

# Industry Matters

Weekly Updates

February 02, 2024



## Economy, Industry and Policy

**Interim budget firmly conveys govt's commitment to fiscal consolidation - Moody's:** Moody's Investors Service on Thursday said that the interim budget for 2024-25 firmly conveys the government's commitment to its fiscal consolidation goals set against a backdrop of healthy economic growth. *[The Economic Times]*

**IMF revises India's FY25 growth forecast upward to 6.5%:** Domestic demand resilience will help India carry forward the growth momentum in FY25 as the world prepares for a soft landing. *[The Economic Times]*

**India's fiscal deficit for April-December at Rs 9.82 lakh crore, narrows to 55% of FY24 aim:** India's fiscal deficit for the first nine months of this fiscal year through December stood at 9.82 lakh crore rupees, or 55% of annual estimates. *[The Economic Times]*

**Budget 2024 - PLI outlay for electronics, auto and pharmaceutical goods increased:**[1] The Centre has significantly increased the expenditure outlay for the production linked incentive schemes (PLI) related to manufacturing in electronics, automobiles and the pharmaceutical industry. *[Business Line]*

**Budget 2024: Sitharaman cuts FY24 divestment target to Rs 30,000 cr, FY25 target at Rs 50,000 cr:** Finance Minister Nirmala Sitharaman h[2] as revised FY24's divestment target to Rs 30,000 crore from Rs 51,000 crore budgeted previously. Furthermore, the target for FY25 has been set at Rs 50,000 crore. *[The Economic Times]*

**Core sector growth eases to 14-month low of 3.8% in December:** An unfavourable base and slowdown in infrastructure activity in December, pushed core sector growth lower to a 14-month low in December. *[The Economic Times]*

**Budget 2024 - Budget raises capex target by 11.1% to Rs 11.11 lakh crore to steer India's economy to third largest spot:** Finance Minister Nirmala Sitharaman proposes to raise capex target by 11.1% to Rs. 11.11 lakh crore for next fiscal year to boost demand and consumption. *[The Economic Times]*

**Interim Budget 2024-25 - Road transport and highways get 2.7% boost to Rs 2,78,000 crore allocation:** The 2.7% hike in budgetary allocation for road transport and highways in the Interim Budget 2024-25 is committed towards ongoing projects. *[The Economic Times]*

**GST collections surge to ₹1.72 lakh crore in January 2024, marking a 10.4% Y-o-Y growth:** India's Goods and Services Tax (GST) revenue for January 2024 has surged to ₹1,72,129 crore, reflecting an impressive 10.4% Year-on-Year (Y-o-Y) growth. *[The Economic Times]*

**India's manufacturing PMI hits four-month high in January on robust demand:** India's manufacturing industry improved substantially at the start of 2024 with factory activity expanding at its fastest pace in four months in January on robust demand and an upbeat year-ahead outlook. *[The Economic Times]*

**Retail inflation for industrial workers eases marginally to 4.91 pc in December:** Retail inflation for industrial workers eased marginally to 4.91 per cent in December from 4.98 per cent in November 2023, mainly due to lower prices of certain food items. *[The Economic Times]*

**Interim Budget 2024 - Modi gov't hopes to bump up tax revenues in FY25:** Finance Minister Nirmala Sitharaman today proposed in the interim Budget 2024 to collect higher direct and indirect taxes for the next fiscal year starting April 1, reflecting an income and consumption boost in an economy aiming to become the world's third largest. *[The Economic Times]*

**Budget 2024 - Food subsidy bill at Rs 2.05 trillion for FY25:** The Central government is estimating the food subsidy bill for FY25 at Rs 2.05 lakh crore, down from Rs 2.12 lakh crore in the current financial year. *[The Economic Times]*

**Budget 2024 - Viksit Bharat - Centre to provide Rs 75,000 crore interest-free loan to states:** The Union government proposes a Rs 75,000 crore, 50-year interest-free loan to states for reforms supporting the vision of 'Viksit Bharat'. *[The Economic Times]*

