

Industry Matters

Weekly Updates

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Economy, Industry and Policy

Strengthen industrial statistics to get a true picture of manufacturing: The government has been taking several policy initiatives to promote industrialization in India. Given this push, it is worth looking at the statistical apparatus with which we measure India's industrial sector. *[Mint]*

India has improved its fiscal credibility - Fitch: Global rating firm Fitch has said that India has improved its fiscal credibility. However, it cautioned on higher debt-to-GDP (Gross Domestic Product) ratio compared with similar sovereign rated countries. *[Business Line]*

Indian IT services industry to deliver 4-6% revenue growth in FY25- ICRA: The Indian IT services industry is likely to register a second consecutive year of muted revenue growth, estimated at 4-6 per cent in FY2025, but the operating profit margin is expected to be healthy, according to ICRA. *[Business Standard]*

Mixed growth signals, India's FY25 GDP may slow to 6.7% - Nomura: Nomura Tuesday forecast India's gross domestic product (GDP) growth to soften to 6.7% in FY25, below the Reserve Bank of India's forecast of 7.2% and downside risks to its FY26 GDP forecast of 7.2% as growth signals are currently mixed. *[The Economic Times]*

India to drive 20% of global economic growth in next decade- Amitabh Kant: India will be driving 20 per cent of the world's economic growth in the next decade as it continues its march to become the third largest economy globally, according to G20 Sherpa Amitabh Kant. *[Business Standard]*

India's forex reserves up \$2.3 billion to touch new high of \$683.9 billion: The record all-time high level of India's forex reserves will create external sector resilience and boost economy across sectors, said industry experts. Moving ahead, the country's substantial foreign exchange reserves will provide the RBI greater flexibility in monetary policy and currency management. *[The Statesman]*

India can still gain from China's manufacturing shift - WB economist: Countries like Vietnam and Bangladesh have capitalised on China's withdrawal from labour-intensive manufacturing, while India has not done so to the full extent. But it is not too late to put in place reforms and capitalise on all the opportunities arising from China's withdrawal. *[Business Line]*

India's private credit market hits \$6 billion in H1 2024, shows strong growth: India's private credit market demonstrated robust growth in the first half of 2024 (H1 CY2024), with total investments amounting to USD 6 billion, according to EY report. *[Business Line]*

Govt gets investment proposals worth Rs 75,000 cr under auto PLI scheme - HD Kumaraswamy: The government has received investment proposals worth around Rs 75,000 crore under the auto PLI scheme of which close to Rs 18,000 crore has already been invested. *[The Economic Times]*

Auto industry hits Rs 20 trn in FY24; contributes 14-15% to total GST- SIAM: The Indian automotive industry has crossed Rs 20 lakh crore mark in FY24 and now contributes 14-15 per cent of the total GST collected in the country, Siam President Vinod Aggarwal said on Monday. The auto sector also contributes significantly to the direct and indirect employment generation in the country. *[Business Standard]*

India's bid to match rival China's factory heft gets a reality check: India's push to become a factory titan has hit a snag: to become a credible alternative to China for global firms, it first needs to warm up to its long-time rival. *[Business Standard]*

India - A Strategic and reliable partner for mediterranean economies: As global economic dynamics shift, India is positioning itself as a pivotal and reliable partner for Mediterranean economies, offering opportunities for growth, collaboration, and development across a range of sectors. *[Financial Express]*

Circularity of critical minerals for India's clean energy transition: As the global race for critical minerals picks up, India is poised to play a pivotal role in critical mineral supply chains. The Budget 2024 introduced a gamut of policy measures, including the Critical Minerals Mission, aimed at promoting domestic mineral exploration, mining, and production in India. *[Business Standard]*

India should build manufacturing economy greener than China's - Tata Steel CEO Narendran: India should build a manufacturing economy which is greener than China's, with a holistic approach that involves both the government and the private sector, *[The Economic Times]*

Govt launches digital platform to ease exports: The ministry of commerce and industry on Wednesday launched an online platform that pools in information on foreign trade from diverse sources to guide the existing and aspiring exporters on the opportunities available in the international market and how to capture them. *[Financial Express]*



