



January 17, 2025 – Friday

Economy

India to grow by 6.4%, and CPI inflation to settle at 4.8% in FY25: FICCI

FICCI forecasts India's GDP growth at 6.4 per cent for the financial year 2024-25. This marks a downward revision from the 7.0 per cent projection made in September 2024 and reflects a notable slowdown from the 8.2 per cent growth recorded in 2023-24. India's economic outlook for 2025 presents cautious optimism with consumer spending expected to recover, aided by a positive outlook for agriculture and rural consumption, according to the latest Economic Outlook Survey by the Federation of Indian Chambers of Commerce and Industry (FICCI).

<https://economictimes.indiatimes.com/news/economy/indicators/india-to-grow-by-6-4-and-cpi-inflation-to-settle-at-4-8-in-fy25-ficci/articleshow/117294163.cms>

Global economy to weaken in 2025, India's strong growth continues: WEF

A majority of chief economists worldwide expect weaker global economic conditions in 2025 but India is likely to maintain a strong growth despite signs of some momentum being lost, a new report said on Thursday. In its latest Chief Economists Outlook, the World Economic Forum said the global economy is set to face significant challenges in 2025, with 56 per cent of chief economists surveyed expecting conditions to weaken. Only 17 per cent foresee an improvement, pointing to heightened uncertainty in key regions and the need for measured policy responses worldwide, it found. The US economy is expected to deliver robust growth in 2025, and South Asia, particularly India, is also expected to maintain strong growth.

https://www.business-standard.com/economy/news/global-economy-to-weaken-in-2025-india-s-strong-growth-continues-wef-125011600638_1.html

India to remain fastest-growing large economy in FY26, FY27: World Bank

The World Bank on Thursday kept its growth forecast for India unchanged at 6.7 per cent for FY26, maintaining that the country will remain the fastest-growing major economy for next two years. "The services sector is expected to enjoy sustained expansion, and manufacturing activity is anticipated to strengthen, supported by government initiatives to enhance logistics infrastructure and improve the business environment through tax reforms," the World Bank said in its flagship Global Economic Prospects report.

https://www.business-standard.com/economy/news/india-to-remain-fastest-growing-large-economy-in-fy26-fy27-world-bank-125011601478_1.html

8th Pay Commission announced: Recommendations to benefit over 1 crore employees, pensioners

The government on Thursday announced the setting up of 8th Pay Commissions for Central Government employees and officers. Once implemented, the recommendations will benefit over one crore serving and retired Central Government employees and officers. "Prime Minister Narendra Modi approved setting up the 8th Pay Commission," Information & Broadcasting Minister Ashwini Vaishnaw said at a press conference. Soon, the Chairman and members will be appointed. "Recommendations of new commission will be implemented from 2026," he said. Normally, pay commission recommendations are applicable for 10 years, and recommendations of the 7th Pay Commission were implemented in 2016.

<https://www.thehindubusinessline.com/economy/govt-announces-8th-pay-commission-for-central-govt-employees/article69104233.ece>

Companies to absorb 10% interns under PM internship scheme: Teamlease Study

With the Centre mulling extending the ambit of the Prime Minister internship scheme -- whose pilot project was rolled out recently -- a survey has found that an impressive 81 per cent firms backed the government initiative, but over 70 per cent of them were willing to absorb 10 per cent of their interns as full-time employees. According to the Teamlease Edtech survey, around 38 per cent of the companies flagged concerns around finding interns with the right skill set to match organisational needs. The study highlighted the need for targeted university programs that match the demands of the industry to meet this challenge.

https://www.business-standard.com/industry/news/companies-to-absorb-10-interns-under-pm-internship-scheme-teamlease-study-125011601139_1.html

