

# Industry Matters

Weekly Updates

September 06, 2024



## Economy, Industry and Policy

**Nomura lowers its FY25 GDP forecast for India to 6.7%:** Nomura lowered its FY25 economic growth forecast for India to 6.7% year-on-year from 6.9% after official data on Friday showed the country's gross domestic product (GDP) grew slower than expected on an annual basis in the April-June quarter. *[The Economic Times]*

**India becomes top weight in MSCI EM Index, surpassing China for first time:** India has surpassed China to become the top weight nation in the MSCI Emerging Market (EM) Investable Market Index (IMI) for the first time. *[Business Standard]*

**World Bank follows IMF. Revises India's FY25 GDP growth forecast to 7%:** The World Bank has raised its growth forecast for India's economy to 7 per cent for the current financial year (FY25), up from an earlier projection of 6.6 per cent. *[Business Standard]*

**India's services sector growth surges to 5-month high in August – PMI:** India's PMI climbed to 60.9 in August, up from July's 60.3, surpassing the preliminary estimate of 60.4. *[Business Standard]*

**Large global firms can help transform India:** While trying to understand how MSMEs can grow fast and create jobs – India's foremost economic challenge we came across a remarkable example. *[The Statesman]*

**India's eight core index grows by 6.1% in July:** The combined Index of Eight Core Industries (ICI) increased by 6.1% (provisional) in July 2024 as compared to the Index in July 2023, the Ministry of Commerce & Industry said. *[The Statesman]*

**India's manufacturing activity growth hits 3-mth low in Aug, shows PMI:** India's manufacturing activity growth eased to a three-month low in August as demand softened significantly, a private-sector survey showed on Monday, casting another shadow over the otherwise robust economic outlook. *[Business Standard]*

**Industrial corridors will transform manufacturing:** These corridors will create many direct and indirect jobs in multiple sectors. *[Business Line]*

**Centre okays Rs 14,000-crore for 7 new schemes to boost farmer income:** The Union Cabinet on Monday announced seven new schemes with a total outlay of nearly Rs 14,000 crore for the agriculture and allied sectors. *[Business Standard]*

**PLI incentive disbursements to be limited at 11% of the original outlay by end-FY2025:** In FY2022, the Government of India (GoI) had introduced the Production-Linked Incentive (PLI) scheme, followed by the Design-Linked Incentive (DLI) scheme, targeting 14 key sectors to enhance manufacturing and exports, reduce imports, and attract investment and technology. *[Financial Express]*

**Fundamental drivers of economy gaining momentum, India on sustainable growth path - RBI Governor Das:** Reserve Bank Governor Shaktikanta Das on Thursday (September 5, 2024) said the fundamental drivers of the Indian economy are gaining momentum and the country is moving on a sustainable growth path. *[The Hindu]*

**GST Council likely to consider relief for industries including IT, foreign airlines:** The GST Council is likely to consider relief to foreign airlines and shippers having offices in India. Similar relief is likely to be considered for Infosys and similar matters. *[Business Line]*

**India's forex reserves hit all-time high of \$681.69 billion, up \$7.02 billion as of August 23:** Breaking past record-highs, India's Forex reserves were up by \$7.02 billion to touch an all-time high of \$681 billion as of August 23, as per data released by the Reserve Bank of India on Friday. *[The Economic Times]*

**GST collections grow 10 per cent to Rs 1.75 lakh crore in August:** Goods and Services Tax (GST) collections in August went up by 10 per cent from the same period last year to Rs 1,74,962 crore, according to official statement of government. This growth was observed across all categories: Central GST (CGST), State GST (SGST), Integrated GST (IGST), and cess. *[The Economic Times]*

**India's growth prospects bright, but must avoid financialization - CEA V Anantha Nageswaran:** India is well-positioned for strong global economic growth, but the country must be cautious of financialization as it progresses towards becoming a developed nation by 2047. *[The Economic Times]*

**Interest equalisation scheme for exporters extended for another month:** The government has extended the interest equalisation scheme on pre- and post-shipment rupee export credit for one more month till September 30 to promote the country's outbound shipments. The scheme, which provides exporters interest benefits, ended on August 31. In June, it was extended for two months. *[Business Standard]*



