

# Industry Matters

Weekly Updates

October 27, 2023



## Economy, Industry and Policy

**India set to overtake Japan as third-largest economy by 2030 - S&P Global:** India, the world's fifth largest economy in the world, is likely to overtake Japan to become the world's third-largest economy with a GDP of USD 7.3 trillion by 2030, S&P Global Market Intelligence said in its latest issue of PMI. *[The Economic Times]*

**Indians top the list of those seeking citizenship in wealthy OECD nations:** According to OECD's International Migration Outlook: 2023 report, released on Monday, 407,000 Indians moved to OECD nations in 2021. It was 86 per cent higher than 220,000 Indians in 2020. *[Business Standard]*

**CCI becomes member of International Competition Network's steering group:** The Competition Commission of India (CCI) has become a part of the prestigious 18-member steering committee of the International Competition Network (ICN) after "consistent efforts". *[The Economic Times]*

**NITI Aayog working on plan to reduce reliance on China for supply chains:** The NITI Aayog is working on a strategy to address the trade deficit with China and suggest measures to secure supply chains from geopolitical risks. *[Business Standard]*

**'FY24 gross direct tax mop-up to comfortably cross Rs 19 trillion':** The government's direct tax collections – net of refunds– are seen "comfortably" crossing Rs 19 trillion in the current fiscal year. *[Financial Express]*

**ITR filings climb up by 90% in nine years to 6.37 cr in AY 2021-22:** The span of nine years, that is Assessment Year (AY) 2013-2014 and 2021-2022, saw an increase of 90 per cent in filing of Income Tax Returns (ITR) by individual tax payers. *[The Economic Times]*

**Central govt surpasses 50% of budgeted capex so far in FY24:** The government has crossed 50 per cent of its budgeted target for capital expenditure, or the Rs 5-lakh-crore mark, so far in the ongoing financial year 2023-24. *[The Indian Express]*



## Foreign Investment

**Net FDI into India declines to \$2.99 billion in April-August - RBI data:** Net foreign direct investment (FDI) in India, inflows minus outflows, declined sharply in April-August this year to \$2.99 billion from \$18.03 billion in the same period last year on moderation in global activities and a rise in repatriation. *[Business Standard]*

**Canadian funds to stay interested in India's highway projects:** Canadian investment funds Ontario Teachers' Pension Plan and Canada Pension Plan Investment Board are expected to continue their support for the highway monetisation programme by maintaining their holding in National Highways Infra Trust (NHIT) at 50% as it goes on to acquire new highway stretches from National Highways Authority of India (NHAI). *[Financial Express]*

**Sebi finalises SOP to stop promoter misuse of foreign cos for shareholding:** The Securities and Exchange Board of India (Sebi), along with custodians of foreign portfolio investors (FPIs), have finalised a standard operating procedure to stop promoter families and investors from misusing foreign investment entities. *[Business Standard]*

**Daewoo enters Indian consumer electronics & appliance market through Kelwon Electronics:** South Korean brand Daewoo has entered into fast-growing Indian consumer electronics and appliances market through its licensee partner Kelwon Electronics & Appliances, which has plans to invest around Rs 300 crore in the next three years. *[The Economic Times]*

**Chevron's Caltex Lubes returns to India after 12 years; HPCL to market it:** Chevron Corporation, the second largest oil company based in the United States is making a comeback in the Indian lubricants market after 12 years. *[The Economic Times]*

**RBI opens dated securities to help Russia park its rupee surplus:** Russia can get some comfort over its mounting surplus rupee problem as it, along with 21 other countries, can now invest in dated Government Securities and Treasury Bills through a rupee account. *[Business Line]*



## Trade Policy and Competitiveness

**US emerges as India's biggest trading partner during April-September this fiscal; China at second:** The US has emerged as India's biggest trading partner during the first half of the current financial year despite global economic uncertainties and declining exports and imports. *[The Economic Times]*

**US to withdraw key proposal on digital trade:** The United States has decided to withdraw its support for an initiative at the World Trade Organisation on free cross-border data flows without localisation, a move that strengthens India's approach on retaining control over its data. *[The Economic Times]*

**FTA likely on track as UK warms to investment pact:** India and the United Kingdom are trying to find a middle ground to conclude a bilateral investment treaty along with a free trade agreement (FTA) by the end of this month, said people with knowledge of the matter. *[The Economic Times]*

**China was top finished steel exporter to India in April-Sept:** Provisional data as provided by the Government of India showed that China emerged as the top exporter of finished steel to India. India imported 2.9 million tonnes of completed steel from April to September. *[The Economic Times]*

