



Public Finance

Compensation cess: GoM may seek more time to submit report

The group of ministers (GoM) on compensation cess will likely approach the GST Council, seeking an extension beyond the December 31 deadline to firm up its report, a person aware of the matter said. The 10-member GoM under Union minister of state for finance Pankaj Chaudhary may need at least six more months to wrap up discussions and finalise the report, given the complexity of the matter, said the person. The GST Council will take a final call on the extension, most likely in its next meeting scheduled for December 21. *(The Economic Times)*

India's fiscal deficit will be 4.8 pc in FY25, below budget estimate of 4.9 pc: CareEdge Ratings

India's fiscal deficit is projected at 4.8% of GDP for FY25, slightly below the budgeted target, driven by strong GST and income tax collections. While capex may fall short, robust services exports and stable remittances are expected to keep the current account deficit manageable at 0.9% of GDP. Real GDP growth is estimated at a healthy 6.5%. *(The Economic Times)*

Terms of fiscal federalism not loaded against States: D Subba Rao

Though State governments claim that the terms of India's fiscal federalism is loaded against them, the States "decidedly" have a good deal, with more spending power, share in the total pool of central taxes and autonomy to spend. However, the Central government has its own faults, such as collecting taxes in the form of cesses and surcharges that it does not have to share with the State governments, unilateral centrally sponsored schemes and its role in competitive populism, said Duvvuri Subba Rao, former Reserve Bank of India (RBI) Governor. *(BusinessLine)*

Finance ministry following a calibrated disinvestment strategy

The finance ministry on Monday said it's following a "calibrated disinvestment strategy" through the listing of central public sector enterprises (CPSEs) as well as gradual dilution of minority stakes via the stock market, aligned with interest of minority shareholders. It has adopted a "holistic public asset management strategy" and every CPSE is being "driven to create value for itself, its employees, shareholders and the broader economy", the ministry said in a post on microblogging site X. *(The Economic Times)*

Centre released Rs 71,889 crore to states under various heads for FY 2024-25

The Centre has released Rs 71,889 crore to states under various heads for FY 2024-25 based on the recommendations of the 15th Finance Commission (XV-FC), the Finance Ministry said on Sunday as part of its FinMin Year Review 2024 initiative. *(The Economic Times)*

Centre released Rs 47,225 crore to states and UTs under Smart Cities Mission: Tokhan Sahu

The Central government has released Rs 47,225 crore to the states and union territories under the Smart Cities Mission till November 15 and out of which Rs 44,626 crore has been utilised, the Lok Sabha was informed on Thursday. *(The Economic Times)*



Taxation

Spending Data Helps Taxman Net Evaders

The income tax department has recovered ₹37,000 crore over the last 20 months from individuals who were not filing returns despite taxable income, officials said. Data on high-value transactions, including purchase of gems and jewellery, property and spending on luxury holidays, where payments were made by cash since 2019-20 was analysed before reaching out to them. *(The Economic Times)*

Net direct tax collections rise 16.5%

Net direct tax collections grew 16.45 per cent to Rs 15.82 trillion between April 1 and December 17 of FY25, according to the latest data released by the Income Tax (I-T) department on Wednesday. Of this, non-corporate tax — which includes taxes paid by individuals, Hindu undivided families (HUFs), firms, body of individuals, association of persons, local authorities and artificial judicial persons grew 22.5 per cent year-on-year (Y-o-Y) to Rs 7.97 trillion. *(The Hindu)*

CBDT unveils campaign on ITR-AIS mismatch

The income tax department on Tuesday (December 17, 2024) said it is sending SMS and emails to taxpayers and non-filers where it has identified a mismatch between transactions reported in Annual Information Statement (AIS) and income disclosed in ITRs for the financial years 2023-24 and 2021-22. *(The Hindu)*

EVs may get a shock on GST front

There is a bad news in store for Electric Vehicles (EVs) from the GST Council meeting scheduled on Saturday at Jaisalmer in Rajasthan. GST on old and used EV is likely to be raised while the proposal for lowering the rate on parts/components is expected to be rejected again. Officials said that two proposals related to EVs have been brought before the Fitment Committee which discusses and prepares draft of recommendations for the GST Council. One proposal was to lower GST on the sale of old and used EV to 5 per cent from 12 per cent. *(BusinessLine)*

