

Industry Matters

Weekly Updates

December 01, 2023



Economy, Industry and Policy

India's GDP expands 7.6% in Q2; manufacturing, construction lead the charge: India's gross domestic product (GDP) grew at 7.6 per cent in the September quarter of 2023-24, outperforming expectations by a wide margin as manufacturing and construction activities expanded by double digits. *[Business Standard]*

'China slows, India grows': S&P pegs 7% GDP growth for India by 2026: S&P Global Ratings forecasts India's GDP to reach 7% by 2026, surpassing China's expected 4.6% growth. *[The Economic Times]*

Growth slows down in three of five advanced economies; US, UK exceptions: Three of the five advanced economies in the world have reported a slowdown in their gross domestic product (GDP) for the July-September quarter. *[Business Standard]*

Govt to launch first-ever auction of critical mineral blocks on Wednesday: The Ministry of Mines is set to launch the first ever tranche auction of critical and strategic minerals on Wednesday. Union Minister of Coal, Mines and Parliamentary Affairs Pralhad Joshi will inaugurate the process of auctioning 20 blocks of critical and strategic minerals. *[Business Standard]*

India needs to position itself as global mfg hub as China witnessing repeated outbreaks - GTRI: With China witnessing repeated outbreaks of respiratory ailments, India can position itself as a global manufacturing hub by enhancing its supply chain capabilities and investing in healthcare infrastructure. *[The Economic Times]*

In 7 months, India's fiscal deficit hits 45 per cent of FY24 target: India's fiscal deficit for the first seven months of the current financial year touched 45% of the full-year budget estimate, marginally lower than the 45.6% deficit recorded in the year-ago period. *[The Economic Times]*

All-India House Price Index moderates to 3.4 per cent in Q2FY24 - RBI data: The all-India House Price Index (HPI) moderated to 3.4 per cent in the July-September quarter of 2023-24 from 4.5 per cent in the year-ago period. *[The Economic Times]*

India's subsidies may cost the govt Rs 50,000 cr more than its FY24 Budget: India's overall subsidy bill may surge by Rs 50,000 crore this fiscal year because of increased expenditure on fertiliser, cooking gas and food security. *[Business Standard]*

India needs to position itself as global manufacturing hub as China witnessing repeated outbreaks - GTRI: With China witnessing repeated outbreaks of respiratory ailments, India can position itself as a global manufacturing hub by enhancing its supply chain capabilities and investing in healthcare infrastructure. *[Financial Express]*

India's core sector output grew by 12.1% in October on low base effect: India's core sector output, that measures production by eight industries, grew 12.1 per cent in October compared to the same time last year, the government said on Thursday. *[Business Standard]*

Retail inflation for industrial workers eases to 4.45 per cent in October: Retail inflation for industrial workers eased to 4.45 per cent in October from 4.72 per cent in September mainly due to lower prices of certain food items. *[The Economic Times]*

Free foodgrain scheme gets five-year extension; to cost Rs 11.8 lakh cr: The Union Cabinet on Wednesday approved extension of the PM Garib Kalyan Anna Yojana (PMGKAY) for another five years from January 1, 2024. The scheme was last extended till December 31, 2023. *[The Economic Times]*

18 largest states to spend 18-20% more on capex - Crisil: State governments' capex outlay to rise upto 18% this year without impacting deficit that will be funded by healthy GST collections, devolution from centre and interest free loans. *[The Economic Times]*

India performing better than many developed nations on SDGs - Bibek Debroy: India has been performing relatively well as compared to many developed nations with regards to achieving Sustainable Development Goals (SDGs). *[The Economic Times]*

GDP numbers suggest private capex gaining steam - experts: The second quarter GDP numbers driven by a strong rebound in the manufacturing sector suggest that private capex spending is gaining steam. *[The Economic Times]*



Foreign Investment

US chipmaker AMD opens its largest global design centre in Bengaluru: US chipmaker AMD on Tuesday inaugurated its largest global design centre in Bengaluru, expanding its research, development, and engineering operations in India. *[Financial Express]*

iPhone maker Hon Hai plans \$1.6 billion in India expansion bid: iPhone maker Hon Hai Precision Industry Co. plans to expand its footprint in India with another NT\$50 billion (\$1.6 billion) investment for construction projects. *[The Economic Times]*

