

Industry Matters

Weekly Updates

June 28, 2024



Economy, Industry and Policy

S&P Global Ratings retains India's growth forecast for FY25 at 6.8%: The S&P Global Ratings on Monday retained its growth forecast for India at 6.8 per cent for FY25, citing high interest rates and lower fiscal boost tempering demand in the non-agricultural sectors. *[Business Standard]*

Statistical reform - Suggestions for the new government's first 100 days: One of the first things the newly elected government announced was its intention to have its ministries and departments put in place a 100-day agenda of action. *[Mint]*

Budget could stick to Rs 50,000 cr asset-sale, monetisation targets: The Centre in the upcoming Budget may stick to its capital-receipts target of Rs 50,000 crore in 2024-25 (FY25) on account of disinvestment, asset monetisation, and other capital receipts, continuing its new calibrated approach to asset-sale strategy. *[Business Standard]*

Private consumption seen growing, concerns on capex growth - Morgan Stanley: India's consumption growth is expected to average 6.1% in FY25 and 6% in FY26. Improving from 4% in 2023-24. *[The Economic Times]*

India's FY24 CAD reduces to 0.7% of GDP from 2% in FY23, records surplus of 0.6% in Q4: India's current account registered a surplus in the final quarter of the previous fiscal boosted by higher services, while its current account deficit lowered in FY24 overall owing to lower merchandise trade deficit. *[The Economic Times]*

FY25 GDP growth may come close to 7.5% - NCAER's Monthly Economic Review: Gross domestic product (GDP) growth during 2024-25 (FY25) may turn out to be higher than 7 per cent and even close to 7.5 per cent, with high frequency indicators showing resilience amid growth dynamism in the Indian economy. *[Business Standard]*

LEDs... and Action: White goods PLI may see light of day, again: The government is considering a plan to reopen the production-linked incentive scheme for white goods (PLIWG) after a slow start to domestic manufacturing of some high-value components such as compressors, copper tubes and aluminium foils. *[The Economic Times]*

Reduce GST slabs, hike exemption threshold for firms with up to Rs 1.5 cr turnover - GTRI: Think tank GTRI on Friday suggested a host of reforms like increasing GST exemption limit for firms with up to Rs 1.5 crore turnover, reducing the number of slabs, and doing away with state-wise registration to make GST more efficient, business-friendly, and contributing to economic growth. *[The Economic Times]*

Capital goods companies expected to post 9-11% revenue growth rate in FY25: Capital goods companies are expected to achieve 9-11% revenue growth rate in FY25 on the back of government's capex push compared 13% growth in FY 24. *[The Economic Times]*

GST Council recommends reduction of GST on carton boxes from 18 pc to 12 pc: The 53rd GST Council meeting on Saturday recommended the reduction of Goods and Service Tax (GST) on all kinds of carton boxes from 18 per cent to 12 per cent. *[The Economic Times]*

India's 'sin' is govt's bounty - GST cess may deliver Rs 70,000 cr bonanza: A robust goods and services tax (GST) compensation cess may deliver a surprise Rs 70,000 crore bonanza to the Centre even after the repayment of loans taken on behalf of states during the Covid period. *[The Economic Times]*

States hike in healthcare expenditure to help meet India's '2.5% of GDP' target: India's expenditure on health, including clean water and sanitation, is set to achieve the target of 2.5% of GDP by 2024-2025 even as the centre's allocation failed to reach 0.8% of GDP. *[The Economic Times]*

External debt up 6 per cent to \$663 billion as of March 2024: India's external debt was contained to \$663 billion as of March 2024, up 6 percent over March 2023. *[The Economic Times]*

Govt to launch fourth tranche of auction for critical and strategic mineral blocks on Monday: The Ministry of Mines is set to launch the 4th tranche of auctions for critical and strategic mineral blocks on Monday in the national capital. *[The Economic Times]*



