

Industry Matters

Weekly Updates

July 05, 2024



Economy, Industry and Policy

Core infra sectors grow 6.3% in May, maintain 6%-plus expansion for fourth straight month: Eight core infrastructure industries grew 6.3% in May from a year earlier, slower than the revised rate of 6.7% for April but maintaining a 6%-plus expansion for the fourth straight month. *[The Economic Times]*

Higher demand pushes hiring up as manufacturing PMI touches 58.3 in June: Growth in the Indian manufacturing sector recovered some of the ground lost in May, as the headline Purchasing Managers Index (PMI) figure released by HSBC on Monday rose to 58.3 from 57.5 in May. *[Business Standard]*

India's rating upgrade possible in next 24 months if fiscal deficit falls to 4% - S&P: A sovereign rating upgrade for India in the next 24 months is possible if the central government is able to prudently manage its finances and bring down fiscal deficit to 4 per cent of GDP. *[The Economic Times]*

Revenues of top 18 states to grow 8 to 10% this financial year - CRISIL: Revenues of top 18 states, which account for 90 per cent of India's gross state domestic product, are likely to grow at a pace of eight to 10 per cent during the current financial year at Rs 38 lakh crore. *[Business Standard]*

Govt to bring back income-based poverty estimate, NITI Aayog to play nodal role: The think-tank is expected to form a committee to first fix a threshold income level, which can be used to measure extreme poverty, and then formulate a methodology to measure it on a periodic basis. *[Financial Express]*

Telcos' tariff hikes to push up core inflation by 0.2 pc in FY25: The near-simultaneous tariff hikes of over 20 per cent by the country's top three telcos will push up core inflation by 0.20 per cent in FY25. *[The Economic Times]*

GST collection hits ₹1.74 lakh crore in June; Finance Ministry stops monthly data release: Collection from Goods & Services Tax (GST) in June touched ₹1.74 lakh crore, registering around 8 per cent growth of June of last fiscal. *[Business Line]*

FY25 monetisation target to be raised to Rs 2 trillion: The Centre will likely ramp up its target for monetisation of brownfield assets in the current financial year to a record Rs 2 trillion in 2024-25, up from the original goal of Rs 1.67 trillion. *[Financial Express]*

India, US extend digital tax on e-commerce supplies till June 30: India and the United States Friday announced extension of a 2% equalisation levy for digital tax on e-commerce supplies until June 30. *[The Economic Times]*

Fiscal deficit in April-May at 3% of annual target: The central government's fiscal deficit in the first two months of FY25 narrowed to 3% of the annual target, compared with 11.8% a year before. *[The Economic Times]*

Govt's gross liabilities rise by 3.4 pc to Rs 171.78 lakh crore at March-end - Finance Ministry: Total gross liabilities of the government increased to Rs 171.78 lakh crore at the end of March 2024 from Rs 166.14 lakh crore at December-end. *[The Economic Times]*

PE investment in real estate hits \$2.5 bn in Q2, a 3-year high: Institutional investments in India's real estate sector touched a three-year high of \$2.5 billion in the June quarter backed by robust activity in the industrial and warehousing, and residential segments. *[The Economic Times]*



Foreign Investment

FPIs invest Rs 26,565 crore in Indian equities in June amid rebound in mkt: After two months of net outflow, foreign investors turned buyers in June, infusing Rs 26,565 crore in Indian equities, driven by political stability and a sharp rebound in markets. *[Business Standard]*

India is witnessing high foreign remittances & FDI inflow - Goyal: India as an investment destination is doing extremely well with the country witnessing high foreign remittances, foreign direct investment (FDI) and foreign institutional investment (FII) inflows. *[The Economic Times]*

More Taiwanese ICT suppliers may relocate to India in near future: With India poised to become the next original manufacturing hub, more Taiwanese ICT suppliers may relocate to the country in the near future. *[The Economic Times]*

59% of German companies plan new investments in India this year: India is attracting more and more German companies to the subcontinent. Nearly six in ten German companies are planning to increase their investments in India during the current financial year. *[The Economic Times]*



