

Industry Matters

Weekly Updates

June 21, 2024



Economy, Industry and Policy

Budget 2024 - Boost jobs, stick to fiscal goals, economists advise FM: "It was a free-flowing conversation about the priorities of the Budget. We raised issues about how to sustain the growth momentum and capital expenditure (capex). Job creation should be the priority of the Budget," said Nagesh Kumar, director of the Institute for Studies in Industrial Development. *[Business Standard]*

Fitch raises India's FY25 growth forecast but isn't that optimistic about global growth: Fitch Ratings raised India's growth forecast to 7.2 per cent from 7 per cent for the ongoing financial year on the back of a rapid growth seen in recent quarters underpinned by a 'fast expansion' in investment. *[The Economic Times]*

India's net direct tax collections up 21% YoY to over Rs 4.62 lakh cr in April-June: India's net direct tax collections have surged by 21 per cent year-on-year to over Rs 4.62 lakh crore from April 1 to June 17. *[The Economic Times]*

India's wholesale prices accelerate to 15-month high of 2.61% in May: Wholesale inflation in India, measured using the Wholesale Price Index, quickened to a 15-month high of 2.61 per cent on an annual basis in the month of May as against 1.26 per cent in April 2023. *[The Economic Times]*

e-WAY bill generation in May touched 10.32 crore, second all time high: e-WAY bill generation touched 10.32 crore in May, which is second all-time high generation. *[Business Line]*

Inflation expected to average 4.5% this fiscal - Crisil: Leading ratings and economic research firm CRISIL is of the view that inflation is expected to average 4.5 per cent for the current financial year. *[The Economic Times]*

PM to release Rs 20,000 cr for farmers, felicitate 'Krishi Sakhis' in Varanasi visit on June 18: Prime Minister Narendra Modi will visit his parliamentary constituency Varanasi on June 18 for the first time after assuming office for a third consecutive term, during which he will release the 17th installment of PM-KISAN scheme amounting to over Rs 20,000 crore for 9.26 crore beneficiary farmers across the country. *[The Economic Times]*

Centre likely to increase interest-free loans to states: The Centre is considering allocating a higher amount for 50-year, interest-free loans to states in the upcoming annual budget. *[Mint]*

Global spending on nuclear weapons hits record 91 billion in 2023: In a dramatic surge in global military outlay, the nine nuclear-capable nations collectively increased their investment in nuclear arsenals by a staggering 33 per cent over the past five years. *[Business Standard]*

India's forex reserves rise by \$4.3 bn to record high of \$655.8 bn as of June 7: India's forex reserves reached a record high of \$655.8 billion as of June 7, surpassing the previous high of \$4.8 billion. *[The Economic Times]*



Foreign Investment

FDI RD manufacturing key to achieve 5 bn defence export Study: Factors like streamlining foreign direct investment (FDI) as well as augmenting Research & Development (R&D) and manufacturing capabilities can help the country realise its \$5 billion defence export target by 2024-25. *[Business Standard]*

India drops seven notches in global FDI ranking, inflows down 43% in 2023: Foreign direct investment (FDI) inflows into India fell to \$28.1 billion in 2023 from \$49.3 billion in 2022 with the country slipping seven notches to rank 15 in the World Investment Ranking in 2023. *[The Economic Times]*



Trade Policy and Competitiveness

G7 Summit - PM Modi, Zelenskyy discuss Black Sea transport corridor, increase exports of sunflower oil to India: Ukrainian President Volodymyr Zelenskyy, while holding talks with Prime Minister Narendra Modi, discussed the functioning of the Black Sea transport corridor to increase exports of sunflower oil to India. *[The Economic Times]*

India, US agree to step up cooperation on semiconductors, critical minerals: India will soon be developing semiconductor design and manufacturing processes for precision-guided ammunition, after agreeing to work on supply chain and critical minerals. *[The Economic Times]*

