

Industry Matters

Weekly Updates

February 16, 2024



Economy, Industry and Policy

Manufacturing, tech, and India - The Indian economy must shift to manufacturing and should leverage tech to do so: The Interim Budget for FY25 has managed to provide a direction to the economy in terms of innovation-led industrial transformation for sustaining India's growth momentum in a challenging global environment, writes Nagesh Kumar. *[Financial Express]*

India's industrial production growth rises to 3.8% in Dec from 2.4% in Nov: India's industrial production rose to 3.8 per cent in December 2023 as against 2.4 per cent in November 2023. *[The Economic Times]*

PLI textiles - Govt considering adding more items, extending gestation period: The Government is considering expansion of the Production Linked Incentive (PLI) scheme for textiles, which has a corpus of ₹10,683 crore, to include more items of manmade fibre (MMF) garments & fabrics to make it easier for investors to meet the turnover and investment norms. *[Business Line]*

Govt releases Rs 1.71 trillion for fertiliser subsidies in April-Jan: The government has allocated Rs 1.71 trillion towards fertiliser subsidy during April-January period of FY24, minister of state for fertiliser Bhagwanth Khuba on Friday stated in Parliament. *[Financial Express]*

Retail inflation eases in January; is there a rate cut coming?: India's retail inflation in January eased to 5.10 percent annually from December's four-month high of 5.69 percent. *[The Economic Times]*

India's net direct tax collection at Rs 15.6 lakh crore till Feb 10, reaches 80% of revised target: India's net direct tax collection stood at Rs 15.60 lakh crore as of February 10, reaching approximately 80 per cent of the revised target set for the entire financial year. *[The Economic Times]*

Moderation in food prices cools WPI to 3 month low of 0.27% in Jan: India's wholesale price index (WPI)-based inflation rate eased to a three-month low of 0.27 per cent (year-on-year) in January due to moderation in prices of food articles and manufacturing products. *[Business Standard]*



Foreign Investment

FPI flows to double to 1% of GDP - CLSA: Foreign brokerage CLSA sees foreign flows into India doubling to 1% of the GDP, from the 0.4% during 2014-22. *[Financial Express]*

Israel's Tower proposes \$8 bln chip plant in India: Israel's Tower Semiconductor has submitted a proposal to India's government to build an \$8 billion chipmaking facility in the South Asian nation. *[The Economic Times]*

Global fintech investment drops to 5-year low, India funding halves to \$3 bn: Global investment in fintech sank to a five-year low of \$113.7 billion across 4,547 deals in 2023 as investors pulled back from making large deals amid concerns about stubbornly high interest rates, conflicts in Ukraine and the Middle East. *[Business Standard]*

Foreign direct investment - The critical minerals conundrum: The global landscape of critical minerals is undergoing rapid change. Securing access to critical mineral resources is crucial to India's growth story. *[Financial Express]*

India among most attractive foreign investment hotspots, says Gerry Grimstone, chairman, Gemcorp Capital Management: India has become one of the most attractive destinations in the world for foreign investment, but there is a need to level up those states in the country that have fallen behind. *[The Economic Times]*



Trade Policy and Competitiveness

Indian consumer electronics break boundaries; export surge to the US and Europe: Indian consumer electronic manufacturers have opened up new frontiers for exports of made-in-India products to the developed markets such as the US and Europe, which were hitherto only limited to the neighbouring countries, the Middle-East or African nations. *[The Economic Times]*

India-UAE trade could touch \$100 billion ahead of 2030: Prime Minister Narendra Modi and UAE President Sheikh Mohamed bin Zayed Al Nahyan have expressed optimism that India-UAE bilateral trade could touch \$100 billion, up from the current \$85 billion, well ahead of the target year 2030. *[Business Line]*

Duty concession on gold will be major concern for India under proposed FTA with Peru - GTRI: Duty concessions on gold, which accounts for 80 per cent of India's imports from Peru, is the most challenging issue for New Delhi under the proposed free trade agreement with the South American nation. *[The Economic Times]*

