

# Industry Matters

Weekly Updates

January 12, 2024



## Economy, Industry and Policy

**India's retail inflation surges to a four-month high of 5.69 per cent in December:** India's retail inflation surged to a four-month high of 5.69 per cent in December on an annual basis as against 5.55 per cent in November. *[The Economic Times]*

**Robust investment and services to drive growth in coming fiscal, India to grow 6.4% in FY25 - World Bank:** Indian economy will log 6.4% growth in FY25 and accelerate to 6.5% in FY26, retaining its position as the fastest-growing major economy despite a further global slowdown in 2024 as robust services and investment help support the economy. *[The Economic Times]*

**Indian economy outperforming peers, projected to grow at 6.2 per cent in 2024 - UN:** India is projected to grow at 6.2 per cent in 2024, supported by robust domestic demand and strong growth in the manufacturing and services sectors, according to the United Nations. *[The Economic Times]*

**India's services PMI touches a three-month high at 59 in December:** The services sector growth in India jumped to a three-month high in December due to favourable economic conditions and a positive demand trend. *[Business Standard]*

**India's industrial production growth drops to 2.4% in Nov from 11.7% in Oct:** Industrial production in India grew by 2.4 per cent in November on an annual basis, down from 11.7 per cent recorded in October. *[The Economic Times]*

**Service activity rises to three month high in December, optimism improves:** A strong demand from both international and domestic markets spurred service sector activity to a three-month high in December. *[The Economic Times]*

**GDP growth data suggests a robust recovery:** The First Advance Estimates (FAE) for India's gross domestic product (GDP) growth for FY24 surprises all. The Indian economy is projected to grow at 7.3 per cent, compared with 7.2 per cent in FY23. *[Business Standard]*

**Indians' willingness to spend back at pre-Covid level:** Indian consumer sentiment has bounced back to levels not seen since before the national lockdown in March 2020. *[Business Standard]*

**E-way bills rise as businesses push goods in December:** The number of e-way bills or electronic permits for shipment of goods generated within and across states increased to 95 million in December, up from 87.5 million in November. *[Mint]*

**Highway monetisation to touch Rs 40,000 crore in FY24:** Monetisation of highway projects is expected to yield Rs 40,000 crore in the current financial year, including Rs 24,000 crore is to be raised via the infrastructure investment trust (InvIT) route and securitisation of under-construction projects. *[Financial Express]*



## Foreign Investment

**'France is 11th largest foreign investor in India with US\$10.49 billion investment':** France is the 11th largest foreign investor in India with a cumulative investment of US\$10.49 billion from April 2000 to December 2022, which represents 1.68% of the total foreign direct investment (FDI) inflows into India. *[The Times of India]*

**FPIs infuse Rs 4,800 crore in equities in first week of Jan on strong economic confidence:** Foreign Portfolio Investors (FPIs) continued their buying spree and poured close to Rs 4,800 crore in the Indian equity markets in the first week of January driven by confidence in the country's robust economic fundamentals. *[Financial Express]*

**Economists predict \$2-3 billion additional inflows into India's debt markets with Bloomberg EM Index inclusion:** India's imminent inclusion into the Bloomberg EM Index has come as an icing on the cake and would further boost foreign portfolio investments in country's debt markets in 2024. *[Business Line]*

**Disinvestment target for FY25 likely to be pegged below Rs 50,000 cr - Icra:** In the upcoming interim budget, the Centre is likely to set the disinvestment target for 2024-25 (FY25) below Rs 50,000 crore. *[Business Standard]*



## Trade Policy and Competitiveness

**52% drop in toy imports in 8 years, 239% jump in exports - Commerce Ministry:** The Indian toy industry witnessed remarkable growth in FY2022-23 in comparison to FY2014-15, with a decline in imports by 52 per cent, and a rise in exports by 239 per cent. *[Business Standard]*

**Toys to account for significant portion in Walmart's \$10 bn exports target from India:** US-based retail giant Walmart is targeting to increase its exports from India to USD 10 billion annually and domestic toys will account for a significant portion of the total exports. *[The Economic Times]*

**India imposes anti-dumping duty on three Chinese products for five years:** India has imposed anti-dumping duties on three Chinese products -- wheel loaders, gypsum tiles, and industrial laser machinery -- for five years to guard local manufacturers from cheap imports from the neighbouring country. *[The Economic Times]*

