

# Industry Matters

Weekly Updates

September 27, 2024



## Economy, Industry and Policy

**Private sector will have to invest more to keep growth momentum of India - S&P:** India's private sector will have to shoulder more investment responsibility for the country's growth because India's fiscal settings are constrained and the government might not be able to provide as much financial support as before. *[The Economic Times]*

**S&P retains India's growth forecast at 6.8%, expects RBI to cut rates in Oct:** S&P Global Ratings on Tuesday retained India's growth forecast at 6.8 per cent for the current fiscal and said it expects the RBI to start cutting interest rates in its October monetary policy review. *[The Economic Times]*

**ADB retains India's growth forecast at 7%; govt spending, agriculture to boost economy:** The Asian Development Bank (ADB) on Wednesday retained India's growth forecast for the current fiscal at 7 per cent and said that the economy is expected to accelerate in the coming quarters on improved farm output, and higher Government spending. *[The Economic Times]*

**India to clock 7% growth in FY25 despite headwinds - Deloitte:** India continues to be a bright spot in an otherwise gloomy global outlook and the country could clock a 7 per cent growth in the current fiscal despite the headwinds. *[The Economic Times]*

**'Under a strong leadership, India can hit \$7-trillion target by 2030' - JPMorgan CEO Jamie Dimon:** India's goal to become a \$7-trillion economy by 2030 is achievable, says JPMorgan CEO Jamie Dimon. With Prime Minister Modi's strong leadership and infrastructure initiatives, multinationals are investing in advanced manufacturing. *[The Economic Times]*

**Business activity at 9-month low in Sept as demand eases:** Slower manufacturing and services business activity in September pulled down India's overall private sector economy to a nine-month low, even as employment continued to rise amid improved business confidence. *[The Economic Times]*

**GST 2.0 will further ease tax compliances and boost economic growth:** Goods and Services Tax (GST) is one of the major economic reforms in the last decade in India which replaced the Value Added Tax (VAT) system. It paved the way for economic growth, lower logistics costs, and ease of doing for business. *[The Statesman]*

**PM reaffirms commitment to make India 3rd largest global economy during his third term:** Prime Minister Narendra Modi has expressed his government's resolve to make India the third-largest economy in the world during his third term. *[The Statesman]*

**India has the potential to become \$10 trillion economy by 2032:** Driven by strong GDP growth and robust manufacturing and emphasis on building infrastructure, India is on its way to becoming the third largest economy soon and has the potential to add \$1 trillion to its GDP every 1.5 years to reach the \$10 trillion economy mark by 2032. *[The Statesman]*

**Private sector in driver's seat of Indian economy, steering nation- Rajnath:** Defence Minister Rajnath Singh on Monday said the role of the private sector is becoming increasingly prominent in nearly every area of the Indian economy and it is steering the nation's economic progress. *[Business Standard]*

**Govt envisages Rs 9.15 lakh crore investments in power transmission by 2032:** The government is expecting investments to the tune of Rs 9.15 lakh crore in the central and state transmission systems by 2032, as part of the revised National Electricity Plan. *[Financial Express]*

**India picks 300 law points and sections to likely decriminalise for next manufacturing push:** The Indian government has identified 300 legal points for potential decriminalisation to reduce compliance burdens, aiming to boost the manufacturing sector under Jan Vishwas 2.0. *[The Economic Times]*

**Economists call on MoSPI to reduce time lag for release of GDP data:** Economists have suggested the Ministry of Statistics and Programme Implementation (MOSPI) to reduce the time lag for release of macroeconomic data like GDP, as this is a key factor for investment, business and policy decisions. *[Business Standard]*

**11.3 crore new households will have an annual income of over Rs 30 lakh by FY31- U Grow:** The number of Indian households with an annual income of more than Rs 30 lakhs per annum will increase by 11.3 crores by the financial year 2031, according to a report by U Grow Capital. *[The Economic Times]*

**Make-in-India doesn't need help from the Chinese dragon to roar:** India's manufacturing growth is driven by its own strengths, not a China Plus One strategy, Commerce Minister Piyush Goyal said. The Make in India initiative aims to boost domestic manufacturing and create jobs. *[Economic Times]*

**MGNREGS unlikely to see higher allocations in FY25 with improvement in rural economy:** The national rural job guarantee scheme that gives millions of the poorest Indians employment is unlikely to see a higher allocation in FY25, citing government hopes of an improvement in the rural economy this year on the back of better rains. *[Mint]*

