

# PUBLIC AFFAIRS COMMUNIQUE

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### ECONOMIC DIGEST

#### **India to Contribute 16% to Global Consumption by 2050**

India's share of global consumption, measured by purchasing power parity (PPP), is projected to rise from 9% in 2023 to 16% by 2050, according to a McKinsey Global Institute report. Emerging regions like India, Sub-Saharan Africa, and Latin America will dominate global consumption, driven by rising incomes and younger populations, while advanced regions' contribution will decline. India's demographic dividend, which boosted GDP per capita growth from 1997 to 2023, will shrink as fertility rates drop and the population ages.

Click [here](#) for more information.

#### **RBI Intervenes with Record \$20.2 Billion Sale to Stabilise Rupee**

In November, the Reserve Bank of India (RBI) sold a record \$20.2 billion in the foreign exchange market to manage rupee volatility, pushing its net short position in the forward market to \$58.9 billion. This aggressive intervention came amid heavy foreign portfolio investor (FPI) outflows and a strengthening US dollar following higher-than-expected US Treasury yields and a smaller-than-anticipated rate cut by the Federal Reserve. The rupee depreciated by 0.48% during the month, with the RBI buying \$30.8 billion and selling \$51.1 billion in the spot market.

Click [here](#) for more information.

#### **IMF Maintains 6.5% Growth Forecast for India**

The International Monetary Fund (IMF) has maintained its growth projection for India at 6.5% for FY26 and FY27, aligning with the country's potential. However, the IMF noted that India's growth had slowed more than expected, citing a sharp deceleration in industrial activity. In contrast, the World Bank expects India's economy to grow at 6.7% during the same period, predicting continued expansion in services and stronger manufacturing activity driven by government reforms. Meanwhile, India's First Advance Estimates project a slowdown to 6.4% for FY25, lower than the Reserve Bank of India's forecast of 6.6%.

Click [here](#) for more information.

#### **India's December Exports Dip Amid Decline to Key Markets**

India's merchandise exports saw a 1% decline in December, falling to \$38 billion, largely due to reduced shipments to four of its top 10 export destinations: the UAE, Netherlands, China, and Singapore. Exports to China dropped the most at 26.15%, followed by the Netherlands at 25.89%, UAE at 23%, and Singapore at 10.95%. Conversely, imports increased by 4.9%, reaching \$59.95 billion, with growth led by inbound shipments from China, Russia, Iraq, Switzerland, and the US.

Click [here](#) for more information.

#### **Government Likely to Cut Disinvestment Target for Fiscal Year**

The Indian government is expected to revise its disinvestment and asset monetisation target for the current fiscal to under ₹30,000 crore, down from the budgeted ₹50,000 crore,

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due to delays and challenges in executing privatisation plans. The revised target for the next fiscal is anticipated to be around ₹45,000-50,000 crore, with continued efforts to sell stakes in entities like IDBI Bank. The government has raised ₹8,625 crore so far this fiscal from disinvestment proceeds. It also plans to accelerate asset monetisation and stake dilution via stock market offerings.

Click [here](#) for more information.

## **Smartphone Exports Narrow Gap with Diesel Fuel**

India's smartphone exports, bolstered by the PLI scheme and major investments from Apple's vendors like Foxconn, Pegatron, and Wistron, have risen sharply from \$1.6 billion in FY19 to \$15.35 billion in April-December FY25, nearly equalling the previous fiscal year's total. This surge has significantly narrowed the gap between smartphone exports and automotive diesel fuel, the country's top export, to just \$400 million for April-November FY25, showcasing India's growing role in global smartphone manufacturing.

Click [here](#) for more information.

## **Odisha and Chhattisgarh Top NITI Aayog's Fiscal Health Index**

Odisha and Chhattisgarh have emerged as India's fiscally healthiest states, according to NITI Aayog's first Fiscal Health Index (FHI) report for 2022-23. Odisha leads with an overall index score of 67.8, excelling in debt management and fiscal prudence, while states like Punjab, West Bengal, and Kerala were classified as "aspirational" due to growing debt

burdens and weak revenue mobilisation. The report, covering 18 states, highlighted the need for fiscal discipline and effective revenue strategies for lagging states.

Click [here](#) for more information.

## **Retail Inflation Drops Slightly in December, Policy Rate Cut Hopes Fade**

India's retail inflation eased to 5.22% in December from 5.48% in November, driven by a reduction in food inflation. The fall in vegetable prices helped mitigate the overall inflation, but experts warn that the depreciation of the rupee and inflation remaining above 5% have reduced expectations for a policy rate cut by the Reserve Bank of India's Monetary Policy Committee (MPC) in February. Core inflation dropped to 3.5%, while inflation in fuel prices continued to contract. Experts are monitoring the impact of global edible oil prices, which could influence inflation further.

Click [here](#) for more information.



## IN FOCUS

### Access, Fairness and Equity

#### **PM Internship Scheme Gains Industry Backing but Faces Skill Gaps**

A survey by Teamlease Edtech reveals that 81% of companies support extending the Prime Minister Internship Scheme, highlighting its potential to align CSR efforts with workforce readiness. However, 38% of firms cited challenges in finding interns with suitable skills, urging targeted university-industry programmes. While 76% of companies prioritise tech roles, over 70% are willing to absorb only 10% of interns as full-time employees. The scheme aims to skill one crore youth in five years, with a focus on real-world exposure and job-readiness.

Click [here](#) for more information.

#### **'One Nation One Subscription' Initiative Launched**

The government has earmarked ₹6,000 crore for the newly launched 'One Nation One Subscription' (ONOS) program, which runs from January 1, 2025, to December 31, 2027. During its first phase, ONOS will grant access to over 13,000 journals for more than 6,300 government-funded academic and research institutions, including universities and colleges at both central and state levels. This move stands to benefit an estimated 1.8 crore students, educators, and researchers by democratizing scholarly resources. Beyond fostering a more inclusive research

culture, ONOS aims to bolster India's innovation ecosystem by enabling seamless collaboration and knowledge sharing across disciplines. This investment aligns with the government's broader push towards digital empowerment and self-reliance, highlighting the potential for cross-sector collaborations—particularly with industry partners seeking to drive R&D initiatives in emerging fields.

Click [here](#) for more information.

