

Industry Matters

Weekly Updates

March 01, 2024



Economy, Industry and Policy

Indian economy grows 8.4% in Q3FY24; full-year estimate up to 7.6%: Indian economy recorded a faster-than-anticipated expansion of 8.4% in the third quarter of the year compared with 8.1% in the second and 8.2% in the first quarter. *[The Economic Times]*

India has moved to 5th spot from 10th in world in terms of economy - Sitharaman: Union Finance Minister Nirmala Sitharaman on Friday said under Prime Minister Narendra Modi's leadership, India has moved up to the fifth position from the 10th spot in the world in terms of economy. *[The Economic Times]*

Impact of Rs 2,000 notes withdrawal - Currency-in-circulation growth dips to 3.7% in Feb: The growth in currency in circulation decelerated to 3.7 per cent for the week ended February 9 from 8.2 per cent a year ago, reflecting the impact of the decision of the Reserve Bank of India (RBI) to withdraw Rs 2,000 banknotes. *[The Economic Times]*

Retail inflation for industrial workers eases to 4.59pc in January: Retail inflation for industrial workers eased to 4.59 per cent in January compared to 4.91 per cent in December 2023 mainly due to lower prices of certain food items. *[The Economic Times]*

India's April-January fiscal deficit at Rs 11.03 lakh crore, narrows on-year to 63.6% of revised FY24 aim: India's fiscal deficit for the first 10 months of this fiscal year through January stood at 11.03 lakh crore rupees, or 63.6% of revised annual estimates. *[The Economic Times]*

Latest NSSO consumer survey indicates poverty down to 5 per cent - NITI Aayog CEO: The latest consumer expenditure survey indicates that poverty has come down to five per cent in the country and people are becoming prosperous both in rural and urban areas. *[The Economic Times]*

Inequality between top and bottom spenders has reduced: After a hiatus of nearly a decade, the government has released the results of the Household Consumption Expenditure Survey, which indicate that inequality between top and bottom spenders has reduced across both rural and urban areas since 2011-12. *[The Economic Times]*

Toll collection on national highways surpassed Rs 50,000 crore till January-end this FY: With average monthly collection of Rs 5328.9 crore during the April to January period, toll collection in FY24 is poised to hit a record Rs 62,000 crore. *[The Economic Times]*

Growth rate of eight core sectors slows down to 15-month low of 3.6% in January: In January 2024, India's eight core sectors experienced a 15-month low growth of 3.6%, compared to 4.9% in December 2023 and 9.7% in January 2023. *[The Economic Times]*



Foreign Investment

Qualcomm set to double India investments: US semiconductor giant Qualcomm will easily surpass investments of its rivals such as AMD and Micron as it doubles down on India. *[The Economic Times]*

Acer to make home appliances in India, export too - MD Harish Kohli: Acer plans to manufacture and export appliances from India. The company is forming AcerPure to sell consumer appliances like water purifiers and refrigerators. *[The Economic Times]*

FPI inflows remain muted in February amid high valuations: Inflows from foreign portfolio investors (FPIs) into domestic equities remained muted in February, weighing on the market performance. Market observers said expensive valuations in India saw global funds favour other emerging market (EM) peers such as South Korea, Taiwan, and Indonesia. *[Business Standard]*

India's liberalised FDI strategy for the space sector: The recent approval by the Union Cabinet of India to allow up to 100 per cent foreign direct investment (FDI) in its space sector marks a pivotal shift towards liberalizing a domain that has long been under stringent regulatory control. *[Business Line]*

IT and healthcare counters get strong FPI flows in Feb: Overseas investors were sellers to the tune of ₹23,441 crore across 10 sectors between February 1 and 15, as per data from National Securities Depository Limited (NSDL) as they shifted money from financials, construction, and power to information technology and healthcare. *[The Economic Times]*

Plan to enter mass market EV segment in India - Skoda Auto: Czech carmaker Skoda Auto plans to enter the mass market of electric vehicles segment in India, for which it is exploring all options, including partnerships with local companies for economies of scale. *[The Economic Times]*



Trade Policy and Competitiveness

India's first Gati Shakti Research Chair to be established at IIM-Shillong: The Ministry of Ports, Shipping and Waterways (MoPSW) has collaborated with IIM-Shillong to set up India's first 'Gati Shakti Research Chair'. *[Business Standard]*

India slowly taking export market share from China: India is chipping away at China's dominance in electronics exports in some key markets as manufacturers diversify supply chains away from the world's factory to other parts of Asia. *[The Economic Times]*

Albania ready to be India's gateway to Western Balkans - Foreign Minister Igli Hasani: Albania, a country in the Western Balkans with a rising economy and famous for Mother Teresa, is pitching itself to emerge as India's gateway to the region where countries are in negotiations to join the European Union (EU). *[The Economic Times]*

