

# Industry Matters

Weekly Updates

June 14, 2024



## Economy, Industry and Policy

**India's retail inflation eases to 12-month low of 4.75 per cent in May:** India's retail inflation eased to a 12-month low of 4.75 per cent on an annual basis in May as against 11-month low of 4.83 per cent in the previous month. *[The Economic Times]*

**Industrial production declines to a three-month low of 5% in April:** The Index of Industrial Production (IIP) in India slowed to 5 per cent in April, a three month low, as against 5.4 per cent in March. *[The Economic Times]*

**India to be the fastest growing economies in ASEAN - Moody's:** India will remain the region's fastest-growing economy, sustaining last year's domestically driven momentum and its policy momentum is expected to continue as the new government takes charge with a reduced majority. *[The Economic Times]*

**Modi govt releases Rs 1.4 lakh crore installment of tax devolution to states:** The Ministry of Finance on Monday announced the release of an additional installment of tax devolution to states for June 2024. The objective of the move is to support state finances and spur economic development. *[The Economic Times]*

**Asian earnings growth to outpace US and Europe, India's growth momentum strong:** Asian earnings growth is forecasted to outpace that of the US and Europe for both this year and the next. *[The Economic Times]*

**World Bank revises India's FY25 growth forecast to 6.6%:** The World Bank Tuesday revised India's FY25 growth forecast upward to 6.6% from 6.4% projected in January, on the back of strong public investment accompanied by private capex and rise in private consumption. *[The Economic Times]*

**India may sustain 6.5-7% GDP growth between FY26 & FY30 - UBS:** India is expected to sustain a potential growth rate of 6.5 per cent -7 per cent year-on-year (Y-o-Y) between 2025-26 and 2029-30. *[Business Standard]*

**Manufacturing sector looks for policy continuity, fresh PLIs:** With the Narendra Modi-led NDA government starting a third term, the manufacturing sector is looking forward to policy continuity, capital infusion, and fresh PLI schemes to further bolster India as a manufacturing destination of choice for foreign firms as well as to build a robust and resilient supply chain ecosystem. *[The Economic Times]*

**India ranked among the top five in the Asia-Pacific region for developmental assets:** India ranked among the top five cross-border capital destinations globally for land and development site investments in the March quarter with foreign investors backing about 55% of the inflows. *[The Economic Times]*

**Consumption expenditure across rural and urban areas has shown equivalent increase over the past decade - SBI:** There appears to be a nearly equivalent increase across fractile classes in Monthly Per Capita Consumption Expenditure (MPCE) spanning both rural and urban areas over the decade. *[Business Line]*

**Consumer expenditure survey - Its new methodology is superior:** India's ministry of statistics and programme implementation (Mospi) recently released a full report on the results of the Household Consumer Expenditure Survey (HCES) along with unit-level data. *[Mint]*

**NHAI to monetise assets with Rs 15000 to Rs 20000 crore in 2024-25 through InvIT:** The National Highways Authority of India (NHAI) will monetise road assets worth Rs 15,000 – 20,000 crore in the current fiscal year through its infrastructure investment trust the National Highways Infra Trust (NHIT). *[The Economic Times]*

**CII - Continuity in reforms will make India developed Nation:** Industry body Confederation of Indian Industry Monday said continuity in policy reforms under the leadership of Prime Minister Narendra Modi is likely to drive India towards the goal of becoming a developed nation. *[The Economic Times]*

**On table - Eye on prices of 16 more food items to protect 'garib ki thali':** In response to escalating food inflation, the central government is planning to add 16 new commodities to its price monitoring list, increasing the total to 38. *[Business Standard]*



## Foreign Investment

**India emerges a top five destination for realty FDI:** India ranked among the top five cross-border capital destinations globally for land and development site investments in the March quarter with foreign investors backing about 55% of the inflows. *[The Economic Times]*

**'Most JP Morgan index clients to invest directly in Indian govt bonds':** A majority of clients that follow the JP Morgan Emerging Market Bond Index are now registered to trade directly in Indian government bonds, which will be included in the index at the end of this month. *[Business Standard]*

**Outward FDI remain almost flat at \$2.0 billion in May - RBI:** The country's outward foreign direct investment (FDI) commitments were almost flat at \$2 billion in May 2024, compared to \$1.98 billion in May 2023. *[Business Standard]*

