

Industry Matters

Weekly Updates

August 30, 2024



Economy, Industry and Policy

Moody's ups India's 2024, 2025 growth forecast: Moody's Ratings Thursday revised upwards India's economic growth projections for 2024 to 7.2% from 6.8% on signs of a revival in rural demand on the back of improving prospects for agricultural output amid above-normal rainfall. *[The Economic Times]*

Retail inflation rates for farm, rural workers ease in July: Retail inflation rates for farm and rural workers eased to 6.17 per cent and 6.20 per cent, respectively, in July. The retail inflation rates for farm and rural workers were 7.02 per cent and 7.04 per cent, respectively, in June this year. *[The Economic Times]*

Fitch affirms India's 'BBB-' rating, says outlook stable: International ratings agency Fitch on Thursday affirmed India's long-term 'BBB-' rating, keeping its outlook stable. *[The Economic Times]*

SBI Research anticipates Q1 GDP growth at 7.1%, in line with RBI forecast: The Indian economy is expected to grow at 7.0-7.1 per cent in the April-June period, the first quarter of 2024-25. *[The Economic Times]*

India as the Rising Giant in the Supply Chain Industry: Emerging Opportunities and Challenges: India is emerging as a key player in global supply chain management, driven by its skilled labor, strategic initiatives, and technological investments, with the market expected to grow significantly in the coming years. *[Financial Express]*

Manufacturing PMI slips slightly in August: The latest manufacturing PMI reading was nevertheless above the historical average of 54 and signalled a strong improvement in the health of the sector. *[Financial Express]*

Union Cabinet approves 12 industrial smart cities worth Rs 28,602 cr: The Cabinet Committee on Economic Affairs (CCEA), chaired by Prime Minister Narendra Modi, has greenlit the development of 12 industrial smart cities across six major industrial corridors in 10 states, with an estimated investment of Rs 28,602 crore. *[Business Standard]*

Rs 95,000 crore capex loans to states linked to reforms: The Centre's capital expenditure loans to state governments in FY25 will have much greater reliance on reforms to be undertaken by them in assorted areas. *[Financial Express]*

Cabinet approves ₹6,456 crore worth of new rail projects across West Bengal, Jharkhand, Odisha and Chhattisgarh: The Cabinet on Wednesday cleared three railway projects worth nearly ₹6,500 crore. The three projects include setting up of two new lines and one multi-tracking project across Indian Railways. *[Business Line]*

Plunging MGNREGA work demand reflects rise in rural income: The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) contracted for the ninth month in a row in July, indicating a rise in economic activities in urban areas. *[Financial Express]*

Small finance banks to post advances growth by 25-27% this fiscal; segmental, geographical expansion to drive growth: Small finance banks (SFBs) are expected to grow their advances by 25-27 per cent this fiscal, though a tad lower than the previous financial year's approximately 28 per cent growth, stated a report by CRISIL Ratings. *[Financial Express]*

Indian economy remains resilient amid global uncertainties-NCAER: Amid global geo-political uncertainties, the Indian economy has remained resilient but the outlook seems softer due to moderation in a couple of high-frequency indicators. *[Business Standard]*

BS@50: These 50 data points trace India's journey through past 5 decades: In 1974-75, the country's gross domestic product (GDP) stood at Rs 11.5 trillion and has now increased to Rs 173.8 trillion, making India the fifth-largest economy in the world. *[Business Standard]*

Unified Pension Scheme to put a Rs 6,250-cr pressure on govt: The newly approved Unified Pension Scheme (UPS), set to provide an assured pension to 23 lakh eligible central government employees, will bring an additional financial burden of Rs 6,250 crore per year to the exchequer. *[The Economic Times]*

Business activity slips in August as manufacturing eases: India's business activity moderated in August as manufacturing activity eased, weighed down by a slowdown in new orders and production, even as the services sector continued to drive the economy forward. *[The Economic Times]*

60% households earning Rs 5 lakh+ live in top 150 Indian districts: The majority of households with an annual income of Rs 5 lakh and above are concentrated in the top 20 per cent, or about 150, districts in the country. *[Business Standard]*



Foreign Investment

Plan in works to put FPI & FDI rules on equal footing: India is considering a plan to allow full fungibility between foreign portfolio investment (FPI) and foreign direct investment (FDI) in sectors where 74% or more FDI is allowed. *[The Economic Times]*

