

Industry Matters

Weekly Updates

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Economy, Industry and Policy

Sustaining dynamism via manufacturing & jobs: The key themes that stand out in Budget 2024-25 include the focus on job-creation, boost to the manufacturing sector, enhancing sustainability and dynamism of the economy including through innovation and infrastructure development, writes Nagesh Kumar, Director, ISID. *[Financial Express]*

'Govt has ears close to ground' - Economists praise focus on jobs, inflation in Budget: The focus of Finance Minister Nirmala Sitharaman's Budget on employment generation, inflation management, and fiscal prudence augur well for the economy, eminent economists said on Tuesday. Commenting on the the Budget 2024-25. *[The Economic Times]*

Credit rating agencies upbeat on India's fiscal consolidation plan: Global credit rating agencies have given thumbs up to the FY25 Budget, lauding the government's firm commitment to deficit reduction, with M`oodys Ratings noting that the Budget is credit positive. *[Business Standard]*

India's public finances remain a weakness for credit profile - Fitch: India's fiscal deficit targets are achievable but the government's financial metrics still remain a weakness for the South Asian nation's credit profile compared to peers. *[The Economic Times]*

Rs 35K cr electronic parts PLI plan afoot to give sub-assemblies a leg up: The Ministry of Electronics and Information Technology (Meity) is ready to allocate over Rs 35,000 crore to the proposed production-linked incentive (PLI) scheme for electronic components, in a bid to transform India into a global hub for sub-assemblies. *[Business Standard]*

India agrees to consider providing Rs 1,500 cr economic stimulus to Bhutan: India has agreed to positively consider providing Rs 1,500 crore to Bhutan as part of the Economic Stimulus Programme in the next 18 months. *[Business Standard]*

Robust demand drives India's business growth to a three-month high in July - PMI: India's business activity accelerated at its fastest pace in three months in July thanks to strong demand, especially in the services sector. *[The Economic Times]*

Private sector activity hits 3-month high of 61.4 in July: Private sector activity in India rose to a three-month high of 61.4 in July from 60.9 in the previous month, the HSBC Flash India Composite Output Index showed Wednesday. *[The Economic Times]*

Overall business sentiments in India buoyant in Q1 of 2024-25 - NCAER-NSE Survey: Overall business sentiment in India indicated buoyancy with the Business Confidence Index (BCI) at nearly 150 during the April-June quarter compared to 138 in the preceding quarter (January-March 2023-24). *[The Economic Times]*

Union Budget 2024 - Govt turns eye to shipbuilding, cruise tourism reforms: After experiencing supply chain shocks due to a lack of domestic ships and shipping lines during several global geopolitical turmoils, the

Centre has now focused on shipbuilding and shipping reforms in the Union Budget to unlock a market with a potential of Rs 12 trillion. *[Business Standard]*

Budget 2024 - UK businesses, investors community receive Union Budget with enthusiasm: The Union Budget tabled by Finance Minister Nirmala Sitharaman in the Lok Sabha on Tuesday has been received with much enthusiasm within the UK business and investor community, with the fall in the Corporate Tax rate for foreign companies from 40 to 35 per cent and the abolition of the "Angel Tax" among the stand-out proposals. *[Business Standard]*

Budget 2024 - Fiscal deficit target for FY25 cut to 4.9% of GDP; govt to beat FY26 goal, too: The government has cut its fiscal deficit target for FY25 to 4.9% of gross domestic product (GDP) from the interim budget goal of 5.1% and aims to beat its FY26 target of containing the fiscal gap at 4.5%. *[The Economic Times]*

Union health ministry allocated Rs 90,958.63 cr in 2024-25 budget: The Union health ministry has been allocated Rs 90,958.63 crore in the 2024-2025 budget, an increase of 12.96 per cent over the Rs 80,517.62 crore 2023-24 revised estimates. *[The Economic Times]*

