

Industry Matters

Weekly Updates

May 03, 2024



Economy, Industry and Policy

Pharma PLI needs to be revisited: The recent data on India's import of Active Pharmaceutical Ingredients (APIs) gives the impression that import dependence appears to be an unsolved puzzle. *[Business Line]*

GST revenue collection hits record high of Rs 2.10 lakh cr in April: India's Gross Goods and Services Tax (GST) collections hit a record high of Rs 2.10 lakh crore in April, growing 12.4 per cent on year-on-year basis. *[The Economic Times]*

India's manufacturing PMI dips marginally to 58.8 in April: Growth in India's manufacturing sector slowed marginally in April but remained robust thanks to strong demand, prompting firms to ramp up purchases of raw materials at a near-record pace. *[Business Standard]*

IMF flags a common link between India and China's growth stories as it revises Asia outlook: The International Monetary Fund (IMF) flagged a common link between India and China's growth numbers in its latest report where it also revised the outlook for Asia. *[The Economic Times]*

India's core sector growth slows to 5.2% in March from 7.1% in February: The growth in output of eight key infrastructure industries — known as the core sector — slowed to 5.2 per cent year-on-year (Y-o-Y) in March from 7.1 per cent in February on the back of a sequential deterioration recorded by five of its constituents. *[Business Standard]*

OECD revises India's FY25 growth forecast upward to 6.6%: The Organisation for Economic Co-operation and Development, Thursday, revised India's FY25 growth forecast upward to 6.6% from 6.2% projected earlier. *[The Economic Times]*

Deloitte projects India's FY25 GDP growth at 6.6%: Deloitte India on Friday said it estimates India's GDP growth at 6.6 per cent in the current fiscal helped by consumption expenditure, exports rebound and capital flows. *[The Economic Times]*

Global economy to continue solid momentum for rest of the year: The global economy is likely to carry its solid momentum for the rest of the year and into 2025, defying earlier expectations of a slowdown, according to a Reuters poll of economists who said stronger growth than forecast was more likely than weakness. *[Business Standard]*

India seeks more presence at decision-making level of ILO: India has made a case before the International Labour Organisation to increase its representation at decision-making level of the international body, seeking a revision in its assessment criteria to make it more equitable. *[The Economic Times]*

Fertilizer subsidy in FY24 exceeds Revised Estimates: The fertilizer subsidy in Fiscal Year 2023-24 (FY24) has exceeded Revised Estimates (RE) by over ₹6,500 crore. *[Business Line]*

Open market sales help reduce food subsidy by Rs 20,000-cr: The government has managed to reduce food subsidy outgo by around Rs 20,000 crore, because of record sales of 10 million tonne (MT) of wheat in the open market by the Food Corporation of India (FCI) in 2023-24. *[Financial Express]*

VC investment in India doubles to \$3.2 billion across 354 deals in March quarter: Venture capital investment in India doubled sequentially in the March quarter, touching \$3.2 billion across 354 deals, outperforming a subdued global market. *[The Economic Times]*

Cash in circulation more than doubles since FY17 on consumption demand: Despite phasing out Rs 2000 notes, cash in circulation has more than doubled since FY'2016-17, the year of demonetisation and launch of UPI. *[The Economic Times]*

Closing fake accounts in Govt schemes saved Rs 3.35 lakh cr: Weeding out fake beneficiaries of the government's schemes for food security, rural employment and fuel subsidy between FY18 and FY24 resulted in saving of about ₹3.35 lakh crore for the exchequer. *[The Economic Times]*



Foreign Investment

IFC investments in India to zoom to over \$4 bn, focus on climate finance: International Finance Corporation (IFC) is set to more than triple its investment in India to over \$4 billion in the current financial year ending June from \$1.3 billion two years ago. *[The Economic Times]*

Sebi allows FPIs in GIFT City to take more investments from NRIs & OCIs: The Securities and Exchange Board of India's (Sebi) board on Tuesday approved a proposal to increase participation from non-resident Indians (NRIs) and Overseas Citizens of India (OCIs) through the foreign portfolio investor (FPI) route in local markets. *[The Economic Times]*



