

Industry Matters

Weekly Updates

July 19, 2024



Economy, Industry and Policy

Towards growth with jobs: Having laid a path for capex-led robust economic growth in the post-Covid era, the National Democratic Alliance (NDA) 3.0's first Budget should now turn attention to fostering job-creating growth by harnessing the potential of labour-intensive sectors. *[Financial Express]*

Upward march - IMF raises India's GDP growth forecast for FY25 to 7%: The International Monetary Fund (IMF) Tuesday raised India's FY25 growth projection to 7% from 6.8% forecast in April, retaining the country's fastest-growing economy tag. *[The Economic Times]*

Direct tax mopup 20% bigger in FY25 on income tax boost: Direct tax collections surged nearly 20% from a year earlier to ₹5.74 lakh crore in FY25 so far, riding a jump in personal income tax flows. *[The Economic Times]*

PwC seeks extension of 15% corporate tax for new units: PwC India has recommended the government extend the concessional corporate tax rate of 15% (ended in FY24) for new manufacturing units for a period of at least five years, to boost domestic manufacturing, and foster import substitution. *[Financial Express]*

FICCI's latest survey pegs India's growth at 7% for FY25: India's aim to clock bilateral trade of \$100 billion with Russia by 2030 seems achievable, think tank Global Trade Research Initiative (GTRI) said Thursday, adding that increasing exports, making local currency trading workable and a free trade agreement with the Eurasian Economic Union will help boost trade. *[The Economic Times]*

India's retail inflation accelerates to 5.1% in June as food inflation nearly doubles YoY: India's retail inflation saw an uptick for the first time in five months as it accelerated to 5.08 per cent on an annual basis in June driven by an increase in food prices. *[The Economic Times]*

India's industrial production beats estimates; growth seen at 5.9% YoY in May: The Index of Industrial Production (IIP) in India rose 5.9 per cent in May on an annual basis as against 5 per cent in April, revealed the data provided by the Ministry of Statistics and Programme Implementation (MoSPI). *[The Economic Times]*

ADB keeps GDP growth forecast at 7% for FY25: Taking cue from performance of manufacturing sector supported by possible rebound in agriculture sector, Asian Development Bank (ADB) on Wednesday retained India's GDP forecast at 7 per cent for fiscal year 2024-25. *[Business Line]*

Food inflation is the biggest concern, although core inflation at a record low of 3.1% in June - CRISIL: In June, food inflation surged significantly, lifting the overall Consumer Price Index (CPI) inflation to 5.1 per cent, up from 4.8 per cent in May. *[The Economic Times]*

Labour productivity shrank in 9 industries during FY23 - RBI's KLEMS data: As many as nine out of 27 industries saw their labour productivity contract in FY23 compared to the preceding year, with eight of these industries belonging to the manufacturing sector, thus highlighting India's lack of competitiveness in industrial sectors. *[Business Standard]*

India oil consumption to rise to 7 million barrels a day by 2030 - BP Outlook: India's oil consumption is projected to rise to 7 million barrels per day (mbd) by 2030 from 5 mbd in 2022 in the 'current trajectory' scenario of the latest BP's Energy Outlook. *[The Economic Times]*



Foreign Investment

US rate cuts can spur inflows into Indian debt - Citi Exec: Local traders broadly expect a \$2 billion-per-month foreign flow from inclusion in a JP Morgan bond index, but a senior Citi executive said that number may be topped as the US Federal Reserve is likely to start cutting rates soon, turning Indian debt into a favourite within the emerging markets (EM) pack. *[The Economic Times]*

FPIs invest Rs 15,352 cr in Indian equities during first two weeks of July: Foreign investors infused Rs 15,352 crore into Indian equities during the first half of this month, driven by the government's commitment to ongoing reforms, low US Federal rates, and strong domestic demand. *[Business Standard]*

Toshiba Group to invest 10 bn Japanese yen in India to increase capacity: Toshiba Group on Thursday said it will invest 10 bn Japanese yen (over Rs 500 crore) to increase the capacity of producing power transmission and distribution equipment in India. *[Business Standard]*

DPIIT's efforts attract over Rs 1,100 cr investment from global tyre makers: Leading global tyre makers such as Bridgestone, Michelin and Goodyear have committed investments worth over Rs 1,100 crore in India after the DPIIT temporarily allowed them to import certain tyres to the country. *[Business Standard]*

