



Public Finance

Risks of recession may reappear in 2024: India's Finance Ministry

India's Finance Ministry has said a recession may appear in 2024 due to uncertainties related to higher food and energy prices and geopolitical tensions. India's trade deficit reached a record high in October due to higher-value imports and lower exports. Rural demand has sustained momentum in Q2, driven by stable foodgrain production incomes and moderate inflation. *(The Economic Times)*

States borrowing cost slips to 7.67 per cent

At the auction held on Tuesday, 11 states raised Rs 11,600 crore by selling state government securities (SGS), which trailed by over 22 per cent from the amount indicated for this week in the Q3 auction calendar at Rs 15,000 crore. *(The Economic Times)*

New Finance Commission may tweak formula; SDGs, climate could get more weight

The government is currently finalising the terms of reference for the 16th Finance Commission, which is likely to be set up shortly. The commission may also be asked to look at the conditions attached to fiscal transfers to urban and rural local bodies, to ensure that the funds are effectively utilised, a senior official aware of the discussions told ET. *(The Economic Times)*



Taxation

India continues to explore alternatives to counter CBAM impact on exports

Ahead of the second round of regulations related to EU's Carbon Border Adjustment Mechanism (CBAM) coming in, Indian officials are reportedly discussing two probable alternatives, which will factor in the carbon tax to ensure that exports are not hit. *(BusinessLine)*

Automation, simplification cut waiting time for tax refunds: CII Survey

A CII Survey reported that 87 per cent of individual taxpayers and 89 percent of surveyed firms described the income tax refund process as 'convenient'. The report, presented to Finance Minister Nirmala Sitharaman, surveyed 3,531 respondents, of whom 56.4 percent were individuals and 43.6 per cent represented firms and enterprises, in October 2023. *(BusinessLine)*

HC provides relief to taxpayer in foreign bank account matter with different beneficiary

The Punjab and Haryana High Court has upheld an order of the Income Tax Appellate Tribunal that ruled in favour of the assessee having unexplained deposits in a foreign bank account. *(BusinessLine)*



National Accounts and State of the Economy

India's GDP growth to rise to 6.5% in FY25: Goldman Sachs

India's real GDP growth will rise to 6.5% in 2024-25 from an estimated 6.2% in 2023-24, aided by the government's pre-election spending in the first half of 2024 and private investment in the later half, global investment firm Goldman Sachs said in a report on Monday. *(Financial Express)*

India growth a positive outlier but inflation among downside risks: Ministry

India's economic growth in the current financial year would be a positive outlier in the world, the finance ministry said on Tuesday, but added that among the downside risks to growth is high inflation. *(Financial Express)*

Government, RBI on high alert as inflation posing persistent downside risk, says FinMin report

A Finance Ministry report on Tuesday flagged inflation as one of the "persistent downside risks". It also feels that less transmission of policy rate review is likely to temper demand. However, it reiterated the projection of strong growth during the current fiscal.

Modi proposes global social impact fund to spread DPIs in Global South

Prime Minister Narendra Modi on Wednesday proposed the creation of a Social Impact Fund to help implement Digital Public Infrastructure (DPI) in Global South countries. Delivering the opening remarks at the Virtual G20 Leaders' Summit, Modi also announced that India will contribute initial capital of \$25 million to the Social Impact Fund that is being put together and expressed hope that the others in the grouping would join this initiative. *(BusinessLine)*

Entrepreneurs are returning from Europe-US to be part of India's growth story: Ex-NASSCOM chairman

Indian entrepreneurs from Europe and the US are returning to India due to the country's growing economy and large opportunities, according to Saurabh Srivastava, co-founder of the National Association of Software and Services Company (NASSCOM). Srivastava believes that the Indian economy should grow at double-digit rates, with a million startups to drive economic growth. *(The Economic Times)*

Post elections, private investment to lead economic growth: Goldman Sachs

India's economy is expected to grow 6.5% in 2024-25, driven by private sector investment, according to Goldman Sachs' latest outlook. The first half of 2024 will be driven by consumption spending as India holds general elections, with the second half determined by a re-acceleration of investment growth. *(The Economic Times)*

Domestic demand to remain key economic driver, Q2FY24 GDP at 6.8%: Barclays

"Underlying growth trends continue to look robust in India, with activity underpinned by domestic consumption, high levels of state-led capex, and strong growth in the utilities sectors," said Rahul Bajoria, Head of EM Asia (ex-China) Economics, Barclays. *(The Economic Times)*

