

# Industry Matters

Weekly Updates

November 01, 2024



## Economy, Industry and Policy

**HSBC flash India composite PMI rises to 58.6 in Oct; job creation improves:** India's private sector economy picked up slightly in October after softening last month as manufacturing reported stronger demand, according to a survey that also showed job creation rose at the fastest pace since February 2006. *[Business Standard]*

**Statsguru - India's journey to become 5th largest economy since 2000:** At the turn of the century, the Indian economy was smaller than the US, Japan, Germany, the UK, France, China, Italy, Mexico, Canada, Brazil, South Korea and Spain. *[Business Standard]*

**Economic think-tank NIPFP cuts India's FY25 GDP growth forecast to 6.9-7.1%:** Citing growth moderation in the June quarter of FY25 on account of sharp contraction in net exports as well as government consumption due to the model code of conduct. *[Business Standard]*

**Core sector growth rebounds to 2% in Sept after Aug setback:** India's core sector output growth rose 2% in September from a 42-month low of 1.6% the previous month. *[The Economic Times]*

**MGNREGS demand-driven scheme, not possible to fix enrolment targets - Govt:** The rural development ministry on Sunday dismissed reports that enrolment under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is going down. *[Business Standard]*

**Fiscal deficit in 1st Half of FY25 drops to 29.4% of annual target:** The central government's fiscal deficit in the first half of 2024-25 touched 29.4% of the annual target, compared with 39.3% a year before, as it kept a lid on expenditure. *[The Economic Times]*

**VC investment in India at \$3.6 billion in Q3'24 - KPMG:** Fintech businesses in India have been continuing to attract a lot of attention, but venture capital investors in the space have become more cautious in recent quarters as traditional banks have increasingly introduced their own fintech products aimed at the large unbanked and underbanked segments of the population. *[The New Indian Express]*

**Centre doubles Mudra loan ceiling to Rs 20 lakh under new category:** The government on Friday doubled the limit of Mudra loan amount under the Pradhan Mantri Mudra Yojana (PMMY) to Rs 20 lakh from Rs 10 lakh under a new 'Tarun Plus' category to promote entrepreneurship in the country. *[Business Standard]*

**Nirmala Sitharaman seeks enhanced support from international financial institutions to achieve SDGs:** Union Finance Minister, Nirmala Sitharaman, on Saturday, participated in G7 African Ministerial Roundtable and sought an enhanced support from international financial institutions to achieve Sustainable Development Goals (SDGs). *[Business Line]*

**Emerging economies must get equitable voice in global financial governance - Shaktikanta Das:** Reserve Bank of India (RBI) Governor Shaktikanta Das highlighted the need for reforms in the international financial system to address challenges faced by emerging economies and to adapt to the evolving global economic landscape. *[Business Line]*

**Rural uptick but urban areas new points of concern in GDP growth:** While rural demand is seeing an uptick, high food inflation and a moderation in credit growth are possible headwinds that could slow down growth in the second quarter of 2024-25. *[The Indian Express]*

**Govt report maintains economic growth forecast but flags global risks:** Geopolitical conflicts and uncertainty about the trade policies of major economies are among the biggest risks for India's economy, the government's monthly economic report said, maintaining the current growth forecast. *[Business Standard]*

**Missing' 145 million women workforce to hit India's \$30-trillion GDP plan for 2047:** India is projected to add just 110 million women to its workforce by 2047, reaching a female labour force participation rate of 45% – that is a total of 255 million of working women by 2047. *[Financial Express]*

**India fastest growing major economy, soon to become 3rd largest - Prez Murmu:** India is the fastest growing major economy and is likely to become the third largest economy soon. *[Business Standard]*

**Pillar-2 tax rules may be deferred as govt sees no net gain:** The new regime will only allow the government to collect additional tax revenue, in the form of "top-up tax", from companies who are artificially reporting profits in low-tax jurisdictions. *[Financial Express]*