**India's private debt market to top \$18 bn in 2024 as economy grows:** India's private debt market will have more than \$18 billion in assets under management (AUM) by the end of 2024, according to a report by Preqin, an investment data company. *[Business Standard]*

**India's manufacturing incentives progress amid efforts to cut China imports:** India's production-linked incentive scheme has attracted over \$17 bn in investments since its 2020 launch, boosting domestic manufacturing across 14 sectors. *[Economic Times]*

**PLI investment in mobiles, production surpasses target- IT secretary:** Investment in mobile phone manufacturing under the PLI scheme as well as production has surpassed the targets, Electronics and IT Secretary S Krishnan said. *[Business Standard]*



## Foreign Investment

**Foreign investors inject nearly Rs 33,700 crore into equities in Sept:** Foreign investors have injected close to Rs 33,700 crore in domestic equities so far in September, according to data available with the depositories. This is primarily due to the interest rate cut in the US and the resilience of the Indian market. *[The Statesman]*

**Targeting annual FDI inflows of \$100 b through 'Make in India' programme- DPIIT Secy:** India is targeting annual foreign direct investment (FDI) inflows of \$100 billion, up from a current average of \$70-80 billion, in step with the thrust towards the 'Make in India' programme. *[Business Line]*

**FDI in I&B sector falls 31% in Q1; Walt Disney tops with ₹2.8k-crore investment:** The information and broadcasting (I&B) sector attracted foreign direct investment (FDI) worth ₹3,374 crore during the first quarter of this financial year, marking a 31% decline from ₹4,893 crore received a year ago. *[The Economic Times]*

**US, Singapore lead FPI flows into India in CY24:** The bulk of net inflows from foreign portfolio investors (FPIs) into India this year has come from the US and Singapore. *[Business Line]*

**Hindustan Zinc stake sale - Govt holds roadshows in India and abroad:** The government has conducted several roadshows in the last 15 days in financial capitals like Mumbai, London, Boston and New York to assess the market and meet investors for sale of its stake in Vedanta Group firm Hindustan Zinc Ltd. *[The Economic Times]*



## Trade Policy and Competitiveness

**IPEF identifies semiconductors, minerals, batteries as critical sectors:** The United States (US) 14-member plurilateral group initiated by the Indo-Pacific Economic Framework (IPEF) for Prosperity has identified semiconductors, critical minerals, batteries, and chemicals as critical sectors under its supply chain resilience agreement signed earlier this year. *[Business Standard]*

**Medical gear makers up in arms against zero-duty imports under EU FTA:** The medical devices lobby has written to the Department of Pharmaceuticals (DoP), opposing the import of medical devices at zero duty under the EU-India FTA. *[Business Standard]*

**Centre starts talks for retaliatory measures against EU steel tariff:** The department of commerce has started intense consultations with relevant government departments and ministries to finalise products from the European Union (EU) that will attract higher import duty — as part of India's retaliatory measures against the trade bloc's steel tariff. *[Business Standard]*

**Ficci pegs illicit trade at near Rs 8 lakh crore in 5 key sectors:** Industry body Ficci has called for strict punishment and better surveillance to deal with the illicit trade, which is pegged at Rs 7.97 lakh crore a year for five key sectors including apparel and fast-moving consumer goods. *[The Economic Times]*

**Top exporters body seeks 5 yrs for export credit scheme:** Apex exporters body Federation of Indian Export Organisations (FIEO) has urged the government to extend the benefits under a key export promotion scheme for five years to help increase credit flow in the sector amid goods exports registering a 13-month fall of 9.3% in August. *[The Economic Times]*

**Import approval system for IT hardware products extended till December 31:** India on Tuesday extended the existing import management system (IMS) for certain IT hardware products such as personal computers, laptops and tablets by three months till December 31, 2024. *[The Economic Times]*

**Export of gems and jewellery drops over 18% in August amid global consumption slowdown:** The exports of gems and jewellery from India in August witnessed a decline of 18.79 per cent to USD 2012.51 million as compared to USD 2478.23 million for the same period last year. *[The Economic Times]*

**India's coal import rises 41% to 25.23 MT in July, shows data:** India's coal import rose by 40.56 per cent to 25.23 million tonne (MT) in July, according to data compiled by B2B e-commerce platform mjunction services. The country's coal import was 17.95 MT in the corresponding month of previous fiscal. *[The Economic Times]*

**India, Myanmar discuss ways to promote trade through local currencies:** India and Myanmar on Saturday discussed ways to promote bilateral trade through their local currencies rupee and kyat. *[The Economic Times]*