**ICEA moots import duty cuts on inputs to boost smartphone exports:** The mobile phone industry has demanded a sharp cut in tariffs on components and sub-assemblies for boosting smartphone exports from India. *[The Economic Times]*

**Centre plans to bring more items under the ambit of mandatory quality norms - Goyal:** The Centre plans to bring more products under the ambit of mandatory Quality Control Orders (QCO). *[Business Line]*

**Indian medtech industry urges govt action to reduce import dependency:** In a bid to reduce India's 80-85 per cent dependence on medical device imports, the Association of Indian Medical Device Industry in its pre-budget recommendations wants the government to address the soaring import bill, which currently stands over Rs 63,200 crore. *[Business Standard]*

**India, UAE ink pact for possible energy grid connectivity between two countries:** India and the United Arab Emirates have signed a deal to explore the establishment of grid connectivity between the two countries. *[The Economic Times]*

**India-UAE start Rupee-Dirham direct trade - Piyush Goyal:** India and the UAE have begun Rupee-Dirham direct trade in local currencies, and the two sides plan to expand bilateral trade to \$100 billion under their free trade pact. *[The Economic Times]*



## Corporate Governance

**Canada-based Brookfield Asset Management to buy ATC India in \$2 bn deal:** Canada-based Brookfield Asset Management will acquire the Indian business of American Tower Corporation (ATC) for an enterprise value of Rs 16,628 crore (\$2 billion). *[Business Standard]*

**Ford likely to make a comeback in India market with Endeavour:** As per industry sources, Ford aims to revive sales by bringing back the Endeavour, contemplating both local assembly in Chennai and direct imports. *[The Economic Times]*

**Govt rolls out mandatory quality norms for electrical accessories:** The government has issued mandatory quality norms for electrical accessories such as switch-socket-outlets and cable trunking to curb the import of sub-standard goods and boost domestic manufacturing of these goods. *[The Economic Times]*

**More global brands to make India entry; Large groups like Reliance and Aditya Birla open to partnerships:** After a string of international brand launches last year, calendar year 2024 will be no different with a flurry of big retail names making India their home. *[Financial Express]*

**Fund diversion case - ED raids 9 premises of Religare:** The Enforcement Directorate (ED) on late Friday started conducting searches at nine premises across the Delhi-NCR region in a money laundering case linked to the alleged diversion of funds worth more than Rs 2,000 crore from Religare Finvest Limited (RFL). *[The New Indian Express]*

**GAIL signs 10-year deal with Vitol for LNG supply:** GAIL has tied up with global commodity trader Vitol for the purchase of 1 million tonnes of liquefied natural gas (LNG) annually for ten years. *[The Economic Times]*

**Renault plans five passenger vehicle launches in three years to boost sales:** French carmaker Renault will be launching five new passenger vehicles (PV) in the Indian market over the next three years as it looks to increase its market share which stood a little over 1% in the calendar year 2023. *[The New Indian Express]*

**Infosys to acquire Bengaluru-based semiconductor design firm for Rs 280 cr:** Tech giant Infosys said it agreed to acquire InSemi, a Bengaluru-based semiconductor and embedded systems design provider for Rs 280 crore. *[The New Indian Express]*



## MSMEs and Start-ups

**60% startup founders report increased revenue, profitability in 2023:** The funding crunch of 2022 and 2023 seems to have done better for the Indian startup ecosystem. According to the findings of a Nasscom and Zinnov study, about 60 per cent of startup founders reported increased revenue and profitability in 2023. *[Business Standard]*

**DPIIT to announce ranking of states/UTs on startup initiatives on Jan 16:** The commerce and industry ministry's arm DPIIT on January 16 will announce ranking of states and union territories for 2022 based on initiatives taken for startups. *[Financial Express]*

**PSB 59-minute loan scheme: Banks disbursed nearly Rs 70,000 crore MSME loans so far:** The 59-minute loan approval scheme for micro, small and medium enterprises (MSMEs) by the government and SIDBI has sanctioned 2.48 lakh loans till January 1, 2024. *[Financial Express]*



## Employment and Industrial Relations

**ILO pegs global unemployment rate at 5.2 per cent in 2024:** The International Labour Organisations has projected the global unemployment rate a tad higher at 5.2% in 2024 compared to 5.1% in 2023. *[The Economic Times]*