Exports rise 3.12 pc in January despite Red Sea crisis; trade gap shrinks to 9-month low: India's exports rose to a three-month high of 3.12 per cent to USD 36.92 billion in January despite global uncertainties including the Red Sea crisis, while the trade deficit narrowed to a nine-month low of USD 17.49 billion. *[The Economic Times]*

Services trade surplus hits record \$44.9 billion in December quarter: India's services trade surplus shot up to a record \$44.9 billion in the October-December quarter (third quarter, or Q3) of 2023-24 (FY24), growing 16 per cent year-on-year, showing resilience amid strong global headwinds. *[Business Standard]*

E-commerce giant Amazon exports from India crossed \$8 billion in 2023: E-commerce giant Amazon has said it surpassed \$8 billion in cumulative exports from India in 2023 and is set to achieve its ambitious target of \$20 billion in exports by 2025. *[Business Standard]*



Corporate Governance

Top 500 private companies valuation at USD 2.3 trillion, around 71 per cent of India GDP: Led by Reliance Industries, the top 500 private sector companies are valued at USD 2.8 trillion or Rs 231 lakh crore, which is more than the combined GDP of Saudi Arabia, Switzerland, and Singapore, and also equivalent to 71 per cent of the nation's GDP. *[The New Indian Express]*

JSW Group, Odisha govt tie up for Rs 40,000 cr integrated EV manufacturing facility: JSW Group has signed an agreement with the Odisha government to set up an integrated EV manufacturing facility in the state entailing an investment of Rs 40,000 crore. *[The New Indian Express]*

Yatharth Hospital to acquire Faridabad-based Fidelis hospital for Rs 116 cr: Healthcare services provider Yatharth Hospital and Trauma Care Services on Sunday announced the acquisition of a 100 per cent stake in the 175-bed Faridabad-based Asian Fidelis Hospital for an enterprise value of Rs 116 crore. *[Business Standard]*

Wipro acquires Aggne for \$66 mn to boost capabilities in insurance sector: IT major Wipro has acquired a 60 per cent stake in US-based insurtech Aggne Global for \$66 million to strengthen its competitive advantage in the insurance sector, particularly in the property and casualty (P&C) insurance space. *[Business Standard]*

JSW Steel launches manufacturing joint venture with Japanese company: JSW Steel Limited announced a joint venture (JV) with JFE Steel Corporation, Japan, for the production of grain-oriented electrical steel in India. *[Business Line]*

Zerodha, Swiggy, Razorpay among India's 10 biggest unlisted companies: Serum Institute of India is the most valuable unlisted company in the country, followed by National Stock Exchange of India and the Megha Engineering and Infrastructure. *[Business Standard]*



MSMEs and Start-ups

Scheme to give loans upto Rs 20 lakh launched for informal micro enterprises: Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) launched a special scheme for Informal Micro Enterprises (IMEs) under which the eligible enterprise can borrow up to Rs 20 lakh. *[The Economic Times]*

Businesses navigate new tax law impacting MSE payments, seek government intervention: The new law under Section 43B(h) of the Income Tax Act, which mandates payment to micro and small enterprises (MSEs) within 45 days of delivery to claim deductions. *[The Economic Times]*

Industry bodies urge Centre to postpone implementation of MSME-payment norm: Industry bodies such as Confederation of All India Traders (CAIT) and Clothing Manufacturers Association of India (CMAI) have urged the Centre to postpone implementation of the MSME payment amendment in the income-tax. *[Business Line]*



Employment and Industrial Relations

Unemployment rate declines to 6.5% in Q3FY24; female labour force participation rises to 25% - MoSPI: The urban unemployment rate declined to its lowest level in over four years of 6.5% in October-December 2023. *[The Economic Times]*

Formal job creation under ESIC up 18.2% in December to 1.88 million: Formal job creation under the Employees' State Insurance Corporation (ESIC) went up by 18.2% month-on-month to 1.88 million in December 2023 compared to 1.59 million new employees added to it in November. *[The Economic Times]*

