



January 08, 2025 – Wednesday

## Economy

### Govt sees India's GDP growth hitting a 4-year low of 6.4% in FY25

India's Gross Domestic Product (GDP) is projected to grow at 6.4% in the fiscal year 2024-25, marking a four-year low and a sharp decline from the 8.2% growth recorded in FY24, according to first advance estimates released by the government on Tuesday. The projection is lower than the recent Reserve Bank estimate of 6.6 per cent for the current fiscal year ending March 2025.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-gdp-growth-seen-to-slow-sharply-to-6-4-this-fiscal-year-from-8-2-last-year-first-advance-estimate-shows/articleshow/117022315.cms>

### Centre will consult industry stakeholders before any decision on DPDP Rules: Ashwini Vaishnaw

Any restriction on data movement under the Digital Personal Data Protection (DPDP) Rules will be done after consultation with stakeholders and a Committee (to be constituted) will have external sectoral experts before any final decision, Ashwini Vaishnaw, Minister of Information Technology, said on Tuesday.

<https://www.thehindubusinessline.com/news/centre-will-consult-industry-stakeholders-before-any-decision-on-dpdp-rules-ashwini-vaishnaw/article69073339.ece>

### Central DBTs down 20 per cent in April-December 2024 led by food and fertilizer subsidies

The Central government is likely to end FY25 with lower value of Direct Benefit Transfers (DBT) with DBTs under fertilizer, scholarships, rural housing scheme in the slow lane.

<https://www.thehindubusinessline.com/data-stories/data-focus/central-dbts-down-20-per-cent-in-april-december-2024-led-by-food-and-fertilizer-subsidies/article69072304.ece>

### India offers to fund study on skills gap mapping

India has volunteered to fund the study on mapping of skills gap globally, an initiative agreed upon by the G20 nations during India's presidency in 2023, officials said. The ministry of labour and employment has sought permission from the ministries of home affairs and finance to fund the initiative, a senior government official told ET. "The study will be advantageous for India as we aspire to be the skills capital of the world," the official said. "Once the mapping is done, India could initiate country and job-role specific migration of its skilled workforce to cater to the global demand."

<https://economictimes.indiatimes.com/news/economy/policy/india-offers-to-fund-study-on-skills-gap-mapping/articleshow/117032977.cms>

## Finance

### FinMin to hold meeting with MFI players on Wed amid rising bad loans

Finance Ministry will hold a meeting with microfinance institutions (MFIs) on Wednesday amid rising bad loans and delinquencies across all types of lenders in the sector. The meeting assumes significance as it comes with the sector showing signs of stress and rising delinquencies. Credit to the microfinance sector by banks (including SFBs), NBFC-

MFIs and other NBFCs has decelerated during the current financial year so far after witnessing rapid growth during the last three years, according to a latest report of the Reserve Bank.

[https://www.business-standard.com/industry/news/finmin-to-hold-meeting-with-mfi-players-on-wed-amid-rising-bad-loans-125010700917\\_1.html](https://www.business-standard.com/industry/news/finmin-to-hold-meeting-with-mfi-players-on-wed-amid-rising-bad-loans-125010700917_1.html)

### **FinMin to review flagship schemes with PSB chiefs ahead of Budget**

Weeks prior to the Union Budget for the financial year 2025-26, M. Nagaraju, Secretary of the Department of Financial Services, will chair a meeting on January 15 with the Managing Directors and Chief Executive Officers of public sector banks. The meeting aims to review the progress of various financial inclusion schemes and discuss future funding requirements in light of the upcoming Budget, according to sources. "The meeting will focus on evaluating the implementation of key government initiatives under the DFS. Additionally, it is expected to address other financial inclusion issues and discuss the funding needs for these schemes," said the source.

[https://www.business-standard.com/budget/news/finance-ministry-to-review-flagship-schemes-with-psb-chiefs-ahead-of-budget-125010701108\\_1.html](https://www.business-standard.com/budget/news/finance-ministry-to-review-flagship-schemes-with-psb-chiefs-ahead-of-budget-125010701108_1.html)

### **Banks' profitability at inflexion point, to moderate in FY26: India Ratings**

Indian banks' profitability is at an inflexion point and is likely to moderate in 2025-26, hurt by higher delinquencies in unsecured loans and increased credit costs, India Ratings said on Tuesday. The rating agency said in a release that banks' rapid improvement in financial metrics seen over financial years 2021 to 2024 is likely to have peaked and will see an "inflexion point" in 2024-25. India Ratings has observed an increase in delinquencies in specific segments, such as personal loans, credit cards, and microfinance, that will weigh on banks' profits, it said.

