

# Industry Matters

Weekly Updates

December 22, 2023



## Economy, Industry and Policy

**India's GDP will reach \$5 trillion in 2026 - Ex-NITI Aayog VC Panagariya:** India will become the world's third largest economy by 2026 as its GDP in current dollar terms will reach USD 5 trillion in that year and further rise to USD 5.5 trillion in 2027. *[Business Standard]*

**India's economic triumph - A chronicle of the fastest-growing major economy:** In a resounding testament to its resilience, India has emerged as the fastest-growing major economy globally, surpassing the UK to claim the fifth position after a robust recovery from the shockwaves of the COVID-19 pandemic. *[The Economic Times]*

**Net direct tax collection swells 21 pc to Rs 13.70 lakh cr in FY24:** The net direct tax collection of Rs 13,70,388 crore (as of December 17, 2023 ) includes Corporation Tax (CIT) at Rs 6.95 lakh crore and Personal Income Tax (PIT), including Securities Transaction Tax at Rs 6.73 lakh crore. *[The Economic Times]*

**LIC to play key role in achieving 'Insurance For All by 2047 - Chairman:** In a bid to achieve 'Insurance For All by 2047', LIC will play a significant role and to meet that objective it is planning to launch a product especially designed for rural areas. *[The Economic Times]*

**India set to launch first-ever offshore mineral auction in Q1 FY24:** In a step towards diversifying its resource base and securing green energy minerals, India is poised to launch its first-ever offshore mineral auction in the first quarter of 2024. *[Business Standard]*

**India's high-tech manufacturing goal, a long road with 1.39% global revenue:** The country contributes only 1.39 per cent of the revenue of the top 20 largest manufacturing/assembly companies globally by revenue, based on the Fortune 500 list. *[Business Standard]*

**Per capita income disparity reduced over last three years:** The disparity between the richest and poorest states has reduced over the last three years, with the per capita income of Indian states ranging from Rs 54,111 to Rs 5,19,964 in 2022-23 compared with Rs 42,083 to Rs 4,31,351 in 2020-21. *[The Economic Times]*

**India shines as a global growth leader, contributing over 16% to the world's growth - IMF:** India's robust economic growth, propelled by key reforms in digitisation and infrastructure, positions it as a leading global contributor, accounting for over 16 per cent of the world's growth. *[The Economic Times]*

**PE/VC bets plummet to 43-month low of \$1.6 bn in November:** Private equity and venture capital investments in India hit a 43-month low of \$1.6 billion in November, marking a 69% decrease from the same period last year and a 60% decline from October. *[The Economic Times]*

**India highest remittance recipient country, earns \$125 billion in 2023:** India has been the highest remittance recipient country in 2023, according to the World Bank's latest migration and development brief. *[The New Indian Express]*

**Food subsidy of Rs 1.68 lk cr and Rs 57,686 cr released to FCI, state DCP in 2023:** The government has released a subsidy amount of Rs 1,67,875 crore to the Food Corporation of India (FCI) and Rs 57,686 crore to state DCP as food subsidy during the period between January 1, 2023 to December 15, 2023. *[The Economic Times]*

**Centre allows states to borrow additional Rs 60,000 cr in FY24:** The Indian government has allowed 22 states to borrow more than Rs 60,000 crore additionally in fiscal 2024, over and above their net borrowing ceiling. *[The Economic Times]*

**Parliament approves additional spending of Rs 58,378 crore in current fiscal:** Parliament approved a net additional spending of Rs 58,378 crore in the current fiscal year, with a major portion allocated to MGNREGA and fertilizer subsidies. *[The Economic Times]*

**PE investments in real estate decline by 44% to \$3.0 bn in 2023 - Knight Frank India:** India's real estate market received private equity (PE) investments of USD 3.0 billion from 23 deals in 2023 (January 01 - December 12, 2023), as against USD 5.3 bn recorded in 2022. *[Financial Express]*



## Foreign Investment

**Net FDI into India touches 21-month high at \$5.9 billion in October:** The net foreign direct investment (FDI) into the country at \$5.9 billion rose to a 21-month high in October 2023, primarily due to strong gross inflows and lower repatriation. *[Business Standard]*

**Waaree to set up \$1-bn solar panel plant in US:** Waaree Energies, the country's largest solar module manufacturer, plans to invest up to \$1 billion over the next four years to build a factory in Texas, US, which will produce 5 gigawatts (GW) of solar cells and panels. *[Financial Express]*