Foreign Investment

Maharashtra tops in attracting highest FDI worth Rs 70,795 cr in Q1FY25: According to the Department for Promotion of Industry and Internal Trade (DPIIT), Maharashtra continues to maintain a number one slot among other states as it has received the FDI of Rs 70,795 crore in the first quarter of April to June 2024-25. *[The Statesman]*

India expected to see strong FDI inflows in coming quarters: With foreign direct investments (FDI) growing 47.8 per cent to \$16.17 billion during April-June 2024, India is expected to see further acceleration in the inflow on account of a potential Fed rate cut, modest growth outlook in the US, and the country's favourable economic outlook. *[Business Standard]*

"We want to double our funds in India..." - Singapore's business leader after PM Modi's roundtable meet: CapitaLand Investment's Group CEO, Lee Chee Koon, has expressed confidence in India's growth prospects, citing the country's stable government, steady reforms and stated that the company aims to more than double its funds in India in the next few years. *[The Economic Times]*



Trade Policy and Competitiveness

Companies to roll out Rs 1.2 trillion EV, chip projects in Maharashtra: As Maharashtra heads for Assembly elections later this year, the government on Friday approved projects worth Rs 1.2 trillion that are set to create over 14,800 jobs in the state. These investments are coming from auto makers Skoda Volkswagen, and Toyota Kirloskar Motor. They are for the development of hybrids and electric vehicles (EVs). *[Business Standard]*

India's GCC boom - Fortune 500, mid-sized firms expand with new operations: India's increasing appeal as a destination for global capability centres (GCCs) is drawing interest from both Fortune 500 giants and numerous smaller and mid-sized companies. These organisations are eager to establish operations in India to capitalise on the country's cost advantages, skilled workforce, and stable business climate. *[Business Standard]*

India, US announce partnership to diversify global semiconductor ecosystem: The initial phase of the partnership includes a comprehensive assessment of India's existing semiconductor ecosystem and regulatory framework, as well as workforce and infrastructure needs. *[The Statesman]*

Trade part of solution but not enough for inclusive global economy- WTO: Trade is part of the solution for a more resilient and inclusive global economy, but trade alone may not be enough, per 'World Trade Report 2024' released by the WTO. *[Business Line]*

Auto component sector to reach \$100 bn export target by 2030 - Piyush Goyal: Goyal said that as India is progressing to become the third largest economy in the world in terms of Gross Domestic Product (GDP), the auto sector must also strive to become the world leader from currently being the third largest auto market in the world. *[The Statesman]*

India and Costa Rica Forge Strategic Pathways - Unlocking New Trade and Investment Opportunities Across Key Sectors: The bilateral relationship between Costa Rica and India is undergoing a significant transformation, with a steady growth in trade and investment across multiple sectors. As global economies look towards diversification, Costa Rica has emerged as a strategic partner for India in Central America, offering opportunities in sectors ranging from medical devices and biotechnology to renewable energy and tourism. *[Financial Express]*

Agrochemicals export likely to touch Rs 80,000 cr in 4 yrs - ACFI-EY: India's agrochemical exports could increase to over Rs 80,000 crore in the next four years provided the industry is facilitated with conducive environment. *[Business Standard]*

India backs Rules of Origin in auto sector under India, UK trade pact: India is insisting on strict adherence to the Rules of Origin' during free trade agreement (FTA) negotiations with the UK in the automobile sector, Commerce Secretary Sunil Barthwal on Tuesday said. *[Business Standard]*



Corporate Governance

NIIF gets CCI's clearance to acquire additional stake in Ather Energy: The Competition Commission of India has approved the National Investment and Infrastructure Fund's (NIIF) proposal to acquire an additional stake in Ather Energy. The deal was cleared by the competition watchdog under the green channel route. *[The Economic Times]*

HP to sign pact with Dixon's Padget to make PCs in India under PLI 2.0: PC maker HP India is set to sign an agreement with electronics contract manufacturer Dixon Technologies' subsidiary Padget Electronics to make the company's notebooks, desktops and all-in-one PCs under the PLI 2.0 scheme in India. *[Business Standard]*

