



February 04, 2025 – Tuesday

Economy

Manufacturing PMI rises to 6-month high in Jan on exports and new orders

Indian goods producers kicked off 2025 on a robust note as Purchasing Managers' Index (PMI) rose to 57.7 in January, recovering sharply from 12-month low of 56.4 in the previous month. This rise was fuelled by the steepest upturn in exports in nearly 14 years and by new orders which rose at the quickest pace since last July.

https://www.business-standard.com/economy/news/exports-new-demand-orders-power-manufacturing-pmi-to-6-month-high-in-jan-125020300343_1.html

Indian professionals adopt AI, Gen AI at work but fear job loss: Report

India is at the forefront of a workplace transformation driven by artificial intelligence (AI), with professionals rapidly adopting AI tools to enhance productivity and career prospects, according to a report published by edtech unicorn Emeritus. The report, titled Global Workplace Skills Study 2025, noted that a staggering 96 per cent of Indian professionals use AI and generative AI (Gen AI) at work, far exceeding global averages, while 94 per cent believe mastering AI skills is crucial for career growth and industry diversification.

https://www.business-standard.com/technology/tech-news/indian-professionals-adopt-ai-gen-ai-at-work-but-fear-job-loss-report-125020300916_1.html

White-collar hiring up 4% in Jan, driven by FMCG, pharma, insurance sectors

White-collar hiring activities in January witnessed 4 per cent growth driven by traditional sectors, including FMCG, pharma and insurance, according to a report released on Monday. "In 2024, January had greeted us with a disappointing 11 per cent de-growth in hiring. In contrast, 2025 seems to have started on a positive note. The 4 per cent hiring growth is tempered as IT recovery settles in, however, strong growth in most core sectors, including FMCG, pharma, insurance and hospitality is a good sign and augurs well for a cracking 2025 in terms of white collar hiring," Naukri Chief Business Officer Pawan Goyal said in a statement quoting NaukriJobSpeak Index.

https://www.business-standard.com/industry/news/white-collar-hiring-up-4-in-jan-driven-by-fmcm-pharma-insurance-sectors-125020300821_1.html

More than 30 crore unorganised workers registered on e-Shram portal

Over 30.58 crore unorganised workers have been registered on e-Shram portal since its inception on August 26, 2021, with 33,700 of them getting on board the online platform daily in the last year alone, data shared by Union Ministry of Labour and Employment in Parliament on Monday revealed.

<https://www.thehindubusinessline.com/economy/more-than-30-cr-unorganised-workers-registered-on-e-shram-portal/article69176384.ece>

States must raise tax devolution concerns with Finance Commission: FM

With southern states voicing concerns over 'unfair' tax money devolution, Finance Minister Nirmala Sitharaman has said the states have to engage and highlight their concerns with the 16th Finance Commission, whose recommendations will decide how the funds are divided. Population is one of the criteria used by Finance

Commissions to decide how the tax revenues are divided. Southern states, which have managed to check the rise in population, feel they get a raw deal when compared to the northern states with much larger population growth.

https://www.business-standard.com/finance/news/states-must-raise-tax-devolution-concerns-with-finance-commission-fm-125020300725_1.html

Record tax cuts in Budget to spur consumption, says CEA Nageswaran

India's economic growth slowdown is temporary and record tax cuts announced in the budget will help spur consumption and improve private investments in the world's fifth-biggest economy, a top government official said. "It's premature to say that we are destined to grow at 6.5 per cent for the longer term," India's Chief Economic Adviser V. Anantha Nageswaran told Bloomberg TV's Haslinda Amin in an interview on Monday. "When the global conditions change, we will grow at much higher rate."

https://www.business-standard.com/economy/news/record-tax-cuts-in-budget-to-spur-consumption-says-cea-nageswaran-125020300700_1.html