**Industry bodies eye access to the e-shram portal to fill talent gap:** Industry bodies are keen on getting access to the e-Shram portal, which is a repository of data of nearly 300 million unorganised sector workers. *[Business Standard]*

**ESIC leads in providing social security benefits by formalising workforce:** Government-run Employees State Insurance Corporation (ESIC) has been consistently leading in providing social-security benefits by formalising the workforce in the organised sector. *[Business Standard]*

**Now, jobs are more skills-based:** The job market in India is constantly changing, and we are now witnessing a significant shift towards skills-based hiring. *[Business Line]*

**Adtech unicorn InMobi to lay off 125 employees:** Advertising technology firm InMobi Group will let go of nearly 5 per cent of its total workforce, or 125 employees, as the company looks to overhaul its operations by adopting an artificial intelligence (AI)-first approach. *[Business Line]*



## Industrial Finance

**Indian investment bankers earn \$1.3 billion in fees, highest since 2000:** Investment bankers earned \$1.3 billion in fees during 2023, a 28 per cent increase compared to the previous year. *[Business Standard]*

**Banks report healthy loan growth in Q3; Casa ratio continues to decline:** Indian banks continue to post healthy growth in loans in the October-December period with most lenders clocking double-digit growth. *[Business Standard]*

**ARCIL buys ₹1,100-crore loans from RBL, Bandhan Bank:** Avenue Capital-backed Asset Reconstruction Company of India (Arcil) has acquired nearly ₹1,100 crore in small-ticket loans from RBL Bank and Bandhan Bank in two separate transactions. *[The Economic Times]*

**Tata Power, Adani lead Rs 6.64 trn funding plans at TN Investor Meet:** Driven by mega investment proposals from Tata Power, Adani group, Singapore's Sembcorp Industries and Leap Green Energy, among others, the two-day Global Investors Meet 2024 in Tamil Nadu is expecting an infusion of around Rs 6.64 trillion. *[Business Standard]*

**It's raining investments - Pegatron, Tata Electronics, others ink pacts worth over Rs 30,000 cr with Tamil Nadu Govt** Tata Electronics is reportedly to sign a Memorandum of Understanding (MoU) worth a whopping Rs 12,082 crore with Tamil Nadu Government for mobile phone assembly operations. *[The Economic Times]*

**Gautam Adani announces ₹2 lakh cr investment in Gujarat:** Billionaire Gautam Adani on Wednesday announced an investment of over ₹2 lakh crore in Gujarat, largely in building a green energy park that would be visible even from space. *[Business Line]*



## Technology and Innovation

**Going digital - Banks to set up common website to encourage e-rupee adoption:** Banks will soon set up a common website to promote transactions in digital currency and also create more awareness and encourage its adoption. *[The Economic Times]*

**Cabinet approves MoU between Isro, MRIC on joint small satellite:** The Union Cabinet has approved the Memorandum of Understanding (MoU) between the Indian Space Research Organisation (Isro) and the Mauritius Research and Innovation Council (MRIC) concerning cooperation on the development of a joint small satellite. *[Business Standard]*

**India & Sri Lanka discuss early launch of UPI payment system:** Colombo, Six months after it was announced by the prime ministers of both countries, India has discussed the early launch of the UPI payment system with Sri Lanka and reiterated its support in the cash-strapped island nation's debt restructuring process. *[The Economic Times]*



## Industrial Infrastructure, Clusters and SEZs

**India's longest sea bridge set to be launched this week:** India's longest sea bridge — the 22-km-long Atal Setu (Mumbai Trans Harbour) link — which will connect Mumbai and Navi Mumbai in 20 minutes is set to be launched this week. *[Business Line]*

**ArcelorMittal Nippon Steel to build world's largest single location integrated steel plant in Gujarat - Lakshmi Mittal:** Lakshmi Mittal on Wednesday announced that ArcelorMittal Nippon Steel India (AM/NS India) is building the world's largest single location integrated steel plant at Gujarat's Hazira. *[Financial Express]*

**Govt announces ₹45000 crore investment to develop river cruise tourism:** The ministry of ports, shipping, and waterways has announced a ₹45,000 crore investment to develop river cruise tourism, aiming to leverage India's inland waterways for economic growth. *[Mint]*

