



January 13, 2025 – Monday

Economy

IMF warns of weaker Indian economy in 2025 amid global uncertainty and US policy shift

The Indian economy is set to face challenges in 2025, with the International Monetary Fund (IMF) forecasting a slightly weaker performance despite steady global growth. IMF Managing Director Kristalina Georgieva, in her annual media roundtable, highlighted the uncertainty that could arise from shifts in U.S. trade policy, which may further impact the global economic landscape. While global growth is anticipated to remain stable, Georgieva also highlighted economic challenges in other major economies, with Brazil facing higher inflation and China grappling with deflationary pressures and weak domestic demand. She emphasized the vulnerability of low-income countries, which could suffer significantly from any new global shocks.

<https://www.financialexpress.com/policy/economy/imf-warns-of-weaker-indian-economy-in-2025-amid-global-uncertainty-and-us-policy-shift-3712920/>

Amnesty scheme for customs may be announced in upcoming Budget: Experts

In a bid to reduce litigation, Finance Minister Nirmala Sitharaman in the upcoming Budget may announce an Amnesty Scheme for customs to foster ease of doing business. An amnesty scheme, along the lines of Sab ka Vishwas, will be a welcome decision. The industry has been waiting for such a scheme for years to address pending litigation matters under customs. This will especially help small businesses avoid past disputes and move ahead with a clean slate.

https://www.business-standard.com/budget/news/amnesty-scheme-for-customs-may-be-announced-in-upcoming-budget-experts-125011200274_1.html

With lower veggie prices, retail inflation likely to moderate to 5% in December

Retail inflation based on Consumer Price Index (CPI) is likely to have moderated in December in the range of 5.1 per cent to 5.3 per cent. The Statistic Ministry will release the number today.

<https://www.thehindubusinessline.com/economy/with-lower-veggie-prices-retail-inflation-likely-to-moderate-to-5-in-december/article69091610.ece>

Finance

Finmin to meet heads of banks on Jan 15 to review financial inclusion schemes

Finance Ministry has called a meeting of heads of Public Sector Banks (PSBs) on Wednesday to review progress of various financial inclusion schemes, including Jan Suraksha and Mudra Yojana. The meeting, which would see participation from representatives of private sector banks, is scheduled to be chaired by Financial Services Secretary M Nagaraju. According to sources, the meeting to be chaired by the Secretary would also discuss and review the progress of various financial inclusion schemes including PM SVANidhi Schemes.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/finmin-to-meet-heads-of-banks-on-jan-15-to-review-financial-inclusion-schemes/articleshow/117174485.cms>

RBI Governor Malhotra to hold first meeting with bank CEOs on Thursday

Sanjay Malhotra, who took charge as the governor of Reserve Bank of India (RBI) in December, will have his first interaction with the managing directors (MDs) and chief executive officers (CEOs) of public sector banks (PSBs) on Thursday, ahead of the February monetary policy review. The interaction is part of the pre-monetary policy consultations. The six-member rate-setting panel will review the policy during February 5-7. The RBI governor, along with the top brass of the central bank, will meet PSB CEOs in the morning and then private bank chiefs during post lunch, three sources told Business Standard.

https://www.business-standard.com/finance/news/rbi-governor-malhotra-to-hold-first-meeting-with-bank-ceos-on-thursday-125011200636_1.html

First phase of Bima Sugam project likely to be rolled out mid-2025

The first phase of Bima Sugam — an ambitious project of the insurance regulator to create an Amazon-like one-stop digital platform for buying, selling, and servicing insurance policies — is expected to be rolled out in the mid of this year instead of April announced earlier, a source privy to the development said. In June of 2024, the Insurance Regulatory and Development Authority of India (Irdai) chairman Debasish Panda had said that the first phase of the project will be launched in April 2025.

https://www.business-standard.com/finance/insurance/first-phase-of-bima-sugam-project-likely-to-be-rolled-out-mid-2025-125011200268_1.html