India's rating upgrade challenge as debt woes trump fiscal prudence: Fitch

Despite the Indian government's efforts to consolidate its fiscal position, a sovereign rating upgrade appears challenging due to concerns over high public debt and interest payments, an analyst at Fitch Ratings said in an interview on Monday. "India's debt-to-GDP ratio is just above 80 per cent on a general government basis, well above the high-50 per cent range that we see for similar-rated peer countries," said Jeremy Zook, director of Asia sovereign ratings. "Those are more structural fiscal factors that are still a constraint for a rating upgrade."

https://www.business-standard.com/economy/news/india-s-rating-upgrade-challenge-as-debt-woes-trump-fiscal-prudence-fitch-125020300507_1.html

₹20K cr for research, AI, geospatial initiatives to drive R&D, but India needs more: Industry

The ₹20,000-crore allocation to drive research, the expansion of AI and geospatial initiatives and further push to Atal Tinkering Labs are some of the significant steps taken in the Union Budget 2025-26 to strengthen the country's research & development (R&D) ecosystem, but the country needs more, industry players said.

<https://www.livemint.com/industry/rs-20k-cr-for-research-ai-geospatial-initiatives-to-drive-r-d-but-india-needs-more-industry-11738559291240.html>

No proposal to increase working hours to 70 or 90 hrs per week: Govt

The government clarified in Parliament that there is no proposal to increase the maximum working hours to 70 or 90 hours a week despite suggestions from corporate leaders. Citing adverse health effects of long working hours, the Economic Survey highlighted the detrimental impact on mental well-being and productivity, emphasizing the importance of work-life balance.

<https://economictimes.indiatimes.com/news/economy/policy/no-proposal-to-increase-working-hours-to-70-or-90-hrs-per-week-govt/articleshow/117890662.cms>

Finance

RBI curating the liquidity landscape for a potential rate cut this year

Over the past few months, the Reserve Bank of India (RBI) has begun addressing both frictional liquidity and durable liquidity needs. This has raised hopes that RBI could be closer to cutting interest rates in the February policy. The key question to ask is if the liquidity measures are enough to ensure transmission of potential rate cut going forward. To answer this, we will need to assess what is the level of liquidity which will enable better transmission and how far we are from those levels. RBI's frictional liquidity measures which consist of short-term variable rate repo (VRR), have ensured that overnight rate remains close to repo rate despite large liquidity deficit.

https://www.business-standard.com/economy/analysis/rbi-liquidity-measures-rate-cut-transmission-2025-125020300506_1.html

RBI's bond holdings to be treated at par with mkt, no swap for longer debt

The Reserve Bank of India's holding of sovereign bonds due to mature next financial year will likely be treated at par with the market by the government rather than swapped for longer-dated debt, a top government official said.

https://www.business-standard.com/finance/personal-finance/govt-opts-for-market-based-approach-on-rbi-s-sovereign-bonds-not-swaps-125020300878_1.html

RBI considering hiking ATM cash transaction, interchange fees

Bank customers will have to shell out more for withdrawing cash from automated teller machines (ATMs) as the Reserve Bank of India (RBI) is considering to hike the maximum fee that banks can charge for customers' incremental cash transactions beyond the free five transactions limit, and ATM interchange fee, sources say.

<https://www.thehindubusinessline.com/money-and-banking/rbi-considering-hiking-atm-cash-transaction-interchange-fees/article69176004.ece>

Finance Minister Nirmala Sitharaman says no targets for rupee value, it is market-determined

Finance Minister Nirmala Sitharaman clarified that the value of the Indian rupee is market-determined, with no devaluation involved. The rupee's recent decline enhances export competitiveness but may increase the cost of imports. Regulatory measures are in place to handle unclaimed insurance funds, improve claim settlements, and impose penalties for processing delays.

