

Industry Matters

Weekly Updates

October 13, 2023



Economy, Industry and Policy

India has high debt like China, but risks are moderated - IMF: India has a high debt like that of China but the risks associated with it are not as great as that of its northern neighbour, a senior official from the International Monetary Fund has said, advising India in the medium term to have an ambitious fiscal consolidation plan that brings down deficits. *[The Economic Times]*

CPI-based inflation eases to 5.02% in Sep; Aug IIP growth zooms to 10.3%: The consumer price index (CPI)-based inflation for the month of September eased to 5.02 per cent as against 6.83 per cent in August. *[Business Standard]*

IMF raises India's FY24 growth forecast to 6.3%: The International Monetary Fund (IMF) has bumped up India's growth forecast for FY24 to 6.3% from 6.1% estimated earlier, hailing the country as one of the "growth engines in the world economy". *[The Economic Times]*

PE inflows plunge 65% to USD 1.81 bn in July-September: Private equity (PE) investments in India fell 65.4 per cent to USD 1.81 billion in July-September 2023 as compared to the year-ago period, according to an industry report. In the year-ago period, PE investment was USD 5.23 billion. *[The Economic Times]*

Centre collected Rs 600 crore from online gaming companies in TDS: The Centre has collected Rs 600 crore from the online gaming companies as Tax deducted at source (TDS) and Rs 105 crore from the cryptocurrencies in the current financial year. *[The Economic Times]*

Will exceed budget target for direct tax - CBDT chairman Nitin Gupta: Expressing confidence that the direct tax collection in the current fiscal would exceed the budget estimate of Rs 18.23 trillion, Central Board of Direct Taxes (CBDT) Chairman Nitin Gupta on Tuesday listed out some of the key figures from the virtual world. *[Business Standard]*



Foreign Investment

India's inclusion in JPMorgan Bond Index may spur inflows of \$23b - FM Sitharaman: Finance minister Nirmala Sitharaman on Thursday said JPMorgan's decision to include Indian government bonds in its widely tracked emerging market debt index could potentially lead to annual inflows of about \$23 billion into the country. *[The Economic Times]*

ISRO working to bring more foreign investment into space industry - Chairman S Somanath: The Indian Space Research Organisation (ISRO) is working to bring more foreign investment into the country's space industry, and to this effect, a policy governing Foreign Direct Investment (FDI) is expected to be released "soon". *[The Economic Times]*

Tanzania sets goal of achieving \$15 billion in FDI from India by 2025: India is the fifth largest investor in Tanzania with about \$3.7 billion in investments in the country. The two countries have also signed a total of six MoUs in fields such as communications, maritime security and sports among others. *[Moneycontrol]*



Trade Policy and Competitiveness

India, UK may ink FTA by the end of this month: India and the UK are likely to sign a proposed free trade agreement (FTA) in the last week of this month. It will be New Delhi's first such comprehensive deal with an industrialised nation, seeking to spur bilateral annual business beyond the current \$20 billion. *[The Economic Times]*

US biggest export destination for Indian smartphones in Apr-Jul; UAE 2nd: India exported smartphones worth USD 4.67 billion in April-July this fiscal, following a multifold jump in shipments to the US, which emerged as the biggest destination for India-made devices. *[The Economic Times]*

Mobile phone exports from India almost double to USD 5.5 bn till August this fiscal: Mobile phone exports from India almost doubled to USD 5.5 billion, about Rs 45,700 crore, till August this financial year, according to industry body ICEA's estimates. *[The Economic Times]*

Solar module exports up 1000% as US keeps China out: Exports of solar cells and modules from India have gone up to \$ 628.38 million in April – July 2023, which is 1,062 per cent higher than \$ 54.04 million recorded in the same period of 2022, according to government data. (Cells go into the manufacture of modules.) *[Business Line]*

Thomson to consider exporting India-made products to global mkts; to enter domestic laptop segment: Consumer electronics major Thomson will enter the laptop market in India in the next two quarters and is also considering to export smart TVs and other products manufactured in the country to foreign markets. *[The Economic Times]*

India's coal imports decline 12 pc in August: India's coal imports declined 12.08 per cent to 18.26 million tonnes (MT) in August this year over the corresponding month of the previous fiscal. The country's import of fossil fuel stood at 20.77 MT in August last year. *[The Economic Times]*

Talks on India-Peru trade pact from Oct 10 - Government: The agreement is aimed at promoting bilateral trade and investments between the two countries. With the pact, the two trading partners will significantly reduce or eliminate customs duties on maximum number of goods traded between them. *[The Economic Times]*

India, Tanzania to sign 15 agreements with eye on USD 10 billion trade: India and Tanzania are set to sign 15 agreements covering various areas of cooperation during President Samia Suluhu Hassan's visit to India. The visit aims to elevate bilateral relations to a strategic partnership and enhance trade and investment between the two countries. *[The Economic Times]*