India's exports grew 1.1%, but trade momentum to continue - CRISIL: India's merchandise exports rose by 9.1% to USD 38.1 billion in May compared to last year, with a modest 1.1% increase from April, driven by both oil and non-oil sectors. *[The Economic Times]*

Cargo handling at India's major ports up 6% to 72 million tonnes in May: Cargo handling at India's major ports was up by 6 per cent in May to 72 million tonnes (mt), buoyed by a 7.3 per cent rise in overseas cargo handling, even as several global factors have constrained supply chains, especially in Asia. *[Business Standard]*

UK overtakes China to become India's fourth largest export partner in May: The United Kingdom (UK) has overtaken China to become India's fourth-largest export market in May, commerce department data showed. The UK was India's sixth-largest export destination in May last year. *[Business Standard]*

India, Cambodia discuss investment treaty, UPI collab: India and South East Asian nation Cambodia are negotiating collaboration in UPI-based digital payment to promote trade and tourism. *[Business Standard]*

EU's proposed sustainability standards to hurt Indian exports - GTRI: EU's ESPR regulation, criticized by GTRI, may raise costs and impact exports from developing nations due to stringent sustainability standards and Digital Product Passport requirement. *[The Economic Times]*

Gold silver import from UAE surges 210 need duty revision in FTA - GTRI: The United Kingdom (UK) has overtaken China to become India's fourth-largest export market in May, commerce department data showed. The UK was India's sixth-largest export destination in May last year. *[Business Standard]*

India's May outbound shipments at 3-month high; trade gap at 7-month record: India's goods exports rose 9.1% to a three-month high of \$38.1 billion in May, outpacing imports that grew 7.7% on a higher base to \$61.9 billion. *[The Economic Times]*

Imports from Iraq up 58.68% to \$3.76 billion in May: India's imports from Iraq rose 58.68 per cent to USD 3.76 billion in May, while from the UAE, the country's inbound shipments increased by about 50 per cent during the month. *[The Economic Times]*

Centre developing mechanism to validate refund claimed under RoDTEP: The government is developing a 'verification mechanism' to validate the refund claimed by exporters under Remission of Duties and Taxes on Export Products (RoDTEP). *[Business Standard]*

India, EU fail to reach accord on steel at WTO: India and the European Union have failed to reach an agreement at the World Trade Organization (WTO) on the concessions the bloc can offer to New Delhi to mitigate the adverse impact of duties it levies on some steel imports. *[The Economic Times]*

India's spices exports at record \$4.64 billion in FY24: Indian spices exports touched an all-time high during 2023-24 on rebound in volumes and higher prices for certain varieties such as pepper, cardamom and turmeric among others. *[Business Line]*

Indian textile exports surge 9.59% in May 2024, overcoming global challenges: Despite unfavourable economic conditions in major markets such as the European Union (EU), the US, and West Asian nations, Indian textile exports grew by 9.59 per cent compared to the previous year in May 2024. *[Business Line]*



Corporate Governance

India most attractive consumer market across the globe - Fibonacci X: India has emerged as the most attractive consumer market across the globe with trends in consumption in smaller markets likely to merge with large cities. *[The Economic Times]*

IGL to diversify into solar rooftop, battery recycling: City gas distribution major Indraprastha Gas (IGL) will expand operations in the rooftop solar segment and battery recycling among others, said two industry executives aware of the development. *[The Economic Times]*

Ticketing, movie business deal - Zomato, Paytm confirm talks are on: Food delivery giant Zomato and financial technology (fintech) major Paytm have officially confirmed that they are in talks for a potential acquisition of Paytm's movie and event ticketing business. *[Business Standard]*

Cipla to invest additional 3 mn euro in mRNA technology company Ethris: Cipla on Tuesday announced that its wholly-owned subsidiary Cipla (EU) will invest an additional 3 million euros in Ethris GmbH, a global leader in mRNA technology for respiratory treatments. *[Business Standard]*