Foreign Investment

India inclusion in JP Morgan Bond index from Friday, \$25-30 bn flow expected. What it means: India is set to officially join the J.P. Morgan GBI-EM Global Series of indices on Friday, June 28, a move that could potentially lead to \$25-30 billion inflows into the country. *[The Economic Times]*

Govt starts taking call on Chinese investments, Indian cos Press (Note) 3: The government may have started moving on approving Chinese companies' investments in India, said people with knowledge of the matter. That's prompted some Indian companies to resume their pursuit of government approval for joint ventures (JVs) with Chinese partners. *[The Economic Times]*

FPI flow turnaround in July-Dec 2024 likely - Jefferies: Foreign brokerage Jefferies expects foreign portfolio investors flows into India to improve in second half of this calendar year as clarity on government policies emerge post Budget. *[Business Line]*

Aditya Birla Group to invest \$50 mn in US for advanced materials facility: The Aditya Birla Group plans to invest \$50 million in the US to set up an advanced materials site to develop and manufacture customised speciality products and epoxy solutions for their market. *[Business Line]*



Trade Policy and Competitiveness

Commerce min engaging with different departments on India, Korea FTA upgrade talks: With talks to upgrade the existing free trade agreement (FTA) moving forward between India and Korea, the department of commerce is engaging with different ministries, including heavy industries, steel, and chemicals. *[The Economic Times]*

DGFT, Revenue dept working on dedicated hubs to boost e-commerce exports: In a bid to boost India's e-commerce exports, the Directorate General of Foreign Trade (DGFT) is working with the Department of Revenue to establish designated e-commerce hubs across the country to streamline the process for online export shipments. *[The Economic Times]*

Growth in remittances to India may halve in 2024 - World Bank: The growth in remittances to India is likely to halve in 2024 to 3.7 per cent from 7.5 per cent in 2023. *[Business Standard]*

India to enter into bilateral Rupee swap agreements with SAARC countries - RBI: With the need to fund short-term foreign exchange liquidity requirements or balance of payment crises, the Reserve Bank of India on Thursday released the revised framework on currency swap arrangements with South Asian Association for Regional Cooperation (SAARC) countries for the period between 2024 to 2027. *[The Economic Times]*

Five-yr extension expected for export credit scheme: The Centre is likely to extend a key support scheme for export credit to enhance competitiveness of India's export sector, which was hit hard by slowdown in the developed countries. *[The Economic Times]*

India imposes anti-dumping duties on three Chinese products: India on Thursday imposed anti-dumping duties on three Chinese products including hydraulic rock breaker with an aim to protect domestic players from cheap imports. *[The Economic Times]*

India's steel trade deficit widens as Chinese imports surge, exports decline: India's steel trade deficit, the difference between imports and exports, has widened to ₹4,284 crore in the first two months (April and May), approximately 47 per cent of the ₹9,036 crore recorded in FY24. *[Business Line]*

CII calls for review of trade ties with China: The Confederation of Indian Industry (CII) has called for a review of trade ties with China, saying in a report that the country's dependence on electronics components imports poses significant risk to the long-term sustainability of the domestic manufacturing ecosystem. *[The Economic Times]*

Tyre exports from India recorded at Rs 23,073 cr in FY24: The total tyre exports from India during 2023-24 stood at Rs 23,073 crore, matching previous year's figure on the back of a sharp recovery in the second half of the fiscal. *[The Economic Times]*



Corporate Governance

Daikin to sell 2 million units of AC in FY25, expand manufacturing capacity of compressors: Air conditioner maker Daikin expects to manufacture two million units in India this fiscal and has plans to scout for more export opportunities by making India a manufacturing hub. *[The Economic Times]*

Adani group to press the pedal on its retail play through super app: With an existing consumer base of 400 million across airports, electricity and gas distribution businesses, the Adani group is rewiring up its retail play. *[Business Standard]*