[https://www.business-standard.com/industry/banking/banks-profitability-at-inflexion-point-to-moderate-in-fy26-india-ratings-125010700694\\_1.html](https://www.business-standard.com/industry/banking/banks-profitability-at-inflexion-point-to-moderate-in-fy26-india-ratings-125010700694_1.html)

### **The Rise of Exchange-Traded Funds in India, a change in investment landscape**

India's investment landscape is evolving rapidly, fueled by the growing investable surplus of its upwardly mobile middle class. While earlier Fixed Deposits (FDs) were the favourite instruments for Indian investors (due to guaranteed returns and safety), with inflation rates hovering around 5.48% (November 2024), the real returns on FDs are often low or even negative. Hence, mutual funds provide an attractive alternative. However, mutual funds can be traded only once in the day. With a growing number of investors wanting to participate more actively in the ebb and flow of equity markets during the day, Exchange-Traded Funds (ETFs) are gathering traction. An ETF is a pooled investment security that can be bought and sold like an individual stock. It is a marketable security that tracks an index, a commodity, bonds, or a basket of assets like an index fund.

<https://www.financialexpress.com/sponsored/the-rise-of-exchange-traded-funds-in-india-a-new-era-of-investment/3708207/>

### **Aadhaar-based payments using face scan yet to fall into place**

Aadhaar-based payments through facial recognition, piloted through the Covid peak by the National Payments Corporation of India (NPCI), have failed to take off even a year after its implementation. State Bank of India, Union Bank of India, and Bank of India, large public-sector banks with millions of customers, have not implemented the project as they want Aadhaar's administrator to make a desktop or laptop version of the service.

<https://economictimes.indiatimes.com/industry/banking/finance/aadhaar-based-payments-using-face-scan-yet-to-fall-into-place/articleshow/117034237.cms>

## **Industry**

### **Gems, jewellery sector urges govt to reduce GST to 1% in upcoming Budget**

The gems and jewellery sector has urged the government for a reduction in goods and services tax (GST) to 1 per cent on revenue equivalence ratio to ease the cost burden on the industry in the upcoming Budget. "We seek rationalisation of taxes and availability of finance to support business," the All India Gem and Jewellery Domestic Council (GJC) Chairman Rajesh Rokde said in a statement on Tuesday.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/gems-jewellery-sector-urges-govt-to-reduce-gst-to-1-in-upcoming-budget/articleshow/117024327.cms>

### **Auto retail sales dip 12% in December despite a good show in CY 2024**

Despite 2024 seeing the highest-ever automobile retail sales with a 9 per cent growth compared to 2023, December played spoilsport for the sector with total retail sales declining by 12 per cent compared to the corresponding period last year. All categories except tractors witnessed degrowth, with sales of two wheelers dipping by 18 per cent, passenger vehicles by 2 per cent, commercial vehicles (CV) by 5.2 per cent and three wheelers by 4.5 per cent, data shared by the Federation of Automobile Dealers Associations (FADA) stated.

[https://www.business-standard.com/industry/auto/auto-retail-sales-dip-12-in-december-despite-a-good-show-in-cy-2024-125010700398\\_1.html](https://www.business-standard.com/industry/auto/auto-retail-sales-dip-12-in-december-despite-a-good-show-in-cy-2024-125010700398_1.html)

### **Small packs amid big bills: Indians reshape shopping habits as inflation hits budget**

Indians are increasingly turning to smaller packs of consumer goods as the soaring prices of groceries and household essentials stretch household budgets. Categories like soaps, snacks, and tea are bearing the brunt of commodity inflation, with palm oil prices—a key ingredient in these products—jumping nearly 30% year-on-year, according to a note by Nuvama Institutional Equities. “Due to price hikes, consumers are going for smaller packs, which negatively impacts volume,” the analysts noted.

<https://economictimes.indiatimes.com/industry/cons-products/fmcbg/small-packs-amid-big-bills-indians-reshape-shopping-habits-as-inflation-hits-budget/articleshow/117016851.cms>

### **Ministry of Environment notifies End-of-Life for vehicles**

The concerned gazette notification said vehicle makers have to take necessary measures to encourage scrapping of vehicles at registered vehicle scrapping or designated facility or designated collection centres, effective April this year. Vehicle manufacturers have to declare scrapping or recycle steel equivalent to 8 per cent of the number of vehicles sold in India 20 years ago.

