

Industry Matters

Weekly Updates

November 08, 2024



Economy, Industry and Policy

Trump's 'America First' agenda may lead to higher tariffs on Indian auto, textiles, pharma: With Donald Trump all set to become US president, Indian exporters may face high customs duties for goods like automobiles, textiles and pharmaceuticals if the new US administration decides to pursue the 'America First' agenda. *[The Economic Times]*

India needs 10 million new jobs annually to sustain 6.5% GVA growth through FY30 - Goldman Sachs: India will require approximately 10 million new jobs each year from FY25 to FY30 to maintain an average GVA (Gross Value Added) growth of 6.5 per cent annually. *[Business Line]*

India's EV market sees festive season boost, reversing recent slump: The festival season has provided a much-needed boost to India's electric vehicle (EV) market in October, reversing a decline that persisted for the previous two months. *[Business Standard]*

Manufacturing regained momentum in October, PMI rose to 57.5: The manufacturing sector put up an improved performance in October, private survey data released on Monday showed. The expectation is for the positive trend to continue for some time. *[Business Line]*

Services tracks manufacturing, PMI rises to 58.5 in October: Following the path taken by manufacturing, the services sector also signalled strong growth in October. *[Business Line]*

CII pitches for further reform in taxation system, sustaining capex in FY25 Budget: Industry chamber CII on Thursday pitched for further reforms in the tax system, including through simplification of taxes, as well as sustaining the capital investment momentum in the Budget for 2025-26. *[The Economic Times]*

India's 7%+ FY25 growth target relies on robust government investment, inflation control - EY: Optimistic GDP growth projections for FY25 depend on strong government investment and effective inflation control for India to reach over 7 per cent growth. *[Business Line]*

Union Cabinet approves equity of Rs 10,700 cr as working capital for Food Corporation of India: The government approved an equity infusion of Rs 10,700 crore for FCI in the financial year 2024-25. This will boost the agricultural sector and ensure the welfare of farmers. *[The Economic Times]*

Bill to raise insurance FDI, launch composite licence in winter session: The Centre may introduce a Bill to push big-ticket reforms in insurance laws in the upcoming winter session of Parliament, to further liberalise the sector. *[Financial Express]*

GST records second-highest collection at Rs 1.87 lakh crore in October driven by domestic sales: Gross GST collection in October rose 9 per cent to over Rs 1.87 lakh crore, the second-highest ever, on pick-up in domestic sales and improved compliance. *[The Economic Times]*

Six industries contribute over 50% of formal sector manufacturing GVA- NSO: Six out of 29 major industries contributed more than half of India's formal manufacturing sector gross value added (GVA) in 2022-23. *[Business Standard]*

MoSPI decides to revise timing for release of CPI, IIP data: The Ministry of Statistics and Programme Implementation (MoSPI) has announced that it has decided to revise the release time for the Consumer Price Index (CPI) and Index of Industrial Production (IIP). *[Business Line]*

PM E-DRIVE-Government starts disbursement of incentives amounting to ₹320 crore in first month of scheme: The government has disbursed around ₹320 crore to the electric two (e2W) and three-wheelers (e3W), and e-cart/rickshaw under the Prime Minister Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) scheme. *[Business Line]*

India's focus should shift to job quality amid AI disruption - CEA Anantha Nageswaran: India's job market is showing growth, but the focus should be on job quality as AI reshapes the landscape. *[The Economic Times]*

India's Q2 GDP growth may slow down to 6.5%; FY25 growth seen closer to 7% - SBI: Economists at the country's largest lender SBI on Wednesday said they see Q2 real GDP growth slowing down further to 6.5 per cent in the September quarter of this fiscal year. *[The Economic Times]*

India should join China-backed Asian trade bloc - NITI Aayog CEO: India should join the Regional Comprehensive Economic Partnership (RCEP), a top official at a government think tank said. *[Business Standard]*

India and Guyana - A Strategic Partnership Driving Economic Growth and Energy Security: India's High Commissioner to Guyana, Dr. Amit Telang, highlighted the growing opportunities for collaboration in oil, energy, healthcare, and education between the two nations. *[Financial Express]*



