

Industry Matters

Weekly Updates

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Economy, Industry and Policy

India certain to become 3rd largest economy in our third term PM Modi: Prime Minister Narendra Modi on Friday said India is moving fast and will become the world's third largest economy in the third term of his government. *[Business Standard]*

Fiscal deficit target of 4.5% of GDP by FY26 a challenge - Fitch: The fiscal deficit target of 4.5% of gross domestic product in FY26 would be a challenge for the government amidst a focus on capex to support growth. *[The Economic Times]*

OECD marginally raises India's GDP growth forecast to 6.2% for FY25: The Organization for Economic Co-operation and Development (OECD), in its latest interim economic outlook released on Monday, raised India's growth outlook for 2024-25 (FY25) to 6.2 per cent from the 6.1 per cent estimated earlier in its November outlook. *[Business Standard]*

RBI pegs GDP growth at 7% in FY25 amid corporate investments: The Reserve Bank of India (RBI) has said the economy will expand at 7% in FY25, at world-leading rates for the second straight year running, as corporate investments follow state-led capital expenditure in boosting demand across sectors in the world's most populous country. *[The Economic Times]*

Businesses pledged ₹1.07 trillion of investments under PLI scheme - Sitharaman: Businesses have committed about ₹1.07 trillion of investments under the government's production-linked incentive (PLI) scheme to scale up domestic manufacturing, helping create job opportunities for over 700,000 people. *[Mint]*

RBI MPC - India's forex reserves at \$622.5 bn as of February 2 - Governor Shaktikanta Das: India's foreign exchange reserves stood at \$622.5 billion for the week ending on February 2, said Reserve Bank of India Governor Shaktikanta Das on Thursday while announcing key decisions taken by the MPC. *[The Economic Times]*

India's services PMI jumps to highest in six months at 61.8 in January: The HSBC India Services PMI came in at 61.8 in January, up from 59 in December. It is the highest since July 2023 when the PMI was 62.3. A reading above 50 shows that the sector is expanding. *[Business Standard]*

India expects \$1.8 billion in dividends from state-run banks in 2024/25 - Finance Ministry: Rising profits at India's state-run banks could produce nearly \$2 billion in dividends for the government in the next fiscal year starting in April, a solid jump from this year. *[The Economic Times]*

Cabinet approves six multi-tracking railway projects worth Rs 12,343 crore: The Cabinet Committee on Economic Affairs approved six multi-tracking projects of the Railways Ministry worth Rs 12,343 crore on Thursday. These multi-tracking proposals will be completed by 2029-30 and will ease operations and reduce congestion. *[The Economic Times]*

NHAI's total asset monetization program crosses Rs 1 lakh crore: The National Highways Authority of India (NHAI) has raised the highest ever concession value of Rs 15,624.90 crore through 'InvIT Round-3' which includes monetizing 10 stretches with an aggregate length of about 890 km. *[The Economic Times]*

Nearly Rs 41,000 crore unspent from govt's Rs 1.97 trillion PLI fund: Of the Rs 1.97 trillion that the government intends to spend on all 14 production-linked incentive (PLI) schemes, around Rs 41,000 crore remains unutilised as of now. *[Business Standard]*

Number of people earning over Rs 1 crore annually rises 15 per cent: The number of taxpayers with an annual income of Rs 1 crore and above rose 15% on year to 216,217 as on December 31, 2023. *[Financial Express]*

FinMin releases Rs 66,745 cr loan to 28 states for capital investment in Apr-Jan: The Ministry of Finance has released loans worth Rs 66,745 crore to 28 states under the Scheme for 'Special Assistance to States for Capital Investment'. *[The Economic Times]*

Niti Aayog moots sops, extension of PLI to LNG vehicles: The Niti Aayog has proposed a host of fiscal and non-fiscal incentives, including extension of the production-linked incentive scheme to vehicles run on liquified natural gas and setting up a demand aggregator, to encourage use of LNG in medium and heavy commercial vehicles. *[The Economic Times]*

Cabinet approves telecom spectrum auctions at base price of Rs 96,317.65 cr: The Cabinet on Thursday approved the next spectrum auctions set to be held later this year with a reserve price of Rs 96,317 crore. All the available spectrum in 800, 900, 1800, 2100, 2300, 2500, 3300 megahertz (MHz) and 26 gigahertz (GHz) bands will be put to auction. *[Business Standard]*