#### **Gender Gap in Indian Real Estate: Women Represent Only 10% of Workforce**

A recent report titled "Concrete Change: A Study of the Economic Impact of Better Pay Parity & Inclusion of Women in Real Estate," released by Max Estates and In Tandem Global Consulting, highlights a stark gender disparity in India's real estate sector. Out of 71 million workers, only 7 million are women, accounting for a mere 1.2% of the female population employed in this industry. This underrepresentation not only reflects systemic barriers but also indicates untapped economic potential, as women's inclusion could significantly enhance productivity and innovation. The report emphasizes the need for targeted initiatives such as upskilling programs and equitable pay practices to foster a more inclusive workforce. Industry leaders advocate for a shift in mindset to embrace diversity, arguing that empowering women is crucial for the sector's growth and resilience. Addressing these disparities is essential for realizing the full potential of India's real estate market.





Click [here](#) for more information.

### **Corporate America Faces Legal Challenges on DEI and ESG Initiatives**

January 2025 has seen a wave of conservative legal actions aimed at questioning the legitimacy of Diversity, Equity, and Inclusion (DEI) and Environmental, Social, and Governance (ESG) policies in major U.S. corporations. Notably, U.S. District Judges Reed O'Connor and John Badalamenti ruled against companies such as Boeing, Target, and American Airlines, setting precedents that highlight the judiciary's evolving stance on corporate social responsibility measures. These decisions may herald an uptick in litigations challenging DEI and ESG strategies, compelling companies to reassess the legal viability of initiatives related to workplace diversity, climate commitments, and community impact. While this trend could create complexities for multinational corporations operating in multiple jurisdictions, it also underscores the need for robust policy frameworks that can withstand judicial scrutiny. Global businesses may soon face heightened demands for transparency and compliance in their socially oriented programs.

Click [here](#) for more information.

### **Agri-FMCG**

#### **FSSAI to Recommend Monitoring Microplastics in Food**

India's food regulator, FSSAI, is finalising recommendations to monitor

microplastics and nano plastics in food items and bottled water, following alarming reports of their presence in salt, sugar, and other staples. Researchers from CSIR, ICAR, and BITS Pilani are developing analytical methods to identify these contaminants, with plans to establish norms for regular food sample testing. Experts highlight the urgent need for robust monitoring to safeguard public health and address plastic pollution challenges.

Click [here](#) for more information.

### **FSSAI Sets 1st July as Enforcement Date for Labelling Amendments**

To enhance ease of doing business and promote transparency, the FSSAI has designated 1st July each year as the enforcement date for amendments under the Food Safety and Standards (Labelling and Display) Regulations, 2020. This initiative provides food businesses with predictable compliance timelines, reduces waste by extending the use of pre-printed packaging, and fosters consumer trust by ensuring informed decision-making.

Click [here](#) for more information.

### **India Launches First Survey on Edible Oil Consumption**

The Union agriculture ministry has initiated its first-ever survey to assess edible oil consumption patterns in India, with the goal of effectively implementing the New Mission on Edible Oils-Oilseeds. India, being the world's largest consumer and importer of edible oils, lacks recent data on consumption trends. The sur-



vey is expected to provide valuable insights into consumer preferences, which will assist in shaping future policy decisions.

Click [here](#) for more information.

### **India's Palm Oil Imports Decline Amid Negative Margins**

India's palm oil imports are projected to hit a near five-year low in January due to uncompetitive refining margins and the tropical oil's premium over alternatives like soyoil. This shift is driving buyers toward more cost-effective options, impacting Malaysian palm oil prices while boosting US soyoil futures. The decline could affect the global palm oil market, as India remains the largest buyer of vegetable oils.

Click [here](#) for more information.

### **Government Approves 1 million Tons of Sugar Exports**

India has announced the export of 1 million metric tons of sugar for the current 2024-25 season, a significant move aimed at supporting local sugar mills and stabilizing domestic prices. This decision comes after a ban on sugar exports was imposed last season due to concerns over production levels. The food minister, Pralhad Joshi, emphasized that this initiative will benefit approximately 50 million sugarcane farmers and 500,000 workers in the industry. The export quotas will be allocated based on the average production of mills over the past three seasons, ensuring that those with a proven track record are prioritized. Despite expectations of lower domestic sugar production this year, which is projected

to fall below consumption levels for the first time in eight years, this export allowance is intended to enhance liquidity for sugar mills and facilitate timely payments to farmers.

Click [here](#) for more information.

### **Food Processing Sector Seeks Support in Cold Storage and Logistics**

The food processing sector in India is urging the government to prioritize investments in cold storage and logistics in the upcoming Union Budget 2025. Industry leaders emphasize that enhanced infrastructure is crucial for reducing post-harvest losses, which currently stand at an alarming 30-40%. They advocate for financial support and incentives that would facilitate the establishment of modern cold chain facilities and efficient transportation networks. This investment is expected to not only improve food quality and safety but also boost the sector's contribution to GDP and job creation. Additionally, stakeholders are calling for streamlined policies that encourage private sector participation in developing these critical logistics systems. By addressing these infrastructure challenges, the government can significantly enhance the competitiveness of India's food processing industry and ensure better access to markets for farmers.

Click [here](#) for more information.

### **Cabinet Approves Extension of DAP Subsidy**

The Union Government approved the extension of a one-time special



package for Di-Ammonium Phosphate (DAP) fertilizer. This subsidy—set at ₹3,500 per metric ton—goes beyond the Nutrient Based Subsidy (NBS) framework and will remain in effect indefinitely. The move is projected to cost the exchequer ₹3,850 crore, bringing total allocations for DAP since April 2024 to over ₹6,475 crore. Despite volatility in global fertilizer markets and geopolitical uncertainties, the government is keen to maintain stable DAP prices for Kharif and Rabi seasons in 2024–25. By reducing input costs, it aims to alleviate financial strain on farmers and ensure uninterrupted supplies. This initiative not only underscores the government's focus on agricultural sustainability but also reflects a broader strategy to uphold farmer welfare amid evolving market challenges.

Click [here](#) for more information.

