

Industry Matters

Weekly Updates

January 19, 2024



Economy, Industry and Policy

Budget 2024-Govt will meet fiscal deficit target in FY24, follow fiscal consolidation path for next year - Goldman Sachs: The government will likely meet the fiscal deficit target of 5.9% in FY24 and could reduce its fiscal deficit target to 5.3% in the upcoming budget. *[The Economic Times]*

Wholesale inflation rises to nine-month high of 0.7% in December: An uptick in food inflation and low base kept wholesale inflation positive for the second consecutive month in December. *[The Economic Times]*

Fitch affirms India's investment grade rating at 'BBB-' on robust growth outlook: Fitch Ratings on Tuesday affirmed India's sovereign rating at 'BBB-' with a stable outlook on robust medium-term growth prospects and sound external finances. *[Financial Express]*

86% Indian CEOs optimistic about country's economic growth - PwC survey: Most Indian chief executives are optimistic about the economy and believe it would grow in the coming 12 months. *[Business Standard]*

India likely to clock 6.9-7.2% GDP growth in FY'24 - Deloitte: India is expected to clock a GDP growth in the range of 6.9-7.2 per cent in the current financial year on the back of improving economic fundamentals. *[The Economic Times]*

India to pay incentives worth \$1.32 billion under manufacturing scheme this year: India expects to pay incentives worth Rs 11,000 (\$1.32 billion) to private companies this fiscal year ending March for their investments to boost local manufacturing. *[The Economic Times]*

India on top for trust in businesses, NGOs; 4th for media, 5th in government: India tops the charts in terms of trust in businesses and NGOs, but it is fourth in terms of trust in media and fifth for the government. *[The Economic Times]*



Foreign Investment

Piyush Goyal says US fund house looking to invest \$50 billion in India: US-based fund house is looking to invest about \$50 billion in India in the next 10 years, a reflection of the country's strong macroeconomic fundamentals. *[The Economic Times]*

Chart - India second-largest recipient of foreign flows in 2023 after US: India was one of the biggest recipients of global liquidity in 2023. Around \$15 billion was deployed by global mutual funds into Indian equities (all into dedicated funds). *[Business Standard]*

Foreign investment in real estate down 30% in FY23: The share of foreign institutional investors in the real estate sector shrunk by 30 per cent to \$2.733 billion in 2023 as against \$3.926 billion in the previous year. *[The Indian Express]*

India's outward FDI nosedives to \$2.25 billion in December - RBI data: India's outward foreign direct investment (FDI) commitments fell sharply to \$2.25 billion in December 2023, compared to over \$4.12 billion in December 2022. *[Business Standard]*

Foreign investment into India tumbles even as economy booms: Foreign direct investment into India has slumped in the past year, despite investors turning bullish on the world's fastest-growing major economy. *[The Economic Times]*

Indian debt market ignites as FPIs Inject \$1 billion in just 12 days: Foreign portfolio investors (FPIs), recognising the advantage of early investments, are clearly doubling down on Indian debt market, pouring ₹7,912 crore (nearly \$1 billion) in government securities in the first 12 days of this month. *[Business Line]*



Trade Policy and Competitiveness

PM Modi inaugurates Bharat Ratnam Mega CFC in Mumbai to boost gem and jewellery exports: Bharat Ratnam Mega CFC (Common Facility Centre) at the SEEPZ SEZ in Mumbai, which was inaugurated by Prime Minister Narendra Modi on Friday, will drive gem and jewellery exports from the country. *[The Economic Times]*

Overall imports down 4% but shipments from Russia, China up: India's exports rose to seven of the country's top 10 destinations — United Arab Emirates, Saudi Arabia, China, the UK, Australia, Singapore, and the Netherlands – in the first nine months of the current financial year (FY24). *[Business Standard]*

India's engineering goods exports grow 10.20% in December amid global challenges: Despite various challenges arising out of geopolitical tension and tight financial conditions in major advanced economies, India's engineering goods exports recorded a year-on-year growth of 10.20 per cent to USD 10.04 billion in December 2023. *[The Economic Times]*

Boosting iron ore production to meet domestic demand; no plans for China exports - NMDC: State-owned NMDC on Thursday said it is scaling up iron ore production to meet the rising demand of the domestic steel industry and emphasised there are no plans to export iron ore to China. *[The Economic Times]*

India electronics exports to US jump over two-fold to USD 6.6 bn in Jan-Sep 2023 - ICEA: Electronics exports from India to the US jumped over two-fold year-on-year to USD 6.6 billion during January-September 2023. *[The Economic Times]*

India-Australia trade can double to \$100 billion in 5 years: Consul General of Australia in Mumbai: India-Australia bilateral trade (in goods and services) has crossed USD 48 billion, and it's expected to double to nearly USD 100 billion in the next five years. *[The Economic Times]*

