

Industry Matters

Weekly Updates

June 07, 2024



Economy, Industry and Policy

Goldman Sachs boosts India GDP forecast to 6.9% for CY24: Foreign brokerage Goldman Sachs has upped India GDP growth forecast by 20 basis points to 6.9 per cent this calendar year from an earlier projection of 6.7 per cent. *[Business Line]*

DBS retains India GDP growth forecast at 7% for FY24-25: Singapore-headquartered DBS Bank expects India's economic growth to stay in the 7 percent handle in the April-June 2024 quarter. *[Business Line]*

India set for first current account surplus in 10 quarters by Q4FY24 - Ind-Ra: India Ratings and Research (Ind-Ra) projects that India's current account balance (CAB) will achieve a surplus of approximately USD 6 billion (0.6 per cent of GDP) in the fourth quarter of the fiscal year 2024 (Q4FY24). *[The Economic Times]*

Manufacturing activity eases to a three-month low of 57.5 in May: Heatwaves and rising production costs led to manufacturing activity easing further to a three-month low of 57.5 in May compared with 58.8 in the previous month. *[The Economic Times]*

Economy expands 7.8% in Q4, lifting FY24 growth to 8.2%: India's growth surged to 8.2% in FY24, riding a better-than-expected 7.8% expansion in the March quarter on the back of robust manufacturing, provisional estimates released on Friday showed, underscoring the country's status as the world's fastest-expanding major economy. *[The Economic Times]*

GST collection in May moderates from record high to Rs 1.73 lakh crore: The Centre collected Rs 1.73 lakh crore towards the goods and services tax (GST) in May, around 10 per cent higher on an annual basis. *[The Economic Times]*

April core sector grows 6.2%, IIP seen 6-6.5%: India's eight core infrastructure sector grew 6.2% in April, higher than 6% in the previous month. *[The Economic Times]*

India's services sector softens to five-month low in May - PMI: Growth in India's services activity growth slowed to a five-month low in May as robust domestic demand weakened. *[The Economic Times]*

India utilised 99.9% of its capex target in FY24: The Centre has utilised Rs 9,48,506 crore as part of its capital expenditure in FY24 as against revised estimate (RE) of Rs 9,49,555 crore. *[The Economic Times]*

National Pension System assets surge 28% to ₹12.16 lakh crore: National Pension System's (NPS) assets under management (AUM) have touched ₹12.16 lakh crore as of May 25, the latest data from the Pension Fund Regulatory and Development Authority (PFRDA) showed. *[Business Line]*

India's core sector growth rises 6.2% in April: India's index of eight core sectors grew 6.2 per cent on an annual basis in April after growing 6 per cent in March. *[The Economic Times]*

Economists project continued economic momentum and stability after India reports robust GDP growth in Q4: India's economy witnessed a robust growth rate of 7.8 per cent year-on-year in the January-March quarter, surpassing expectations due to strong performance in the manufacturing sector. *[The Economic Times]*



Foreign Investment

Maharashtra attracts highest FDI for second consecutive year - Fadnavis: Maharashtra Deputy Chief Minister Devendra Fadnavis on Friday said the state has attracted the highest foreign direct investment (FDI) in the country for the second consecutive year. *[The Economic Times]*

India receives highest FDI from Singapore in 2023-24, Mauritius follows: India received the highest foreign direct investment (FDI) from Singapore in 2023-24 even as overseas capital inflows into the country contracted by about 3.5 per cent due to global economic uncertainties. *[Business Standard]*

India's FDI steady at \$70.9 billion in FY24, inflows more than doubled in the construction sector: Maintaining consistency in attracting foreign investment inflows, India has received a total foreign direct investment (FDI) inflow of USD 70.9 billion in the financial year 2023-24. *[The Economic Times]*



Trade Policy and Competitiveness

Refined Russian petro goods imports rise 14% in May: India's import of refined products from Russia increased by 14% sequentially in May, while that of crude remained flat. *[The Economic Times]*