**Directorate General of GST Intelligence to have 1st digital forensic lab in Gujarat:** The Directorate General of GST Intelligence (DGGI) has got its first digital forensic lab in Ahmedabad, which will help it in detecting instances of tax evasion more efficiently and ensure better recovery backed by digital evidence. *[The Economic Times]*

**Gov't may monetise NHA projects to achieve disinvestment target:** The government has to rely more on monetisation of road projects of National Highway Authority of India to achieve the ambitious disinvestment target of ₹50,000 crore for next financial year. *[Business Line]*

**PLI scheme allocation hiked by 33% in Budget 2024:** The Narendra Modi government has hiked allocation towards its flagship Production-Linked Incentive (PLI) scheme for financial year 2025 to Rs 6,200 crore, up 33 per cent from FY24's budgeted estimate of Rs 4,645 crore. *[The Economic Times]*

**Gov't mulls tweaking PLI schemes in textiles, food processing, pharma:** The government is considering tweaking production linked incentive (PLI) schemes for certain sectors including textiles, food processing, and pharmaceuticals. *[The Economic Times]*



## Foreign Investment

**CNH plans to invest up to \$50 million in India in 2024; launch 105HP tractor in May:** Italian-American off-road construction and agriculture firm CNH is planning to invest up to USD 50 million in the farm machinery segment in India this year and launch a 105HP tractor in May. *[Financial Express]*

**US investments in India - US wants more of its investments to flow into India: Envoy:** Describing the Indo-US ties as a 'multiplicative relationship', the Eric Garcetti, the US Ambassador to India, said that the US wants more of its investments to flow into India. *[The Economic Times]*

**India-dedicated funds see \$16.2 billion inflows in CY23:** India-dedicated funds saw inflows of \$3.1 billion in December, taking the total category inflows in CY23 to \$16.2 billion, the latest EPFR data compiled by Kotak Institutional Equities showed. *[Business Line]*

**Kazakhstan seeks higher FDI from India as foreign investments increase in the country:** Kazakhstan has claimed the sixth spot in the foreign direct investment (FDI) Standouts Watchlist 2024. *[The Economic Times]*



## Trade Policy and Competitiveness

**UNCTAD raises alarms on escalating disruption to global trade:** The recent attacks on Red Sea shipping, coupled with existing geopolitical and climate-related challenges, have given rise to a complex crisis affecting key global trade routes. Nearly 80 per cent of goods globally are moved via maritime. *[Business Line]*

**Global and domestic companies jostle for warehousing space in India:** The warehousing and logistics sector in India is experiencing an explosion in demand and supply. Some of the biggest global names in the sector and private equity giants are battling it out as they seek to gain and consolidate their presence by establishing industrial parks and hubs across the country. *[Business Line]*

**DGFT working with MEA, customs, industry to ease export norms for some dual-use goods:** The government is working to ease the export norms for certain products, which have dual-use such as chemicals for companies that have proven track record. *[The Economic Times]*

**China threat is an opportunity for India-US relationship to make strong agreements, FTA - Congressman Issa:** The "threat" posed by China offers an opportunity for the US and India to make strong agreements, including a genuine Free Trade Agreement (FTA) to ensure that the two countries will look at each other as first partners. *[The Economic Times]*

**Cabinet approves signing of India-UAE Bilateral Investment Treaty:** The government on Thursday approved the signing and ratification of a Bilateral Investment Treaty (BIT) between India and the United Arab Emirates (UAE). *[The Economic Times]*

**India negotiating trade facilitation pact with 10 countries currently - CBIC chairman:** In a bid to facilitate faster customs clearance for traders, India is currently negotiating Mutual Recognition Agreements (MRAs) with 10 countries. *[Financial Express]*

**India seeks investment commitment from Switzerland under proposed EFTA trade pact:** India has sought investment commitments from Switzerland under the proposed free trade agreement with the four-nation EFTA bloc. *[The Economic Times]*

**Electronics, engineering goods among six focus sectors for \$1 trillion exports target:** India has identified electronics, engineering goods, textiles, marine & agriculture, toys and pharmaceuticals as the six sectors that could help the country achieve almost 70% of its \$1-trillion goods export target by FY30. *[The Economic Times]*