Tax on tobacco products should remain high

With the withdrawal of the GST compensation cess, the tax burden on smokeless tobacco products will drop by 70-72 per cent. Since there is no GST compensation cess currently imposed on bidis, their tax burden will remain unaffected. For filtered cigarettes measuring 65-70 mm (priced at ₹100 for a pack of 10), the tax share in the MRP will fall from 51 per cent to 29 per cent. For king size filtered cigarettes of length 85 mm and more (priced at ₹340 for a pack of 20), the tax share in the MRP will reduce from 59 per cent to 30 per cent. *(BusinessLine)*

GST Council may provide exporter status to intermediaries for tax relief

The 55th Goods and Services Tax (GST) Council meeting on Saturday may provide relief to intermediaries such as brokers, agents, and online bidding portals that offer their services to entities abroad. This will be done by classifying them as exporters, making them zero-rated. At present intermediary services are charged at 18 per cent under the Central GST Act. According to sources, the fitment committee of the GST Council has proposed an amendment to the Integrated GST Act by deleting Section 13(8)(b). *(Business Standard)*

SC classifies small bottles of coconut oil as edible; to be taxed at 5% GST

In relief to fast moving consumer goods (FMCG) players such as Marico and Bajaj Consumer, the Supreme Court on Wednesday ruled in a 15-year-old dispute that small bottles of coconut oil should be classified as edible oil and taxed at 5%, rejecting the tax department's demand to classify the oil as hair oil and tax it at 18%. Goods and services tax (GST) on edible oil is set at 5% while hair oil is taxed at 18%. *(Business Standard)*

GST on betting: Indian gaming industry faces tax demands by Feb 2025

The Indian online gaming industry is at a crossroads as tax authorities gear up to issue final tax demands by February 5, 2025, based on the pending show-cause notices (SCNs). As the deadline nears, many gaming companies have already been served tax notices by authorities. Although gaming firms are waiting for the Supreme Court's deliberation on the matter, given the timeline, a verdict before February 2025 appears unlikely. *(Business Standard)*

GST Council meet: Ordering from Swiggy, Zomato may get cheaper; health insurance exemption on cards

The GST Council is set to discuss several changes, including reducing tax on life and health insurance premiums, food delivery platforms, and aviation turbine fuel. It may raise taxes on luxury goods like wristwatches, shoes, and apparel, and introduce a 35% tax for sin goods. *(The Economic Times)*



National Accounts and State of the Economy

Indian economy to grow 6.6 pc in FY26: Ind-Ra

India Ratings and Research (Ind-Ra) projects 6.6% GDP growth for India in FY26, driven by investments, rebounding from a cyclical slowdown. Monetary easing is expected, but fiscal and external tightening will persist. Inflation is projected at 4.4%, with a merchandise trade deficit of \$308 billion anticipated. *(The Economic Times)*

India must do more to tax its super-rich, France's Piketty says

French economist Thomas Piketty urged India to increase taxes on its super-rich, citing rising inequality. He proposed a wealth tax and inheritance tax, potentially generating significant revenue. India's chief economic adviser opposed the idea, while recent data revealed substantial growth in billionaire wealth. *(The Economic Times)*

Wholesale food inflation eased in Nov.

India's wholesale prices rose at a three-month low pace of 1.89% in November, easing from October's 2.4% uptick with food price inflation decelerating to 8.9% from a 25-month high of 11.6% in the previous month, even as manufactured products' inflation accelerated to 2%. Inflation in primary articles eased to 5.5% from 8.1% in October, while fuel and power remained in deflation zone, with prices falling 5.83% year-on-year. *(The Hindu)*

Inflation to weigh heavier on households; grocery, consumer goods will soon be 5-20% costlier

Brace yourselves for higher grocery bills. FMCG companies are hiking prices on everyday essentials. Tea, edible oil, soap, and more will cost 5-20% more. Companies blame rising commodity costs and import duties. This marks the biggest price jump in a year. Analysts worry about the impact on consumer demand. *(The Economic Times)*

At \$129 bn, India top recipient of remittances this year: World Bank

India was the topmost recipient of remittances in 2024 with an estimated inflow of \$129 billion, followed by Mexico, China, Philippines and Pakistan, driven by a recovery in the job markets in high-income countries, a blog post by World Bank economists said on Wednesday. The growth rate of remittances this year is estimated to be 5.8 per cent, compared to 1.2 per cent registered in 2023, according to the report. *(Business Standard)*