PF interest rate set at 8.25% for FY24, the highest in three years; payout to top ₹1 lakh cr: The Employees' Provident Fund Organisation (EPFO) has fixed 8.25% interest rate on provident fund deposits for 2023-24, the highest in three years. *[The Economic Times]*

ESIC to extend medical benefits to superannuated subscribers who retired at higher wages: The Employees' State Insurance Corporation will extend the medical benefits to superannuated subscribers with higher wages at the time of retirement provided they were in the insurable employment for at least five years since April 1, 2012. *[The Economic Times]*

68% Indian companies intend to hire freshers in first half of 2024: The intent to hire freshers has improved in India and is now 3 per cent higher than between July and December last year. *[Business Standard]*

India's urban jobless rate eases to 6.5% in Q3FY24 - PLFS: The jobless rate in urban India marginally declined further in Q3 (October-December) of FY24 to 6.5 per cent from 6.6 per cent in the preceding quarter, thus reflecting continued improvement in the labour markets. *[Business Standard]*

Cisco latest firm to announce job cuts; 2024 tech layoff tally hits 35,000: The United States technology giant Cisco Systems joined the queue of its peers in announcing thousands of job cuts as part of its major restructuring bid. *[Business Standard]*



Industrial Finance

Money laundering suspected - More payment banks under scanner: More payment banks may face regulatory action as the Financial Intelligence Unit (FIU) has detected about 50,000 accounts without know-your-customer (KYC) verification and potentially engaged in suspicious transactions and money laundering activities. *[The Economic Times]*

Hindujas may borrow ₹4,000 crore to fund Reliance Capital purchase: Hinduja Group is in discussions to borrow ₹4,000 crore from non-banking financial company 360 One Prime (formerly IIFL Wealth Prime) to part-finance its acquisition of Anil Ambani-promoted Reliance Capital under the bankruptcy code. *[The Economic Times]*

Japan's Mizuho Bank acquires 15 pc stake in Credit Saison India for Rs 1,200 crore: Digital non-banking finance company Credit Saison (CS) India on Tuesday said Japan's Mizuho Bank has acquired 15 per cent stake in it for Rs 1,200 crore. This is Credit Saison's first investment from an external investor. *[The Economic Times]*



Technology and Innovation

PM Modi, Sri Lankan President & Mauritius PM to watch UPI services launch: Prime Minister Narendra Modi, Sri Lankan President Ranil Wickremesinghe and Mauritius Prime Minister Pravind Jugnauth will witness on Monday, via video conferencing, the launch of Unified Payment Interface (UPI) services in Sri Lanka and Mauritius. *[The Economic Times]*

RBI wants to drop OTP, but you'll still need a phone for authentication: For second-factor authentication, the RBI has asked regulated organizations, such as banks, to consider options other than SMS-based one-time passwords. *[The Economic Times]*

Norway-based reMarkable launches paper tablet in India; garners consumer interest: Paper tablet brand reMarkable is vying for a promising debut in the India market with 100,000 customers already showing interest in the device on the first day of its launch. *[The Economic Times]*

Indian websites faced over 5 billion cyberattacks in 2023: Indian enterprises and government organisations faced over 5 billion cyberattacks in 2023. *[Business Standard]*

Government shifts procurement online, GeM portal transactions double: The procurement of goods and services from the government portal GeM will cross Rs 4 lakh crore by the end of this fiscal due to higher buying activities by various ministries and departments. *[The New Indian Express]*

51% of Indian organisations say that their employees aim to work with new AI and automation tools: Foreign brokerage CLSA sees foreign flows into India doubling to 1% of the GDP, from the 0.4% during 2014-22. *[Financial Express]*

CAIT approaches CCI against Flipkart, Amazon for anti-competitive practices: Confederation of All India Traders (CAIT), the industry body for retail traders, has written to the Competition Commission of India (CCI) seeking the urgent resolution of the longstanding Delhi Vyapar Mahasangh case involving alleged anti-competitive practices of Flipkart and Amazon. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

Boosting cooperation in energy, digital infra, ports focus of PM Modi's visit to UAE: During the visit, Prime Minister Modi will inaugurate the BAPS Mandir, marking the first Hindu temple in Abu Dhabi. The UAE is an important partner for India, with a Comprehensive Strategic Partnership, significant bilateral trade, and foreign direct investments. *[The Economic Times]*