### **Revision of Open Market Sale Scheme (Domestic) Policy**

The Ministry of Consumer Affairs, Food & Public Distribution unveiled a major revision to the Open Market Sale Scheme (Domestic) [OMSS(D)] Policy for 2024–25. In a bid to regulate rice prices and maintain adequate supply, the government has set the reserve price at ₹2,250 per quintal, extending the same rate to ethanol distilleries. This policy recalibration is expected to influence market dynamics, potentially stabilizing consumer costs while offering clarity to traders. For gig workers in agricultural logistics—spanning storage, transportation, and last-mile delivery—fluctuations in commodity pricing can impact operational decisions

and earning potential. By ensuring a level playing field in rice distribution, the government aims to uphold both farmer interests and consumer affordability. Continued monitoring and periodic adjustments under the OMSS(D) will likely shape India's rice market trajectory this year.

Click [here](#) for more information.

### **Credit Guarantee Scheme for e-NWR-Based Pledge Financing: Boosting Agricultural Welfare**

The Government of India rolled out the Credit Guarantee Scheme for e-NWR-Based Pledge Financing (CGS-NPF), backed by a ₹1,000-crore corpus. This initiative facilitates post-harvest credit access for farmers through electronic negotiable warehouse receipts (e-NWRs) stored in Warehousing Development and Regulatory Authority (WDRA)-accredited facilities. By minimizing distress sales and incentivizing localized warehousing, the scheme is poised to benefit small-scale producers, women farmers, and marginalized communities. Key elements include minimal guarantee fees and higher coverage for smaller loans, effectively supporting Farmer Producer Organizations (FPOs) and cooperatives. When integrated with existing programs like the Kisan Credit Card (KCC) and Modified Interest Subvention Scheme (MISS), CGS-NPF reinforces the government's commitment to empowering the agricultural sector. The initiative underscores India's push toward Atmanirbhar Bharat by enhancing storage infrastructure, improving credit flows, and stabilizing farmer incomes.





Click [here](#) for more information.

### **Government on Track to Achieve Target of 10,000 New Farmer Producer Organizations (FPOs) in FY25**

The Government of India appears set to fulfil its ambitious goal of establishing 10,000 new Farmer Producer Organizations (FPOs) during the current fiscal year (FY25). With a budget of ₹6,865 crore, the scheme allots up to ₹18 lakh per FPO over three years and includes training and market linkage support. By enabling small and marginal farmers to collectively procure, process, and market their produce, FPOs aim to enhance bargaining power and profitability. The Ministry of Agriculture is prioritizing sustainable agricultural practices and technological integration—ranging from precision farming techniques to e-commerce platforms—for these newly formed groups. The success of this initiative aligns with broader government objectives, such as doubling farmers' incomes and bolstering rural economies. Overall, the expanding FPO ecosystem is expected to fortify the entire agricultural value chain, driving efficiency and equity in India's farm sector.

Click [here](#) for more information.

## **Artificial Intelligence**

### **India to Address AI Export Restrictions with US Government**

India is set to raise concerns with the incoming Donald Trump administration over a new US policy that limits the export of AI compute re-

sources and foundational models, which could negatively impact India's tech sector. Under the new rule, India faces a cap on importing more than 50,000 GPUs annually from the US, which may hinder large-scale AI hardware deployment. The Indian government plans to address the issue through the India-US Initiative on Critical and Emerging Technologies (iCET) framework, initiated in May 2022, with discussions involving national security advisors and other key officials.

Click [here](#) for more information.

### **ECI Mandates Labelling of AI-Generated Political Campaign Content**

Ahead of the Delhi Assembly elections, the Election Commission of India (ECI) has directed political parties to prominently label any AI-generated or synthetic content used in campaign materials shared online or on other platforms. Parties must include disclaimers, such as "AI-Generated" or "Digitally Enhanced," for images, videos, and audio altered or created using AI, to ensure transparency and accountability. This move follows concerns over deep fakes and the potential of AI-driven disinformation to influence voter trust. The ECI aims to uphold fairness in campaigning while addressing the growing influence of AI technologies.

Click [here](#) for more information.

### **Global Leaders Call for AI Action and Reforms at WEF**

At the World Economic Forum's Annual Meeting, leaders highlighted ur-



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gent global challenges. Spanish Prime Minister Pedro Sanchez advocated for stronger EU social media governance to combat misinformation and cyber harassment, calling for stricter enforcement of the Digital Services Act. UN Secretary-General António Guterres warned of two major threats to humanity: unregulated AI expansion and the climate crisis, urging immediate global action to address these issues.

Click [here](#) for more information.

## India Emerges as Global GenAI App Download Leader

India ranked second globally in generative AI (GenAI) app downloads in 2024, with 177 million downloads, representing 11.8% of the global total of 1.49 billion, according to Sensor Tower. The US led with 200 million downloads, while China's downloads stood at 133 million. India also saw a 135% year-on-year growth in GenAI downloads. However, it lags in in-app purchase revenue, generating only \$12.8 million, a mere 1% of global AI app revenues, dominated by the US at \$558 million. Chat GPT was the most downloaded AI chatbot app in India, followed by Google Gemini.

Click [here](#) for more information.

## India to Launch Data Analytics Platform for Trade Insights

The Indian government is developing an artificial intelligence (AI)-powered data analytics platform to gain deeper insights into trade data, Commerce Secretary Sunil Barthwal announced. This initiative aims to assess export growth, resiliency, and

other key economic indicators. Additionally, a committee of officials from the commerce and finance ministries is working to ensure more accurate and consistent data, following errors in gold import statistics.

Click [here](#) for more information.

## Prime Minister Modi to Co-Chair AI Action Summit in Paris

Prime Minister Narendra Modi will travel to Paris on February 10-11 to co-chair the Artificial Intelligence (AI) Action Summit, hosted by French President Emmanuel Macron. This will be Modi's first visit to France in his third term, and he may also meet US President Donald Trump if he attends. The summit, to be held at the Grand Palais, will focus on the ethical, sustainable, and inclusive use of AI, covering topics such as AI for public interest, the future of work, innovation, and global governance. Over 100 countries and various global leaders and stakeholders are expected to participate.

Click [here](#) for more information.

## Banking, Financial Services and Insurance

### India Ranks Third Globally in Fintech Funding Despite Decline

India secured the third spot globally in fintech funding in 2024, receiving \$1.9 billion despite a 33% decline year-on-year, according to Tracxn's Annual India Fintech Report 2024. The drop was attributed to a broader slowdown in demand and geopolitical challenges, marking a significant de-



crease from the \$5.6 billion raised in 2022.

