

# Industry Matters

Weekly Updates

November 24, 2023



## Economy, Industry and Policy

**India's GDP growth to rise to 6.5% in FY25 - Goldman Sachs:** India's real GDP growth will rise to 6.5% in 2024-25 from an estimated 6.2% in 2023-24, aided by the government's pre-election spending in the first half of 2024 and private investment in the later half. *[Financial Express]*

**Ministry of Heavy Industries advocates high-tech localisation for global competitiveness:** Union Minister of Heavy Industries Mahendra Nath Pandey emphasised the need for advanced localization to transform India into a global supplier at a pivotal discussion 'From Local to Global India - Manufacturing to Self-Reliance'. *[The Economic Times]*

**New policy to boost EV charger manufacturing in India:** The Ministry of Heavy Industries (MHI) has released a new phased manufacturing program (PMP) for electric vehicle (EV) charger parts to support the FAME India Scheme Phase-II, aimed at boosting domestic manufacturing. *[The Economic Times]*

**Ministry of Heavy Industries advocates high-tech localisation for global competitiveness:** Union Minister of Heavy Industries Mahendra Nath Pandey emphasised the need for advanced localization to transform India into a global supplier at a pivotal discussion 'From Local to Global India - Manufacturing to Self-Reliance'. *[The Economic Times]*

**Rural retail inflation higher than urban in 18 of the past 22 months:** At a time when the central government has extended the free-food programme and rural demand has remained depressed, rural inflation was higher than its urban equivalent in 18 of the 22 months from January 2022 to October 2023. *[Business Standard]*

**Capex engines to fire on all cylinders:** India's public capital expenditure (capex) blitz will continue at full throttle even as some departments look poised to exhaust their budgets. *[Mint]*

**Shipping Ministry likely to delay ₹11,000-cr container-making PLI amid excess global supply:** India's Shipping Ministry is likely to delay the launch of its ₹11,000 crore PLI scheme for container making given changed market conditions and glut in supply. *[Business Line]*

**Entrepreneurs are returning from Europe-US to be part of India's growth story - Ex-NASSCOM chairman:** More and more Indian entrepreneurs from Europe and the United States are heading back to India where the economy is growing and opportunities are large. *[The Economic Times]*



## Foreign Investment

**Global woes pull net foreign direct investment down 77% in H1:** Net foreign direct investment (FDI) in India, inflows minus outflows, declined sharply in April-September 2023 to \$4.5 billion from \$19.6 billion in the same period last year, due to a moderation in global investment activities and a rise in repatriation. *[Business Standard]*

**Sellers seek FDI in inventory-based model of e-commerce for exports:** Director General of Foreign Trade (DGFT) Santosh Kumar Sarangi on Friday said that the e-commerce industry has suggested the government to allow FDI in inventory-based model of online trade for export purposes only. *[The Economic Times]*

**FDI equity inflows dip 24 per cent to USD 20.48 billion in Apr-Sep 2023:** Foreign direct investment (FDI) equity inflows in India declined 24 per cent to USD 20.48 billion in April-September 2023, dragged by lower inflows in computer hardware and software, telecom, auto and pharma. *[Financial Express]*

**FDI shrinks 7.8% in second quarter of FY24:** The total FDI, which includes equity inflows, reinvested earnings and other capita, into India declined 7.8% on-year to \$15.3 billion during second quarter of this fiscal year from \$16.6 billion a year ago. *[The Economic Times]*



## Trade Policy and Competitiveness

**IPEF's supply chain pact has no impact on policy space to impose export curbs, duties:** The supply chain resilience agreement signed by the 14-member grouping IPEF, which also includes India and the US, will have no impact on the country's policy space or rights to impose export restrictions and changing customs duties on any product. *[The Economic Times]*

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

**Laptop, tablet imports surge 42% to \$715 million amid licensing fears:** India's import of personal computers, including laptops and tablets, shot up in September by 42 per cent to \$715 million, reversing a year-long downward trend after the government announced it would impose import restrictions on such electronic hardware items in August. *[Business Standard]*

**Netherlands to Saudi Arabia - India's key export hubs witness high growth:** India's exports to countries such as the Netherlands, Saudi Arabia, Brazil, and Indonesia have witnessed consistent growth during the past five years (2018-19 through 2022-23) and are set to emerge as major growth destinations for the country's outbound shipments. *[Business Standard]*