PMAY-U 2.0 - Govt allocates Rs 4,000 crore for Credit Linked Subsidy Scheme in budget: The government on Tuesday brought back interest subsidy under the Pradhan Mantri Awas Yojana (Urban) 2.0 and set aside Rs 4,000 crore for Credit Linked Subsidy Scheme (CLSS). *[The Economic Times]*

Government estimates Rs 50,000 crore from disinvestment, asset monetisation in FY25: The government has estimated to collect Rs 50,000 crore from disinvestment and asset monetisation in the current fiscal. *[The Economic Times]*

Govt cuts gross market borrowings to Rs 14.01 lakh crore for 2024-25: The government lowered its planned gross market borrowing for the financial year ending March 2025 by Rs 12,000 crore. *[The Economic Times]*

66% taxpayers opted for new ITR filing in current season - CBDT chairman: About 66 per cent of taxpayers out of the over 40,000,000 filers have opted for the new regime for income tax return (ITR) filing during the current season till now. *[Business Standard]*

PE/VC investment rises 8 pc to USD 31.5 bn in Jan-Jun: Private equity funds and venture capital funds investments have risen 8 per cent year-on-year to USD 31.5 billion in the first half of 2024. *[The Economic Times]*



Foreign Investment

Budget 2024 - Modi 3.0's first Budget slashes corporate tax rates for foreign firms to deal another blow to China: Modi 3.0's first Budget proposed to slash tax rates for foreign companies investing in India, a move seen as providing more fillip to inviting more overseas players as the Narendra Modi government seeks to grab the supply chain shift from China. *[The Economic Times]*

Clear guidelines needed for approving China's FDI plans - NITI Aayog VC: India needs a 'clearer set' of guidelines for approving Foreign Direct Investments (FDI) from China expeditiously as the system of case-by-case review is slow. *[Business Standard]*

Foreign banks lead as largest investors in debt - RBI: Foreign banks have emerged as the largest investors, with their investments exceeding the value of net inflows into JP Morgan index-eligible bonds. *[Business Standard]*

DPIIT to create timelines for govt agencies for clearance of FDI proposals: The Department for Promotion of Industry and Internal Trade (DPIIT) will formulate strict timelines for different government agencies and

departments for clearance of Foreign Direct Investment (FDI) proposals from prioritised sectors. *[Business Standard]*

Simplified FDI, reduced corporate tax rates will greatly enhance capital inflows: Deloitte India: The Budget announcements of simplifying the FDI and overseas investment regulations, along with reduced corporate tax rates, will greatly enhance capital inflows into the country. *[The Economic Times]*

FDI from China may benefit India in short-term but not in long run - GTRI: Increasing foreign direct investment (FDI) from China in the domestic market may benefit in the short-term but it risks undermining India's long-term economic security and strategic autonomy. *[The Economic Times]*



Trade Policy and Competitiveness

Exports to top-10 nations grow faster than overall figures in Q1 FY25: India's top-10 exports (by country) grew at a faster pace of 16.5 per cent during the April-June quarter, compared to the nation's overall merchandise exports growth of 5.8 per cent. *[Business Standard]*

Customs clearance time for imports drops 6% at air cargo complexes - CBIC: The Central Board of Indirect Taxes and Customs (CBIC) on Friday released the National Time Release Study (NTRS) 2024 report. *[Business Standard]*

Govt eases norms for EPCG license holders: The government on Thursday eased certain norms for licence holders of the Export Promotion Capital Goods scheme as part of its ease of doing business efforts. *[The Economic Times]*

India flags trade gap with China at WTO: India has raised concern over its large trade deficit with China and the non-transparent subsidies and mechanisms followed by the latter, which it said lead to low prices and hurt the local industry. *[The Economic Times]*

Economic Survey - India adding more export destinations, services shipments expanding: Indian exporters are adding more geographies to promote their outbound shipments and tide over the problems emerging due to global uncertainties caused by geopolitical tensions. *[The Economic Times]*

India's duty cut halts concessionary silver, platinum imports from UAE: India's silver and platinum imports from the UAE, previously benefiting from concessionary duties under a trade agreement, have ceased as New Delhi's move to reduce import taxes eliminated the duty arbitrage that bullion dealers were exploiting. *[The Economic Times]*

