

Industry Matters

Weekly Updates

October 18, 2024



Economy, Industry and Policy

India's industrial production sees marginal contraction, manufacturing production rises: India's Index of Industrial Production (IIP) saw a marginal contraction of 0.1 per cent in the month of August, against July's 4.7 per cent as manufacturing production rose by 1 per cent, the Ministry of Statistics data showed. *[The Statesman]*

Food products and textiles top manufacturing employers - survey: Data shows that the total number of operational factories in the organised manufacturing sector increased to 253,334 in FY23 from 249,987 in the financial year 2021-2022 (FY22). *[Business Standard]*

India's retail inflation hits 9-month high of 5.49% in September, exceeds RBI's 4% target: India's retail inflation accelerated to a 9-month high of 5.49 per cent on an annual basis in September, driven by a persistent rise in vegetable prices and a lower year-ago base. *[The Economic Times]*

Statsguru - Formal manufacturing share falls, wage growth lags productivity: The share of the formal sector manufacturing gross value added (GVA) in India's economy dropped from 8.68 per cent in 2021-22 to 8.15 per cent in 2022-23, while that of the informal sector increased from 1.18 per cent to 1.4 per cent. *[Business Standard]*

Wholesale inflation quickens to 1.84% in September driven by food price surge: India's wholesale inflation accelerated to 1.84 per cent in September on an annual basis, as against 1.31 per cent in August amid surge in food prices. *[The Economic Times]*

Net direct tax collections rise 18.35 pc to Rs 11.25 lakh crore in April-October: Net tax collections increased by over 18% year-on-year to Rs 11.25 lakh crore as of October 11. This includes Rs 4.94 lakh crore from corporate tax and Rs 5.98 lakh crore from personal income tax. Gross direct tax collections reached Rs 13.57 lakh crore, up 22.30%, with refunds rising 46%. *[The Economic Times]*

PLI for transmission equipment can be explored: Various options, including PLI for transmission equipment manufacturing, can be explored to boost the power transmission infrastructure of the country. *[The Economic Times]*

PM Gati Shakti fast-tracking India's Viksit Bharat vision - PM Modi: The PM Gati Shakti National Master Plan for Multimodal Connectivity, highlighting that the initiative, in its three years, has significantly boosted multimodal connectivity, accelerating infrastructure development and improving efficiency across the country. *[Business Line]*

GDP growth seen at 6.95% in FY25 - CMIE: According to a note by the Centre for Monitoring Indian Economy (CMIE), these agencies had earlier predicted growth at 7% last month, but recent macroeconomic data has led them to revise their estimates slightly downwards. *[Financial Express]*

Export to be major job creator as India transitions to USD 5 trillion economy - USISPF: US-India Strategic Partnership Forum President Mukesh Aghi highlights exports as a key job creator for India's \$5 trillion economy goal, stressing the need for economic engagements with the US. *[The Economic Times]*

India's trade deficit for September narrows sequentially to \$20.78 bn: India's trade deficit widened to \$20.78 billion on an annual basis in September from \$20.08 billion in the same month last year, data from the Commerce Ministry showed on Wednesday. *[The Economic Times]*

129 mn Indians living in extreme poverty in 2024 - World Bank: Almost 129 million Indians are living in extreme poverty in 2024, on less than \$2.15 (about Rs 181) a day, down from 431 million in 1990, the World Bank said in report. *[Business Standard]*

India poised to be 3rd largest economy, rising population a challenge- S&P: India is poised to be the third largest global economy by 2030 but rising population presents mounting challenges in basic service coverage and growing investment needs to maintain productivity. *[Business Standard]*



Foreign Investment

US continues to be largest source of FDI in India - RBI annual census: The US continued to be the largest source of FDI in India, followed by Mauritius, Singapore and the UK, according to an annual census of the Reserve Bank of India. *[Business Standard]*

FPIs sell record ₹67,309 crore in October: Foreign portfolio investors (FPIs) have offloaded shares worth ₹67,309 crore in the cash market in October so far. *[Business Line]*

US continues to be largest source of FDI in India - RBI census: The US continued to be the largest source of FDI in India, followed by Mauritius, Singapore and the UK, according to an annual census of the Reserve Bank of India. *[The Economic Times]*