**Nano effect - Gujarat attracting big investments since its automobile sector took off in 2009:** Gujarat's automobile sector took off in 2009 when Tata Motors set up its Nano manufacturing plant in Sanand, about 50 km from Ahmedabad, and the state has been attracting some big ticket investments from both domestic and international players since then. *[The Economic Times]*



## Trade Policy and Competitiveness

**Steel Ministry holds review meeting on surging steel imports from China, Vietnam:** The government has reviewed the steel import situation amid concerns raised by the domestic industry over the increased inward shipments. *[The Economic Times]*

**India, Oman adopt joint vision focusing on 10 essential areas:** Prime Minister Narendra Modi and Haitham bin Tariq, the Sultan of Oman, on Saturday adopted a new 'India-Oman joint vision, a partnership for future' focusing on ten essential areas. *[The Economic Times]*

**Engineering exports register 3 per cent on-year fall in Nov to USD 7.85 bln:** India's engineering goods exports registered a 3-per cent year-on-year decline in November to USD 7.85 billion. *[The Economic Times]*

**India negotiating trade pact with EU, UK, Sri Lanka, Peru:** India-Sri Lanka Economic and Technology Cooperation Agreement (ECTA) negotiations are ongoing with the 12th round of negotiations conducted from 30th October to 1st November 2023 in Colombo. *[The Economic Times]*

**Export basket shifted to capital and skill-intensive products:** India's export baskets has undergone a shift from labour intensive products like textiles to capital-and skill-intensive ones like, engineering goods and jewellery. *[Financial Express]*

**'Electronics, services exports to contain slide in growth rate;overall trade may dip 2.6 pc in 2023':** Robust exports performance in electronic goods, particularly smartphones, and services sectors will help India contain the fall in growth rate of overall trade, which is expected to decline by 2.6 per cent in the current year. *[The Economic Times]*

**India to provide duty cuts in FTA only if UK increases localisation to 45%:** The Indian government has proposed to provide duty cuts for British automobile makers in the UK-India free trade agreement (FTA) only if they increase the utilisation of local components in their vehicles to 45 per cent. *[Business Standard]*

**India, New Zealand explore stronger trade ties:** Union commerce minister Piyush Goyal and his New Zealand counterpart Todd McClay discussed measures to reduce trade barriers and promote a more investor-friendly environment to boost economic ties. *[Mint]*

**UK's carbon tax may impact \$775 mn worth of Indian goods:** The UK on Monday decided to implement its carbon border adjustment mechanism (CBAM) from 2027, a move that could subject \$775 million of Indian exports or 6.8% of the exports to the country to 14-24% tax. *[The Economic Times]*

**Ministry road map soon for exporters to deal with CVD cases:** India is likely to hold talks with the US to convince it about the compatibility of the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme with global trade rules following Washington's imposition of countervailing duties on three items exported from India as retaliation against the scheme. *[The Economic Times]*

**India, Taiwan get time to resolve ICT dispute:** The World Trade Organization (WTO) has given time till April 26, 2024, to India and Taiwan to settle a dispute regarding New Delhi's import duties on certain information and technology products. *[The Economic Times]*

**India's agri exports likely to reach USD 53 billion this fiscal:** India's agriculture exports this fiscal are expected to reach the last year's level of USD 53 billion despite restrictions imposed on shipments of certain key commodities, including rice, wheat and sugar. *[Financial Express]*



## Corporate Governance

**M&A deals plummet to \$70.9 bn in 2023, down 63% from previous year's high:** Merger and acquisition (M&A) investment bankers are going home with lower bonus cheques as deal value fell 63 per cent to \$70.9 billion compared to 2022 when India Inc signed M&As worth \$192 billion. *[Business Standard]*

**Varun Beverages to acquire PepsiCo's South Africa bottler Bevco:** Varun Beverages Ltd (VBL), one of PepsiCo's largest franchise bottlers worldwide, announced the acquisition of South Africa-based Beverage Company (Bevco) along with its wholly-owned subsidiaries at an enterprise value of Rs 1,320 crore. *[The Economic Times]*