Centre expands CCI's deal scrutiny window via new 'deal value threshold' provision: The revamped merger control regime as envisaged under the Competition (Amendment) Act 2023 is now a reality with the Corporate Affairs Ministry (MCA). The MCA has now overhauled the merger control regime in India by implementing the much-awaited 'deal value threshold' provision that would bring certain M&A deals within the scope of prior CCI approval. *[Business Line]*

Corporate bond issuances fall 22% in August as firms await Fed rate cut: Corporate bond issuances fell by around 22 per cent in August, despite easing yields, as issuers delayed raising funds while awaiting the US Federal Reserve's (Fed's) likely interest rate cuts starting this month. Corporates and financial institutions expect further declines in yields and reduced borrowing costs, according to market participants. *[Business Standard]*

Tata, Reliance, Adani - Corporate India's top 6 go long on profit, short on jobs: Listed entities of India Inc's top six groups are closing in fast on a significant milestone — Rs 100 lakh crore in market capitalisation (Rs 99.2 lakh crore as of September 10). They have been growing steadily in key metrics like revenues and profits as well. In FY24, the revenues of these groups grew 7.3%, profits by an impressive 22.3%, and market capitalisation by an astounding 43.8%. *[Financial Express]*

M&A deal value of over Rs 2,000 crore comes under Competition Act: The much-anticipated provision of the deal value threshold (DVT) under the Competition Amendment Act 2023, notified on Monday, seeks to capture mergers and acquisitions (M&As) where the deal value exceeds Rs 2,000 crore or where the target company has substantial business operations in India. *[Business Standard]*



MSMEs and Start-ups

Govt's 59-min MSME loan scheme sees flat growth - Govt data: The scheme, facilitated by the digital lending platform Online PSB Loans, enables in-principle bank approval for collateral-free term loans or working capital loans to MSMEs from Rs 10 lakh to Rs 5 crore in 59 minutes. *[Financial Express]*

Indian startups raise more than \$348 million funding this week: The Indian startup ecosystem raised more than \$348 million in funding this week, as the growth momentum for the industry continued for a second consecutive week. *[The Statesman]*

New safety regulations for machinery and electrical equipment to affect MSMEs - GTRI: The new safety regulations for machinery and electrical equipment issued by the government will affect domestic production by the MSME segment and delay the import of essential equipment. *[The Economic Times]*



Employment and Industrial Relations

EPFO Rules - You face 30% tax on PF withdrawals over Rs 50,000 in THIS scenario: Under the EPF scheme, the employee contributes 12% of their basic pay, and the employer matches this contribution. The employer's EPF contribution is divided into two parts: 8.33% goes to the pension scheme, and 3.67% goes to the EPF corpus. *[Financial Express]*

Indian employers most bullish globally on Oct-Dec quarter hiring - Survey: Corporate India reported the strongest hiring sentiments globally for the next three months, with 37 per cent of employers planning to increase their staff strength as businesses are bullish about the country's economic position. *[Business Standard]*

Is the drop in MGNREGA work demand a sign of improving rural job markets?: Demand for work under the flagship Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) slumped in August. Data shows that in August 2024, around 16.6 million households sought work under the scheme, the lowest monthly demand since October 2022. *[Business Standard]*

India to host 2,200 GCCs by 2030, generating 2.8 million jobs: India is on track to host 2,100-2,200 global capability centres (GCCs), creating 2.5-2.8 million jobs by 2030, said a Zinnov-Nasscom India GCC Landscape report. Currently, the country has 1,700 GCCs employing 1.9 million professionals. *[Business Line]*

Samsung plans global job cuts of up to 30% in some divisions: Samsung Electronics, the world's top maker of smartphones, TVs and memory chips, is cutting up to 30 per cent of its overseas staff at some divisions. *[Business Standard]*



Industrial Finance

Shriram Finance plans to raise \$1 bn from overseas in next 6 months: NBFC Shriram Finance plans to raise USD 1 billion (about Rs 8,300 crore) from overseas in the next 6 months to fund its business growth. "We are planning to raise USD 300 million in the next few weeks, may be by October and rest USD 500-700 million during the remaining part of the current financial year. *[The Economic Times]*

