



Public Finance

Food subsidy of Rs 1.68 lk cr and Rs 57,686 cr released to FCI, state DCP in 2023

The government has released a subsidy amount of Rs 1,67,875 crore to the Food Corporation of India (FCI) and Rs 57,686 crore to state DCP as food subsidy during the period between January 1, 2023 to December 15, 2023, it said in response to a question in Lok Sabha on Wednesday. This amount was given as food subsidy under the National Food Security Act (NFSA) and the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY). Food grains at subsidized prices are made available by the FCI to states. (*The Economic Times*)

At ₹3.79 lakh cr, public sector enterprises' capex hits 52% of budget target by September end

Capital expenditure by central public sector enterprises touched about 52% of the Budget target at ₹3.79 lakh crore in the first half of current fiscal, the Finance Ministry said on Wednesday. "Capital Expenditure #CAPEX targets by Central Public Sector Enterprises #CPSEs on track with 51.71% of target achieved till September 2023," the finance ministry said in a post on X. Against estimated expenditure of ₹7.33 lakh crore for full 2023-24, ₹3.79 lakh crore (approx.) achieved i.e. about 51.71% as on 30th September, 2023, it said. (*The Hindu*)

Parliament approves additional spending of ₹58,378 crore in current fiscal

Parliament on December 19 gave its approval for a net additional spending of ₹58,378 crore in the current fiscal ending March 2024, with a large chunk allocated to MGNREGA and fertiliser subsidies. The gross additional spending would be more than ₹1.29 lakh crore, out of which ₹70,968 crore would be matched by savings and receipts. (*The Hindu*)

Capex loans released to States so far, at ₹60,307 crore

With a little more than a quarter to go in financial year 2023-24, the Centre has released less than half of the ₹1.3 lakh crore allocated for special assistance loans to States to undertake capital expenditure. (*The Hindu*)



Taxation

Net direct tax collection surges 21% to ₹13.70-lakh crore during April-Dec

The Income Tax Department reported that net direct tax collection had surged 21 per cent to over ₹13.70-lakh crore during April 1 to December 17 period as against ₹11.36-lakh crore mobilised during the corresponding period of the previous fiscal. It also said that the sum of three installments of advance tax recorded a growth of around 20 per cent during the current fiscal. (*BusinessLine*)

Tax reforms, elevated capex among steps to turn India into a \$5-trillion economy: Finance Ministry

The Finance Ministry highlighted various initiatives taken by the Modi government, aimed at propelling India into a \$5-trillion economy. These measures include tax reforms, a significant increase in capital spending, and robust public digital infrastructure. The government cited the restructuring of corporate tax rates, the reduction of tax litigation, and the implementation of Goods and Services Tax (GST) as successful direct and indirect tax measures. *(The Economic Times)*

Number of GST return filers up 65% to 1.13 cr in 5 years

The number of GST return filers rose about 65 per cent to 1.13 crore in 5 years till April 2023 as compliance by taxpayers improved, the finance ministry said on Sunday. Also, the number of active taxpayers registered under GST increased from 1.06 crore as of April 2018, to 1.40 crore. *(BusinessLine)*

Simplified taxation regime can help to empower the MSME sector: FISME

Challenges relating to GST requirements such as securing Principal Place of Business (PPOB) registrations in every state of operation, OTP mechanism, updating GST certificates for additional premises and physical invoices were some of the issues raised by sellers at a recent roundtable session organised by the Federation of Indian Small and Medium Enterprises (FISME) in the capital. *(The Economic Times)*



National Accounts and State of the Economy

Govt spent Rs 967.46 crore on advertisements in print media from 2019-20 to 2023-24

The government on Tuesday said it had spent Rs 967.46 crore through the Central Bureau of Communication for publicity of its schemes in the print media from 2019-20 to 2023-24. In a written reply in the Lok Sabha, Information and Broadcasting Minister Anurag Thakur said the Central Bureau of Communication (CBC) releases awareness/publicity campaigns through print media in accordance with the Print Media Advertisement Policy, 2020. *(The Economic Times)*

RBI cuts GDP growth forecast for FY25 to 6%

India's gross domestic product (GDP) will likely grow 6% in real terms in FY25, according to the "state of economy" report released by the Reserve Bank of India on Wednesday. *(Financial Express)*

ICRA revises India's FY24 GDP growth projection to 6.5% from 6.2%

The credit rating agency said that global commodity prices have remained benign in the ongoing quarter, with the Bloomberg Commodity Index trending 10.2 per cent lower than the year-ago levels in Q3 (October-December) FY24 (till December 15), similar to the extent of deflation seen in Q2 (July-September) FY24. *(BusinessLine)*

RBI's model projects FY25 retail inflation at 4.8%

A repo rate cut may be some distance away as the RBI's Dynamic Stochastic General Equilibrium (DSGE) model for the Indian economy has projected retail inflation to reach