## Foreign Investment

**India, EU FTA negotiation priority, both sides pushing for early deal- MEA:** Negotiations for a Free Trade Agreement (FTA) between India and the European Union remain a priority, with both sides pushing for an "early and ambitious" deal, said the Ministry of External Affairs. *[Business Standard]*

**Sardar Patel's Descendant Signs Deal For \$1.2 Billion FDI For Cancer Drug Project:** Switzerland-based large investment management and consultancy firm IMCI+Capital has pledged to bring in investments worth USD 1.2 billion into a cancer drug project being developed by Dr Gita Patel, the great-great-granddaughter of independent India's revered first Deputy Prime Minister Sardar Vallabhi Patel. *[Businessworld]*



## Trade Policy and Competitiveness

**SOP for FTA talks to be ready by year end:** The standard operating procedure (SOP) for negotiating free trade agreements (FTAs) will be ready by the end of this year. *[Financial Express]*

**The Swiss are coming as \$100 bn deal shifts focus from China to India:** Investments in India by Swiss companies such as engineering group ABB and transport firm Kuehne+Nagel are on the rise, with a \$100 billion regional trade deal expected to further open it up to businesses long geared towards China. *[The Economic Times]*

**India, Taiwan get time till Apr'25 to resolve ICT dispute at WTO:** In a breather for manufacturers of mobiles and components in India, the World Trade Organization's dispute settlement body (DSB) has accepted a request from India and Taiwan to further defer the adoption of the ruling against New Delhi's import duties on certain information and technology products till April 25 next year. *[The Economic Times]*

**Apple ships \$6 billion of iPhones from India in big China shift:** Apple Inc.'s iPhone exports from India jumped by a third in the six months through September, underscoring its push to expand manufacturing in the country and reduce dependence on China. *[The Economic Times]*

**No trade pact if EU insists on opening up dairy biz - Piyush Goyal:** Understanding mutual sensitivities is crucial to fast-tracking the proposed trade deal between India and the European Union (EU). *[Business Standard]*

**India remains highly dependent on imports of critical minerals:** India remains highly dependent on imports for minerals critical to accelerating its energy transition, with a full reliance on shipping in lithium, cobalt and nickel, according to a report. *[Business Standard]*

**Swiss companies set sights on India as \$100 billion trade pact promises more opportunities:** Investments in India by Swiss companies such as engineering group ABB and transport firm Kuehne+Nagel are on the rise, with a \$100 billion regional trade deal expected to further open it up to businesses long geared towards China. *[Business Line]*



## Corporate Governance

**NMDC-KIOCL merger on cards, awaits clearances from ministries, regulators:** The Union government is planning to merge Kudremukh Iron Ore Company Ltd (KIOCL) with India's largest iron ore merchant miner, NMDC—a Central Public Sector Enterprise (CPSE) soon. *[Business Standard]*

**Tata Power acquires 40% stake in Khorlochhu Hydro Power for Rs 830 crore:** Tata Power on Monday said it has acquired 40% stake in Bhutan-based Khorlochhu Hydro Power Limited for Rs 830 crore. *[The Economic Times]*

**L&T eyes aerospace expansion to ride India's \$44 billion private space market push:** Larsen & Toubro Ltd (L&T), India's largest private-sector defense manufacturer by revenue, is looking to ramp up its aerospace division to strengthen its foothold in the country's burgeoning private space sector. *[Business Standard]*

**JSW, POSCO sign MoU to boost India's steel, renewable energy industries:** JSW Group (JSW) signed a Memorandum of Understanding (MoU) on Tuesday with Korea's POSCO Group (POSCO) to develop steel plants and work on battery materials and renewable energy sectors in India. *[The New Indian Express]*

**Dabur to acquire 51% stake in Sesa Care for Rs 12.59 crore:** Dabur India on Wednesday said it has reached an agreement to acquire majority stake in Sesa Care Private Limited for Rs 12.59 crore. *[The Economic Times]*