**RBI opens gates for investors, companies to invest in overseas funds:** Investors and companies based in India will now be able to invest in overseas funds, including those set up in the United States and Singapore, without any restrictions. *[Business Standard]*

**FPIs net sellers of Indian equities at Rs 14,794 crore in June so far:** Despite Indian benchmark indices ending with strong gains this week, foreign portfolio investors (FPIs) have remained unenthusiastic in June so far, off-loading Indian equities worth Rs 14,794 crore. *[The Economic Times]*

**Mercedes Benz to make Rs 3,000 crore investment in Maharashtra - Minister:** German car-maker Mercedes Benz will make an investment of Rs 3,000 crore in Maharashtra. *[The Economic Times]*



## Trade Policy and Competitiveness

**PV exports rise by 2.68 lakh units in last 4 years; Maruti accounts for 70 pc of incremental shipments:** Passenger vehicle exports from India rose by 2.68 lakh units in the last four financial years with Maruti Suzuki India accounting for nearly 70 per cent of the incremental shipments during the period. *[The Economic Times]*

**Chinese-Indian JVs may get Govt nod, but with a rider:** The government may allow new joint ventures (JVs) between Chinese and Indian companies only if the Indian partner has a majority shareholding, four electronics and automobile industry chief executives who want to set up JVs with Chinese firms. *[The Economic Times]*

**Indian traders demand resumption of border trade with China through Lipulekh pass:** Indian traders involved in border trade with China through the Lipulekh pass in Pithoragarh district since 1992, have requested the central government to take up the issue of resumption of border trade through this route with Beijing. *[The Economic Times]*

**China's exports grow 7.6% in May, beating expectations despite trade tensions:** In May, China's exports surged by 7.6% year-on-year to \$302.35 billion, surpassing expectations, despite ongoing trade tensions. Imports, however, grew only by 1.8%, missing forecasts of 4% growth. *[The Economic Times]*

**iPhone exports from India hit \$2 billion in April-May:** Technology giant Apple Inc has pushed the pedal on exporting iPhones from India by racking up exports valued at over \$2 billion in the first two months of the current financial year (FY25). *[Business Standard]*

**CBIC orders release of imports without delay:** India's apex indirect taxes body on Saturday directed customs authorities to release goods imported via third-party invoicing under free trade agreements (FTA) "without delay". *[The Economic Times]*

**Govt steps help boost toy exports, manufacturing; more work needed - DPIIT Secretary:** Government measures such as mandatory quality control orders and increasing customs duty have helped boost exports of toys from India, but there is a need to do much more for the sector. *[The Economic Times]*

**India's April-May steel imports hit five-year high on buoyant domestic demand:** India's finished steel imports touched a five-year high in the first two months of the fiscal year that began in April, with the country continuing to be a net importer. *[The Economic Times]*



## Corporate Governance

**Electronics cos charged up for big revenue boost, set to double revenues to \$55 billion by FY2027:** India's domestic electronics manufacturing services (EMS) industry revenues are set to more-than-double to reach \$55 billion by FY2027, driven by increased sourcing of components locally, with Apple, Samsung, Lenovo and other global companies expected to expand their presence in India. *[The Economic Times]*

**Matrix Pharma buys Viatris' API business for ₹1,445 crore, funded by KSSF II:** Matrix Pharma Private Ltd has acquired Viatris' active pharmaceutical ingredients (API) business for ₹1,445 crore, a transaction funded by Kotak Strategic Situations Fund II (KSSF II). *[Business Line]*

**Corporate profit to GDP hits 15 year high as input cost moderates:** Thanks to sharp run-up in profits of oil marketing companies and banking sector, the corporate profit to GDP ratio has hit a 15-year high in the financial year March, 2024 as input cost moderates amid healthy demand in most sectors. *[Business Line]*

**Adani Group's Ambuja Cements to buy Panna Cement for Rs 10,422 crore:** Adani Group's Ambuja Cements on Thursday announced it would acquire Hyderabad-based Panna Cement Industries Ltd (PCIL) at an enterprise value of Rs 10,422 crore. *[Business Standard]*



## MSMEs and Start-ups

**Commerce Ministry may seek more funds for startups in forthcoming Budget:** The commerce and industry ministry may seek more funds for startups in the forthcoming Budget, to be announced by the new government, to promote innovation in the country. *[The Economic Times]*

**SBI to use IT, GST data for quick sanction of MSME loans:** State Bank of India (SBI), has launched a new SME Digital Business Loans through which the bank will use data from sources such as income tax and GST returns and bank statements, for credit assessment of micro small and medium enterprises (MSMEs) and sanction loans within just ten seconds after submitting the required details. *[The Economic Times]*