Canada's FDI into India has more than doubled since pandemic: Canada's foreign direct investment (FDI) into India doubled after the pandemic years even as India's own investments into Canada show signs of slackening in recent years. *[Business Standard]*

India's outward FDI dips to \$3.7 billion in September 2024 - RBI data: India's outward foreign direct investment (FDI) commitments declined by about \$900 million to \$3.72 billion in September 2024, compared to \$4.63 billion in September 2023. *[Business Standard]*



Trade Policy and Competitiveness

Govt set to tighten quality norms amid rising substandard steel imports: The Centre is considering broadening its strict quality standards in response to the rising influx of substandard steel, primarily originating from China, according to government sources. *[Business Standard]*

Meity to meet IT hardware companies next week to discuss import rules: The Ministry of Electronics and IT is planning to meet IT hardware company to work on import rules for tablet, personal computers, etc, next week. *[Business Standard]*

E-commerce GMV to increase 23% to \$12 bn in 2024 festival season: Indian e-commerce is projected to reach \$12 billion in gross merchandise value (GMV) in the festival season of October to December 2024 to mark a 23 per cent increase from last year. *[Business Standard]*

Indian pharma, electronics industries poised to gain from US investment restrictions in China: India stands to benefit from the US further restricting investments into strategic sectors in China, thereby reducing global companies' exposure in that country, Moody's Ratings. *[The Economic Times]*

FEBI to push FTA negotiations between India and Europe - German Ambassador Philipp Ackermann: Philip Ackermann, the German Ambassador to India, expressed his happiness over the launch of the Federation of European Business in India (FEBI) in Delhi adding the organisation will push the free trade agreement (FTA) negotiations between India and Europe. *[The Economic Times]*

China emerges as India's top import source during April-September 2024 - Commerce ministry: China has emerged as India's top import source with USD 56.29 billion worth of inbound shipments during the April-September period of this fiscal. *[The Economic Times]*

India's trade deficit for September narrows to \$20.78 bn: India's merchandise exports grew in September after two months of contraction, on the back of a rise in the shipments of engineering, chemical, plastic, pharma and electronic goods and readymade garments. *[The Economic Times]*

India-EU FTA - Commerce Department asks industry to point out required flexibility in rules of origin: With India and the EU focussed on lending pace to the ongoing free trade agreement (FTA) negotiations, the Commerce Department has reached out to the domestic industry to ensure that it gets the best possible flexibility under rules of origin—the criteria. *[Business Line]*

JSW Energy signs PPA for 700 MW ISTS/STU-connected solar capacity with NTPC: JSW Energy said that the PPA is signed for supply of power for a period of 25 years with a tariff of Rs 2.59/KWh. The aforesaid project is expected to be commissioned by June 2026. *[Financial Express]*

Trade deal with India remains 'priority', says UK business minister: UK Business and Trade Secretary Jonathan Reynolds emphasizes the priority of a trade deal with India at the International Investment Summit in London. *[The Economic Times]*

India's economic diplomacy has become a crucial component of its broader strategic engagements, particularly in the Indo-Pacific region: India's economic diplomacy has become a crucial component of its broader strategic engagements, particularly in the Indo-Pacific region. *[The Statesman]*

India says UAE will look into issue of higher precious metal exports to India: India has urged the UAE to address concerns over a significant rise in exports of silver, platinum alloy, and dry dates, following the 2022 Comprehensive Economic Partnership Agreement. *[The Economic Times]*

India-Russia co-chair 10th session on Modernisation, Industrial Cooperation: India and Russia co-chaired the 10th session of the Working Group on Modernization and Industrial Cooperation. *[Business Standard]*

Export to be major job creator as India transitions to USD 5 trillion economy - USISPF: **US-India Strategic Partnership Forum President and CEO Mukesh Aghi on Monday emphasised that exports are going to be a major job creator for India as the country moves towards becoming a USD 5 trillion economy.** *[The Economic Times]*



Corporate Governance

India Inc biggies set to invest \$800 bn in a decade - S&P Global Ratings: Indian conglomerates -- including prominent names such as Reliance Industries, and the Adani, Tata, and JSW groups -- are gearing up for an investment of \$800 billion over the next decade, nearly trebling their spending compared to the previous 10 years. *[Business Standard]*

Tata Capital, Tata Motors Finance merger receives RBI's approval: The Reserve Bank of India (RBI) has approved the merger of Tata Capital, an unlisted entity, with Tata Motors Finance (TMFL), paving the way for the formation of India's 12th largest non-banking finance company. *[Business Standard]*