Investments, consumption to drive growth in FY26 to 6.6%: India Ratings

Gradual improvement in consumption demand and investments from both the public and private sector due to monetary easing are expected to push India's economy to grow a tad faster at 6.6 per cent in the financial year 2025-2026 (FY26) compared with the downward revised projection of 6.4 per cent for the current financial year, India Ratings and Research said on Wednesday. *(Business Standard)*

Inequality debate should factor in upward mobility of people: CEA

Chief Economic Advisor V Anantha Nageswaran emphasized considering upward mobility alongside inequality when analyzing economic progress. He cautioned against fixating solely on inequality, citing a survey revealing substantial upward movement across income classes in India, despite headlines focusing on the rich getting richer. *(The Economic Times)*

Lower Q2 growth a temporary blip, no production slump: Nirmala Sitharaman

Finance Minister Nirmala Sitharaman expressed optimism about India's economic growth, downplaying the recent 5.4% dip as a "temporary blip." She highlighted the 8.3% average annual growth over the past three years and robust performance in several manufacturing segments. Sitharaman also emphasized the NDA's superior inflation management compared to previous administrations. *(The Economic Times)*

Investment push may spur GDP growth to 6.6% in FY26: Ind-Ra

India's economy is projected to grow by 6.4% in 2024-25 and 6.6% in 2025-26, fueled by investments. A cyclical slowdown observed in recent quarters is expected to reverse from the third quarter of 2024-25. Growth in 2025-26 will be led by investments outpacing consumption, with services exhibiting the strongest growth. *(The Economic Times)*

India's per capita availability of fruits and vegetables increases by 7 kg and 12 kg over last decade: Report

India's fruit and vegetable availability has increased, exceeding recommended levels, yet 30-35% is lost due to supply chain inefficiencies. Extreme weather impacts production, while easing retail inflation is attributed to falling vegetable prices, though food prices remain a key inflation driver. Inflation across states is converging towards 4%, influenced by labor migration. *(The Economic Times)*

India's CPI inflation to ease to 4.7-4.8 pc in FY25, driven by lower food prices: Report

India's CPI inflation is projected to be around 4.7-4.8% for FY25, due to easing food inflation and stable global commodity prices. Favorable harvests and benign global food and energy prices contribute to this positive outlook. November 2024 CPI inflation moderated to 5.5%, with vegetable inflation dropping significantly. This trend may lead to a more accommodative monetary policy by the RBI. *(The Economic Times)*

India's Space economy to increase threefold in next 10 years: Jitendra Singh

India's space sector is poised for significant growth. The space economy will triple in size within the next decade. Private companies are now involved in space exploration. India plans to have its own space station by 2035. Unexplored space, marine, and Himalayan resources will boost India's economy. India has launched numerous satellites, demonstrating its growing space capabilities. *(The Economic Times)*

Formal job creation up 3% under ESIC at 1.78 million in October: Payroll data

India added 1.78 million formal jobs under ESIC in October 2024. This shows a 3% rise from October 2023. However, it is a 13.2% dip from September 2024. Nearly half of the new jobs went to people aged 25 or younger. Over 21,000 new establishments registered under the ESI scheme in October. The scheme offers medical, unemployment, and maternity benefits. *(The Economic Times)*



Banking and Monetary Policy

Rising pressure on rupee clouds RBI's February rate cut prospects

With rising pressure on the rupee and growing cost of foreign exchange (FX) interventions, the opportunity for a rate cut by the Reserve Bank of India (RBI) is narrowing, with chances of a cut in February looking uncertain, said analysts. "As for the RBI, a new Monetary Policy Committee (MPC) in 2025 (with the new governor, deputy governor, and three fairly new external members) will be facing substantially different policy challenges along with a diverse macro and global landscape," said Madhavi Arora, chief economist, Emkay Global Financial Services. *(Business Standard)*

Public sector banks post record ₹85,520-cr profit in H1

Public sector banks, including State Bank of India, are poised for another stellar year in 2024-25, building on their record-breaking aggregate net profit of ₹1.46- lakh crore in 2023-24, according to the Finance Ministry. The continued robust performance is the result of a series of "transformative" reform measures implemented in recent years, particularly under the Enhanced Access and Service Excellence framework, the Finance Ministry noted here on Sunday. *(BusinessLine)*

