

# Industry Matters

Weekly Updates

December 15, 2023



## Economy, Industry and Policy

**Indian manufacturing market has the potential to reach US\$ 1 trillion by 2025-26:** The manufacturing sector in India has been witnessing an increasing growth in investment, depicting a crucial phase in the country's economic arena with large manufacturing players setting up base in India. *[The Economic Times]*

**Economic growth prospects remain strong in medium-term - S&P:** Strong domestic activity is likely to offset global headwinds, as India's growth prospects remain strong in the medium term, with the economy projected to grow 6.7-7% annually between 2024-26. *[The Economic Times]*

**Wholesale price index returns to inflation after seven months:** The Wholesale price index registered a 0.26% increase in November, compared with 0.5% deflation in October. *[The Economic Times]*

**Inflation rises to 5.6% in November, industrial growth at 16-month high of 11.7%:** India's consumer inflation rose 5.6% in November compared with 4.9% in the previous month, but a festival surge and favourable base in October ensured that industrial production rose to a 16-month high of 11.7%, indicating positive momentum to mark the start of the third quarter. *[The Economic Times]*

**ADB raises India FY24 growth forecast to 6.7%, cites industry performance:** India's economy would grow 6.7 per cent in Financial Year 2023-24 (FY24), said Asian Development Bank (ADB) on Wednesday, raising the estimate from 6.3 per cent it made in September. *[Business Standard]*

**Manufacturing sector lags despite over 13% growth in GVA in Q2FY24:** Manufacturing along with construction was one of the sectors that drove the economic growth to more than expected 7.6 per cent in the second quarter of the current financial year. Manufacturing rose 13.9 per cent in the quarter, the highest among various segments in the gross value added (GVA). *[Business Standard]*

**NCAER pegs India's logistics cost between 7.8-8.9% of GDP in FY22:** The logistics cost in India ranged from 7.8-8.9% of gross domestic product (GDP) in 2021-22, as per a study released by economic think-tank National Council of Applied Economic Research (NCAER) and commissioned by the Department for Promotion of Industry and Internal Trade (DPIIT). *[The Economic Times]*

**New industrial policy goes on the back-burner:** The wait for India's new industrial policy just got longer with the government expected to take a fresh look at it following global supply chain shifts, greater urgency on the green agenda, and geo-political developments. *[Mint]*

**India becoming middle income country within realms of possibility NK Singh:** Fiscal rectitude, unsatiated consumption and demand and increasing urbanisation are among the three driving factors that would set India on the path towards becoming a middle income country in terms of per capita income. *[Business Standard]*



## Foreign Investment

**With \$10 b in 4 years, TN ranks fourth in attracting FDI:** Cumulative Foreign Direct Investment (FDI) inflow in to Tamil Nadu has touched nearly \$10 billion in the last four years from the period between October 2019 and September 2023. *[Business Line]*

**Global toy retailer Toys 'R' Us to start manufacturing in India from next year:** Global toy retailer Toys 'R' Us will start manufacturing private label in India by mid next year as it plans to expand aggressively to make India among the top five markets for the company. *[The Economic Times]*

**CDPQ, Actis vie for Ashoka Concession's BOT road assets:** Canada's CDPQ and UK-based Actis are in final discussions to acquire the build-operate-transfer (BOT) toll road assets of Ashoka Concessions, subsidiary of highways builder Ashoka Buildcon, said people aware of the development. *[The Economic Times]*



## Trade Policy and Competitiveness

**India seeks to settle WTO import duty dispute with EU on ICT goods through free trade talks:** India seeks to resolve a WTO import duty dispute with the European Union on certain information and technology products through the proposed free trade agreement, which is under active negotiations. *[Mint]*

**India-Russia trade doubled to nearly \$50 billion in Jan-Sept - Russian ambassador:** Bilateral trade between India and Russia doubled to almost \$50 billion during January-September owing to strong demand for hydrocarbons in India. *[Mint]*

**Electronics, pharma top exports, beating slowdown:** Electronic goods, and drugs and pharmaceuticals have emerged as standout performers for the country's export basket amid a slowdown in global trade. *[Mint]*

**India offers cut in ICT import duties to fast-track EU FTA:** India has sought to settle a long-standing dispute with the European Union (EU) by offering exclusive import duty concessions for certain information technology products, under the proposed bilateral free trade agreement (FTA) with the 27-country customs-cum-monetary bloc. *[Financial Express]*

**Optimistic about wrapping up EFTA deal with India before 2024 polls - Swiss envoy:** Switzerland's Ambassador to India, Ralf Heckner, has expressed optimism that the crucial European Free Trade Association (EFTA) deal with the country would be wrapped up before the 2024 general elections. *[The Economic Times]*

**Govt working to ensure export sector becomes self-sustaining - Piyush Goyal:** India is aiming to achieve the \$2 trillion export target by 2030 and in the process it is moving this industry out of the government support to make it self-sustaining and cost competitive. *[The Economic Times]*

