

Industry Matters

Weekly Updates

August 09, 2024



Economy, Industry and Policy

India stands out on growth and external fronts amongst South Asian economies - S&P Ratings: S&P Global Ratings on Tuesday said India stands out both on growth and external fronts amongst the South Asian countries, and the trajectory of government's fiscal deficit will decide on the direction of sovereign ratings. *[The Economic Times]*

Indian economy to grow at 7-7.2% in current fiscal year- Deloitte: India's economy is expected to grow at 7-7.2 per cent in the current fiscal year driven by robust economic fundamentals and continuity in domestic policy reforms. *[Business Standard]*

World Bank B-Ready index groundwork kicks off: India has begun the groundwork for the Business-Ready or B-Ready index, the World Bank's new flagship report benchmarking the business environment and investment climate in economies worldwide. *[The Economic Times]*

NHAI aims to monetise up to \$2.4 billion of assets in 2024/25: India's highways authority said on Tuesday it plans to monetise up to \$2.4 billion worth of road projects in the current fiscal year ending March through an infrastructure investment trust route as it looks for ways to reduce its massive debt. *[The Economic Times]*

Assets worth Rs 3.86 lakh cr monetised in 3 years to FY24; coal sector highest contributor: The government on Monday said assets worth Rs 3.86 lakh crore have been monetised in three years to 2023-24, with a major chunk coming from the coal sector. *[The Economic Times]*

Govt collects Rs 8,263 cr towards GST on health insurance premium in FY'24: The government has collected Rs 8,263 crore towards GST on health insurance premium in 2023-24 fiscal year. *[The Economic Times]*

Govt panel considering major cut to food weighting in new CPI basket: An Indian government panel tasked with revising the nation's consumer price index is considering a substantial cut in the weighting of food, according to a person familiar with the matter, a move that could curb inflation spikes in the South Asian nation. *[Business Standard]*

Domestic pharma market growth slips to 6% in July: The growth of the domestic pharma market slipped to mid-single digits after being robust so far this year. According to market research firm Pharmarack India's pharmaceutical market (IPM) grew 6.1%, with growth slowing down in many therapies. *[The Economic Times]*

New shipbuilding scheme to incentivise Indian shipyards till 2035: Ministry of Ports, Shipping and Waterways (MoPSW) is working on a new shipbuilding scheme which would incentivise Indian shipyards till 2035 by various measures and the new policy. *[Business Standard]*

Services growth slows in July as labour & material costs weigh: India's services sector activity accelerated at a slightly slower pace in July than in the previous month but remained robust amid new business gains. *[The Economic Times]*

India's forex reserves touch new high of \$675 bn as of August 2: India's foreign exchange reserves touched an all time high of \$675 billion as of August 2, reflecting a robust external sector performance. *[The Economic Times]*

Compute tax either at 12.5% without indexation or 20% with indexation on realty transactions: Govt proposes amendment: The proposed amendment offers taxpayers a choice between a 12.5% long-term capital gains tax rate without indexation or a 20% rate with indexation for properties acquired before July 23, 2024. *[The Economic Times]*



Foreign Investment

FDI from China better for local manufacturing boost - Niti member Virmani: Niti Aayog member Arvind Virmani on Sunday said it is better for India to get Chinese firms to invest and produce goods here to boost local manufacturing than to keep importing goods from the neighbouring country. *[Business Standard]*

Slowdown, likely rate cut in US will drive foreign investment to India: In a report earlier this week, Fitch Ratings noted that elevated interest rates in the US since 2023 have begun to show some effect on the labour market and demand. *[The Economic Times]*

Electric motor parts maker EuroGroup Laminations enters India, signs JV in China: Italian electric motor component maker EuroGroup Laminations is buying a 40% stake in India's Kumar Precision Stampings. *[The Economic Times]*

Ford eyeing a comeback? US car giant may re-enter India with a green twist: US carmaker Ford is considering re-entering the Indian market with a new strategy focused on electrics and sustainability. *[The Economic Times]*