**India criticises safeguard measures on import of certain steel products by EU, UK in WTO meet:** Certain WTO countries, including India, Switzerland, Russia, and Japan, have criticised the safeguard measures imposed by the EU and the UK on imports of certain steel products, stating it is inconsistent with global trade rules. *[The Economic Times]*

**India, Saudi Arabia commerce ministers discuss ways to promote trade ties:** Commerce and Industry Minister Piyush Goyal on Wednesday held discussions with his Saudi Arabian counterpart Majid bin Abdullah AlKassabi on ways to further promote trade ties between the two countries. *[The Economic Times]*

**Ireland wants to further deepen its strong economic, cultural ties with India:** The Irish government wants to further deepen its strong economic and cultural relationship with India as part of its renewed Asia Pacific strategy launched this week. *[The Economic Times]*

**Making EU-India partnership defining force for world will be my priority - Ambassador Delphin:** Newly-appointed envoy of European Union Herve Delphin on Monday said making the EU-India strategic partnership a defining force for the world of today and tomorrow will be his key focus. *[The Economic Times]*

**EU only wants free trade deal with India that gives it 'real' market access:** European Union member states want to close a free trade deal with India, but only if it grants real access to the Asian country's markets. *[The Economic Times]*

**Govt introduces compulsory quality norms for copper products, drums, tin containers:** The centre on Monday issued mandatory quality norms for copper products, drums, and tin containers to reduce the import of sub-standard goods and promote domestic manufacturing. *[The Economic Times]*



## Corporate Governance

**Disney said to near multibillion-dollar India deal with Reliance:** Reliance Industries, controlled by Asia's richest tycoon Mukesh Ambani, is nearing a cash and stock deal to buy Walt Disney's India operations, according to people familiar with the matter. *[Financial Express]*

**GIC collaborates with Vedanta's Sterlite Transmission for \$1 bn venture:** To draw on the rising demand for power evacuation networks in the country, Sterlite Power Transmission (SPTL) is collaborating with Singapore's sovereign wealth fund, GIC, to set up a \$1-billion joint venture platform. *[Business Standard]*

**Samvardhana Motherson International announces three acquisitions worth over Rs 380 crore:** Samvardhana Motherson International Ltd on Friday announced three acquisitions valued at over Rs 380 crore in aerospace, health and medical sectors to strengthen its non-automotive businesses further. *[The Economic Times]*

**TVS Srichakra to acquire US-based firm; to grow off-highway tyre biz:** TVS Srichakra Ltd, makers of TVS Eurogrip, Eurogrip and TVS brand of tyres, has drawn up plans to acquire the US-based Super Grip Corporation as part of its vision to grow in the global off-highway tyre market. *[The Economic Times]*

**Hindujas eye \$35-40 billion valuation of their BFSI business:** The Hinduja group sees its banking, financial services and insurance (BFSI) business reach a valuation of \$35 billion to \$40 billion by 2030. *[The Economic Times]*

**Nestle India stays keen on acquisitions, valuations key:** Nestle India is keen on acquisitions, which continue to be an area of interest, provided there is a fit with the company's existing portfolio and valuations match the company's expectations. *[The Economic Times]*

**Nokia device maker HMD to launch its own brand:** HMD Global, the maker of Nokia devices, said it will launch smartphones under its own brand in the first half of the calendar 2024, and the company could launch the HMD-branded devices first in India. *[The Economic Times]*

**Voltas revives plans to make AC compressors in India:** Voltas has revived its plans to manufacture air-conditioner compressors in the country with a partner from either Japan or Korea after its earlier such joint venture proposal with China's Highly International was rejected by the government. *[The Economic Times]*



## MSMEs and Start-ups

**Five MSME lending products complete test phase under RBI's sandbox cohort:** Five MSME lending products have completed the test phase under the Reserve Bank of India (RBI) regulatory sandbox cohort. *[Business Standard]*

**Policy and data support can boost MSMEs' role as drivers of future growth - ADB:** Providing policy and data support to micro, small and medium enterprises can boost their role as drivers of growth in the economy, according to Asia Small and Medium-sized Enterprise Monitor 2023, published today by the Asian Development Bank. *[Financial Express]*

**How a climate-proofed MSME sector can drive Tamil Nadu's EV leadership:** Tamil Nadu is gearing up to be a global electric vehicle (EV) manufacturing hub, with the government seeking to attract ₹50,000 crore in investments and envisioning 1.5 lakh new jobs in the EV sector in the next five years. *[The Hindu]*



## Employment and Industrial Relations

**10% fewer fresh formal jobs created in April-August, shows EPFO data:** The pace of formalisation slowed in the five months of the current financial year (April-August) with more than half a million fewer formal jobs created in the period compared to the same period last year. *[Business Standard]*

