

Industry Matters

Weekly Updates

October 25, 2024



Economy, Industry and Policy

Is there a chink in India's industrial armour? RBI MPC's Nagesh Kumar explains why a 25-bps rate cut is needed: The RBI-led Monetary Policy Committee's new member, Nagesh Kumar, has expressed concerns over the ongoing demand deficits in both, domestic and international markets. *[The Economic Times]*

Sitharaman invites Mexican firms to collaborate with startups, institutions: Finance Minister Nirmala Sitharaman on Thursday urged Mexican firms to explore collaborations with startups as well as academic institutions and take advantage of India's business-friendly policies. *[Business Standard]*

Expanding access- Supercharging credit market key to India's \$5 trn goals: India, already the world's fastest-growing major economy, is pushing for even more dramatic expansion to become a developed nation, a goal that hinges on expanding access to capital. *[Business Standard]*

Business activity up in Oct, manufacturing outperforms services: India's business activity saw a slight uptick in October, led by the manufacturing sector, according to an HSBC survey by S&P Global. *[The Economic Times]*

India to grow at 6.8% in FY25 and 6.6% in FY26: S&P Global Market Intelligence: India's growth, although moderating, remains strong with a forecasted average of 6.8 per cent for the fiscal year 2024-25 and 6.6 per cent for 2025-26. *[The Economic Times]*

Finance Ministry to consider scrapping windfall tax on crude: The finance ministry will take a decision on scrapping the windfall tax on local crude oil output. *[Business Standard]*

Number of taxpayers increases 86 pc in last 9 years: CBDT data: The number of taxpayers in the country rose 82 per cent 2014-15 and 2023-24, while direct tax receipts were up 182 per cent in the same period. *[The Economic Times]*

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]*

Direct tax-GDP ratio at millennial high in FY24: The Centre's direct tax-to-GDP ratio in the financial year reached the highest level in the millennium in FY24. *[Financial Express]*

Expect Indian apparel exporters to post 9-11% revenue growth in FY25 - ICRA: Indian apparel exporters are expected to register a 9-11 per cent revenue expansion in FY25 aided primarily by gradual liquidation of retail inventory in key end markets and a shift in global sourcing to India, ratings agency ICRA on Monday. *[Business Standard]*

Indian economy to grow 7-7.2% in FY25 on strong govt spending - Deloitte: The Indian economy could grow between 7-7.2 per cent in the current fiscal on strong government spending, and higher manufacturing investments, but a tempered global growth will impact the outlook for the next fiscal. *[Business Standard]*

IMF retains India's GDP growth at 7 pc for FY25, says worldwide inflation fight is largely over but warns of new threats: The International Monetary Fund on Tuesday retained its growth rate projects for India in its latest World Economic Outlook (WEO) and expected India to grow at 7 per cent in the current fiscal year ending March 31, 2025 and 6.5 per cent in the next fiscal year (FY2025-26). *[The Economic Times]*

India seen as the growth engine in Asia-Pacific, AHK survey shows: India continues to attract significant German investments in the Asia-Pacific region, with 51% of German companies in India planning to increase their investments in the next 12 months. *[The Economic Times]*

India's economic growth an example for many Brics nations - Putin: Russian President Vladimir Putin on Wednesday lauded India's economic growth, saying the country serves as an example for many BRICS nations. *[Business Standard]*

India's growth rate among shiniest parts in world economy- Ajay Banga: India's growth rate is the shiniest part in the global economy, World Bank president Ajay Banga said on Thursday, noting that a lot of this is driven by the domestic market. *[Business Standard]*



Foreign Investment

Can't accept FDI blindly, need safeguards - FM Nirmala Sitharaman: India will place restrictions on foreign direct investment (FDI) in the national interest to ensure safeguards because of its location in a highly sensitive neighbourhood. *[Business Standard]*

Foreign investors infuse \$436 mn in India's real estate sector, 139 pc YOY increase in Q3 2024: Institutional investments in India's real estate sector witnessed an annual growth of 41 per cent in Q3 2024, reaching \$0.96 billion. *[The Statesman]*



Trade Policy and Competitiveness

Thaw in Indo-China ties: How bilateral trade fared in last decade: Prime Minister Narendra Modi and Chinese President Xi Jinping held bilateral talks on Wednesday, the first formal meeting in half a decade. *[Business Standard]*

Ministry may soon tap Cabinet for green flag on FTA SOPs as new guidelines nearly ready: The commerce and industry ministry will soon seek Cabinet nod for the standard operating procedure (SOP) for negotiating its free trade agreements (FTA) and address new issues — labour, environment, digital services, gender and indigenous people and has temporarily paused some new trade pacts. *[The Economic Times]*

Govt imposes anti-dumping duty on five Chinese products for 5 years: India has imposed anti-dumping duty on five Chinese goods, including glass mirror and cellophane transparent film, for five years to guard domestic players from cheap imports from the neighbouring country. *[Business Standard]*