Govt seeks nod for net extra spending of over ₹78,600 cr: Finance Minister Nirmala Sitharaman on Monday sought Parliament approval for spending a net additional amount of ₹78,672 crore in the current financial year to meet the funding requirements for income support to farmers, crop insurance, fertilizer subsidy and rural jobs. *[Mint]*



Foreign Investment

India eyes \$100 billion investment deal with Switzerland, Norway: India is close to finalizing a first-of-its-kind trade deal that could see a small group of European nations invest as much as \$100 billion over 15 years in exchange for easier trade access to the world's most populous nation. *[The Economic Times]*

Force Motors plans to invest around Rs 2,000 cr in 3-4 years, to focus on EV development - MD Prasan Firodia: Automaker Force Motors plans to invest around Rs 2,000 crore in the next three to four years on various activities including sustainability drive and electric vehicle development. *[The Economic Times]*

India to remain on alert for 'hot money' after bond index inclusion: India will monitor flows of foreign funds after its inclusion into JPMorgan's emerging market debt index and will take steps to avoid 'hot money' that can trigger volatility in its currency and bond markets. *[The Economic Times]*



Trade Policy and Competitiveness

Government approves continuation of export incentive scheme for apparel, garment till March 2026: The Union Cabinet Thursday approved the continuation of the Rebate of State and Central Taxes and Levies (RoSCTL) scheme for apparel, garments and made-ups till March 31, 2026, a move aimed at enhancing the export competitiveness of garment and made-up sectors. *[The Economic Times]*

Toy exports jump to USD 325.72 mln in 2022-23 - Minister of State for Commerce and Industry Som Parkash: The country's toy exports have jumped to USD 325.72 million in 2022-23 from USD 96.17 million in 2014-15. *[The Economic Times]*

India-Costa Rica Joint Economic and Trade Committee likely to meet soon: Focussed on diversifying trade and expanding beyond its traditional markets, the Department of Commerce is set to soon participate in the first meeting of India-Costa Rica Joint Economic and Trade Committee (JETCO). *[Business Line]*

China extends anti-dumping duties on Indian chemical for five years: Beijing, China has said that it will retain the anti-dumping duties on imports of o-chloro-p-nitroaniline originating in India for another five years. *[The Economic Times]*

Driving in the FTA Lane: India is in talks with 50 nations, but how many pacts will it sign in 2024?: India is actively engaged in ongoing FTA negotiations with multiple countries and blocs, including Oman, the UK, the EU, Canada, and various Indo-Pacific Economic Framework (IPEF) partner countries. *[The Economic Times]*

ROSATOM DG visits India as India-Russia seeks to expand civil nuclear cooperation: Alexey Likhachev, Director General of the Rosatom State Corporation and Ajit Kumar Mohanty, Chairman of the Atomic Energy Commission of India, Secretary of the Department for Atomic Energy have visited the construction site of the Kudankulam Nuclear Power Plant or NPP in Tamil Nadu. *[The Economic Times]*

India plans to protest EU's carbon tax at WTO meeting: India plans to protest the European Union's proposed carbon tax on imports of steel, iron ore and cement at the next meeting of World Trade Organization (WTO) later this month, saying it would emerge as a new trade barrier. *[The Economic Times]*



Corporate Governance

Jio Financial Services, HDFC Bank frontrunners to buy Paytm's wallets biz: Paytm is in exploratory talks to sell its wallets business. HDFC Bank and Jio Financial Services (JFSL) are among the forerunners to acquire it. *[Business Standard]*

HUDCO may enter pvt sector housing finance: State-run Housing & Urban Development Corporation (HUDCO) is likely to consider financing real estate companies in the private regime beginning next year. *[The New Indian Express]*

Thyrocare to acquire Think Health Diagnostics; To enter into providing ECG services at home: Thyrocare, a diagnostic and preventive healthcare service provider in India, will be acquiring 100 percent stake in Chennai-based Think Health Diagnostics and a related entity. *[Financial Express]*