**India-Australia discuss strategic partnership in critical minerals, trade & investments:** India and Australia on Monday held a 2+2 Ministerial Dialogue to step up defence cooperation and deepen the strategic partnership in sectors such as critical minerals and trade and investment. *[The Economic Times]*

**Prolonged regulatory approval processes in UK impact India's medical devices exports to Britain - GTRI:** Prolonged regulatory approval processes in the UK impact India's exports of medical devices to the British market. *[The Economic Times]*

**New FTAs, lower cost of power and logistics to help boost exports - PHDCCI:** Measures like comprehensive trade pacts, reduction in cost of capital, power, and land reforms will help boost India's exports of goods and services to USD 2 trillion by 2030. *[The Economic Times]*

**Indian e-commerce exports should touch \$200 billion in next 6-7 years - DGFT:** India's e-commerce ecosystem is about to explode in the near future as exports may touch \$200 billion during the next six-seven years from the current \$1.2 billion. *[Business Standard]*

**Amazon eyes \$20 bln exports by 2025 from India:** Amazon is targeting merchandise exports worth \$20 billion from India by 2025 by adding thousands of small sellers to its e-commerce platform. *[The Economic Times]*

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

**India's gem, jewellery exports decline 11.49% to Rs 22,873 cr in October:** India's gems and jewellery exports fell by 11.49% in October, reaching Rs 22,873.19 crore. Cut and Polished Diamonds exports fell by 32.70% to Rs 10,495.06 crore, while polished Lab Grown Diamonds exports dropped by 23.01% to Rs 1,135.16 crore. *[The Economic Times]*



## Corporate Governance

**Nike, Carrier have a problem as India rubBISHes China factories' quality certification applications:** The government is going slow in giving quality certification to factories in China for products coming under quality control orders (QCOs), increasing pressure on companies to curb imports from China and opt for domestic production. *[The Economic Times]*

**Toyota Kirloskar Motor's Rs 3,300 crore new plant to come up in Karnataka, will add 1 lakh unit capacity:** The Karnataka government has signed a Memorandum of Understanding (MoU) with Toyota Kirloskar Motor (TKM), the Indian subsidiary of Japan's Toyota Motor Corporation for further expansion of its car manufacturing facility at Bidadi in Karnataka. *[Financial Express]*

**Dabur plans to open manufacturing unit in South India; portfolio expansion in the offing:** Leading FMCG and ayurvedic products maker Dabur is planning to set up a new factory in South India in less than a year's time, as its business scales in the region. *[The Economic Times]*

**Apple looks to hit ₹1 lakh crore production milestone in FY24:** Apple is targeting production of nearly 1 lakh crore worth of iPhones in India this fiscal ending March 2024, having ramped up capacity at its manufacturing partners and achieved over ₹60,000-crore production in the first seven months. *[The Economic Times]*



## MSMEs and Start-ups

**DGFT, Amazon ink MoU to promote MSMEs' ecommerce exports:** The commerce and industry ministry on Thursday inked a Memorandum of Understanding with e-commerce major Amazon to provide training to micro, small and medium enterprises (MSME) in 20 identified districts to promote exports through e-commerce. *[The Economic Times]*

**Transforming the Indian economy - Power of digital lending for MSMEs:** Micro, small, and medium enterprises (MSMEs) are the lifeblood of the Indian economy, contributing over 30% of the GDP and offering employment to more than 100 million people. *[Financial Express]*



## Employment and Industrial Relations

**Private sector's default on PF dues has risen by almost 10% in last 5 yrs - EPFO:** The private sector's default on provident fund deposits with the Employees' Provident Fund Organisation (EPFO) has risen by almost 10% over the last five years. *[The Economic Times]*

**EPFO adds 17.21 lakh net members in September:** Retirement fund body EPFO recorded a net addition of 17.21 lakh members in September, according to payroll data released on Monday. Month-on-month comparison of payroll data shows an increase of 21,475 net members over August 2023. *[Financial Express]*

**EPFO disburses Rs 48,000 crore Covid advance to over 22 million subscribers in 3 years:** Over 22 million subscribers or more than one-third of the total subscribers of the Employees' Provident Fund Organisation benefited from Covid advance from their retirement savings in the three fiscal years starting from 2020-21 amounting to Rs 48,075.75 crore. *[The Economic Times]*