India plans laptop import curbs to boost Apple and others' local production: India plans to impose import restrictions on laptops, tablets, and PCs post-January to encourage domestic manufacturing by companies like Apple. *[The Economic Times]*

India recalibrates FTA strategy amid past challenges and rising imports: Underscoring the need for a 'careful' assessment of guidelines to negotiate Free Trade Agreements (FTAs), India is 'taking it slow' and recalibrating its strategy to ensure it is able to maximise trade and investment gains from such pacts. *[Business Standard]*

BRICS nations agree to boost trade, financial settlement in local currencies: BRICS nations have decided to boost trade using local currencies and explore new financial infrastructures. *[The Economic Times]*

India seeks critical mineral agreement with US, hopes for a trade pact - Piyush Goyal: India's trade minister on Saturday said the country has sought a critical mineral partnership agreement with the United States as he hopes for talks on a broader trade pact between the two nations. *[The Economic Times]*

India loses to rivals as US diverts trade from China: India's attempts at boosting its manufacturing sector by capitalizing on the US-China trade war have fallen short, according to a new study, with other Asian rivals benefiting to a much greater extent from escalating tensions between the world's biggest economies. *[The Economic Times]*

Global powerhouse - How India can benefit from the IPEE: The Indo-Pacific Economic Framework for Prosperity (IPEF) is structured around the four pillars of Trade (Pillar I), Supply Chains (Pillar II), Clean Economy (Pillar III) and Fair Economy (Pillar IV), with 14 member countries. *[Financial Express]*

Electronics makers all charged up as India-China tensions ease: The Indian electronics manufacturing industry is hopeful the de-escalation of border tensions between India and China may speed up pending technology transfers, planned investments from Chinese companies and movement of capital goods. *[The Economic Times]*

Major port cargo rises 6% in September at 65 million metric tonnes: Major ports, owned by the central government, registered a 6 per cent growth in cargo in September at 65 million metric tonnes (mmt). *[Business Standard]*

India's cotton imports to increase by 42% in 2024-25 due to fall in production - CAI: The Cotton Association of India (CAI) has pegged India's 2024-25 year-on-year cotton production lower by 7% due to fall in acreage and crop loss due to excess rainfall. The trade body also expects India's cotton imports to jump by 42% and the exports to fall by 37%. *[The Economic Times]*

Improvement in India, China diplomatic ties unlikely to dramatically alter trade relations - GTRI: The improvement in diplomatic relations between India and China is unlikely to dramatically alter the economic and trade ties between the countries in the near future, think tank GTRI said on Wednesday. *[The Economic Times]*



Corporate Governance

Mankind completes Rs 13,768 cr acquisition of Bharat Serums and Vaccines: Delhi-based pharmaceutical major Mankind Pharma on Wednesday announced that it has completed the acquisition of 100 per cent stake in Bharat Serums and Vaccines (BSV) for Rs 13,768 crore. *[Business Standard]*

Domestic M&A average deal value nearly halves at \$29 million in 2024: Domestic mergers and acquisitions (M&As) saw the average deal value nearly halving in 2024. According to the latest figures by LSEG Deals Intelligence, the average deal value was at \$29 million, which was 48 per cent lower than the \$56 million seen in 2023. *[Business Standard]*

Adani's Ambuja to acquire 46.8% stake in Orient Cement for Rs 8,100 cr: Ambuja Cements, which is owned by the Adani family, has announced signing a binding agreement to acquire 46.8 per cent stake in Orient Cement Ltd (OCL) for Rs 8,100 crore. *[Business Standard]*



MSMEs and Start-ups

Entries open to nominate India's top businesses and entrepreneurs: The micro, small and medium enterprises (MSME) are one of the driving forces of the country pushing forward the economy and overall development. *[The Economic Times]*

How India Stack is enabling digital transformation for businesses: India Stack is a set of application programming interfaces (APIs) and digital systems that allow governments, businesses, and developers to utilise India's digital infrastructure efficiently. *[The Economic Times]*

India's startups need more than growth; focus on governance also crucial: Indians are justifiably proud of their nation's startups. Funding has poured into the sector — increasing 15-fold since 2015, according to the government. *[Business Standard]*



Employment and Industrial Relations

EPFO adds 9.3 lakh new members during August 24; 2.53 lakh female: The Employees' Provident Fund Organisation (EPFO) added around 9.30 lakh new members in August 2024, representing a 0.48% increase in new members compared to August 2023. *[The Statesman]*

New rules allow early retirement for central government employees under NPS: The Department of Pension and Pensioners' Welfare (DoP&PW) has issued new guidelines that allow Central Government employees covered under the National Pension System (NPS) to retire voluntarily. *[Business Standard]*

e-Shram 2.0 to integrate more central schemes, extend social security coverage: Labour Minister Mansukh Mandaviya will launch the upgraded version of the eShram portal on Monday in order to make the platform a "one-stop-solution" for unorganised labour to have access to various social sector schemes, an official release said. *[Financial Express]*