**Indian goods worth USD 3.7 billion entering Oman to get boost by free trade agreement - GTRI:** Indian goods worth USD 3.7 billion such as gasoline, iron and steel, electronics, and machinery will get a significant boost in Oman, once both sides reach a comprehensive free trade agreement. *[The Economic Times]*

**Services exports hit USD 192 bn so far this fiscal - SEPC:** The country's services exports have touched USD 192 billion so far this fiscal and are expected to reach USD 400 billion by the end of 2023-24. *[The Economic Times]*

**India spent Rs 27,131 cr in FY23 on import of copper:** On account of low availability of copper reserves in the country, India has always been an importer of copper ore and concentrate. *[The Economic Times]*

**Cross-border remittances using e-rupee to halve cost of such payments to 2-3 pc - DEA Secy Ajay Seth:** Central Bank Digital Currency (CBDC) or e-rupee can help halve the cost of cross-border remittances to 2-3 per cent. *[The Economic Times]*



## Corporate Governance

**Tata Power ties up with Indian Oil to set up over 500 EV charging stations:** Tata Power EV Charging Solutions Ltd (TPEVCSL) on Monday announced that it has signed a memorandum of understanding (MoU) with Indian Oil Corporation Limited (IOCL) to install over 500 electric vehicle (EV) charging points across the country. *[Business Standard]*

**Dell sees India as a key market for SMB tech adoption and gaming expansion:** Personal technology major Dell Technologies continues to witness a sustained level of demand, comparable to the level seen during the Covid-19 period, even as demand for Personal Computers(PC) globally has slumped. *[Business Line]*

**Disney, Reliance Industries close in on deal to merge India media ops:** In order to advance with plans to merge their India-based media operations, Walt Disney and Reliance Industries Ltd (RIL) are finalising details of a non-binding term sheet. *[Business Standard]*



## MSMEs and Start-ups

**2023 sees the lowest funding in five years - Tracxn:** Indian tech start-up ecosystem has witnessed a significant funding decline of 72 per cent in 2023, making it the lowest-funded year in the last five years. *[Business Line]*

**Unicorns – Emerging issues for sustainability:** Flipkart was one of the first Unicorn startups in India. India has also become home to the third largest number of such Unicorns in the world. Technology and global connect have enhanced the growth of these entities. *[Financial Express]*

**MSMEs contributed 45% to India's exports as of September:** The share of MSME-related products in all India exports stood at 45.56 per cent as of September in the current financial year. *[Financial Express]*



## Employment and Industrial Relations

**IBA, bank employee unions agree to 17% salary hike, latest on 5-day week proposal - 10 points:** The Indian Banks' Association and unions have reached an agreement on a 17% wage hike for all public sector banks, totaling Rs 12,449 crore. This decision will benefit around nine lakh employees. *[The Economic Times]*

**Job market sees major jump in women participation:** The participation of women in the job market has been increasing as jobs and professional networking platform Apna said of 56 million job applications that it facilitated this year across blue, grey and white-collar sectors for 2.1 lakh SMBs and 400 enterprises, 33% were sent by women. *[The New Indian Express]*

**Net new women EPFO subscribers addition rises to 28.69 lakh in FY23:** Retirement fund body EPFO recorded a net new women subscribers addition of 28,69,688 in FY23 against 15,93,614 in 2019-20, showing a rise in employment through the pandemic. *[The Economic Times]*

**Old pension scheme to be 4.5 times costlier than the new one:** Any move by states to shift to the old pension scheme (OPS) would raise their fiscal burden by 4.5 times their expenditure under the NPS retirement benefits, according to the Reserve bank of India estimates made in study of state government budgets. *[The Economic Times]*

**MGNREGS job demand dips for first time FY24 in Nov, compared to FY23:** For the first time this financial year (FY-24), work demand under the flagship MGNREGS dipped below last year's levels in November 2023. *[Business Standard]*



## Industrial Finance

**India, ADB sign \$200 million loan agreement for Uttarakhand power system project:** The Centre has signed an agreement with the Asian Development Bank (ADB) for availing a \$200 million loan from the latter to improve the quality, efficiency, and reliability of power supply in the State of Uttarakhand. *[Business Line]*

**JSW Steel USA Ohio plans to raise long-term funds in US:** JSW Steel USA Ohio is planning to raise long-term funds in the municipal bond markets in the United States. *[The Economic Times]*

**NARCL finalises acquisition of two SREI companies:** The National Asset Reconstruction Company (NARCL) has finalised the acquisition of the two SREI companies – SREI Equipment Finance and SREI Infrastructure Finance -- under the Insolvency and Bankruptcy Code (IBC), paving the way for resolution of a Rs 32700-crore debt. *[The Economic Times]*



## Technology and Innovation

**Centre to launch Rs 10,000 cr sop scheme to boost chip ancillaries:** In a bid to spur the establishment of electronic and semiconductor component plants in the country, the government is set to launch a revised incentive scheme of up to Rs 10,000 crore. *[Business Standard]*

**Single KYC for all financial services soon - DEA Secretary:** The government may soon come up with a single KYC (Know Your Customer) for all financial services to further improve ease of doing business. *[The Economic Times]*