The rise of PSUs in wealth creation

Motilal Oswal Research had come up with their Annual Wealth Creation Study last week. The study defines wealth creation as the process by which a company enhances the market value of its capital and is measured as the increase in market capitalisation over a period. *(BusinessLine)*

RBI lifts restrictions on ECL Finance and Edelweiss ARC

The Reserve Bank of India (RBI) will have decided to lift the restrictions placed on ECL Finance Ltd. and Edelweiss Asset Reconstruction Company Ltd. (ARC) with immediate effect. The RBI had, on May 29, imposed business restrictions on the two Edelweiss Group entities. *(The Hindu)*

RBI calls for States' sustained fiscal prudence

State governments contained their consolidated gross fiscal deficit (GFD) within 3% of the gross domestic product (GDP) and their revenue deficit at 0.2% of GDP during 2022-23 and 2023-24, the Reserve Bank of India said in its report on state finances. *(The Hindu)*

Key Supreme Court ruling comes in case involving capping of charges on late credit card bill payment

In an important ruling, the Supreme Court on December 20 set aside the National Consumer Disputes Redressal Commission (NCDRC)'s earlier judgment that capped the interest charged by banks on late credit card bill payments at 30 per cent. The national consumer court had in 2010 restrained banks from charging interest rates in excess of 30% per annum from the credit card holders for their failure to make full payments on due date. *(The Economic Times)*

Indian banking liquidity deficit hits highest in six months

The liquidity deficit in the Indian banking system hit the highest in nearly six months on advance tax payments by companies and likely dollar sales by the central bank to curb rupee volatility. The banking system cash deficit, as measured by banks' borrowings from the Reserve Bank of India, was at 1.5 trillion rupees (\$17.7 billion) as of Monday, the highest since June 24, according to a Bloomberg Economics index. *(The Economic Times)*

Bad loans of peer-to-peer lenders more than double to Rs 1,163 crore in FY24

Non-performing assets (NPAs) of peer-to-peer lending entities more than doubled to Rs 1,163 crore at the end of FY24, a report said on Monday. Peer-to-peer (P2P) lenders raise funds from investors for on-lending to individuals or entities. The total quantum of sour loans stood at Rs 472.1 crore at the end of FY23, Capitalmind Financial Services said, citing RBI data revealed in response to an RTI (right to information) application. *(The Economic Times)*

UPI achieves 15,547 crore transactions worth Rs 223 lakh crore from January to November

The Unified Payments Interface (UPI) has achieved 15,547 crore transactions worth Rs 223 lakh crore from January to November this year, the Finance Ministry said on Saturday. *(The Economic Times)*



India's forex reserves fall to \$652.87 billion, down \$1.98 billion as of Dec 13

India's foreign exchange reserves decreased by \$1.98 billion to \$652.87 billion as of December 13. Despite this recent dip, India's reserves have previously surpassed \$700 billion, securing its position as the fourth largest globally. The Reserve Bank of India actively manages liquidity and intervenes in the market to mitigate rupee depreciation and maintain stable market conditions. *(The Economic Times)*

'India is highest tariff major economy'

U.S. Ambassador to India Eric Garcetti on Thursday said India is the "highest tariff" major economy in the world and New Delhi and Washington need to work together to lower tariffs to increase trade for making it "fair and equal". His comment comes days after U.S. President-elect Donald Trump said that India charged "a lot" of tariff, reiterating his intention to impose reciprocal tariffs in retaliation for what New Delhi would impose on the import of certain American products. *(The Hindu)*

Fed cuts key interest rates by 0.25%; reverse repo rate lowered to 4.25%

The Federal Reserve adjusted a key part of its rate control toolkit on Wednesday, lowering the rate it offers on its reverse repo facility by more than it cut the federal funds rate. The Fed said that the reverse repo rate will now stand at 4.25% from its prior level of 4.55%, marking a 30 basis point easing, while it lowered the federal funds target rate range by a quarter percentage point to between 4.25% and 4.5%. *(Business Standard)*