## Foreign Investment

**Centre seeks larger role for states in FDI drive:** To foster competition among states to attract foreign investments, the Centre will ask them to ease access, minimise compliance, reform land and building norms, and improve power supply, and law and order, as better governance is seen vital for attracting investors. *[Financial Express]*

**Targeted reforms needed to attract more FDI:** The alarming dip in FDI needs to be reversed. Investors need a stable policy regime. *[Business Line]*

**Medium-term outlook for FDI inflows for India positive despite its share in global FDI declining gradually - India Ratings:** The medium-term outlook for foreign direct investments (FDI) inflows for India is positive despite its share in the global FDI, after peaking at 6.5 per cent in 2020, declining gradually to 2.1 per cent in 2023. *[Business Line]*

**ESG Funds in India - A pioneer of sustainable investment for a resilient future:** ESG funds in India, with a growing AUM of nearly ₹9,986 crore, are emerging as resilient investment options that prioritize sustainability, social responsibility, and strong governance. *[Financial Express]*

**FDI inflows jump 47.8% to USD 16.17 bn in Apr-June 2024 - Singapore:** Led by services, computer, telecom and pharma, foreign direct investment (FDI) equity inflows into India rose 47.8% on-year to \$ 16.17 billion in April-June this fiscal, data released by the Department for Promotion of Industry and Internal Trade (DPIIT) Tuesday showed. *[The Economic Times]*



## Trade Policy and Competitiveness

**Anti-dumping duty recommended on aluminium foil from China:** The Directorate General of Trade Remedies (DGTR) has recommended imposition of provisional anti-dumping duties on aluminium foil originating from China on the basis of a complaint by domestic producers led by Hindalco. *[Financial Express]*

**Supply chain and talent woes pose challenges to Indian semicon industry:** As Taiwanese semiconductor companies explore India as an alternative manufacturing hub amid rising geopolitical tensions, significant challenges hinder the realisation of this potential partnership. *[Business Standard]*

**India has trade surplus with 151 nations; deficit with 75 during Jan-June 2024 – GTRI:** India has recorded trade surplus with as many as 151 countries such as the US and Netherlands, while the country has a trade deficit with 75 nations including China and Russia during the first half of this year. *[The Economic Times]*

**India-Singapore ties will enable us to enhance economic cooperation:** India's engagement with members of the ASEAN region has grown multifold over time. While the region as a whole is extremely important, as highlighted by the sharp focus our government's 'Act East Policy' has brought in, our engagement with each individual country of the group brings out unique dimensions that add to the overall relationship. Let me today talk about Singapore, which is one of the most dynamic countries in this part of the world. *[The Economic Times]*



## Corporate Governance

**Reliance gets approval to set up manufacturing unit for ACC Battery storage under PLI:** Reliance Industries Limited has been granted approval to set up a battery manufacturing facility for up to 10 GW under the Rs 3,620 crore-Production Linked Incentives (PLI) scheme for ACC Battery Storage. *[Financial Express]*

**Indian corporate legal expenditure surge 17% to Rs 52,568 crore in FY24:** Legal expenses for Indian corporations surged by 17 per cent in the last financial year (FY24), driven by increased international deal activity, substantial costs related to dispute resolution, and higher compliance expenses, according to annual reports from the top 500 local companies. *[Business Standard]*

**Merger of NBFCs - Caspian Debt to merge with BlackSoil Capital:** Two of India's Non-banking Financial Companies (NBFCs), BlackSoil Capital, an alternative credit provider, and Caspian Impact Investments (Debt), an impact investment lender, on Thursday announced that they have received unanimous approval from their respective Boards of Directors to merge through a share swap. *[The Economic Times]*



## MSMEs and Start-ups

**31 Indian startups secured over \$466 million this week, 75 pc jump:** At least 31 homegrown startups raised more than \$466 million in 22 deals this week, a significant 75 per cent rise from last week. *[The Statesman]*

**Chinese import of goods like umbrellas, toys hurting Indian MSMEs – GTRI:** Increasing imports of goods such as umbrellas, toys, certain fabrics, and musical instruments are severely hurting MSMEs. *[Business Standard]*

**Mauritius invites Indian SMEs to get duty-free export benefit under AGOA:** Mauritius is inviting Indian Small and Medium Enterprises (SMEs) to set up their units in the island country to capitalise on duty-free export benefit under the African Growth and Opportunity Act (AGO). *[Business Standard]*