NRI deposits see \$3 billion inflows in April-May FY25 - RBI data: Overseas Indians deposited close to \$3 billion in non-resident Indian (NRI) deposit schemes in April-May FY25, which is over four times higher than the amount deposited in these schemes in the same period last year. *[Business Standard]*

Varun Beverages Ltd to set up units for PepsiCo snacks in Zimbabwe, Zambia: Varun Beverages (VBL), PepsiCo's bottling franchise partner, will set up manufacturing units in Zimbabwe and Zambia with an investment of \$7 million (close to ₹60 crore). *[The Economic Times]*

I&B sector attracted FDI worth Rs 7,012 crore in FY24 - DPIIT: Foreign direct investments (FDI) in India's information and broadcasting sector rose 87% to Rs 7,012 crore in the year ended March 31, 2024, from Rs 3,745 crore the previous fiscal year. *[The Economic Times]*

Temasek planning to invest \$10 bn in India over 3 yrs amid China slump: Temasek Holdings plans to grow its exposure to India by investing \$2-3 billion annually over the next two to three years. *[The Economic Times]*



Trade Policy and Competitiveness

Automobile exports from India rise 15.5 pc in Q1: Automobile exports from India rose 15.5 per cent year-on-year in the June quarter with all verticals, barring three-wheelers, recording growth in shipments. *[The Economic Times]*

\$100 bln Indo-Russia bilateral trade achievable by 2030, trade gap no worry - GTRI: India's aim to clock bilateral trade of \$100 billion with Russia by 2030 seems achievable, think tank Global Trade Research Initiative (GTRI) said Thursday, adding that increasing exports, making local currency trading workable and a free trade agreement with the Eurasian Economic Union will help boost trade. *[The Economic Times]*

Cabinet nod soon for India to join US-led IPEF trade pact: The Union cabinet may soon take up a proposal from the commerce and industry ministry, seeking approval for the country to sign the clean-economy and fair-economy agreements of the Indo Pacific Economic Framework for Prosperity (IPEF). *[Financial Express]*

India's trade deficit widens YoY to \$20.98 bn in June; exports rise 2.6%, imports up 5%: India's trade deficit widened to \$20.98 billion on an annual basis in June from \$19.19 billion in the same month last year. *[The Economic Times]*

GTRI is concerned about precious metals imports under India-UAE trade pact: The Global Trade Research Initiative (GTRI) on Tuesday raised serious concerns over the surge in the import of precious metals from the UAE under a free trade agreement with India. *[The Economic Times]*

Regulatory framework to push exports through e-commerce likely by September - Commerce Secretary: A regulatory framework to push the country's exports through e-commerce medium is expected to be ready by September. *[The Economic Times]*



Corporate Governance

LG to focus on increasing localisation of commercial AC in India; sets up separate service entity: LG Electronics Inc is going to focus on commercial air-conditioners in a big way in the Indian market and has just floated a separate company in India for undertaking their service and maintenance. *[The Economic Times]*

HUL to sell water biz to AO Smith India for Rs 601 crore: Hindustan Unilever Limited said it has signed an agreement to sell its Pureit water business AO Smith, for an enterprise value of Rs601 crore. *[The Economic Times]*

Samsung in talks with component partners to boost ops in India - TM Roh: Samsung views India as a crucial market with Noida and Bengaluru becoming one of its biggest R&D centres, and is in talks with Indian component partners to strengthen its operations. *[The Economic Times]*

Acer to open over 90 stores in India by early next year: Acer India plans to expand its retail footprint in India by launching over 90 stores by the beginning of 2025. Following the launch of its 210th store today. *[Business Line]*

India sees 12% surge in company registrations, 73% jump in LLPs in June: After a moderation in the first two months of this fiscal, company registrations rebounded in June with a 12% increase from a year before. *[The Economic Times]*



MSMEs and Start-ups

Google working with govt to support 10,000 startups in GenAI solutions: Google supports 10,000 Indian startups in building generative artificial intelligence (AI) solutions, said the technology giant on Wednesday, forecasting the country will lead a "revolution" in the technology. *[Business Standard]*