While GCC marched ahead, IT services exports lost ground: India's IT services exports show a shift in composition with a decline in software share and a rise in other business services, according to Economic Survey. The growth of GCCs is highlighted, with revenue projected to reach \$100 billion by 2030. *[The Economic Times]*

'Too high' import duty cut on gold to help contain smuggling, boost exports - CBIC: The decision to cut "too high" import duty on gold will help in containing smuggling and boost the country's exports of gems and jewellery. *[The Economic Times]*

These desi products became success stories in India's export push: India's economy is shifting with global supply chains favoring it. Mobile phone exports rose 40.5% in FY24. PLI schemes boosted toys and footwear. Toy exports turned India from net importer to surplus, reducing imports. Footwear, smartphone, and defence exports grew. Economic Survey 2023-24 data confirms these changes. *[The Economic Times]*

India and UK launch tech initiative as new British foreign minister makes his first official visit: India and the United Kingdom launched a new technology security initiative expected to boost economic growth and deepen collaboration. *[The Economic Times]*

DGFT, customs process overhaul, revamp textile PLI scheme, QCO suspension to aid exports - GTRI: Think tank Global Trade Research Initiative (GTRI) has suggested suspension of quality control orders (QCO) on polyester and viscose staple fibre for a few years to allow domestic manufacturers to become competitive, expansion of products covered and criteria relaxation in the textile production linked incentive (PLI) scheme. *[The Economic Times]*

India's share of electronics exports rose in FY24, driven by Apple, says Eco Survey - The Economic Times: Domestic production of electronic items increased significantly to Rs 8.22 lakh crore, while exports rose to Rs 1.9 lakh crore in FY23. *[The Economic Times]*

Economic Survey - PLI, FTAs to aid India's trade deficit decline; protectionism, lower demand risk export growth: The Economic Survey 2023-24 highlights risks to India's export prospects, including reduced demand from major trading partners like the US, escalating trade costs, protectionist measures, commodity price volatility, and shifts in trade policies by key nations or geopolitical developments. *[The Economic Times]*



Corporate Governance

ONGC acquires Equior stake in Azerbaijan oilfields for \$60 million: ONGC Videsh Ltd, the overseas investment arm of state-owned Oil and Natural Gas Corporation (ONGC), has acquired Norwegian firm Equinor's stake in an Azerbaijan oilfield and an associated pipeline for \$60 million. *[Business Standard]*

Mankind Pharma to acquire Bharat Serums from Advent International for Rs 13,630 cr: Mankind Pharma which has brands including Manforce Condoms and Prega News pregnancy tests, on Thursday announced that it is set to acquire Bharat Serums from Advent International for Rs 13,630 crore. *[The Economic Times]*

Thyrocare expands Northern India presence with Polo Labs acquisition: Diagnostics company Thyrocare has acquired the pathology business of Polo Labs to strengthen its foothold in Northern India. *[Business Standard]*

Texmaco Rail and Engineering buys Jindal Rail Infra for Rs 615 crore: In a major deal in the railway sector, Kolkata-based rail wagon manufacturer Texmaco Rail and Engineering on Thursday acquired a 100 per cent stake in Jindal Rail Infrastructure, another rolling stock manufacturer, for Rs 615 crore. *[Business Standard]*

Parle, Britannia emerge India's top chosen FMCG brands - Kantar: Biscuit brand Parle retained its position as India's top brand for in-home consumption for the 12th consecutive time. *[Business Standard]*



MSMEs and Start-ups

77% Indian startups investing in AI, advanced technology: SAP: Over 77 per cent of Indian startups are investing in Artificial Intelligence (AI), machine learning (ML), internet of things (IoT), and blockchain, according to a report by SAP India, in collaboration with Dun & Bradstreet. *[Business Standard]*

Indian start-up ecosystem paving the way for global leadership in innovation: India's start-up ecosystem has emerged as one of the most dynamic and rapidly growing in the world, with over 1.25 lakh start-ups recognized by the government and over 100 unicorns at its peak. *[Financial Express]*