**Funding demand for rural employment guarantee scheme almost doubles:** The rural development ministry has sought ₹1.1 lakh crore for the rural employment guarantee scheme for the next fiscal, almost double the ₹60,000 crore budgeted for the current financial year. *[The Economic Times]*

**New rules of NPS - Should you opt for systematic lump sum withdrawal?:** The Pension Fund Regulatory and Development Authority (PFRDA) has allowed National Pension System (NPS) subscribers to withdraw up to 60 per cent of their pension corpus, periodically through the Systematic Lump Sum Withdrawal ("SLW") service. *[Business Standard]*

**Gender pay gap widens as women go up the tech ladder:** Much like the underrepresentation of women in the technology sector, the pay gap between men and women employees in the industry widens with ascension up the corporate ladder. *[The Economic Times]*



## Industrial Finance

**RBI's tightening of lending norms for unsecured loans is credit positive - Moody's:** The Reserve Bank of India's (RBI) recent move to tighten the risk weights on unsecured personal loans and credit cards by banks and non-bank finance companies (NBFCs) is credit positive because lenders will need to allocate higher capitals, which will improve their loss-absorbing buffers. *[The Indian Express]*

**Medium & small NBFCs may require debt funding worth Rs 2.2 trn - ICRA:** Credit rating agency ICRA projected the debt funding for Medium & Small Non-Banking Financial Companies (NBFCs) to be at Rs 2.2 trillion over the next two years, i.e., by the financial years 2024 and 2025, due to high growth and limited fundraise expected by most of the entities. *[Business Standard]*

**Fintechs may witness slowdown in loan disbursements:** Fintechs may witness a slowdown in loan disbursements as the cost of customer acquisition will rise as a result of the recent Reserve Bank of India (RBI) norms on consumer loans and bank credit to non-bank lenders. *[Financial Express]*

**PE/VC investments decline to USD 3.4 billion in Oct:** Investments by Private Equity and Venture Capital (PE/VC) funds have declined to USD 3.4 billion for October, a report said on Tuesday. By value, the bets were 3 per cent lower than USD 3.5 billion in the year-ago period, and 19 per cent lower than USD 4.2 billion in September. *[The Economic Times]*

**Bank loans to grow at 13-13.5% in FY24 - CareEdge:** Bank credit offtake is expected to grow at 13-13.5% in 2023-24 (April-March), aided by an expansion in the overall economy and a strong demand for loans. *[Financial Express]*



## Technology and Innovation

**India set for revolutionary leap in IT hardware manufacturing - MAIT on approval to 27 cos under PLI scheme:** As 27 companies received approval under production-linked incentive (PLI) scheme for IT hardware, industry body MAIT said that India is poised for a revolutionary leap in IT hardware manufacturing. *[The Economic Times]*

**Blue Dart introduces automated digital parcel lockers with India Post:** Blue Dart Express Limited, the express air integrated transportation and distribution logistics company, has introduced digital parcel lockers at selected post offices in partnership with India Post. *[Business Standard]*



## Industrial Infrastructure, Clusters and SEZs

**Steel, civil aviation among 11 ministries discuss ways to improve India's logistics performance index ranking:** The government on Saturday said that 11 ministries and departments, including commerce and industry, steel, and railways held deliberations on measures taken and action plans needed to improve the country's Logistics Performance Index (LPI) ranking. *[The Economic Times]*

**Reliance Industries to invest additional Rs 20,000 cr in Bengal in 3 years - Mukesh Ambani:** Reliance Industries chairman and MD Mukesh Ambani on Tuesday announced an additional Rs 20,000-crore investment for West Bengal over the next three years. *[Financial Express]*

**Cost overruns decline below 18% mark for the first time in nearly four years: MoSPI:** The proportion of cost overruns in government infrastructure projects declined below the 18% mark for the first time in nearly four years. *[The Economic Times]*

**Pace of NH construction at 20.78 km/day in April-October FY24:** The pace of national highway construction in the country stood at 20.78 kilometre a day during the first seven months of the current financial year. *[The Economic Times]*

**CONCOR ties up Indraprastha Gas to explore possibility of LNG/LCNG infra at terminals:** Railway PSU Container Corporation of India Ltd has signed an agreement with Indraprastha Gas Ltd to explore the possibility of setting up LNG or LCNG infrastructure at its terminals in Uttar Pradesh and Gujarat. *[The Economic Times]*