MSMEs and Start-ups

MSME stakeholders welcome RBI's move to bring KFS to retail, MSME loans for enhanced transparency in lending: Stakeholders in the MSME ecosystem have welcomed the move by the Reserve Bank of India (RBI) on Thursday mandating all lenders to provide the 'Key Fact Statement' (KFS) to their retail and MSME loan borrowers to enhance transparency in lending and helping borrowers in making informed decisions. *[Financial Express]*

Defer EU carbon tax for MSMEs by 3 years, new PLI, launch ecommerce policy: Parliamentary panel to govt: A parliamentary committee Thursday suggested the government to seek the deferment of the application of the EU's Carbon Border Adjustment Mechanism (CBAM) for micro, small and medium enterprises (MSME) by at least three years. *[The Economic Times]*



Employment and Industrial Relations

NTT DATA to hire 6,000 people in India by year-end to fuel growth plans: NTT DATA, the \$30 billion IT services arm of the Japanese telecommunications major NTT Group, aims to hire about 6,000 people in India by the end of this year -- an increase of 10-15 per cent to its existing talent base of about 40,000 people -- to fuel its growth plans. *[Business Standard]*

India's factory employment crossed pre-pandemic level in FY22, investment also picked up pace: A 7% growth in employed people in factories ensured that India's factory employment surpassed the pre-COVID level in FY22. *[The Economic Times]*

MGNREGS January work demand dips 1.7%: Demand for work under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) fell slightly in January amid stable economic activities. *[The Economic Times]*

Strong pitch for hike in NREGS base wage rate: A parliamentary panel has pitched for adequate allocation for the rural job scheme, highlighting that fund constraints at the Budget estimate stage have a "cascading effect" on key aspects - including timely transfer of wages and release of funds for materials - and a "telling impact" on the progress of the scheme. *[The Economic Times]*



Industrial Finance

RBI bars Paytm Payments Bank from carrying out transactions starting Feb 29: The Reserve Bank of India (RBI) on Wednesday barred Paytm Payments Bank from accepting fresh deposits and carrying out transactions from February 29 this year, citing "persistent non-compliance" and "material supervisory concerns". *[Business Standard]*

Money laundering concerns and KYC non-compliance led to ban on Paytm Bank by RBI: Money laundering concerns and questionable dealings of hundreds of crores of rupees between popular wallet Paytm and its lesser-known banking arm had led Reserve Bank of India to clamp down on tech poster boy Vijay Sekhar Sharma-run entities. *[The Economic Times]*

Shadow of KYC-led money laundering falls over Paytm Payments Bank: Large-scale violations of know your customer (KYC) norms, leading to money laundering concerns, have prompted the Reserve Bank of India (RBI) to clamp down on Vijay Shekhar Sharma-led Paytm Payments Bank earlier this week. *[Business Standard]*

Retail loan growth moderates in Sept qtr; unsecured loan NPAs go up: Lenders tightened credit supply in the September quarter, leading to a slowdown in retail credit growth. *[The Economic Times]*



Technology and Innovation

India to become the largest developer community on GitHub by 2027 - Nadella: India is the fastest-growing market on GitHub, a Microsoft-owned software development platform, with 13.2 million developers using it. *[Business Standard]*

Govt to launch central databases for citizens to track doctors' credentials: The central government is planning to launch national registers for various healthcare personnel for citizens under the One Nation One Register programme. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

Highway construction likely to reach 13K km in FY24 - Highways secretary: Highways secretary **Anurag Jain** said on Friday the Ministry of Road and Highways (MoRTH) is looking to double its FY24 numbers in the last three months of the financial year to construct 13,000 kilometres (km) of national highways. *[Business Standard]*

Nitin Gadkari approves Rs 3,890.45 cr for NH-913 construction in Arunachal: Union Minister of Road Transport & Highways Nitin Gadkari has approved the construction of three sections worth Rs 3,890.45 crore of the National Highway 913 (Frontier Highway) in Arunachal Pradesh. *[Business Standard]*

Vedanta to invest \$4 bn to double oil production: Mining conglomerate Vedanta Ltd will invest USD 4 billion over the next three years to double oil production, its chairman Anil Agarwal said on Tuesday as he pushed ahead with an aggressive oil and gas expansion programme. *[The New Indian Express]*