**India, Korea discuss upgrading of existing trade pact; promoting investments:** India and Korea on Saturday held discussions on upgrading the existing free trade agreement, balancing two-way commerce and promoting investments between the two countries. *[The Economic Times]*



## Corporate Governance

**CCI's latest merger overhaul may push deal timelines, increase filings:** The latest combination regulations have transformed the current merger landscape in India, bringing within their purview a deal value threshold and criteria for substantial business operations in India in what experts have termed the "single largest overhaul of the Indian merger control regime." *[Business Standard]*

**CCI nod For TVS Holdings' majority stake buy in Home Credit India:** Competition Commission of India (CCI) on Tuesday said that it has approved the acquisition of shares of Home Credit India by TVS Holdings and Premji Invest. *[Business Line]*

**Fake registration drive - GST officers detect 10,700 bogus firms, over Rs 10k cr evasion:** Tax officers have detected around 10,700 fake registrations under the GST, involving evasion of Rs 10,179 crore in the ongoing all-India drive against fake companies set up to defraud the exchequer. *[The Economic Times]*

**SeQuent Scientific and Viyash Lifesciences announce strategic merger:** SeQuent Scientific, a player in the global animal health industry, and Viyash Lifesciences, an integrated pharmaceutical company, have announced a strategic merger to form a global leader in animal healthcare. *[Business Standard]*



## MSMEs and Start-ups

**Govt makes Rs 19,000 crore purchase from micro, small enterprises in H1 FY25:** According to the public procurement policy, CPSEs are mandated to procure a minimum of 25 per cent of their total annual purchases of products and/or services from MSEs. *[Financial Express]*

**Indian startup funding dips 7% to \$7.6 billion in first nine months of 2024:** Funding among Indian startups declined by a marginal 7 per cent in the first nine months of 2024 to \$7.6 billion from \$8.2 billion during the same period last year. *[Business Standard]*



## Employment and Industrial Relations

**Working-age Indian population rising; expected at around 64% in next census - SBI Research:** The working-age population in India has witnessed an increasing trend since 1971 and is projected to reach 64.4 per cent in the soon-to-be exercised Census. *[The Economic Times]*

**EPFO records highest-ever payroll addition in July with 19.94 lakh net members:** Employees' Provident Fund Organisation (EPFO) added 19.94 lakh net members in July 2024, marking the highest recorded increase since payroll data tracking began in April 2018, government data said on Monday. *[The Statesman]*

**Jobless rate stagnates at 3.2% in July 2023-June 2024, shows PLFS data:** After witnessing a decline for five consecutive years, India's unemployment rate stagnated at 3.2 per cent in July-June 2023-24, thus reflecting deterioration in labour markets, according to the latest annual Periodic Labour Force Survey (PLFS) report. *[Business Standard]*

**1.99 million formal jobs created under EPFO in July; highest monthly addition ever - Labour minister Mansukh Mandaviya:** Net formal job creation under the Employees' Provident Fund Organisation (EPFO) stood at 1.99 million in July 2024, the highest ever monthly addition, on the back of huge capex push and the production linked incentive scheme. *[The Economic Times]*



## Industrial Finance

**Bid to promote green funding: Centre reviews proposals to promote transition finance:** The government is considering recommendations to promote transition finance for high carbon-emitting industries. A proposed fund by state-run financial institutions aims to help smaller companies scale up green operations with lower-cost credit. *[Economic Times]*

**Shriram Finance raises \$500 million from investors via USD Social Bonds:** Shriram Finance has raised \$500 million from global investors through issuance of fixed rate, senior secured social USD notes at a coupon of 6.15 per cent. *[Business Standard]*

**Fintech loan disbursements decline in volume and value in Q1FY25:** For the first time in over four quarters, the volume and value of credit disbursements among fintech companies declined marginally on a quarter-on-quarter (Q-o-Q) basis. *[Business Standard]*

**NBFCs' loan growth to moderate to 18% in FY25 - S&P Global Ratings:** Reflecting the cumulative impact of Reserve Bank of India's (RBI's) actions, loan growth of rated finance companies in India will moderate to 18 per cent during the current financial year (FY25) from 20 per cent in FY24. *[Business Standard]*



## Technology and Innovation

**The fab game - Meity timeline for commercial chip production in the works:** The Ministry of Electronics and Information Technology (Meity) is finalising a timeline for the commercial production of semiconductor wafers and chips from projects already approved by the government. *[Business Standard]*