<https://economictimes.indiatimes.com/news/economy/policy/finance-minister-nirmala-sitharaman-says-no-targets-for-rupee-value-it-is-market-determined/articleshow/117892834.cms>

Lending against gold spirals amidst rising prices

Gold loans by commercial banks surged by 68% in the first nine months of FY25 due to rising gold prices. Non-bank lenders also saw a rise in gold loan sanctions. The increase in gold prices has allowed lenders to offer higher loan amounts due to higher collateral value, enhancing lender comfort despite regulatory scrutiny on gold loan portfolios.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/lending-against-gold-spirals-amidst-rising-prices/articleshow/117892571.cms>

Investments in security receipts issued by ARCs to get a fillip as Budget proposes cut in TDS

To encourage investments in the bad loans space, the Union Budget has proposed slashing the tax deducted at source (TDS) on income payable to an investor in respect of investments made in a securitisation trust to 10 per cent, across the board. Move will encourage investments in the bad loans space.

<https://www.thehindubusinessline.com/money-and-banking/investments-in-security-receipts-issued-by-arcs-to-get-a-fillip-as-budget-proposes-cut-in-tds/article69176840.ece>

Sebi proposes Digital Assurance Report of financial statements

The Sebi has proposed mandating a digital assurance report of financial statements for top 100 listed companies. "The report will increase transparency, improve disclosure standards and enable better enforcement, and thereby provide greater investor protection and trust in the ecosystem," Sebi said. The ICAI had come out with a guide on digital assurance to provide guidance to its members to adopt enhanced use of technology in audit by implementing the use of digitally available audit evidence and information.

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-proposes-digital-assurance-report-of-financial-statements/articleshow/117898595.cms>

Draft bill seeking 100% FDI in insurance to be sent to Cabinet soon: DFS

The finance ministry will soon send the draft bill seeking to increase FDI limit in the insurance sector to 100 per cent to the Union Cabinet for its approval, Financial Services Secretary M Nagaraju said on Monday. "Finance Minister has already given her approval and announced in the Budget. Now we will prepare a draft bill with the help of the law ministry," he said in an interaction with media here. Thereafter, the draft bill will be sent to the Cabinet for approval. The intent of the Department of Financial Services (DFS) is to get the bill introduced during the current Budget session, he said.

https://www.business-standard.com/finance/insurance/draft-bill-seeking-100-fdi-in-insurance-to-be-sent-to-cabinet-soon-dfs-125020300814_1.html

BSE launches Sensex derivative contracts at IFSC in GIFT City, Gujarat

BSE has launched Sensex derivative contracts at the International Financial Services Centre (IFSC) in GIFT City, Gujarat. These US dollar-denominated contracts will be traded on the India International Exchange (India INX), BSE's dedicated stock exchange for GIFT-IFSC. The new contracts offer a 22-hour trading window, enabling global traders to access the Indian market in a tax-efficient manner. GIFT City provides several tax benefits, including no securities transaction tax (STT), capital gains tax, or stamp duty.

https://www.business-standard.com/markets/news/bse-launches-sensex-derivative-contracts-at-ifsc-in-gift-city-gujarat-125020301008_1.html

Budget 2025: NaBFID infra bond credit facility may run into RBI hurdle

The RBI's strict capital and investment norms might hinder the National Bank for Financing Infrastructure & Development from establishing a partial credit enhancement facility for infrastructure corporate bonds. Despite potential benefits in credit rating, the higher costs and demanded investor premiums make these instruments less viable compared to bank loans.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/budget-2025-nabfid-infra-bond-credit-facility-may-run-into-rbi-hurdle/articleshow/117867065.cms>

Income Tax dept not an adversarial entity, but participative: CBDT chief

Central Board of Direct Taxes (CBDT) chairman Ravi Agrawal has said the Income Tax department has transitioned from an adversarial entity to one that adopts a more participative approach. Speaking at a Federation of Indian Chambers of Commerce and Industry (FICCI) event on Monday (February 3), Agrawal highlighted this shift, saying that the department now operates under the guiding principle of "trust first". Agrawal further said the tax administration is committed to "fostering stability and simplifying business operations" in India. He also noted that governance in direct taxation has undergone a transformation, with policies increasingly focused on ensuring transparency and enhancing the ease of doing business.

https://www.business-standard.com/finance/news/income-tax-dept-central-board-of-direct-taxes-chairman-ravi-agrawal-ficci-125020300559_1.html