India's GDP likely grew 7% in Q2, pipping MPC's forecast of 6.5%: ICRA

India's economy likely grew at 7% in Q2, higher than the Reserve Bank of India's MPC's estimate, according to ICRA. The growth is expected to moderate in Q2 from Q1, influenced by normalizing base and erratic monsoon. The firm maintains a FY2024 GDP growth estimate at 6.0%, lower than the MPC's projection of 6.5%. (*The Economic Times*)

Economy lost momentum by 80-100 bps in Q2 to 6.8-7%: Analysts

"Uneven rainfall, narrowing differentials with year-ago commodity prices, a possible slowdown in momentum of government capex due to the general elections, weak external demand and the cumulative impact of monetary tightening are likely to translate into lower GDP growth in Q2." (*The Economic Times*)

After earning Rs 1,162 crore from scrap disposal, Centre plans to accelerate cleanliness drives: Jitendra Singh

"As much as Rs 1,162.49 crore has been earned through disposal of office scrap, including e-waste such as old computers and other electronic items. The cleanliness drive has become India's largest campaign for institutionalising 'swachata'," Singh told PTI. (*The Economic Times*)



Banking and Monetary Policy

Medium & small NBFCs may require debt funding worth Rs 2.2 trn: ICRA

Credit rating agency ICRA projected the debt funding for Medium & Small Non-Banking Financial Companies (NBFCs) to be at Rs 2.2 trillion over the next two years, i.e., by the financial years 2024 and 2025, due to high growth and limited fundraise expected by most of the entities. As per the agency's projections, the Assets Under Management (AUM) of the industry is expected to grow at a rate of 25 to 30 per cent compound annual growth rate (CAGR) in this time period. (*Business Standard*)

Higher risk weights a pre-emptive measure for sustainable lending: RBI Das

The recent mandate to increase risk weights for unsecured consumer loans by banks and NBFCs is a precautionary measure taken by the Reserve Bank of India (RBI) to ensure sustainable lending, Governor Shaktikanta Das said. "We recently announced a few macro prudential measures in the overall interest of sustainability. These measures are pre-emptive in nature. They are calibrated and targeted," Das said adding that it is important to note that the central bank excluded "major growth drivers" like housing, vehicle and MSME loans from these norms. (*BusinessLine*)

Credit growth to moderate, lending rates likely to go up: SBI Chairman

RBI's measure to increase risk weights on unsecured consumer loans by 25 percentage points is expected to lead to some moderation in credit growth and eventually a rise in lending rates as banks' capital requirements rise, State Bank of India Chairman Dinesh Kumar Khara said. "Whatever we were doing, we will continue to do but there will be moderation," Khara said at the sidelines of FIBAC 2023, organised jointly by FICCI and IBA. (*BusinessLine*)

Banks should shift from isolated service provisions to personalised embedded banking: RBI's Rao

Reserve Bank of India deputy governor M Rajeshwar Rao on Thursday said the banks will have to transition from a sectoral approach to an ecosystem approach. The banking of the future is going to be hyper-personalised, and banks may have to shift from isolated service provisions to hyper-personalised embedded banking, he said. *(The Hindu)*

'Stricter norms a preemptive measure for sustainable lending' says RBI Governor Shaktikanta Das

RBI Governor Shaktikanta Das, at the annual FIBAC event today, underscored that the recent stricter norms on unsecured lending were aimed at sustainability. He clarified that while certain sectors like housing and vehicle loans, along with small business credits, were exempted, it was due to their positive impact on economic growth *(Mint)*



External Sector

FDI shrinks 7.8% in second quarter of FY24

Foreign direct investment (FDI) equity inflows in India declined 7.7% to \$9.5 billion in the July-September quarter of FY24, down from \$10.3 billion a year ago. The total FDI inflows declined 7.8% to \$15.3 billion in the second quarter of this fiscal year. Singapore and Mauritius were the top sources of FDI. *(The Economic Times)*

Indian economy better poised than China to handle global headwinds, says Axis Bank's chief Economist

Mishra credited this growth to an increase in export of modern services, higher investment in infrastructure and better penetration of basic amenities through the country. While India's share in global services trade is 4.5%, we have done significantly better in the trade of modern services like remote work, taking up 8% of the market share, he said. *(The Economic Times)*

India seen keeping rice export bans into 2024, holding up global prices

India, the world's top rice exporter, is expected to maintain its curbs on overseas sales well into next year, a move likely to hold the staple grain at close to its highest price levels since the food crisis of 2008. *(The Economic Times)*

