

Industry Matters

Weekly Updates

November 22, 2024



Economy, Industry and Policy

CEA Nageswaran asks India Inc not to seek protective cover of weak currency: Chief Economic Advisor V Anantha Nageswaran on Thursday advised India Inc not to seek protective cover of weak currency as it is not a substitute for productivity and investment in research and development. *[The Economic Times]*

Moody's says Indian economy in 'sweet spot,' predicts 2024 growth of 7.2%: The Indian economy is in a sweet spot, with a mix of solid growth and moderating inflation, Moody's Ratings said. *[Business Standard]*

Services tax surplus and robust remittances may help India in overcoming tariff hikes by US- CRISIL: India's exports faced challenges, but a late surge brought hope. October saw significant growth, driven by sectors like engineering and gems. *[The Economic Times]*

Industry 4.0 takes off in India but confronts challenges: For a faster transformation, country needs to focus on skilling, building digital infrastructure: ISB-Plugin Alliance report. *[Business Line]*

India's deal activity bucks APAC trend with 11.9% growth: While the overall APAC deal landscape remains subdued, India's positive trajectory offers hope for the region's economic prospects. *[Business Line]*

Manufacturing slump likely to hit India's Q2 GDP growth to six-quarter low: High-frequency indicators suggest that India's economic growth is likely to hit a six-quarter low in the September quarter (Q2) of 2024-25 (FY25), with moderation especially in the manufacturing sector. *[Business Standard]*

India's economy strong, inflation moderating - RBI Governor Das: Reserve Bank of India (RBI) Governor Shaktikanta Das on Saturday said that the Indian economy and financial sector are well placed to handle any kind of spillovers from global events. *[Business Standard]*

India Inc capex slows down marginally to Rs 9.4 trn in FY24 - Care Ratings: The aggregate private capex in the financial year 2024 (FY24) slowed down marginally to Rs 9.4 trillion as compared to Rs 9.5 trillion in FY23. *[Business Standard]*

Exports, domestic demand to drive pharma revenue growth- SME Tracker: The pharmaceuticals sector is expected to get a shot in the arm this financial year from robust export demand from regulated and semi-regulated markets. *[Business Standard]*

Finance Ministry sets minimum annual dividend payout norms for NBFC CPSEs: The Ministry of Finance on Monday brought in central public sector enterprises (CPSEs) classified as non-banking financial companies (NBFCs) under the minimum annual dividend payout norm of 30 per cent of profit after tax (PAT) or 4 per cent of the net worth. *[Business Standard]*

Analysing States' Welfare Measures: In aggregate there are some 107 new schemes—or possibly more. Cost details for two-thirds of these schemes were available, totalling to Rs. 5.1 trillion, which is about 1.6% of GDP. *[Financial Express]*

Centre-RBI disagreement deepens over inflation and rate cuts: Differences between the Centre and the Reserve Bank of India over interest rate cuts and inflation targeting appear to be intensifying. *[Business Line]*

PLI scheme subsidy payouts to eligible companies remain in the slow lane: The government has disbursed close to Rs 4,000 crore or around a fourth of its annual subsidy payment estimate to the eligible beneficiaries under the 14 PLI schemes. *[Business Standard]*

Ficci seeks PLI 2.0, tariff review to boost electric vehicle growth: The Federation of Indian Chambers of Commerce and Industry (Ficci) has urged the government to launch a second phase of the production-linked incentive (PLI) scheme (PLI 2.0), tailored to startups and smaller players in the electric vehicle (EV) sector. *[Business Standard]*



Foreign Investment

Govt's focus on FDI liberalisation to boost industrialisation- DPIIT: DPIIT Secretary Amardeep Singh Bhatia on Thursday said the government's focus on FDI liberalisation, smart industrial townships, and sector-specific parks, especially in Tier 2 and 3 cities, is contributing to India's industrialisation. *[Business Standard]*

India likely to attract \$20-25 billion FPI inflows in FY25, recent outflow temporary- Bank of Baroda: Bank of Baroda predicts that India will attract USD 20-25 billion in foreign portfolio investments in FY25. *[The Economic Times]*

Dampened FDI climate: While India must put in place the best possible dispute resolution system, there is a need to further liberalise the policy regime for FDI, besides improving the conditions for doing business in the various states. *[Financial Express]*

Gross FDI in India rises 25.7% in H1FY25; net FDI moderates to \$3.6 bn: Gross Foreign Direct Investment (FDI) in India during April–September 2024 (H1FY25) grew by 25.7 per cent year-on-year (Y-o-Y) to \$42.1 billion, up from \$33.5 billion in the same period last year. *[Business Standard]*