India ranks among the world's best in readiness for future in-demand jobs

India has established itself as one of the most prepared nations globally for future in-demand skills, particularly in areas like artificial intelligence (AI), digital technologies, and green industries. This recognition comes from the inaugural QS World Future Skills Index, published by the UK-based higher education firm QS, which evaluates countries' readiness to meet evolving global job market demands. Ranked 25th overall, India is categorised as a 'future skills contender' in the index. It excels in the 'future of work' metric, achieving the second-highest global score of 99.1, just behind the United States, which tops the chart with a perfect 100, aided by Silicon Valley and curriculum-adaptive universities.

https://www.business-standard.com/industry/news/india-future-skills-index-ai-education-reform-green-industries-125011601008_1.html

Finance

RBI updates FEMA regulations to boost cross-border INR transactions

To promote cross-border transactions in rupees and other local or national currencies, the Reserve Bank of India (RBI), in collaboration with the central government, has reviewed the current regulations under Foreign Exchange Management Act, 1999, the central bank said in a press release on Thursday. As a result, the following amendments have been made to the existing FEMA guidelines: Authorised dealer banks' overseas branches can now open INR accounts for residents outside India, facilitating the settlement of all permissible current and capital account transactions with residents in India.

https://www.business-standard.com/finance/news/rbi-fema-regulations-boost-cross-border-inr-rupee-nri-transactions-125011600908_1.html

Asset Reconstruction Companies seek nod to tap capital markets for equity

Asset Reconstruction Companies (ARCs) have approached the central bank, seeking regulatory intervention that would allow them to raise equity capital from the market and improve their liquidity and net worth. The latest plea from the ARCs to the Reserve Bank of India (RBI) comes even as banks are insisting on only cash bids from these distressed debt aggregators and they face increasing competition from the government-backed National Asset Reconstruction Co (NARCL).

<https://economictimes.indiatimes.com/industry/banking/finance/asset-reconstruction-companies-seek-nod-to-tap-capital-markets-for-equity/articleshow/117310685.cms>

Finance Ministry dept to meet business correspondents, banks next week

The Finance Ministry's Department of Financial Services has called a meeting of the monitoring committee on the functioning of business correspondents (BC) on January 21. Sources said the agenda includes payment of fixed commission to BCs in rural centres by banks and waiver of penalties. The setting of an infrastructure and equity fund for corporate BCs is to be explored with the option of tapping the National Bank for Agriculture and Rural Development's Financial Inclusion Fund, and the Reserve Bank of India's (RBI) Payments Infrastructure Development Fund for the same.

https://www.business-standard.com/finance/news/finance-ministry-dept-to-meet-business-correspondents-banks-next-week-125011700081_1.html

UAE, USA account for majority FCNR (B) mobilised by local banks

The UAE and the US account for over half of FCNR (B) deposits at Indian banks, with a notable concentration in the Gulf region. Recent data reveals an increase in UAE's share and a decline in US's share. Indian banks' significant presence in the GCC and higher returns compared to the US market drive this trend.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/uae-usa-account-for-majority-fcnr-b-mobilised-by-local-banks/articleshow/117308534.cms>

Industry

Steel ministry seeks \$1.7 bn from budget to help mills cut emissions

India's steel ministry has asked for Rs 150 billion (\$1.74 billion) from the budget to offer mills incentives to produce low-carbon steel, two government sources told *Reuters*. India, the world's biggest steel producer after China, has been working on a green steel policy aimed at decarbonising production of the alloy, part of a wider push towards cutting greenhouse gas emissions under a 2070 net-zero target set by Prime Minister. The steel ministry plans to offer incentives to reduce emissions, boost research and development and increase raw material efficiency, as well as encourage banks to offer lower interest rates on renewable energy loans, said the sources, who wished to remain anonymous as deliberations are not public.

https://www.business-standard.com/budget/news/steel-ministry-seeks-1-7-bn-from-budget-to-help-mills-cut-emissions-125011600751_1.html

Bus segment surges ahead, defying commercial vehicle market slowdown

The bus segment continues to defy trends in the commercial vehicle (CV) market, driven by robust demand across various categories. In recent months, the strong push for electrification and the growing preference for inter-city bus travel has further fuelled steady demand for buses.