India's overseas investments surge to \$2,112 million in July: Amid a rise in foreign direct investment inflow, investment by Indians abroad has doubled in July compared to last year. *[Business Line]*

FPIs inject ₹11,366 crore in debt market in August; inflow tally crosses ₹1 lakh crore for 2024: Foreign investors infused ₹11,366 crore in the Indian debt market so far this month, pushing the net inflow tally in the debt segment to over the ₹1-lakh-crore mark. *[The Hindu]*



Trade Policy and Competitiveness

US India's top trade partner in first half of the year; max deficit with China: The United States has emerged as India's top trading partner in January-June this year, while the country has recorded its highest trade deficit of \$41.6 billion with China during the period. *[The Economic Times]*

Argentina emerges as key source for India's quest for lithium, gold and copper: Indian firms are expanding their footprint in Argentina, focusing on lithium, copper, and gold exploration. Bilateral trade has surged to \$4.6 billion, with Argentina being a key supplier of soybean and sunflower oil to India. *[The Economic Times]*

Can India be the next China? UBS jots down India's to-do list to grab a share of Chinese pie: Does India have a chance to be the next China? Will a booming stock market and the Centre's new trade deals help India grow as rapidly over a period of time and become as large and as rich as China is today?. *[Financial Express]*

India, Chile discuss strengthening cooperation in trade, investment, critical minerals: Minister of External Affairs S Jaishankar and his Chilean counterpart Alberto Van Klaveren, who is on an official visit to India, discussed various areas of bilateral cooperation including trade and investment, critical minerals, agriculture and defence. *[Business Line]*

Increased demand from US, UAE increase engineering exports in July by 3.6% to \$9 bn: India's engineering goods exports increased for the third consecutive month in July 2024, although at a slower rate, posting a growth of 3.66 per cent (year-on-year) to \$9.04 billion with greater sourcing by countries such as the US, the UAE, Saudi Arabia and Singapore. *[Business Line]*



Corporate Governance

India's tablet market grows over 2x to 1.84 mn in Q2; Samsung clocks 49 pc share: Indian tablet PC market, including detachable and slates, more than doubled year-on-year to 1.84 million units in the second quarter of 2024. *[The Economic Times]*

RIL-Disney India merger worth \$8.5 billion receives approval from CCI: Reliance Industries' entertainment arm Viacom18 and Walt Disney Co's Indian media assets on Wednesday received competition watchdog Competition Commission of India (CCI)'s approval of their \$8.5 billion merger. *[Business Standard]*

Zydus Lifesciences acquires 50% stake in Sterling Biotech for fermentation-based protein business; shares drop nearly 6%: The company announced a significant joint venture today where it revealed plans to acquire a 50% stake in Sterling Biotech Limited (SBL) from Perfect Day Inc., a Temasek portfolio company. *[Business Line]*

Zee, Sony reach non-cash agreement to settle disputes over merger: Zee Entertainment Enterprises Limited (ZEE), along with Culver Max Entertainment Private Limited (CMEPL), which operates as Sony Pictures Networks India (SPNI), and its affiliate Bangla Entertainment Private Limited (BEPL), have reached a comprehensive non-cash agreement to amicably resolve all disputes concerning the merger cooperation agreement and the composite scheme of the arrangement. *[Business Standard]*

SEBI bans Anil Ambani, 24 others for 5 years from participating in securities market: Securities and Exchange Board of India (SEBI) has imposed a five-year ban on industrialist Anil Ambani and 24 other parties from participating in the securities market. This includes former senior executives of Reliance Home Finance as well. *[The Statesman]*



MSMEs and Start-ups

MSMEs should be part of the internship scheme: As part of the announcement on employment and skilling in Budget 2024-25, the government intends to provide internship to one crore youth in the top 500 companies of the nation in the country. *[Business Line]*

Maharashtra Minister announces red carpet for MSMEs, startups: Maharashtra minister for industries Uday Samant promised to roll out red carpet for projects of small and medium businesses and startups at par with ultra mega projects, as the state looks to transform Mumbai into a global fintech hub. *[Financial Express]*

VC funding for Indian startups up 42% to \$6.3 bn in Jan-July – GlobalData: Indian startups raised \$6.3 billion through 672 venture capital (VC) deals in January-July to mark an almost 43 per cent year-on-year increase in funding, according to a data and analytics company. *[Business Standard]*