**Average gross income for individual taxpayers rises 56% in 8 years:** The average gross total income of individual taxpayers increased 56% to ₹7 lakh in assessment year 2021-22 from ₹4.5 lakh in assessment year (AY) 2013-14. *[The Economic Times]*

**MGNREGS may get additional support of Rs 28,000 crore for FY24:** The finance ministry may allocate an additional Rs 28,000 crore to the Mahatma Gandhi Rural Employment Guarantee Scheme (MGNREGS) scheme for 2023-24 (FY24). *[Business Standard]*

**IT firms give campus hiring a miss for FY25 amid macro uncertainties:** Campus hiring has turned very feeble as Indian information-technology (IT) services companies battle macro uncertainties. *[Business Standard]*

**Senior citizens savings scheme collection surges, PPF rates steady:** Collections under small savings schemes have seen a pickup in April-September, with deposits for the Senior Citizens Savings Scheme surging over 2.5 times year-on-year to Rs 74,675 crore. *[The Indian Express]*

**New enrollments to the formal job market decline in August; women lose out:** New enrollments to the government's three social security schemes declined in August, hinting at a slower growth in formal jobs for the month and a worsening performance for women, provisional data released Wednesday showed. *[The Economic Times]*

**Aggregators need to take responsibility of gig workers - Labour Secretary Arti Ahuja:** Aggregators are required to take responsibility of their gig workers and portability of benefits like social security, health insurance of these informal workers should be ensured. *[The Economic Times]*



## Industrial Finance

**India becomes AIIB's top market for funding infrastructure projects:** Given the sheer size of infrastructure development taking place across the country, India has emerged as the biggest project funding market for the Asian Infrastructure Investment Bank (AIIB). *[The Economic Times]*

**IBBI moots new measures to increase efficiency of insolvency professional entity as an IP:** Insolvency regulator Insolvency and Bankruptcy Board of India (IBBI) has proposed a slew of measures to enhance the effectiveness of Insolvency Professional Entities (IPes) in the Insolvency Resolution Process. *[Business Line]*

**ADB okays \$400-mn loan to improve urban services in India:** The Asian Development Bank (ADB) has approved a \$400-million policy-based loan to India for sub-programme 2 of the Sustainable Urban Development and Service Delivery Programme. *[Business Line]*

**Indian insurance companies cancel coverage for war damage:** Indian insurance companies, including HDFC Ergo, have made a significant decision to cancel coverage for damage resulting from strikes, riots, civil commotions, lockouts, vandalism, and sabotage in the Israel/Gaza/Lebanon region due to the ongoing war. *[The Economic Times]*

**Adani Group raises \$3.5 billion to refinance debt:** The Adani Group said on Friday that it has refinanced part of the debt taken for the acquisition of Ambuja Cements and ACC through a \$3.5 billion financing package raised from a clutch of international banks. *[The Economic Times]*



## Technology and Innovation

**India takes lead in setting up global online platform to resolve cross-border B2C e-commerce disputes:** Amid the rise in cross-border B2C e-commerce trade, India is taking the lead in setting up a 'global online dispute resolution (ODR) platform' to resolve disagreements in online transactions between businesses and consumers. *[The Economic Times]*

**Cabinet approves MoC between India, Japan for semiconductor development:** The MoC intends to strengthen cooperation between India and Japan towards enhancement of the semiconductor supply chain, recognising the importance of semiconductors for the advancement of industries and digital technologies. *[Business Standard]*

**MeitY-backed research facility to promote chips:** The Silicon Photonic Research Centre at the Indian Institute of Technology, Madras (IIT-M) campus has announced its plans for the commercialisation of silicon photonics products in partnership with start-ups and to encourage silicon photonic chip manufacturing in India. *[The New Indian Express]*

**Data Protection Act - Fueling India's digital economy and innovation ecosystem:** India's digital economy is poised to grow 6x to \$1 trillion by 2030 as digital services are quickly becoming integral to India's 700 million plus internet users, including 350-million digital payment users and 220-million online shoppers. *[Financial Express]*

**India will soon become largest tech centre for CNH Industrial - Marc Kermisch:** India will shortly become the largest tech centre for agricultural and construction equipment manufacturer Case New Holland (CNH industrial) Global Chief Information and Digital. *[The Economic Times]*

**Central Bank Digital Currency can play important role in cross-border payment - RBI Guv:** Reserve Bank Governor Shaktikanta Das has said that the Central Bank Digital Currency (CBDC), which is being promoted by the central bank, can play an important role in cross-border payments without much difficulty. *[The Economic Times]*