**ITC emerges as frontrunner among FMCG companies in Wizikey Newsmakers Report 2023, HUL, Nestle follows:** FMCG major ITC Ltd emerged as the frontrunner securing the top position as India's most prominent FMCG listed companies in media visibility, in the Wizikey Newsmakers Report 2023. *[Financial Express]*



## MSMEs and Start-ups

**Harnessing data through DPI could help Indian business access finance:** Experts are of opinion that there is a need to harness data through the digital public infrastructure to build creditworthiness and inclusion of small and micro businesses in India which can help them to access easy finance. *[The Economic Times]*

**MSME Ministry launches 3 sub-schemes under RAMP programme; makes ZED scheme free for women:** MSME Minister Narayan Rane on Wednesday launched three sub-schemes under the ministry's existing RAMP ((Raising and Accelerating MSME Productivity) programme to encourage the adoption of sustainable technology in business. *[Financial Express]*

**Government settled Rs 2,302 crore under Vivaad Se Vishwas scheme so far:** The Centre has settled Rs 2,302 crore so far under the Vivaad Se Vishwas scheme which was launched this year to settle contractual disputes and claims of Micro Small and Medium Enterprises and (MSMEs). *[The Economic Times]*



## Employment and Industrial Relations

**Formal job creation under the Employees' Provident Fund Organisation up 18% in Oct:** Formal job creation under the Employees' Provident Fund Organisation (EPFO) increased 18.2% year-on-year in October with the addition of 1.53 million net new subscribers. *[The Economic Times]*

**Less than half of Indian employees surveyed engaged in flexible work model:** With companies pushing workers to return to office, a report revealed that 44 per cent of Indian employees are engaged in a fully flexible work model, outpacing other Asia-Pacific (APAC) countries. *[Financial Express]*

**Social media unicorn ShareChat lays off 200 employees to reduce costs:** Social media unicorn ShareChat has laid off 200 employees, around 15 per cent of its workforce, in another round of layoffs this year to reduce costs and achieve profitability within the next six quarters. *[Business Standard]*

**82% of professionals are concerned about job redundancy due to emerging technologies:** A significant 82% of working professionals expressed concerns over potential job redundancy due to emerging technologies. This finding underscores the unease within the workforce about the impact of evolving technologies on job security. *[Financial Express]*



## Industrial Finance

**India, ADB ink pacts for \$500-mln loans to bolster infra sector:** India on Monday signed agreements with the Asian Development Bank for two loans of \$250 million each essentially for the country's infrastructure sector. *[The Economic Times]*

**Unclaimed deposits with banks rise by 28 pc to Rs 42,270 cr in FY23:** As compared to Rs 32,934 crore unclaimed deposits with public and private sector banks in FY22, the amount increased to Rs 42,272 crore at the end of March 2023, an increase of 28 per cent. *[The Economic Times]*

**Japan's SMBC lends \$120 mn to Air India to buy A350-900 aircraft:** Japan's Sumitomo Mitsui Banking Corporation (SMBC) is lending \$120 million to Tata group's Air India to purchase an A350-900 aircraft from Airbus. *[Business Standard]*



## Technology and Innovation

**India should go up the value chain in electronics components manufacturing - MeitY Secy:** India should move up the value chain in the manufacture of electronics components from the present levels of 15 per cent. *[The Economic Times]*

**CPSE purchases via GeM portal hit Rs 1.37 lakh crore, beat entire FY23 level:** The finance ministry on Monday said central public-sector enterprises (CPSEs) purchased goods and services worth as much as Rs 1,36,607 crore from the Government e-Marketplace (GeM) portal as of December 6 this fiscal. *[The Economic Times]*

**AI makes mark in drug discovery in India; start-up Peptris raises \$1 mn:** The process of discovering and developing a new drug can take decades and costs hundreds of millions or even billions of dollars. However, technological advances like artificial intelligence can help speed up and transform the time-consuming and labor-intensive exercise. *[Business Standard]*

**UPI transactions surge 118% in semi-urban & rural stores:** Unified Payments Interface (UPI) transactions grew 118 per cent in volume and 106 per cent in value at semi-urban and rural stores in the country, underlining strong adoption in geographies beyond tier two regions. *[Business Standard]*

**Foxconn applies for setting up semiconductor unit:** Taiwanese electronics manufacturing services company Foxconn has submitted an application for setting up a semiconductor fab in the country. *[The New Indian Express]*