Give suggestions on new income tax bill: CBDT chief asks industry

Central Board of Direct Taxes (CBDT) Chief Ravi Agrawal on Monday asked industry players to give their suggestions on the new income tax bill, which will be tabled in Parliament this week. The new income tax bill, which will replace the six decade old Income Tax act, 1961, has been drafted within six months and efforts have been made to simplify the language to make tax compliance easier for taxpayers and make it easier to read and understand. Agrawal said that the new bill has been drafted in such a way that it meets international standards.

https://www.business-standard.com/finance/news/give-suggestions-on-new-income-tax-bill-cbd-t-chief-asks-industry-125020300477_1.html

Government has foregone more revenue benefiting Individuals/HUFs than corporates, says FM Sitharaman

In a written reply, Finance Minister Nirmala Sitharaman said that the total revenue impact of major tax incentives for Individual/HUF taxpayers for the last five years is over ₹8.69 lakh crore. In comparison, the total revenue impact of major tax incentives for corporate taxpayers for last five years is over ₹4.53 lakh crore.

<https://www.thehindubusinessline.com/economy/government-has-foregone-more-revenue-benefiting-individualshufs-than-corporates-says-fm-sitharaman/article69176233.ece>

India's avg customs duty cut to 10.6%, now moving towards Asean level: CBIC

India has significantly reduced its average customs duty rate to 10.66 per cent from 11.65 per cent and is now moving towards the same levels as prevalent in the Southeast Asian countries, a senior government official said on Monday. CBIC (Central Board of Indirect Taxes & Customs) Chairman Sanjay Kumar Agarwal said the rate rationalisation exercise was carried out with the objective of making the tariff structure simple, ensuring competitiveness of Indian industry and simplifying the tax regime.

https://www.business-standard.com/finance/news/india-s-avg-customs-duty-cut-to-10-6-now-moving-towards-asean-level-cbic-125020300619_1.html

Rs 2,000 notes withdrawal: Rs 6,577 cr worth such notes still with public

The Reserve Bank of India (RBI) announced that 98.15% of Rs 2000 notes have been returned to the banking system, with only Rs 6,577 crore in circulation as of January 31, 2025. These notes remain legal tender and can still be deposited or exchanged at RBI offices and through India Post. The Rs 2000 notes were introduced in November 2016. <https://economictimes.indiatimes.com/news/economy/finance/rs-2000-notes-withdrawal-rs-6577-cr-worth-such-notes-still-with-public/articleshow/117893154.cms>

Industry

Chip industry surges by 18% to reach \$626 billion, fuelled by AI demand

Rising demand for AI has spurred the growth of semiconductors in 2024 as the aggregate revenues reached \$626 billion in 2024, growing 18.1 per cent from 2023. The trend seems to continue this year and the revenues are pegged to be at \$705 billion in 2025, according to research firm Gartner Inc.

<https://www.thehindubusinessline.com/info-tech/chip-industry-surges-by-18-to-reach-626-billion-fuelled-by-ai-demand/article69175590.ece>

Budget's MSME, manufacturing push boosts paper sector; imports a concern

The Union Budget's focus on manufacturing and MSMEs is expected to boost demand for paper and packaging materials across multiple sectors and bodes well for the growth of the paper industry, a paper manufacturers' body said on Monday. The Budget's thrust on the manufacturing sector, including MSMEs, will contribute to increased demand for paper-based packaging, an eco-friendly alternative to single-use plastic, it added.

https://www.business-standard.com/budget/news/budget-boost-for-paper-sector-msmes-but-import-concerns-persist-ipma-125020300811_1.html