Trade Policy and Competitiveness

China's share in India's industrial goods imports jump to 30% from 21% in last 15 years - GTRI: With increasing India's dependence on Chinese industrial goods like telecom, machinery and electronics, Beijing's share in New Delhi's imports of such goods rose to 30 per cent from 21 per cent in the last 15 years. *[The Economic Times]*

India set to sign trade deal with Oman to expand its Middle East ties: India and Oman will sign a trade deal in the coming months, two Indian government officials said, as New Delhi seeks to expand its ties in the Middle East, where rising tensions are putting major shipping routes at risk. *[The Economic Times]*

Services exports may rise to \$800 bn by 2030 - Goldman Sachs: India's services exports will increase to \$800 billion by 2030 from \$340 billion in 2023, making the external sector resilient to supply-side shocks and reducing rupee volatility. *[The Economic Times]*

India, UAE discuss ways to deepen Comprehensive Strategic Partnership: Foreign Secretary Vinay Kwatra on Tuesday held a meeting with UAE's Minister of State for International Cooperation Reem Ebrahim Al Hashimy and discussed ways to further deepen the Comprehensive Strategic Partnership between the two nations. *[The Economic Times]*

Private investment push - 200 more Gati Shakti terminals on the cards: The Ministry of Railways is planning to offer another 200 Gati Shakti Cargo Terminals (GCTs) to corporate houses and freight operators for their rail-based supply chains buoyed by the response received so far. *[Business Standard]*

In top gear - Telecom parts output crosses Rs 45,000-crore milestone: Telecom equipment production for FY24 crossed the Rs 45,000 crore milestone with exports of around Rs 10,500 crore, backed by the Centre's production linked incentive (PLI) scheme. *[The Economic Times]*

India, Nigeria agree to early conclusion of local currency settlement system agreement: India and Nigeria have agreed to an early conclusion of a local currency settlement system agreement to further strengthen economic ties between the two countries. *[The Economic Times]*

Export credit access may become easier amid geopolitical tensions: The government is looking at ways to improve the competitiveness of exports amid mounting geopolitical tensions and has begun examining the export credit landscape. *[The Economic Times]*

China, Hong Kong account for 56 pc of India 's total imports of electronics, telecom, electrical products - GTRI: India's imports of electronics, telecom, and electrical products soared to USD 89.8 billion in 2023-24 and over half of these imports are sourced from China and Hong Kong. *[The Economic Times]*

India-UAE CEPA celebrates two years marked by robust growth in bilateral trade: Marking a significant milestone in the enduring partnership between the UAE and India, the Embassy of the UAE celebrated the second anniversary of the Comprehensive Economic Partnership Agreement (CEPA). *[The Economic Times]*

India's services exports dip marginally in March to \$30 bn: India's services exports declined 1.3 per cent in March to \$30 billion while imports fell by 2.1 per cent to \$16.61 billion. *[The Economic Times]*



Corporate Governance

Reliance looks to widen Campa Cola bottling & distribution network: Reliance Consumer Products (RCPL), a Reliance Retail subsidiary and fast-moving consumer goods arm of the company, will focus on setting up its own bottling units, as it eyes a wider distribution network for Campa Cola in the country. *[Financial Express]*

BHEL inks pact with HIMA, Dubai, for railways signalling business: Bharat Heavy Electricals Ltd (BHEL) has entered into a partnership with HIMA Middle East FZE, Dubai, for the railway signalling business. *[Business Line]*

Manufacturing licenses of 14 products of Patanjali, Divya Pharmacy suspended: Uttarakhand SLA to SC: The Uttarakhand State Licensing Authority (SLA) on Tuesday told the Supreme Court that manufacturing licenses of 14 products of Patanjali Ayurved Ltd and Divya Pharmacy have been "suspended with immediate effect". *[The Economic Times]*

Vedanta Group planning to invest \$20 bn in 4 years - Anil Agarwal: The Vedanta Group is aiming to invest USD 20 billion across all its businesses in India over the next four years. *[The Economic Times]*

Dry cell battery maker Eveready Industries defers new category entry: Led by the Burman family of Dabur India, Eveready had planned to enter a new category by FY26, what would have been its fourth after battery, flashlight and lighting. *[Business Standard]*

