

Industry Matters

Weekly Updates

November 17, 2023



Economy, Industry and Policy

India's GDP to grow 6-7.1 pc during 2024-2026, growth prospects remain strong - S&P: India's economic growth prospects should remain strong over the medium term, with GDP expanding 6-7.1 per cent annually in fiscal years 2024-2026. *[The Economic Times]*

India a 'plus one location' as manufacturers decouple global supply chains: Rockwell Automation: Rockwell Automation, the world's largest industrial automation firm, said India's made in India initiative and production linked incentive scheme (PLI) along with rapid acceleration in building capacity for roads, rails and tunnels has put the country's growth similar to China in the 1990s. *[The Economic Times]*

Moody's retains India's GDP growth at 6.7% for 2023: In its report on Global Macro Outlook released on Thursday, it said sustained domestic demand is propelling India's economy as it maintained India's growth rate in 2023 at 6.7%. For 2024 and 2025, the agency expects India to grow at 6.1% and 6.3% respectively. *[The New Indian Express]*

WPI inflation negative for 7th straight month in October: India's Wholesale Price Index (WPI) remained in the deflationary zone for the seventh consecutive month in October, the year-on-year rate coming in at (-)0.52% as against (-)0.26% in September. *[Financial Express]*

India soon to become home to 2,000 global capability centres: The country is witnessing a huge growth in global capability centres (GCCs). Various reports project India will soon become home to 2,000 GCCs. Currently, there are over 1,500 GCCs in India, employing over 1.3 million people, which is about 25% of the direct employment generated by the country's IT sector. *[The New Indian Express]*

Industrial production slows down to 5.8% in September, from 10.3% in August: Industrial output growth rate slowed down to 5.8% in September compared to 10.3% in August, a 14-month high. The measure of factory output, indicated by the Index of Industrial Production (IIP), had registered a growth of 3.3% in September 2022. *[The New Indian Express]*

Manufacturing accelerates in Q2, likely to sustain in FY24 - Ficci: Growth in India's manufacturing growth sector accelerated in the June-September quarter (Q2) and is likely to continue for the rest of the Financial Year 2023-24 (FY24) despite developed nations slowing down. *[Business Standard]*

Retail inflation at 4.87% in October: Retail inflation reached a four-month low of 4.87% in October, primarily driven by a decrease in core and fuel inflation. *[The New Indian Express]*

Direct benefit transfers reach Rs 3.2 trillion so far in FY24; full-year transfers may touch Rs 7 trillion: The Centre has transferred of assorted subsidies and sops to the beneficiaries through the direct benefit transfer (DBT) worth about Rs 3.2 trillion so far in the current financial year. *[Financial Express]*



Foreign Investment

Outward FDI by India Inc declined 29 pc yoy to \$1.885 bn in Oct 2023: Outward foreign direct investment (OFDI), both under Automatic Route and the Approval Route, by India Inc in October 2023, declined 29 per cent year-on-year (yoy) to \$1.885 billion against \$2.661 billion in October 2022 amidst a broader fall in global FDI flows. *[Business Line]*

FPIs' investment value in Indian equities rises 15% to \$651 bn in September quarter: The value of foreign portfolio investors' holdings in domestic equities reached \$651 billion in the three months ended September 2023, which was 15% higher than the year-ago period. *[The Hindu]*

Govt looks to offload 5-10% in some public sector banks: The government is considering the divestment of 5-10% stake in public sector lenders in which it currently holds over 80% equity. *[The Economic Times]*

Global VC investments drop 5.4% as VCs remain cautious - KPMG: Venture Capital (VC) investments in India declined by around 42 per cent on a quarter-on-quarter (Q-o-Q) basis, dropping from \$3.3 billion in the second quarter (Q2) of calendar year 2023 (CY23) to \$1.9 billion in Q3CY23. *[Business Standard]*

India's FDI share gain more than others in its backyard: India's share gain of foreign direct investment (FDI) has been larger compared to competing countries in the region over the years, even though it has seen a fall in overall FDI in the financial year ended March 31, 2023 (FY23) over the previous financial year. *[Business Standard]*

Vedanta's arm sets up new unit in Saudi Arabia for copper business: Vedanta's arm Malco Energy Ltd has set up a new unit in Saudi Arabia for copper business at an investment of 1,00,000 Saudi riyals (Rs 22.19 lakh). *[Financial Express]*



Trade Policy and Competitiveness

India, 13 others of IPEF ink supply chain resilience pact to reduce dependence on China: India, the US and 12 other members of the Indo-Pacific Economic Framework (IPEF) have signed a supply chain resilience agreement that is aimed at helping reduce dependence on China. *[The Economic Times]*