Union Budget - MSME sector for doubling loan limit under MUDRA to Rs 20 lakh: The finance ministry in the forthcoming Union Budget needs to double the loan limit to Rs 20 lakh under the MUDRA Yojana, and expand the credit guarantee cover for unsecured loans for MSMEs from Rs 2 crore to Rs 5 crore. *[The Economic Times]*

Budget 2024 - Bring job-centric PLI scheme for MSMEs, review SMA framework, says FISME: MSME body Federation of Indian Micro and Small & Medium Enterprises (FISME) has urged the government to introduce a sector-agnostic production linked incentive (PLI) scheme tailored specifically for MSMEs, with a focus on employment generation. *[Financial Express]*

Budget 2024 - 45-day payment rule for MSMEs must come to an end, industry says: The 45-day payment rule for MSMEs, which came into effect on April 1 this year, has caused more distress than relief for the industry and needs to be relaxed. *[The Economic Times]*

A \$540 billion credit hole - Why small businesses in India urgently need a special MSME bank: Despite priority sector lending targets, India's scheduled commercial banks have not been able to fulfil the requirements or aspirations of lending to small businesses. *[The Economic Times]*

MSMEs urge RBI to allow P2P lending, crowdfunding to overcome credit gaps: Micro, small, and medium enterprises (MSMEs) have urged the Reserve Bank of India (RBI) to develop a regulatory framework for peer lending and crowdfunding to overcome credit gaps. *[Business Standard]*

Gig workers Bill may hurt ease of doing biz - Startups tell Karnataka govt: A group comprising many top tech startups and unicorns have raised several "serious concerns" over a platform-based gig workers Bill proposed by the Karnataka government. *[Business Standard]*



Employment and Industrial Relations

Auto industry needs 2 lakh skilled people by 2030 to meet 30 pc EV adoption target - SIAM: Indian automotive industry will need up to 2 lakh skilled people by 2030 to meet the government's vision of 30 per cent electric vehicle adoption. *[The Economic Times]*

Haryana govt announces 10% job reservation for Agniveers; key details: The Haryana government announced a 10 per cent reservation for Agniveers in specific jobs on Wednesday. Chief Minister Nayab Saini stated that this horizontal reservation would apply to the direct recruitment of constables, mining guards, forest guards, jail wardens, and Special Police Officers (SPO) in Haryana. *[Business Standard]*

India's covid-year employment spike led by agriculture - RBI Data: The Reserve Bank of India's (RBI) recent analysis of employment data for the pandemic year 2020-21 has revealed significant increases in employment within agriculture and allied activities, construction, health, and social welfare. *[The Economic Times]*

Infosys to hit campuses; total hiring target at 15,000-20,000 for FY25: India's second-largest IT services firm Infosys is planning to hire up to 20,000 freshers in the current financial year (FY25). *[Business Standard]*

Nearly 80% of gig workers meet Indian job market requirements: In the current job environment, around 80 per cent of gig workers meet employment requirements in India, but need to be skilled in technical skills for achieving success in the longer term. *[Business Standard]*



Industrial Finance

\$3 billion of PE investments flow into real estate in H1 2024: Private equity investments of \$3 billion have been made in Indian real estate in the first half of 2024, an increase of 15 per cent on year from \$2.6 billion year ago. *[Business Line]*

Insolvency resolutions likely to clock a fresh record in FY25 - IBBI chief: The number of resolved cases under the Insolvency and Bankruptcy Code (IBC) may beat last year's record in FY25. *[The Economic Times]*

ADB approves \$240.5 million in loans for rooftop solar systems in India: The Asian Development Bank (ADB) on Wednesday said it has approved \$240.5 million in loans to finance rooftop solar systems in India that will help the government expand energy access using renewable energy. *[Business Line]*

India's fintech industry projected to reach \$420 bn by 2029 at CAGR of 31%: The Indian fintech industry is estimated to be around USD 110 billion in 2024 and its projected to reach about USD 420 billion by 2029, Ajay Kumar Choudhary, Non-Executive Chairman and Independent Director, National Payments Corporation of India. *[Business Standard]*

IOB, UCO Bank likely to raise funds through QIP route next month: Public-sector lenders Indian Overseas Bank (IOB) and Uco Bank are likely to raise funds through qualified institutional placement (QIP) next month. *[Business Standard]*