Trade Policy and Competitiveness

Regional FTA, easier FDI, customs integration key for BIMSTEC- CII study: A regional free trade agreement (FTA), easing FDI restrictions across most sectors, automation and integration of all relevant customs agencies into a unified system and fast-tracking the BIMSTEC Transport Connectivity Working Group are key for BIMSTEC Economic Cooperation. *[The Economic Times]*

Piyush Goyal expresses concern over Bangladesh, says BIMSTEC need to re-examine priorities: Union Minister of Commerce & Industry Piyush Goyal on Wednesday said the BIMSTEC members should re-examine the priorities of member nations with regards to trade negotiations so that the delayed Free Trade Agreement can be finalized. *[The Statesman]*

Rise of yen offers a mixed bag for India: The recent rise of the long-depreciated yen and the rush among currency traders to unwind their long positions in the Japanese currency are likely to have mixed implications for the Indian economy. *[Financial Express]*

Trade winds - What's trending in the export basket and how to reach the USD1 trillion target: Over the past five years, India's total merchandise exports have increased by 39 per cent—from about USD314 billion in FY20 to USD437 billion in FY24. *[Financial Express]*

Aim for \$50 billion leather, footwear exports by 2030, one crore jobs, Piyush Goyal tells industry: Commerce and industry minister Piyush Goyal Thursday has asked the leather and footwear industry to target \$50 billion worth of exports by 2030 and also said that the sector has a potential to employ one crore people from 40 lakh now. *[The Economic Times]*

Customs, banking reforms, incentives at par with China key to boost e-com exports to \$350 bn - GTRI: Reforms in certain customs and banking rules, access to credit, and incentives at par with China will be key for India to boost its exports through e-commerce medium to USD 350 billion by 2030. *[The Economic Times]*

India seeks duty concession on cars, commercial vehicles, machinery in FTA with Sri Lanka: India is seeking customs duty concession on a number of goods including cars, commercial vehicles and machinery from Sri Lanka under a comprehensive free trade agreement (FTA). *[The Economic Times]*

Chemicals, auto, pharma in critical sectors list to cut import dependence: India has begun an exercise to identify critical sectors where dependence on imports is making them vulnerable to supply chain disruptions. *[The Economic Times]*

A trade policy for Viksit Bharat: Let's reduce tariffs and rethink pacts: The budget speech gave pride of place to the long-term goal of Viksit Bharat and also said that reforms in many areas would be needed to achieve it. *[Mint]*

India free-trade agreement with Oman hits market-access roadblock: The proposed free-trade agreement (FTA) between India and Oman has hit a speed breaker, amid differences over market access for petrochemical products and to give greater market access for polyethylene and polypropylene-intermediates used to manufacture plastics, medical devices, electronics and automobile components. *[Business Standard]*

Telangana IT exports up 11.3% at ₹2.68 lakh crore; outpaces the national average: Telangana's IT/ITeS sector exports defied the national trend of slowed growth, surging by 11.3 per cent in the financial year 2023-24 to breach the ₹2.68-lakh crore mark. *[Business Line]*



Corporate Governance

RIL jumps up 2 places in Fortune's Global 500 list for 2024: Reliance Industries has improved its ranking in Fortune's Global 500 list for 2024 to 86 from 88, maintaining its top position as the highest ranked among Indian corporates. *[Business Line]*

Viacom18, Star India expect to complete merger by October: Reliance Industries-promoted Viacom18 and Walt Disney-owned Star India are hopeful of completing their merger by October, when the Competition Commission of India (CCI) is also expected to issue its order. *[The Economic Times]*

Maruti Suzuki to launch first electric vehicle and promote diverse eco-friendly technologies in FY24: The country's largest carmaker Maruti Suzuki said it will launch its first electric vehicle in the local market in the ongoing financial year. *[The Economic Times]*

Vedanta files demerger scheme with NCLT: Vedanta has filed a demerger scheme with the National Company Law Tribunal (NCLT) after receiving all necessary approvals. The proposed demerger aims to create sector-focused entities in critical minerals, energy security, renewables, and technology sectors. *[The Economic Times]*

Black Box seeks \$2 bn revenue within 3-4 years: CEO of digital infra firm: Black Box, a digital infrastructure firm listed on the BSE, seeks \$2 billion in revenue within three to four years by expanding in the United States (US) and India. *[Business Standard]*