Click [here](#) for more information.

### **RBI Sets Up External Advisory Committee for Bank Applications**

The Reserve Bank of India (RBI) has established a new standing external advisory committee to evaluate applications for universal banks and small finance banks (SFBs). The committee, chaired by former RBI deputy governor M K Jain, comprises five members including Revathy Iyer, Parvathy V Sundaram, Hemant G Contractor, and N. S. Kannan. The panel's tenure is set for three years.

Click [here](#) for more information.

### **RBI Seeks Bank Feedback on Liquidity Norms Amid Concerns**

The Reserve Bank of India (RBI) has asked commercial banks to assess the impact of proposed changes to liquidity coverage ratio (LCR) norms, which may require higher investments in government securities, potentially limiting lending capacity. The draft guidelines, under review and set to take effect on April 1, aim to address risks of deposit withdrawals during crises. Banks have raised concerns, urging the government to defer the rules, as tighter liquidity and economic slowdown could exacerbate credit growth challenges.

Click [here](#) for more information.

### **Karnataka to Draft Law Against Exploitative Microfinance Firms**

The Karnataka government is formulating a new law to address public concerns over exploitative practices

by microfinance companies, Minister H. K. Patil announced on Friday. Chief Minister Siddaramaiah has scheduled a meeting on Saturday to discuss the matter in detail, reflecting the state's commitment to curbing these unethical practices.

Click [here](#) for more information.

### **RBI Steps Up Measures Amid Banking Liquidity Crunch**

The banking system's liquidity deficit has surged to over ₹3.3 lakh crore, the highest in years, driven by factors like seasonal tax outflows and RBI's dollar sales to defend the rupee. To ease the strain, the RBI has intensified daily Variable Rate Repo (VRR) auctions, injecting liquidity through a ₹2.22 lakh crore response to Friday's VRR auction and a 14-day auction for ₹1.75 trillion. Economists predict government spending in the final quarter may alleviate the cash crunch. The 10-year bond yield fell to 6.71%, amid speculation of central bank bond purchases.

Click [here](#) for more information.

### **Bima Sugam Launch Delayed to Mid-2025**

The first phase of Bima Sugam, the Insurance Regulatory and Development Authority of India's (IRDAI) ambitious digital platform for buying, selling, and servicing insurance policies, has been postponed to mid-2025 instead of the previously announced April launch. Envisioned as a game-changer for India's insurance sector, the platform aims to provide a one-stop marketplace for consumers and distributors, but concerns remain among insurers over its time-

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line and progress. With an increased capital requirement of ₹500 crore, the project is supported by insurance companies, and Prasun Sikdar was recently appointed as its first MD & CEO.

Click [here](#) for more information.

## **Sebi to Ease FPI Registration for G-Secs**

The Securities and Exchange Board of India (Sebi) plans to simplify the registration process for foreign portfolio investors (FPIs) investing exclusively in Indian government bonds (G-Secs). The revised process will require only essential data needed for KYC by the RBI and PAN-related information by the Central Board of Direct Taxes, eliminating additional requirements applicable to equity investments. This facility, expected to be announced within months, will not apply to FPIs investing in equities, who must follow the regular process. Sebi is also working to reduce registration times and streamline processes.

Click [here](#) for more information.

## **Digi-Tech**

### **Draft Guidelines for E-Commerce Platforms Unveiled**

The government has released draft guidelines, "E-commerce-Principles and Guidelines for Self-Governance," to safeguard consumers against fraudulent practices in India's booming online shopping sector. Prepared by the Bureau of Indian Standards (BIS) under the Food and Consumer

Affairs Ministry, the framework mandates KYC checks for sellers, accurate product listings, secure payment systems, and strict compliance with consumer data protection laws. It also prohibits preferential treatment of sellers, promotes monitoring against counterfeit goods, and sets clear rules for refunds, returns, and exchanges. Stakeholder comments are invited by 15 February.

Click [here](#) for more information.

## **COAI Calls for Removal of Import Duty on Telecom Equipment**

The Cellular Operators Association of India (COAI), which represents major telecom companies like Bharti Airtel, Reliance Jio, and Vodafone Idea, has urged the Centre to abolish import duties on telecom equipment. The association emphasised the need for zero customs duties on 4G and 5G network products, as well as related items, until high-quality domestic alternatives are available at competitive prices.

Click [here](#) for more information.

## **DoT Approves Trai's Service Authorisation Framework**

The Department of Telecommunications (DoT) has approved most of the Telecom Regulatory Authority of India (Trai) recommendations for a new service authorisation framework, marking a shift from the current licensing system under the recently enacted Telecommunications Act. Telecom operators will transition to the authorisation model after their existing licences expire, despite their concerns over regulatory stability. The framework aims to simplify tele-



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com regulations, merge licensing categories, and reduce entry fees to achieve the "One Nation - One Authorisation" goal. Some points may still require further clarification from Trai.

Click [here](#) for more information.

## **Government Mulls AGR Dues Waiver for Telecom Companies**

The Union government is considering a proposal to waive a significant portion of the AGR (adjusted gross revenue) dues levied on telecom companies following the Supreme Court's 2019 order. The proposal includes waiving 50% of the interest and 100% of the penalties, which could provide a much-needed boost to struggling telecom operators like Vodafone Idea and Bharti Airtel. Telecom operators have reported growth in AGR, with Bharti Airtel and Reliance Jio seeing notable increases. This move could help improve financial stability in the telecom sector amidst rising tariffs.

Click [here](#) for more information.

## **Union Cabinet Approves One-Time Mobile Spectrum Re-Farming**

The Union Cabinet has approved the re-farming of 687 MHz of unused mobile spectrum, primarily from the defence ministry and ISRO, for the telecom sector. This decision will boost the total spectrum available for telecom services to 1,587 MHz, with 328 MHz to be released immediately. The spectrum re-farming is expected to help meet India's requirement of 2,000 MHz by 2030 for optimal mobile service delivery. The

Department of Telecommunications (DoT) plans to further assess additional spectrum needs in consultations by year-end. Cellular Operators Association of India (COAI) welcomed the move.