PM GatiShakti - Five infra projects recommended for approval: Five infrastructure projects of roads and railways have been recommended for approval under the PM GatiShakti initiative. *[The Economic Times]*

NITI Aayog prepares plan for economic transformation of 4 cities, including Mumbai, Varanasi: The NITI Aayog has prepared a plan for economic transformation of Mumbai, Surat, Varanasi and Vizag and help India become a developed economy by 2047. *[The Economic Times]*

Warehousing & Logistics leasing in 2023 exceeded pre-pandemic level by 15%: The absorption in the Warehousing & Logistics sector in 2023 at 37.8 million sq ft (msf) was 15 per cent higher than 33 msf in 2019, according to data released by Vestian Resarch on Wednesday. It was 21 per cent higher than 31.2 msf in 2022. *[Business Standard]*

PM Narendra Modi to inaugurate 7 AIIMS worth Rs 10,000 crore in 10 days: Prime Minister Narendra Modi will lay the foundation stone and inaugurate seven All India Institutes of Medical Sciences (AIIMS) in the coming ten days. *[Business Standard]*



Sustainable Industrialisation

India performs well on 85 indicators of SDG target; Asia and Pacific to take 32 years more to achieve SDG goals - UNESCAP: India's performance on 85 of Sustainable Development Goal parameters has improved, with progress stagnating on 27 counts and worsening on 36. *[The Economic Times]*

Ashok Leyland's EV roadmap revealed, to focus on Hydrogen for heavy vehicles: Indian commercial vehicle manufacturer Ashok Leyland has laid out its roadmap for alternate fuel technologies that it is working on, and according to it, the company is focusing on the hydrogen platform for its medium and heavy size vehicles. *[The New Indian Express]*

UP govt plans to set up 8 renewable energy projects worth over Rs 67,000 cr: In a boost to the state's power sector, leading renewable and hydroelectric energy firms in Uttar Pradesh have proposed to set up eight projects worth more than Rs 67,000 crore. *[Business Standard]*

Ola, Tata Motors continue to lead market in electric two-wheeler, passenger vehicle segments: Ola Electric and Tata Motors continue to lead the market in electric two-wheeler (e2W) and passenger vehicle (PV) segments respectively in retail sales. *[Business Line]*

Green Hydrogen – Fuelling India's journey to net zero and energy independence: Decarbonisation is necessary for India to reach its Net Zero goal by 2070. Green Hydrogen is emerging as a popular choice for enabling greener operations in industries such as iron ore and steel, fertilizers, refining, methanol, and maritime shipping. *[Financial Express]*

PM Surya Ghar - Muft Bijli Yojana launched to boost solar power adoption: Prime Minister Narendra Modi unveiled the 'PM Surya Ghar: Muft Bijli Yojana' on Tuesday to accelerate solar power adoption and foster sustainable development. *[Business Standard]*



Sectoral News

Luxury housing sales in India jumped 75% in 2023, threefold in Delhi - CBRE: The sales of luxury homes in India, priced Rs 4 crore and above, jumped 75 per cent last year, doubling the share of these homes in total housing sales. *[Business Standard]*

India's incremental demand to equal UK's current power consumption in 3 yrs: India's increase in electricity demand over the next three years is expected to be roughly equivalent to the UK's current consumption. India's electricity demand grew by 7 per cent in 2023, the highest among major economies. *[Business Standard]*

Auto components sector growth may ease to 5-7% in FY25 - ICRA: Auto components sector growth is likely to moderate to around 5-7 per cent in FY25 thanks to a possibility of moderation in domestic volume growth and a weak outlook for exports. *[Business Standard]*

Delhi Airport wants low-cost carriers to shift to Noida, Hindon airports: Delhi Airport, India's largest, is advocating for low-cost carriers to relocate their flights to the upcoming Noida International Airport in Jewar and the smaller Hindon Airport in Ghaziabad. *[Business Standard]*

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