Bayer acquires remaining 25% stake in Bayer Zydus Pharma Pvt Ltd to secure full ownership: Bayer Pharmaceuticals Private Limited and Zydus Lifesciences Limited (formerly Cadila Healthcare) on Thursday announced the conclusion of their joint venture (JV) - Bayer Zydus Pharma Private Limited (BZPPL). *[The Economic Times]*



MSMEs and Start-ups

India eyes to unlock MSME potential, pivots to digital public infra to catalyze growth: India has been proactive in moving its Micro, Small and Medium Enterprises (MSME) sector's growth through the introduction of the Digital Public Infrastructure (DPI). *[Mint]*

CII asks startups to keep their valuations 'as realistic as possible': The Confederation of Indian Industry (CII) on Sunday urged Indian startups to keep their valuation "realistic" and distinguish between the goals of the organisation and its founder. *[Business Standard]*

Startups in India grew over 300 times in ten years - Union Minister Jitendra Singh: From just about 350 startups in 2014, their number in India grew over 300 times in the past ten years after Narendra Modi took over as the Prime Minister. *[The Economic Times]*

India's deep tech startups filed more than 900 patents since 2008 - Nasscom: India's deep tech startups have filed more than 900 patents since 2008 in areas such as artificial intelligence (AI), Internet of Things (IoT) and neurotechnology. *[The Economic Times]*



Employment and Industrial Relations

FinMin notifies LIC's 17% wage revision for over 1.10 lakh employees: The Finance Ministry has notified the wage revision of LIC employees with effect from August 1, 2022, bringing relief to over 1.1 lakh employees of the Corporation. The move would lead to 17 per cent annual increase in wage bill for LIC. *[Business Line]*

Hiring sees green shoots in IT, oil & gas and senior roles - Naukri index: The hiring climate seems to be improving in oil & gas, some segments of information technology and for senior managers. *[The Economic Times]*

Work demand under rural jobs scheme dips in April: Work demand under the government's flagship rural jobs scheme eased for the sixth straight month in April underscoring improved economic activity. *[The Economic Times]*

Top IT companies cut over 72,000 jobs in FY24: Once known for hiring hundreds of thousands every year, five of India's top six information technology services companies reported a reduction of 73,600 in their total headcount in the last fiscal year. *[The Economic Times]*



Industrial Finance

Bank credit to industry up 8.5% in March; moderation in personal loans - RBI: Bank credit to industry grew by 8.5 per cent annually in March while there was moderation in the personal loans segment. *[Business Standard]*

YES Bank collaborates with ANQ to launch 2 co-branded credit cards Pi, Phi: YES Bank has partnered with Bengaluru-based financial services provider, ANQ, to unveil two co-branded credit cards -- Pi and Phi. *[Business Standard]*

Adani Green Secures \$400 million from international banks for 750 MW power projects: Adani Group's green energy arm Adani Green Energy Ltd (AGEL), secured \$400 million in financing for its under-construction 750 MW solar projects in Rajasthan and Gujarat by a consortium of five leading international banks. *[The Economic Times]*

Vodafone Idea in talks to avail loans worth \$1.8 billion: Indian telecom carrier Vodafone Idea is in talks with lenders to avail loans worth 150 billion rupees (\$1.80 billion) over the next two years. *[Business Standard]*



Technology and Innovation

India ranks third globally for phishing attacks after US, UK: Report: India ranked as the third-largest country globally for phishing attacks after the US and UK, with its technology sector facing nearly 33 per cent of all such strikes, marking it as the most targeted industry. *[Business Standard]*

Taiwan keen to help India become leader in chip space - Jason Ho: Taiwan is keen to collaborate with India and help it become a leader in the semiconductor space, Jason Ho, Chairman of the Taiwan Chamber of Commerce in India, said, asserting that the Taiwanese companies have the supply chain for things that the Indian market needs. *[Business Standard]*

NPCI inks pact with Bank of Namibia for developing UPI-like payment system: NPCI on Thursday said its overseas arm has signed a pact with the Bank of Namibia (BoN) for developing a UPI-like instant payment system for Namibia. *[Business Standard]*