India's December trade data - Overall exports declined, merchandise exports grew: India's trade performance in December witnessed a nuanced pattern, with the overall exports, encompassing both merchandise and services, declining to USD 66.33 billion compared to USD 69.29 billion in December 2022. *[The New Indian Express]*

Nepal, India express commitment to implementing bilateral initiatives for strengthening cross-border connectivity: Nepal and India have expressed a commitment to implementing bilateral initiatives aimed at further strengthening the seamless cross-border connectivity. *[The Economic Times]*

Consider giving refunds to exporters in cash for tax remission schemes: The government can consider giving refunds to exporters in cash instead of scrips for tax remission schemes, as it would immediately improve cash flow for them. *[The Economic Times]*



Corporate Governance

Indian brands make big strides in Global 500 Rankings - Jio, SBI among top rankers, Tata soars, HDFC rises after merge: Indian brands are pushing the bar with Tata, Infosys, LIC, HDFC, Reliance Group, Airtel, HCL Tech, SBI, Wipro, Mahindra Group, Jio, L&T, Indian Oil, Crédit Agricole, and Bajaj Group were the companies among Indian companies making their place in the Brand Finance Global 500. *[Mint]*

Rs 7,000 crore deals: Tata Consumer acquires Capital Foods, Organic India: Tata Consumer Products, the maker of Tata Tea, has announced its acquisition of Capital Foods, the company behind Ching's Secret and Smith & Jones brands. *[Business Standard]*

Foxconn, HCL announce semiconductor JV in India with \$37.2 mn investment: Foxconn Technology Group and HCL Group have announced plans to create a joint venture (JV) for a semiconductor outsourced assembly and testing (OSAT) unit in India. *[Business Standard]*

Sun Pharma to acquire remaining stake in Israeli firm Taro for Rs 2,982 cr: Sun Pharmaceutical Industries has entered an agreement with Taro Pharmaceutical to acquire the balance 21.52 per cent stake in the Israel-based company for a cash consideration of \$43 per share amounting to \$347.73 million (Rs 2,982 crore). *[Business Standard]*

Insurance sector may see further listing, M&A activity in coming months - Moody's: Having raised Rs 1,930 crore in FY23, the insurance sector may witness further capital transactions, including stock market listings and M&A, to improve the sector's capital adequacy and financial flexibility in the months ahead. *[The Economic Times]*



MSMEs and Start-ups

India share of venture capital funding lowest in 5 years: India's share of total global venture capital (VC) funding fell to 2.9 per cent in calendar year 2023 (CY23) — the lowest since CY19 — reaching \$7.3 billion as most startups struggled to raise money without compromising on their earlier valuations. *[Business Standard]*

SOPs to ease eligibility certificates for startups to claim tax exemptions in works: The government has granted income tax exemptions under Startup India scheme to 2,975 recognised startups from 1,100 till March 2023. *[The Economic Times]*

85% early-stage Indian startups expect higher valuations in next funding round: InnoVen Capital report: Indian startups are hoping for a better year as majority of them expect higher valuations from investors amid increased focus on profitability and sustainable operations. *[Financial Express]*

Over 50% DPIIT-recognised startups from tier-II and tier-III cities: Around 50 per cent of more than 115,000 startups registered by the Department for Promotion of Industry and Internal Trade (DPIIT) are based in tier-II and tier-III cities, as of December 31, 2023. *[Business Standard]*



Employment and Industrial Relations

250 million people escaped multi-dimensional poverty between 2013-14 and 2022-23 - NITI Aayog: Nearly 250 million people escaped multidimensional poverty in nine years of the BJP-led NDA government between 2013-14 and 2022-23. *[The Economic Times]*

Formal job creation under ESIC fell 7.5% to 1.59 mn in Nov - Payroll data: Formal job creation under the Employees' State Insurance Corporation fell 7.5% month-on-month with 1.59 million new employees added to it in November as against 1.72 million added in October. *[The Economic Times]*

Google confirms fresh round of layoffs; 1,000 employees receive pink slips: Google announced a strategic move to optimise its global ad team by eliminating "a few hundred" positions, primarily from its "large customer" sales team. *[Business Standard]*

9 out of 10 professionals in India looking for job switch in 2024 - LinkedIn: Professionals in India will be focused on their career in 2024, and the majority of them are looking for a change, said a report. *[Business Standard]*



Industrial Finance

Record 273 stressed cases resolved via IBC in 2023: A record 273 stressed firms were rescued through the insolvency law in 2023 and the resolutions fetched their creditors more than three times the amount raised through 160 such debt resolutions in 2022. *[The Economic Times]*

Hudco looking at Japan to raise funds via ECB route – CMD: State-run Housing and Urban Development Corporation (HUDCO) plans to raise funds from the Japanese market through the external commercial borrowing route next month. *[The Economic Times]*