India, South Africa block China-led investment facilitation pact: India and South Africa on Wednesday blocked a China-led initiative on investment facilitation at the WTO, in a move that will make it unlikely for the proposed Investment Facilitation Development to be part of the WTO agenda and outcome. *[The Economic Times]*

Over 70 WTO nations agree to take additional obligations in services sector; India to benefit: India would benefit from a move of over 70 nations like the UK, UAE and Australia that have agreed to take on additional obligations in the services sector under an agreement of the WTO. *[The Economic Times]*

Electronics exports from Tamil Nadu touch \$7.37 billion: Tamil Nadu has continued to consolidate its position as India's leading exporter of electronic goods, with its value touching \$7.37 billion. *[Business Line]*

MoU signed with Greek bank to facilitate remittances to India using UPI: NPCI International Payments Limited (NIPL), a subsidiary of National Payments Corporation of India (NPCI), and leading Greek bank Eurobank signed a Memorandum of Understanding (MoU) towards enhancing cross-border payments using the UPI platform. *[The Economic Times]*

Indian steel mills seek iron ore export ban as China sales jump: Smaller steelmakers in India are pressing for a ban on exports of iron ore, after a surge in sales to Chinese mills pushed up local prices. *[The Economic Times]*

India considers export tax on low-grade iron ore: India is considering an export tax on low-grade iron ore after small steel producers urged the government to curb its overseas sales. *[The Economic Times]*

Coalitions at WTO to help India push for open payment systems adoption, cut remittance cost - GTRI: Building coalitions with other WTO members will help India push for the adoption of open and interoperable payment systems like UPI with a view to cut the cost of money transfers or remittances. *[The Economic Times]*



Corporate Governance

M&A deals fall 10% to 793, value drops 38%: The number of merger and acquisition (M&A) deals during 2023 dropped by 10% on an annual basis to 793. *[The Economic Times]*

Reliance, Disney may announce Star-Viacom18 merger this week: Reliance Industries and the Walt Disney Company have signed a binding agreement to merge Viacom18 and Star India, with the deal expected to be announced early this week. *[The Economic Times]*

Nokia, Wipro tie up to help enterprises roll out 5G: Wipro Limited, the Indian IT services provider, announced a partnership with Finnish telecom gear maker Nokia to help enterprises roll out a 5G private wireless network in the country. *[The New Indian Express]*



MSMEs and Start-ups

Govt initiates many schemes for MSMEs - PM: Emphasizing the importance of "Zero Defect zero Effect" components production, Prime Minister Narendra Modi on Tuesday said MSMEs in India have a great opportunity to become a strong part of the global supply chain. *[The New Indian Express]*

Nearly 40% of climate tech startups in India led by women - DPIIT Secretary Rajesh Kumar Singh: Lauding the startup ecosystem in the country, DPIIT Secretary Rajesh Kumar Singh said India had less than two dozen startups in 2015 but has over a lakh startups today. *[The Economic Times]*

RBI is pushing UPI-like credit platform for farmers, MSMEs: The Reserve Bank of India is pushing for the wider adoption of an open-source credit disbursal platform similar to the Unified Payments Interface for digital payments. *[The Economic Times]*

50 per cent of women-owned MSMEs in five States: Women-owned MSMEs constitute 20.5 per cent of the total registered MSMEs in India, but their contribution to employment (18.73 per cent) and investment (11.15 per cent) is slightly lower, indicating potential room for growth and increased impact. *[Business Line]*



Employment and Industrial Relations

India, Philippines witnessed the largest decline in gender gap in the post-pandemic period - Moody's: India and the Philippines have witnessed the largest decline in the labour force participation gender gap in the post-pandemic period. *[The Economic Times]*

New enrollment in EPF and ESIC hit over three-month high - NPS declines: New enrollments to Employees' Provident Fund (EPF) and Employees' State Insurance Corporation hit the highest level in over three months in December. *[The Economic Times]*



Industrial Finance

ARCs' bad loan portfolio to touch Rs 1.6 trillion by FY25 - CRISIL: The assets under management of Asset Reconstruction Companies (ARCs) are expected to grow at eight to nine per cent to touch the Rs 1.5 trillion mark by March 2024. *[Business Standard]*

Experts suggest regulatory reassessment to boost fintech sector and ease compliance burden: With fintech sector gaining size and scale, there is a need to relook at the regulatory policies and guidelines to give further impetus to financial inclusion drive and penetration of financial products to the bottom of the pyramid. *[The Economic Times]*

Adani Green hydrogen unit aims to get up to \$3 billion in loans: Adani New Industries plans to raise \$3 billion for capital expenditure through offshore loans. It aims to become a major player in India's green hydrogen push and produce clean fuel in Gujarat. *[The Economic Times]*