India's advertising industry market to reach Rs 1.1 trn by 2025: Report

India's advertising industry is projected to grow at 6.5 per cent in 2025 to reach a market size of Rs 1.1 trillion by the end of the year, majorly driven by the digital segment, according to Dentsu e4m Digital Report 2025. Digital media has emerged as the largest platform for advertising spending, accounting for 49 per cent, that is Rs 49,251 crore, of the Indian advertising industry. This is followed by television contributing 28 per cent (Rs 28,062 crore) and print media 17 per cent (Rs 17,529 crore). "Key growth drivers include increased spending on reality shows, sports content across TV and over-the-top (OTT) platforms, and large-format print advertising," the report stated

https://www.business-standard.com/industry/news/india-s-advertising-industry-market-to-reach-rs-1-1-trn-by-2025-report-125020301124_1.html

Budget outlay for textiles research and capacity building nearly triples for FY26 and increases 9x over FY24

The Centre has increased the budget outlay for the Textiles Ministry in FY26 by 19 per cent to ₹5,272 crore (Budget Estimates), as against ₹4,417 crore in FY25. Of this, the outlay for research and capacity building for FY26 has nearly tripled to ₹1,948 crore when compared with ₹670 crore in FY25 (revised) and increase by nine times over FY24 outlay of ₹200 crore.

<https://www.thehindubusinessline.com/economy/budget/budget-outlay-for-textiles-research-and-capacity-building-nearly-triples-for-fy26-and-increases-9x-over-fy24/article69175629.ece>

Agriculture

India's rice procurement 5% up at 41.6 million tonnes till Jan 31

Rice purchase by the Food Corporation of India (FCI) for the Central Pool stock during the October 2024-January 2025 period was 41.591 million tonnes (mt), up by 4.6 per cent from 39.747 mt in the year-ago period. Experts say the procurement is ample to tackle any unforeseen eventuality amid concerns over climate change. However, the government is finding it difficult to manage the bulging stock amid no permanent offtake policy.

<https://www.thehindubusinessline.com/economy/agri-business/indias-rice-procurement-5-up-at-416-million-tonnes-till-jan-31/article69176660.ece>

Despite higher allocation, growers allege Budget neglected natural rubber sector

The Budget has given the Rubber Board reasons to cheer, thanks to increased allocations, while growers were totally dissatisfied about there not being a mention of minimum support price (MSP) for the commodity.

<https://www.thehindubusinessline.com/economy/agri-business/despite-higher-allocation-growers-allege-budget-neglected-natural-rubber-sector/article69175808.ece>

Infrastructure

Mission 3000 still on track, major freight volume rise ahead: Vaishnaw

Amid criticism from the sector on the slow pace of freight loading of the Indian Railways, Union Railways Minister Ashwini Vaishnaw said the ministry's flagship cargo vision — Mission 3000 — is still on track and there will be major increases in freight volumes, going forward. Under the mission, the government wants to achieve 3,000 million tonnes (mt) of cargo on railways by 2030.

https://www.business-standard.com/india-news/mission-3000-still-on-track-major-freight-volume-rise-ahead-vaishnaw-125020301148_1.html

States

Ashwini Vaishnaw announces launch of Nammo Bharat trains in West Bengal

Railways Minister Ashwini Vaishnaw highlighted that Prime Minister Narendra Modi has initiated a major mission to modernise and expand railway facilities in West Bengal. The government has allocated a substantial Rs 13,955 crores for this purpose. In total, the railways in West Bengal are seeing an investment of approximately Rs 68,000 crores, this includes plans to introduce Nammo Bharat trains in West Bengal.

<https://www.financialexpress.com/business/railways-ashwini-vaishnaw-announces-launch-of-nammo-bharat-trains-in-west-bengal-rs-68000-crore-investment-to-modernise-railways-3736484/>

Nabard approves 127 projects worth Rs 903.21 crore in Himachal

The Himachal Pradesh government has received Nabard's approval for 127 projects worth Rs 903.21 crore, focusing on MLA-priority schemes and rural infrastructure. Initiatives include a dairy plant and electric bus charging stations. Efforts to boost tourism and tackle the drug mafia were also highlighted.