FPIs investment in debt market hits 2-yr high at Rs 12,400 cr in Nov: Foreign Portfolio Investors (FPIs) have infused about Rs 12,400 crore into the Indian debt markets in November so far, making it the highest inflow in more than two years. *[Financial Express]*

India set to miss divestment targets yet again, this time by more than half: India will struggle to raise even half the proceeds it had targeted from planned sales of state-run firms this year and will miss divestment targets for the fifth straight year. *[The Economic Times]*



Trade Policy and Competitiveness

India's pharma exports likely to touch \$28 billion in FY24 - Pharmexcil: Owing to drug shortages in the US and Europe and revival in demand in Africa, pharmaceutical exports from India are likely to touch \$28 billion in 2023-24, registering 10.2 per cent growth. *[Business Standard]*

Jaishankar highlights broadening partnership at 6th India-Japan Indo-Pacific Forum: External Affairs Minister S. Jaishankar, speaking at the 6th India-Japan Indo-Pacific Forum, recently highlighted the steadily broadening India-Japan partnership in recent years. *[The Economic Times]*

Electronics exports jump 28% to \$15.48 billion during April-Oct: Electronics exports during the April-October period of the current fiscal grew by 27.7% to \$15.48 billion, data sourced from government and industry showed. It stood at \$12.1 billion in the same period last fiscal. *[Financial Express]*

Commerce ministry working to remove trade barriers, boost exports in sub-Saharan Africa, Gulf nations: The commerce ministry is working to address issues related to non-tariff barriers and market access for domestic products in sub-Saharan African countries like Nigeria, Ethiopia, Ghana and Gulf nations to boost India's exports. *[The Economic Times]*

Manmade fibre textiles exports to rise 75% by 2030 - Textile industry: Buoyed by the Production Linked Incentive (PLI) scheme and free trade agreements with the UAE and Australia, the industry expects India's exports of manmade fibre (MMF) textiles to increase 75% to \$11.4 billion in 2030 from around \$6.5 billion in 2021-22. *[The Economic Times]*

India will become significant component exporter in next 3-4 years - Ashwini Vaishnaw: Electronic components ecosystem is developing in the country and India will become a significant component exporter in the next 3-4 years. *[The Economic Times]*

India-EU sign MoU on semiconductors: India and EU on Friday signed Memorandum of Understanding (MoU) on semi-conductors to build robust supply chains. *[The Economic Times]*

Govt needs to reduce import duties on inputs, capital goods to lessen need for export schemes - GTRI: Reducing import duties on inputs and capital goods could help the government cut down the need for many of the existing export schemes. *[The Economic Times]*



Corporate Governance

PCBL to acquire Pune-based Aquapharm Chemicals for Rs 3,800 crore: The RP-Sanjiv Goenka (RPSG) Group's PCBL (formerly Phillips Carbon Black) has approved the acquisition of Pune-based specialty chemicals company, Aquapharm Chemicals (ACPL), for Rs 3,800 crore. *[Business Standard]*

Netweb Technologies partners with Nvidia to boost AI infra in India: Faridabad-based Netweb Technologies on Tuesday announced that it is partnering with American chip giant Nvidia to boost artificial intelligence (AI) infra in India and make high-end computing applications. *[Business Standard]*

JSW Group partners SAIC Motor to acquire 35% stake in MG Motor India: Sajjan Jindal-led JSW Group has entered into a joint venture with Chinese automotive major SAIC Motor to pick up 35 percent stake in MG Motor India. *[Financial Express]*

Aster DM Healthcare to sell Gulf business to Alpha GCC for \$1.01 billion: Hospital and pharmacy operator Aster DM Healthcare has inked an agreement to sell the stake in its Gulf business to the newly-formed company Alpha GCC Holdings for \$1.01 billion. *[Financial Express]*

Foot Locker signs agreement with Metro Brands and Nykaa fashion for India entry: American sportswear and footwear retailer Foot Locker has signed a long-term licensing agreement with Metro Brands Limited and Nykaa fashion for its India entry. *[The Economic Times]*

LIC exploring possibility of setting up fintech arm - Chairman: As part of its digital transformation exercise, insurance behemoth Life Insurance Corporation (LIC) is exploring the possibility of setting up a fintech unit. *[The Economic Times]*