## Employment and Industrial Relations

**Labour income stagnated since 2019, primarily due to Covid and technological upgradation - ILO:** The International Labour Organisation Wednesday said that the labour income share has stagnated since 2019, due to Covid and technological upgradation, putting upward pressure on inequality and a large share of youth remains out of employment, education or training. *[The Economic Times]*

**Over 1,300 units operational under PLI scheme, generating 7-8 lakh jobs:** An estimated 1,300 units have been set up so far under the ambitious Production Linked Incentive (PLI) scheme, largely in sectors such as food processing, large-scale electronics, pharmaceuticals and medical devices, telecom, and drones. More than half of the units are already operational. *[Business Line]*

**Demand for work under MGNREGS drops for 10th consecutive month in August:** The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) saw a continued decline in work demand in August, marking the 10th consecutive month of fewer people seeking employment, according to a report by The Economic Times, based on data from the Ministry of Rural Development. *[Business Standard]*

**Pension - Employees' Pension Scheme subscribers could withdraw pension from any bank across India from January 1, 2025:** Labour and employment minister Mansukh Mandaviya on Wednesday approved the centralized pension payment system (CPPS) under the Employees' Pension Scheme, 1995, allowing 7.8 million EPS subscribers to withdraw pension from any bank and any branch across India, starting from January 1, 2025. *[The Economic Times]*



## Industrial Finance

**Financial sector carries a significant weight of responsibility on its shoulders - CEA Nageswaran:** Chief Economic Advisor to the Government of India V. Anantha Nageswaran on Monday (September 2, 2024) said that since the consequences of what happens in the financial sector reverberate throughout, therefore it carries a significant weight of responsibility on its shoulders. *[The Hindu]*

**Digital Bharat Nidhi to fund provisioning of telecom services in urban areas now:** The Digital Bharat Nidhi was formerly known as Universal Services Obligation Fund (USOF), which earlier supported the rollout of networks in rural and remote areas only. *[The Hindu]*

**UK-India sign new infrastructure financing bridge agreement in London:** A first-of-its-kind India-UK financing agreement to facilitate and unlock sustainable international investments into New Delhi's ambitious infrastructure projects was signed off in London on Wednesday, with a raft of national highways, rapid transport and renewable energy schemes set to benefit. *[Business Standard]*



## Technology and Innovation

**NBFCs may soon join technology credit wave on UPI-like innovation:** The Reserve Bank of India (RBI) may grant non-banking financial companies (NBFCs) access to the public tech platform for frictionless credit (PTPFC).

*[Business Standard]*

**Indian Inc spending more on upskilling employees, AI and Data Science among top choices:** Recognizing the importance of a skilled workforce, 58.5 per cent of organizations in India have allocated a portion of their Learning and Development budget for FY25 according to Great Learning's Workforce Skills Evolution Report.

*[Financial Express]*

**TCS expands partnership with Google Cloud to launch AI-powered cybersecurity solutions:** The partnership aims to strengthen cyber resilience for enterprises across industries and empower them with domain-focused innovation with cutting edge technologies from TCS and Google Cloud. *[Financial Express]*

**Introducing 'AI & Beyond' Created to Spread AI Literacy Across Industries** In a significant stride towards making Artificial Intelligence (AI) more accessible and understandable, Jaspreet Bindra, a leading authority on AI and Digital Transformation, has launched AI & Beyond. *[Business Standard]*

**India, Singapore sign MoUs related to digital technology, semiconductors:** India and Singapore signed four Memorandum of Understanding (MoU) in the fields of digital technologies, semiconductors, health cooperation and skill development, which will further strengthen the cooperation between the two nations.

*[The Hindu]*

**Germany's Infineon eyes entry into India's power semiconductor space:** German semiconductor giant Infineon is exploring entry into the power semiconductor space in the country. It is looking to make wafers and silicon carbide chips that are used in the electric vehicle (EV), industrial and telecom spaces. Top executives from the company met Minister of Electronics and IT Ashwini Vaishnaw in Delhi on Wednesday for discussions.