## Employment and Industrial Relations

**Production and manufacturing sector emerges as top hiring industry in tier-II cities - foundit:** The production and manufacturing sector witnessed a significant (47%) YoY surge in hiring, also emerging as the top hiring industry in tier-II cities. *[The Economic Times]*

**Gender Gap index - Indian women earn Rs 40 for every Rs 100 earned by men:** The World Economic Forum's Global Gender Gap index data released on Wednesday showed that India has slipped two spots to rank at 129 out of the 146 nations in the list. *[Business Standard]*

**Govt needs to adopt granular approach to support biz, promote jobs - PwC Chairman:** The Modi 3.0 government needs to adopt granular and tailored approach to support small businesses and promote job creations to make the economic growth more inclusive. *[The Economic Times]*

**Capacity boost for EPFO, ESIC to pave way for labour reforms:** The ministry of labour and employment will fast track governance and administrative reforms and enhance capacity at its two key social security organisations - Employees' Provident Fund Organisation (EPFO) and the Employees' State Insurance Corporation (ESIC) in the first 100 days of the new government. *[The Economic Times]*



## Industrial Finance

**Anil Ambani's Reliance Infra to raise USD 350 mn FCCB to repay rupee debt, expansion:** Anil Ambani promoted Reliance Infrastructure plans to raise USD 350mn (Rs 3000 crore) through foreign currency convertible bonds (FCCB) to repay its rupee debt and start new businesses such as electric power generation. *[The Economic Times]*

**India Inc looking for credit to fund capex, corporate loan worth Rs 5 lakh cr in pipeline - SBI Chief:** SBI Chairman Khara stated a growing demand for credit from corporates, with Rs 5 lakh crore loans in the pipeline, signaling a shift towards seeking credit for working capital and capacity expansion. *[The Economic Times]*

**SBI, Union Bank announce big fund-raising plans:** The State Bank of India (SBI) and Union Bank of India (UBI) have announced huge fund-raising plans in the backdrop of lagging deposit growth and credit growth. *[Business Line]*

**NBFC-MFIs largest provider of micro-credit:** Nearly 40 per cent of micro-credit disbursed by the end of the 2023-24 fiscal was by NBFC-MFIs, and 33 per cent by scheduled banks. *[The Economic Times]*

**ATM operators seek Rs 2 hike in interchange fee for viability:** India's ATM operators have approached the Reserve Bank of India (RBI) and the National Payments Corporation of India (NPCI) for an increase in the interchange fee paid by customers on cash withdrawals. *[The Economic Times]*

**Reputation damage in India most severe impact of frauds - KPMG:** Frauds and leakages continue to challenge organisations in India's consumer markets sector amid rapid growth and technological evolution. *[The Economic Times]*



## Technology and Innovation

**MeitY to come out with first draft on AI policy in next 5-6 months:** The Ministry of Electronics and Information Technology (MeitY) is poised to unveil the initial draft of its artificial intelligence (AI) policy in the next five to six months. *[Business Standard]*

**RBI to set up digital payments intel platform after cyber frauds spike over 700%:** The Reserve Bank of India (RBI) Governor, Shaktikanta Das, on Friday announced establishing a digital payments intelligence platform owing to recent surge in bank, digital frauds. *[The Economic Times]*

**Value-add target in new PLI scheme for electronics manufacturing may double:** In a move to deepen manufacturing in electronics in India, the Centre is targeting 35-40 per cent value-addition through the yet-to-be launched production-linked incentive (PLI) scheme for electronics components. *[Business Standard]*

**Skill ministry to train 150K women under PMKVY in first 100 days:** The Ministry of Skill Development and Entrepreneurship (MSDE) is looking to train around 150,000 women under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY), with a third of them acquiring new-age skills, in the first 100 days of the new government. *[Business Standard]*



## Industrial Infrastructure, Clusters and SEZs

**FIDC urges RBI to relax draft guidelines on infrastructure provisioning:** The Finance Industry Development Council (FIDC), the representative body for Non-Banking Financial Companies (NBFCs), has requested the Reserve Bank of India (RBI) to reconsider and clarify certain proposals in its recent draft circular on infrastructure provisioning. *[The Economic Times]*