UltraTech to buy Kesoram Industries' cement business in all-stock deal: Industrialist Kumar Mangalam Birla is set to take over the cement business of Kesoram Industries, a prized asset in the business empire of his grandfather, late B K Birla. *[Business Standard]*



MSMEs and Start-ups

BITS Pilani, Aditya Birla Capital Foundation collaborate with NITI Aayog to support women start-ups in India: BITS Pilani's technology business incubator, Pilani Innovation and Entrepreneurship Development Society (PIEDS), has launched a start-up programme, 'Womenpreneur for Bharat 1.0,' in association with the Women Entrepreneurship Platform (WEP), incubated within NITI Aayog and supported by Aditya Birla Capital Foundation. *[Financial Express]*

VC funding in Indian startups drops by 67.1% to \$6.3 billion during Jan-Oct 2023 - GlobalData: A total of 920 venture capital (VC) funding deals were announced in India during January-October 2023, registering a decline of 38.6 per cent in comparison to the 1499 VC deals announced during the January-October 2022. *[Financial Express]*

Process afoot to capture MSME trade data: India has begun a process to capture the country-wise and commodity-wise trade done by micro, small and medium enterprises (MSME) to have real time data of their exports and imports. *[The Economic Times]*



Employment and Industrial Relations

Salary hike, 5-day work week for PSB employees by mid-December: Employees at public sector banks (PSBs) may see a 15-20 per cent hike in salaries and implementation of a five-day work week by mid-December as the 12th bipartite settlement talks between bank unions and associations and the Indian Banks' Association (IBA) have entered final stages. *[Business Standard]*

Indian banks set a decadal record with 123,000 hirings in FY23: Indian banks witnessed their highest hiring numbers in a decade in FY23, and the trend is expected to continue in FY24, with top banking sector officials expecting a surge in headcount growth. *[The Economic Times]*

Govt to make unique identifier mandatory for construction workers - Labour Secy: The government on Wednesday said it will make a unique identifier mandatory for all building and construction workers across the country to ensure that migrant workers' rights are protected. *[The Economic Times]*

Female labour force participation rises to 24%; unemployment declines below 9%: The position of women in the urban job market improved further in the second quarter of FY24, with the female labour force participation rate rising to 24% compared with 23.2% in the previous quarter and 21.7% in Q2FY23. *[The Economic Times]*

Mobile phone PLI has created 500k incremental jobs - Ashwini Vaishnaw: The government's production-linked incentive (PLI) scheme has led to incremental job creation of 500,000 in the mobile phone industry. *[Business Standard]*

Urban unemployment rate falls to 6.6% in Q3 - NSSO: The unemployment rate in urban areas of India has declined to 6.6 per cent in the July-September quarter this year from 7.2 per cent in the previous year. *[Financial Express]*



Industrial Finance

Credit to industry decelerates to 5.4 pc in Oct - RBI data: Bank credit to industry decelerated to 5.4 per cent in October compared to 13.5 per cent in the year-ago month. The data also revealed that credit growth to agriculture and allied activities improved to 17.5 per cent (year-on-year) in October 2023 from 13.8 per cent a year ago. *[The Economic Times]*

REC approves increase in borrowing to Rs 1.5 trillion: State-owned REC has approved a proposal to increase the borrowing to Rs 1.5 trillion from Rs 1.2 trillion for the financial year 2023-24. *[Financial Express]*

BFSI forms larger pie of corporate profits in India than US, Europe: The global banking, financial services, and insurance (BFSI) industry over the past year has seen a significant increase in revenues and net profits. *[Business Standard]*

Govt blocks 7 million mobile numbers for financial frauds - DFS secretary: Tightening the noose around people involved in financial frauds, India has blocked 7 million mobile numbers due to suspicious activity. *[Financial Express]*

Unsecured personal loans jumped 4-fold to Rs 13.3 lakh cr from FY17 to FY23: Unsecured personal loans jumped more than four-fold to Rs 13.32 lakh crore as of March 2023 from Rs 4.26 lakh crore in March 2017. *[The Economic Times]*

Asian Development Bank unleashes \$170 million wave to transform Kochi's water landscape: In a significant development, the Asian Development Bank (ADB) has given the nod to a USD 170 million loan aimed at modernizing water supply services in Kochi, a bustling city in the southern Indian state of Kerala. *[The Economic Times]*