CBIC starts electronic disbursement of duty drawback to exporter's bank accounts via PFMS: CBIC introduces electronic disbursement of duty drawback amounts to exporters' bank accounts via PFMS platform, enhancing transparency, efficiency, and global trade facilitation standards. *[The Economic Times]*

India plans new shipping firm to expand fleet by 1,000 ships in next decade: India plans to set up a new shipping company to expand its fleet by at least 1,000 ships in the next decade, as Asia's third-largest economy seeks a bigger chunk of revenue from surging trade. *[Business Standard]*

Netherlands emerges as India's 3rd largest export destination in 2023-24: The Netherlands has emerged as India's third largest export destination after the US and UAE during 2023-24, even as the country's merchandise shipments dipped by over 3 per cent. *[Business Standard]*

'IT services export from STPI register unit crossed Rs 9 trillion in FY24.': IT services exports from STPI-registered units have crossed Rs 9 lakh crore in the 2024 financial year. *[Business Standard]*



Corporate Governance

Demerger of biz to help commercial vehicle business capitalise on opportunities globally - Tata Motors: The proposed demerger of existing automotive business into two listed entities will help the commercial vehicle vertical become more agile and capitalise on the opportunities available globally. *[The Economic Times]*

Canon in talks with Indian, global players to supply chip making machine: Popularly known as a camera brand, Canon is in talks with Indian and global players for its semiconductor lithography equipment, which is the most crucial machinery required in chip fabrication, and shall compete with global leaders like ASML in the space. *[The Economic Times]*

Deal activity dips 3 pc to USD 5 bn in May: The overall deal activity declined by 3 per cent to USD 5.023 billion in May compared to USD 5.192 billion in the preceding month of April. *[The Economic Times]*



MSMEs and Start-ups

DoT seeks startups response on advance tech adoption issues: The department of telecommunications (DoT) will conduct a survey among startups and other companies to understand challenges faced by them in utilising advanced technologies and adapting to Industry 4.0. *[Financial Express]*

India now has 4.5 crore registered MSMEs of which 98% are micro enterprises: The total number of micro, small and medium enterprises (MSMEs) in the country registered with the MSME Ministry has crossed the 4.5 crore mark. *[Financial Express]*

Govt to undertake MSME survey on challenges in adopting Industry 4.0 technologies: Telecom Centre of Excellence India (TCoE) under the Department of Telecom has called for proposals from startups and other companies for undertaking a survey among MSMEs to understand their challenges in the adoption and utilisation of advanced technologies. *[Financial Express]*



Employment and Industrial Relations

7th Pay Commission news - Gratuity limit now hiked for central government employees after Dearness Allowance (DA) touches 50%: The Center's decision to increase its employees' dearness allowance by 4% to 50% has resulted in a substantial revision in other allowances, including retirement gratuity. *[The Economic Times]*

E-commerce, BFSI, hospitality sectors driving job market in 2024: E-commerce, BFSI (banking, financial services, and insurance), and hospitality sectors witnessed an increased demands for talents in the first four months of 2024, indicating a recovery in overall job market. *[The Economic Times]*

PFRDA reviews strategies for expansion and distribution of NPS: The pension sector regulator Friday reviewed strategies for expansion, comprehensive coverage and distribution of the national pension system or NPS through point of presence or PoPs. *[The Economic Times]*

White collar hiring improving on rise in demand from Oil & Gas, Banking, FMCG sectors: White collar hiring has begun improving steadily on the back of major sectors like Oil and Gas, Banking and FMCG. *[Business Standard]*

Hiring in tier-2 cities showing consistent growth - foundit: Hiring in tier-2 cities has shown consistent growth compared to metropolitan areas, with cities such as Kochi, Coimbatore and Jaipur emerging as key hiring locations. *[The Economic Times]*

Job demand in renewable energy sector surges 23.7 pc in FY24: On the occasion of the World Environment Day, a report on Wednesday revealed that in India the job demand in the renewable energy sector witnessed a growth of 23.7 per cent during 2023-24. *[The Economic Times]*