<https://www.thehindubusinessline.com/economy/bus-segment-surges-ahead-defying-commercial-vehicle-market-slowdown/article69104169.ece>

Piyush Goyal assures 'excellent' support for startups in growth push

Commerce and Industry Minister Piyush Goyal on Thursday assured "excellent" support to startups and said domestic investors are now also recognising capabilities and the value proposition of investing in these enterprises. "I promise you we are going to have excellent support, now also from domestic investors who are more and more aligning themselves with the startup India vision, who are more and more understanding the capabilities of young India and they are recognising the value proposition that you bring to the table," he said. He added that funding instruments like the Fund of Funds Scheme (FFS), which is administered by SIDBI and financed by the government, are working as a transformative tool to mobilise private capital, particularly to support startups in tier-2 and 3 cities.

https://www.business-standard.com/companies/start-ups/piyush-goyal-assures-excellent-support-for-startups-in-growth-push-125011601375_1.html

Country can't rely on foreign cyber security resources: IT Secretary

India cannot afford to take cyber security resources even from friendly nations as it will be a threat to security and sovereignty of the nation, a senior government official said on Thursday. During a roundtable with start-ups organised by Start-up Policy Forum, Ministry of Electronics and Information Technology (Meity), Secretary S Krishnan said that the funding of start-ups especially in growth and later stage is crucial for entities in deep-tech space like cyber security.

https://www.business-standard.com/pti-stories/national/country-can-t-afford-to-take-cyber-security-resources-from-even-friendly-country-it-secretary-125011601500_1.html

Gold demand picks up despite all odds

Gold markets are buzzing again after a lull during the month-long inauspicious Kharmash period, with consumers rushing to buy the yellow metal amid rising international prices and speculation that the upcoming union budget may reverse last year's import duty cut.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/gold-demand-picks-up-despite-all-odds/articleshow/117310871.cms>

Agriculture

Centre procures record 1.37 mn tonnes of soybean under MSP scheme

The Centre has procured a record 1.373 million tonnes of soybean under the Minimum Support Price (MSP) scheme so far in the current marketing season, a senior agriculture ministry official said on Thursday. The procurement, undertaken to protect farmers from falling prices, has surpassed all previous records, with the last highest procurement being 19,483 tonne in 2018-19.

https://www.business-standard.com/industry/agriculture/centre-procures-record-1-37-mn-tonnes-of-soybean-under-msp-scheme-125011600715_1.html

Infrastructure

Execution of road projects dips 6% in first 8 months of FY25: ICRA report

ICRA has revised its forecast of road execution by the Ministry of Road Transport and Highways (MoRTH) in the financial year 2025 (FY25) to 10,000-10,500 kilometres (km) from its earlier estimate of 12,500-13,000 km. The ratings agency has attributed the slowdown to the general elections in the first quarter of FY25 (Q1 FY25) and prolonged monsoon in certain geographies, which affected productive days, resulting in a decline in execution during that period.

https://www.business-standard.com/industry/news/execution-of-road-projects-in-fy25-on-slow-lane-icra-125011600694_1.html

Housing sale dip by 26% during October-December

Housing sales in India's 8 prime residential markets dipped 26% in the October-December period of 2024 when compared to the same quarter last year, according to the report by digital real estate transaction & advisory platform PropTiger.com. The report said the drop in sales numbers could primarily be attributed to state elections in Maharashtra and Haryana, which make up for 3 of the 8 cities covered in the analysis and to elevated property prices. Barring NCR, data show, home sales dipped across cities on a year-on-year basis.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/housing-sale-dip-by-26-during-october-december/articleshow/117293614.cms>

Rural road construction under PMGSY set to halve in FY25 compared to FY24

Road infrastructure in rural areas is a crucial indicator of connectivity in rural India. But in FY25, only 10,660.7 km of roads had been built up to December. If the number is extrapolated to the full fiscal year, around 13,000 km of rural roads can be built by March 2025. If the pace of construction does not pick up in the last quarter of FY25, rural road construction this fiscal year will be half of the construction in FY24.