Corporate action and AI pivotal in boosting employment for differently-abled in India: India's journey toward being an inclusive and equitable society hinges on creating meaningful job opportunities for people with disabilities, experts say. *[The Economic Times]*



Industrial Finance

ADB commits \$241 million loan to improve power distribution in West Bengal: The Asian Development Bank (ADB) has approved a USD 241.3-million loan to improve electricity distribution in West Bengal in order to help enhance people's quality of life by ensuring reliable and sustainable power supply. *[The Economic Times]*

Microfinance institutions must refrain from reckless lending - DFS secretary: Microfinance institutions (MFIs) have played a crucial role in fostering financial inclusion but they should refrain from any reckless lending, Financial Services Secretary M Nagaraju said on Wednesday. *[Business Standard]*



Technology and Innovation

Digital payments surge: Cash usage declines post-pandemic in India - RBI economist: Sixty percent of consumer expenditure is still cash based as of March 2024. But its share is declining rapidly post COVID. The share of digital more than doubled in three years from 14-19 percent in March 2021 to 40 to 48 percent in March 2024. *[The Economic Times]*

Shipment of GenAI smartphones to surpass 730 million units by 2028: The shipment of generative AI (GenAI) smartphones is forecast to surpass 730 million units by 2028. *[The Statesman]*

Innovation key to exponential growth of manufacturing sector - Bharat Forge: Innovation in the manufacturing sector is critical to achieve exponential growth as India moves towards the goal of becoming a developed nation by 2047. *[Business Standard]*

Satellite spectrum wars: No auction, foreign companies likely to benefit: In July this year, a curious situation emerged in the telecom auctions. There was no bid for the spectrum band commonly referred to as millimetre wave (MM wave). *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

Supercharging one key market is crucial to India's \$5 trillion goals: India, already the world's fastest-growing major economy, is pushing for even more dramatic expansion to become a developed nation, a goal that hinges on expanding access to capital. *[The Economic Times]*

PM Gati Shakti - A milestone in India's infrastructure development: As India marks the third anniversary of the PM Gati Shakti National Master Plan, its impact on the country's infrastructure is being felt far and wide. *[Business Standard]*

HUDCO to lend Rs 11,000 crore for construction of Amaravati greenfield capital city: Housing and Urban Development Corporation Ltd (HUDCO), a navaratna central public sector enterprise, has come forward to lend Rs 11,000 crore for the construction of Amaravati greenfield capital city in Andhra Pradesh. *[The Economic Times]*



Sustainable Industrialisation

India needs Rs 32 lakh cr investment in renewable by 2030 - IREDA CMD: India will require about Rs 32 lakh crore of investment in the renewable energy sector by 2030 to meet its targets. *[The Economic Times]*

India's Solar Energy Corp plans to bid for state projects - Chairman: Solar Energy Corporation of India (SECI) plans to bid for states' renewable energy projects to meet its target of 10 gigawatts of renewable energy capacity by 2030. *[The Economic Times]*

Karnataka to formulate policy to increase investment in the green energy: The Karnataka government plans to create a policy to boost investment and ease business in the green energy sector. *[The Economic Times]*

India, ASEAN can work on regional policy framework for green energy transition - CERC member: India and ASEAN can work together to create a regional policy framework for green energy transition with increasing usage of small modular nuclear reactors, a senior official of Indian power sector regulator CERC has said. *[The Economic Times]*



Sectoral News

Indian pharma firms trail global peers in R&D, innovation, and talent metrics - FAST India-IIFL Securities: Indian pharmaceutical firms are falling behind their global counterparts across key performance indicators, including R&D intensity, the proportion of PhD employees, and the number of patents and publications generated per billion USD of revenue. *[The Economic Times]*

India's bioeconomy valued at \$150 bn, innovation holds key to global leadership-BIRAC MD: India's biotechnology sector is witnessing remarkable growth, with the country's bioeconomy now valued at USD 150 billion but there is still significant untapped potential in innovation and product development. *[The Economic Times]*

Chinese imports hit Indian construction equipment manufacturing sector: With Chinese share in construction equipment business in India increasing to 22 per cent, two Indian players in the sector on Wednesday expressed concern over the low-cost imports from the neighbouring country adversely affecting domestic firms. *[Business Standard]*

India's automobile exports rise 14% in Apr-Sept, led by PVs, two-wheelers: Automobile exports from India in the first six months of the current fiscal year rose 14 per cent year-on-year, led by gains in shipments of passenger vehicles and two-wheelers. *[Business Standard]*

Entertainment industry loses Rs 22,400 cr due to piracy in 2023 - Y-IAMAI: The Indian entertainment industry suffered a staggering loss of Rs 22,400 crore in 2023 due to piracy, according to a report released on Wednesday, that advocated for stronger regulations and collaborative efforts to effectively mitigate piracy risks. *[Business Standard]*

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