## Sustainable Industrialisation

**India to become world's second-largest solar module producer by 2025 - Wood Mackenzie :** India is set to emerge as the second-largest producer of solar modules by 2025, surpassing Southeast Asia, and is expected to cater mainly to the US demand. *[The Economic Times]*

**China-Plus-One strategy powers up India's exports of solar modules:** Exports of solar modules from India are on a rise, gaining from the China Plus-One strategy which opened opportunities for large Indian players, and the industry experts are hopeful that the trend will continue to be a part of the policy for most manufacturers. *[Business Standard]*

**A corridor to power - The project that will speed up India and boost its economy:** A new feat in India's infrastructural journey can change many things, from improving power supply to cutting fossil-fuel consumption to decongesting highways to bringing efficiencies and lowering costs in India's logistics sector. *[The Economic Times]*

**Slowdown in solar installations, but industry expects uptick:** Solar installations have slowed down in April–October 2023, to 5,238 MW, compared with 7,628 MW in the corresponding 7-month period of 2022. *[Business Line]*

**Bill Gates-backed startup to use old wood to remove carbon from the air:** A startup backed and incubated by Bill Gates' Breakthrough Energy Ventures has engineered a hybrid technology that combines engineering with natural photosynthesis processes to remove carbon dioxide from the atmosphere and store it underground. *[The Economic Times]*

**Made-in-India Tesla inches closer: Agreement with Musk's co to import EVs in works:** India is closing in on an agreement with Tesla Inc. that would allow the US automaker to ship its electric cars to the country from next year and set up a factory within two years. *[The Economic Times]*

**India's renewable sector won't grow without a battery management system:** There is no doubt that India is betting heavily on renewable energy, given that the tropical country receives 2,856 hours of sunlight a year. *[The Economic Times]*



## Sectoral News

**PLI scheme 2.0: Dixon Technologies commits output worth Rs 45K crore:** Dixon Technologies, the country's largest home-grown electronics manufacturing services (EMS) player, has committed a cumulative production value of Rs 48,000 crore in six years and has been declared eligible under the reworked production-linked incentive (PLI) scheme for IT products. *[Business Standard]*

**Boult set to cut supply chain dependence on China:** Bootstrapped domestic wearables brand Boult expects dependence on the Chinese supply chain is set to decline sharply as component manufacturing picks up pace in India, with local value addition around 15% compared with zero in early 2022. *[The Economic Times]*

**Domestic power demand to grow by 7 pc in FY24 - Fitch:** The domestic power demand is expected to rise 7 per cent year-on-year in 2023-24, driven by robust industrial activity. *[The Economic Times]*

**Demand for workspaces eases on global downturn; shift to office holds hope:** The net leasing of Grade-A commercial office space in India will stagnate this financial year at 32-34 million square feet, with global uncertainties brewing caution among key tenant categories. *[Business Standard]*

**India-Australia cooperation for air-to-air refueling in advanced stage of discussion:** In a fillip to their existing defence relationship, the Defence Ministers of India and Australia on Monday discussed cooperation for air-to-air refueling of their aircraft. *[The New Indian Express]*

**India's pharma industry has far to go to account for 20% of manufacturing sector:** Known as the pharmacy of the world, India's pharmaceutical sector needs to be 3-4 times the existing size to be 20% of the manufacturing sector. *[The Economic Times]*

**Indian med-tech & pharma industry to be valued at \$200 b by 2030 - Pharma Secy Arunish Chawla:** Indian drugs, pharma and med-tech industry is expected to touch \$200 billion by 2030, three to four times the current size. *[Business Line]*

**Rising cost of imported coal may impact power tariffs:** Global coal prices, which were trading at a lower range in the first half of the current financial year, are likely to see a spurt in the second half, likely having an impact on domestic e-auction prices of the fuel as well. *[Financial Express]*

**Thailand to Sri Lanka - 7 countries Indians can visit without a visa; know the travel requirements:** Several countries facilitate a straightforward entry process for Indian citizens, opening up avenues for exploration and leisure. *[Financial Express]*

**Infrastructure that India needs to become an apparel export powerhouse:** It's no secret that India has once again set itself an ambitious goal to achieve, the nation is gearing up to acclaim the goal of \$50 billion in exports by 2030, poised to become the global Apparel export powerhouse. *[Financial Express]*

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