*[Business Standard]*

**Govt plans to launch central database for allied healthcare professionals:** The Union government is planning to launch a central register for allied and healthcare professionals soon. This will help it make a repository of qualified allied healthcare personnel across the country. *[Business Standard]*

**5G, 6G rollout will spur growth to become developed nation - DoT secretary:** After 5G, India is now gearing up for 6G rollout which will spur the growth that is required to achieve the developed nation status, Telecom Secretary Neeraj Mittal said on Wednesday. Mittal said that the government has replaced 150 years old Telegraph Act with a new Telecommunications Act which is expected to stand the test of time for the next 20-30 years. *[Business Standard]*



## Industrial Infrastructure, Clusters and SEZs

**Adani Ports acquires 80 pc stake in Astro Offshore for \$185 mn to boost marine portfolio:** Adani Ports and Special Economic Zone (APSEZ) on Friday announced its acquisition of an 80 per cent stake in global offshore support vessel operator Astro Offshore for \$185 million in an all-cash deal. *[The Statesman]*

**Cabinet approves seven agricultural projects worth Rs 13,966 crore:** To boost India's agricultural sector, the Union Cabinet approved seven major projects with a combined investment of Rs 13,966 crore. *[Business Standard]*

**Manmad-Indore railway line, key to Pithampura Industrial Area, approved by Cabinet for Rs 18,000:** The Union Cabinet chaired by Prime Minister Narendra Modi on Monday gave its green light for the Manmad-Indore 309 kilometre railway line with a total outlay of Rs 18,036 crore, boosting the industrial zone in the area. *[The Economic Times]*

**All-India house price index moderates to 3.3 pc in Q1 FY25 - RBI Data:** The all-India House Price Index (HPI) moderated to 3.3 per cent in the June quarter of 2024-25 from 5.1 per cent in the year-ago period, according to data released by the Reserve Bank of India on Friday. The RBI releases HPI-based on transaction-level data received from the registration authorities in 10 major cities. *[The Economic Times]*



## Sustainable Industrialisation

**Construction industry must focus on green tech for sustainable growth:** Urban development and construction is the source of almost 40 per cent of global carbon emissions. Increasingly, technology is coming to the aid of the construction industry under pressure to adopt sustainable practices. *[Business Standard]*

**Power firms look to ramp up pumped storage play; ReNew latest to enter space, other firms to beef up presence:** Renewable energies such as solar and wind, while clean and abundant, are intermittent. This variability creates challenges for maintaining a stable and reliable energy supply. *[Financial Express]*

**Kinetic Green announces foray into B2C 3 wheeler segment, eyes ₹10,000 crore revenue by 2030:** Kinetic Green Private Ltd., which manufactures electric two- and three-wheelers, on Wednesday, announced its foray into the business-to-customers (B2C) segment with the unveiling of a three-wheeler for passenger transport application. *[The Hindu]*



## Sectoral News

**India's hospitality sector attracts \$93 million investment in H1 of 2024:** The overall hotel investments from January to June of 2024 reached \$93 million, as per the JLL Hotel Investment Trends-India H1 2024 report. *[Business Standard]*

**Domestic CV industry's wholesale volumes to post nominal growth of 0-3% in FY25 - ICRA:** The domestic commercial vehicle (CV) industry's wholesale volumes is expected to witness a modest year-over-year (YoY) growth of 0- 3 percent in FY2025. *[Financial Express]*

**Steel firms may ward off import threat with higher tariffs; Minister says will ask finance ministry to raise duties to 10-12%:** Domestic teel prices have fallen to their lowest levels in over three years, largely due to shifts in the global markets. *[Financial Express]*

**India remains fastest growing paper market in world:** India remains the fastest-growing paper market in the world with domestic consumption of packaging paper and paperboard growing at 8.2 per cent in 2023-24, a report said on Wednesday. According to the report by Indian Paper Manufacturers Association (IPMA) for 2023-24, packaging paper & paperboard market is growing at an annual rate of 8.2 per cent in the country. *[The Economic Times]*

**Govt to set up SPV to push for aircraft manufacturing in India - Naidu:** The government will set up a special purpose vehicle to push ahead with plans to start manufacturing commercial aircraft in India, Civil Aviation Minister K Rammohan Naidu said on Wednesday as he highlighted the potential of the country's fast-growing aviation sector. [*Business Standard*]

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