Click [here](#) for more information.

## **Government Unveils National Broadband Mission 2.0**

The government launched the vision document for National Broadband Mission (NBM) 2.0, aimed at providing broadband connectivity to 170,000 remaining villages across India. Building on the success of NBM 1.0, which failed to meet its target of broadband access for all villages by 2022, NBM 2.0 sets new goals for broadband coverage, aiming for 60% of rural households to have access and achieving a fixed broadband speed of 100 Mbps. Telecom Minister Jyotiraditya Scindia also introduced a mobile app for the Sanchar Sathi portal, which aims to protect mobile users from fraud.

Click [here](#) for more information.

## **E-commerce Guidelines Raise Concerns Among Industry Stakeholders**

The Indian government's draft guidelines for e-commerce platforms, aimed at self-regulatory measures to protect consumers, have sparked industry concerns over broad and impractical clauses that overlook diverse business models. The guidelines, prepared by the Bureau of Indian Standards, propose measures like mandatory KYC for sellers and detailed product listings to enhance consumer protection. However, e-



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commerce companies argue that these rules could disproportionately increase compliance costs and complicate operations. The draft also seeks to address counterfeit goods and improve refund and return policies, a growing issue as highlighted by a LocalCircles survey. Stakeholders can submit feedback by 15 February.

Click [here](#) for more information.

## **Reliance Plans World's Largest Data Centre**

Mukesh Ambani's Reliance Group is constructing a data centre in Jamnagar, Gujarat, that could become the world's largest by capacity, with a planned 3-gigawatt output. The facility, leveraging Nvidia's advanced AI semiconductors, will support the rising global demand for AI services. Set to be completed within two years, the project dwarfs current data centres, which are typically below 1 gigawatt in capacity. This initiative aligns Reliance with tech giants like Microsoft, Alphabet, and Amazon, who are heavily investing in AI infrastructure.

Click [here](#) for more information.

## **India in Talks to Host Data Embassies for Sovereign Data Storage**

India is negotiating with several countries, including the UAE, to establish data embassies, allowing nations to store copies of their sovereign data in India while retaining control. These embassies, expected to be housed in special zones, will function similarly to consular divisions of embassies, ensuring privacy

and data management by the embassies themselves. Andhra Pradesh is likely to host the first data embassy, with India aiming to become a key global data centre hub. However, policy complexities and operational challenges remain, particularly regarding compliance with foreign data regulations.

Click [here](#) for more information.

## **Supreme Court Stays GST Notices on Online Gaming**

The Supreme Court has stayed show-cause notices worth ₹1.12 trillion issued to online gaming companies over GST disputes, pausing proceedings until a final resolution is reached. The debate centres on whether a 28% GST should apply to the total contest entry amount or only to platform fees, with gaming companies advocating for an 18% rate for skill-based games. This decision provides temporary relief for the industry, with the next hearing scheduled for 18 March 2025.

Click [here](#) for more information.

## **Ease of Doing Business**

### **EV Industry Seeks Budget Boost for Revitalisation**

Ahead of the Union Budget 2025, electric two-wheeler (e2W) manufacturers are urging the government to strengthen support for the sector through measures like reduced GST across the EV ecosystem, targeted subsidies, innovative financing models, and enhanced domestic battery manufacturing. Revitalising the PM



E-DRIVE scheme and expanding charging infrastructure are also key demands. Industry leaders emphasised the need for consistent policy support and a focus on last-mile delivery electrification, proposing initiatives like per-km subsidies and mandating 100% electric logistics fleets by 2030 to drive EV adoption.

Click [here](#) for more information.

### **India Expedites Pending Public Procurement Applications**

The Department for Promotion of Industry and Internal Trade (DPIIT) has directed nodal ministries to submit recommendations on bidder registration applications from nations sharing land borders with India within 30 days. Of the 775 applications received, only 17 registrations were approved, 148 rejected, and 104 remain pending. The move follows the 2020 amendment mandating government clearance for procurement bids involving these countries, aligning with Press Note 3 of 2020, introduced after the Galwan Valley clashes. Pending applications include cases with key ministries such as Health, Petroleum, and Steel.

Click [here](#) for more information.

### **CCI Reviews Stakeholder Feedback on Penalty Recovery Regulations**

The Competition Commission of India (CCI) is reviewing stakeholder feedback on its proposed amendments to the Manner of Recovery of Monetary Penalty Regulations, 2011. These amendments aim to enhance the regulatory framework for penalty recovery, with a focus on improving

procedural clarity and efficiency. CCI chairperson Ravneet Kaur highlighted this in the commission's latest quarterly newsletter.

Click [here](#) for more information.

### **Sunset Clause May End Customs Duty Concessions for Key Sectors**

The 2025-26 Union Budget is expected to increase basic Customs duty (BCD) on items in the renewable energy, pharmaceutical, and telecom sectors as concessional rates under a sunset clause end on 31 March 2025. Components like wind turbine parts and life-saving drugs may face higher duties as the government pushes for domestic manufacturing under "Make in India." Experts urge an extension of the concessions, citing their critical importance in sustaining industry growth and public health.

Click [here](#) for more information.

### **India to Boost Consumer Product Quality with New Standards**

The Indian government is preparing to introduce stricter quality standards for consumer products, emulating regulations from the EU and the US to ensure safety and combat counterfeiting, which affects 25-30% of products in the market. The Bureau of Indian Standards (BIS) and other agencies will enforce random sampling and risk-based testing, prioritising high-risk items like electronics, food, and toys. These measures aim to protect consumers and enhance confidence in the market.

Click [here](#) for more information.



### Geopolitics and Geo-economics

#### EV Industry Seeks Budget Boost for Revitalisation

Ahead of the Union Budget 2025, electric two-wheeler (e2W) manufacturers are urging the government to strengthen support for the sector through measures like reduced GST across the EV ecosystem, targeted subsidies, innovative financing models, and enhanced domestic battery manufacturing. Revitalising the PM E-DRIVE scheme and expanding charging infrastructure are also key demands. Industry leaders emphasised the need for consistent policy support and a focus on last-mile delivery electrification, proposing initiatives like per-km subsidies and mandating 100% electric logistics fleets by 2030 to drive EV adoption.

Click [here](#) for more information.