30% of UAE's gems, jewellery sourced from India - Export Promotion Council: The gem and jewellery trade between India and UAE has grown significantly, particularly following the India-UAE CEPA agreement, and about 30 per cent of the total gems and jewellery imported by the emirate is sourced from India, the Gem and Jewellery Export Promotion Council (GJEPC). *[Business Standard]*



Corporate Governance

Blackstone in discussion with Disney to acquire India streaming, TV assets: Private equity firm Blackstone has initiated discussions with Walt Disney Co to explore the possible acquisition of Disney's streaming and television operations in India. *[Business Standard]*

Bharti proposes to acquire its JV partner AXA's 49% stake in Bharti AXA Life Insurance: Bharti Group on Wednesday said it has entered into a binding agreement with its joint venture partner AXA to acquire its 49 per cent stake in Bharti AXA Life Insurance. *[The Economic Times]*

Business activity picks up greater pace in July-Sept: The Confederation of Indian Industry's Business Confidence Index showed that two-thirds of the respondents believed that sales and new orders rose faster in the second quarter of the ongoing financial year compared with the previous quarter. *[The Economic Times]*

Licensing system for laptops, tablets to kick in from November 1: An online system has been readied for implementing the new system of approvals for import of laptops, tablets and servers and this will kick in from next month. *[Financial Express]*



MSMEs and Start-ups

69% MSMEs use digi wallets, m-payments as most frequently used payment mode - ICRIER: The India Council for Research on International Economic Relations (ICRIER) Monday said that micro, small, and medium enterprises (MSMEs) integrated with e-commerce platforms report higher turnovers and profitability, than the non-integrated ones. *[The Economic Times]*

Standing Advisory Committee reviews flow of credit to MSMEs: The Standing Advisory Committee to review the flow of credit to MSMEs on Friday deliberated on issues related to assessing and bridging the credit gap for the sector and revival and rehabilitation of stressed MSMEs, among others. *[Business Line]*

Kerala launches insurance cover for MSME sector to safeguard businesses: In a boost to Kerala's thriving MSME sector, the state government has introduced a comprehensive insurance scheme covering Micro, Small, and Medium Enterprises. *[Business Standard]*

RXIL Global to help MSMEs get early payment on export invoices through ITFS: RXIL, a joint venture between the Small Industries Development Bank of India (SIDBI) and the National Stock Exchange, is promoting the International Trade Finance Service (ITFS). *[The Economic Times]*



Employment and Industrial Relations

India's jobless rate at 6-year low; wage employment share shrinks India's unemployment rate fell to a six-year low of 3.2 per cent in the July-June 2022-23 period, down from 4.1 per cent in the same period the previous year, according to the latest annual Periodic Labour Force Survey (PLFS). *[Business Standard]*

Unemployment rate declines, female labour force participation rises in Q1FY24 - MoSPI: The Indian economy saw strong growth in the first quarter, leading to improved employment numbers. The unemployment rate in urban areas decreased to 6.6% in the April-June quarter, compared to 6.8% in the previous quarter. Female labor force participation also increased to 23.2% in urban areas. *[The Economic Times]*

Hiring index for IT services has declined in all nine months of this year: The hiring index for IT-Software/Services has now declined (on a YoY basis) in all nine months of this year, reflecting continued softness in demand and uncertainty in the overall environment, Emkay Global Financial Services. *[The New Indian Express]*

Formal job creation under EPFO dips 14.5% in April-July: The pace of formalisation of workforce under the Employees' Provident Fund Organisation in the four months of the current fiscal (April-July) slowed with one million less formal jobs created under the retirement fund body compared to the same period last year. *[The Economic Times]*

400,000 coal staff, mostly in India & China, to lose jobs as world shuns the dirty fuel: Mine closures will eliminate about 15% of global coal mining jobs by that year, about 400,000 in total, according to a new report published by Global Energy Monitor this week. *[The Economic Times]*



Industrial Finance

Banks likely to report healthy profits in Q2 on high credit growth: Benefiting from rise in lending rates, high credit off-take, and lower credit costs, banks are likely to report about 18 per cent rise in net interest income (NII) and 25.3 per cent in profit year-on-year (Y-o-Y) during the second quarter ended September 2023 (Q2FY24). *[Business Standard]*

Adani refinances \$3.7 bn loan in Ambuja, ACC deal: Gautam Adani-led Adani Group has entered into a \$3.7 billion refinance agreement with a consortium of at least 20 foreign banks, the largest such deal in the cement industry. *[Mint]*

PCA regime to cover PSU NBFCs from October 2024: The Reserve Bank of India has decided to bring state-owned non-banking finance companies under the prompt corrective action (PCA) framework from October next year. The central bank would review their financials as of March-end 2024 for this purpose. *[The Economic Times]*