## Corporate Governance

**Tata group, Airbus team up to make helicopters; Thales' MRO on cards:** The Tata group and European aerospace company Airbus have signed an agreement to manufacture H125 civilian helicopters together in India. *[Business Standard]*

**75,000 patents granted by patent office in 10 months - Piyush Goyal:** The Indian Patent Office (IPO) has granted a record 75,000 patents in the last 10 months, showcasing India's ability to innovate and grow rapidly. *[Business Standard]*

**Air India operating 41% more flights since Tata takeover:** Since the Tata Group assumed control of Air India exactly two years ago on January 27, 2022, the airline has witnessed a 41.4 per cent increase in the number of flights operated. *[Business Standard]*



## MSMEs and Start-ups

**Budget 2024 - Opens doors for prolonged tax haven for startups, Gift City units:** In a big boost for Startups, Budget 2024 has extended by one year the incorporation window for availing a three year tax holiday under the income tax law. *[Business Line]*

**Timely finances, tech for MSMEs key policy priority - FM Nirmala Sitharaman:** The government has prioritised the development of micro, small and medium enterprises (MSME) to allow them to grow and compete globally. *[The Economic Times]*

**Bhavish Aggarwal's AI startup Krutrim turns unicorn after raising \$50 mn:** Krutrim, an artificial intelligence (AI) venture co-founded by Bhavish Aggarwal of Ola, on Friday announced that it has achieved unicorn status. *[Business Standard]*

**Back to campus - Startups to fire up hiring engine for talent boost:** After a prolonged period of layoffs and muted hiring, Indian startups are expected to ramp up talent acquisition this year by as much as 7 per cent compared to last year. *[Business Standard]*



## Employment and Industrial Relations

**Employment process for 1.5 lakh posts complete - Railway Minister Ashwini Vaishnaw:** Union Railway Minister Ashwini Vaishnaw said that the railways is planning to create more employment opportunities, and that the employment process for 1.5 lakh posts is complete. *[The Economic Times]*

**Budget 2024 - FM promises 20 mn more rural houses, hikes MGNREGA allocation:** With the general elections just a few months away, Union Finance Minister Nirmala Sitharaman on Thursday promised to construct an additional 20 million houses in rural areas over the next five years. *[Business Standard]*

**PFRDA proposes information help desk for NPS/APY:** Pension regulator PFRDA wants to enable the setting up of an 'information help desk for NPS/APY' to help prospective or existing NPS/APY subscribers with their queries regarding scheme features, process/procedures for enrolment, operations and exits. *[Business Line]*

**85 technology companies show exit door to over 23K employees this year:** Like last year, 2024 has also begun on a sombre note for the IT sector, with major tech companies like Microsoft, Salesforce, and SAP announcing major job cuts. *[Business Standard]*

**India's employable youth up from 33.9% in 2014 to 51.3% in 2024 - DEA:** In its review of the economy for January 2024, the department of economic affairs under the ministry of finance, said there is ample scope to mainstream skilling into education curriculum and upskilling a large chunk of the existing workforce into future-relevant skills on the back of a transformative journey in skill development in India in the last decade. *[The Economic Times]*



## Industrial Finance

**Budget 2024 - Govt allocates Rs 5,700 crore for loans to foreign govts. Here are the top 10 overseas borrowers:** The Indian government has allocated an estimated amount of Rs 5,667.56 crore as grants and loans to foreign governments for the fiscal year 2024-25. *[The Economic Times]*

**IRDAI asks insurers to give coverage for AYUSH in health insurance policies:** The insurance regulator has asked general insurers to put Ayurveda, Yoga, Naturopathy, Unani, Siddha, and Homeopathy (AYUSH) at par with other medical treatments in their health insurance policies, citing "increased popularity". *[Business Standard]*



## Technology and Innovation

**UPI transactions reach a record Rs 18.41 trillion in January - NPCI:** Unified Payment Interface (UPI) transactions clocked a new high in value in January by touching Rs 18.41 trillion, up marginally by 1 per cent from Rs 18.23 trillion in December. *[Business Standard]*