#### India and EU to Strengthen Economic Ties with Trade and Tech Collaboration

India and the EU are set to collaborate on developing advanced technologies and securing critical raw material supply chains to boost economic relations. Commerce Minister Piyush Goyal and European Commissioner for Trade Maros Sefcovic discussed creating a fair and mutually beneficial Free Trade Agreement (FTA) and addressing non-tariff barriers. The two sides also aim to enhance cooperation in trade and sustainable development while resolving legacy issues. Goyal's visit to Brussels highlighted the need for strate-

gic political guidance to finalize a robust FTA.

Click [here](#) for more information.

#### Population Decline and Ageing Challenge Countries Worldwide

Several countries, including China, Japan, South Korea, and Italy, are grappling with the dual issues of population decline and ageing. China's population shrank for the third consecutive year in 2024, while Japan's has been decreasing for over 15 years, with Italy seeing a drop in births to levels not seen since the 19th century. The United Nations reports that over 60 countries, especially in Europe, have reached population peaks. In response, governments are offering incentives to encourage higher birth rates, although the trend remains challenging to reverse. China, for instance, faces an ageing population that threatens economic growth, while Japan is struggling to maintain its workforce despite increasing foreign residents.

Click [here](#) for more information.

#### Foreign Secretary to Visit China for Bilateral Talks

Foreign Secretary Vikram Misri will visit Beijing on 26-27 January to attend the Foreign Secretary-Vice Minister mechanism meeting, the Ministry of External Affairs (MEA) announced. This marks the second high-profile visit from India to China within six weeks, following National Security Adviser Ajit Doval's discussions with Chinese Foreign Minister Wang Yi on the boundary dispute under the Special Representatives framework.





Click [here](#) for more information.

### **US Scrutinises India's Equalisation Levy Amid Tax Tensions**

The US, under President Donald Trump, is examining India's 6% equalisation levy on digital advertising services, citing concerns about extraterritorial taxation disproportionately affecting American firms. Introduced in 2016 and expanded in 2020, the levy remains a point of contention despite the removal of the 2% "Google Tax" in 2024. Experts warn of potential US retaliation, including higher tariffs or tax rates for Indian entities. Meanwhile, India is cautiously assessing its stance on the OECD's global tax deal after the US withdrew from the agreement, citing sovereignty and competitiveness concerns.

Click [here](#) for more information.

### **Bank of Japan Raises Interest Rates to 17-Year High**

The Bank of Japan (BoJ) increased its short-term policy interest rate to 0.5% on Friday, the highest since the 2008 global financial crisis, signalling confidence in stable inflation around its 2% target. This marks the BoJ's first rate hike since July last year, with Governor Kazuo Ueda indicating further rate increases are possible as wages and prices rise. The decision, passed in an 8-1 vote, underscores Japan's evolving economic strategy amid global monetary shifts.

Click [here](#) for more information.

### **Chinese EV Makers Challenge EU Import Tariffs in Court**

Chinese electric vehicle manufacturers BYD, Geely, and SAIC have filed lawsuits at the Court of Justice of the European Union (CJEU) against the EU's import tariffs imposed in October, which range from 17% to 35.3% on their vehicles. The tariffs followed an anti-subsidy investigation. The China Chamber of Commerce for Import and Export of Machinery and Electronic Products has also filed a complaint, urging negotiations between Beijing and Brussels to resolve the issue. Tesla, exempt from the sample used to calculate tariffs, received the lowest extra duty of 7.8%, prompting further concerns from Chinese EV firms.

Click [here](#) for more information.

### **UK Relaunches FTA Talks with India**

The UK government has confirmed the relaunch of Free Trade Agreement (FTA) negotiations with India, aiming to strengthen the bilateral relationship and achieve mutual trade ambitions. During a debate in the House of Commons, Foreign Secretary David Lammy addressed questions raised by British Indian Labour MP Jeevun Sandher about efforts to secure a favourable UK-India trade deal.

Click [here](#) for more information.

### **India and UK Strengthen Health Sector Ties**

India and the UK have signed a Memorandum of Understanding (MoU) to enhance cooperation in the health and life sciences sector, focusing on joint research, antimicrobial resistance (AMR), and digital





health advancements. The agreement prioritises areas like telemedicine, public health surveillance, medical supply resilience, and infectious disease research. Highlighting the partnership, Indian High Commissioner Vikram Doraiswami emphasised opportunities in training healthcare professionals and aligning with the UK's NHS reforms. This collaboration aims to address global health challenges and advance healthcare innovation and resilience.

Click [here](#) for more information.

## Gig Economy

### Centre to Roll Out Labour Codes by Early Next Financial Year

The Union Ministry of Labour and Employment indicated that the four long-awaited labour codes—covering wages, industrial relations, social security, and occupational health—are likely to be fully implemented by early next financial year. These reforms aim to consolidate 29 existing central labour laws into a unified framework, reducing compliance burdens for employers and providing clearer guidelines on worker rights and benefits. By consolidating and modernizing existing labour laws, the codes aim to foster a uniform and inclusive framework across the country. Government sources confirm that a phased rollout strategy is underway in collaboration with state authorities to ensure consistent implementation. This move also signals a broader policy commitment to recognizing and supporting India's fast-growing gig economy. For public affairs profes-

sionals, keeping pace with these developments is vital for shaping corporate strategies and ensuring compliance with the upcoming regulatory mandates.

Click [here](#) for more information.

### Maha Kumbh Festival to Create 12 Lakh Gig Jobs Across Multiple Sectors

The ongoing Maha Kumbh Festival is poised to significantly boost India's gig economy by generating approximately 1.2 million gig jobs across various sectors. This monumental event, which attracts millions of devotees and tourists annually, requires extensive support in areas such as hospitality, transportation, event management, security, and retail. The event is expected to generate substantial employment in tourism and hospitality (4.5 lakh jobs), transportation and logistics (3 lakh jobs), healthcare (1.5 lakh freelance medical professionals), IT and technology (2 lakh professionals for digital platforms), and retail (1 lakh sales and support staff). With an anticipated 400 million devotees, the Maha Kumbh will drive economic growth through infrastructure development, event management, security services, and local trade, showcasing the event's potential to stimulate both traditional and modern business segments. This unprecedented gathering not only represents a profound spiritual experience but also emerges as a powerful platform for temporary employment and economic revitalization across various industries.