Foreign Investment

\$1-trn economy target: UP cabinet approves amendment to Incentive policy 2023 to attract foreign investors: As part of the government's efforts to reach the \$1 trillion economy goal, the Uttar Pradesh Cabinet on Monday approved an amendment to the Incentive Policy 2023 for Foreign Direct Investment (FDI) in the state. *[The Indian Express]*

Foreign entities' June quarter home payout zooms in 5 years: Repatriation of dividend income, profits, and reinvested earnings by overseas portfolio investors, private equity firms, and companies operating locally totalled \$12.2 billion in the April-June quarter, more than double of what they did five years ago. *[The Economic Times]*

Tepid FDI flows call for a policy review: The anticipation of a possible reform of India's FDI policy has been watered down, with DPIIT's focus shifting to tweaking of rules and procedural aspects. *[Business Line]*



Trade Policy and Competitiveness

New trade strategy could help India shift from 'no' to 'yes' in deals: India's approach to free trade can appear contradictory. Officials insist they are serious about closing new deals with the UK and the European Union and improving older ones with countries such as Australia. *[Business Standard]*

India boosts global share in petroleum, gemstone, sugar exports over 5 yrs: India's export competitiveness has witnessed healthy gains in multiple sectors -- particularly petroleum, gemstones, agrochemicals and sugar -- during the last five years, as these segments have increased their share in global trade. *[Business Standard]*

India could face trade skirmishes under Trump 2.0 offset by China+1 strategy: Indian industries with exposure to the US market, including steel, textiles, commodities and Information Technology could see short-term disruptions as Donald Trump implements his political promise of putting "America First". *[Business Line]*

India Inc hopes for new opportunities in the US amid concerns of a tariff war: India Inc is hoping for better relationship with the US under the newly-elected President Donald Trump. *[Business Line]*

India's export witnesses healthy gains in multiple sectors in 5 years- Commerce Ministry: During the past five years, India's export has witnessed healthy gains in multiple sectors particularly petroleum, gemstones, agrochemicals and sugar, the Commerce ministry data said. *[The Statesman]*

India's goods, services exports to cross USD 800 bn this fiscal - Sakthivel: India's merchandise and service exports are predicted to exceed USD 800 billion this fiscal year, driven by government support and competitive products. Government initiatives like new industrial cities and the production-linked incentive scheme are boosting domestic manufacturing. *[The Economic Times]*

Exporters could face some heat, focus may shift to India growth story: Investors on the constant lookout for emerging big-picture investment trends are assessing the impact of the election of Donald Trump as the next US President on Indian companies. *[The Economic Times]*

EEPC urges govt to mandate carbon emissions disclosure for steel producers: The Engineering Export Promotion Council (EEPC), which has steel manufacturers among its members, is asking the government to mandate steel producers to disclose carbon emissions in their manufacturing process. *[Business Line]*

DGTR for anti-dumping duty on PVC resins from 7 countries: The commerce ministry's investigation arm DGTR has recommended imposition of an anti-dumping duty of up to USD 339 per tonne on imports of PVC resins from seven countries, including China, the US and Korea, with a view to guard domestic producers. *[The Economic Times]*

India, Saudi Arabia sign pacts to boost trade, investment: India and Saudi Arabia on Friday signed a series of "actionable agreements" aimed at enhancing trade volumes and facilitating a smooth flow of investments between the two countries. *[Financial Express]*

India-UK FTA talks enter slow lane as both countries step cautiously: Negotiations to spill into 2025 as the Labour government is focused on its domestic constituency, and New Delhi on balanced outcomes. *[Business Line]*



Corporate Governance

Sebi proposes interest rate derivatives for hedging by REITs and InvITs: Markets regulator Sebi has proposed allowing Real Estate Investment Trusts (REITs), Small and Medium REITs (SM REITs) and Infrastructure Investment Trusts (InvITs) to use interest rate derivatives for hedging risk. *[Business Standard]*