Demand under rural jobs scheme eases again in May: Demand for work under the government's flagship rural job guarantee scheme fell for a seventh straight month through May, indicating stronger economic conditions at the start of the new financial year. *[The Economic Times]*



Industrial Finance

Credit growth slows in April across major sectors: Bank lending slowed down marginally in April to 15.3 percent from 16.2 percent a year ago as lending to all major sectors except agriculture slowed. *[The Economic Times]*

SpiceJet plans to raise \$250 million by mid-August - Ajay Singh: SpiceJet is planning to raise \$250 million (Rs 2,085 crore) by mid-August as it would assist the airline in clearing its balance sheet and put it on the path of growth. *[Business Standard]*

REC board approves raising foreign borrowing limit to USD 24 bn: State-owned REC Ltd on Friday said its board has approved raising the borrowing limit in foreign currency to USD 24 billion from USD 20 billion. *[The Economic Times]*

Punjab National Bank, IIFCL sign pact for financing infra projects: Punjab National Bank (PNB) and India Infrastructure Finance Company Ltd (IIFCL) on Monday signed an agreement to offer long-term financial assistance to viable infrastructure projects. *[The Economic Times]*

Banking frauds triple in the past fiscal year - RBI data: The number of frauds detected in the banking system last fiscal almost tripled on year, even as the amount involved decreased. *[The Economic Times]*



Technology and Innovation

UPI transactions set new record, scale 14 billion peak in May: The Unified Payments Interface (UPI) network operated by the National Payments Corporation of India (NPCI) has set a new record by processing 14.04 billion transactions in May, compared to 13.3 billion in April. *[The Economic Times]*

Isro Chairman inaugurates HAL facilities, boosting rocket manufacturing: Isro Chairman S Somanath inaugurated state-of-the-art propellant tank production and computer numerical control (CNC) machining facilities at Hindustan Aeronautics Limited's Aerospace Division here, boosting rocket manufacturing capacity. *[Business Standard]*

ONDC clocks all-time high of 8.9 million transactions in May: The government-run Open Network for Digital Commerce (ONDC) on Monday said it recorded an all-time high of 8.9 million transactions across retail and ride-hailing segments in May. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

No exemption for SEZ units under the proposed Central Excise Bill: The proposed Central Excise Bill, 2024, does not exempt excisable goods produced or manufactured in a Special Economic Zone (SEZ) and brought to any other place in India from duty. *[Business Standard]*

'Made in India' bullet trains with top speed of 250 kmph in making: The railways has tasked state-owned Integral Coach Factory (ICF) with locally manufacturing two standard-gauge bullet trains this fiscal year. *[The Economic Times]*



Sustainable Industrialisation

India, US, 12 others likely to ink pact today to meet climate financing goal: India, the US and 12 other countries on Thursday are likely to ink an agreement to help them meet their climate objectives through collaborative financing without imposing barriers. *[The Economic Times]*

India offers \$500 billion investment opportunities in clean energy, other sectors by 2030: India offers huge investment opportunities worth over \$500 billion, particularly in clean energy value chain including renewables, green hydrogen, and EV, by 2030. *[Business Line]*

Solar investment outstrips all other power forms - IEA: Global investment in clean energy technology and infrastructure is set to hit \$2 trillion this year, twice the amount going into fossil fuels. *[The Economic Times]*



Sectoral News

Coal output increases 10% in May: The country's coal production rose by 10.15% to 83.91 million tonnes (MT) in May compared to 76.18 MT in the year-ago period. *[The Economic Times]*

DGCA to lay roadmap for air taxis soon; project to take off from Delhi-NCR, Mumbai and Bengaluru: Soon after the biggest electoral activity in the country ended, the Aviation Ministry has started work on urban air mobility with India's regulator Directorate General of Civil Aviation (DGCA) speculated to have set up multiple technical committees to lay the roadmap for air taxis to take off in the country. *[The Economic Times]*

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