<https://www.thehindubusinessline.com/data-stories/data-focus/rural-road-construction-under-pmgsy-set-to-halve-in-fy25-compared-to-fy24/article69103840.ece>

Cabinet approves bill making repossession easier for aircraft lessors

In a major development, the union cabinet on Thursday approved the Protection and Enforcement of Interests in Aircraft Objects Bill which will allow aircraft leasing companies to repossess aircraft in case of non-payment of lease rental by an airline. The bill will give primacy to the Cape Town Convention in case of conflict with any other local law - primarily the Insolvency and Bankruptcy Code, 2016 - and will be now presented during the next session of the Parliament.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-/aviation/cabinet-approves-bill-making-repossession-easier-for-aircraft-lessors/articleshow/117306564.cms>

Energy

Clean energy sector makes case for national council

The renewable energy industry has made a case for creating a National Renewables Council and extending waiver of inter-state transmission system (ISTS) charges. One of the key challenges facing India's green energy transition to reach the target of 500 GW capacity by 2030 is in inter-state cooperation, as projects often face roadblocks in land acquisition and logistical hurdles in power transmission.

<https://economictimes.indiatimes.com/industry/renewables/clean-energy-sector-makes-case-for-national-council/articleshow/117310851.cms>

Buyers of natural gas call for pricing domestic gas in rupee

The rupee's rapid fall is making natural gas pricier for Indian buyers, leading to calls for pricing domestic gas in rupees instead of the current practice of using dollars. Oil and gas are priced in dollars in the international market. The depreciation of the rupee against the US dollar - down ₹3.65 in a year and ₹1.65 in a month to ₹86.56 - makes oil and gas costlier for Indian importers who need to shell out more rupees for the same volume of purchase.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/buyers-of-natural-gas-call-for-pricing-domestic-gas-in-rupee/articleshow/117310860.cms>

India's power sector has investments opportunity of Rs 40 trillion over next decade: Motilal Oswal

Showcasing the exuberant potential, the Indian power sector has an investment opportunity of Rs 40 trillion, driven by accelerating demand, upgradation and transition to clean energy over the next decade, according to a report by Motilal Oswal. The report added that "triple tailwinds" will make the Indian power sector lucrative for investors. The power demand in the country is increasing at 7 per cent compound annual growth rate (CAGR) compared to 5 per cent previously; old power infrastructure needs to be upgraded or replaced as the electricity mix changes (more RE all day), and India's goal of 500 GW of renewable energy (RE) capacity by 2030.

<https://economictimes.indiatimes.com/industry/energy/power/indias-power-sector-has-investments-opportunity-of-rs-40-trillion-over-next-decade-motilal-oswal/articleshow/117293721.cms>

Recycling of lithium can make India self-reliant: Official

India can become self-reliant in the field of cell manufacturing if lithium remains in the country through recycling, and reuse in batteries, an official said on Wednesday. Addressing the fourth India Battery Manufacturing & Supply Chain Summit (IBMSCS), Vijay Mittal, Joint Secretary, Ministry of Heavy Industries, highlighted that the limited availability of lithium resources is disrupting the growth of the sector.