Click [here](#) for more information.



### **Quick Commerce to Drive 60% Surge in Gig Worker Hiring in 2025**

India's quick commerce market is poised for a remarkable 60% surge in gig worker hiring in 2025. This expansion stems from major e-commerce players—Amazon, Flipkart, and Myntra—venturing into the q-commerce space alongside rapid scaling by Blinkit, Swiggy Instamart, and Zepto. Q-commerce relies heavily on gig workers, both as “under-the-roof” staff handling dark store operations and as delivery personnel ensuring swift doorstep service. Each dark store typically employs 30–35 onsite workers, supported by 120–140 delivery agents to maintain high-speed order fulfilment. Currently, the top five q-commerce platforms collectively employ around 70,000 onsite staff and up to 300,000 delivery partners. As dark stores spread beyond metropolitan areas to Tier II and III cities, the workforce demand is expected to climb significantly. This trend underscores the growing prominence of gig-based employment in India's retail ecosystem and reflects evolving consumer expectations for rapid deliveries.

Click [here](#) for more information.

### **National Human Rights Commission Advocates for Gig Workers' Rights**

On December 23, 2024, the National Human Rights Commission (NHRC) convened an open house session to address the pressing issues surrounding gig workers. Acting Chairperson Smt. Vijaya Bharathi Sayani

underscored the importance of a robust regulatory framework to mitigate challenges like inconsistent pay, lack of social security, and gender-based wage disparities. Among the key recommendations were implementing minimum wage mandates, ensuring transparent income records at the aggregator level, and providing gig workers with avenues to contest unfair rating systems. The NHRC also called for welfare measures covering health benefits, accident insurance, and old-age protection—underscoring a holistic approach to worker well-being. These recommendations reflect a growing acknowledgment of gig workers' contributions to India's economy and the urgent need for policy interventions that balance innovation with the principles of equity and justice.

Click [here](#) for more information.

### **Healthcare and Pharmaceuticals**

#### **Anti-Obesity Drugs to Launch in India**

Revolutionary anti-obesity drugs, including Eli Lilly's tirzepatide (Mounjaro) and Novo Nordisk's Wegovy and Ozempic, are set to enter the Indian market this year. Eli Lilly has confirmed competitive pricing for Mounjaro, while Novo Nordisk may expedite the launch of Wegovy to compete. These medications, which have seen massive success in the West, are expected to address India's growing obesity problem, which affects millions. Domestic pharmaceutical companies like Sun Pharma and



Cipla are also developing alternatives. The entry of these drugs could significantly impact India's healthcare system and economic burden related to obesity and diabetes.

Click [here](#) for more information.

### **Indian Healthcare Sector Leads in Cyberattacks: Report**

The Indian healthcare sector faced the highest number of cyberattacks globally, with 8,614 weekly attacks per organisation, followed by education/research (7,983) and government/military (4,731), according to Check Point Software Technologies' report, *The State of Global Cyber Security 2025*. The report revealed that India saw an average of 3,291 attacks per organisation weekly—nearly double the global average. Key threats included malware like Remote Access Trojans, ransomware, and infostealers, alongside a surge in generative AI-driven cyberattacks. Notably, over 70% of infected devices were personal, targeting BYOD environments.

Click [here](#) for more information.

### **CDSCO Draft Rules Simplify Medical Device Classification**

The Central Drugs Standard Control Organisation's (CDSCO) draft rules for re-classifying medical devices based on risk profiles have gained industry support for enabling centralised, faster approvals of high-risk devices. The updated framework removes ambiguity by standardising classifications, reducing delays in product launches. While manufacturers stand to benefit significantly, ex-

perts urge regular updates and stakeholder awareness to ensure smooth implementation.

Click [here](#) for more information.

### **Import of Refurbished Medical Devices Halted Pending Regulation**

India's Central Drugs Standard Control Organisation (CDSCO) has prohibited the import of pre-owned and refurbished medical devices until specific regulations are established. Announced during a workshop on medical device regulation, this decision means consignments containing such devices will be returned at ports. Industry experts, shocked by the lack of prior notice, warn that this could harm healthcare access in underserved areas where refurbished equipment plays a vital role. Meanwhile, the Ministry of Health is forming a high-level expert committee to address regulatory concerns.

Click [here](#) for more information.

### **CDSCO Flags 135 Drugs as Sub-standard in December**

The Central Drugs Standard Control Organisation (CDSCO) flagged select batches of 135 drugs and formulations as not of standard quality (NSQ) for December 2024. Among these, 51 were identified by central drug labs, and 84 were flagged by state testing labs. The list includes Cipla's Okamet tablets, Thyrox 25, and Cadila's Ciprodac 500. The health ministry clarified that the issue pertains only to specific tested batches and does not impact other products in the market.





Click [here](#) for more information.

### **Indian Government Sets Deadline for MSME Drugmakers to Comply with GMP**

The Indian government has given micro, small, and medium drugmakers three months to submit action plans for upgrading their plants to comply with the World Health Organization's Good Manufacturing Practices (GMP) by the end of 2025. Companies failing to comply may face closure. The move follows concerns over the quality of domestically produced medicines and aims to improve safety standards. However, small drugmakers are requesting more time, citing financial and operational challenges. The government has proposed a one-year extension, but the final decision depends on the action plans submitted.

Click [here](#) for more information.

### **One Generic Drug Store to Open Every Two Hours by 2027**

India plans to open one government-run Jan Aushadhi Kendra every two hours across the country until 2027, ensuring wider access to affordable and high-quality medicines. This initiative is being implemented by the Pharmaceuticals & Medical Devices Bureau of India (PMBI), according to its CEO, Ravi Dadhich.

Click [here](#) for more information.

### **US Withdraws from WHO, Impacting Global Health Initiatives**

In a critical move, former US President Donald Trump signed an executive order withdrawing the United States from the World Health Organ-

ization (WHO), citing concerns over its handling of COVID-19 and financial dependence. As the largest contributor to WHO's \$6.8 billion budget, the US exit threatens global health programs, including immunisation and pandemic preparedness. For India, a major recipient of WHO assistance, this decision could delay key initiatives like tuberculosis eradication and vaccine distribution. Industry experts warn of reduced international collaborations and funding constraints for India's healthcare and pharmaceutical sectors.