4.8 per cent in FY25, which is above the monetary policy committee's. 4 per cent target. *(BusinessLine)*

Growth rate at 6%, India will remain lower middle economy by 2047, says Raghuram Rajan

Former Reserve Bank of India Governor Raghuram Rajan said India will still remain a lower middle country if the potential growth rate remains at six per cent annually without any rise in population by 2047 (Amrit Kaal) and will be reaching the end of the demographic dividend by then. *(BusinessLine)*

Contrasting Horizons: India's Economic Growth and the Rural Reality Check

The recent revelation of India's GDP growth in Q2 FY24, surpassing expectations at 7.6 per cent year-on-year, may seem indicative of a burgeoning economy. Yet, an underlying issue threatens this momentum – the troubling decline in demand, particularly within the rural sector. *(Financial Express)*



Banking and Monetary Policy

After RBI's tighter regulations, borrowing costs rise for NBFCs

A month after the Reserve Bank of India announced tighter regulations for credit to non-banking financial companies, the cost of borrowing for these players has jumped sharply. Banks too are paying more for funds amid tight liquidity conditions in the banking system *(The Economic Times)*

RBI nod for merchant onboarding

After having acquired payment aggregator licences from the Reserve Bank of India (RBI), major players are now focusing on increasing merchants on their platforms by offering a range of products and services. Earlier this week, the RBI granted its final approval to several entities, allowing them to onboard new merchants. RBI's move put an end to a one-year wait for these entities. *(Financial Express)*

Central bank announces 7-day repo, raises quantum vs last week

India's central bank will conduct a variable rate repo (VRR) auction for a second straight week on Dec. 22, this time with a higher quantum of infusion, after reviewing "current and evolving liquidity conditions", it said on Thursday. The Reserve Bank of India (RBI) will conduct a seven-day repo for 1.75 trillion Indian rupees (\$21.02 billion) against the maturing amount of one trillion rupees. *(Financial Express)*

RBI introduces card tokenisation facility at bank level for convenience

The RBI on Wednesday introduced a Card-on-File (CoF) token facility at the level of banks and other institutions to provide convenience for cardholders to get tokens created and linked to their existing accounts with various e-commerce applications.

At present, a CoF token can only be created through the merchant's application or webpage. *(Business Standard)*

RBI tightens norms to check evergreening of loans by lenders through AIFs

India's central bank on Tuesday barred entities regulated by it, including banks and non-banking finance companies (NBFCs), from investing in alternate investment funds (AIFs)

that have investments in existing and recent borrowers. The tighter rules follow concerns over instances where AIFs, including private credit funds, were used to mask bad loans in the financial system. *(Business Standard)*

EMI cards are the most preferred medium for short-term credit: Home Credit survey

EMI (equated monthly installment) cards are the most preferred medium for taking short-term credit, with 49 percent of borrowers choosing the mode in 2023 owing to higher trust and faster disbursements, as per a survey by Home Credit India, the local arm of Dutch consumer finance provider Home Credit.

Soft inflation readings, prolonged pause in stance have engendered hypermetropia among stakeholders: RBI bulletin

The softer inflation prints for September and October 2023 and the prolonged pause in the stance of monetary policy has engendered a certain hypermetropia among some stakeholders, according to RBI's latest monthly bulletin. This is leading to an irrational long-sightedness whereby inflation forecasts gravitating towards the 4 per cent target sometime in the distant future are sighted clearly whereas high near-term risks of spikes in inflation outcomes on the back of food volatility are blurred, said senior RBI officials in an article "State of the Economy". *(BusinessLine)*



External Sector

Tariff imposition: India appeals against WTO panel report

India on Thursday appealed against a decision by the dispute settlement body of the World Trade Organization (WTO) that had ruled against New Delhi's imposition of tariffs on mobile phones and electronic components, among other ICT goods. The case was brought by the EU and a WTO panel in April said that India had violated global trading rules. *(The Economic Times)*

India sees 25% fall in vegetable oils import in Nov: SEA

The country's vegetable oils import declined by 25 per cent to 11.60 lakh tonne in November, the first month of the 2023-24 oil year, compared to 15.45 lakh tonne in the year-ago period, industry body SEA said on Friday. Of the total vegetable oil imports, edible oils were 11.48 lakh tonnes and non-edible oils 12,498 tonnes during November 2023. *(The Economic Times)*

India, UK try to resolve visa, EV issues in proposed Free Trade Agreement

The UK is reluctant to agree to India's demands for visas for professionals under the proposed Free Trade Agreement (FTA) as it is concerned that easing visa restrictions could lead to more migration, officials said. "We would like our companies to have mobility so they perform there and they don't want migration to stay unchecked. We have to balance both," an official said, adding that India's mobility concerns need to be balanced with the UK's migration worries. *(The Economic Times)*