ITC wants a bigger FMCG slice: The Sanjiv Puri-led group looks set to feed on the success of its brand extension strategy. *[Business Line]*



MSMEs and Start-ups

India's GenAI ecosystem grows 3.6x in a year to over 240 start-ups - Nasscom: India's GenAI ecosystem has witnessed growth, with the total number of GenAI start-ups surging 3.6 times from over 66 in the first half of CY2023 to over 240 in the first half of 2024. *[Business Line]*

Sustainability awareness among MSMEs increased over past year - SIDBI-D&B SPeX: The awareness around sustainability measures in business among MSMEs has increased over the past year as enterprises have shown a stronger focus on environmental measures over social and governance factors in Q2 2024. *[Financial Express]*

India has 3,600 deep tech startups with potential to address complex societal challenges: Dubai, India houses over 3,600 startups in the deep tech sector which has the potential to address complex societal challenges including those related to healthcare, climate change, and cybersecurity, Electronics and Computer Software. *[The Economic Times]*

SBI plans to enhance threshold limit under instant loan scheme for MSME sector: To ensure easy and adequate credit availability to the MSME sector, the State Bank of India (SBI) is planning to enhance the threshold under the instant loan scheme from the existing Rs 5 crore. *[The Economic Times]*



Employment and Industrial Relations

PM's internship scheme registers over 90,849 opportunities - MCA: The Prime Minister's Internship Scheme has registered over 90,849 opportunities as on Friday, according to sources in the Ministry of Corporate Affairs (MCA). *[Business Standard]*

Minority report - Unemployment rate among religious minorities up in 2023-24: Joblessness among India's minorities increased in 2023-24 (July-June) on a yearly basis despite an unchanged unemployment rate for the country for the first time in five years. *[Business Standard]*

5 lakh jobs in 5 years - Tata Group sets itself a major target: Tata Group plans to create 5 lakh manufacturing jobs in the next five years. These jobs will span sectors like semiconductors, electric vehicles, battery, and related industries. *[The Economic Times]*

FY25 fresher hiring by IT sector to rise by 20-25% - TeamLease Digital: Fresher hiring, which has been subdued as Indian information technology (IT) services firms scaled back their recruitment, is set for a turnaround. *[Business Standard]*



Industrial Finance

Funds raised by NBFCs through domestic bonds top Rs 3.2 trn in H1 FY25: Funds raised by non-banking financial companies (NBFCs), including those owned by the state and refinance institutions, from the domestic debt capital market topped Rs 3.2 trillion April to September this financial year (H1 FY25). *[Business Standard]*

Bank margins likely to remain under pressure in Q2 amid rising deposit costs - analysts: Increased cost of deposits is likely to keep bank margins under pressure in the second quarter though analysts will watch out for loan growth trends amid a weakness in the unsecured retail segment. *[The Economic Times]*



Technology and Innovation

Indian payments industry likely to grow to \$49 trillion in value by 2028 - BCG: The Indian payments industry is likely to grow to \$49 trillion in value by 2028 recording a 10% growth from the level of \$30 trillion seen at the end of 2023. *[The Economic Times]*

Apple researchers question AI's reasoning ability in mathematics: A team of Apple researchers has questioned the formal reasoning capabilities of large language models (LLMs), particularly in mathematics. *[The Statesman]*

Centre of Excellence in AI, robotics to come up in Maharashtra: The government on Friday announced to establish cutting-edge education hubs in Maharashtra, including the Centre of Excellence (CoE) in artificial intelligence (AI), robotics, internet of things (IoT), Industry 4.0, 3D printing and allied technologies. *[The Statesman]*

India advances in 6G race, ranks among top six in global patent filings: India is advancing aggressively in the race to shape the next generation of wireless technology. Based on various studies, the country ranks between fourth and sixth globally in filing patents related to 6G technology. *[Business Standard]*

Telecom gear maker Ericsson maps out India's 5G dominance over the US: Swedish telecommunications (telecom) gear maker Ericsson has announced that India will soon outdo the US in the number of 5G fixed wireless access (FWA) broadband subscriber homes, potentially reaching over 85-100 million by 2030. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