Ajit Pawar urges Centre to scrap 20% onion export duty

Maharashtra Deputy Chief Minister Ajit Pawar on Thursday urged the Centre to revoke the 20% export duty on onions, citing the financial distress faced by farmers. In a letter to Union Commerce Minister Piyush Goyal, Mr. Pawar detailed the challenges confronting onion growers in Nashik, a key production centre, where falling prices are compounding their woes. Farmers are reportedly selling onions at an average rate of ₹2,400 per quintal, significantly below the cost of production. *(The Hindu)*

Extra long staple cotton imports rebound

India's imports of Supima cotton, exported by the U.S., is rising following the withdrawal of import duty on extra long staple (ELS) cotton earlier this year. India had imposed an 11% import duty on cotton in the 2021-2022 Budget. Marc Lewkowitz, president and CEO, Supima, told The Hindu this crop year (August to July), Indian imports had crossed one lakh bales. Export of Supima (a marketing brand of the U.S.-grown Pima cotton) by the U.S. to India had grown 'dramatically' in the last few weeks. *(The Hindu)*

Merchandise exports fall 4.83%, touch 25-month low

India's merchandise exports fell 4.83% in November to a 25-month low of \$32.11 billion even as the import bill jumped 27% to a fresh all-time high of almost \$70 billion, putting October's record tally of \$66.34 billion in the shade by a wide margin. trade deficit soared to a fresh all-time high of \$37.84 billion, reflecting a 77.5% spike over the deficit recorded in November 2023, as Ministry of Commerce and Industry data. *(The Hindu)*

'Ministries working to cut high interest rates for exporters'

The country's high interest rates are a big deterrent for exporters community and the Commerce Ministry is working with its finance counterpart to help them at this front, a senior government official said. Director General of Foreign Trade (DGFT) Santosh Kumar Sarangi said the Department of Commerce has been "struggling" to convince the Finance Ministry regarding the relevance of the Interest Equalisation Scheme (IES) and the extent to which it was maintaining competitiveness in manufacturing. *(The Hindu)*

Big impact on India's steel exports? EU begins review of safeguards measures

The European Union (EU) has initiated a review of safeguard measures that currently apply to certain steel imports into the region, a move that could impact India's steel exports. The safeguard measure is in the form of an import quota wherein products imported within the assigned quota enter the EU market at zero tariffs or lower tariffs. Once the quota is exceeded, a tariff is imposed on the product, which in the case of steel is 25%. *(The Economic Times)*

Trade gap widens by record 39% in November

India's merchandise trade deficit widened to a record high in November, led by a sharp increase in gold imports even as exports contracted. Official data released on Monday showed that the trade gap widened to \$37.8 billion in November from \$27.1 billion in October and \$21.31 billion a year ago. Goods imports surged 331% year-on-year in November. Goods exports shrank 4.9% year-on-year to a two-year low of \$32.1 billion while imports increased 27% year-on-year to a record \$69.95 billion. *(The Economic Times)*

Dip in exports: FIEO seeks urgent steps on liquidity front

Expressing concerns over the decline in exports, exporters body FIEO on Monday urged the government to immediately take steps on the liquidity front and announce a higher rate of interest subvention support to improve shipments. The imposition of Rs 50 lakh per company cap in the interest equalisation scheme has hit many MSMEs, and they are unable to decide on order with non-availability of further subvention, Federation of Indian Export Organisations (FIEO) President Ashwani Kumar said. *(The Economic Times)*

Diversify IT exports, reduce import duty, GTRI suggests

India should diversify its IT exports to mitigate risks arising from potential tariffs under the Trump administration as a significant portion of India's IT export revenue comes from the US, think-tank Global Trade Research Initiative (GTRI) said Sunday. This is part of a five-pronged strategy to navigate a potential trade era under incoming US President Donald Trump. Lowering import tariffs, strengthening its data policies, rejecting the IPEF trade pillar and boosting Make in India are the other four suggestions for India. *(The Economic Times)*



Agriculture and Rural Economy

Hike in collateral-free agriculture loan limit likely to aid banks in managing stress

The Reserve Bank of India's (RBI) recent decision to raise the limit on collateral-free agriculture loans was likely taken to ease the stress being faced by banks in their farm

loan portfolios over the past two quarters, and to nudge them to get their books in order. The RBI on 6 December notified banks to waive collateral security and margin requirements for agriculture loans, including loans for allied activities, up to ₹2 lakh per borrower, from ₹1.6 lakh earlier. (*Mint*)