ADB approves \$500 mn loan for medical infrastructure in Maharashtra: The Asian Development Bank (ADB) has approved a loan package worth USD 500 million to improve access to quality and affordable tertiary health care and medical education in Maharashtra. *[The Economic Times]*



Technology and Innovation

99% mobile phones made in India today - Vaishnav: Over 99% of mobile phones used in the country today are manufactured locally, while the mobile manufacturing industry has crossed \$44 billion in value. *[Financial Express]*

Expect three semiconductor manufacturing proposals soon - Vaishnav: The government expects around three proposals from the industry for setting up semiconductor fabrication units worth \$8-12 billion in the next couple of months. *[Financial Express]*

E-commerce volumes spiked 23% during Black Friday sales - Unicommerce: Black Friday, an American retail tradition, has firmly cemented its place in the Indian market as a major e-commerce sales event. Consumers are extending their post-Diwali shopping spree to benefit from Black Friday and related sales like Cyber Monday. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

Coca Cola to invest Rs 1,387 cr for new plant in Maharashtra: Global soft drink major Coca Cola on Thursday announced a Rs 1,387 crore investment for a new manufacturing facility in Maharashtra's Ratnagiri district. *[The Economic Times]*

Capex outlay for highway sector to rise 25% to Rs 3.2 trillion in FY 25: The capital expenditure outlay for the Ministry of Road Transport and Highways (MoRTH) is likely to increase 25% on year in the next financial year to Rs 3.2 trillion. *[Financial Express]*

India needs additional 2.4 mn hospital beds for recommended ratio: India needs an additional 2.4 million (24 lakh) hospital beds to reach the recommended ratio of 3 beds per 1,000 people, fuelling the demand for healthcare-related real estate space. *[Business Standard]*



Sustainable Industrialisation

Solar capacity installations in India fall 47 pc to 5.6 GW during Jan-Sep: India has reported a 47 per cent fall in solar installations at 5.6 GW during January-September 2023, amid delay in project execution, according to research firm Mercom India. *[The Economic Times]*

Tata Power Renewable Energy bags 200 MW FDRE project: Tata Power Renewable Energy Ltd (TPREL) has bagged a 200 MW firm and dispatchable renewable energy (FDRE) project from SJVN Ltd. *[Financial Express]*

H&M and DBS to collaborate on a green loan programme to facilitate supply chain decarbonisation: H&M Group and DBS have collaborated on a first-of-its-kind green loan programme to facilitate supply chain decarbonisation in the apparel sector. *[The Economic Times]*



Sectoral News

India approves procurement of 97 Tejas jets, 156 Prachand choppers in major defence deal: India on Thursday accorded an initial approval to procure an additional batch of 97 Tejas light combat aircraft and 156 Prachand helicopters to boost the overall combat capability of the armed forces. *[The New Indian Express]*

Major push to Indian Railways! Modi government allocates Rs 6,080 crore for railway sector in Tamil Nadu: Union Minister Ashwini Vaishnaw on Monday (November 27) informed that the Central government has allocated 6,080 crore rupees for the railway sector's development in Tamil Nadu over the past year. *[Financial Express]*

Govt has no plan to dilute stake in Vodafone Idea for now: Nine months after converting the dues worth Rs 16,133 crore of Vodafone Idea payable to the government on account of spectrum fee, into equity, the department of telecommunications (DoT) has asked the department of investment and public asset management (DIPAM) whether some portion can be offloaded in the market. *[Financial Express]*

Aviation boom in India! Air passenger traffic poised to soar 15% in 2023-24: In a recent report, aviation advisory and research firm CAPA India have projected a robust growth of approximately 15% in India's air traffic, reaching 155 million passengers during the fiscal year 2023-24. [*Financial Express*]

Power demand up 16% in Aug-Oct: Higher-than-normal temperatures, a patchy and deficient monsoon, and increased industrial activity led power demand to surge 16% year-on-year in the three months to October. [*The Economic Times*]

Housing sales rise by 22% in top 8 cities in July-Sep 2023: India's leading eight residential markets have demonstrated robust growth, with a 22% increase in sales and a 17% rise in new supply during the third quarter of the calendar year (July-September 2023). [*Financial Express*]

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