Govt aims to extend additional Rs 5 trn via credit guarantees in 2 years: The government aims to ramp up credit guarantees extended to micro and small enterprises through the CGTMSE scheme by another Rs 5 lakh crore in the next two years. According to Rajneesh, Additional Secretary and Development Commissioner (Micro Small and Medium Enterprises), credit guarantees worth of Rs 4 lakh crore were extended in the last two years via the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE). *[Business Standard]*

Credit growth outpacing deposit growth could lead to liquidity challenges: Credit growth is surpassing deposit growth, posing potential liquidity challenges for banks, according to a FICCI-IBA report. *[The Economic Times]*



Technology and Innovation

India has capability to become trusted partner in diversified semiconductor supply chain - PM Modi: Prime Minister Narendra Modi highlighted India's potential in the semiconductor sector, assuring a stable policy regime. He emphasized technology's role in welfare and India's readiness to be a trusted partner in the global supply chain. *[The Economic Times]*

Investment worth \$30 billion likely in semiconductor space in 4 years: It could be the coming of age for India in the global semiconductor field. With new projects being announced, under discussion, and even cleared this week, India, according to industry estimates, could see an investment of around \$30 billion in this space in the next two to four years. *[Business Standard]*

Apple supplier Jabil to set up Rs 2,000 crore mfg unit in Tiruchirapall: Jabil Inc, an American multinational contract manufacturer for Apple, will set up an electronics manufacturing facility in Tiruchirapalli, Tamil Nadu, with an investment of Rs 2,000 crore, creating 5,000 jobs. *[Business Standard]*

IT policy set to roll in by year-end with focus on GCC, jobs, research: More than a decade after the National Policy on Information Technology (NPIT 2012) was introduced, the Union government is readying a new policy with changed goals and benchmarks. The policy is expected to be finalised by the end of this year, according to official sources. *[Business Standard]*

Aspiring for 10 semiconductor manufacturing plants in 10 yrs - ISM CEO: India aspires to have 10 semiconductor manufacturing plants in 10 years but the nature of support from the government may vary based on the development in the industry. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

New liner service to connect Red Sea's Jeddah Port to India's Mundra, Nhava Sheva: Folk Maritime Services Company has launched a new liner service connecting Jeddah Islamic Port in the Red Sea to India's Mundra and Nhava Sheva ports. This 10-day service, starting in September, aims to strengthen trade ties between Saudi Arabia and India by facilitating the movement of consumer cargo and petrochemicals. *[The Economic Times]*

Cabinet approves Rs 12,461 cr support for 31,350 MW hydropower projects: The Union Cabinet on Wednesday **approved** a Rs 12,461 crore outlay to support the development of 31,350 MW hydropower projects to be implemented over the next eight years. *[Business Standard]*

Rural Development Ministry approves construction of roads in three states under central schemes: The Rural Development Ministry on Wednesday approved the construction of roads in three states under various central schemes, officials said on Wednesday. The projects approved by Rural Development Minister Shivraj Singh Chouhan on Wednesday include the construction of 60 roads of 152.44 km in Madhya Pradesh, 117 roads of 745.286 km in Maharashtra and 11 bridges in Kerala, they said. *[The Economic Times]*

238 cos completed formalities for Rs 36,000 cr investment - Bihar minister: At least 238 companies have completed all formalities **for** a combined investment of Rs 36,000 crore, making Bihar one of the leading states in terms of the realisation of business proposals. *[Business Standard]*



Sustainable Industrialisation

Govt approves Rs 10,900 cr PM E-DRIVE scheme to push electric mobility: The Union Cabinet on Wednesday approved the PM E-DRIVE Scheme with an outlay of Rs 10,900 crore for two years to boost adoption of **electric** vehicles in India, replacing the flagship FAME programme that ran for nine years till March. *[Business Standard]*

Cabinet allocates Rs 12,461 crore for revised hydro projects scheme: In a bid to promote infrastructure around hydro power projects, the Union Cabinet on Wednesday modified its existing scheme and allocated Rs 12,461 crore for the same. *[Business Standard]*