NBFCs may post up to 30% profit rise on strong loan growth: Non-banking finance companies (NBFCs) are likely to report 20-30% growth in net profit in the second quarter ended September 2023 driven by strong loan disbursements, even though margins could be under pressure reflecting a rise in cost of funds. *[The Economic Times]*



Technology and Innovation

Data centres to see investments of \$10 bn over the next 3 years, says CII-Colliers: India's data centre industry is on the brink of remarkable growth, with expectations of doubling its size to 23 million sq ft and attracting a potential investment of \$10 billion within the next three years in the top seven cities. *[The Economic Times]*

Google makes passkeys default option for all users: Google said that it is making "passkeys" (an alternative to passwords) as the default sign-in method for all users. With passkeys, users can sign in to apps and websites with a biometric sensor (such as a fingerprint or facial recognition), PIN, or pattern, freeing them from having to remember and manage passwords. *[The New Indian Express]*



Industrial Infrastructure, Clusters and SEZs

Siemens looks at setting up a hub for urban transport solutions in India: Siemens, the German multinational conglomerate, is planning to establish a hub for mass transit and urban transport solutions in India, leveraging the country's growing rail transit market. *[Business Standard]*

Road awards totalling ₹3 trillion for 10,000 km soon: The government plans to award ₹3 trillion worth of road projects over the next six months in the run-up to next year's general elections, aiming to build 10,000 km of roads. *[Mint]*

Railways to launch Vande Bharat sleeper trains soon: The railways is planning to launch Vande Bharat Sleeper Coach and Vande Bharat Metros soon, Railway Board Secretary Milind Deouskar said on Thursday. *[The Economic Times]*



Sustainable Industrialisation

Government to soon announce financial outlay to boost sustainable mining: Coal minister Pralhad Joshi on Wednesday said a financial outlay will be announced soon to further strengthen sustainable mining in the country with a focus on green coal technology. *[The Economic Times]*

Domestic steel, cement industry need Rs 47 lakh crore investment to meet net-zero goals - CEEW: India's existing steel and cement plants will require Rs 47 lakh crore (USD 627 billion) in additional capital expenditure (CAPEX) to achieve net-zero carbon emissions. *[The New Indian Express]*

Cabinet approves royalty rates for lithium mining, niobium and rare earth elements: The Union Cabinet on Wednesday fixed the royalty rates for lithium, niobium and rare earth elements (REEs). Under the new regime, while the mines will be auctioned by the Centre, the royalty will continue to be accrued to the states where these minerals lie. *[The Economic Times]*



Sectoral News

Amazon confirms plans to offer 'affordable broadband' through satcom: E-commerce giant Amazon stated on Tuesday that the firm is keen to collaborate with the government to bring "affordable broadband" across the country. *[Business Standard]*

15 beneficiaries of white goods PLI scheme have started commercial production - DPIIT: The Department for Promotion of Industry and Internal trade (DPIIT) on Wednesday said that out of the 64 selected beneficiaries for the PLI for white goods, 15 beneficiaries have begun commercial production. It also brought in some changes in the guidelines of the PLI schemes. *[Business Line]*

DPIIT revises white goods PLI scheme: Beneficiary must get cost certificate for sales: The government has revised the guidelines for the Rs 6,238 crore production-linked incentive scheme (PLI) for white goods as per which the companies selected under the programme will have to submit a certificate from a registered cost accountant. *[The Economic Times]*

Govt to hold off on introducing PLI schemes, evaluates existing initiatives: The government has decided to hold off introducing the production-linked incentive (PLI) scheme for additional sectors until it verifies the efficacy of existing initiatives. *[Business Standard]*

Back to pre-Covid production, forging industry plans significant expansion in capacity on China+1 boost: The Indian forging industry has returned to the pre-Covid production level and the growth prospects are bright to boost the capacity significantly in the next three years, supported by China+1 strategy amid the threat of technological disruption by way of alternative fuels in the automotive segment. *[Business Line]*

Passenger vehicle retail sales grew 6 per cent YoY in H1: Passenger vehicle (PV) retail sales grew by 6.19 per cent year-on-year (YoY) to 18,08,311 units in the first half of this financial year (H1FY24), as compared with 17,02,905 units in the corresponding period last fiscal year. *[Business Line]*

India's power consumption grows nearly 8 pc to 847 billion units in first half of FY24: India's electricity consumption grew nearly eight per cent to about 847 billion units (BU) in the first half of this fiscal year from April to September, showing uptick in economic activities in the country. *[The Economic Times]*

BSNL sets up first-ever BTS on world's highest battlefield Siachen Glacier: Bharat Sanchar Nigam Limited (BSNL) has commissioned a new base transceiver station (BTS) in Siachen glacier in Ladakh to extend mobile communication for the soldiers deployed at more than 15,500 feet. *[The New Indian Express]*

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