Trade Policy and Competitiveness

Goods trade up 1% in first quarter of 2024 - WTO: The volume of world merchandise trade turned up in the first quarter of 2024 after remaining flat throughout 2023. *[The Economic Times]*

India keen to speed up power grid link talks with Sri Lanka: India is keen to fast-track longstanding talks with Sri Lanka on setting up a power grid link between the two neighbours for electricity trading, especially renewable energy. *[The Economic Times]*

India initiates anti-dumping probe into import of glass fibre from China, Thailand, Bahrain: India has initiated an anti-dumping probe into the import of glass fibre from China, Thailand, Bahrain following a complaint by a domestic player. *[The Economic Times]*

India's services growth picks up in June on record rise in exports: Growth in India's dominant services industry accelerated last month, buoyed by strong demand and a record rise in export orders. *[The Economic Times]*

India aims to clock \$2 trillion goods and services exports by 2030: India aims to clock \$2 trillion goods and services exports by 2030 amid the Red Sea crisis and two ongoing wars. *[The Economic Times]*

India's trade dependence on China, EU rose in Q1 of 2024, says UNCTAD: India's trade dependence on China and the EU increased in the first quarter of 2024 while it reduced on Saudi Arabia. *[The Economic Times]*

H1 2024 coffee exports jump 43% to \$926 m on higher prices, volume: India's coffee exports rose 43 per cent in dollar value terms to \$926.55 million in the first half of calendar year 2024 on increase in global prices and aided by a 13 per cent growth in volume. *[Business Line]*

Mobile phone exports - India captures 50% share of fall in shipment from China, Vietnam: India is fast bridging the gap with China and Vietnam in terms of mobile phone exports. While FY24 mobile exports from China and Vietnam fell 2.78% and 17.6%, respectively, from the year before. *[The Economic Times]*

Confident of \$800 billion exports in FY25 - Piyush Goyal: India's goods and services exports could cross \$800 billion in FY25, 3% higher from the previous fiscal year, despite the persistent geopolitical challenges. *[The Economic Times]*

Europe's green transition offers India-Bulgaria trade opportunities - Indian envoy: The green transition currently high on the agenda in Europe will create more opportunities for cooperation and trade between India and Bulgaria. *[The Economic Times]*

India, Australia aim to boost cooperation in critical minerals, processing: India and Australia are looking at ways to increase cooperation in critical minerals and their processing, besides battery production. *[Business Standard]*



Corporate Governance

India likely to overtake Japan to become 3rd largest global market for Sony in 2 years: Japanese consumer electronics giant Sony expects India to overtake home market and become the company's third largest market globally in the next couple of years with its revenue from the country reaching Rs 10,000 crore. *[The Economic Times]*

Ambuja Cements announces board approval for merger with Adani Cementation: Gautam Adani-owned Ambuja Cements announced that its board has approved the merger with Adani Cementation Ltd, a subsidiary of Adani Enterprises. *[Financial Express]*

With almost \$800 million revenue, India overtakes US to become largest market for Herbalife: Direct seller Herbalife Nutrition, the health and wellness firm from the US, has said India has become the largest revenue contributor to the Los Angeles based parent among all the 94 countries in which it's present in 2023 with a revenue of \$796.6 million of its \$5 billion global income. *[The New Indian Express]*

Steel body wants merger of three Companies with SAIL for synergy: The Steel Executives Federation of India (SEFI) has urged the steel ministry to merge state-run Rashtriya Ispat Nigam Limited (RINL), Ferro Scrap Nigam Limited (FSNL) and Nagarnar steel plant with the Steel Authority of India Limited (SAIL). *[The Economic Times]*

CII calls for more cooperation between India Inc, govts in North East: The Confederation of Indian Industry (CII) on Wednesday called for more cooperation between corporates and the government in the North East states of India. *[Business Standard]*

ITC beats Britannia, becomes India's second-largest packaged foods company: ITC Ltd has achieved a significant milestone, surpassing Britannia Industries to claim the title of India's second-largest listed packaged foods company by sales, trailing only behind Nestle. *[Business Standard]*