Trade Policy and Competitiveness

Tariffs on India will lead to trade war- US Congressman-elect Subramanyam: US Congressman-elect Suhas Subramanyam has said he is opposed to imposing tariffs on India as it will lead to a trade war between the two countries. *[Business Standard]*

India's FTA with Oman hits deadlock over revision in market access offer: The proposed free trade agreement (FTA) between India and Oman has hit a deadlock, as the West Asian nation has asked New Delhi to revise its market access offer on certain products. *[Business Standard]*

RCEP benefits minimal for India due to China's opaque trade practices - GTRI: India will not be able to reap greater benefits from the Regional Comprehensive Economic Partnership (RCEP) agreement due to widening trade deficits with member countries and China's opaque trade practices. *[Business Standard]*

Trade between 2 nations \$15 bn - India-Brazil Chamber of Commerce official: Executive Director of India-Brazil Chamber of Commerce Leonardo Ananda Gomes highlighted the successful bilateral trade between the two countries, which as of now has crossed the \$15 billion mark. *[Business Standard]*

UK-India Free Trade Agreement to relaunch in early 2025- What's at stake?: The UK-India Free Trade Agreement (FTA), a key trade deal that could significantly reshape bilateral economic relations, is set to relaunch in early 2025. *[Financial Express]*

India's overall textiles exports rise 11.6% in October, apparel exports soar 35.1%: Cumulative exports of textiles and apparel in October 2024 increased by 19.93 per cent compared to October 2023. *[Business Line]*

India's services sector may outpace merchandise exports by 2030, touch USD 618 billion - GTRI: India is set for a major change in its export trends, with outbound shipments of the services sectors expected to overtake merchandise exports by 2030 and touch USD 618 billion. *[The Economic Times]*

ASEAN-FTA- Time for serious review: The FTA has not worked to India's advantage over the last 15 years. A review of its terms gives India a chance to protect its industries. *[Business Line]*



Corporate Governance

Adani's infrastructure footprint across railways, roads, aviation, and ports: The Group has won three major projects under the Hybrid-Annuity Model (HAM) by NHAI. *[Financial Express]*

CCI advocates voluntary compliance and culture of fair play across industries: The Competition Commission of India (CCI), in the latest edition of its quarterly newsletter Fair Play, emphasised its ongoing commitment to fostering a culture of voluntary compliance with competition law across industries. *[Business Line]*

Consumer durable manufacturers to record revenue growth of 11-12% this fiscal on easy financing, premiumisation: The revenue growth will be driven by rising adoption of consumer durable financing, which supports the trend of premiumisation, resulting in better realisations, said CRISIL Ratings. *[Financial Express]*



MSMEs and Start-ups

India's startup ecosystem sees rebound, late-stage deals take lead: After over three years of funding slump, the country's startup ecosystem is showing signs of recovery. *[Business Standard]*

Work begins on credit index for MSMEs to boost funding: The Indian government is developing a 'Creditworthiness Index' to improve credit access for micro and small businesses. *[The Economic Times]*

Startup investments drop 50% in October- IVCA-EY report: Private equity (PE) and venture capital (VC) investments in October 2024 increased by 4 per cent to \$4.7 billion from \$4.5 billion in October 2023 and 40 per cent higher than \$3.4 billion in September 2024. *[Financial Express]*

Startups must leverage open innovation to scale faster: The launch of the Initiative on Critical and Emerging Technology (iCET) in 2023 has made the US an important partner for India in the deeptech domain. *[Financial Express]*



Employment and Industrial Relations

Urban unemployment rate hits fresh low of 6.4% in Q2 FY25- PLFS data: In a positive sign, the urban unemployment rate in the September quarter of the current financial year (Q2FY25) declined to a fresh low of 6.4 per cent since the data was started to be compiled in 2017. *[Business Standard]*

Ministry directs EPFO to ensure UAN activation for employees through Aadhaar-based OTP - The Economic Times: The Ministry of Labour and Employment has directed the Employees' Provident Fund Organisation (EPFO) to work in a campaign mode with employers and ensure the activation of the Universal Account Number (UAN) of employees. *[The Economic Times]*

Indian GCC industry to hit \$100 billion by 2030, generate over 2.5 mn jobs: India's global capability centres (GCCs) are projected to become a \$100 billion industry by 2030, employing over 2.5 million professionals. *[Business Standard]*



Industrial Finance

SEC charges Adani in \$265 mn bribery scandal- Here are the key allegations: Billionaire industrialist Gautam Adani, along with his nephew Sagar Adani and six other defendants, has been charged by the United States Securities and Exchange Commission (SEC) in an alleged bribery and fraud scheme worth millions of dollars. *[Business Standard]*