Yes Bank becomes first Indian bank to conduct export finance transaction on RXIL's ITFS platform: Yes Bank on Wednesday became the first Indian bank to execute an export finance transaction on the International Trade Financing Services Platform (ITFS) of RXIL Global IFSC Limited (RXIL). *[The Economic Times]*



Technology and Innovation

Govt evaluating 9 proposals on semiconductor manufacturing – MoS IT: Crediting the Micron investment for sparking manufacturing interest in India, Minister of State for IT Rajeev Chandrasekhar on Tuesday said that at least nine semiconductor manufacturing proposals were undergoing the analysis stage in the Ministry. *[Business Standard]*

Google Pay signs agreement to expand UPI for international payments: Google Pay and NPCI International Payments on Wednesday inked a Memorandum of Understanding (MoU) with an aim to expand the scope of UPI payments outside India. *[Business Standard]*

90% of Indian biz leaders planning to invest more in AI, Gen AI - Capgemini: Business leaders are increasingly recognising the value of artificial intelligence (AI) and generative AI, with 90 per cent of Indian business leaders planning increased investment in these technologies in the next 12-18 months. *[Business Standard]*

RIL, int'l partners launch data centre in Chennai, their first in India: Digital Connexion, a joint venture between Mukesh Ambani's Reliance Industries, Canada's Brookfield and US-based Digital Realty, on Friday launched its first data centre in India, at Ambattur in Chennai. *[Business Standard]*

Vodafone, Microsoft forge \$1.5 billion decade-long partnership in AI, IoT sector: Vodafone Group Plc and Microsoft Corp. entered a ten-year agreement, involving a \$1.5 billion investment, to advance various business sectors, including artificial intelligence, digital payments, and the Internet of Things. *[Mint]*



Industrial Infrastructure, Clusters and SEZs

Modi inaugurates projects worth Rs 4,000 cr in Kochi, lists work for ports: Prime Minister Narendra Modi on Wednesday inaugurated three infrastructure projects worth more than Rs 4,000 crore in Kerala's Kochi. *[Business Standard]*

Ayodhya rapidly emerging as global investment destination: Ayodhya is on the cusp of a monumental economic transformation with the infusion of a record-breaking investment of Rs 75,000 crore by British conglomerate Trafalgar Square Capital. *[Money Control]*

NHAI may monetise more than ₹1 lakh cr assets by FY24 end: The National Highways Authority of India (NHAI) expects to surpass ₹ 1 lakh crore of asset monetisation by the end of this financial year. *[The Economic Times][R1]*

BHEL to set up 2,400 MW thermal power plant at Odisha's Jharsuguda: Bharat Heavy Electricals Limited (BHEL) will set up a greenfield thermal power plant of 2,400 MW capacity in Odisha's Jharsuguda district. *[The Economic Times]*

Hyundai Motor plans second plant in India, commits Rs 7000 crore investment in Maharashtra: Hyundai Motor is set to invest a substantial amount of Rs 7,000 crore to revamp its recently acquired second plant in India. *[The Economic Times]*

NHAI rolls out 'One Vehicle, One FASTag' initiative: The National Highway Authority of India has undertaken 'One Vehicle, One FASTag' initiative to discourage use of single FASTag for multiple vehicles or linking multiple Fastags to a particular vehicle. *[The Economic Times]*



Sustainable Industrialisation

India, US working on tech to process critical minerals: India and the US are working on a collaboration mechanism to jointly develop technologies to process critical minerals. *[The Economic Times]*

KABIL-Argentina pact to explore lithium blocks: State-owned KABIL (Khanij Bidesh India Ltd) on Monday signed an agreement with Argentina to explore and develop its lithium blocks. *[The New Indian Express]*

EU drafts plan to zero out industry's carbon footprint by 2050: The European Union has drafted plans to capture and store hundreds of millions of tons of CO2 emissions by 2050 to ensure industries can meet Europe's climate change goals. *[The Economic Times]*

Rs 16.93 trn investment in power, RE since 2014, Rs 17.05 trn in pipeline: A whopping investment of Rs 17.05 trillion is in the pipeline in power and renewable energy sector, which has attracted around 16.93 trillion of investment since 2014. *[Business Standard]*



Sectoral News

Mercedes Benz India - Luxury car sales in India surge to record high, up 20% YoY: Luxury car sales in India scaled a record high of 42,731 units in 2023, up 20% year-on-year. *[The Economic Times]*

Telecom towers require Rs 2-3 lakh cr per annum for maintenance - BSNL chairman: Telecom towers, which transmit signals that help make voice calls and help access the internet on mobile phones, require an estimated Rs 2-3 lakh crore per annum to maintain. *[Financial Express]*

PLI - Rs 4,415 cr disbursed, system in place to facilitate beneficiaries' visa applications: The government has disbursed Rs 4,415 crore under Production-Linked Incentive (PLI) schemes for eight sectors, including electronics and pharma, till October this fiscal and a system to facilitate visa applications for PLI beneficiary companies has been put in place. *[The Economic Times]*

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](#)