

Industry Matters

Weekly Updates

May 10, 2024



Economy, Industry and Policy

India received over \$111 billion in remittances in 2022, first country to ever reach that figure - United Nations: India received over \$111 billion in remittances in 2022, the largest in the world, becoming the first country to reach and even surpass the \$100 billion mark. *[Financial Express]*

Services PMI drops a tad to 60.8 in April: The Purchasing Managers' Index (PMI) for services moderated to 60.8 in April against 61.2 in March due to a marginal dip in export orders. *[Business Line]*

Ind-Ra raises India's FY25 GDP growth estimate to 7.1 pc - Strong government-private investment propel economic momentum: India Ratings and Research (Ind-Ra) has revised India's GDP growth estimate for FY25 upwards to 7.1 per cent, marking a significant increase from its earlier forecast of 6.5 per cent. *[The Economic Times]*

Excess capacity, low domestic demand hamper private investments: The International Monetary Fund (IMF) recently attributed India's economic growth to strong public investment supported by resilient domestic demand. *[Business Standard]*

GDP likely grew 8% in FY24, to expand 7%-plus this year - CEA: India's economy likely grew by 8% in 2023-24 and the expansion rate may be over 7% in the current financial year. *[Financial Express]*

India sees incorporation of 185,000 companies in 2023-24: More than 185,000 companies were registered in the country last fiscal, higher than the count recorded in the year-ago period, and nearly 16,600 companies were set up in March this year. *[Business Standard]*

Share of consumer spend on health, transport, education up by record 26.9%: Share of transport, health and education in private final consumption expenditure increased further in FY23, indicating a shift in private consumption pattern in the country. *[The Economic Times]*

India's services sector shows strongest growth rates in around 14 years - PMI: India's services sector moderated in April on a monthly basis, yet it maintained strength due to strong domestic and international demand, leading to heightened business confidence reaching a three-month peak. *[The Economic Times]*

E-way bill generation dipped to 9.66 crore in April: After recording all-time high number in March, e-way bill generation dipped to 9.66 crore in April. This could have some impact on Goods and Services Tax (GST) collection number for May, which will be made public on June 1. *[Business Line]*

Indian PE, VC investments decline 35% to \$39 billion in 2023: The Indian private equity and venture capital investments declined by about 35 per cent to around USD 39 billion in 2023 from USD 62 billion in 2022. *[Business Standard]*



Foreign Investment

Europe, US companies back India for derisking from China: India figures at the top of the list of investment destinations for senior executives in Europe and the US looking to reduce their dependence on China and shift part of their manufacturing capacity to emerging markets. *[Business Standard]*

FPIs domiciled at GIFT City allowed to issue P-notes to investors: Foreign portfolio investors (FPIs) domiciled at the GIFT International Financial Services Centre (IFSC) and registered with the Securities and Exchange Board of India (Sebi) have been allowed to issue offshore derivative instruments (ODIs), popularly known as participatory notes (pnotes). *[Business Standard]*

Easing FDI norms in space sector to attract foreign players, boost demand for high-tech jobs: The government's decision to ease foreign direct investment (FDI) in the space sector will help attract foreign players as well as startups and will boost demand for high-tech jobs. *[The Economic Times]*

CBAM, permanent establishment rules, transfer pricing key in India's outbound FDI - EY: Beyond geopolitical situations, the growing global concern surrounding environmental issues and clean energy pose certain threats to Indian companies planning to invest abroad. *[The Economic Times]*



Trade Policy and Competitiveness

No import of ammunition from next year - Army: The army is aiming to stop all import of ammunition from the next financial year as the domestic industry has ramped up its capacity to meet all demands and is even poised to bag a chunk of the global market. *[The Economic Times]*

Indian exports up in 115 nations out of 238 destinations in 2023-24: India's exports have surged to as many as 115 countries out of the total 238 destinations during 2023-24 despite the global economic uncertainties. *[The Economic Times]*

India new land of rising sun for auto exports: Global auto companies are increasingly leveraging India as an export hub with Honda even shipping cars to its home market Japan and Suzuki set to follow suit later this year. *[The Economic Times]*

India Exim Bank sees 12.3% year-on-year goods exports growth in Q1 FY25: The Export-Import Bank of India on Thursday forecast India's merchandise exports to grow 12.3% on-year at \$116.7 billion in the April-June quarter of FY25, on strong economic fundamentals and sustained manufacturing and services activity. *[The Economic Times]*

Apparel exports to FTA countries grow: The impact of free trade agreements (FTAs) has been positive for the traditional export sector of readymade garments, with exports to Australia growing 5.7% on year in the first 11 months of the last fiscal. *[Financial Express]*

Toy exports fall 14% after hitting peak in 2021-22: India's toy exports have hit the slow lane after showing spectacular rise since FY215. *[The New Indian Express]*

India reverses old trend in medical consumables business, is now a net exporter: India, widely regarded as the pharmacy of the world owing to its generic medicines and low-cost vaccines, has achieved another big feat in the area of medical goods business. *[The Economic Times]*