**Vibrant Gujarat Summit - Shipping ministry signs pacts for Rs 30,000 crore investments:** The Ministry of Ports, Shipping, and Waterways (MoPSW) on Thursday said it has signed initial agreements for investments worth Rs 30,000 crore during the Vibrant Gujarat Global Summit 2024. *[The Economic Times]*

**Completed 100% land acquisition for 1st bullet train corridor - Vaishnaw:** Railways Minister Ashwini Vaishnaw said on Monday that the Bullet Train project has successfully acquired 100% of the required 1389.49 hectares of land. *[The New Indian Express]*



**MoRTH to come out with BOT project in the next month to attract investments - Anurag Jain:** The Ministry of Road Transport and Highways (MoRTH) will come out with a modified Build-Operate-Transfer (BOT) project document in the next one month to attract interest of private companies for investments in the highways sector. *[The Economic Times]*

**Singapore firms to invest Rs 31,000 cr in Tamil Nadu during investors meet:** According to the country's high commission, Singapore-based companies are set to sign a memorandum of understanding worth Singapore dollars 5 billion or Rs 31,000 crore with the Tamil Nadu government at the upcoming Global Investors Meet 2024. *[Business Standard]*



## Sustainable Industrialisation

**CMAI, VCMI forge partnership to boost India's participation in carbon markets:** The Carbon Markets Association of India (CMAI) has partnered with the Voluntary Carbon Markets Integrity Initiative (VCMI) to boost India's participation in high-integrity international carbon markets. *[Business Line]*

**Tata Power Renewable Energy Limited plans to invest Rs 70,000 crore in Gujarat:** Tata Power's arm Tata Power Renewable Energy Limited (TPREL) plans to invest Rs 70,000 crore for the development of 10,000 MW of renewable energy power projects in Gujarat. *[The Economic Times]*

**ePV grow 114 per cent, e-two-wheelers grow 36 per cent in CY23:** The electric passenger vehicles (ePVs) saw a 114.71 per cent growth with 82,105 units, while the electric two-wheeler segment witnessed a 36.09 per cent growth with 8,59,376 units in CY23. *[Business Line]*

**Reliance Industries committed to make new investments in Tamil Nadu - Mukesh Ambani:** Reliance Industries has committed to make new investments in Tamil Nadu in the renewable energy space. *[The Hindu]*

**VinFast to come up with \$2 bn integrated EV facility in Tamil Nadu:** VinFast, Vietnam's leading electric vehicle (EV) manufacturer, and the Tamil Nadu State Government announced a Memorandum of Understanding (MoU) on Saturday, through which both players will invest around \$2 billion. *[Business Standard]*



## Sectoral News

**Health Ministry revises pharma manufacturing rules under Schedule M:** With an aim to bring better compliance with quality standards, the Ministry of Health and Family Welfare (MoHFW) notified the revised rules under Schedule M of the Drugs and Cosmetics Rules. *[Business Standard]*

**Maruti Suzuki to invest ₹35,000 crore in Gujarat factory to churn out 1 million cars each year:** Car market leader Maruti Suzuki India will invest a cumulative ₹38,200 crore in Gujarat as part of a broader plan to double the output to 4 million units by FY31. *[The Economic Times]*

**USOF may be enlarged and used to boost telecom equipment manufacturing:** The Universal Service Obligation Fund (USOF) — renamed Digital Bharat Nidhi in the new Telecom Bill — may be used to create a mega money source for research and development (R&D) into networking and telecom equipment manufacturing. *[Business Standard]*

**ATF consumption in Dec soars to 47-month high on back of domestic movements:** December saw the highest consumption of aviation turbine fuel (ATF) since early 2020, primarily due to an increase in the number of domestic aircraft movements. *[Business Standard]*

**Tata to build semiconductor factory in Gujarat - Chairman Chandrasekaran:** Tata Group will build a semiconductor factory at Dholera in Gujarat, Tata Sons Chairman N Chandrasekaran said on January 10. *[The Hindu]*

**More made-in-India cars hit the roads abroad in 2023:** Made-in-India cars are finding increased global acceptance with top carmakers pushing exports to make the most of the strong cost and talent advantage available in the country. *[The Economic Times]*

**Pan-India 2023 residential sales surpasses 2010 peak; over 10% growth likely in 2024:** Despite higher levels of home loan interest rates during 2023 and prices moving northwards, the housing property market remained upbeat owing to the positive sentiment among homebuyers and the demand for bigger homes. *[The Economic Times]*

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