Developing e-com hubs to boost exports may figure in ministry's 100-day agenda of new govt: Developing e-commerce hubs in the country to further promote India's exports through online medium are expected to figure in the commerce ministry's 100-day agenda roadmap for the new government. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

India's infrastructure output slows down to 5.2% in March as against 7.1% in Feb: The index had grown by 7.1 per cent in February 2024 and 4.1 per cent in January 2024. Meanwhile, it stood 4.2 per cent in March 2023. *[The Economic Times]*

Road construction in India to witness 7-10% slowdown in FY25 due to challenges in execution - CareEdge: Pace of road construction in India is expected to witness a 7-10% decline in 2024-25 with the daily construction estimated at 31 km per day as against 34 km per day in 2023-24 due to heightened challenges in execution. *[The Economic Times]*

Govt says 448 infra projects hit by cost overrun of ₹5.55 lakh cr in Oct-Dec: As many as 448 infrastructure projects, each entailing an investment of ₹150 crore or above, were hit by cost overrun of more than ₹5.55 lakh crore during December quarter 2023. *[Business Line]*

Mytek launches new AI-based platform to help contractors deliver infra projects on time: Infratech firm Mytek Innovations has launched a first-of-its-kind digital platform that uses open artificial intelligence (AI) tools to help contractors deliver infrastructure projects on time. *[The Economic Times]*



Sustainable Industrialisation

India may become 3rd largest market for utility-scale batteries by 2030 - IEA: India is likely to become the world's third-largest market for utility-scale batteries by 2030 with capacity additions projected to accelerate considerably over the next seven years to reach nearly 9 GW. *[Business Line]*

Indian Oil Corporation to Invest Rs 5,215 cr in green power: Indian Oil Corporation announced plans to invest ₹5,215 crore in developing 1 GW of renewable energy capacity in India. *[The Economic Times]*

Southern India can Lead India's pursuit of 500GW renewable target by 2030: Experts and industry players: Southern states like Karnataka, Kerala, Tamil Nadu, Andhra Pradesh, and Telangana hold immense solar and wind energy potential. *[The Economic Times]*



Sectoral News

New policy to promote critical minerals in works - Mines Secy: The Centre has begun work on a new policy to promote exploration and processing of critical minerals in the country by offering incentives at each stage of the production process. *[The Economic Times]*

Govt extends AEO status to gem and jewellery sector: The Ministry of Finance has assigned the Authorised Economic Operator (AEO) status to the gem and jewellery sector. The AEO programme was introduced as a pilot project for export oriented industries to promote ease of doing business. *[Business Line]*

India to become leader in offshore mining as govt amends legislation: India will become the leader in offshore mining as not many countries have done much in this area. *[Business Standard]*

Indian auto industry poised to reach USD 300 Billion by 2026; Revving up for innovation and expansion: India's rapidly growing auto market is poised to hit a milestone, with projections indicating it will reach USD 300 billion by 2026. *[The Economic Times]*

Telecom industry seeks ban on sale of WiFi 6E routers in India: Telecom industry body COAI has sought a ban on the sale of wifi 6E routers which utilise 6 Ghz spectrum band for data transmission as the government is yet to decide on the use of these frequencies. *[The Economic Times]*

Brookfield in talks with bankers to take Leela Hotels public: Brookfield Asset Management is reportedly planning to list its luxury hotel chain, The Leela Palaces, Hotels & Resorts. The Canada-based asset manager had earlier committed to investing over '1,500 crore in the hotel chain. *[The Economic Times]*

Power consumption rises 11 pc to 144.25 billion units in April: India's power consumption rose around 11 per cent to 144.25 billion units (BU) in April as compared to the year-ago period, mainly due increase in temperatures. *[The Economic Times]*

ISID **Institute for Studies in Industrial Development**
An institution of Indian Council of Social Science Research (Ministry of Education)
4 Vasant Kunj Institutional Area, New Delhi - 110070, India

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Team Members: Satyaki Roy, Swati Verma, Sangeeta Ghosh, B Dhanunjai Kumar, Amitava Dey & Rakesh Gupta.

Compiled by: Rakesh Gupta, Edited by Sangeeta Ghosh.