MSMEs and Start-ups

Govt plans telecom PLI scheme revamp, may focus on MSMEs and exports: The government is planning to revamp the production-linked incentive (PLI) scheme for the telecom sector in a bid to quickly boost exports and incorporate more micro and small units into the manufacturing ecosystem. *[Business Standard]*

India ranks sixth globally in deeptech startup ecosystems - Nasscom: India is home to over 3,600 startups in the deeptech space, and ranks sixth in the global deeptech ecosystem. *[Business Standard]*

Trade marketing scheme soon to assist small companies board ONDC: The government will soon launch a trade marketing scheme to help micro and small enterprises (MSE) onboard the Open Network for Digital Commerce (ONDC) and participate in digital commerce. *[The Economic Times]*

Tech startup funding at \$4.1 bn in H1 2024, 4% higher than H2 2023 - Tracxn: Indian tech startups raised a total \$4.1 billion in H1 2024, four per cent higher than H2 2023, although the numbers still trailed the levels seen a year ago. *[Business Standard]*

100-Day action plan - DPIIT looking to start up funding & spur manufacturing push: The Department for Promotion of Industry and Internal Trade (DPIIT) is likely to focus on easing early-stage funding for startups and reducing the compliance burden on businesses and overall logistics cost as part of its 100-day action plan. *[The Economic Times]*

FinTech sector leads with 30 startups in Future Unicorns worth \$11.4 bn: India is home to 30 future Unicorns (startups founded after 2000 with a valuation of \$1 billion) in the FinTech sector, with consumer lending emerging as the dominant subcategory, constituting more than half of the FinTech future Unicorns. *[Business Standard]*

PwC India expects upswing in small, mid-size M&A transactions: PwC India anticipates an upswing in the India markets, especially in small to mid-size M&A (merger and acquisition) transactions and growth fundings driven by increasing investors' confidence. *[The Economic Times]*

Government Unveils Economic Blueprint for Job Creation, PLI Expansion & MSMEs: The government is poised to introduce a comprehensive economic strategy aimed at fostering job creation, empowering small businesses, and enhancing women's participation in the workforce. *[KnnIndia]*



Employment and Industrial Relations

Fresher hiring in India's IT sector tumbles to two-decade low - Xpheno: India's software services companies have hired between 60,000 and 70,000 freshers in FY24, the lowest intake in two decades. *[Business Standard]*

Govt mulls more frequent job data surveys: India is likely to increase the frequency of the Periodic Labour Force Survey (PLFS) from quarterly urban unemployment data to monthly, and the quarterly release of the rural employment data. *[The Economic Times]*

Non-refundable Covid advance no longer available under EPFO: Retirement fund body the Employees' Provident Fund Organisation (EPFO) has officially put an end to non-refundable Covid advance introduced in 2020 to help EPFO subscribers tide over the financial crunch during the outbreak of the pandemic. *[The Economic Times]*

Job market to witness promising growth in July-December 2024: For the quarter beginning July 2024, the job market across sectors such as BFSI, manufacturing, construction and retail will see an uptick in employability. *[The New Indian Express]*

Formal job creation under EPFO at 72-month high in April at 1.89 million: Formal job creation under the Employees' Provident Fund Organisation went up by 10% in April 2024 to 1.89 million as against 1.72 million formal jobs created in April 2023. *[The Economic Times]*



Industrial Finance

Drone logistics solution provider Skye Air bags 4 mn in Series A funding: Skye Air, a drone logistics solution provider, on Monday said it has secured \$4 million (about Rs 34 crore) funding, which will be used to expand the company's operations across Gurugram and other cities for healthcare, and quick-commerce deliveries. *[Business Standard]*

Tata Comm raises \$ 250 million sustainability loan from DBS, ANZ, EDC: Tata Communications on Thursday said it has raised USD 250 million sustainability loan from DBS Bank, ANZ and Export Development Canada (EDC). *[Business Standard]*

Digital loans up 49% in FY24 by value, Rs 1.46 trn disbursed - Industry body: Amid wide ranging concerns about digital lending, an industry body on Tuesday said its 37 member entities witnessed a 49 per cent surge in disbursements at Rs 1.46 trillion in financial year 2023-24. *[Business Standard]*