Farmers body FAIFA releases agricultural roadmap, pushes for digital reform

The Federation of All India Farmer Association (FAIFA) released a comprehensive agricultural roadmap on Thursday, calling for enhanced digital infrastructure and sustainable farming practices to boost India's agricultural sector through 2040. The white paper, titled "Indian Agriculture Outlook 2025," was unveiled by parliamentarians Magunta Sreenivasulu Reddy and Putta Mahesh Kumar to mark Kisan Divas 2024, highlighting persistent challenges, including low productivity, weather vulnerabilities, and fragmented landholdings. (*Business Standard*)

Budget for agriculture, health, education on a decline, whereas urban housing up against Central Plan

The Centre's budget allocation against total central plan has been on a decline for agriculture, education and health whereas it is up for urban housing, according to data published by a parliamentary panel. The Demand for Grants report of the Standing Committee on Agriculture, Animal Husbandry and Food Processing has shown that the share of Department of Agriculture, and Farmers Welfare against total Central Plan has been reduced to 2.54 per cent in 2024-25 from 3.53 per cent in 2021-22. (*BusinessLine*)

Drone maker IoTech develops process to directly spray paddy, chilli, vegetable seeds

IoTechWorld Avigation, one of India's largest drone manufacturers, has developed a process to directly spray and sow seeds of paddy, chilli and different vegetables, the company's co-founders Deepak Bhardwaj and Anoop Upadhyay have said. The company is also looking at exports to South-East Asia, Africa and Latin America. (*BusinessLine*)

Challenges in agriculture yet to be tackled: ICAR Director General

There has been a giant leap in the country's agricultural production since the 1950s. However, there are several challenges yet to be tackled and thrust areas that demand attention, Himanshu Pathak, Secretary, Department of Agricultural Research and Education, said on Monday. Despite successful revolutions over the decades, Mr. Pathak said that global challenges such as climate change, calamities and high cost of production need to be addressed. (*The Hindu*)

Sugar mills pay Rs 8,126 cr to farmers in first 70 days of 2024-25 season

Sugar mills have paid Rs 8,126 crore to sugarcane farmers in the first 70 days of the ongoing 2024-25 sugar season, Food Minister Pralhad Joshi told Parliament on Wednesday. As of December 13, the total cane price payable stood at Rs 11,141 crore, Joshi said in a written reply to the Lok Sabha. Pending payments of Rs 3,015 crore remain, with Karnataka accounting for the maximum outstanding dues of Rs 1,405 crore, followed by Uttar Pradesh and Maharashtra. (*The Economic Times*)

West Bengal's potato crisis: Ban on inter-state movement threatens growers, cold storages

The potato growers and the cold storage owners in West Bengal are staring at a financial loss as the West Bengal government has banned the inter-state potato movement of potatoes. The government's move has irked the cold storage owners in the state as the ban

is causing irreparable damage to the cold storage industry in the state. If the stocks in the cold storages are not cleared, it will lead to distress sales and spoilage of potatoes, thus hurting both the potato growers and the rural economy. *(The Economic Times)*

Implement legally binding MSP, waive farm loans: House panel

Amid the ongoing farmers' protest, a parliamentary panel on Tuesday recommended that the government implement a legally binding minimum support price (MSP) for farm produce, as well as loan waivers for farmers and farm labourers. The report of the Parliamentary Standing Committee on Agriculture Animal Husbandry and Food Processing headed by senior Congress leader Charanjit Singh Channi came at the time when farmers are sitting on the protest at Shambu on Punjab-Haryana border, demanding legal guarantee of MSP. *(The Economic Times)*



Industry, Manufacturing, Services and Technology

Piyush Goyal urges leather industry to scale production in a sustainable way

India's footwear and leather industry is not only a significant contributor to our economy but also a symbol of our skilled craftsmanship and innovation. This was stated by Union Minister of Commerce & Industry, Piyush Goyal during his address at the National Export Excellence Awards 2023-24 organised by the Council for Leather Exports (CLE). *(Business Standard)*

Govt to streamline regulatory framework for bakery-confectionery industry

Food Processing Industries Secretary Subrata Gupta assured on Wednesday that the government will address the concerns of the bakery and confectionery industry, including streamlining regulatory frameworks. During an interactive session with industry leaders, key focus areas emerged, including regulatory simplification, sustainability, and innovation, an official statement said. *(Business Standard)*

