

Industry Matters

Weekly Updates

December 08, 2023



Economy, Industry and Policy

India to be one of the rising stars in Asia - Nomura: India is seen as a rising star among Asian peers along with Indonesia and Philippines in 2024 to emerge as one of the fastest growing economies in the region. [*The Economic Times*]

Housing loans surge 37% in H1FY24 at ₹5.4 lakh crore: Bank credit in the form of housing loans saw a good growth of 37 per cent on year at ₹5.4 lakh crore in the first half of FY24, an indicator of the brisk demand for residences. [*Business Line*] [R1]

Supply chain diversification could help India and other emerging markets - Fitch: India is the only country with a large and rapidly growing consumer market and vast labour force on a scale that rivals China for growth potential. [*The Economic Times*]

India to be world's third-largest economy by 2030 - S&P: India will remain the fastest-growing major economy for at least the next three years, setting it on course to become the world's third-largest economy by 2030. [*The Hindu*]

India taking the Dragon head on & dimming lights of China, the world's factory floor: China+1: India's rise in global manufacturing challenges China's dominance. From 'Make in India' to 'Make for the World,' Narendra Modi's vision fuels India's rejection of Chinese influence and the Asian nations is becoming a great candidate for China+1 strategy. [*The Economic Times*]

GST collections for November at 1.68 lakh cr, up 15% YoY: India's goods and services tax (GST) collections rose 15% in November to Rs 1.68 lakh crore, driven by festive demand and improved compliance. [*The Economic Times*]

Softening demand drags India's November PMI to 12-month low of 56.9: Growth in India's dominant services sector continues to lose steam marked by the headline Purchasing Managers' Index (PMI) figure falling for the second consecutive month in November to its lowest levels in a year. [*Business Standard*]

LIC fourth largest insurer in the world based on reserves - S&P Global study: Insurance behemoth Life Insurance Corporation of India (LIC) is the fourth largest insurer in the world, according to a ranking based on life and accident & health reserves of companies in 2022. [*Business Standard*]

India detects \$18 billion goods and services tax evasion in Apr-Oct: The Indian government has detected goods and services tax (GST) evasion of 1.51 trillion rupees (\$17.99 billion) in 2023/24, and recovered tax worth 185.4 billion rupees up to October. [*Financial Express*]

Moody's cuts China credit outlook to negative on rising debt: Moody's Investors Service cut its outlook for Chinese sovereign bonds to negative, underscoring deepening global concerns about the level of debt in the world's second-largest economy. [*Financial Express*]

Private investments likely to gain pace in second half - CII President: Private investments will likely gather momentum and get more broad-based in the second half of the year, providing support for the economy to grow 6.8% in FY24. *[The Economic Times]*

Finance ministry gave Rs 10,000 crore advance for MGNREGS from contingency fund: The finance ministry has provided Rs 10,000 crore as advance for the rural employment guarantee scheme from Contingency Fund of India, over and above the budgetary allocation of Rs 60,000 crore. *[The Economic Times]*



Foreign Investment

Out of Rs 1 lakh cr worth of FDI proposals from nations sharing land border with India, half is cleared: The government has received foreign direct investment (FDI) proposals worth about Rs one lakh crore since April 2020 from countries sharing land border with India and half of those applications have been cleared so far. *[The Economic Times]*

I&B sector attracts ₹6,058 crore FDI in H1 of FY24: The information and broadcasting (I&B) sector has attracted foreign direct investment (FDI) worth Rs 6,058 crore in the first half of FY24, surpassing the previous fiscal's FDI inflow of Rs 3,745 crore. *[The Economic Times]*

High FDI from China: Due to the continuing face-off on the Sino-Indian border since April 2020, there has been an intensified screening of foreign direct investment (FDI) proposals from countries sharing land borders with India, obviously targeting China. *[Financial Express]*

US-based data analytics firm FICO launches its cloud platform in India: Fair Isaac, the US-based data and analytics company better known as FICO, on Tuesday launched its cloud-based platform in India. *[Business Standard]*