Global trade ministers unite in the US for deal to cut China dependence: Trade ministers from 14 countries are poised to announce a significant development in the Indo-Pacific Economic Framework (IPEF) as they finalize agreements on two additional pillars - clean energy & infrastructure and tax & anti-corruption. *[The Economic Times]*

Russia seals deal to supply Igla anti-aircraft missiles to India and permit local production: Russia has signed a contract to supply Igla-S hand-held anti-aircraft missiles to India and allow production of the Igla there under licence. *[Business Line]*

US and EU impose countervailing duty on Indian products over RODTEP scheme: India is facing countervailing duty (CVD) actions from the United States and the European Union on at least two products due to their utilization of the Remission of Duties or Taxes on Export Products (RODTEP) scheme. *[The Economic Times]*

Tesla to double component imports from India - Piyush Goyal: Tesla Inc, the world's most valued automotive company, plans to double its component imports from India. *[The Economic Times]*

PC shipments surge in the July-Sep quarter after a long period of stagnation – IDC: Personal computer (PC) shipments surged to a record 4.5 million units during the July-September quarter of 2023 in India, recording a 14 per cent year-on-year (y-o-y) increase. *[Business Line]*

Goods exports see green shoots, rise 6.2% in October: India's merchandise exports rose 6.21% year-on-year to \$33.57 billion in October, while the trade deficit swelled to a record as imports surged, buoyed by strong consumer spending ahead of the festival season. *[The Economic Times]*

Comm min expects to issue 20,000 status holder certificates to exporters this year - DGFT: The Commerce Ministry, which automated the process for issuance of exporter status certificates, is expected to issue about 20,000 such documents by the end of this year. *[The Economic Times]*

Imports from Russia up 64 pc to USD 36.27 bn in Apr-Oct: India's imports from Russia rose 64 per cent to USD 36.27 billion during the April-October period this fiscal on higher shipments of crude oil and fertiliser. *[The Economic Times]*



Corporate Governance

CSR funding getting pro-climate, one small step at a time: Long focused on health, sanitation and education, corporate social responsibility (CSR) spending is now taking a serious turn toward environment protection. *[Financial Express]*

Tata 1mg overtakes PharmEasy as leaders in India's e-pharmacy market: Tata 1mg has overtaken PharmEasy to become the leader in India's e-pharmacy market based on gross merchandise value (GMV). *[Business Standard]*

PTC India to be debt free post divestment of PTC Energy to ONGC - CMD Rajib K Mishra: Power trading solution provider PTC India would soon achieve a debt-free status following the divestment of its arm, PTC Energy, to ONGC for an enterprise value of Rs 2,021 crore. *[Financial Express]*

Cipla concludes 51.18% stake sale in Ugandan subsidiary for \$25 million: Cipla on Wednesday announced that it has completed the sale of its 51.18 per cent stake in Cipla Quality Chemical Industries Uganda (CQCIL) for a final consideration amount of \$25 million. *[Business Standard]*

Deals fall 41% to \$2.16 billion in October; Middle East conflict can impact activity: Deal activity in October declined by 41 per cent to USD 2.156 billion against USD 3.651 billion in September this year. *[The Economic Times]*

Demerged CPSE companies can use parent's name for five years: The demerged entities of central public sector enterprises will be able to use the name of the parent for at least five years from the date of demerger. *[The Economic Times]*

TVS Motor joins hands with Emil Frey group to foray into European market: TVS Motor Company on Thursday announced its foray into the European market by forging an alliance with Zurich-based Emil Frey Group. *[The Economic Times]*

IL&FS Transportation sells entire equity in Jorabat-Shillong Expressway for Rs 1,343 cr: IL&FS Transportation Networks on Thursday said it has sold the entire equity stake it held in Jorabat Shillong Expressway Ltd (JSEL) to Sekura Roads for Rs 1,343 crore. *[The Economic Times]*

SRF plans to make India hub for chemicals: SRF Ltd., the Gurgaon-based chemical manufacturer, is working on ways to bolster local supply chains of chemicals to reduce India's reliance on Chinese imports amid robust economic growth. *[Mint]*



MSMEs and Start-ups

Expect to see 10,000 deep tech Indian startups by 2030 - Nasscom's Narayanan: The Indian deep tech startup ecosystem has come of age with over 3,000 companies that have grown at 53 per cent CAGR over the last 10 years. *[Business Standard]*

SIDBI partners with J&K govt to accelerate MSME cluster infrastructure development in UT: MSME lender Small Industries Development Bank of India (SIDBI) has signed an agreement with the Union Territory of Jammu & Kashmir (J&K) for SIDBI Cluster Development Fund (SCDF) to accelerate MSME cluster infrastructure development in the region. *[Financial Express]*