UltraTech buys 23% stake in India Cements: UltraTech Cement has acquired a 23% stake in India Cements for around Rs 1,900 crore, preventing potential future bids for the leading peninsular manufacturer. *[The Economic Times]*

BPCL subsidiary gets NCLT nod to take over Videocon Oil: Bharat PetroResources secured the acquisition of Videocon Oil Ventures by matching offers and paying upfront, resulting in minimal creditor recovery. *[The Economic Times]*

Consumer spending on ITCs' goods rises 12 pc to Rs 32,500 crore in FY24: Diversified conglomerate ITC has said consumer spending on the company's FMCG products has increased 12 per cent to nearly Rs 32,500 crore in FY24 with over 25 crore households having access to its various brands. *[The Economic Times]*

M&A deal value slows 9% to \$38 billion in the first half of 2024: The deal value of mergers and acquisitions (M&A) in the first half of calendar 2024, despite the rising stock markets, slowed 9 per cent to \$38 billion as against \$41.74 billion in the same period of 2023. *[Business Standard]*



MSMEs and Start-ups

Budget 2024 - MSME ministry seeks additional ₹5,000 crore for job generation scheme: The ministry of micro, small and medium enterprises (MoMSME) has sought an additional ₹5,000 crore from the finance ministry for the Prime Minister's Employment Generation Programme (PMEGP). *[The Economic Times]*

Equalisation of interest for MSMEs extended till August 31: The Centre on Friday extended the interest equalisation scheme on pre- and post-shipment rupee export credit by two months for the micro, small and medium enterprises (MSMEs). *[The Economic Times]*

Bullish on India's consumption, investors flock to fund retail sector startups: Buoyed by India's strong consumption patterns, venture capitalists are flocking to fund retail sector startups. *[The Economic Times]*

Over 58,000 MSMEs uplifted by Walmart Vriddhi through digital training, mentorship & business growth: Walmart Vriddhi, the supplier development program of the retail giant, recently announced that it has exceeded its target of training 50,000 micro, small and medium enterprises (MSMEs) across India by December 2024. *[The Economic Times]*



Employment and Industrial Relations

2015 skilling policy to be replaced with new one: The ministry of skills development and entrepreneurship will come up with a new policy on skilling to replace the National Policy on Skill Development and Entrepreneurship, 2015. *[The Economic Times]*

Record upturn in job creation drives India's manufacturing PMI to 58.3 in June: India's manufacturing activity witnessed a rebound owing to increased robust demand leading to the fastest rate of hiring in more than 19 years. *[The Economic Times]*

White collar hiring activity witnesses 7.62% decline in June: White-collar hiring activity in June witnessed a 7.62 per cent decline as recruitment in most sectors remained flat. *[Business Standard]*

Jobs in unicorns record 30 per cent growth in June: Though there has been no significant recruitment activity in the IT and start-up industries, tier-2 and tier-3 cities showed signs of improvement in June. Unicorns recorded about 30% growth in June. *[The New Indian Express]*

India looks to match world average for share of women in workforce: India is readying a blueprint to enhance the participation of women in the national workforce to the global average. *[The Economic Times]*



Industrial Finance

IIREDA records ₹9,136 crore in loan sanctions, marking 382.62% growth in Q1: Indian Renewable Energy Development Agency Ltd. (IIREDA), a public sector enterprise supporting financial and other services, has recorded loan sanctions worth ₹9,136 crore in the first quarter. *[Business Line]*

India Ratings pegs bank credit growth at 15.4% for FY25: India Ratings has forecasted a 15.4% loan growth for banks in FY25. The rating agency believes a turnaround in private capital expenditure could alleviate any pressure on overall credit growth during the fiscal year. *[The Economic Times]*

Reliance Retail's FMCG plans stay in fast lane with funds on tap: Reliance Retail Ventures injected ₹792 crore into its fast moving consumer goods (FMCG) business, Reliance Consumer Products (RCPL), in 2023-24 through debentures. *[The Economic Times]*