<https://economictimes.indiatimes.com/news/economy/agriculture/nabard-approves-127-projects-worth-rs-903-21-crore-in-himachal/articleshow/117890789.cms>

Healthcare

Ministries working out modalities of healthcare for gig workers

The Finance Ministry, in consultation with the Labour Department, is working out the modalities of a scheme to provide healthcare facilities under the PM Jan Arogya Yojana (PM-JAY) to about 1 crore gig workers, Expenditure Secretary Manoj Govil has said. Finance Minister Nirmala Sitharaman, in her Budget speech, announced that the government will arrange identity cards and registration of gig workers on the e-Shram portal. They will be provided healthcare under PM Jan Arogya Yojana.

https://www.business-standard.com/industry/news/ministries-working-out-modalities-of-healthcare-for-gig-workers-govil-125020300350_1.html

WHO reports increase in cancer cases across South-East Asia, including India

WHO's regional director of South-East Asia Region Saima Wazed on Monday said that the region reported the highest number of cancers of lips and oral cavity, uterine cervix, and childhood cancers among all World Health Organisation regions in 2022. According to the regional director, it is estimated that by 2050, there will be 85 per cent increase in the number of new cancer cases and deaths in the region. Wazed, who is the regional director of World Health Organisation South East Asian Region (WHO-SEAR) called for joint efforts led by governments, supported by WHO and partners, and through collaboration that will make the region better equipped to tackle the rising cancer burden.

<https://www.financialexpress.com/life/who-reports-increase-in-cancer-cases-across-south-east-asia-including-india-3736319/>

External

India, UK to resume talks on proposed trade agreement from Feb 24: Official

India and the UK are expected to resume the talks for the proposed free trade agreement from February 24, an official said. The UK trade minister is likely to visit the national capital soon, the official said. The talks for the proposed FTA began in January 2022. The 14th round of talks stalled as the two nations stepped into their general election cycles. The agreement is aimed at boosting bilateral trade and investments.

https://www.business-standard.com/economy/news/india-uk-to-resume-talks-on-proposed-trade-agreement-from-feb-24-official-125020300678_1.html

India-Bangladesh trade connectivity will continue, says India's envoy

Trade connectivity and economic engagement between India and Bangladesh will continue to strengthen the ties between the two nations, Indian High Commissioner Pranay Verma said on Monday. The High Commission of India, Dhaka organised an interactive session with leading businesses and business chambers from Bangladesh's textile sector on Monday.

https://www.business-standard.com/external-affairs-defence-security/news/india-bangladesh-trade-connectivity-will-continue-says-india-s-envoy-125020400050_1.html

EFTA investor delegation to visit Delhi to explore business ties: Goyal

A delegation of investors from the four-member European Free Trade Association (EFTA) nations—Iceland, Switzerland, Norway, and Liechtenstein—will be in New Delhi next week to explore business opportunities and strengthen investment ties, commerce and industry minister Piyush Goyal said. EFTA representatives will be in the national capital with more than 100 investors.

https://www.business-standard.com/economy/news/efta-investor-delegation-to-visit-delhi-to-explore-business-ties-goyal-125020301087_1.html

India asks whether global tax deal can work after US withdrawal

India is evaluating the feasibility of a global corporate tax deal after the U.S. withdrawal under President Trump, which removes the U.S. from the 2021 arrangement establishing a 15% minimum tax rate for large corporations. Finance Secretary Tuhin Kanta Pandey stresses the need for a multilateral framework and highlights India's existing concerns with parts of the deal.

<https://economictimes.indiatimes.com/news/economy/policy/india-asks-whether-global-tax-deal-can-work-after-us-withdrawal/articleshow/117884078.cms>

US duties on China, Canada, Mexico provide export opportunities for India: Exporters

The US has imposed tariffs on imports from China, Canada, and Mexico, presenting significant export opportunities for India. Increased costs for American consumers could lead US buyers to seek alternative suppliers, benefitting Indian sectors like electrical machinery, auto components, and apparel. Potential gains depend on India's production capacity and competitiveness.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/us-duties-on-china-canada-mexico-provide-export-opportunities-for-india-exporters/articleshow/117891020.cms>