Adani, Hindalco show interest as Hindustan Copper plans to develop two mines: Hindustan Copper plans to develop two of its copper mines for which Adani Enterprises and Hindalco Industries have shown preliminary interest. *[Business Line]*

TML to demerge passenger & CV business by 2025: Tata Motors Ltd (TML) will demerge its passenger and commercial vehicle businesses over the next 12 months. *[Business Line]*

Dr. Reddy's to acquire Haleon's nicotine replacement biz for 500 mn pounds: Indian pharma major Dr. Reddy's Laboratories is set to acquire the entire nicotine replacement therapy (NRT) business of British consumer healthcare firm Haleon outside the US market for 500 million pounds (Rs 5,276 crore). *[Business Standard]*



MSMEs and Start-ups

Scheme unveiled to help 500k MSMEs join ONDC: The government on Thursday launched two initiatives aimed at helping small businesses adopt digital commerce and empower female entrepreneurs. *[The Economic Times]*

Fintech sector will dominate future Unicorns at USD 58 billion - Hurun report: India is home to 30 future Unicorns in the Fintech sector, with consumer lending emerging as the dominant subcategory, constituting more than half of the FinTech future Unicorns. *[The Economic Times]*

14 TN startups receive grants from SIPCOT: Tamil Nadu Industries Minister TRB Rajaa on Wednesday handed over grants to 14 startups under the State Industries Promotion Corporation of Tamil Nadu's (SIPCOT) industrial innovation and scale-up programme for startups and micro, small and medium enterprises (MSMEs). *[Business Line]*

Startup co-founded by Kochi based engineers designs 100% solar three-wheelers: Achieving a near zero carbon footprint target, a startup co-founded by Kochi based engineers has introduced solar-powered electric three-wheelers designed for commercial use. *[Business Line]*



Employment and Industrial Relations

Govt looks to launch new index ranking states by their labour standards: The government is set to introduce a 'Labour Welfare and Employment Index' (LWEI) to rank Indian states and Union territories (UTs) based on key parameters such as employment, labour welfare, social security coverage, and productivity. *[Business Standard]*

India business activity rises in June, job creation at 18-year high: Business activity in India strengthened in June with the pace of job creation hitting a more than 18-year high. *[The Economic Times]*

NPS logs over 110,000 fresh subscribers in April, reveals NSO data: As many as 110,655 fresh subscribers joined the National Pension System in April, with state government employees constituting nearly two-thirds of these new subscribers. *[Business Standard]*

Apple supplier Foxconn rejects married women from India iPhone jobs: Foxconn, a major manufacturer of Apple devices, has been excluding female candidates from assembly jobs at its flagship Indian smartphone plant because they are married. Both companies' codes of conduct state that workers shouldn't be discriminated against on the basis of marital status. *[reuters]*

Worker groups demand social security fund for unorganised workers in Budget: The central trade unions have called for setting up a government-sponsored social security fund in the upcoming Budget. This will help millions of unorganised, gig, platform and agricultural workers, as envisaged under the Code on Social Security 2020. *[Business Standard]*



Industrial Finance

Ireda sanctioned Rs 37,354 cr loan, disbursed Rs 25,089 cr in FY24 - CMD: IREDA achieved its highest-ever sanction of Rs 37,354 crore and disbursement of Rs 25,089 crore in FY24. *[Business Standard]*

Inox Green Energy Services to raise up to ₹1,050 crore: Inox Green Energy Services (IGESL), a INOX GFL group firm, on Wednesday said that it will raise up to ₹1,050 crore by way of preferential issue, which will be utilised for organic and in-organic expansion. *[Business Line]*

Credit cards circulation increases by 18% to 103.3 million in May: The total number of credit cards in circulation increased by 18 per cent year-on-year (Y-o-Y) to 103.3 million in May 2024 from 87.4 million in the year ago period. *[Business Standard]*



Technology and Innovation

India's electronic manufacturing may reach USD 500 bn by 2030 - CII: India needs to take critical actions to transform its electronic sector ecosystem from an 'import dependent assembly led manufacturing' to 'component level value-added manufacturing'. *[The Economic Times]*