UK seeks higher protection for its GI products from agri sector under FTA with India

The UK's demand of a higher level of protection for its GI products from the agriculture sector under the proposed free trade agreement (FTA) with India remains an unresolved issue as the talks for the pact are on to iron out differences, an official said. British GI (Geographical Indication) products include Scotch whisky, Stilton cheese and Cheddar cheese. *(The Economic Times)*

Rules of origin for medical devices sector remains a sticking point under India-UK proposed FTA

Finalising the rules of origin for the medical devices sector remains a sticking-point in the proposed free-trade agreement (FTA) between India and the UK and the talks are on to iron out the differences, an official said. Huge potential is there in the medical devices sector in India, as it imports about 80 per cent of its requirement, with the US, Germany,

China, Singapore and Netherlands being top exporters of such devices to the country. *(The Economic Times)*

Govt allows valid quota holders under India-UAE trade pact to import gold through bullion exchange

The government on Monday said that Indian jewellers having a valid license to import a specified quantity of gold at concessional customs duty from the UAE, under the free trade agreement, can import it through the India International Bullion Exchange (IIBX). *(The Economic Times)*

High inflation in US, Europe robs Tiruppur exporters of festive cheer

Christmas and New Year demand from US and European buyers amid persistently high inflation in those markets has failed to bring cheer to the country's apparel trade. Exporters from Tiruppur, the Tamil Nadu town that accounts for 55% of the country's apparel exports, said global brands have bought low-priced garments like simple t-shirts that cost around \$2 per piece, in contrast to fashion garments and jackets priced \$8-10 per item that they bought last year during the holiday season. *(The Economic Times)*

India-Australia discuss strategic partnership in critical minerals, trade & investments

India and Australia on Monday held a 2+2 Ministerial Dialogue to step up defence cooperation and deepen the strategic partnership in sectors such as critical minerals and trade and investment. Defence Minister Rajnath Singh and External Affairs Minister S. Jaishankar met Australian Deputy Prime Minister and Defence Minister Richard Marles and Foreign Minister Penny Wong in New Delhi as part of the second India-Australia 2+2 Ministerial Dialogue. *(The Economic Times)*

ASEAN wants India to join RCEP for greater market access: Secretary-General Kao

ASEAN Secretary-General Dr Kao Kim Hourn has said that the 10-member bloc of the Southeast Asian countries wants India to join the landmark Regional Comprehensive Economic Partnership (RCEP) for greater market access as he asserted that all partners stand to gain from the inclusive, open and rule-based trade pact. *(The Economic Times)*

India developing sea protocols for fresh fruits, vegetables to promote exports through ocean routes

India is developing sea protocols for various fresh fruits and vegetables like bananas, mangoes, pomegranates and jackfruit to promote their exports through ocean routes, a senior government official said on Tuesday. At present, most of these exports are happening by air route because of lower volumes and different ripening periods. *(The Economic Times)*

India's appetite for Russian oil reduces, share slips to lowest in 9 months as OPEC gains

OPEC's share in India's oil imports in October hit a 10-month high as refiners bought more crude from Saudi Arabia and the United Arab Emirates after discounts narrowed for Russian oil that month, trade data showed. Russia's share of the Indian market in October slipped to the lowest in nine months, according to Reuters calculations based on ship tracking data from trade sources. *(The Economic Times)*

Trade pacts with EU, EFTA doable: Piyush Goyal

Commerce and Industry Minister Piyush Goyal on Wednesday said the proposed free trade agreements with the European Union and the four-nation European Free Trade Association (EFTA) group are doable, but they should keep in mind India's concerns as the level of economic development is different. *(The Economic Times)*

DGFT, Amazon ink MoU to promote MSMEs' e-commerce exports

The commerce and industry ministry on Thursday inked a Memorandum of Understanding with e-commerce major Amazon to provide training to micro, small and medium enterprises (MSME) in 20 identified districts to promote exports through e-commerce.