NTPC, ONGC may join hands to acquire Ayana: NTPC Ltd may join ONGC as an equal partner in the latter's bid to acquire Ayana Renewable Power. *[The Economic Times]*

Rural consumption grows double than urban market in September quarter - NielsenIQ: Urban and rural markets have shown a sequential recovery in consumer demand and rural areas continue to surpass urban areas in volume growth across most regions of India. *[The Economic Times]*

Businesses with turnover over Rs 10 cr cannot report e-invoices older than 30 days from April 1, 2025: From April 1, 2025 onwards, businesses with Aggregate Annual Turnover (AATO) greater than Rs 10 crore will not be allowed to report e-invoices older than 30 days on the date of reporting under the goods and services tax (GST). *[The Economic Times]*

Vedanta, Oil India, Hindustan Zinc emerge preferred bidders in critical mineral auctions: The Mines Ministry has announced preferred bidders for eight critical mineral blocks bid out during the fourth round of auctions. Hindustan Zinc Limited (HZL), Vedanta, Oil India, Orissa Metaliks, and Mamco Mining have bagged these blocks. *[The Economic Times]*

CCI recalls Flipkart antitrust probe report after Xiaomi complaint: India's antitrust body has recalled its investigation report into competition law breaches by e-commerce giant Walmart's Flipkart. *[Business Standard]*



MSMEs and Start-ups

Public investors turn angels for startups: Several startups opting for public listing are grabbing higher valuations in public markets than their private fundraising rounds. *[Financial Express]*

MSME bank credit under priority lending jumps to Rs 26 lakh crore in September – RBI: Gross bank credit by scheduled commercial banks to micro, small and medium enterprises (MSMEs) under priority lending norms jumped by 14.6 per cent to Rs 26.01 lakh crore in September from Rs 22.68 lakh crore during September in FY23. *[Financial Express]*



Employment and Industrial Relations

Labour Ministry enters into MoU with Cygnus Ujala to enhance employability in the healthcare sector: The ministry of labour and employment entered into a memorandum of understanding with Cygnus Ujala to enhance employment accessibility in the healthcare sector through its National Career Service portal. *[The Economic Times]*

Plan afoot to revamp pension scheme for unorganised workers: The Ministry of Labour and Employment plans to tweak its flagship pension scheme for unorganised workers. *[The Economic Times]*

41% workers on contract in formal manufacturing sector in FY23 - ASI data: Every two in five workers employed in the formal manufacturing sector were on contract in FY23, thus showing an increasing trend of contractualisation in the country's labour force. *[Business Standard]*



Industrial Finance

India's shadow lenders retreat as bad loans increase amid crackdown: Six years after the country's shadow-banking sector blew up, pockets of stress are building again, prompting firms to start pulling back amid scrutiny from the Reserve Bank of India (RBI). *[Business Standard]*

IBBI moots mediation between operational creditors & stressed companies: The Insolvency and Bankruptcy Board of India (IBBI) has proposed a new rule that would give operational creditors of stressed companies the option to pursue mediation before filing for insolvency proceedings. *[The Economic Times]*

Tax fraud - ₹25,000 GST evasion by 18,000 bogus companies uncovered: Tax officers have detected about 18,000 fake companies registered under GST which have been involved in tax evasion of about Rs 25,000 crore. *[The Economic Times]*

IFC to partner with Bajaj Finance to pump in \$400 mn for climate finance: International Finance Corporation (IFC) on Wednesday said that it will partner with Bajaj Finance to invest \$400 million out of the \$1 billion fundraising to aid in the expansion of the latter's EV fleet, energy-efficient consumer goods (EECG) and women empowerment. *[Business Standard]*

Profectus Capital raises \$25 mn from IFC through green bonds issue: Non-bank lender to MSMEs, Profectus Capital has raised \$25 million from International Finance Corporation through issue of non-convertible debentures, it said. *[Business Line]*