India must add 1.7-3.6 GW data centre capacity to its 2028 target: Owing to a huge amount of data being generated in the country amid rapid digital adoption, India would require an additional colocation data centre capacity of 1.7–3.6 Gigawatts (GW) by 2028, over and above the planned development of 2.32 GW. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

PM Gati Shakti scheme is transforming India's infrastructure - Morgan Stanley: The report says India has scaled up its infrastructure strongly over the last decade, investment is not only increasing but it is better targeted and potentially more productive. *[The Economic Times]*

NHAI sets up dedicated cell to review detailed project reports of national highways: The NHAI has established a DPR cell at its headquarters in New Delhi to meticulously review detailed project reports for national highway projects, aiming to ensure high construction standards, cost efficiency, and timely completion. *[The Economic Times]*

ONGC, IOC partner to set up LNG plant in Madhya Pradesh: State-owned Oil and Natural Gas Corporation and Indian Oil Corporation have signed an agreement to set up a small-scale liquefied natural gas plant near the Hatta gas field in Madhya Pradesh. *[The Economic Times]*

Tamil Nadu CM announces ₹4,000 crore plan to upgrade 10,000 km of rural roads: Tamil Nadu Chief Minister MK Stalin on Monday announced that 10,000 km of rural roads will be upgraded in the State at a cost of ₹4,000 crore in the next two years. *[Business Line]*



Sustainable Industrialisation

Exporters seek separate division for non-trade issues, faster customs clearance: Exporters on Thursday sought a separate division in the Commerce and Industry Ministry to deal with non-trade barriers such as those on environment and sustainability. *[The Economic Times]*

India says rising solar cell output will curb imports from China: India expects a surge in domestic solar cell-making capacity in the coming months, which will help reduce its dependence on imported materials from China to manufacture solar panels. *[The Economic Times]*

Shree Cement's installed renewable power capacity touches 1 GW across India: India's third largest cement manufacturer Shree Cement on Monday announced achieving installed power capacity of 1,000 MW with the commissioning of a 19.5 MW solar power plant at its Andhra Pradesh unit. *[Business Standard]*

Megha Engineering bags nuclear power generation deal worth \$1.53 bn: Indian multi-sector infrastructure firm Megha Engineering & Infrastructures (MEIL) won a contract worth 128 billion rupees (\$1.53 billion) in a tender floated by the Nuclear Power Corporation of India (NPCIL). *[Business Standard]*



Sectoral News

Bharti Airtel acquires 97 MHz of spectrum worth Rs 6,857 crore for 20 years: Telecom major Bharti Airtel has secured 97 MHz of spectrum in the 900 MHz, 1800 MHz, and 2100 MHz frequency bands in an auction concluded on June 26 for a total of Rs 6,857 crore. *[Business Standard]*

Digital media growth to take Indian ad market size to Rs 1.2 lk cr in 2024: The Indian advertising market is expected to grow 11.8% to reach ₹1,22,155 crore in 2024, primarily driven by digital media, with strong growth also observed in traditional media. *[The Economic Times]*

New telecom law to come into effect from June 26 - What are the changes?: Scheduled to come into force on June 26, the Telecommunications Act of 2023 will replace both the Indian Telegraph Act (1885) and the Indian Wireless Telegraph Act of 1933. *[Business Standard]*

PLI scheme for textiles sector likely to be extended to garments - Textiles Minister: The Production Linked Incentive (PLI) scheme for the textile sector may be expanded to all garments, including those made of cotton, to enable the labour-intensive sector fully benefit from it. *[Business Line]*

Vi buys spectrum worth Rs 3,510 cr to improve 4G network coverage, services: Debt-ridden telecom operator Vodafone Idea bought spectrum worth Rs 3,510 crore to improve 4G network coverage and service. *[Business Standard]*

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