Bihar to organise investor summit for 2nd time to boost industrial growth

After an impressive maiden show, Bihar will on December 19-20 host the second edition of Bihar Business Connect - the global investor summit that looks at boosting industrial and entrepreneurial growth in the state. The prestigious event, curated by the state's Department of Industries, seeks to showcase Bihar as a vibrant investment destination. *(Business Standard)*

Solar sector deals likely to pick pace in 2025, say industry officials

More deal closures in the solar sector are likely in the coming months, with strategic players consolidating the market, said industry officials and experts. On last count, upwards of 20 gigawatt (GW) of green assets were seeking a buyer. Industry analysts noted the recent buoyancy in the initial public offering (IPO) market is also helping fuel higher buyer interest for such solar assets. *(Business Standard)*

Milk industry sounds the alarm as India's production growth sees steep fall

India, the world's largest producer of milk, is seeing a slowdown in its rate of growth in production, latest data showed. Annual milk production growth rate, which was 3.83 per cent in financial year 2023 (FY23), has slowed down to 3.78 per cent in FY24, though the

country continues to remain the world's largest producer of milk at 239.3 million tonnes (mt). *(Business Standard)*

China's industrial output rises, weak consumption pressures economy

China's industrial output growth quickened slightly in November, while retail sales disappointed, keeping pressure on Beijing to ramp up stimulus for a fragile economy as it braces for more US trade tariffs under a second Trump administration. The mixed set of data underlines the challenges facing Chinese leaders heading into 2025 when trade relations with the United States could worsen at a time when domestic consumption also remains weak. *(Business Standard)*

Bihar doubles down on major investments as industrial growth surges

Bihar, once seen as less industry-friendly, has seen a surge in big ticket investments from the likes of Adani Group to Coca-Cola as it packages its vast resources with progressive policy to lure investors. Its industries and tourism minister Nitish Mishra, with his CEO-style approach to governance, is pivoting Bihar into a state that could be a gateway for investors to eastern India. *(Business Standard)*

Indian EV market may hit Rs 20 lakh crore by 2030, create 5 crore Jobs: Nitin Gadkari

Road transport and highways minister Nitin Gadkari Thursday said the Indian electric vehicle market is likely to be ₹20 lakh crore and have the potential to create around five crore jobs across the entire EV ecosystem by 2030. Addressing the '8th Catalyst Conference on Sustainability of E-Vehicle Industry-Evexpo 2024' through video conferencing, Gadkari said estimated electric vehicles finance market size will be around ₹4 lakh crore by 2030. *(The Economic Times)*

Govt urges sugar industry to diversify into ethanol-diesel, green hydrogen production

Road, Transport and Highways Minister Nitin Gadkari on Thursday called upon the sugar industry to explore multiple avenues for diversification, including ethanol-diesel blending and green hydrogen production. Addressing the annual general meeting of the Indian Sugar and Bio-Energy Manufacturers Association (ISMA) virtually, the minister emphasised the need for setting up ethanol and CNG pumps, including through private sector participation. *(Mint)*

Niti Aayog to undertake research study on cost of doing business in India

NITI Aayog will research business costs in India. The study will compare India with competing nations. The aim is to boost India's attractiveness for investment. Researchers will analyze labor, land, and regulatory costs. The study will cover key sectors and benchmark against other economies. Policy recommendations will be made to reduce costs and improve competitiveness. *(The Economic Times)*

Niti Aayog moots policy measures to develop workers' accommodation around factories

In its report 'Site Adjacent Factory Employee (S.A.F.E) Accommodation-Worker Housing for manufacturing growth' released on Thursday, the Aayog has proposed reclassification of land near manufacturing units as residential, providing viability gap funding to develop these projects in public-private-partnership (PPP) mode and GST exemption. *(The Economic Times)*

India's PLI schemes drive Atmanirbhar Bharat vision with Rs1.97 lakh crore boost
India's Product-Linked Incentive (PLI) schemes, launched in 2020, are boosting domestic manufacturing and exports. With over US\$26 billion invested across 14 sectors, the program has driven significant job creation and investment, exceeding targets in some areas like white goods. The initiative is strengthening the MSME ecosystem and significantly increasing domestic value addition. *(The Economic Times)*

India's economy ends 2024 with solid momentum as business growth hits 4-month high, PMI shows