Amrit Bharat Station Scheme - Nine new stations selected for redevelopment: Railway Minister Ashwini Vaishnaw on Friday told the Rajya Sabha that the Railway Ministry has identified 1,318 railway stations for the development/redevelopment under the Amrit Bharat Station Scheme. *[Financial Express]*

Higher outlay for roads to push ongoing projects; pvt funds to pave a new path: The 2.7% hike in the budgetary allocation for road transport and highways, though small, comes on a high base and will be committed towards ongoing projects, while the fresh developments will come in from the private sector as envisaged by the government, say experts. *[The Economic Times]*

Nestle investing Rs 6,000-6,500 cr to expand manufacturing ops in India: FMCG major Nestle is expanding its manufacturing footprints and operations in India, for which it will end up investing Rs 6,000 to 6,500 crore between 2020-2025, to meet the growing demand. *[The Economic Times]*

Road ministry aims to construct record 13,813 km of highways in FY24: The Ministry of Road Transport and Highways (MoRTH) aims to create a national record by constructing 13,813 km of highways in the current financial year. *[The Economic Times]*



Sustainable Industrialisation

Only 38% of Fame 2 subsidy used so far in FY24: The Ministry of Heavy Industries (MHI) has stated that the total utilisation of the FAME-II subsidy fund electric vehicles (EVs) till January 31 for FY24 was Rs 1,980.83 crore, which is only 38 per cent of its total allocation. *[Business Standard]*

Most of the new cars to hit Indian roads next fiscal may be electric: A dozen out of 14 new car brands slated for launch in the next financial year will be electric as carmakers align themselves to the government's aim of having a third of sales powered by battery electric vehicles (BEVs) by 2030. *[The Economic Times]*

China shadow on flagship PLI for domestic manufacturing of solar equipment: The flagship production-linked incentive (PLI) scheme for solar equipment manufacturing, aimed at reducing import dependence, is likely to see significant Chinese presence in supply chain partnerships and related services. *[Business Standard]*



Sectoral News

Large part of Rs 11 tn capex for FY25 to flow into energy sector - PM Modi: Prime Minister Narendra Modi on Tuesday said that the Centre would allocate a large part of the budgeted capital expenditure for the fiscal year 2024-25 (FY25) to the energy sector as the country strives to meet rapidly growing demand and accomplish climate targets. *[Business Standard]*

Direct spectrum allocation for pvt 5G being looked at: The department of telecommunications (DoT) is examining methodologies to directly allocate spectrum to enterprises like Infosys, Tejas Networks, Tata Communications, Tata Power, Larsen & Toubro, GMR, Capgemini. *[Financial Express]*

India to account for over one-third of global oil demand growth by 2030 - IEA: India, the world's second largest crude oil importer, will account for one-third of the 3.2 million barrels per day (mb/d) of growth in oil demand between 2023 to 2030, surpassing China. *[Business Line]*

Centre likely to achieve ₹1.2 lakh crore revenue target from telecom sector: The government is likely to achieve its target of garnering ₹1.2 lakh crore as revenue receipts from the telecom sector, even if there is no big-bang spectrum auction in the next financial year. *[The Economic Times]*

Rs 1.07L cr investment made under production-linked incentive scheme: A total of Rs 1.07 lakh crore investments have been made under the government's production-linked incentive (PLI) scheme till December 2023. *[The New Indian Express]*

Oil sector needs \$14 trillion investments globally by 2045 - OPEC: The global oil market will require an investment of \$14 trillion by 2045 to meet the rising energy demand of the world. *[Financial Express]*

Spectrum auctions, high payments to help hit Rs 1.2 trn telco revenue goal: Another round of spectrum auction, along with higher incidence of payments by telecom operators has led to a 28.5 per cent higher estimate of Rs 1.2 trillion worth of non-tax revenue from the telecom sector in FY25 (2024-25). *[Business Standard]*

Indian advertising sector to grow at 9.86% CAGR to touch Rs 1.12 lakh crore by 2025: The Indian advertising sector is projected to grow at a Compound Annual Growth Rate (CAGR) of 9.86% from Rs 93,166 crore in 2023 to Rs 1,12,453 crore by 2025, according to a report by Dentsu India. *[The Economic Times]*

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