Companies with multi-state presence to register as ISD with GST authorities: Companies having presence in multiple states and distributing common input tax credit with branch offices will have to register as Input Service Distributor (ISD) with GST authorities by April 1, 2025. *[Business Standard]*



MSMEs and Start-ups

Centre calls for proposals to nurture startups in quantum technologies: The Centre announced on Tuesday the first call for proposals to support and nurture startups in emerging quantum technologies. *[The Statesman]*

Commerce ministry developing e-platform to connect exporters, MSMEs, govt: The government on Tuesday said it is developing a trade connect e-platform to connect exporters, MSMEs and entrepreneurs with various stakeholders including Indian missions abroad, export promotion councils, and other partner government agencies. *[Business Standard]*

Priority bank credit to MSMEs jumps 14% in June - RBI data: According to the RBI data, priority credit to micro and small enterprises (MSEs) in the MSME sector grew by 14.2 per cent to Rs 20.20 lakh crore in June this year in comparison to Rs 17.69 lakh crore during the year-ago period. *[Financial Express]*



Employment and Industrial Relations

Work demand falls sharply under MGNREGS in July: Work demand under the government's flagship rural job guarantee programme fell sharply in July, possibly reflecting strong economic activity as well as plentiful monsoon showers that typically causes migration of unskilled workers to agriculture. *[The Economic Times]*

Cognizant to set up 10 lakh sq ft facility in Hyderabad, to create 15,000 new jobs: At a time when the IT industry is facing tough times, IT major Cognizant announced a major expansion plan. The company said it will set up a 10-lakh sq ft facility in Hyderabad, creating 15,000 new jobs. *[Business Line]*

Unemployment rate fell 1.3 percentage points in July amid uptick in hiring: India's unemployment rate (UR) dropped by 1.3 percentage points in July from an eight-month high of over nine per cent in the previous month. *[Business Standard]*

Maruti Suzuki to spend ₹165 crore on CSR this year, launch electric cars by year-end - Bhargava: Maruti Suzuki India (MSIL) has said that it will spend ₹165 crore this fiscal towards the corporate social responsibility (CSR) activities and also it was track to launch its first electric car by end of this year. *[Business Line]*



Industrial Finance

Banks, NBFCs are bound to adopt a restructuring process for MSMEs without following 2015 framework - SC: The Supreme Court has held that the banks and Non-Banking Financial Companies (NBFCs) are bound to adopt a restructuring process for Micro, Small and Medium Enterprises (MSMEs) on their own without there being any application by the latter, as directed by the Central Government and the RBI in 2015 and 2016, respectively. *[The Economic Times]*

RBI shortens frequency of credit reporting to 15 days: The Reserve Bank of India (RBI) on Thursday shortened the frequency of reporting credit information of borrowers to credit information companies (CIC) to 15 days. *[The Economic Times]*

IBBI issues guidelines for creditors in insolvency process: The Insolvency and Bankruptcy Board of India (IBBI) has issued new 15-point guidelines for the Committee of Creditors (CoC) to improve the insolvency process. *[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

Indian IT spending likely to reach \$145.9 billion in 2024, say analysts: Analysts are expecting that spending by the Indian IT sector will increase by 11.9 per cent to \$145.9 billion in 2024. *[Business Line]*

Govt taking initiatives to expand UPI's global reach - Pankaj Chaudhary: Minister of State for Finance Pankaj Chaudhary on Tuesday said the government and RBI have been taking various initiatives for expanding the global reach of UPI, which is currently available in seven nations. *[The Economic Times]*

What is e-rupee and why do Google Pay, PhonePe want to join RBI's digital rupee project?: Fintech companies including Google, PhonePe, Amazon Pay, Cred, and Mobikwik are looking to join the Indian central bank's digital currency project by allowing their users to transact in e-rupee via Unified Payments Interface (UPI). *[The Hindu]*

India's SaaS market to soar to \$50 billion by 2030 riding on AI: India's SaaS market is projected to reach \$50 billion by 2030, with a possibility of an upward revision on the back of artificial intelligence (AI), stated a report by venture capital firm Bessemer Venture Partners (BVP). *[Business Line]*