(The Economic Times)

New FTAs, lower cost of power and logistics to help boost exports: PHDCCI report

Measures like comprehensive trade pacts, reduction in cost of capital, power, and land reforms will help boost India's exports of goods and services to USD 2 trillion by 2030, an industry chamber report said on Thursday. *(The Economic Times)*

India slows palm oil imports as prices rally amid negative margins

Indian buyers curtailed purchases of palm oil for December and January shipments due to rising prices and as refiners face negative margins after making heavy imports in the past few months, industry officials told Reuters on Thursday. *(The Economic Times)*

Rupee slips 2 paise to new low of 83.36 against dollar in early trade

The rupee depreciated 2 paise and fell to its all-time low of 83.36 against the US dollar in the morning session on Friday, tracking a negative trend in domestic equities. At the interbank foreign exchange, the rupee opened at 83.33 against the dollar. It touched a low of 83.36 in initial deals, registering a fall of 2 paise over its previous close. On Thursday, the rupee settled at 83.34 against the American currency. *(BusinessLine)*

At COP 28, a fair share of the global carbon budget is at stake

There is an almost linear relationship between global warming and cumulative carbon dioxide (CO₂) emissions. The United Nations Framework Convention on Climate Change (UNFCCC) in 1992 noted that per capita emissions in developing countries are still "relatively low" and that their share in the global emissions will grow to meet their social and developmental needs. *(The Hindu)*



Agriculture and Rural Economy

Despite projections of decline in tea output, prices yet to gain buoyancy

India's tea production for this calendar year is likely to be lower due to weather affecting the crop but despite the output decline prices at the auctions have not gained, leaving the industry perplexed. Last year, the production was 1366.36 million kgs (mkg). *(BusinessLine)*

Prices of spices may cool from Jan on arrival of new crops

Prices of various spices, particularly cumin (jeera), are likely to cool from January 2024, when new arrivals from the kharif season are expected to hit the market. World Spices

Organisation chief says India should explore CIS, African and South American markets.[\(BusinessLine\)](#)

G2G deals: Indian rice importers seek export duty waiver

Some of the countries that have been allowed to receive Indian white rice on government-to-government (G2G) deals are seeking waiver of customs duty on the cereal's consignments. African countries are the main ones seeking duty-free imports of rice from India, trade sources said.[\(BusinessLine\)](#)

Not easy to replace paddy with millets

Lower millet productivity per hectare which is hardly 50 per cent of what rice, wheat or sugarcane can produce is the major factor working against millets. Cost of cultivation (Cost A2) of jowar and bajra was about 45 per cent and 53 per cent of that of paddy (see table for absolute values).[\(BusinessLine\)](#)

Farmers of India's dry soil wary of planting wheat despite record high prices

India's wheat planting is expected to remain stagnant despite a rally in prices to near record highs, as lower soil moisture prompts farmers in some areas to switch to less water-intensive crops, industry officials and scientists told Reuters.[\(The Economic Times\)](#)

Indian farmers rack up carbon credits with climate-conscious ways

A new method of cultivation, called direct seeded rice (DSR), reduces the overall cost of cultivation by using 12-35% less irrigation water and reducing labor, sowing time, and use of chemical herbicides and fertilisers. The cultivation of rice, a staple food for more than 3 billion people worldwide, is responsible for 12% of global methane emissions and 1.5% of total greenhouse gas emissions.[\(The Economic Times\)](#)

Retail inflation for farm, rural workers marginally up in October

Retail inflation for agricultural labourers and rural workers rose marginally to 7.08 per cent and 6.92 per cent in October, respectively, from 6.70 per cent and 6.55 per cent respectively in September 2023 due to higher prices of certain food items.[\(The Economic Times\)](#)



Industry, Manufacturing, Services and Technology

Elon Musk's Tesla plans to invest up to \$2 billion in India's plant but with riders

Elon Musk's Tesla Inc is willing to set up a factory of the posh electric cars in India only if the government approves a concessional duty of 15% on imported vehicles in the first two years of operations in India, a report by *The Economic Times* mentioned. Citing sources, the English Daily said that Tesla has approached the Government of India with regard to the investment the company is planning to make and the number of cars it can import at lower duty. [\(Mint\)](#)

Union government asks private firms to ramp up investments in coal-fired plants despite global pressure

The Union government on November 21 asked private firms to ramp up investments in new coal-fired power plants to meet a dramatic rise in electricity demand and bridge

nearly 30 gigawatts of additional requirement by 2030, despite international pressure to stop building such facilities. *(The Hindu)*

Domestic paper industry frets as H1 imports under FTA zoom 257%

Import of paper and paperboard continues unabated. After a 25 per cent jump in FY23 in volume terms, paper imports have further risen by 43 per cent in the first half of FY24, according to DGCI&S data. *(BusinessLine)*

ONGC plans to invest ₹1 lakh crore to set up two petrochemical plants

India's top oil and gas producer ONGC plans to invest about ₹1 lakh crore in setting up two petrochemical plants to convert crude oil directly into high-value chemical products as it prepares for energy transition, top company officials said on Wednesday. *(The Hindu)*