Indian banks are better placed with strong balance sheet, low NPAs and higher profits - CLSA: After suffering from seething government and disturbing bad loan difficulties, Indian banks have established themselves in a much stronger position, as balance sheets and profits have rebounded markedly. *[The Economic Times]*

Indian NBFC Sector Records 10% Growth Amidst Global Decline - SBI: A recent report by the State Bank of India (SBI) has shed light on the divergent growth trajectories of the non-banking financial sector globally and within India. *[KnnIndia]*

HUDCO raises 200 mn from overseas lenders for its foray into loan market: Housing and Urban Development Corporation (HUDCO) has raised \$200 million (JPY 30 billion) in its maiden foray into the syndicated loan market. *[Business Standard]*



Technology and Innovation

DPDP rules nearly ready, industry consultations likely soon - Ashwini Vaishnaw: The drafting of the rules for the Digital Personal Data Protection (DPDP) Act is "in very advanced stages," and the government will start consultations with the industry on the subject very soon. *[The Economic Times]*

47 Indians faced financial fraud in 3 yrs credit card OTP scams top list: A recent survey conducted by LocalCircles reveals that 47 per cent of Indians have faced financial fraud in the past three years. *[Business Standard]*

Quick may click with electronics too - Instamart, BBNOW, others plan to extend superfast delivery to handsets, white goods by Diwali: A new smartphone at your doorstep, on-demand, in 10 minutes may not be far cry now. The likes of Swiggy Instamart, Zomato's Blinkit, BigBasket's BBNOW and Zepto plan to expand their quick commerce services to electronic products and white goods categories by Diwali, delivering within 10-45 minutes. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

Adani to invest \$100 billion in energy transition projects over the next decade: The Adani Group is planning a whopping \$100 billion plus investments in energy transition projects and towards building manufacturing capabilities to produce all the key components needed for green energy generation. *[The New Indian Express]*

Roads, renewables and real estate investments to go up by 38% in FY'25 and FY'26 to Rs 15 lakh crore - CRISIL: Investments in India's key infrastructure sectors, renewable energy, roads and real estate are expected to grow by 38% in FY'25 and FY'26 compared with the previous two fiscals to Rs 15 lakh crore on the back of supportive policy interventions and improved credit profile. *[The Economic Times]*

Adani gets environmental nod for Rs 45,000 cr Mundra port expansion: Adani Ports & Special Economic Zone Ltd (APSEZ) has received environmental and coastal regulation zone clearance from the Centre to double the capacity of the Mundra port at a cost of Rs 45,000 crore. *[Business Standard]*

BPCL to invest Rs 1400 cr to set up sustainable aviation fuel facilities: State-owned Bharat Petroleum Corporation Limited (BPCL) is planning to establish sustainable aviation fuel (SAF) facilities at its three refineries. *[Business Standard]*

NHAI to begin work on Rs 4,000-crore Chattergala tunnel in J-K at earliest: Union Minister of Road Transport and Highways, Nitin Gadkari, announced on Monday that the NHAI will commence construction on the Rs 4,000-crore Chattergala tunnel project in Jammu and Kashmir promptly. *[The Economic Times]*

PM GatiShakti - 3 infra projects worth Rs 6,000 cr evaluated: The Network Planning Group (NPG) this week evaluated three infrastructure projects worth Rs 6,046 crore for their conformity to the principles of PM GatiShakti National Master Plan (NMP). *[The Economic Times]*

NHAI - Road construction down by 12.1% to 1288 km in the current financial year up to May 2024: Excessive heat in most parts of the country slowed down the construction of national highways in India with the ministry of road transport and highways constructing 1288 km of national highways in the current fiscal up to May 2024 as against 1465 km constructed during the corresponding period in 2023. *[The Economic Times]*