Allow natural growth of India's E-vehicle sector to avoid becoming EV colony for China - GTRI: The **government** should allow the domestic electric vehicle sector to grow naturally without relying on incentives as it would avoid India becoming an 'EV colony' for China, think tank GTRI said on Friday. India faces unique challenges not faced by other countries in adopting EVs (electric vehicles) at large scale, it added. *[The Pioneer]*

ReNew seeks funding for solar gear business: ReNew Energy Global Plc is exploring multiple options to raise funds for its **solar** gear manufacturing business, including inducting investors. The aim would be to list the business in the next year or two, to cash in on the wave of investor optimism for new energy companies in India, according to people with knowledge of the matter. *[The Economic Times]*

EV subsidy scheme EMPS to be extended until FAME III is implemented, says heavy industries minister Kumaraswamy: Union heavy industries minister H D Kumaraswamy reiterated that the third phase of the Faster Adoption and Manufacturing of **Electric** (and Hybrid) vehicles - FAME-III - may be announced in two months, reassuring the country's electric vehicle makers that subsidies would continue to be provided for the growth of the sector. *[Mint]*

JSW Neo Energy receives LoA for 600 MW wind-solar hybrid power project from MSEDCL (Phase – IV): JSW Energy on Tuesday announced that its wholly owned subsidiary, JSW Neo Energy Limited (JSW Neo) has received a Letter of Award (LoA) for 600 MW of Wind-**Solar** Hybrid Power Project including 400 MW allotted under green shoe option from Maharashtra State Electricity Distribution Company Limited (MSEDCL) against MSEDCL – Phase IV. *[Financial Express]*

Automobile industry hails PM e-DRIVE scheme to promote EVs: The Society of Indian Automobile Manufacturers (SIAM) and big auto players have hailed the Cabinet decision of PM e-DRIVE schemes aimed at promoting electric mobility across the country. The Rs 10,900 crore scheme will support 2,479,000 electric 2-wheelers, 316,000 electric 3-wheelers and 14,028 electric buses, along with 88,500 EV charging sites. *[The Economic Times]*



Sectoral News

India's technical textile industry to cross USD 10 bn target set for 2030 - Giriraj Singh: Union Minister of Textiles, Giriraj Singh on Friday asserted that India's technical textile industry will cross the target of USD 10 billion set for 2030. *[The Statesman]*

Govt notifies uniform marketing code for medical devices industry: The government has notified a uniform code for marketing practices for the medical device industry in order to curb unethical practices. *[Business Standard]*

Two-wheeler and tractor segments to lead India's auto growth with 14% and 10% CAGR - Jefferies: Domestic auto sector is poised for strong growth, particularly in the two-wheeler (2W) and tractor segments. Over FY24-27 (estimated), these two segments are expected to outpace the broader industry with compound annual growth rates (CAGR) of 14 per cent and 10 per cent, respectively, according to Jefferies report. *[Business Line]*

Domestic steel consumption likely to see 9-10% growth in FY25 - ICRA: The demand for steel was robust in the first quarter of the ongoing financial year with consumption growing at a rate of 15 per cent on a year-on-year basis amidst competitively priced imports. *[Business Standard]*

Need innovation-driven value creation in biotech - Kiran Mazumdar Shaw: Biocon Chairperson Kiran Mazumdar-Shaw on Thursday called for more investment in research and development to drive innovation and foster culture of intellectual property. She highlighted how the country, already the world's largest exporter of generics and a major player in vaccine production, can achieve greater value by nurturing innovation. *[Business Standard]*

India's power sector to rise 2.2 times to \$280 billion by FY30: The power generation and transmission sectors are projected to rise 2.2 times to USD 280 billion between FY24 and FY30 compared to FY17-23. The American firm noted that the power intensity will be essential to sustain the economy's growth, as the GDP is expanding at a rapid pace. *[Business Line]*

Trai, DoT jointly disconnect over 10 million mobile phone connection: Telecom regulator Trai and the Department of Telecom have jointly disconnected over 10 mn mobile connections to check pesky callers and fraudsters. *[Business Standard]*

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