**Foxconn, Stellantis JV set up R&D for auto semiconductors tech in India:** Foxconn-backed automotive technology company Silicon Auto has set up its research and development centre in Bengaluru which will focus on semiconductor product design and system-on-chip development for the automotive sector. *[Business Standard]*

**Airtel announces AI-powered spam detection system based on 250 parameters:** Bharti Airtel on Wednesday announced a network-based solution that will use artificial intelligence (AI) and 250 parameters to detect spam calls and messages for the telecom company's customers. *[Business Standard]*



**AI adoption will continue to accelerate in India, says IBM's Sandip Patel:** Highlighting the digital and artificial intelligence (AI) adoption in the country, IBM India head Sandip Patel said India is witnessing a digital renaissance as the country leads in the adoption of AI. *[Business Standard]*



## Industrial Infrastructure, Clusters and SEZs

**Indian real estate to grow to \$10 trillion market by 2047- Report:** The Indian real estate sector received institutional investments, largely from foreign players, of over \$60 billion in the last decade, according to a report by Colliers and the Confederation of Real Estate Developers' Associations of India (Credai). *[Business Standard]*

**Biz potential worth Rs 2 lakh cr for completion of interlinking river projects- ICRA:** Business opportunities worth Rs 2 lakh crore are expected for EPC players over the next decade with four priority interlinking river projects. The National Water Development Agency has identified 30 ILR projects, with significant funding from the Government of India and state governments. *[The Economic Times]*

**India sets a ₹9.15 lakh crore blueprint for power sector to meet 458 GW demand by 2032:** India's Ministry of Power has unveiled a ₹9.15 lakh crore National Electricity Plan for 2023-2032 to enhance the power grid and energy security. The plan aims to expand the transmission network and integrate renewable energy sources, targeting a peak demand of 458 GW by 2032. *[The Economic Times]*



## Sustainable Industrialisation

**India identified among top 3 in setting, reducing carbon emission targets:** India has been identified as one of the top three countries in reporting, setting targets, and reducing carbon emissions. The country ranked behind only China and Brazil. However, despite this achievement, overall global progress remains slow. *[The Statesman]*

**India focused on urban infrastructure, e-mobility, and renewable energy for growth - FM Sitharaman:** Finance Minister Nirmala Sitharaman emphasized the need for sustainable infrastructure amid climate change and geopolitical tensions. She urged AIIB to support countries facing debt burdens and highlighted India's focus on urban infrastructure, e-mobility, and renewable energy as key growth drivers. *[The Economic Times]*

**India likely to add 23 GW solar power capacity in 2024:** Solar power capacity addition in India, the world's fourth largest renewable energy market, is expected to grow at a healthy 77 per cent Y-o-Y to 23 gigawatts (GW) in the current calendar year. *[Business Line]*

**BluPine Energy commissions 120 MW solar project in Gujarat:** The solar plants will deliver around 3.23 lakh megawatt hour (MWh) of solar energy annually, offsetting an estimated 2.96 lakh tonnes of CO2 and providing power to around 2.7 lakh households. *[Business Line]*

**Bid to promote green funding: Centre reviews proposals to promote transition finance:** The government is examining recommendations to promote transition finance, aimed at helping high carbon-emitting industries fund their shift towards decarbonisation at lower interest rates. *[The Economic Times]*

**EV industry in India is not relevant without incentives- Bernstein:** Automakers face challenges in achieving profitability and scale in the electric vehicle (EV) sector, despite financial incentives, according to a research report by Bernstein. *[The Economic Times]*

**India's solar PV module manufacturing capacity increases from 2.3 GW to 67 GW under 10 years of Make In India:** India's solar PV module manufacturing capacity has increased from 2.3 GW to 67 GW in the last 10 years because of measures taken under Make In India initiatives. *[The Economic Times]*



## Sectoral News

**Dairy is sensitive sector; no plans to open up in any FTAs- Piyush Goyal:** Commerce and Industry Minister Piyush Goyal stated that India's dairy sector will not receive duty concessions under any Free Trade Agreements due to its sensitivity involving small farmers' livelihoods. *[The Economic Times]*

**Hyundai Motor deserves valuation premium to Maruti Suzuki, says Nomura:** Hyundai Motor India (HMI), which is expected to make its stock market debut soon, may command a valuation multiple higher than market leader Maruti Suzuki India (MSIL). *[Business Standard]*

**India's smaller towns to get a big lift: 29 new airports:** India is advancing its efforts to transform smaller towns into aviation hubs, with plans to establish 29 greenfield airports across underserved regions over the next two decades. *[Mint]*

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