Engineering exports register 3 per cent on-year fall in Nov to USD 7.85 bln

India's engineering goods exports registered a 3-per cent year-on-year decline in November to USD 7.85 billion, an industry body report said. The dip was primarily

attributed to the festive season that disrupted operations in major engineering export belts across the country, particularly in northern and western regions, it said. *(The Economic Times)*

India, Oman adopt vision document to expand ties

New Delhi, Prime Minister Narendra Modi and Oman's Sultan Haitham bin Tarik on Saturday firmed up a vision document to significantly expand bilateral cooperation in around 10 key areas and pushed for concluding a trade pact as early as possible during their "productive" talks here. Modi and Tarik also discussed the situation arising out of the Hamas-Israel conflict and the challenge of terrorism as well as the larger need to try and achieve a two-state solution to the Palestine issue as a way forward. *(The Economic Times)*

'Electronics, services exports to contain slide in growth rate; overall trade may dip 2.6 pc in 2023'

Robust exports performance in electronic goods, particularly smartphones, and services sectors will help India contain the fall in growth rate of overall trade, which is expected to decline by 2.6 per cent in the current year, a report said. Economic think tank Global Trade Research Initiative (GTRI) in its report said that despite global challenges, India's exports and imports of goods and services are likely to dip by 2.6 per cent to USD 1,609 billion in 2023 as against USD 1,651.9 billion in 2022. *(The Economic Times)*

CIABC seeks greater market access for alcoholic products in EU, removal of non-tariff barriers

Alcoholic beverages makers' body CIABC on Sunday sought greater market access for domestic products in the European markets and removal of non-tariff barriers to boost exports. Confederation of Indian Alcoholic Beverage Companies (CIABC) said that the EU should remove the non-tariff barriers which prevent the vast majority of Indian products from being sold in their market. *(The Economic Times)*

Bhutan King unveils plans for economic linkages with Assam

Bhutan's King Jigme Khesar Namgyel Wangchuck on Sunday unveiled plans for a mega city project near the Indian border - the Gelephu Special Administration Region (SAR), spreading across 1,000 sq km. The project will link Bhutan economically with Assam to spur regional and sub-regional integration. *(The Economic Times)*

India should actively raise disputes against WTO incompatible measures by certain nations: GTRI

With most of the developed regions like the US and EU have turned protectionist and are taking WTO incompatible measures, India should actively raise trade disputes to counter their steps, think tank GTRI said on Monday. The Global Trade Research Initiative (GTRI) said for raising disputes, the government would require a professional setup akin to the US Trade Representative and a robust panel of experts as the current set up lacks depth. *(The Economic Times)*

Round 14 of India-UK FTA talks to take place in January 2024

The fourteenth round of Free Trade Agreement negotiations between India and the UK will take place in January 2024, the Ministry of Commerce and Industry informed on Monday. The government also provided an update on the previous round, that is the thirteenth round, and said that both nations held negotiations in person and virtually from September 15 to December 15, 2023. *(The Economic Times)*

UK's carbon tax may impact \$775 mn worth of Indian goods

The UK on Monday decided to implement its carbon border adjustment mechanism (CBAM) from 2027, a move that could subject \$775 million of Indian exports or 6.8% of the exports to the country to 14-24% tax, experts said. The implementation of CBAM will undergo a consultation phase in 2024, where the government will finalize the details, including the precise list of products to be covered. *(The Economic Times)*

U.S. Secretary of State Antony Blinken says 'We deepened our partnership with India through Quad'

The U.S. has deepened its partnership with India in 2023 and elevated cooperation with it through the Quad along with Japan and Australia, U.S. Secretary of State Antony Blinken has said. Mr. Blinken's remarks came at his end-of-year press availability at the State Department in Washington on Wednesday. *(The Hindu)*

EU disappointed over India's 'right' to approach WTO's appellate body in ICT duty case

The European Union (EU) has expressed disappointment over India's move to approach the WTO's appellate body in a case related to customs duties on certain information and communications technology (ICT) products, an official said. *(The Hindu)*



Agriculture and Rural Economy

Ethanol ban: 'Sugar mills' ₹15,000-cr investments at risk'

The "sudden" ban on the use of sugarcane juice for ethanol will have an adverse impact on at least 33 sugar mills which have created standalone distilleries to process sugarcane for making ethanol. The sector's ₹15,000 crore investment made over the last three years is at risk now, according to Indian Sugar Mills' Association (ISMA). *(BusinessLine)*

Rice acreage down 13% till Aug 5 due to rain shortfall

Rice sowing in the current kharif season has dropped 13% till August 5 due to rainfall deficiency in main paddy-producing states, causing concern in a year when wheat output has fallen and the government's own procurement of the cereal has dropped drastically. *(The Economic Times)*