Bank credit growth moderates to 16.2% in Jan 2024: Bank credit growth moderated to 16.2 per cent year-on-year (y-o-y) in January 2024 against 16.7 per cent a year ago due to relatively soft growth in credit to industry, services and personal loans sectors. *[Business Line]*



Technology and Innovation

Cabinet clears 3 semiconductor plants with investment of Rs 1.26 trillion: The Union Cabinet on Thursday approved Rs 1.26 trillion worth of investments in three semiconductor plants, including a Tata group proposal to build the country's first major chip fabrication facility at Dholera in Gujarat. *[Business Standard]*

India chip strategy makes progress with \$21 billion in proposals: The Indian government, after years of watching from the sidelines of the chips race, now has to evaluate \$21 billion of semiconductor proposals and divvy up taxpayer support between foreign chipmakers, local champions or some combination of the two. *[The Economic Times]*

Statistics Ministry ties up with ISRO to conduct Urban Frame Survey in digital mode: The Ministry of Statistics and Programme Implementation (MoSPI) has inked an initial pact with National Remote Sensing Centre under ISRO to digitalise Urban Frame Survey using the Bhuvan Platform. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

Amrit Bharat Station scheme - Here is the list of stations, facilities to be developed under Rs 25,000 crore modernisation project: Prime Minister Narendra Modi today inaugurated a series of railway infrastructure projects valued at over Rs 41,000 crore on Monday. Under the ambitious Amrit Bharat Station Scheme. *[The Economic Times]*

Tatas' investments in new ventures to cross \$120 billion in coming years: Tata Sons' anticipated capital infusion into new business areas and group priorities - semiconductors, defence, electric vehicles, and Air India, for instance - is set to exceed \$120 billion in the coming years. *[The Economic Times]*

MoSPI - 431 infra projects hit by cost overrun of ₹4.80L cr in Jan: As many as 431 infrastructure projects, each entailing an investment of ₹150 crore or above, were hit by cost overrun of more than ₹4.80 lakh crore in January 2024. *[The Economic Times]*

RIL plans to spend Rs 5,000 crore on Compressed Biogas Plants (CBG): Reliance Industries Ltd (RIL) is planning to set up more than 50 compressed biogas (CBG) plants in the next two years at a cost of over ₹5,000 crore. *[The Economic Times]*

Highway construction to be around 12,000-13,000 km in FY24 - Road secy: The overall highway construction in the country would be around 12,000-13,000 kilometres by the end of this financial year (FY24). *[Business Standard]*

Govt approves Rs 6,728 cr for construction of 8 stretches on Frontier Highway spanning 305 km: The Ministry of Road Transport and Highways (MoRTH) has approved an allocation of Rs 6,728.33 crore for constructing eight stretches on NH-913 (Frontier Highway) in Arunachal Pradesh. *[The Economic Times]*



Sustainable Industrialisation

PM Modi to inaugurate 1st Made in India green H2 fuel cell inland waterway vessel: Prime Minister Narendra Modi will today inaugurate various other projects aimed at making the V.O.Chidambaranar Port as the first Green Hydrogen Hub Port of the country. *[The Economic Times]*

Cabinet approves rooftop solar subsidy scheme at an outlay of Rs 75,021 cr: The cabinet on Thursday approved PM-Surya Ghar Muft Bijli Yojana for installing rooftop solar in one crore households with a total outlay of Rs.75,021 crore. *[The Economic Times]*

Adani seeks tie-up with Uber to accelerate super app, electric cars: The February 24 meeting between Indian business tycoon Gautam Adani and Uber's CEO Dara Khosrowshahi hosted a part of discussions for a strategic partnership between the two majors for rolling out the Adani group's electric passenger vehicles on the ride hailing platform. *[The Economic Times]*

India's green hydrogen sector will need \$4-12 billion support - A&M report: India's green hydrogen sector will need substantial support, estimated at \$4 to \$12 billion, combined until 2030, to achieve scale. *[Business Standard]*

NTPC Green Energy, MAHAGENCO to set up JV for renewable energy parks in Maharashtra: NTPC Green Energy Ltd (NGEL) has signed a pact with Maharashtra State Power Generation Company Ltd to set up a joint venture company to develop renewable energy parks in Maharashtra. *[The Economic Times]*



Sectoral News

No country other than India has better prospects for future - Maruti Suzuki Chairman RC Bhargava: There is no other country in the world better placed than India in terms of future growth. *[The Economic Times]*

Indian hotel industry to report seven to nine per cent revenue growth in FY25 - ICRA: The Indian hotel industry is expected to register a revenue growth of seven to nine per cent in the next financial year 2024-25. *[The Economic Times]*

6 GHz use needs more studies and no decision for now: While telecom operators have called for urgently freeing up the 6GHz band for 5G-based mobile broadband communications, the government is not keen on taking a decision on the matter for now. *[Business Standard]*

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