<https://economictimes.indiatimes.com/small-biz/sustainability/recycling-of-lithium-can-make-india-self-reliant-official/articleshow/117284774.cms>

Telecom

DoT gets cabinet nod to refarm 1100 MHz spectrum across bands

The Union cabinet on Thursday approved the plan of the Department of Telecommunications (DoT) to refarm or reuse nearly 1100 MHz spectrum across several bands, which could be worth around Rs 5 lakh crore and can be sold in auctions in the next few years. The spectrum refarming exercise has been undertaken to meet the requirements of telecom operators for their 5G, and later 6G, services, said officials aware of the matter.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/dot-gets-cabinet-nod-to-refarm-1100-mhz-spectrum-across-bands/articleshow/117309438.cms>

India's internet user base to surpass 900 million by 2025 driven by rural growth: Report

India's internet landscape is undergoing a significant transformation, with a projected user base surpassing 900 million by 2025, driven by increasing internet access in rural areas, according to the Kantar and IAMAI's Internet in India 2024 report. The study highlights key usage patterns, regional disparities, and emerging behaviors, showing that rural India is a major contributor to this growth. In 2024, rural areas accounted for 55% of India's 886 million active internet users.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/indias-internet-user-base-to-surpass-900-million-by-2025-driven-by-rural-growth-report/articleshow/117304976.cms>

States

Work in progress to power up Rajasthan govt's solar energy capacity

The Rajasthan government has started work on setting up solar power projects with a capacity of 17 gigawatt (Gw) in its bid to boost electricity infrastructure and production in the state. Rajasthan is one of the leading states in solar energy production. With a solar radiation capacity of 5.72 kilowatt-hour (kWh) per square meter per day, the highest in the country, Rajasthan has been a preferred location for the establishment of renewable energy projects. Also, the state has the highest average number of sunny days at 352 per year. The total potential of solar power in Rajasthan is estimated to be about 142 Gw, which is nearly 19 per cent of the country. To bridge the power gap, the state is planning to increase its dependence on solar energy from the current 12-14 per cent to over 40 per cent of consumption by 2030.

https://www.business-standard.com/industry/news/work-in-progress-to-power-up-rajasthan-govt-s-solar-energy-capacity-125011600950_1.html

Maharashtra to set up Innovation City on lines of GIFT City: CM Fadnavis

Chief Minister Devendra Fadnavis on Thursday announced plans to establish an Innovation City in Maharashtra on the lines of Gujarat's GIFT City, underscoring the need for efforts to maintain the state's leadership in India's start-up ecosystem. Speaking at a forum on startups and technology here, he said this initiative would create a hub for technology and innovation, providing fertile ground for start-ups, particularly in emerging areas such as artificial intelligence (AI). The way GIFT City has been created, we aim to develop an Innovation City in Maharashtra at an even faster pace, Fadnavis said.

https://www.business-standard.com/india-news/maharashtra-to-set-up-innovation-city-on-lines-of-gift-city-cm-fadnavis-125011600627_1.html

Healthcare

Clear labelling of industrial & medical oxygen must, PMO tells health ministry

The Prime Minister's Office (PMO) has written to the health ministry to take necessary action regarding the labelling of oxygen cylinders to differentiate between industrial and medical oxygen after lawmaker Ajeet Madhavrao Gopchade raised the need to do so in the interest of patients. "I brought this to the notice of the PMO. As a doctor, I understand it is a critical issue and needs attention. To protect patients, even the World Health Organization has released guidelines on the quality of medical oxygen," Gopchade told ET.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/clear-labelling-of-industrial-medical-oxygen-must-pmo-tells-health-ministry/articleshow/117276623.cms>

Halt illegal imports of refurbished medical gear: Drug regulator

India's drug regulatory authority has asked the Customs office to not let refurbished medical devices enter the country, in a move to curtail the influx of such unregulated products. In a letter to the principal commissioner of Customs, the drug regulatory authority said there are no specific provisions for regulation of refurbished medical devices under the existing rules. No licence is issued for import of such devices, which cannot be imported in India under the Medical Devices Rules, 2017, for sale and distribution, it said in the letter dated January 10.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/halt-illegal-imports-of-refurbished-medical-gear-drug-regulator/articleshow/117310629.cms>

External

Government contemplates extension of export schemes ahead of Union Budget 2025

Prior to the announcement of the Union Budget 2025, the government is considering extension of key schemes for exporters that have recently lapsed, including the popular Remission of Duties and Taxes on Exported Products (RoDTEP) from which SEZ units and EOUs have got excluded and the interest equalisation scheme important for

ensuring cheap export credit, sources have said. The idea is to continue extending some relief to exporters amidst volatility in global demand.