Syncing rural livelihoods with forest rights

The Ministry of Rural Development offers 150 days of wage employment to Forest Rights Act (FRA) beneficiaries per household in a financial year, benefitting approximately 22.3 lakh individuals with 47.96 lakhs acres of individual land titles in States such as Jharkhand, Odisha, Chhattisgarh, Andhra Pradesh etc. *(BusinessLine)*

'Indian agri trade curbs to cut exports by \$4 bn, Red Sea attacks a risk'

India's exports face a shortfall of about \$4 billion to \$5 billion this year after it clamped curbs on trade in wheat, rice and sugar, a person familiar with the matter said on Thursday, adding that Red Sea attacks may also hit basmati rice shipments. The world's second-largest producer of wheat, rice and sugar, India has restricted exports of these commodities to rein in rising domestic prices. *(Business Standard)*

Agri capex, a black box

Expenditures made by the ministries of agriculture and rural development on crop husbandry, soil and water conservation, preservation of forestry and other agricultural programmes leading to tangible or non-tangible assets, is not accounted under capital formation in agriculture,, but included as capital formation under Public Administration.*(BusinessLine)*

Open market sales of wheat cross 5 MT

The open market sale of wheat by the Food Corporation of India (FCI) on Wednesday crossed 5 million tonne (MT) in this fiscal after it sold 0.34 MT of wheat in the weekly e-auction launched since June. More than 25,00 processors purchased wheat at Rs 2,178/quintal against a reserve price set of Rs 2,128/quintal. The corporation received bids with a high of Rs 2,310 for the week ended October 26.*(Financial Express)*



Industry, Manufacturing, Services and Technology

Ambuja Cements to invest \$723 million for green power production

The investment will be funded internally and is expected to target a capacity of 1,000 megawatts (MW) through solar and wind power projects in Gujarat and Rajasthan, it said in an exchange filing, without providing details on the funding process.*(The Hindu)*

India's big hospital chains think small to expand in booming market

India's prominent hospital chains are shifting their focus to smaller centres and facilities as they chase growth in the booming healthcare market while coping with higher real estate costs and a dearth of land space in its cities. *(The Hindu)*

Pharma industry optimistic, expects more collaborative efforts in New Year

The domestic pharmaceutical industry expects another year of sustained growth in 2024 amid various challenges, including maintaining quality standards, while moving from volume to value leadership. The industry, known for catering to global markets with affordable generic products, expects to further leverage collaborative efforts, invest in Research & Development (R&D) and uphold quality standards to meet the evolving healthcare needs. *(Business Standard)*

India's high-tech manufacturing goal, a long road with 1.39% global revenue

India may aspire to become a global hub, particularly for high-technology manufacturing, but that ambition is still a long way off. The country contributes only 1.39 per cent of the revenue of the top 20 largest manufacturing/assembly companies globally by revenue, based on the Fortune 500 list, according to a study by Feedback Advisory Services. Based on revenues for 2022, the collective revenue of the global top 20 manufacturing companies in India was \$46.6 billion, of their total revenue of \$3,348 billion. *(Business Standard)*



Kerala Government set to launch K-Smart software on January 1

Chief Minister Pinarayi Vijayan says all services of Local Self-Governments will be made available online this new year onwards through K-Smart unified software. *(The Hindu)*

₹40 lakh sanctioned for IT facilities in schools: Antony Raju

An amount of ₹40 lakh has been sanctioned to promote IT-based activities in schools in Thiruvananthapuram Assembly constituency, Minister for Transport Antony Raju has said. *(The Hindu)*

Government issues order for land acquisition for Sabarimala airport

In a significant development, the Kerala government on Wednesday issued an order to commence acquisition of land for the proposed Sabarimala Greenfield International Airport at Erumely. *(The Hindu)*

Kerala Health Minister urges Centre to give its share of National Health Mission funds

Health Minister Veena George has urged Union Health Minister Mansukh Mandaviya to sanction the Union government's share of National Health Mission (NHM) funds that was due to the State's Health department. *(The Hindu)*

India Skills Report finds Kerala the most preferred State to work

Kerala has emerged the most preferred State to work in the India Skills Report 2024. *(The Hindu)*

Fund allocated under income support scheme for coir and khadi sector workers

An amount of ₹8.07 crore has been allocated to those employed under the Khadi Village Industries Board and ₹7.08 crore to the coir workers, Industries Minister P. Rajeev said in a press release on Thursday. *(The Hindu)*

Fertilizer shortage, price hike worry paddy farmers

Increasing prices and lack of availability of fertilizers are worrying paddy farmers in the district, especially as there is a delay for the farmers in getting the price of the paddy procured from them. *(The Hindu)*