**Domestic market access for SEZs, SOP for trade pacts likely in 100-day plan:** The commerce department is chalking out a 100-day action plan that is likely to focus on allowing special economic zones (SEZs) to sell in the domestic market. *[The Economic Times]*

**Dixon Technologies to invest Rs 1,500-1,800 cr in India over next three years:** Home grown electronics manufacturer Dixon Technologies India has lined up Rs 1500-1800 crore investment over the next three years to expand production capacity and component manufacturing. *[The Economic Times]*

**India-Bangladesh bridge to get operational by September, giving NE access to Bay of Bengal:** India's landlocked Northeast is set to get a crucial connectivity link to the Bay of Bengal with the opening of the long-awaited Bangladesh-India friendship bridge, known as Maitri Setu, by September. *[The Economic Times]*

**Tata Motors to power EVs with Rs 18,000 crore investment until FY30:** Tata Motors announced on Tuesday its plans to invest between Rs 16,000 crore and Rs 18,000 crore into its electric vehicle (EV) division until 2029-30 (FY30). *[Business Standard]*

**BPCL plans to set up new refinery for Rs 50k cr:** State-run Bharat Petroleum Corporation (BPCL) plans to set up a new 12 million metric tonnes per annum (MMTPA) refinery in the country. *[The Economic Times]*

**GAIL announces Rs 60,000 crore ethane capex:** State-run Gail India on Monday said it plans to set up a 1500 KTA ethane cracker project at Ashta, district Sehore in Madhya Pradesh. *[The Economic Times]*



## Sustainable Industrialisation

**Investment of USD 190-215 bn needed for India's 500 GW RE capacity - Moody's:** Investments of USD 190-215 billion will be needed to achieve the target of 500 gigawatt (GW) of renewable energy capacity by 2030 in India. *[The Economic Times]*

**Govt to focus on increasing contribution of renewables in India's energy matrix - Pralhad Joshi:** The government will continue to increase the contribution of clean energy in India's energy matrix. *[The Economic Times]*

**Domestic open access solar capacity addition doubles to 1.8 GW in Jan-Mar - Mercom:** Open access solar installations rose two-fold in India to 1.8 gigawatts during January-March this year supported by several factors, including reduced module cost. *[The Economic Times]*

**Delhi to sign IPEF pact on clean economy after domestic nod:** The government on Thursday said that 13 members of the Indo-Pacific Economic Framework (IPEF) members have signed the fair and clean economy agreements while India will ink the pacts after getting domestic approval. *[The Economic Times]*

**Moody's estimates up to \$385 billion investment to meet renewable energy target:** The past few years saw unprecedented measures and reforms in the power sector, ranging from reduction in distribution companies' outstanding dues to addition of renewable energy capacity and efficient energy storage systems. *[Financial Express]*

**Electric 3-wheeler sales rise 23% in May; industry awaits FAME 3 - FADA:** Electric three-wheeler (E3W) sales in India saw an increase of 22.6 per cent in May 2024 compared to the same month last year. *[Business Standard]*

**Global wind installation growth pace slows on rising costs:** Growth for global wind power is expected to slow this year as the industry faces struggles with rising costs, limited infrastructure and policy uncertainty. *[The Economic Times]*



## Sectoral News

**India to lead world in fuel demand growth - IEA:** India, the world's third biggest oil importer and consumer, will in the second half of the decade become the driver of global oil demand. *[The Economic Times]*

**PLI scheme to attract Rs 3-4 lakh cr investments over 4 yrs; pvt sector capex may accelerate - Icra:** The PLI scheme is expected to attract investments of Rs 3-4 lakh crore in the next four years and generate 2 lakh jobs as large projects in sectors such as semiconductor, solar module and pharmaceutical intermediaries, are expected to take off. *[The Economic Times]*

**'India a big market; good to have stronger Lufthansa-Air India partnership':** India is a big aviation market and a stronger partnership between Air India and Lufthansa is good, as efforts of the Star Alliance are to bring the partners together to provide a unique value proposition for the passengers. *[Business Standard]*

**Domestic passenger vehicle sales up 4% in May at 3,47,492 units - SIAM:** Passenger vehicle wholesales in India increased 4 per cent year-on-year in May to 3,47,492 units, as compared to the same month last year. *[The Economic Times]*

**Indian paints sector to double production capacity by FY27:** The organised paints sector in India is set to nearly double its production capacity to around 7.8 billion litres per annum (blpa) by the fiscal year 2027. *[The Economic Times]*

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