ONDC touches 12 million monthly transactions mark in July: The Open Network for Digital Commerce (ONDC) on Monday said its monthly transactions touched the 12 million mark in July, with 4.3 lakh daily orders. *[Business Line]*



Industrial Infrastructure, Clusters and SEZs

Cabinet approves eight National High-Speed Road Corridor projects worth Rs 50,655 crore: The cabinet on Friday approved eight National High-Speed Road Corridor projects of length 936 km at a total cost of Rs. 50,655 Crore to improve logistics efficiency, reduce congestion and enhance connectivity across the country. *[The Economic Times]*

India's logistics cost will be below 9 pc of GDP by April next year - Nitin Gadkari: Union Minister Nitin Gadkari announced that India's logistics cost is expected to drop to 9 per cent of GDP by April next year, which will likely boost exports. *[The Economic Times]*

Govt finalising DPR of Rs 41,000 crore transshipment port at Great Nicobar Island: The detailed project report (DPR) of a Rs 41,000-crore international transshipment port project at Great Nicobar Island in the Bay of Bengal is being finalised by the government, and it will go ahead with the implementation of the project in the next few months. *[The Economic Times]*

Adani to invest Rs 5,500 cr in cement unit, Bihar CM lays foundation stone: Bihar Chief Minister Nitish Kumar on Saturday laid the foundation stone for a Rs 1,600-crore cement grinding unit of Ambuja Concrete North Private Ltd, a subsidiary of Adani Group's Ambuja Cements, in Nawada district. *[Business Standard]*

Tata's Rs 27,000 cr chip plant in Assam operational by 2025 - Chandrasekaran: Tata Electronics' Rs 27,000-crore chip assembly plant in Assam will create 27,000 jobs and is expected to become operational in 2025. *[Business Standard]*



Sustainable Industrialisation

Indian energy cos lag in R&D, innovation metrics compared to global peers: India has seen notable progress in its renewable energy capabilities. The Union Budget 2024 also reflects the government's emphasis on energy security and employment generation in clean energy sectors. *[Business Standard]*

Is India ready to recycle millions of end-of-life EV batteries?: Electric vehicles have many advantages over traditional fossil fuel cars. They produce no tailpipe emissions, do not make use of polluting motor oils or lubricants have efficient driving systems and quiet motors, making them eco-friendly. These batteries allow for repetitive charging and discharging cycles without emitting air pollutants. *[The Economic Times]*

NTPC-NPCIL joint venture likely to invest Rs 50,400 cr in 2,800 MW nuclear power plant: NTPC Ltd and Nuclear Power Corporation of India are likely to invest around Rs 50,400 crore for 2,800 MW Mahi-Banswara nuclear power plant to be jointly developed by the two state-owned companies. *[The Economic Times]*

Government may free up non-solar hour grid connectivity: The government is considering a proposal that suggests that in the non-solar hours, electrical grid capacity assigned to solar power producers without storage system should be freed up for power input mainly through storage by existing or other generators. *[The Economic Times]*



Sectoral News

India's tour and travel revenue set to soar 15-17 per cent this fiscal - CRISIL: India's tour and travel operators are set to expand their revenue by a robust 15-17 per cent this fiscal year, driven by rising domestic tourism and an increasing propensity for overseas travel. *[The Economic Times]*

GST notices to foreign airlines could hurt India's aviation potential- IATA: Global trade body for airlines on Tuesday decried the show-cause notices issued to 10 foreign airlines in India over alleged non-payment of GST, claiming that it could dampen the country's strong aviation potential. *[Business Standard]*

Airtel & Jio may invest \$2 bn in 5G gear to boost mobile broadband: Bharti Airtel and Reliance Jio are likely to collectively buy another \$2 billion worth of fresh 5G network gear to expand and bolster their next-gen mobile broadband coverage for a rapidly growing user base amid rising shipments of smartphones supporting next gen technology. *[The Economic Times]*

India's dairy sector expected to clock 13-14 pc revenue growth this year on strong demand: India's dairy industry is expected to see healthy revenue growth of 13-14 per cent this financial year 2024-25. *[The Economic Times]*

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