Sharp decline in FDI into India from Cayman Islands, Cyprus during April-September: Foreign direct investment (FDI) into India from Cayman Islands and Cyprus contracted significantly during April-September this fiscal as the overall inflows declined by 24 per cent. *[The Times of India]*

FDI inflows drop 16% in H1 due to global recession: India's gross foreign direct investment (FDI) inflows dropped almost 16% in the first six months of FY24 from a year before to \$33.12 billion, the second straight fall in the first half of a fiscal. *[The Economic Times]*



Trade Policy and Competitiveness

India, US agree to strengthen cooperation in pharma, semiconductors, critical minerals: India and the US have agreed to strengthen cooperation in sectors like pharmaceuticals, semiconductors, critical minerals and emerging technologies. *[The Economic Times]*

India services exports rise 10.8% to \$28.03 bln in October: India's service sector has showcased a robust growth in exports, surging by 10.8% to reach \$28.03 billion in October. *[The Economic Times]*

India and Oman begin talks on Free Trade Pact: India's exports to Oman could soon get duty concessions with the two sides having begun talks for a free trade agreement. *[The Economic Times]*

ICC focuses on India-Italy bilateral trade, appoints Vas Shenoy as its Chief Representative in Italy: In a bid to explore new opportunities and strengthen trade relations between India and Italy. *[The Economic Times]*



Corporate Governance

Credit metrics of India Inc likely to improve to 4.5-5 times in Q3 FY24 - Icra: India Inc's credit metrics are likely to show slight sequential improvement in the third quarter of the current fiscal, with interest coverage increasing to 4.5-5 times. *[The Economic Times]*

Wipro Consumer acquires 3 brands from VVF to expand personal care segment: Wipro Consumer Care and Lighting, part of Wipro Enterprises, announced the acquisition of three soap brands – Jo, Doy, and Bacter Shield – from Mumbai-based VVF India, to expand its personal care segment. *[Business Standard]*

JSW Infra to acquire a majority stake in PNP Port at enterprise value of Rs 700 crore: JSW Infrastructure, the ports business of Sajjan Jindal-led JSW Group, has entered into an agreement to acquire a majority stake held by Shapoorji Pallonji Group (SP Group) in PNP Maritime Services (PNP Port) for an enterprise value of Rs 700 crore. *[Financial Express]*

Tata Power acquires Bikaner-Neemrana Transmission Project: Tata Power on Saturday said it has acquired Bikaner-Neemrana Transmission Project through a bidding process. *[The Economic Times]*

Adani Group-owned Ambuja Cements completes acquisition of Sanghi Industries at enterprise value of Rs 5,185 crore: Adani Group-owned Ambuja Cements Limited (ACL) on Tuesday announced the successful completion of the acquisition of Sanghi Industries Limited (SIL), at an enterprise value of Rs 5,185 crore. *[Financial Express]*

Aditya Birla Fashion forms JV to bring Christian Louboutin to India: Aditya Birla Fashion and Retail (ABFRL), India's leading fashion company, announced a joint venture with one of the world's most famous shoe designers, Christian Louboutin. *[Business Standard]*

Number of active companies crosses 1.6 million, led by service sector - MCA: The number of active companies in India crossed 1.62 million as of the end of October, with over 96,800 being formed this financial year, led by service-sector businesses. *[Mint]*



MSMEs and Start-ups

MSMEs need to work with large industries, DRDO for defence & aerospace sector indigenisation - DRDO Chairman: There is a clear thrust of the government to increase the indigenous content in defence and aerospace sector to more than 70% in the next 3-4 years and this can only happen if the MSME sector contributes and works with the large industries as well as DRDO. *[The Economic Times]*

98 MSMEs to bring in investments totalling ₹1,583.80 crore in Thoothukudi and 5,717 people to get direct jobs - Kanimozhi: Ninety-eight medium, small and micro enterprises (MSME) have evinced interest in setting up their units in Thoothukudi district bringing investments totalling ₹1,583.80 crore. *[The Hindu]*