<https://www.thehindubusinessline.com/economy/government-contemplates-extension-of-export-schemes-ahead-of-union-budget-2025/article69104045.ece>

India's regulatory control system ensures transparency in exports: DGFT

The country's regulatory system is ensuring a robust and transparent process for exports of high-tech goods, a senior official said on Thursday. Director General of Foreign Trade (DGFT) Santosh Kumar Sarangi said that IT-enabled processes, seamless licensing, and industry outreach will drive these exports while maintaining strong regulatory oversight. As part of the country's strategic trade control system and in consonance with the provisions of international conventions, India regulates the exports of dual-use items, nuclear-related products, and military goods, including software and technology under the list. Further, it will facilitate dialogue between government authorities and industry stakeholders, assessing and mitigating emerging risks associated with the export of these sensitive goods and technologies.

https://www.business-standard.com/india-news/india-s-regulatory-control-system-ensures-transparency-in-exports-dgft-125011601370_1.html

Palm oil imports to drop to 5-year low in Jan due to losses: Report

India's palm oil imports are set to plunge to a near five-year low in January, hit by negative refining margins as the tropical oil's premium over rivals drives buyers to more competitively priced soyoil, government and industry officials told Reuters. Lower palm oil imports by the world's biggest buyer of vegetable oils could weigh on benchmark Malaysian palm oil prices, but support U.S. soyoil futures.

https://www.business-standard.com/economy/news/palm-oil-imports-to-drop-to-5-year-low-in-jan-due-to-losses-report-125011600724_1.html

China's export curbs to impact electronics, EV firms in India: GTRI

Indian firms in the electronics, solar, and electric vehicle (EV) sectors are experiencing delays and disruptions due to China's restrictions on export of key inputs and machinery, economic think tank GTRI said on Thursday. It said the curbs could be China's response to India's restrictions on Chinese investments and visas. "This also signals deeper geopolitical tensions and trade war. We hope India-specific restrictions go away soon as they will also hurt China," Global Trade Research Initiative (GTRI) Founder Ajay Srivastava said. He added that while these measures impact India's electronics, solar, and EV sectors, they are also harmful to China's own manufacturing and exports.

https://www.business-standard.com/industry/news/china-s-export-curbs-to-impact-electronics-ev-firms-in-india-gtri-125011600528_1.html

Apparel exports up 11.6 pc in Apr-Dec: AEPC

The country's apparel exports rose 11.6 per cent to USD 11.31 billion during the April-December period of this fiscal year due to healthy growth in markets such as the US, the UK, and Germany, AEPC said on Thursday. The Apparel Export Promotion Council (AEPC) said this is the appropriate time when India needs to capitalise the growing opportunity and accelerate the momentum to expand its global footprints and enter new markets.

<https://economictimes.indiatimes.com/industry/cons-products/garments-/textiles/apparel-exports-up-11-6-pc-in-apr-dec-aepc/articleshow/117300343.cms>

India, Singapore strengthen ties in advanced manufacturing, semiconductors

India and Singapore are cooperating in critical sectors like advanced manufacturing and semiconductors as the relations are on a "new trajectory" of growth, Singapore President Tharman Shanmugaratnam said on Thursday. The Singapore president told reporters that a data corridor between the GIFT City in Gujarat and his country is being explored so that the financial institutions of the two sides can exchange data on a safe and trusted basis. He said the possibility of a "corridor for renewable energy" between India and Singapore is also being looked at.

https://www.business-standard.com/external-affairs-defence-security/news/india-singapore-strengthen-ties-in-advanced-manufacturing-semiconductors-125011601461_1.html