Bank of India raises Rs 5,000 crore via 10-year infrastructure bonds: State-owned lender Bank of India (BoI) on Thursday raised Rs 5,000 crore at a coupon rate of 7.54 per cent through 10-year infrastructure bonds. *[Business Standard]*



Technology and Innovation

India should focus on semiconductor design, create its own brand - Lip-Bu Tan, Chairman Walden International: India has the potential to “rise and emerge” as a major player in the next big semiconductor wave, given its human capital is already driving technology giants Intel, Qualcomm, Nvidia. *[The Economic Times]*

India sees fastest growth in electronic waste generation - Unctad: India saw the highest 163 per cent growth globally in generating electronic waste from screens, computers, and small IT and telecommunication equipment (SCSIT) between 2010 and 2022. *[Business Standard]*

India's first pvt deeptech hub launches in NCR, aiming to mobilise \$100 mn: Deeptech venture capital (VC) firm 8X Ventures, Arctic Invent, and SanchiConnect have joined forces to launch India's first privately managed deeptech innovation hub. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

Work on Gwalior-Agra greenfield highway likely to start in current FY - Ajay Tamta: Union Minister Ajay Tamta has said work on the 88.4 km six-lane greenfield highway between Gwalior and Agra, to be built at a cost of Rs 4,216 crore, is likely to begin in the current financial year. *[The Economic Times]*

Gujarat CM approves Rs 1740 cr for road infra in industrial & quarry areas: Chief Minister Shri Bhupendra Patel has granted in-principle approval for the allocation of Rs 1,470 crore to upgrade and strengthen roads connecting industrial and quarry areas, enhancing road infrastructure in the state. *[Business Standard]*



Sustainable Industrialisation

India's overall SDG score on national index up in 2023-24 at 71 - NITI Aayog: India's overall score on the national Sustainable Development Goal Index, prepared by NITI Aayog, stood at 71 in 2023-24 compared to 66 in 2020-21 with significant progress on eliminating poverty, providing decent work, economic growth, climate action and life on earth. *[The Economic Times]*

Tata Power plans ₹20k cr capex in FY25 - Natarajan Chandrasekaran: Tata Power plans to invest ₹20,000 crore this financial year to further the company's renewable energy portfolio, and transmission and distribution businesses. *[The Economic Times]*

NITI Aayog launches hackathon with IIM Bangalore and others to accelerate zero-emission truck adoption in India: In a bid to zero-emission trucks (ZETs) adoption in the country, NITI Aayog in collaboration with IIM Bangalore, Smart Freight Centre India, CALSTART/Drive to Zero and WRI India announced the launch of the NITI GearShift Challenge as part of the e-FAST India initiative. *[The Economic Times]*

Uttarakhand CM seeks Centre's nod for 21 new hydro electricity power projects of 2123 MW: Uttarakhand CM Pushkar Dhami noted 40% hydroelectric capacity use, seeking 21 new hydel projects (2123 MW) approval from Union Minister Khattar, who reviewed Tehri Complex and urban projects. *[The Economic Times]*



Sectoral News

Indian oil PSU's have global presence with net investments of \$40.6 billion, across 21 countries - Hardeep Puri: These Indian PSUs have established a significant presence globally, with a total of 45 assets spread across 21 countries. They have a cumulative investment of about US\$ 40.6 billion. *[The Economic Times]*

Indian cotton spinning industry expected to recover in FY25 - ICRA: ICRA expects the domestic cotton spinning industry to recover in FY2025, growing by 6-8%, supported by 4-6% volume growth and mild realisation gains. *[The Economic Times]*

Tamil Nadu emerges as GCC magnet, pharma major AstraZeneca leads the charge: Earlier this month, British-Swedish pharmaceutical (pharma) major AstraZeneca announced the expansion of its global capability centre (GCC) in Chennai, marking it as the company's largest such centre worldwide. *[Business Standard]*

Govt, steel companies to join hands for procuring coking coal abroad: The government is collaborating with the steel industry to prepare a "one nation, one buying coking-coal policy", a move aimed at enhancing India's leverage over prices of imported coking coal. *[The Economic Times]*

Indian AC industry likely to double in next four years - Blue Star: The air-conditioning industry, valued at around Rs 27,500 crore (\$ 3.3 billion), is likely to double in the next four years. *[Business Standard]*

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