Corporate Governance

CSR spends by NSE-listed cos hit Rs 15,524 crore in FY23: India Inc.'s corporate social responsibility (CSR) spends rose by 5% from Rs 14,816 crore in FY22 to Rs 15,524 crore in FY23 across 1,296 NSE-listed companies, led by HDFC Bank (Rs 820.89 crore), Tata Consultancy Services (Rs 783 crore) and Reliance Industries (Rs 744 crore). *[The Economic Times]*

India leads Asia-Pacific region's M&A deals in Q1 2024 - S&P Global: India bucked the trend, showing the best numbers in terms of merger and acquisition deals in the Asia-Pacific region in the first quarter (Q1) of 2024 in the financial sector, with 27 deals closed, compared to 13 in Japan, 12 in Australia, 11 in South Korea, and only nine in Mainland China. *[Business Standard]*

India on track to become third largest consumer market by 2026 - UBS: India is on track to become the third largest consumer market in 2026, overtaking Germany and Japan, as people in the affluent category increase. *[The Economic Times]*

India's top three retailers show healthy growth despite consumption headwinds: Despite a persistent weakness in consumption, leading retailers in the country have managed to report decent sales, profit, and margin growth in the fourth quarter of FY24 on the back of a clever product and portfolio mix. *[Business Line]*

Apple logs record India sales amid global slide: Apple set revenue records in India in the quarter ended March 2024, even as overall revenue declined 4% on year on the back of iPhone sales going down 10% as compared to the same period last year. *[The Economic Times]*

HP India in talks with Dixon Technologies, VVDN for laptop assembly: HP India is currently in talks with VVDN Technologies and Dixon Technologies to assemble its laptops in the country. *[Business Standard]*



MSMEs and Start-ups

MSMEs contribute 62% to employment in India - McKinsey Global Institute: The micro, small, and medium enterprises (MSMEs) in India contribute 62 per cent to employment, as opposed to 77 per cent in other emerging economies. *[Business Standard]*

IIT-M start-up Mindgrove Technologies launches first indigenously designed microcontroller chip: For the first time, a microprocessor chip designed, owned, and marketed from India is set to be out in the open market and will soon power smart electronic devices. *[Business Line]*



Employment and Industrial Relations

53% of startup jobs are for freshers - Here are the top roles most in demand: Startups are looking to hire freshers (with 0 to 3 years of experience), for 53% of all the jobs available. In terms of the top job roles, sales position vacancies have rapidly increased over the past year. *[Business Standard]*

Government exploring options to roll out labour codes: The government is considering various strategies to ensure a nationwide roll out of the four labour codes even though some states and union territories are yet to pre-publish draft rules under one or more of these codes. *[The Economic Times]*

White-collar hiring falls 3% in April, shows Naukri JobSpeak Index: White-collar hiring in the country witnessed a 3% dip year on year last month and slipped 1% on month. *[The Economic Times]*



Industrial Finance

PSBs plan to set up 'green cells' for climate funding: State-run lenders will look to set up specialised 'green cells' with dedicated employees for climate-specific initiatives. *[The Economic Times]*

Gautam Adani in talks with banks to borrow \$600 million for gas unit: Billionaire Gautam Adani's conglomerate is seeking an offshore loan of about \$600 million to refinance existing debt. *[The Economic Times]*

IOB plans to sell 92 NPA loans for a total outstanding of ₹13,472 crore: Indian Overseas Bank plans to sell 92 NPA loans, totalling ₹13,472 crore, in two lots through e-auction under the open auction method as part of its NPA reduction exercise. *[Business Line]*

India, Ghana agree to operationalise UPI link in 6 months: India and Ghana have agreed to work 'expeditiously' towards the operationalisation of India's instant payment system Unified Payment Interface (UPI) on Ghana Interbank Payment and Settlement Systems (GHIPSS) within six months. *[The Economic Times]*



Technology and Innovation

India emerged as the most preferred market for tech giants - Apple CEO Tim Cook: India has become a key market for global tech giants, with a burgeoning developer base attracting significant attention. *[The Economic Times]*

Central PSUs' buys from GeM rise by 36%, exceed target: India's Central Public Sector Enterprises (CPSEs) continued to drive economic activities as their procurement from MSMEs was 36.34% against the mandated 25% for the Financial Year 2024. *[The Economic Times]*

Dixon Technologies signs pact with Nokia to manufacture telecom products: Dixon Technologies has signed an agreement with Nokia to develop and manufacture telecom equipment such as fixed wireless access points and routers for the Finnish company. *[The Economic Times]*

BSNL to launch 4G services across India in August; to use indigenous technology: State-owned BSNL will start rolling out 4G services across the country from August, using completely indigenous technology in line with the government's "Atmanirbhar" policy. *[The Economic Times]*

India's data center industry set to double capacity by 2026, attract investments: India's data center industry is experiencing significant growth, with its capacity projected to double to around 2,000 MW by 2026 and this expansion is expected to attract substantial investments. *[The Economic Times]*