<https://www.thehindubusinessline.com/news/ministry-of-environment-notifies-end-of-life-for-vehicles/article69072990.ece>

### **Ministry of Heavy Industries backs Siam for GST cut on CNG two-wheelers**

The Ministry of Heavy Industries (MHI) has thrown its weight behind a proposal by the Society of Indian Automobile Manufacturers (Siam), supporting their request to reduce the goods and services tax (GST) on compressed natural gas (CNG)-powered two-wheelers from the current 28 per cent to 18 per cent, and eventually to 12 per cent in stages. Experts note that the government may face pressure to provide similar concessions for CNG-powered vehicles across other segments like passenger cars, three-wheelers, buses, and trucks to ensure a level playing field for all flexible (flex)-fuel vehicles. At present, CNG vehicles are subject to a 28 per cent GST across the board. Implementing these reductions would lead to substantial revenue losses for the government.

[https://www.business-standard.com/industry/news/ministry-of-heavy-industries-backs-siam-for-gst-cut-on-cng-two-wheelers-125010701031\\_1.html](https://www.business-standard.com/industry/news/ministry-of-heavy-industries-backs-siam-for-gst-cut-on-cng-two-wheelers-125010701031_1.html)

### **Hospitality industry revenues to grow by 6-8% in FY26: ICRA**

Investment information and credit ratings agency ICRA expects the revenues of the Indian hospitality industry to grow by 7-9% year on year in financial year 2025 and 6-8% year on year in financial year 2026, over a high base of financial year 2024. The average room rates (ARRs) for premium hotels in India are projected to rise to Rs 7,800-8,000 for financial year 2025 (up 8% year on year) and subsequently improve further to Rs 8,000-8,400 in financial year 2026.

<https://economictimes.indiatimes.com/industry/services/hotels-/restaurants/hospitality-industry-revenues-to-grow-by-6-8-in-fy26-icra/articleshow/117025495.cms>

### **Bulls back in China cos' India shop: Firms from neighbouring country see robust sales growth despite tighter scrutiny**

Chinese companies such as Midea, Haier, Xiaomi, Lenovo and BYD are charting robust revenue growth in India with many consumers opting for their products priced up to 15-20% lower or packed with more features compared to rivals. Despite facing tighter regulatory scrutiny and pressure to partner with Indian firms and the government going slow in approving Chinese investments and funding proposals, these companies continue to perform strongly,

according to company executives and recent regulatory filings. A change in the perception that Chinese products are of inferior quality -in last 5-10 years - has also helped, said VG Ramakrishnan, managing partner at strategy consultancy Avanteum Advisors LLP.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/bulls-back-in-china-cos-india-shop-firms-from-neighbouring-country-see-robust-sales-growth-despite-tighter-scrutiny/articleshow/117034521.cms>

## Agriculture

### Govt should consider alternatives to demand for legal MSP, say experts

The minimum support price (MSP) cannot be made legally binding and, as an alternative, the government can consider fixing a minimum auction rate at agricultural market yards (mandis) to cover cost of production, experts have said. This will ensure there is no loss to farmers and profit is determined by demand and supply.

<https://www.thehindubusinessline.com/economy/agri-business/govt-should-consider-alternatives-to-demand-for-legal-msp-say-experts/article69073032.ece>

## Infrastructure

### Housing sales up 7% in 2024 across top 8 cities at 350K units: Knight Frank

Housing sales rose 7 per cent annually in 2024 across eight major cities to reach 12-year high at 350,613 units on better demand for premium homes amid stable mortgage rates and strong economic growth, according to Knight Frank. "The premiumisation trend has intensified as the market continues to shift toward the higher ticket-sizes with products much better suited to the increasing lifestyle needs of the demanding consumer," he added. Baijal said the overall improvement in market health metrics, stable economic and interest rate scenario along with the still strong momentum hold enough tailwinds for the market as it steps into the new year.