Technology and Innovation

How India is pursuing self-sufficiency in the semicon chip value chain: India and Singapore signed an MoU to partner and cooperate in semiconductors. India's semiconductor chip manufacturing aspirations were bolstered by an agreement with the US to establish a joint semiconductor fabrication plant in India. *[Business Standard]*

Airtel's Nxtra to invest Rs 5k cr to double capacity in 3 yrs; deploys AI: Bharti Airtel's data centre company Nxtra plans to invest Rs 5,000 crore to double its capacity to around 400 megawatt over the next three years. *[Business Standard]*

Tech spending strong, AI and Copilot driving momentum- Microsoft India Prez: Microsoft does not see any slowdown in technology spends in India, the company's India and South Asia President, Puneet Chandok said, asserting that "a lot of momentum" is building up on AI with buzz around 'Copilot'. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

India to enhance power demand forecasting for improved grid stability: India is overhauling the way it forecasts electricity demand to ensure generation capacity matches what's needed and the grid remains stable with increasing volumes of clean energy. *[Business Standard]*

Adani, JSW Infra likely to bet Rs 80,000 crore on ports in 5 years: India's two biggest private port operators - JSW Infrastructure (JSW Infra) and Adani Ports and Special Economic Zone (APSEZ) - are eyeing major expansion plans worth Rs 80,000 crore. *[Business Standard]*

NTPC approves Rs 80k cr investment proposals for 6,400 MW thermal capacity: Power giant NTPC on Tuesday said its board has approved investment proposals worth about Rs 80,000 crore for thermal projects totalling 6,400 MW. *[Business Standard]*

Govt plans to incentivise planned urbanisation of peri-urban areas: The Ministry of Housing and Urban Affairs aims to promote planned development of peri-urban areas by incentivising states and addressing political, administrative, and financial reforms. *[The Economic Times]*



Sustainable Industrialisation

SECI major solar power project hits roadblock as bidding goes awry: A recent tender floated by Solar Energy Corporation of India (SECI) took a curious turn as invalid bank documents submitted by a prominent bidder landed an important project in trouble. *[Business Standard]*

Gensol Engineering bags ₹780 crore solar project in Maharashtra: Gensol Engineering Limited has secured a ₹780 crore contract to develop a 150 MWac ground-mounted solar power plant for a public sector utility in Maharashtra. *[Business Line]*

Higher GST rates, land acquisition key barriers for solar PV deployment in India - ISA: India is facing barriers such as higher goods and services tax (GST) and issues with land acquisition that are hindering deployment of additional capacities in the world's fourth largest country in the renewable energy (RE) market in terms of installed capacity. *[Business Line]*

Global solar capacity hits 2 TW on path to climate goal: Global solar capacity has reached a record 2 terawatts (TW) of capacity, with more added in the last two years than the previous 68 combined. *[The Economic Times]*

NTPC,ONGC form joint venture to tap renewable, new energy initiatives: Leading PSUs NTPC and ONGC said on Monday they have formed a joint venture company (JVC) through their green energy subsidiaries (NTPC Green Energy and ONGC Green Energy) to promote their interests in the renewable and new energy arena. *[Business Line]*

RE sector saw strong activity in October with over 11 GW in tenders issued: In October, renewable energy projects experienced notable momentum with the release of 16 new tenders, amounting to a combined capacity of 11,098 MW in the clean energy sector. *[Business Line]*



Sectoral News

Coal production rises 7.4% in October, dispatches increase to 82.89 MT: Coal production rose by 7.4 per cent to 84.45 MT in October compared to 78.57 MT in the corresponding month of the previous fiscal, the Coal Ministry said in a release. [*Business Standard*]

DAP imports turn uneconomic: To ensure supplies of non-urea soil nutrients at a reasonable price to farmers, the cabinet had approved Rs 24,474 crore subsidy on phosphatic and potassic (P&K) fertilisers. [*Financial Express*]

CNG cars power ahead; from budget to premium, demand accelerates: The Indian passenger vehicle market is witnessing a robust rise in demand for CNG (compressed natural gas)-powered models, with CNG options now making inroads into high-end car segments too. [*Business Line*]

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