Employment and Industrial Relations

Apple's India operations set to create up to 600,000 jobs by year-end: Apple's operations in India are projected to generate up to 600,000 jobs by the end of this financial year, highlighting the company's significant expansion in the region as it seeks to reduce its reliance on Chinese production. *[Business Standard]*

Trade unions divided over the new employment linked incentive schemes: A meeting called by Union labour minister Mansukh Mandaviya to listen to the views of central trade unions on the recently announced employment linked incentive (ELI) schemes threw varied opinions with some criticising the new policy while others supported it. *[Business Standard]*

E-commerce Export Hubs expected to generate 225,000+ new jobs, says TeamLease Degree Apprenticeship: TeamLease Degree Apprenticeship has published a new report underscoring the transformative impact of the Indian government's initiative to establish 50 e-commerce export hubs nationwide. *[The Economic Times]*

Over 23 lakh govt employees under NPS get option to choose unified pension scheme: The just-announced Unified Pension Scheme for central government employees will be available only for those who are currently subscribers of the New Pension Scheme (NPS), including retirees. *[The Economic Times]*

Job scenario improving but still not as good as pre-pandemic levels: The work completed under the flagship rural job scheme MGNREGS in the first four months of this financial year exceeds the number of person-days recorded during the same period in 2019-20 by 13 crore, indicating that the employment situation remains significantly below pre-pandemic levels. *[The Economic Times]*



Industrial Finance

REC to fund Rs 45,000 crore for JN Port's expansion projects: The Maharana public sector non-bank lender REC has signed an agreement with the Jawaharlal Nehru Port Authority (JNPA) to finance up to Rs 45,000 crore for the nation's largest container port's various upcoming projects, which includes the development of the nearby VadHAVAN Port. *[The New Indian Express]*

Ultratech Cement raises \$500 million through sustainability-linked financing: UltraTech Cement on Monday raised \$500 million through a sustainability-linked loan with participation from six banks, announced the company in a stock exchange filing. *[The Economic Times]*

Shriram Finance plans to raise up to \$1.5 bn from overseas - CEO: Indian non-banking lender Shriram Finance plans to raise up to \$1.5 billion from the overseas market in the current fiscal year in a bid to diversify its borrowings. *[Business Standard]*

Tata Power Solar Systems, ICICI Bank partner to finance solar units: Tata Power Solar Systems Ltd (TPSSL) has signed an agreement with ICICI Bank to provide financing for solar units to residential and corporate customers. *[Business Standard]*

Financial institutions, fintech must swiftly adopt robust framework to capitalise new opportunities' - RBI Governor at Global Fintech Fest: In the Global Fintech Fest 2024, Das outlined key focus areas for the RBI, including financial inclusion, expanding digital public infrastructure (DPI), consumer protection, cybersecurity, sustainable finance, and global integration of financial services. *[Financial Express]*



Technology and Innovation

Information security spending in India to reach \$3.4 billion - Gartner: End-user spending on information security in India will reach \$3.4 billion in 2025, a 17.1 per cent increase over last year's projected spending of \$2.9 billion. *[Business Line]*

L&T Semiconductor, C-DAC sign pact to jointly work on indigenous chip tech: L&T Semiconductor Technologies has signed a memorandum of understanding with government-backed Centre for Development of Advanced Computing for jointly working to develop local chip technology and the ecosystem around it. *[Business Standard]*

Cheap AI bots rapidly expand across India, transforming tech landscape: Executives from Alphabet Inc.'s Google DeepMind, Microsoft Corp. and Meta Platforms Inc. joined tech founders in Bangalore to watch one of India's top AI startups unveil a new product that might change how the world's most populous country uses the technology. *[Business Standard]*

After UPI success, RBI looking at nationwide launch of Unified Lending Interface: After the success of UPI in the digital payments space, RBI is now looking at a nationwide launch of a technology platform to enable frictionless credit across various sectors, particularly for agriculture and MSME borrowers. *[Business Line]*

Govt invites proposals to set up e-commerce hubs: India on Friday released the draft modalities to setup e-commerce export hubs (ECEH) wherein small producers will be facilitated to sell to aggregators and then that aggregator will find markets to sell. *[The Economic Times]*