Economic Survey 2023-24 Advocates For Simplifying Regulations For MSMEs: The Economic Survey 2023-24, tabled by Union Minister for Finance in the Parliament today calls for unshackling the Micro, Small and Medium Enterprise (MSME) sector. *[KNN India]*

263 startups funded with a total of Rs 60 crore by Karnataka govt: Bengaluru stands at the forefront of India's start-up revolution and is home to 45 of the country's 112 unicorns. *[Business Standard]*



Employment and Industrial Relations

Modi pledges \$24 billion for jobs, financial aid for allies in Budget 2024: Prime Minister Narendra Modi pledged 2 trillion rupees (\$23.9 billion) to boost jobs and improve education in India, increased spending to his new allies. *[The Economic Times]*

Budget 2024 - 3 EPFO schemes to boost jobs in India, explained - Employment-linked incentives: The government on Tuesday announced 3 schemes to boost employment through retirement fund body EPFO for new entrants in the organised sector. *[The Economic Times]*

23 lakh new workers enrolled under ESI Scheme in May this year: Formal job creation under the Employees' State Insurance Corporation (ESIC) went up by 13.9% to 2.30 million in May this year compared to 2.02 million in May 2023 while month-on-month ESIC registered a jump of 39.9% when compared to 1.64 million formal jobs created in April 2024. *[The Economic Times]*

Wipro plans to hire 10,000-12,000 freshers from campuses in FY25: IT services major Wipro has said that it will be hitting the campus trail and hiring around 10,000-12,000 employees during the ongoing financial year. *[Business Standard]*

Formal job creation hits 10-month high with 985K new subscribers - EPFO data: The number of fresh formal jobs created in a month increased to a ten-month high in May, signalling a recovery in the formal labour market in the country. *[Business Standard]*

Demand under MGNREGS is not a true indicator of rural distress - Eco Survey: The demand for employment under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is not a true indicator of rural distress, highlighted the Economic Survey 2023-24. *[The Economic Times]*

Workplace injuries rise 8.5% and fatalities fall 21% - IAS study: Workplace injuries increased to 10,733 in FY23 from 9,889 in FY22, with high-consequence injuries rising by 33 per cent to 907 compared to 679 previously. *[Business Standard]*



Industrial Finance

Economic Survey calls for improved liquidity to boost NPA price discovery: The pre-budget Economic Survey highlights the need for a liquid Non-Performing Assets (NPA) market to facilitate bank acquisitions and asset turnarounds. *[The Economic Times]*

Banks need to devise new strategies to attract depositors - Financial services secretary Vivek Joshi: Banks need to devise new strategies to attract depositors, financial services secretary Vivek Joshi said, even as he noted that Indian banks' low-cost deposits, current and savings accounts (CASA), are comfortable at around 41% of their total deposits. *[The Economic Times]*



Technology and Innovation

India successfully tests Phase-II ballistic missile defence system: India on Wednesday successfully flight-tested the second phase of its ballistic missile defence system, demonstrating home-grown capabilities to defend against hostile missiles having a range of 5,000 km. *[Business Standard]*

'Amazon racing to develop AI chips cheaper, faster than Nvidia's': Inside Amazon.com's chip lab in Austin, Texas, half a dozen engineers on a Friday afternoon put a closely guarded new server design through its paces. *[Business Standard]*

India to set up data innovation lab to address data-related challenges, guidelines notified: In a move to generate beta statistics or new statistics using innovative, alternative and emerging data source, India aims to set up a Data Innovation (DI) Lab. *[The Economic Times]*

PLI for large scale electronics - 32 companies invested Rs 8,282 crore till June: As many as 32 companies have invested Rs 8,282 crore under the PLI scheme for large scale electronics manufacturing till June, as per the data from Ministry of Electronics & Information Technology (MeitY). *[Money Control]*



Industrial Infrastructure, Clusters and SEZs

India's Budget 2024-25 focuses on ambitious capital expenditure, decarbonisation initiatives: The Indian government's Budget for 2024-25 has seen a significant uplift in allocation for the infrastructure sector, with a pronounced focus on Energy Transition. *[The Economic Times]*