Govt, industry discuss ways to add 80 GW coal capacity by FY32

Power Minister RK Singh on Tuesday held deliberations with industry stakeholders on the government's target to add 80 gigawatt (GW) coal-fired capacity, as India's surging power demand has already hit 241 GW earlier this year against the installed capacity of 214 GW. *(BusinessLine)*

ACMA's iAutoConnect showcases prowess of Indian component industry

The Automotive Component Manufacturers Association of India (ACMA), the apex body of the Indian auto component industry today, concluded its eighth edition of the 'iAutoConnect', a reverse buyers and sellers meet in New Delhi on a high note. ACMA says its annual iAutoConnect event has become a hallmark event that fosters innovation, collaboration, and knowledge sharing among industry leaders, manufacturers, and technology experts. *(Financial Express)*

Indian pharma industry can grow to \$450 bn by 2047: EY-OPPI report

The Indian pharmaceutical industry can grow to reach \$450 billion by 2047 on the back of transformative innovation, fortification of manufacturing and quality standards, and pursuit of sustainable and equitable healthcare, according to a joint EY Parthenon-Organisation of Pharmaceutical Producers of India (OPPI) report. *(Business Standard)*

MSME vendor development programme: Experts call for greater industry-academia collaboration

The Central Ministry of Micro, Small & Medium Enterprises (MSME), and MSME Development and Facilitation Office conducted a vendor development programme in which experts called for greater collaboration between industry and academia. *(The Hindu)*



News on Kerala

Kerala witnesses shift in migration pattern, says study

The migration pattern from Kerala has been witnessing a major shift in recent times with globe-trotting Keralites looking for new pastures beyond the conventional destinations. A sample survey conducted among a group of people who already migrated and having an experience ranging from 3 to 8 eights years along with another set of people chosen based

on the demographic distribution in Kerala, underscores the changing mindset of Kerala. *(The Hindu)*

Centre's insistence on claiming credit for schemes in State unfair, says K.N. Balagopal

The Central government's insistence on claiming credit for schemes implemented in the State is unfair, Finance Minister K.N. Balagopal has said. *(The Hindu)*

State to attain self-sufficiency in milk production in a year, says Minister

Dairy farmers to be given subsidy in cattle feeds, which will make a significant improvement in milk production, Chinchurani says. *(The Hindu)*

Improve quality of education: NITI Aayog member

Arvind Virmani, Member, NITI Aayog, has stressed the importance of improving the quality of education and harnessing digital technologies to improve educational outcomes, given the changes happening globally and the resultant opportunities for India. *(The Hindu)*

Labour department to discuss wage hike of cashew labourers

The Labour department will conduct a meeting on November 27 to discuss the wage hike of cashew labourers, a long-standing demand of various trade unions. *(The Hindu)*

Government focused on humane development: Minister Rajan

Speaking at the State-level inauguration of the Navakerala Sadas at Manjeswaram in Kasaragod on Saturday, the Minister highlighted the government's efforts over the past seven-and-a-half years to propel the State into a new era while safeguarding its people from disasters. *(The Hindu)*

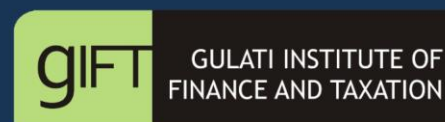
Quarrying banned in capital

District Collector Geromic George on Wednesday temporarily banned quarrying and mining in the district in the wake heavy rain forecast for the district. *(The Hindu)*

Kerala's Responsible Tourism makes it to UNWTO list

The Responsible Tourism (RT) Mission under Kerala Tourism has made it to the Global List of Case Studies of the United Nations World Tourism Organisation (UNWTO). *(The Hindu)*

GULATI INSTITUTE OF FINANCE AND TAXATION
GIFT Campus, Chavadimukku,
Sreekariyam, Thiruvananthapuram, Kerala - 695017
Phone : 0471 2596970, 2596980, 2590880, 2593960
Fax : 0471 2591490
Email : giftkerala@gmail.com



An Autonomous Institution of Government of Kerala

Disclaimer: This compilation on important news items relating to Finance, Taxation and Indian economy by GIFT from various newspapers and e-resources aims at providing an update to our esteemed readers. GIFT does not guarantee the accuracy or validity of the information provided. It is not a commercial product and all the copyrights remain with those of the respective copyright holders. Images are sourced from the web.