## Industrial Infrastructure, Clusters and SEZs

**Capex on National Highways increased from Rs 51,000 cr in FY14 to Rs 2,40,000 cr in FY23:** Capital expenditure on National Highways has seen a significant increase from about Rs 51,000 crore in 2013-14 to more than Rs 2,40,000 crore in 2022-23. *[The Economic Times]*

**Road ministry to bid out BOT projects of up to Rs 2 lakh crore by March 2024 - Gadkari:** Road ministry plans to bid out projects worth Rs 1.5 lakh crore to Rs 2 lakh crore on the build-operate-transfer (BOT) model. *[The Economic Times]*

**NHAI awards TOT bundles 13 & 14 for Rs 9,384 crore:** The National Highways Authority of India awarded toll, operate and transfer (TOT) bundles 13 and 14 of a combined length of 273 km for Rs 9,384 crores, taking the total TOT bundles awarded in FY 2023-24 to Rs 15,968 crore. *[The Economic Times]*

**13 states, Union Territories among achievers in logistics performance index 2023:** Andhra Pradesh, Karnataka, Tamil Nadu, Chandigarh, and Gujarat are among the 13 states and Union Territories that have again been categorised as "achievers" in the logistics index chart 2023. *[The Economic Times]*

**NITI Aayog bats for structural reforms of MDBs:** NITI Aayog has called for regulating the role of credit rating agencies and reforming the structure of the multilateral development banks (MDBs) to mobilise funds for green and sustainable growth across developing nations. *[The Economic Times]*

**Indian Railways has a ₹1,00,000 crore plan to move towards zero waiting list ambition:** The Indian Railways has chalked out a plan to purchase new trains worth ₹1 lakh crore over the next few years to cater to the rising demand in the passenger travel segment on the national transporter. *[The Economic Times]*



**National Infrastructure Pipeline - National Infrastructure Pipeline outlay stands at Rs 109 lakh crore:** National Infrastructure Pipeline (NIP) was launched with 6,835 projects and has expanded to capture over 9,288 projects with a total outlay of Rs 108.88 lakh crore between 2020-25. *[The Economic Times]*



## Sustainable Industrialisation

**Adani family plans \$1 billion investment in green energy arm:** Billionaire Gautam Adani and his family plan to inject \$1 billion into the conglomerate's renewable energy unit. *[The Economic Times]*

**Govt issues revised order to allow use of sugarcane juice for making ethanol in 2023-24:** The food ministry has issued a fresh order reversing ban on the use of sugarcane juice for making ethanol and allowed utilisation of the juice as well as B-heavy molasses to produce the green fuel in the 2023-24 supply year. *[The Economic Times]*

**Govt approved 50 solar parks in 12 states till Nov 30 - R K Singh:** A total of 50 solar parks with a combined capacity of 37,490 MW have been approved in 12 states till November 30. *[The Economic Times]*



## Sectoral News

**Auto component industry looks to invest \$7 billion over next 5 years to expand capacity, upgrade tech:** The auto component industry is looking to invest around \$6.5 to 7 billion over the next five years on capacity expansion and technology upgradation, with the demand expected to remain robust over the period. *[Financial Express]*

**Telecom tribunal asks DoT to adjust excess Rs 755 crore collected from Vi:** In a move that may bring relief to Vodafone Idea (Vi), a telecom tribunal has told the Department of Telecommunications (DoT) to adjust Rs 755.52 crore collected from the ailing telco against its statutory dues. *[Business Standard]*

**Noida-Ghaziabad metro link to integrate Rapid Rail:** The Delhi Metro Rail Corporation (DMRC) has submitted a revised plan to extend the Blue Line from Noida Electronic City, recommending the integration of the last proposed station at Sahibabad with the nearby Rapid Rail station. *[Business Standard]*

**Auto component industry's total sales grow 12.6% in first half of FY24:** The Indian auto component industry's total sales grew by 12.6 per cent year-on-year (Y-o-Y) to \$36.1 billion in the first half of the current fiscal year on the back of strong passenger vehicle (PV) and high-end motorcycles sales. *[Business Standard]*

**Reliance Jio gains 3.47 mn, Vi loses 0.74 mn users in September - Trai:** Reliance Jio continued to strengthen its position in the Indian telecom market, gaining 3.47 million new users in September, according to the latest data from the Telecom Regulatory Authority of India (TRAI). *[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](#)