

Industry Matters

Weekly Updates

February 23, 2024



Economy, Industry and Policy

Rural-urban wage gap narrows in manufacturing; greater mobility, MNREGA factors: "Mobility towards urban areas has led to depressed wages in their industries. Meanwhile, the National Rural Employment Guarantee Scheme (NREGS) works as a floor for rural wages, raising the cost of labour in these areas," said Satyaki Roy. *[The Economic Times]*

India's GDP growth to moderate to 6.5% in FY25, projects Morgan Stanley: Morgan Stanley Research said on Wednesday that it expects India's GDP growth for FY25 to moderate to 6.5 per cent from 6.9 per cent projected for FY24. *[Business Standard]*

Strong reforms over last 10 years lays foundation of solid growth over next decade - Jefferies: Strong reform measures initiated by the Prime Minister Narendra Modi-led government in the last ten years have laid the foundation of a solid economic growth in coming decades. *[The Economic Times]*

India to grow 6.5% in FY25, down from 6.9% this fiscal - Ind-Ra: Sustained government capex, softness in global commodity prices, and green shoots in the private corporate capex cycle will help the Indian economy grow 6.5% in FY25, lower than the 6.9% projected for this fiscal year. *[The Economic Times]*

India's economic growth seen to ease to 6% in Q3 dragged by industrial sector - ICRA: India's Gross Domestic Product (GDP) growth is projected to moderate sequentially to 6 per cent year-on-year (YoY) in the third quarter of FY24 as against 7.6 per cent in Q2. *[The Economic Times]*

India on track to become \$10 trillion economy, set for 3rd largest slot - WEF President: India is on track to become a USD 10 trillion economy in coming years and grab the third-largest slot soon. *[The Economic Times]*

India ranks first in the world in terms of the number of IPOs in 2023: Indian stock exchanges, including the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), have emerged as global leaders in terms of the number of IPOs in 2023. *[Business Standard]*

Business activity in Feb accelerated to seven-month high on solid demand: India's private sector activity rose to a seven month high in February, as input prices rose at a slower pace and the order book expanded faster. *[The Economic Times]*



Foreign Investment

India amends policy, allows 100% FDI in manufacture of satellite components: India's private sector activity rose to a seven month high in February, as input prices rose at a slower pace and the order book expanded faster. *[Business Standard]*

JSW Steel in talks for \$1 billion stake in Australia's Blackwater coal mine: India's JSW Steel Ltd is in talks with Australian miner Whitehaven Coal for a stake in its Blackwater metallurgical coal mine. *[The Economic Times]*

China's BBK connects with Indian companies for phone production: China's largest mobile phone maker, BBK Group, is starting production of its Oppo, Vivo and Realme smartphones in partnership with Indian manufacturers Dixon Technologies and Karbonn Group. *[The Economic Times]*

Rothschild to foray into India's debt advisory market on rising investor interest: Rothschild, which has advised \$2.3 trillion worth of debt investments across 3,000 deals globally since 2010, is the latest entrant into the Indian credit market that has drawn investors ranging from sovereign wealth funds and large credit funds. *[The Economic Times]*

FPIs trim financial exposure - Lowest in six years at 29%: Foreign portfolio investor (FPI) exposure to financial services stocks has fallen to 28.97 per cent, the lowest since 2018. *[Business Standard]*

Mitsubishi to enter Indian car market with over 30% stake in TVS Mobility: Japanese trading giant Mitsubishi Corporation is set to venture into the Indian car sales business this summer by acquiring a stake of more than 30 per cent in TVS Mobility, which operates car dealerships nationwide. *[Business Standard]*

Turkish jewellery brand Zen Diamond plans to enter Indian market with stores in top metros: Turkey-based diamond jewellery brand Zen Diamond has announced its plans to set up chain stores in top metros in India like Mumbai, Delhi, and Bangalore, along with establishing an online presence in the initial phase. *[The Economic Times]*



Trade Policy and Competitiveness

India to pip China as top member of World Trade Centers association: India is poised to overtake China as the largest member of the World Trade Centers Association (WTCA) in the next five years. *[The Economic Times]*

India's FTA partners should keep in mind huge market being offered to them - Goyal: Countries which negotiate Free Trade Agreements (FTAs) and investment pacts with India should keep in mind that New Delhi offers a huge market to them in terms of demand and business opportunities. *[The Economic Times]*

Traffic handled by major Indian ports hits 5-year high in January: India's major ports handled a larger quantity of goods last month than in the previous sixty months. The total traffic for the major ports was 72.5 million tonnes, the highest since February 2019. *[Business Standard]*

Govt extends the interest equalization scheme until June 30, 2024: The Government has announced an extension of the Interest Equalization Scheme for pre and post-shipment rupee export credit until June 30, 2024. *[Business Standard]*

Focus on exports to achieve 10% growth: Arvind Panagariya, chairman of the Sixteenth Finance Commission, emphasized the need for India to focus on exports to achieve a 10% growth rate. *[The Economic Times]*

CAD forecast trimmed on narrower trade deficit: A narrow deficit and higher services exports in January has prompted economists to scale down the current account deficit estimates for FY'24. *[The Economic Times]*