Make in India - Tata Electronics begin limited export of semiconductor chips: Tata Electronics Ltd has initiated the export of a limited quantity of semiconductor chips packaged at a pilot line situated in its research and development centre in Bengaluru. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

Govt completed 281 central infra projects in FY24 - MoSPI: The government finished work on 281 central government projects costing over Rs 150 crore in FY24, compared with 329 in the previous year. *[The Economic Times]*

Tata Power plans 66% higher capex at Rs 20k cr in FY25; to spend 50% on RE: Tata Power has planned a 66 per cent higher capital expenditure of Rs 20,000 crore in this fiscal compared to a year ago, which will mainly focus on projects supporting energy transition and India's net-zero emission target by 2070. *[Business Standard]*

Rockwell plans to expand in India with more factories, tech workers: Rockwell Automation is mulling expanding its technology workforce and opening more factories to boost manufacturing in India. *[The Economic Times]*

Railways laid on an average 7.41 km tracks daily in 10 years, RTI response reveals: The Indian Railways has laid on an average 7.41 km of tracks, which include new line construction as well as doubling, tripling and gauge conversion of existing lines in the past ten years. *[The Economic Times]*

Domestic deals push up M&A by 168 percent to \$9.4 billion in Q1: The deal street remained super busy in the first quarter of the year closing as many as 168 percent more transactions worth \$9.4 billion across 197 transactions. *[The New Indian Express]*



Sustainable Industrialisation

India overtook Japan to become world's 3rd largest solar power generator in 2023: Rapid solar energy deployment in India pushed the country past Japan to become the world's third-largest solar power generator in 2023. *[The Economic Times]*

India's renewable energy sector achieves nearly 95% of FY24 bidding target: The Central Government narrowly missed its target of 50 GW for annual renewable energy tendering in 2023-24. *[Business Line]*

Tata Steel becomes first Indian steel company to complete fully loaded voyage from Australia to India on B24 biofuel: Tata Steel became the first Indian steel company to undertake a fully loaded voyage from East Coast of Australia to India. *[The Economic Times]*

Tata Power Renewable Energy signs pact with SJVN for 460 MW clean energy project: Tata Power Renewable Energy Ltd (TPREL) on Saturday said it has signed an agreement with state-owned SJVN Ltd to set up a 460 MW Firm and Dispatchable Renewable Energy (FDRE) project. *[The Economic Times]*

Electric two-wheelers lead as India's EV sales cross 1.7 million in FY2024: India's electric vehicle (EV) market registered a significant uptick in sales, crossing 1.7 million units in the fiscal year 2024. *[The Economic Times]*

The world's biggest carbon removal plant comes online in Iceland: The carbon removal plant coming up in Iceland is expected to be a major step in the race to remove billions of tons of carbon each year by the middle of the century. *[The Economic Times]*



Sectoral News

Need for infra status for hospitality sector to bring more investments - HAI: There is an urgent need for the hospitality sector to be granted industry status at state level and infrastructure by the Centre for it to attract more investments and play a part in the development of 50 new destinations announced by the government.

[Business Standard]

India's mining sector grows by 7.5% in FY24: India's mining sector grew by 7.5 per cent in FY24, with production of iron ore and limestone recording high growth during the year. *[The Economic Times]*

Vi expedites talks with Nokia and Ericsson for 4G network upgrade, may include 5G deals too: Vodafone Idea has expedited talks with European vendors Nokia and Ericsson to upgrade its 4G network and purchase orders are likely to be issued in June-July. *[The Economic Times]*

Offline smartphone sales surge in March quarter as buyers seek premium feel: Retail stores are cementing their presence in the Indian smartphone market with sales in brick-and-mortar stores surging in the March quarter boosted by rising demand for premium devices. *[The Economic Times]*

Health insurance sector hits record growth, settles claims worth Rs 75,000 crore at 25% Profit: With Rs 1 lakh crore in the premium collection, the health insurance segment has become the largest vertical of the general insurance industry constituting 37 percent of the industry revenue. *[The New Indian Express]*

Vehicle retail sales soar 27% in April; two-wheeler registrations jump 33%, cars up 16%: Vehicle registrations in the country – a proxy for retail sales – went up by a robust 27% year on year to 2.2 million units in April, led by two-wheelers on the back of stable fuel prices, positive outlook for the monsoons, Navratri demand, and the ongoing marriage season. *[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

Follow us at



Disclaimer: *Industry Matters* is a weekly news update on Indian economy, industry, and policy compiled at ISID from various newspapers and e-resources. ISID does not guarantee the truthfulness, accuracy, or validity of the news items linked in the above message. It is shared for informational and educational purposes to facilitate and support research and information on Indian industry. It is not a commercial product and all copyrights remain with those of the respective copyright holders. Images are sourced from the web.

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

Compiled by: Rakesh Gupta, Edited by Sangeeta Ghosh.