Employment and Industrial Relations

8.15% Interest for EPFO subscribers 'in pipeline', to be credited 'shortly': The Employees' Provident Fund Organisation (EPFO) has started the process of crediting interest to provident fund (PF) accounts for the financial year 2022-23. *[Business Standard]*

India's labour market undergoing structural transformation, latest survey data misinterpreted - SBI Research: India's labour market is undergoing a deep structural transformation with self-entrepreneurship across all echelons and higher education emerging as key enablers. *[The Economic Times]*

Employees' State Insurance adds 18.88 lakh new members in Sep: Employees' State Insurance Corporation (ESIC) has added 18.88 lakh new workers under the ESI Scheme in September, as per the latest payroll data. *[The Economic Times]*



Industrial Finance

Bad loan provisioning of PSU banks fall in Q2 amid improving asset quality: The PSU banks continued to show a sustained improvement in the September quarter. At the aggregate level, the provisioning for bad loans or loan loss provisioning for the 12 listed PSU banks fell to Rs 16,552 crore compared with Rs 16,875 crore in the previous quarter and Rs 18,138 crore in the year-ago quarter. *[The Economic Times]*

NBFC assets to grow 25-30 pc in FY24 and FY25; unsecured loans need monitoring - Icra: Non-bank lenders are set to report growth of 25-30 per cent in their Assets Under Management (AUMs) in FY24 and FY25. *[The Economic Times]*



Technology and Innovation

India's semiconductor sector provides huge business opportunities to Micron - Piyush Goyal: US-based semiconductor company Micron is setting up India's first chip facility in Gujarat, which will create 5,000 direct and 15,000 indirect jobs in the coming years. *[Financial Express]*

Only 26% of organisations in India are prepared to deploy AI - Cisco: Only 26 per cent of organisations in India are fully prepared to deploy and leverage artificial intelligence (AI)-powered technologies. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

417 Infrastructure projects in peril as Rs 4.77 lakh crore cost overruns: In a concerning revelation, as many as 417 major infrastructure projects, each with an investment of Rs 150 crore or more, have encountered cost overruns totaling more than Rs 4.77 lakh crore in September this year. *[Financial Express]*

Awarding of highways halved over a year, MoRTH expresses concern to Cabinet: In its monthly report to the Cabinet, the ministry said awarding national highway projects between April and October had been 2,595 km as against 5,007 km during the same period last year — a dip of 48 per cent. *[Business Standard]*

JSW Infra wins bid to develop Keni Port with an investment of ₹4,119 crore: JSW Infrastructure has won the bid to develop Keni Port in Karnataka with a projected investment of ₹4,119 crore. *[Business Line]*



Sustainable Industrialisation

Asian Development Bank commits \$400 million to India's sustainable urban development: The central government on Monday signed a USD 400 million policy-based loan with the Manila-based Asian Development Bank (ADB) to support its urban reform agenda to create high-quality urban infrastructure, improve service delivery, and promote efficient governance systems. *[Business Line]*

India looking at record high solar capacity addition at 17 GW this year: India is expected to add 16 gigawatt (GW) to 17 GW solar capacity by the end of this financial year and has 'undoubtedly' seen highest capacities being added to its solar power installed base last year. *[The Economic Times]*

SJVN inks pact with Solar Energy Corporation to supply 200 mw wind power: State-owned power producer SJVN Ltd on Thursday said it has signed a pact with Solar Energy Corporation of India to supply 200 MW of wind power. *[The Economic Times]*

Indian government could offer Tesla 5-year tax cut: India is considering tax cuts on the imports of completely-built units of electric vehicles, for a period of up to five years, as it tries to entice the likes of Tesla Inc. to sell and eventually make its cars in the country. *[Financial Express]*



Sectoral News

Govt may tweak textile PLI scheme to attract more private players: After a lukewarm response from private players, the government is set to make the production-linked incentive (PLI) scheme for textiles more attractive by offering greater flexibility under it. [*Business Standard*]

Foreign airlines see India's potential as global aviation hub for APAC: International airlines are recognising India's potential to become an aviation hub, connecting Asia Pacific to Africa and West Asia. [*Business Standard*]

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

Follow us at



Disclaimer: *Industry Matters* is a weekly news update on Indian economy, industry, and policy compiled at ISID from various newspapers and e-resources. ISID does not guarantee the truthfulness, accuracy, or validity of the news items linked in the above message. It is shared for informational and educational purposes to facilitate and support research and information on Indian industry. It is not a commercial product and all copyrights remain with those of the respective copyright holders. Images are sourced from the web.

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

Compiled by: Rakesh Gupta, Edited by Sangeeta Ghosh.

To unsubscribe please [click here](#)