**51% Indians believe AI will help improve productivity at work - PwC survey:** Fifty-one per cent of Indians believe that Artificial Intelligence (AI) will help them improve productivity at work. *[Business Standard]*



## Industrial Infrastructure, Clusters and SEZs

**Essar Group signs MoUs to invest ₹56,000 crore in Gujarat:** Essar Group has signed three MoUs with the Gujarat government to invest ₹56,000 crore ahead of the Vibrant Gujarat Global Summit 2024. *[Business Line]*

**Gautam Adani details green elements of Rs 7 lakh cr investment planned across verticals:** Adani group will spend Rs 7 lakh crore in capital expenditure over the next 10 years and its billionaire chairman Gautam Adani has shared some details of the plans which will further consolidate the conglomerate's position as infrastructure leader in India. *[The Economic Times]*

**Rs 15,000 crore infrastructure projects taken up at 62nd Network Planning Group meet:** The government Friday said that four infrastructure projects worth Rs 15,000 crore were discussed at the 62nd Network Planning Group (NPG) meeting under PM GatiShakti. *[The Economic Times]*

**FASTag slashes average waiting time by 93% to 47 seconds: India to World Bank:** India has told the World Bank that it has reduced the average waiting time at toll plazas to 47 seconds from 714 seconds due to FASTag and lowered the export release time at land ports to 22 hours in 2022 from 101 hours in 2021. *[The Economic Times]*

**NHAI expands list of highways to be monetised in round 3 of InVIT:** National Highways Authority of India (NHAI) has decided to revise the list of highway stretches on offer for monetisation in the third round through infrastructure investment trust (InVIT) and have added five more to the bundle. *[Financial Express]*

**Hindalco to invest Rs 800 cr for 25,000-tonne battery foil plant in Odisha:** Hindalco Industries on Tuesday announced that it is investing Rs 800 crore to set up a 25,000-tonne battery foil facility in Odisha near Sambalpur. *[Business Standard]*

**Realty developers Smartworld plans Rs 3,000 cr investment in luxury residential project in Gurugram:** Realty developers Smartworld plans to invest Rs 3,000 crore in developing 3 million sq ft of luxury residential development on Gurgaon's Golf Course Road extension. *[The Economic Times]*

**Adani Group to make additional investment of Rs 8,700 crore in Bihar:** The Adani Group on Thursday said it would make an additional investment of Rs 8,700 crore in Bihar in various sectors, including cement manufacturing, logistics and the agro-industry. *[The Economic Times]*



## Sustainable Industrialisation

**Full charge ahead - E2W sales likely to breach 1 million mark in 2024:** India's electric two-wheeler (E2W) sector is expected to cross the one million mark in 2024 fuelled by rising demand, increased production, and affordability. *[Business Standard]*

**Govt plans long-term exemption for green hydrogen projects from its manufacturers shortlist for solar panels:** The Ministry of New and Renewable Energy (MNRE), a key player in the Indian government's decarbonisation goals, has proposed an exemption for green hydrogen developers from adhering to its list of authorised manufacturers to enable them to import solar PV modules and wind turbine models from China. *[The Indian Express]*

**Jindal Stainless targets 50% carbon emissions reduction before 2035:** Jindal Stainless Ltd (JSL) is set to achieve its mid-term target of 50 per cent carbon emissions reduction well before the target year of 2035. *[The Economic Times]*

**India's plan for 50,000 e-buses on its roads gets US support:** India is aiming to get 50,000 electric buses on its streets by 2027 with help from a joint finance mechanism with the US. *[The Economic Times]*

**GMR in pact with Safran, Airbus to produce SAF in India:** In a move towards bolstering sustainability in the aviation sector, GMR Airports, along with its partner Groupe ADP, has forged a strategic alliance with aerospace majors Safran and Airbus to advance the production of Sustainable Aviation Fuel (SAF) in the country. *[Financial Express]*



## Sectoral News

**About 95 pc of country's population uninsured:** As much as 95 per cent of the country's population is uninsured despite the government and the insurance regulator's efforts to expand coverage. [*The Economic Times*]

**Office leasing in BFSI sector between Jan-Sep at a decadal high - CBRE:** The office leasing in the Banking, Financial Services and Insurance (BFSI) sector in the first nine months of 2023 was the highest in the last ten years. [*Business Standard*]

**India automotive wholesales grows 25 percent in November, SUVs push PV sales to record number:** The automotive wholesales for November have just been announced by the Society of Indian Automobile Manufacturers (SIAM), which saw 2,010,611 vehicles sold in the month across segments. [*Financial Express*]

**PLI schemes have started to yield desired outcomes:** The production linked incentive (PLI) schemes of the government have been successful in desired outcomes such as localisation of medical technologies, bulk drugs, electronics, and specialty steel among others. [*The Economic Times*]

**Ayodhya airport 1st phase to be completed by Dec-end; first section of bullet train project in 3 yrs - Scindia:** The construction work of the first phase of the Maryada Purushottam Shri Ram International Airport being built in Ayodhya will be completed by December-end. [*The Economic Times*]

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