**Interim Budget - Govt earmarks Rs 1 trn corpus for R&D in sunrise sectors:** Finance Minister (FM) Nirmala Sitharaman on Thursday announced the Centre will establish a ₹1 trillion corpus to boost innovation and research in sunrise domains. *[Business Standard]*



## Industrial Infrastructure, Clusters and SEZs

**Budget 2024 - Railways moots ₹11,00,000-cr investment across three new freight and high traffic density corridors:** Indian Railways has proposed an investment of at least ₹11,00,000 crore across three upcoming freight and cargo corridors — the energy, mineral and cement corridor, the port connectivity corridor, and the high traffic density corridors. *[Business Line]*

**Road building has slowed, but a ₹50,000 cr booster may help:** The Union road ministry plans to plough an extra ₹50,000 crore into highway building in the current fiscal as it chases a record 13,800-km target, despite slow construction across much of the year. *[Mint]*

**Mumbai-Ahmedabad HSR corridor - 28 seismometers to be installed for early earthquake warning:** The National High-Speed Rail Corporation (NHSRCL) announced plans to install 28 seismometers, including an "Early Earthquake Detection System," along the Mumbai-Ahmedabad 'bullet train' corridor. *[The Economic Times]*



## Sustainable Industrialisation

**Budget 2024 - Green fuel gets boost, FM presents scheme for biomanufacturing:** Finance Minister Nirmala Sitharaman announced a slew of initiatives aimed at bolstering the green energy sectors while presenting the Interim Budget on Thursday. *[Business Standard]*

**Eye on green transition, slew of incentives in works for steel cos:** India is considering a slew of incentives such as concessional finance and long-term loans for steel makers as it prepares for green transition in steel production to tackle the carbon taxation challenges, including Europe's Carbon Border Adjustment Mechanism (CBAM). *[The Economic Times]*

**PM Suryodaya Yojana 2024 to help households save up to ₹18,000 annually:** Finance Minister Nirmala Sitharaman on Thursday said that PM Suryodaya Yojana will aid households in saving ₹15,000-18,000 annually by installing rooftop solar for which an allocation of ₹10,000 crore has been proposed. *[Business Line]*



## Sectoral News

**PLI scheme for air-conditioners a game changer for industry - Panasonic Life Solutions:** The Production Linked Incentive (PLI) Scheme for the air-conditioner industry is proving to be a "game changer" as within a year and a half of its launch, the ratio of domestic value addition has gone up significantly to 45 per cent from 25 per cent. *[The Economic Times]*

**AIRIA urges Centre to change imported duty structure for rubber goods:[1]** The All India Rubber Industries Association (AIRIA), an organisation comprising over 1,400 small and micro industries, has urged the Centre to increase the Customs duty on imports of finished rubber goods as it is lower than levy on natural rubber shipments into the country. *[Business Line]*

**Longer disruptions at Red Sea trade route may hurt auto, electronics production - GTRI:[2]** Longer disruptions at the crucial Red Sea trade route may hurt manufacturing lines of some sectors like electronics, automobiles, chemicals, consumer goods and machinery. *[The Economic Times]*

**India's steel mills want mandatory usage of India-made steel offerings in wind and solar power projects:** India's steel majors are seeking the mandatory inclusion of Made-in-India offerings, specially those that are "melted and poured in the country", for solar and wind power projects set up here. This would include projects used for transmission and distribution too. *[Business Line]*

**Power Sector CPSEs to prioritise setting up TPPs near coal mines; invest in logistics:** The power sector CPSEs have been directed to work on setting up thermal power plants (TPPs) near coal mines as well as strategise with Indian Railways to invest in coal logistics initiatives to prepare for meeting India's rising power demand. *[Business Line]*

**Budget 2024 - Auto industry welcomes expansion of EV ecosystem:** The automobile industry has welcomed the announcement of government expanding and strengthening the electric vehicle (EV) ecosystem by supporting manufacturing and charging infrastructure. *[Business Line]*

**FinMin doubles allocation to promote domestic tourism:** In a bid to push domestic tourism, the Centre will focus on its 'Incredible India' campaigns. The new areas being looked into include spiritual tourism. *[Business Line]*

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