MFI stress now evident-RBI's small-loan fears turning real: The microfinance sector in India is witnessing a surge in bad loans, reaching an 18-month high of 11.6% in the September quarter. *[The Economic Times]*



Technology and Innovation

India's smartphone exports surpasses \$2 bn mark in Oct, sets new record: India's smartphone exports have set a new benchmark, surging past the \$2 billion mark in October -- the highest monthly total ever recorded. *[Business Standard]*

NextGen CEOs to focus on innovation and inclusion to build Viksit Bharat: India's next generation of business leaders are embracing innovation, inclusion, and sustainability for the realisation of a Viksit Bharat. *[Business Standard]*

AI, 5G, cloud drive India's data centre surge, push institutional investments: India's data centres are all set for exponential growth driven by the increasing integration of artificial intelligence (AI) across industries. *[The Economic Times]*

India strengthening mobile-payment ties with more countries, expanding digital currency efforts: RBI's T Rabi Shankar: India is establishing mobile payment connections with several nations, including Sri Lanka, the UAE, and neighboring countries. The Reserve Bank of India (RBI) is also developing a cross-border payment system and researching the effects of central bank digital currencies (CBDCs) on the financial sector. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

Chennai-Vladivostok maritime corridor becomes operational, says Sonowal: The Chennai-Vladivostok maritime corridor, which is likely to boost maritime ties between India and Russia, is operational now, and container ships carrying crude oil, metal and textile have started coming to Indian ports. *[Business Standard]*

Ten newly approved industrial cities to boost India's economic corridors - DPIIT: India is developing ten new industrial smart cities along its economic corridors, representing a Rs 28,602 crore investment. These cities aim to boost industrial growth and connectivity across various regions, including the densely populated north and the coastal east. *[The Economic Times]*

PM GatiShakti - 228 infra projects worth Rs 15.89 lakh crore recommended for approval: The Indian government has recommended 228 infrastructure projects worth ₹15.89 lakh crore for approval under the PM GatiShakti initiative. *[The Economic Times]*

Govt looks to reduce red tape and unmoor port infrastructure delays: Building on its case to transform India's state-owned ports into self-reliant commercial entities, the Ministry of Ports, Shipping and Waterways is considering expanding the autonomy of major ports in making decisions regarding capital expenditure (capex). *[Business Standard]*



Sustainable Industrialisation

India sets sights on Green Steel with pilot projects and mission to define low-carbon standards: Green steel today has no definition or pre-defined criteria that is universally accepted. *[Business Line]*

ONGC and NTPC join hands to form 50:50 joint venture ONGC NTPC Green for renewable energy projects: ONGPL will be engaged in the business of exploring and setting up Renewable Energy (RE) projects and assets both through Greenfield development and acquisitions. *[Financial Express]*

Ampin, CIP expand India green energy partnership: Ampin Energy Transition announced a second partnership with Copenhagen Infrastructure Partners (CIP) to develop approximately 2 GWp of renewable energy projects across India. *[The Economic Times]*

Tata Power, Bhutan's Druk Green Power Corp to develop 5,000 MW clean energy projects: Tata Power and Bhutan's Druk Green Power Corporation have partnered to develop 5,000 MW of clean energy projects in Bhutan. *[The Economic Times]*

India, Australia firm up clean energy partnership; pushing for mega trade pact: India and Australia sealed an ambitious renewable energy partnership and set their eyes on a comprehensive economic cooperation agreement as Prime Minister Narendra Modi and his Australian counterpart Anthony Albanese vowed to significantly ramp up overall bilateral ties. *[The Economic Times]*



Sectoral News

Gems & jewellery exports up by 9.18 per cent to over Rs 25000 crore for Oct- GJEPC: For the month of October, India's gems and jewellery exports grew by 9.18 per cent to USD 2,998.04 million (Rs 25,194.41 crore) due to revival in demand for cut and polished diamond. *[The Statesman]*

India auto components industry to cross \$80.1 billion revenue in FY25: Driven by strong growth in the two-wheeler segment, the Automotive Component Manufacturers Association has forecast a growth rate of 7-10 per cent for the industry during FY25. *[Business Line]*

Integrated South Asian power market: First tripartite electricity transaction via Indian grid commences: Electric ties: 40 MW of cross-border power to move from Nepal to Bangladesh via the Indian grid. *[Business Line]*

Indian steelmakers make new push for temporary tax to check cheap imports: Indian steelmakers are urging the government to impose temporary taxes on cheap steel imports from China, Japan, and South Korea. *[The Economic Times]*

India to be among top 10 global ship manufactures by 2030- Sonowal: India is striving to secure a position among the top 10 global ship manufacturers by 2030, with aspirations of reaching the top five by 2047. *[The Economic Times]*

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