Chinese hackers breach Indian, US internet firms via startup - Lumen: The state-sponsored Chinese hacking campaign known as Volt Typhoon is exploiting a bug in a California-based startup to hack American and Indian internet companies. *[Business Standard]*

Digital transactions in India to grow threefold by 2028-29: Digital financial transactions will increase from 159 billion in 2023-24 to 481 billion by 2028-29 to mark a threefold growth. *[Business Standard]*

Govt plans repairability index for mobile electronics to tackle e-waste: India is planning a repairability index for mobile phones and electronic products to address the growing e-waste problem and encourage manufacturers to produce more easily repairable items. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

Approval for railway projects worth Rs 6.4k cr: The Cabinet Committee on Economic Affairs, chaired by Prime Minister Narendra Modi, Wednesday approved three railway projects with a total estimated cost of ₹6,456 crore. *[The Economic Times]*

USD 13 billion investments in space sector added USD 60 billion to India's GDP: India has invested nearly USD 13 billion in the space sector over the past decade which has contributed USD 60 billion to the GDP through direct, indirect and induced benefits. *[The Economic Times]*

Adani Ports to set up 2 projects in MP with Rs 3,500 cr investment: Adani Group firm APSEZ on Wednesday announced setting up a 2 million tonne capacity cement grinding unit in Guna and a propellant production facility at Shivpuri in Madhya Pradesh with a total investment of Rs 3,500 crore. *[Business Standard]*



Sustainable Industrialisation

India adds record 15 GW solar capacity during H1 2024 - Mercom: India added record solar installations at 15 gigawatt (GW) in the first half of the calendar year 2024, an increase of over 282% compared to the first half of 2023. *[Financial Express]*

Centre approves Rs 4,136 cr for 15 GW hydropower projects in Northeast: The Union Cabinet on Wednesday approved equity support of Rs 4,136 crore to northeast states for developing hydropower projects, totalling 15,000 MW capacity over the next eight years. *[Business Standard]*

Committed to advancing India's EV ecosystem, fostering local manufacturing: Union government is committed to advancing India's electric vehicle (EV) ecosystem, fostering local manufacturing and promoting sustainable growth. *[The Statesman]*

India on track to achieve Nationally Determined Contribution to mitigate climate change - Saraswat: NITI Aayog member V K Saraswat on Friday said India is on track to achieve its Nationally Determined Contribution (NDC) under the Paris Agreement and the country is committed to mitigating climate change. [*The Economic Times*]

Reliance aims to make Jamnagar the energy capital of the world; unveils big plans for its new energy biz: Mukesh Ambani, Chairman of Reliance Industries Limited, has announced that the company aims to make Jamnagar the energy capital of the world, with major plans for its new energy business including production of solar photovoltaic modules by year-end. [*The Economic Times*]

Indian Railways pacing towards net zero emissions - Railway Board: Indian Railways is rapidly progressing towards its goal of achieving net zero carbon emissions by 2030. [*Business Standard*]



Sectoral News

Global Real Estate Transparency Index 2024 - India ranks 31; UK leads list: Global property consultant JLL on Tuesday released its 'Global Real Estate Transparency Index, 2024', revealing that India has climbed to the 31st position, reflecting enhanced governance within the sector. [*Business Standard*]

Real estate companies have raised over ₹1 lakh crore in last 20 months: On a spending spree, real estate companies in India have raised over ₹1 lakh crore over the last 19-20 months with 92 per cent of it through debt issuances and there is over ₹28,000 crore in forthcoming issuances, as boom in the housing sector and steady cash flows have made them a better credit risk. [*Business Line*]

Coal production increases by 7% to 370.67 mn tonne in April-August: The country's coal production rose by 7.12 per cent to 370.67 million tonne from April to August 25, an official statement said on Tuesday. Coal production was 346.02 MT in the year-ago period. [*Business Standard*]

Travel and tourism sector posts 10.4% drop in deal activities; Which countries recorded highest drop: Travel and tourism recorded a 10.4 per cent YoY decline in deal activities during January to July 2024, stated a report by Global Data. [*Financial Express*]

India to hold more talks over import curbs on steelmaking raw material: India will hold wider consultations with steel companies before imposing curbs on imports of low ash metallurgical coke used in steelmaking. [*Business Standard*]

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