Centre likely to save over Rs 70,000 crore on expenditure in FY25

The government may save more than Rs 70,000 crore on capital and revenue expenditure allocated towards new schemes in FY25 Budget that are yet to be implemented. In the FY25 Budget presented in July last year, the government announced three employment-linked incentive (ELI) schemes with an annual allocation of Rs 10,000 crore. The skill ministry was tasked with implementing the plan to upgrade 1,000 ITIs with an outlay of Rs 1,000 crore for the current financial year. However, these schemes are yet to see the light of the day.

https://www.business-standard.com/economy/news/centre-likely-to-save-over-rs-70-000-crore-on-expenditure-in-fy25-125011200557_1.html

Direct tax collections likely to surpass budget estimates by ₹73k-83k crore, but tax buoyancy to dip

With strong growth in non-corporate tax, net direct tax collection is likely to cross budget estimates by more than ₹73,000-83,000 crore. However, tax buoyancy is likely to be lower than the last fiscal due to the revision of the nominal growth number.

<https://www.thehindubusinessline.com/economy/direct-tax-collections-likely-to-surpass-budget-estimates-by-73k-83k-crore-but-tax-buoyancy-to-dip/article69091885.ece>

Microfinance sector contracts below Rs 4 lakh crore amid loan disbursal woes

The size of the microfinance sector has contracted to below Rs 4 lakh crore from its highest level of Rs 4.43 lakh crore seen in March 2024 as lenders slowed loan disbursal with several of them completely stopping acquisition of new-to-credit customers amid rising asset quality stress. The sector's asset quality may have also worsened as collection efficiency has faltered for several lenders.

<https://economictimes.indiatimes.com/industry/banking/finance/microfinance-sector-contracts-below-rs-4-lakh-crore-amid-loan-disbursal-woes/articleshow/117177887.cms>

FPI outflow reaches Rs 22,194 crore in January amid weak earnings and steady US dollar

Foreign investors have withdrawn a substantial amount of Rs 22,194 crore from Indian equities this month, as concerns over a weak earnings season, a steady rise in the US dollar, and potential trade tensions during Donald Trump's presidency weigh on market sentiment. V K Vijayakumar, Chief Investment Strategist, Geojit Financial Services, said, "The single major reason for the relentless selling by the FPIs is the steady rise in the dollar index which is above 109 now. The surge in the 10-year bond yield to above 4.6 per cent is ensuring capital flows from emerging markets like India."

<https://www.financialexpress.com/market/fpi-outflow-reaches-rs-22194-crore-in-january-amid-weak-earnings-and-steady-us-dollar-3713002/>

Industry

Meity seeks 10K graphics processing units, receives offer for 20K

The Ministry of Electronics and Information and Technology (Meity) has received offers for 20,000 graphics processing units (GPUs) from companies that bid under the ~10,370 crore IndiaAI Mission — nearly double of what it is seeking through a request for empanelling companies. The aim is to create affordable AI infrastructure, which will support startups, academics, and research agencies, among others. As many as 28 companies have shown an interest in this and 19 bid for empanelment, which is for 36 months and can be extended by another 12.

https://www.business-standard.com/technology/tech-news/meity-seeks-10k-graphics-processing-units-receives-offer-for-20k-125010901423_1.html

India to outpace major steel-consuming economies with 8-9% demand growth in 2025: CRISIL

India will continue to outpace other major steel-consuming economies in calendar year 2025 with a demand growth of 8-9 per cent, CRISIL's Market Intelligence and Analytics report said. This demand will be driven by a shift towards steel-intensive construction in the housing and infrastructure sectors along with better demand from engineering, packaging and other segments, the report added. The report, however, highlights that the domestic supply will remain a "point of concern," adding that the demand is estimated to have increased by 11 per cent in India.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/india-to-outpace-major-steel-consuming-economies-with-8-9-demand-growth-in-2025-crisil/articleshow/117168028.cms>

Domestic tractor sales dip slightly in 2024, exports see positive growth

Domestic tractor sales saw a slight decline in the calendar year 2024, while tractor exports experienced positive growth after a double-digit drop in the previous year. Total tractor production remained below one million units for the second consecutive year, following two years of surpassing the million-unit mark.