[https://www.business-standard.com/industry/news/housing-sales-up-7-in-2024-across-top-8-cities-at-350k-units-knight-frank-125010700454\\_1.html](https://www.business-standard.com/industry/news/housing-sales-up-7-in-2024-across-top-8-cities-at-350k-units-knight-frank-125010700454_1.html)

## Energy

### India's fuel consumption rises 2.1% to hit seven-month high in December

India's fuel consumption in December rose 2.1 per cent year on year to 20.67 million metric tons, its highest level since last May, oil ministry data showed on Tuesday. On a monthly basis, fuel demand was up over 1 per cent from 20.46 million tons in November, data from the Petroleum Planning and Analysis Cell's (PPAC) website showed. India is the world's third-largest consumer and importer of oil. The data is a proxy for the country's oil demand. Last month, Russian state oil firm Rosneft agreed to supply nearly 500,000 barrels per day of crude to Indian private refiner Reliance in the biggest ever energy deal between the two countries.

[https://www.business-standard.com/economy/news/india-s-fuel-consumption-rises-2-1-to-hit-seven-month-high-in-december-125010701288\\_1.html](https://www.business-standard.com/economy/news/india-s-fuel-consumption-rises-2-1-to-hit-seven-month-high-in-december-125010701288_1.html)

## Telecom

### Jyotiraditya Scindia meets telecom equipment manufacturers to discuss boosting production

Communications minister Jyotiraditya Scindia Tuesday met telecom equipment manufacturers like Nokia and Ericsson etc to deliberate on solutions for boosting production in India. The Department of Telecommunications (DoT) has formed six advisory committees consisting of industry stakeholders. The minister routinely meets stakeholders of the committees to take an update of the sector. Apart from the equipment makers, other advisory committees include that of telecom service providers, internet service providers and infrastructure providers, telecom electronics ecosystem, satellite communications ecosystem and a committee of academicians and R&D.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/jyotiraditya-scindia-meets-telecom-equipment-manufacturers-to-discuss-boosting-production/articleshow/117028537.cms>

## States

### **Maharashtra govt makes FASTag mandatory at all toll plazas from April 1**

Mumbai, The Maharashtra cabinet on Tuesday decided to make toll collection through FASTag mandatory from April 1 and announced revisions in the Rules of Business to streamline administrative processes. The cabinet chaired by Chief Minister Devendra Fadnavis approved the public works department's proposal that toll collection at toll plazas across the state will be done exclusively through FASTag from April 1.

<https://economictimes.indiatimes.com/news/india/maharashtra-govt-makes-fastag-mandatory-at-all-toll-plazas-from-april-1/articleshow/117024679.cms>

### **GFGNL to deliver 25000 fiber to home connections in rural areas for greater internet connectivity**

Under a pilot project, Gujarat Fiber Grid Network Limited (GFGNL) under Gujarat Science and Technology Department is now planning to deliver 25,000 Fiber-to-Home (FTH) connections to rural households in collaboration with various agencies. These connections will include value-added services (VAS) such as Wi-Fi, cable TV (free-to-air and paid channels), OTT (Over-the-Top television), and gaming.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/gfgnl-to-deliver-25000-fiber-to-home-connections-in-rural-areas-for-greater-internet-connectivity/articleshow/117017861.cms>

### **Gujarat, Bihar to rejoin Fasal Bima**

The Pradhan Mantri Fasal Bima Yojana (PMFBY), the heavily subsidised crop insurance scheme, is gaining traction among the states that have either remained reluctant to roll it out, or quit briefly after joining, citing the costs to the exchequer. Sources said after discussions with the Union ministry of agriculture and farmers' welfare, Bihar has agreed to rejoin PMFBY by the next kharif season. Also, talks are on with Gujarat to persuade the coastal state to implement the scheme.

<https://www.financialexpress.com/policy/economy-gujarat-bihar-to-rejoin-fasal-bima-3708650/>

## **Healthcare**

### **India poised to be healthcare custodian of world, says Torrent's Samir Mehta**

The Indian pharmaceutical industry is aiming to more than double its size to USD 120-130 billion by 2030 as it looks to ride on the back of innovation to become the healthcare custodian of the world, Indian Pharmaceutical Alliance (IPA) president and Torrent Group chairman Samir Mehta said. In the last 25 years, the Indian pharma industry has grown nearly 20 times - a market size of USD 58 billion from USD 3 billion in 1999-2000, contributing equally to domestic sales and exports today.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/india-poised-to-be-healthcare-custodian-of-world-says-torrents-samir-mehta/articleshow/117024814.cms>

## **External**

### **India, Maldives to hold high-level defence talks to boost ties on Wednesday**

Maldivian Defence Minister Mohammed Ghassan Maumoon will pay a three-day visit to India from Wednesday to deepen bilateral engagement ties amid a thaw in relations between the two countries. It said the two ministers will review the various facets of bilateral defence cooperation, including training, exercises and defence projects to enhance the capability of the Maldives National Defence Forces as well as supply of defence equipment.