## Industrial Infrastructure, Clusters and SEZs

**PM Modi reviews progress of 8 projects worth around Rs 31,000 crore:** Prime Minister Narendra Modi on Wednesday chaired a PRAGATI meeting to review the progress of eight key projects, spread across seven states and having a cumulative worth of around Rs 31,000 crore. *[The Economic Times]*

**Govt eyeing shift to BOT as private cos show interest in roads sector - Nitin Gadkari:** The government will bid out over ₹2 lakh crore worth of road projects on the build-operate-transfer (BOT) model by March 2024, giving a renewed push to the public-private partnership in road construction. *[The Economic Times]*

**Cost overruns rise to six-month high in September, according to MoSPI data:** The estimated cost of central infrastructure projects was 21.92% higher in September than the original cost, compared with 19.08% witnessed in August. *[The Economic Times]*

**Rural road construction changes path for the first time in 8 years:** The length of rural roads constructed under the Pradhan Mantri Gram Sadak Yojana (PMGSY) has seen a turnaround for the first time in the last eight years, as it overshoot (106 per cent) the target during the first quarter (April- June) of this fiscal year. *[Business Standard]*



## Sustainable Industrialisation

**India's solar module manufacturing capacity can exceed 70 GW by 2027 - IEA:** The project pipeline of the production linked incentive (PLI) scheme, under which India is offering around \$2.5 billion for expanding solar PV module manufacturing, suggests that its domestic production capacity can surpass 70 gigawatts (GW) by 2027. *[Business Line]*

**India in line to emerge as potential global leader in battery-swapping tech:** Over the past five years, the battery-swapping technology sector has raised an impressive \$16,17,61,883 in funding underscoring the significant demand and potential within this sector. *[Business Line]*

**Corporate funding in global solar industry surges 55% in January-September - Mercom Capital:** The corporate funding in the global solar sector rose 55% to 28.9 billion during January-September 2023, mainly due to the push to meet energy transition objectives. *[The Economic Times]*

**18 per cent electricity generated in India to be solar by 2030 - IEA:** The International Energy Agency (IEA) predicted that 18 per cent of the electricity generated in India will be from solar sources by 2030, up from six per cent today. *[The Economic Times]*

**Global solar projects set to win more than \$380 billion investment this year:** Investment is increasing in the global solar energy projects, and is expected to be more than USD 380 billion this year, the International Solar Alliance (ISA) Director General Dr Ajay Mathur has said. *[The Economic Times]*

**Govt plans to register only India-made solar panels under ALMM - RK Singh:** The government is planning to register solar panels made up of only domestically manufactured cells, wafers and polysilicon under the Approved List of Models and Manufacturers in the next 3-4 years. *[The Economic Times]*

**Tata Motors sets up 2 R&D facilities on H2 fuel tech, including ICE:** Tata Motors on Monday unveiled two research and development (R&D) facilities, aimed at advancing hydrogen fuel technologies, at its Pune centre. *[Business Standard]*



## Sectoral News

**India to host the world's largest textiles event, Bharat Tex 2024:** In a momentous initiative, the Indian textile industry, in collaboration with industry bodies, is set to host "Bharat Tex 2024," heralded as the world's largest textiles event. *[The Economic Times]*

**Size of India's textile industry to double by 2030:** The market for Indian textiles and apparel manufacturers may touch \$ 350 billion mark by 2030 on the back of long-term positive outlook for the Indian economy and a strong focus on emerging areas like technical textiles, home furnishing, specialised fabrics and fashion apparels. *[Financial Express]*

**Indian carriers to operate 8 pc more weekly flights at 23,732 in winter schedule:** Indian airlines will operate a total of 23,732 flights every week during the winter schedule, which is more than 8 per cent higher than the year-ago period, amid rising air traffic demand. *[The Economic Times]*

**'Kerala aiming to be hub of Medical Value Tourism linking Ayurveda, modern medicine':** Kerala is eyeing to be the hub of Medical Value Tourism in India by combining its strength in Ayurveda and modern medicine. *[Business Line]*

**Coal PSU NLC targetting 17 GW capacity by 2030, to invest Rs 82,700 cr - CMD:** NLC India plans to invest Rs 82,700 crore by 2030 to scale up its power generation capacity capacity to 17 GW. *[The Economic Times]*

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**ISID** **Institute for Studies in Industrial Development**  
An institution of Indian Council of Social Science Research (Ministry of Education)  
4 Vasant Kunj Institutional Area, New Delhi - 110070, India



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**Team Members:** Satyaki Roy, Swati Verma, Sangeeta Ghosh, B Dhanunjai Kumar, Amitava Dey & Rakesh Gupta.  
Compiled by: Rakesh Gupta, Edited by Sangeeta Ghosh.

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