<https://www.thehindubusinessline.com/economy/agri-business/domestic-tractor-sales-dip-slightly-in-2024-exports-see-positive-growth/article69092633.ece>

Agriculture

Govt plans framework for weather advisory units for farmers shut last year

The government wants to establish a solid framework to continue the work of district agrometeorological units (DAMUs) which until now had been operating in an ad-hoc manner, Ministry of Earth Sciences secretary M Ravichandran has said. PTI reported in August last year that the government plans to revive the network of DAMUs, which provided detailed block-level weather-related information to lakhs of farmers in the country until the India Meteorological Department (IMD) directed their closure earlier this month following instructions from Niti Aayog.

https://www.business-standard.com/industry/agriculture/govt-plans-framework-for-weather-advisory-units-for-farmers-shut-last-year-125011200129_1.html

Infrastructure

Realtors seek stamp duty cuts, revised home loan limits in Budget

As the Union Budget 2025-2026 (FY26) inches closer, the Indian real estate industry is seeking stamp duty cuts, revised home loan limits and updated affordable housing norms through Pradhan Mantri Awas Yojna (PMAY), single-window clearance and eco-friendly policies, among others. Industry leaders and consultancy firms, including Anarock, Raheja, Gaur's, Kanodia Group, Reach, Urban Space, Justo and Eros Group, have shared their expectations.

https://www.business-standard.com/budget/news/realtors-seek-stamp-duty-cuts-return-of-credit-linked-subsidy-in-budget-125011200368_1.html

Energy

IBA seeks blanket corporate tax holidays for compressed biogas production

Indian Biogas Association (IBA) has urged the finance ministry to create blanket corporate tax holidays for compressed biogas (CBG) production in the forthcoming General Budget to attract investment in the sector to promote this renewable energy source. Earlier this month, in a letter to Finance Minister Nirmala Sitharaman, IBA

said that this will act as an incentive for businesses, which are willing to invest in and scale up CBG production, contributing to cleaner energy generation.

https://www.business-standard.com/finance/news/iba-seeks-blanket-corporate-tax-holidays-for-compressed-biogas-production-125011200165_1.html

GEMA seeks hike in ethanol price for FCI rice as feedstock

The grain ethanol manufacturers have sought a revision in current ethanol rate ₹58.50/litre which was based on when the Food Corporation of India (FCI) was selling rice at ₹20/kg. The revised price should be ₹70.71/litre after the government announced the FCI rice would be sold at ₹28/kg for the distilleries, according to Grain Ethanol Manufacturers Association (GEMA).

<https://www.thehindubusinessline.com/economy/agri-business/gema-seeks-hike-in-ethanol-price-for-fci-rice-as-feedstock/article69091983.ece>

Coal import rises by 2% to 182.02 million tonnes in April-November period

India's coal import rose by two per cent to 182.02 million tonnes (MT) in the April-November period of the current fiscal year. The government had earlier stressed on augmenting coal production and reducing the imports of dry-fuel. As per the present import policy, coal can be freely imported by the consumers themselves considering their needs, based on their commercial prudence. Coking Coal is being imported by Steel Authority of India Ltd (SAIL) and other steel manufacturing units mainly to bridge the gap between the requirement and indigenous availability and to improve the quality.

https://www.business-standard.com/industry/news/coal-import-rises-by-2-to-182-02-million-tonnes-in-april-november-period-125011200202_1.html

Coal India looks to Argentina for lithium brine assets

Coal India Ltd (CIL) has set its sights on Argentina as a destination in its strategic diversification into critical minerals, with a focus on lithium brine assets, an official said on Sunday. Recognising the economic significance and strategic value of minerals like lithium (Li), nickel (Ni), cobalt (Co), and others, the Maharatna company has initiated steps to explore opportunities in key resource-rich nations such as Argentina, Australia and Chile. "The state-owned mining behemoth has invited expressions of interest (Eoi) from experienced consultants to conduct technical due diligence on lithium brine assets in Argentina," a senior Coal India official told PTI.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/coal-india-looks-to-argentina-for-lithium-brine-assets/articleshow/117167520.cms>

States

Gujarat CM approves Rs 188 crore for road safety measures, upgrades

Gujarat Chief Minister Bhupendra Patel has taken a public-oriented decision to improve road safety across the state and has sanctioned Rs188 crore to the Roads and Buildings Department to implement various road safety initiatives across the state's roads, said a statement from Gujarat CMO. Aiming to reduce road accidents and enhance safety for drivers, the Chief Minister has approved Rs 100.53 crore for critical improvements on accident-prone roads. This funding will support 80 projects covering 328.73 kilometres, including curve improvements, crash barriers, spot widening, and road furniture installations.