PM GatiShakti Portal's door may open for private firms: India aims to open up the PM GatiShakti National Master Plan (NMP) portal to the private sector this year. The move is expected to fast-track planning and implementation of key infrastructure projects. *[The Economic Times]*

PM GatiShakti - 208 infra projects worth Rs 15.39 lakh crore recommended for approval: As many as 208 big-ticket infrastructure projects of different ministries, including roads and railways, worth Rs 15.39 lakh crore have been recommended for approval under the PM GatiShakti initiative so far. *[The Economic Times]*

Union Cabinet approves Rs 2,642-cr Varanasi-DDU multi-tracking project: Prime Minister Narendra Modi-led Union Cabinet on Wednesday approved the Varanasi-Pt Deen Dayal Upadhyaya (DDU) multi-tracking project with an estimated cost of Rs 2,642 crore. *[The Economic Times]*

Piyush Goyal launches district master plan under PM GatiShakti for infra planning in 27 aspirational districts: Commerce and Industry Minister Piyush Goyal on Tuesday launched a district master plan under the PM GatiShakti initiative for infrastructure planning in 27 aspirational districts of the country. *[The Economic Times]*

Railways, NHAI drag down CPSE capex: Central public sector enterprises (CPSEs) and other agencies' capital expenditure fell 11% year over year in the first six months of the current financial year. *[Financial Express]*

Nitin Gadkari announces projects worth Rs 2,200 crore in Maharashtra, Telangana, Andhra and Goa: Minister of Road Transport and Highways Nitin Gadkari on Monday announced the sanction of funds for multiple projects. *[The Economic Times]*

Gujarat CM Patel launches projects of Rs 564 crore for industrial estates: Gujarat Chief Minister Bhupendra Patel virtually inaugurated and laid foundation stones for infrastructure projects of Rs 564 crore for state-run industrial estates. *[Business Standard]*



Sustainable Industrialisation

India set to lead global energy demand growth, coal will remain central - IEA: India is poised to experience more energy demand growth than any other country over the next decade due to its large population and rising demand from all sectors. *[The Economic Times]*

India helps bring down costs of utility-scale solar PV globally - IEA: India, which discovered an auction price of around ₹2,860 per megawatt hour (MWh), was instrumental in bringing down global utility-scale solar photovoltaic (PV) costs in H1 2024. *[Business Line]*

India is finally becoming a clean energy superpower: India's clean energy sector is finally making significant strides, with substantial increases in solar and wind installations. *[The Economic Times]*

India Inc should take up large scale production of biofuels- Nitin Gadkari: Speaking at the CII Bio Energy Summit 2024 on Monday, road minister Nitin Gadakri said it is essential to make India Atma nirbhar in fuel production in the wake of fluctuating fuel prices and global uncertainty. *[The Economic Times]*

Amid challenges from China, India to become exporter of solar modules by 2029 - CRISIL: India is set to become a significant player in the global solar module market by exporting solar modules to other countries by 2029. *[The Economic Times]*

India eyes 500 GW renewable power by 2030: India has unveiled its National Electricity Plan (Transmission) aiming to achieve 500 gigawatts (GW) of renewable energy capacity by 2030 and over 600 GW by 2032. *[The Economic Times]*



Sectoral News

Elon Musk thanks Indian government for deciding to allocate satellite spectrum administratively: After a few hours of Indian telecom honchos including Sunil Bharti Mittal of OneWeb asking for auctioning satellite spectrum to create a level-playing field with traditional mobile operators. [*Business Line*]

India's cement demand to grow 7-8% as construction activity picks up post-monsoon: Cement demand is set to grow slower at 7-8 per cent year-on-year to 475 million tonnes this fiscal, after clocking a compound annual growth rate of 11 per cent between FY22 and FY24. [*Business Line*]

Tatas plan to beef up AI Express with Air India and Vistara planes: Tata Group is expanding Air India Express's fleet by transferring all-economy planes from Air India and Vistara. [*The Economic Times*]

NHAI plans nationwide optical fibre network: The National Highways Authority of India (NHAI) is planning to lay down its own optical fibre cable (OFC) network, along the major highways under the public private partnership model. [*Financial Express*]

Oil and gas import bill rises 20% to \$69b in H1 of FY25: India's net oil and gas import bill rose a fifth to \$69 billion in the first half of the current fiscal year as domestic production failed to catch up with the consumption growth. [*The Economic Times*]

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