boosting scheme Remission of Duties and Taxes on Exported Products (RoDTEP) for export-oriented units (EOUs) and special economic zones (SEZs) till September-end. Currently, the RoDTEP scheme for exports from the domestic tariff area (DTA), or the domestic market, is in place till September 30 this year. However, in the case of SEZs, EOUs and advance authorisation (AA) holders, the scheme expired on December 31 last year.

[https://www.business-standard.com/economy/news/industry-seeks-extension-of-rodtep-scheme-for-sezs-export-oriented-units-125010600992\\_1.html](https://www.business-standard.com/economy/news/industry-seeks-extension-of-rodtep-scheme-for-sezs-export-oriented-units-125010600992_1.html)

#### **Budget 2025: Plan to multiply value-added exports soon**

The upcoming budget is likely to give a boost to exports of value-added products, especially those that are not labour intensive, by offering them rupee export credit at competitive rates. Currently, only micro, small and medium enterprises (MSMEs) benefit from incentives under the Interest Equalisation Scheme. However, these benefits are capped at Rs 50 lakh against Rs 10 crore earlier. Most of the goods they make are labour intensive.

<https://economictimes.indiatimes.com/news/economy/policy/budget-2025-plan-to-multiply-value-added-exports-soon/articleshow/116971781.cms>

#### **India not planning to curb laptop imports immediately, IT secretary says**

The Indian government does not intend to impose immediate restrictions on laptop imports in the New Year, as it expects local production to grow steadily and replicate the success achieved in the smartphone sector, according to IT and electronics secretary S Krishnan. The government expects companies like HP and Dell to significantly increase local output starting in the next fiscal year, mirroring the success seen with smartphone production.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-not-planning-to-curb-laptop-imports-immediately-it-secretary-says/articleshow/116991655.cms>