[https://www.business-standard.com/external-affairs-defence-security/news/india-maldives-to-hold-high-level-defence-talks-to-boost-ties-on-wednesday-125010700414\\_1.html](https://www.business-standard.com/external-affairs-defence-security/news/india-maldives-to-hold-high-level-defence-talks-to-boost-ties-on-wednesday-125010700414_1.html)

### **Centre notifies procedure for export of certified organic products**

The government has laid out a procedure for export of certified organic products, requiring mandatory certification under the National Programme for Organic Production (NPOP) for such shipments, according to a public notice. India has fixed a target of \$ 2 billion exports for organic food products by 2030. It added that exports of these goods shall only be certified as such if produced, processed, packed and labelled as per the standards laid down in the NPOP.

[https://www.business-standard.com/india-news/centre-notifies-procedure-for-export-of-certified-organic-products-125010700431\\_1.html](https://www.business-standard.com/india-news/centre-notifies-procedure-for-export-of-certified-organic-products-125010700431_1.html)

### **China to impose anti-dumping deposits on cypermethrin from India**

China's commerce ministry said on Tuesday it will impose anti-dumping deposits on cypermethrin imported from India starting Jan. 8, following preliminary findings of dumping. Cypermethrin, an insecticide used in agriculture and sanitation, controls pests on crops such as cotton, vegetables, corn, and flowers, according to the ministry.

<https://economictimes.indiatimes.com/news/economy/agriculture/china-to-impose-anti-dumping-deposits-on-cypermethrin-from-india/articleshow/117017893.cms>

### **Exporters flag terminal fee, low dry ports use to Piyush Goyal**

Exporters and freight agencies Tuesday raised the issue of high terminal handling charges at ports and low usage of dry ports or inland container depots, which add to the overall logistics costs. At a meeting with commerce and industry minister Piyush Goyal, they said the fee charged by shipping terminals to store and position containers before they are loaded on a vessel is higher by ₹10,000-15,000 per consignment than what ports charge. "It was a stock-taking meeting on logistics and shipping issues. The government is looking at reducing logistics costs everywhere," said an official. India aims to cross \$800 billion of goods and services exports in fiscal 2025 as against \$778 billion in the last fiscal year.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/exporters-flag-terminal-fee-low-dry-ports-use-to-piyush-goyal/articleshow/117033041.cms>

### **Indian diamond exports hit by slump in Chinese demand, HMPV concerns add to uncertainty**

The generic promotion of natural diamonds by the Indian diamond trade in the Chinese market in association with the largest jewellery retail chain in China Chow Tai Fook and De Beers has failed to enthruse Chinese consumers to buy the rock. The trade had raised Rs 15 crore through crowdfunding for the generic promotion of natural diamonds across the key international markets. The spread of the Human Metapneumovirus (HMPV) virus in China has created further uncertainty for Indian diamond exporters because they have witnessed a significant fall in diamond consumption in China after the COVID-19 pandemic.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/indian-diamond-exports-hit-by-slump-in-chinese-demand-hmpv-concerns-add-to-uncertainty/articleshow/117025009.cms>

### **Duty cut on smartphone parts to hit electronics ecosystem, jobs: GTRI**

India's smartphone industry is a 'Make in India' success story, with 2023-24 production reaching \$49.2 billion and exports at \$15.6 billion, making smartphones the fourth-largest export after diesel, aviation fuel, and polished diamonds. However, a few industry groups are pushing for further import tariff cuts on smartphone components in the Union Budget for FY26. Any reduction in the customs duty on smartphone parts in the forthcoming budget will harm India's developing component ecosystem, discourage investment, increase imports, and make local firms uncompetitive, potentially resulting in job losses, think tank GTRI said on Tuesday.

[https://www.business-standard.com/industry/news/duty-cut-on-smartphone-parts-to-hit-electronics-ecosystem-jobs-gtri-125010700405\\_1.html](https://www.business-standard.com/industry/news/duty-cut-on-smartphone-parts-to-hit-electronics-ecosystem-jobs-gtri-125010700405_1.html)