Click [here](#) for more information.

### **India Launches Genomic Data Portals to Boost Global Research**

India has launched the Indian Genomic Data Set and Indian Biological Data Centre (IBDC) portals, offering 10,000 whole genome samples to researchers worldwide. This initiative, unveiled at the Genome India Data Conclave, aims to advance personalised medicine, genomic research, and mRNA vaccine development while highlighting India's growing biotech capabilities. With projections for its bioeconomy to reach \$300 billion by 2030, this marks a milestone in positioning India as a global leader in genomics and biotechnology.

Click [here](#) for more information.

### **Parliamentary Panel to Review CDSCO's Efforts Against Fake Medicines**

A Parliamentary panel will evaluate the Central Drugs Standard Control Organization's (CDSCO) performance in curbing spurious and counterfeit



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medicines amidst rising complaints. Recent investigations by CDSCO, including a major drug seizure in West Bengal, highlight ongoing efforts to combat fake drugs. The government has also mandated QR codes on 300 lifesaving drugs and bulk drugs for enhanced tracking. During 2023-24, 2,988 samples were deemed sub-standard, while 282 were found spurious or adulterated.

Click [here](#) for more information.



## Between Washington and Brussels: India's Trade Playbook in a Divided World

*Jeeva, Senior Associate, PAFI*

The re-election of Donald Trump as President of the United States introduces a layer of unpredictability into global trade dynamics, especially for India and the European Union (EU). As the world braces for a shift in U.S. trade policy under Trump's well-documented protectionist stance, both India and the EU are compelled to reassess their strategies to navigate a landscape dominated by tariffs, transactional diplomacy, and intensified competition with China.

The U.S.-India trade relationship, already complex, faces new challenges under Trump's America-first approach. India has long sought greater market access for products like pharmaceuticals, telecom equipment, and jewellery in the U.S., but a Trump-led administration is likely to prioritise American interests with even stricter terms. Industries reliant on exports to the U.S. must brace for potential disruptions as Trump's policies are expected to scrutinise India's Production-Linked Incentive (PLI) scheme, perceiving it as a protectionist measure. However, these challenges also create an opening for India to emerge as a viable alternative under the 'China Plus One' strategy. Industry stakeholders in India must advocate for policies that balance domestic manufacturing incentives with openness to global investment to attract companies diversifying from China.

In parallel, Europe's evolving dynamics with India could be shaped by a recalibration of transatlantic ties. Trump's scepticism towards multilateral cooperation and his hard stance on NATO fund-

ing obligations might alienate European nations, compelling them to strengthen relationships with partners like India. For instance, Germany, India's second-largest trading partner in the EU, and the Netherlands, a key hub for Indian investments, are well-positioned to deepen bilateral ties. Germany's expertise in machinery and automotive sectors aligns with India's industrial ambitions, while Dutch collaboration in renewable energy and logistics offers significant synergies. However, Indian businesses exporting to the EU must navigate stringent non-tariff barriers, such as the Carbon Border Adjustment Mechanism (CBAM), which disproportionately impact agriculture, steel, and aluminium exports.

Despite growing trade between India and the EU, valued at \$182 billion in 2023, progress towards a Free Trade Agreement (FTA) has been sluggish. The EU's insistence on stringent sanitary and phytosanitary standards has stymied Indian exports of rice, tea, and chemicals, while sectors like pharmaceuticals face significant registration delays. Adding to the complexity are the EU's data protection policies and environmental regulations, which have imposed heavy penalties on digital companies and restricted exports. Industry leaders argue that these measures reflect protectionist tendencies rather than legitimate regulatory concerns.

Trump's return also raises questions about global climate cooperation. His well-documented opposition to international climate agreements could weaken collective efforts to mobilise funds for green transitions, a priority at COP29. While this may temporarily ease pressure on India to align with stringent emissions targets, it risks derailing access to European green technology and climate finance. Nonetheless, there is a window for India and the EU to collaborate on innovative solutions, leveraging the G20's emphasis on climate funding to address shared environmental challenges.

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The U.S.-EU trade dynamic under Trump could experience significant strain, with his proposed tariffs on European goods likely to prompt retaliatory measures. Europe, already grappling with supply chain disruptions and rising costs, might reorient its export strategies towards markets like India. The EU's export profile to India mirrors its trade with the U.S., focusing on machinery, vehicles, and chemicals. An increase in U.S. tariffs could incentivise Europe to hasten FTA negotiations with India, providing opportunities for sectors like pharmaceuticals, engineering goods, and digitech. However, India must be prepared to meet European expectations on labour and environmental standards, a recurring friction point in negotiations.

Trump's geopolitical stance, particularly on the Russia-Ukraine conflict, further complicates the equation. His potential withdrawal of U.S. support for Ukraine could deepen divisions within NATO, leaving Europe to shoulder the burden of regional stability. For India, this creates both opportunities and risks. Strengthened EU-India ties could offset uncertainties in the U.S. relationship, but they require careful navigation to avoid being drawn into Europe's internal conflicts. Meanwhile, China remains a looming presence, influencing every aspect of this trilateral relationship. Both India and the EU have a vested interest in reducing dependency on Chinese supply chains, a goal that aligns well with In-

dia's manufacturing ambitions under the PLI scheme.

Indian industry representatives are cautiously optimistic about the potential for deeper engagement with the EU. Sectors like renewable energy, digital technology, and pharmaceuticals see immense scope for collaboration, particularly as Europe looks to diversify its partnerships. However, the unresolved issues in the India-EU trade negotiations underscore the need for a pragmatic approach. "We must focus on building a balanced agreement that addresses both market access and regulatory concerns while ensuring mutual benefits," emphasised a senior official from the Confederation of Indian Industry (CII).

Trump's second presidency is poised to test the resilience of global trade relationships, demanding agility and foresight from policymakers and businesses alike. For India, the dual challenge of managing U.S. unpredictability and navigating EU complexities offers an opportunity to assert itself as a key player in the global economy. Success will depend on a proactive approach to trade policy, strategic collaborations in technology and climate, and a commitment to addressing industry pain points while leveraging opportunities for growth. As the world watches, the onus is on India to turn these challenges into a blueprint for long-term economic resilience.

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