https://www.business-standard.com/politics/gujarat-cm-approves-rs-188-crore-for-road-safety-measures-upgrades-125011200509_1.html

Healthcare

Pharma lobby seeks 2-year extension of schedule M deadline

Pharma lobby group Federation of Pharma Entrepreneurs (FOPE) has urged the government to extend the deadline for compliance with the revised Schedule M by two years. This comes as the government is nearing finalisation of a draft notification proposing to extend the compliance deadline for the revised Schedule M. Earlier the government had invited public comments on the draft, citing that the notification will be finalised after considering the public comments received till January 11.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/pharma-lobby-seeks-2-year-extension-of-schedule-m-deadline/articleshow/117180011.cms>

External

Nepal to consider request to import specific dairy products from India

India has flagged concerns over the problems faced by its milk exporters in Nepal, with the neighbouring country agreeing to explore the possibility of facilitating imports of specific products like whey and cheese, an official statement said on Sunday. The two sides have also discussed a review of the Treaty of Transit and the Treaty of Trade and proposed amendments of the existing agreements, harmonisation of standards and the development of trade infrastructure, including the electrification of the Raxaul-Birgunj rail line. The deliberations included issues pertaining to mutual market access, intellectual property rights and customs duty, it added.

https://www.business-standard.com/economy/news/nepal-to-consider-request-to-import-specific-dairy-products-from-india-125011200573_1.html

Budget 2025: Govt mulls setting up marketing support fund to boost exports to US, other key markets

Budget 2025 may provide some succour to the country's exporters if a proposed marketing support fund with an estimated annual corpus of about ₹1,000 crore finds favour with the Finance Ministry. The proposed fund, could be used for participating in fairs, exhibitions; meeting regulatory norms, say sources.

<https://www.thehindubusinessline.com/economy/budget-2025-govt-mulls-setting-up-marketing-support-fund-to-boost-exports-to-us-other-key-markets/article69092332.ece>

Geopolitical uncertainties, Trump 2.0 to influence trade in 2025: Experts

Geopolitical tensions, the potential for a renewed US-led trade war under President-elect Donald Trump, rising sustainability-driven barriers, China's overcapacity in key sectors, and rapid advancements in AI will significantly impact global trade in 2025, according to experts. They said Indian exporters and importers should work hand in hand with the government to deal with these challenges. India, they said, need to prioritise their AI (artificial intelligence) strategy as it promises to transform trade logistics and supply chain management and reshape traditional trade patterns.

https://www.business-standard.com/world-news/geopolitical-uncertainties-trump-2-0-to-influence-trade-in-2025-experts-125011200283_1.html

Singapore sees opportunities in India's growing economy, says minister

India is growing and Singapore sees many opportunities to expand bilateral cooperation with South Asia's fastest growing economy, senior minister Lee Hsien Loong has said. Lee highlighted the importance of the Comprehensive Economic Cooperation Agreement (CECA), a nearly two-decade-old Singapore-India free trade agreement that has helped foster extensive trade, investment and travel links between the two countries. "Many Indian companies have set up in Singapore to serve the region while many local Indian businesses have successfully forayed into the Indian market," he said.

https://www.business-standard.com/india-news/singapore-sees-opportunities-in-india-s-growing-economy-says-minister-125011200041_1.html

EAM Jaishankar to visit Spain on January 13-14 to discuss bilateral ties

Jaishankar will meet the leadership of Spain and hold discussions with his Spanish counterpart Manuel Albares on the entire gamut of bilateral relations, the Ministry of External Affairs (MEA) said on Sunday. They had agreed to enhance collaboration to fully realise the objectives of the EU-India Connectivity Partnership, and recognised the potential of the India-Middle East-Europe Economic Corridor (IMEEC) Project to boost connectivity.

https://www.business-standard.com/external-affairs-defence-security/news/eam-jaishankar-to-visit-spain-on-january-13-14-to-discuss-bilateral-ties-125011200469_1.html