**Zydus to acquire Naturell, the maker of Ritebite Max Protein for Rs 390 crore:** Zydus Wellness said it will enter into a definitive agreement to acquire Naturell, the maker of Ritebite Max Protein bars and snacks for Rs 390 crore in an all cash deal. *[The Economic Times]*



## MSMEs and Start-ups

**Indian startup Healthify closes \$45 mn funding round to drive US expansion:** Healthify, a health and fitness app that uses artificial intelligence (AI), said it has closed a \$45-million round that was led by existing investors Khosla Ventures and LeapFrog Investments and had new participation from Claypond Capital. *[Business Standard]*

**Protectionist measures on steel imports will hurt MSMEs - EEPCC:** This comes at a time when large Indian steel manufacturers have asked the government to double tariffs on steel imports to 15 per cent to protect domestic steel production from rising imports from China. *[The Indian Express]*

**DPIIT partners with HCL to herald India's startup revolution:** The Department for Promotion of Industry and Internal Trade (DPIIT) announced a strategic partnership with HCLSoftware as a vital component of its Manufacturing Incubation Initiative. *[The Statesman]*

**Startups fail to light up chip design space:** The majority of startups have failed to light up the chip design space. Of the roughly 60 proposals submitted to the ministry of electronics and IT (MeitY) by these companies to get the benefit of subsidies under the design-linked incentive (DLI) scheme. *[Financial Express]*

**21 Indian startups raise nearly \$187 million this week:** The Indian startup ecosystem raised around \$187 million in funding this week that included four growth-stage and 13 early-stage deals. *[The Statesman]*



## Employment and Industrial Relations

**Anatomy of trade union: Collective bargaining, realising workers' strength:** Over a century after India's first trade union Madras Labour Union was formed in Chennai by B P Wadia in 1918, the recent month-long strike by nearly 1,400 workers at a Samsung Electronics manufacturing unit near Chennai has put the spotlight back on labour unions in India. *[Business Standard]*

**Broadband push to keep up employment in telecom - Team Lease:** Telecom companies' push toward broadband penetration is driving a surge in new job opportunities amid muted growth in the overall telecom sector. *[The Economic Times]*



## Industrial Finance

**Jio Financial arm Jio Payment Solutions receives RBI nod to operate as online payment aggregator:** Jio Payment Solutions Limited (JPSL), a wholly-owned subsidiary of Jio Financial Services, on Tuesday informed the exchanges that it has received approval from the Reserve Bank of India (RBI) to operate as an online payment aggregator. *[The Economic Times]*

**Banking lending to industry up 42.8% in H1FY25; credit to NBFC shrinks:** Reflecting buoyancy and growth momentum, bank credit to industry – small, medium and large – grew by 42.85 per cent in the first half of the current financial year (H1FY25) over the same period last year. *[Business Standard]*

**Deposits outpace credit growth after 30 months, hinting at stability:** After nearly 30 months, banks' deposit growth has edged above credit expansion, potentially signalling an end to a period when the reverse was in operation. *[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]*

**India will surprise the world with its achievements in AI - Mukesh Ambani:** Speaking about India's digital infrastructure, Ambani pointed out that after the US and China, India has the best digital connectivity across 4G, 5G, and broadband. *[Financial Express]*

**From planes to chips to laptops, India is building manufacturing ecosystem:** India wants to boost domestic manufacturing of IT hardware products like laptops, tablets and servers. The government is likely to offer some concessions in import quotas to electronic hardware manufacturing companies that can step up domestic production under the production-linked incentive (PLI) scheme for information technology (IT) hardware. *[The Economic Times]*

**DoT pushes local manufacturing with new procurement clause for 5G gear:** The Department of Telecommunications (DoT) has updated its public procurement policy to prioritise domestic companies that can produce 5G technology products at scale. *[Business Standard]*