Union Budget 2024-25 - Finance Minister Nirmala Sitharaman proposes 12 industrial parks under National Industrial Corridor Program: Finance Minister Nirmala Sitharaman announced the sanctioning of 12 industrial parks under the National Industrial Corridor program. *[The Economic Times]*

Union Budget 2024 - FM retains allocation to NHAI at Rs 1.68 lakh crore for financial year 2024-25: Finance Minister Nirmala Sitharaman on Tuesday retained the allocation to state-owned National Highways Authority of India (NHAI) at Rs 1.68 lakh crore for 2024-25. *[The Economic Times]*

Government announces Rs 1.5 lakh crore interest-free loans for infra development in states: To help states in developing their infrastructure, the government will provide Rs 1.5 lakh crore worth interest-free loans on a long-term basis. *[The Economic Times]*

Awarding of road contracts picks up pace in June: The ministry of road transport and highways awarded 95 km of highways during the month of June while it constructed 1,934 km up to June in 2024-25 with capital expenditure of about Rs. 60,461 crore. *[The Economic Times]*

W Dedicated Freight Corridor targets December 2025 for completion: The 1506 kilometre (km) Western Dedicated Freight Corridor (WDFC) is poised for completion by December 2025. *[The Economic Times]*

MP receives investment proposals worth Rs 17,000 crore at RIC Jabalpur: The Madhya Pradesh government has received investment offers worth Rs 17,000 crore at the Regional Industry Conclave (RIC) held in Jabalpur on Saturday. This includes investment proposals worth more than Rs 5,000 crore given by some 1,500 units of the MSME sector. *[Business Standard]*



Sustainable Industrialisation

Government announces support for 3.72 lakh electric vehicles under EMPS 2024 - ET Auto: Between April and July, up to 3.72 lakh electric vehicles will receive support under the Electric Mobility Promotion Scheme (EMPS) with an outlay of INR 493.55 crore. *[The Economic Times]*

Govt demands more local content in electric vehicle manufacturing: The Ministry of Heavy Industries is discussing a phased manufacturing programme (PMP) with stakeholders, requiring stricter localisation for electric vehicle (EV) makers to qualify for the proposed Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles (FAME-III) subsidy scheme. *[Business Standard]*



Sectoral News

Auto component industry turnover up 10% at Rs 6.14 trn in FY24 - ACMA: The turnover of the automotive component industry rose by 9.8 per cent year-on-year to Rs 6.14 trillion for the fiscal ended March 31, 2024. *[Business Standard]*

Economic Survey 2024 - PLI scheme for auto sector sees investment proposals worth Rs 67,690 crore: The production linked incentive scheme (PLI) for automobile and auto components has so far attracted a proposed investment of Rs 67,690 crore. *[The Economic Times]*

Streaming video biz in India generated 174K direct, indirect jobs in 2023: The streaming video business in India generated 174,000 direct and indirect jobs in 2023. This will rise to 331,000 by 2028. *[Business Standard]*

PLI for toys, leather and footwear gets nod, Rs 6,000 outlay seen for scheme till FY32: The government will introduce the production-linked incentive (PLI) scheme for the toys and leather and footwear sectors, with a total outlay of over Rs 6,000 crore. *[Financial Express]*

Budget 2024 - Critical Minerals put on mission mode: The budget announced a Critical Mineral Mission, which will be supplemented by reduced import duties on important minerals such as lithium to aid setting up of beneficiation plants in the country. *[The Economic Times]*

ISID Institute for Studies in Industrial Development
An institution of Indian Council of Social Science Research (Ministry of Education)
4 Vasant Kunj Institutional Area, New Delhi - 110070, India

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Team Members: Satyaki Roy, Swati Verma, Sangeeta Ghosh, B Dhanunjai Kumar, Amitava Dey & Rakesh Gupta.
Compiled by: Rakesh Gupta, Edited by Sangeeta Ghosh.

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