Govt not considering cut in import duty on rubber: The government is not considering any cut in import duty on rubber as of now as the differential between the local and international prices is maintained. *[The Economic Times]*

India, Asean discuss review of trade agreement: Eight sub-committees have been constituted under the India-Asean free trade agreement joint committee for undertaking negotiations on different areas related to the review of the pact. *[The Economic Times]*



Corporate Governance

Tata Power to acquire Jalpura Khurja Power Transmission project for Rs 838 crore: Tata Power on Friday said it has received a letter of intent (LoI) from REC Power Development and Consultancy to acquire the Jalpura Khurja Power Transmission project at an estimated cost of Rs 838 crore. *[The Economic Times]*

JSW Steel in talks to buy 20% in Australian coal mine for \$1 billion: Billionaire Sajjan Jindal's JSW Steel is in talks to buy a 20 per cent stake in a coal mine owned by Australian firm Whitehaven Coal at a valuation of up to \$1 billion for the stake. *[Business Standard]*

Tech Mahindra announces acquisition of 100% stake in Orchid Cybertech Services: IT services company Tech Mahindra on Tuesday announced that it has acquired 100 per cent stake in Philippines-based customer experience firm, Orchid Cybertech Services Inc (OCSI), through its wholly-owned subsidiary. *[Financial Express]*

Aditya Birla Group to launch jewellery business, Novel Jewels, in July: Aditya Birla Group's jewellery business under the brand name 'Novel Jewels Ltd' will start its operations this July. *[The Economic Times]*

Grasim Industries ventures into paint business with Birla Opus, eyes second-largest position in the sector: Grasim Industries, the flagship company of the Aditya Birla Group, has made its foray into the paint business with the launch of their highly anticipated brand, Birla Opus. *[The Economic Times]*

IFFCO ranked first among top 300 cooperatives globally: IFFCO, one of the leading fertiliser players in the country, has been ranked first among top 300 cooperatives in the world. *[The Economic Times]*



MSMEs and Start-ups

MSMEs demand centralised, single window system for licences and registration: Sections of MSMEs working across multiple states are petitioning the Union government to come up with a single window compliance and registration system, freeing them from the burden of registering for shop and trade licences as per each states' rules. *[The Economic Times]*

Indian SMEs expect human interaction to remain critical within a digital corporate world - HSBC survey: Small and Medium Enterprises (SMEs) in India believe that the power of human interaction will continue to play a critical role in the coming decade, even as technology such as AI, robotics and quantum computing dramatically reshapes entire sectors and business models. *[The Economic Times]*



Employment and Industrial Relations

Formal job creation under EPFO up 11.9% to 1.56 million in December 2023 - Payroll Data: Formal job creation under the Employees' Provident Fund Organisation went up 11.9% in December to 1.56 million, the highest in the last three months, compared to 1.39 million added in November. *[The Economic Times]*

34% of women leave jobs over work-life balance, only 4% of men do: According to the "Women in India Inc HR Managers Survey report", 34 per cent of women leave jobs over work-life balance, but this is true for only 4 per cent of men. *[Business Standard]*



Industrial Finance

Japan commits 232.209 billion yen for 9 projects in various sectors in India: The finance ministry on Tuesday said that the Japanese government has committed a loan of 232.209 billion yen (about Rs 12,800 crore) for nine projects related to various sectors in India. *[Financial Express]*

Recovery via IBC eases to 26% in December quarter: Creditors' recovery from defaulters under the Insolvency and Bankruptcy Code (IBC) dropped to almost 26% of their admitted claims in the December quarter from 33% in the previous three months. *[The Economic Times]*

Union Bank receives binding bids for four loans of Rs 525 crore: Union Bank of India has received bids for four stressed loans worth more than ₹520 crore from ACCIL Corporation, SDB Developers, Jaypee Healthcare and Gammon India, at less than half the value of the loans. *[The Economic Times]*

GenAI likely to add \$66-80 billion to financial services GVA by 2030: The impact of generative artificial intelligence (GenAI) on the gross value added (GVA) within financial services can go up to 26 per cent, and it could add \$66-80 billion in value by 2030. *[Business Standard]*

KKR raises \$6.4 billion for Asia Pacific infrastructure fund: KKR, a leading global investment firm, has raised \$6.4 billion under KKR Asia Pacific Infrastructure Investors II SCSp, for its infrastructure-related investments across Asia Pacific. *[The Economic Times]*

Private credit funds to invest \$5 billion to \$10 billion in 2024: Investors are likely to pump in \$5-\$10 billion in private credit deals this year with new funds being raised and fund managers being bullish on real estate and manufacturing sectors. *[The Economic Times]*

Fintech personal loan disbursement up from 1.1 mn to 41.6 mn in 5 years: The volume of personal loans disbursed by fintech companies increased from 1.1 million in first six months of financial year 2018-19 (H1 FY19) to 41.6 million in first six months of financial year 2023-24 (H1 FY24). *[Business Standard]*