Indian financial services sector is experiencing a significant upswing: Inventure Growth & Securities' Kanji B Rita: India's financial services sector is poised for sustained growth. By leveraging the demographic advantage, embracing technological advancements, and prioritizing financial inclusion, a robust and inclusive financial ecosystem can be built. *[The Economic Times]*



Technology and Innovation

Govt to acquire 10K GPUs in next two-three months for country's AI Mission: Direct seller Herbalife Nutrition, the health and wellness firm from the US, has said India has become the largest revenue contributor to the Los Angeles based parent among all the 94 countries in which it's present in 2023 with a revenue of \$796.6 million of its \$5 billion global income. *[The New Indian Express]*

IBM, Microsoft, NASSCOM ink MoUs with Guj Gov to strengthen the Deeptech Initiative program: The Department of Science and Technology, Government of Gujarat, IBM, Microsoft and NASSCOM have signed multiple MoUs to establish an AI cluster for the BFSI (banking, financial services and insurance) sector and an AI Centre of Excellence (CoE) at the GIFT, Gandhinagar. *[Financial Express]*

RBI, four Asean countries tie up for cross-border payments platform: The Reserve Bank of India (RBI) has joined hands with the Bank for International Settlements (BIS) and central banks of four Asean (Association of Southeast Asian Nations) countries to collaborate on Project Nexus — a multilateral international initiative to enable retail cross-border payments. *[Business Standard]*

India to be deep tech powerhouse and big part of Siemens' game plan: Siemens AG aims to more than double the share of software and digital services in sales to 20%, and India will play a key role in this strategy. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

New projects in April-June down over 90% to lowest on record: Announcements on setting up factories, building roads, and other new projects fell below the Rs 1 trillion mark, according to early data for the April-June quarter (Q1) of 2024-25. *[Business Standard]*

Commerce ministry seeks views of departments on measures to revive SEZs, promote economies of scale: The commerce ministry has sought views of different departments on proposed measures to revive special economic zones and facilitate business transactions between SEZ and the domestic market. *[The Economic Times]*

NHAI to do GIS-based land acquisition for upcoming national highway projects: The National Highways Authority of India (NHAI) on Tuesday entered into a memorandum of understanding with the Survey of India for development and validation of GIS-based land acquisition plan for upcoming national highway projects in India. *[The Economic Times]*



Sustainable Industrialisation

World Bank approves \$1.5 bn loan to support India's green hydrogen push: The World Bank has approved a \$1.5-billion loan to help India accelerate its low-carbon energy development. *[Business Standard]*

Global carbon removal market could reach \$100 billion/yr from 2030-35: The global market for carbon dioxide (CO2) removal credits could reach up to \$100 billion a year between 2030 and 2035 from \$2.7 billion last year. *[The Economic Times]*

India's solar output grows at slowest pace in six years in first half of 2024: India's solar power generation grew at the slowest pace in six years in the first half of 2024. *[The Economic Times]*

Copper demand to rise significantly with shift to cleaner energy sources - HCL CMD Sharma: The demand for copper, a key component in electric vehicles, will go up substantially as the world shifts to cleaner energy sources to mitigate climate change. *[The Economic Times]*

ADB, ENGIE SA partner to build 400 MW solar power plant in Gujarat: Asian Development Bank (ADB) on Thursday said it has arranged Rs 1,460 crore loan for ENGIE group for constructing a 400-megawatt solar photovoltaic power plant in Surendranagar, Gujarat. *[The Economic Times]*



Sectoral News

Car sales lose pace in June, SUVs stay in front: Passenger vehicle sales in India stayed in the slow lane for the third straight month in June mainly due to a high base and easing of post-pandemic pent-up demand. *[The Economic Times]*

Government eases rules for global sourcing of medical gear: The government has allowed global tenders to be floated for procurement of 354 medical devices after the health ministry raised concerns over the lack of domestic options. *[The Economic Times]*

Indonesia plans free entry visas for Indian tourists by Oct: Soon, Indian tourists may be issued free entry visas in Indonesia. In an effort to boost tourist visits and stimulate the economy, Indonesia is planning to offer free entry visas to travellers from 20 countries, including India. *[Business Standard]*

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