Sustainable Industrialisation

Record \$1.8 trillion investment in renewables made in 2023 not enough to meet COP28 goals - EY: A record \$1.8 trillion pumped into clean energy in 2023 globally may still not be enough to meet the COP28 target of tripling renewables capacity by 2030. *[The Economic Times]*

Vedanta to spend \$5 bln on decarbonization; to be net neutral by 2050: Vedanta Ltd is planning to spend \$5 billion over the next decade as it looks to cut its carbon emissions by a fourth by 2030. *[The Economic Times]*

IFC commits 105 million to Brookfields Bikaner Solar Power project: International Finance Corporation (IFC), the private sector financing arm of the World Bank Group, on Monday committed USD 105 million (about Rs 870 crore) to Brookfield's Bikaner Solar Power project through long-term non-convertible debentures. *[Business Standard]*

Uttar Pradesh speeds up thermal power projects to meet energy demand: The Uttar Pradesh government is speeding up Ghatampur and Obra C thermal power projects to meet the growing energy demand in the state. The combined capital expenditure (capex) of these projects is more than Rs 32,000 crore. *[Business Standard]*

Essar to invest Rs 30,000 crore in green hydrogen plant in Gujarat: Essar Group plans to invest Rs 30,000 crore over the next four years in setting up a green hydrogen plant at Jamnagar in Gujarat as the metals-to-infrastructure conglomerate eyes clean energy as a key pillar for its new phase of growth. *[The Economic Times]*

FAME-3 may get a budget-day release; Rs 10,000-crore outlay expected: Electric two, three, and four-wheelers are expected to be supported under the Faster Adoption & Manufacturing of Electric Vehicles (FAME) scheme, which could receive a budgetary allocation of about Rs 10,000 crore. *[The Economic Times]*

Mahindra group may join hands with global players for cell production in India - MD Anish Shah: Mahindra Group is looking for partnerships with global players for local production of battery cells in order to cater to expected increase in demand for electric vehicles in the future. *[The Economic Times]*

India likely to add 30-35 GW renewable capacity in FY25: India will likely add 30-35 GW of renewable energy capacity in the ongoing financial year, higher than last fiscal's addition of 18.4 GW. *[The Economic Times]*



Sectoral News

Centre plans to bring t-shirts, innerwear under PLI scheme for textiles: The Centre may bring more product lines, such as t-shirts and innerwear, under the coverage of nearly ₹11,000-crore production linked incentive (PLI) scheme for the textile sector. *[Mint]*

Coal Reforms 3.0 Centre aims zero imports more coal for nonpower sectors: The Centre is preparing to launch 'Coal Reforms 3.0', aimed at reducing overall coal imports and increasing the availability of coal for industrial sectors. *[Business Standard]*

Expert panel to soon weigh plan to use generics for prescription drugs: An expert committee is likely to meet soon to deliberate on a contentious proposal to assess the feasibility of allowing generic substitutions for prescription drugs. *[The Economic Times]*

Amid heatwave Delhi's peak power demand reaches record high of 8647 MW: Persistent heat wave drove the national capital's peak power demand on Tuesday afternoon to 8,647 MW, the highest ever for the city. *[Business Standard]*

Vodafone to sell 10 stake in Indus Towers for up to Rs 9000 crore: British telecom giant Vodafone Group Plc is selling 10 per cent stake in Indus Towers, a telecom tower firm, to raise up to Rs 9,000 crore via block deals. *[Business Standard]*

Vande Sleeper trials in coming two months - Ashwini Vaishnav: The Indian Railways is anticipating trials of sleeper variant Vande Bharat trains in the coming two months. *[The Economic Times]*

Cabinet approves Rs 2,254 crore scheme to expand forensics infrastructure: The Union Cabinet on Wednesday approved the proposal of the Ministry of Home Affairs for Central Sector Scheme 'National Forensic Infrastructure Enhancement Scheme' with a total financial outlay of ₹2,254.43 crore during the period 2024-25 to 2028-29. *[The Economic Times]*

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