Technology and Innovation

India's AI market to touch USD 17 billion by 2027 - Nasscom-BCG: India's AI market, growing at a compounded annual growth rate (CAGR) of 25-35 per cent is projected to reach USD 17-billion by 2027. *[The New Indian Express]*

Google-backed space startup Pixxel set to launch 6 satellites from June: Google-backed space sector startup Pixxel is set to come out with one of the largest satellite projects outside the Indian Space Research Organisation (Isro) by starting to launch the first six of its satellites by June. *[Business Standard]*

India's space industry over the moon after Centre eases FDI norms: India's space industry on Thursday welcomed the Union Cabinet's decision to liberalise the sector, asserting the move would attract investments to the tune of up to \$5 billion across sub-sectors like satellite manufacturing, launch vehicles, ground segment solutions, and associated services over the next five years. *[Business Standard]*

India's first spy satellite made by domestic private player set for launch: The first spy satellite in India to be made by a local private player is set to be launched in a SpaceX rocket by April and will be used by the armed forces to get discreet information. *[Business Standard]*

57% Indian consumers prefer AI tools over human interaction: Around 57 per cent Indian consumers prefer using Artificial Intelligence (AI) tools rather than engaging in human interaction while looking for products and services online. *[Business Standard]*

Vervesemi gets DLI recognition for launch of Made-in-India semiconductor ASIC: Noida-based Fabless semiconductor company, Vervesemi, has said that it launched Made-in-India Semiconductor Application-Specific Integrated Circuit (ASIC). *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

PM Modi launches 14,000 projects worth Rs 10 lakh crore in UP: Prime Minister Narendra Modi launched 14,000 projects across Uttar Pradesh worth more than Rs 10 lakh crore at the fourth ground-breaking ceremony here on Monday for investment proposals received during the UP Global Investors Summit. *[The Economic Times]*

SEZs to get RoDTEP scheme benefits: The government has decided to extend export benefits under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme for companies in the special economic zones (SEZs) and export oriented units (EOUs). *[The Economic Times]*

80% in just 21 minute - Hyundai expands ultra-fast EV charging network in India: Hyundai Motor India expands ultra-fast EV charging network with 11 new stations, providing quick and convenient 24/7 charging using advanced technology. *[The Economic Times]*

Ministry calls for PLI scheme to boost petroleum output: The oil ministry has called for a production-linked incentive (PLI) to boost oil production in the country that has been declining for years. *[The Economic Times]*

Assam to get Rs 25000 crore semiconductor packaging unit: Assam is on the verge of welcoming its inaugural investment in a semiconductor packaging plant valued at approximately Rs 25,000 crore. *[The Economic Times]*

India's longest transportation tunnel opens in Jammu on Udhampur-Srinagar-Baramulla Rail Link: The longest transportation tunnel of the country on the Udhampur-Srinagar-Baramulla Rail Link (USBRL) was opened by Prime Minister Narendra Modi on Monday as he flagged off the first electrified trains of the Kashmir valley. *[The Economic Times]*

Air India, Tata Advanced Systems set to invest Rs 2,300 crore in Karnataka: Air India and Tata Advanced Systems Ltd (TASL), a player in aerospace and defence solutions, on Monday signed a memorandum of understanding (MoU) with the Karnataka government for an investment of Rs 2,300 crore in the state's aerospace and defence sector. *[Business Standard]*



Sustainable Industrialisation

India steel mills most at risk from EU carbon plan - Goldman: Steel producers in India are most at risk from Europe's new carbon tax on imports due to their high sales to the region and mills' elevated emissions intensity. *[The Economic Times]*

NTPC arm NGEL inks pact with AP to develop India's largest green hydrogen production facility: NTPC arm NGEL has signed an agreement with the government of Andhra Pradesh for the development of an integrated green hydrogen hub. *[The Economic Times]*

Paper industry for adopting sustainable growth path: The paper industry in the country has called for adopting a sustainable growth path as it provides direct employment to five lakh people and indirect jobs to around 15 lakh. *[The Economic Times]*



Sectoral News

Pharma market grows 9.5% in January: The Indian pharmaceutical market (IPM) saw a robust growth of 9.5% in January on the back of all major therapies areas recording double-digit growth, according to market research firm Pharmarack. *[The Economic Times]*

Luggage brands on high-growth path as travel industry booms: India's travel renaissance is driving a luggage revolution, with sales doubling, attracting global brands and sparking investor interest in a category previously perceived as 'low involvement'. *[The Economic Times]*

High growth rate in Indian digital advertising a thing of the past: On the back of data privacy concerns and Google's decision to create a cookie-less world, the high growth rates in digital advertising observed in the last few years are "a thing of the past". *[Business Standard]*

In a first, Centre taps private sector to invest Rs 2.16 lakh crore in nuclear energy: This is the first time the government is pursuing private investment in nuclear power, a non-carbon-emitting energy source that contributes less than 2% of India's total electricity generation. *[The Economic Times]*

India's API industry faces high leadership talent churn: India's Active Pharmaceutical Ingredient (API) industry is facing high churn in leadership talent amid a sharp increase in investments in the sector. *[The Economic Times]*

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