Employment and Industrial Relations

Skilled labour shortage posing challenges for manufacturers - Survey: An acute shortage of skilled labour is posing major challenges for Indian manufacturers in sectors such as engineering, automotive, electronics, infrastructure, chemical, pharmaceutical and food processing. *[The Economic Times]*

NPS - Select and switch fund managers based on long-term performance: The Pension Fund Regulatory and Development Authority (PFRDA) has permitted existing subscribers to NPS All Citizens Model and NPS Corporate Model (Tier-I funds) and all subscribers to Tier-II funds to have separate PFMs in three asset classes — equity (E), corporate bonds (C), and government bonds (G). *[Business Standard]*

MGNREGS spend high in southern states, TN tops: With Tamil Nadu, Andhra Pradesh and Telangana accounting for 30% of the flagship Mahatma Gandhi National Rural Employment Guarantee Scheme spending so far in FY24. *[Financial Express]*

Unemployment rate falls in Nov as farm sector boosts rural jobs: India's overall unemployment rate in November fell to 9.16% from a 29-month high of 10.05% in October, on account of a decline in unemployment in rural areas amidst the rabi-sowing season. *[Financial Express]*

India's job market remains mute, hiring drops: India's job market continues to see a slowdown, with hiring dropping by 2 per cent month-over-month (m-o-m), while on a year-on-year (y-o-y) scale, the overall index reflected a 10 per cent decline. *[Business Line]*

NSDC signs three MoUs to make youths employable: The National Skill Development Corporation (NSDC) has inked three MoUs in expediting job creation and empowering the Indian workforce. *[The Times of India]*

Cashless medical treatment for road accident victims in 3-4 months - Road Secretary: The Ministry of Roads Transport and Highways (MoRTH) plans to introduce cashless medical treatment to all injured road accident victims across the nation within the next three to four months. *[The Economic Times]*

Hiring activity slows by 10% YoY in November: Hiring activity in India declined in November, by 10% from a year earlier and 2% sequentially, the Foundit Insights Tracker by job-listing platform Foundit (formerly Monster APAC & ME) has revealed. *[The Economic Times]*



Industrial Finance

Indian banks set to witness rise in profitability - Moody's: Indian banks' profits will rise next year due to lower provisioning expenses and robust growth in retail segments. *[Business Standard]*

CP issuances by corporates surge 60% in November: Fundraising by corporates through commercial papers (CPs) surged 60% in November despite the hardening in rates in the money market due to tighter liquidity. *[Financial Express]*

Bank credit to NBFCs grows 22% in Oct, exposure to sector at Rs 14.8 trn: Bank loans to non-banking finance companies (NBFCs) increased 22.1 per cent year-on-year in October, and their exposure to the sector was Rs 14.8 trillion in October 2023. *[Business Standard]*

Banks write off Rs 10.57 lakh crore in five years, make NPA recovery worth Rs 7.17 lakh crore: Banks have written off Rs 10.57 lakh crore during the last five financial years, of which Rs 5.52 lakh crore was in respect of loans pertaining to large industries. *[The Economic Times]*



Technology and Innovation

CBIC launches two-factor authentication for all e-way bill, e-invoice: The Central Board of Indirect Taxes and Customs (CBIC) has enabled two-factor authentication for all e-waybill and e-invoice systems to further enhance the security of the goods and services tax systems. *[The Economic Times]*

Domestic electronics manufacturing up four-fold to Rs 8.22 lakh crore in FY23 - MoS IT: Domestic electronics manufacturing increased over 4-fold to Rs 8.22 lakh crore in the last 10 years, Parliament was informed on Wednesday. *[The Economic Times]*

About 78% of software testers have adopted AI: According to an official release, a new “Future of Quality Assurance 2023” study by LambdaTest of 1,615 software testing professionals from 70 different countries has shed new light on software testing practices in 2023, including finding that 78% have already adopted AI. *[Financial Express]*



Industrial Infrastructure, Clusters and SEZs

Planning group saves ₹15 crore per km in construction of highways: The Network Planning Group (NPG) under the PM Gati Shakti initiative for logistics efficiency reckons it can save up to ₹15 crore per km for projects run by the National Highway Authority of India (NHA). *[Mint]*