India's private sector growth surged to a four-month high in December, fueled by robust demand in services and manufacturing, and record job creation. The composite PMI hit 60.7, signaling strong expansion. Easing inflation and a positive business outlook suggest continued growth in 2025. *(The Economic Times)*



News on Kerala

Centre rubbing salt into State's wounds: Kerala FM

Kerala Finance Minister K.N. Balagopal on Sunday criticised the Union government for demanding payment for disaster relief and rescue operations conducted by the Indian Air Force (IAF) during the Wayanad landslides. He described the move as rubbing salt into the wounds of the State, which is already burdened by the aftermath of the disaster. *(The Hindu)*

Rising road accident deaths in Kerala: Police, Motor Vehicles department to launch special traffic enforcement drive

Given the mounting public concern about the rising number of road accident fatalities in Kerala, the State police, in conjunction with the State Motor Vehicles department (MVD), is set to commence an intense traffic enforcement drive starting Monday (December 16, 2024). *(The Hindu)*.

Kerala tourism sector overcomes post-pandemic crisis, says Chief Minister

Chief Minister Pinarayi Vijayan said that Kerala's tourism sector has successfully overcome the challenges posed by the COVID-19 pandemic. Speaking at the inauguration of Gateway Bekal Premier Five Star Resort at Malankunnu in Uduma panchayat, he highlighted the State's achievements in tourism through government-led initiatives such as the revolving fund package, tourism employment support scheme, and tourism houseboat service scheme *(The Hindu)*.

New farming campaign to achieve self-sufficiency from January

A new campaign to achieve self-sufficiency in vegetable production throughout the State will be launched in January next year. The aim of the campaign is to achieve self-sufficiency in five years. Zonal officials from the Agriculture department met at Eloor on Saturday (December 14) to discuss the campaign details. Officials from Alappuzha, Ernakulam and Idukki district participated in the meeting *(The Hindu)*.

MSMEs call for increased budgetary provision for sector

The Micro, Small and Medium-scale Enterprises (MSMEs) have appraised the State Finance department about the need to make a substantial increase in support to the industries in the upcoming Budget for 2025-26 to meet government commitments to MSMEs that have and will come up under the Year of Enterprises Campaign, for supporting private industrial parks and the mission to convert 1,000 identified enterprises into ₹100 crore companies each (*The Hindu*).

Kerala's first milk powder unit set to open: Milma's initiative to end reliance on other states

The Malabar Regional Cooperative Milk Producers Union (MRCMPU), part of the Kerala Co-operative Milk Marketing Federation (Milma), is all set to inaugurate Kerala's first milk powder production facility in Moorkkanadu, Malappuram, on December 24. The plant, built at a cost of Rs 131.03 crore, marks a major advancement for the State's dairy sector (*MathrubhumiEnglish*).

K-DIZ to attract innovative defence and space startups to Kerala's Technocity

The Kerala Defence Innovation Zone (K-DIZ) is preparing to attract startups catering to the defence and space sectors under a unified system. This initiative is part of the Emerging Technology Hub being developed at Technocity, Phase IV of Technopark. The project is aimed at fostering startups that provide essential products and services for the defence and space sectors. To achieve this, a preliminary agreement has been established between Technopark, Kerala Startup Mission, and the Defence Research and Development Organisation (DRDO) (*MathrubhumiEnglish*).

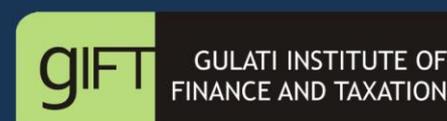
Kerala's Rs 66 crore GPS-based public transport monitoring project stalls midway

The Surakshamithram project, launched in 2019 to enhance road safety by tracking the real-time location and speed of public transport vehicles, has gone off track. This ambitious initiative, jointly undertaken by the Central and State governments, has stalled due to implementation failures and financial constraints faced by the State (*Onmanorama*).

Kerala's NH-66 to roll out smart GPS and camera-based toll collection system

A GPS and camera-based system to collect tolls based on the distance traveled is set to be implemented on National Highway-66 in Kerala. Even if the number of entry and exit points to the national highway increases, there will be no revenue loss for the government. Evading toll payment will no longer be possible. However, tolls will be charged only for the distance traveled. A key advantage of the GPS and camera technology is that vehicles won't need to stop anywhere to pay the toll (*MathrubhumiEnglish*).

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