**IndiaAI CyberGuard AI Hackathon to help scale impactful solutions:** Aimed at promoting the scaling and adoption of impactful AI solutions to enable large-scale socio-economic transformation, the IT Ministry has launched the IndiaAI CyberGuard AI Hackathon. *[The Statesman]*



## Industrial Infrastructure, Clusters and SEZs

**Adani Group's Rs 3,000 crore bet on ITD rides India's infra-capex wave:** Adani Group's acquisition of a controlling stake in ITD Cementation India through a Rs 3,204 crore deal marks the conglomerate's entry into the engineering and construction (EPC) sector. *[Business Standard]*

**Aequus Infra partners with Karnataka Govt to develop second phase of Hubballi-Dharwad FMCG cluster:** Karnataka-based Aequus Infra, a group company of Aequus Private Limited, has partnered with the Government of Karnataka to develop the second phase of the Hubballi-Dharwad FMCG cluster. *[Business Line]*

**Network Planning Group under PM GatiShakti evaluates 7 infrastructure projects:** The Network Planning Group (NPG) under the PM GatiShakti initiative has evaluated seven infrastructure projects, including road and rail projects. *[The Economic Times]*

**Hindustan Zinc to invest up to USD 2 bn to double production capacity - CEO:** Vedanta Group firm Hindustan Zinc plans to pump in up to USD 2 billion (around Rs 17,000 crore) to double its production capacity to 2 million tonnes in the next few years. *[The Economic Times]*



## Sustainable Industrialisation

**NTPC Green to SGEL - Govt puts listing of CPSEs' green units in fast lane:** The Union government is planning to list the subsidiaries of many central public sector enterprises (CPSEs) this financial year. *[Business Standard]*

**Govt plans to issue ALMM for PV cells to push India's green energy transition:** The government is planning to introduce an Approved List of Models and Manufacturers (ALMM) for solar cells on the lines of module manufacturing to boost India's transition towards green energy. *[Business Line]*

**Significant growth opportunity for renewable energy sector in India- SEforALL:** India sees significant potential in renewable energy to meet its growing energy demand and industrialization needs. *[The Economic Times]*



**Spanish President affirms aid for India's energy security, green transition:** Spanish President Pedro Sanchez on Tuesday affirmed Madrid's commitment to help New Delhi enhance its energy security and green transition. *[Business Standard]*

**ADB commits USD 434.25 million loan for solar facility in Assam:** The Asian Development Bank (ADB) has approved a USD 434.25 million (about Rs 3,600 crore) loan to increase renewable energy capacity and improve energy security in Assam. *[The Economic Times]*



## Sectoral News

**PM Modi to launch, inaugurate multiple health sector projects worth over Rs 12,850 cr today:** Prime Minister Narendra Modi will launch, inaugurate and lay the foundation stone of multiple projects related to the health sector worth around Rs 12,850 crore. *[The Economic Times]*

**India's roadways revolution: How strategic investments are paving way for growth:** India is witnessing an unprecedented surge in road infrastructure investment, marking a transformative phase in connectivity and economic development. *[Financial Express]*

**Cement industry at a cyclical low:** The cement industry is navigating through a cyclical bottom, with expectations of a modest recovery in the second half of FY25. *[Financial Express]*

**Geopolitics behind India's proposed ₹31,000-cr Andamans-Paradip subsea power link:** In its recent National Electricity Plan (Vol.II - Transmission), the Central Electricity Authority (CEA) speaks of a rather unique project proposal – a 1,150 km under-sea power cable linking Port Blair in the Andaman and Nicobar Islands and Paradip, Odisha. *[Business Line]*

**Ethanol production to prevent Indian sugar exports, says trader Wilmar:** The increase in ethanol production in India due to higher blending rates will reduce local sugar availability and prevent the country from exporting sugar in the 2024/25 season. *[The Economic Times]*

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