8 textile parks, 129 pharma clusters mapped on PM GatiShakti National Master Plan: The government Tuesday said that the textiles ministry has mapped eight sanctioned PM Mitra Parks on the PM GatiShakti National Master Plan (NMP) portal while the pharmaceuticals department has reported the successful completion of 129 pharma clusters and 23 medical device cluster projects. *[The Economic Times]*

National highways totalling 43,856 km under construction stage across India - Gadkari: National highway projects totalling 43,856 kilometres are under construction stage in the country, Parliament was informed on Thursday. *[The Economic Times]*



Sustainable Industrialisation

Govt to pump in additional Rs 1,500 crore for FAME-II subsidy scheme: The Centre has sanctioned an additional Rs 1,500 crore for the second phase of the Faster Adoption and Manufacturing of Electric Vehicles in India (FAME-II) programme. *[Business Standard]*

JCB's hydrogen backhoe loader makes global debut in India: Off-road and construction equipment major JCB made its first global debut for its 100 million sterling pounds (Rs 1,019 crore) project to produce super-efficient hydrogen engines in India. *[Financial Express]*

Sustainable hospitality marketing: Eco-friendly practices and green marketing: As per a report by Capgemini Research Institute, 79% of customers are shifting their selections for products based on social responsibility, inclusivity, or environmental impact. *[Financial Express]*

Electric 2W registrations see 39% y-o-y growth: Despite the reduction in FAME II subsidy in 2023, the electric two-wheeler registrations saw a 39 per cent year-on-year (y-o-y) growth in the country. *[Business Line]*



Sectoral News

Global advertising market remains on pace for 5.8% annual growth, reveals GroupM's: According to GroupM's This Year Next Year 2023 Global end-of-year forecast, the global advertising market remained on pace for 5.8% annual growth, despite inflation, high interest rates. *[Financial Express]*

Auto retail sales grow by 18% in Nov; 2-wheeler, passenger vehicles reach all-time high: The Federation of Automobiles Dealers Associations (FADA) on Wednesday said that the auto sales in November grew by 18 per cent annually with a historic sale of 28.54 vehicles, surpassing March 2020 record of 25.69 vehicles. *[The Economic Times]*

Uttar Pradesh discoms estimate energy procurement of Rs 85,000 crore: The Uttar Pradesh power distribution companies (discoms) have pegged energy procurement costs at almost Rs 85,000 crore in next financial year 2024-25. *[Business Standard]*

India's tea production rises by 12.06 per cent to 182.84 million kg in October: Tea production in the country increased by 12.06 per cent to 182.84 million kg in October this year as compared to 163.15 million kg in the corresponding month last year. *[Financial Express]*

Commercial vehicle sales remain flat in November: The commercial vehicle segment is seeing some signs of a slowdown given the fact that it has clocked steadfast growth over the fiscal. *[Financial Express]*

India's international air passenger volumes touch pre-pandemic levels in H1 FY24, domestic airlines gain market share: India's international air passenger traffic appears to have finally shrugged off the COVID-19 baggage, achieving pre-pandemic levels in the first half (H1) of the current financial year. *[The Indian Express]*

Proposed 5% biogas blending with LNG can cut imports worth \$1.17 bn - IBA: The proposed 5 per cent blending of biogas with natural gas supplies in the country can cut LNG imports worth \$1.17 billion annually, says a study by the Indian Biogas Association (IBA). *[Business Standard]*

IT sector growth to inch up to 6 per cent in FY25, hiring to be moderate for 3 qtrs - Icra: Domestic rating agency Icra on Monday said the Indian IT sector's revenue [R1] growth will inch up to over 6 per cent in 2024-25 from 3-5 per cent estimated for the ongoing financial year. *[Financial Express]*

India's power consumption grows 8.5% to 119.64 billion units in November: The country's power consumption grew almost 8.5% to 119.64 billion units (BU) in November, showing a surge in electricity demand due to festivities and increased economic activities. *[The Hindu]*

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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