

Industry Matters

Weekly Updates

November 29, 2024



Economy, Industry and Policy

Inflation to ease, economic growth to accelerate in coming months-Finance Ministry: India's retail inflation jumped in October 6.21 per cent, a 14-month high, driven by elevated food inflation in a few vegetables. *[The Statesman]*

GDP to decelerate in 2025, RBI to cut rates soon-Goldman Sachs: Goldman Sachs said that riding over continued fiscal consolidation and slower credit growth, India's GDP growth will "decelerate" to 6.3 per cent in 2025. *[The Statesman]*

Business activity hits a 3-month high in November despite cost pressures - HSBC: India's business activity surged to a three-month high of 59.5 in November, driven by rising business gains and export sales, despite increasing cost pressures. *[The Economic Times]*

S&P keeps India's FY25 growth forecast at 6.8% - The Economic Times: S&P Global Ratings Monday retained its growth forecast for the Indian economy at 6.8% for this fiscal year while lowering the projection for the next two years. The rating agency cut the GDP forecast for FY26 to 6.7% from 6.9%, and for FY27 to 6.8% from 7%. *[The Economic Times]*

Indian economy to bounce back for 3 big factors: Here's what Morgan Stanley forecasts: With government spending picking up, consumption set to recover, and food inflation moderating, India's economy is likely to regain momentum in the months ahead, bringing growth back on track for the remainder of FY25. *[The Economic Times]*

7% workforce growth expected in H2 driven by logistics, e-comm: With 59 per cent of employers planning to increase headcount in October-March FY25, 7.1 per cent workforce growth is expected during the period, driven by logistics, e-commerce, and manufacturing sectors. *[Business Standard]*

More sops likely for manufacturing sector: The government has started internal discussions on ways to revitalise the manufacturing sector, with a new set of incentives. *[Financial Express]*

Indian gig economy firms poised to be global leaders-FM Nirmala Sitharaman: Indian innovations such as quick commerce could join the league of the biggest players in the international tech business space over time. *[Financial Express]*

Inoperative EPF accounts' total amount up 5 fold to Rs 8,505 cr in 6 years: The total amount in inoperative employees' provident fund (EPF) has jumped over five fold to Rs 8,505.23 crore in financial year 2023-24 from Rs 1,638.37 crore in fiscal year 2018-19. *[The Economic Times]*

Southern states urge 16th FC to address cess and surcharge impact: Finance Commissions use different yardsticks to recommend transfer of funds from the Centre to the states. These generally are income distance, population, area, etc. *[Business Standard]*

Health, education spending by states trails economy's nominal growth rates: State governments have consistently underspent on health and education, trailing the economy's nominal growth. Despite rising demands, priorities remain unchanged, as data reveals concerning trends. *[Business Standard]*

Centre committed to enhancing credit flow in economy - DFS Secretary Nagaraju: The Centre is committed to enhance higher credit and wants to push as much credit as possible in the economy. *[Business Line]*

Granular GST data will yield major policy lessons: Disaggregated data will reveal revenue sources and consumption patterns across States, with important policy takeaways. *[Business Line]*

Nabard urges fintechs to create ways for smarter, faster delivery of government schemes to rural India: Nabard is proposing to set up a common Shared Services Entity across the country for all rural cooperatives, its Chairman K V Shaji said. *[Business Line]*

Apple's iPhone production touches \$10 bn mark in India. Courtesy, PLI: Riding high on the government's Production-Linked Incentive (PLI) scheme, Apple has achieved a remarkable milestone in India. The tech giant's iPhone production reached a freight-on-board (FOB) value of \$10 billion in the first seven months of FY25 (April-October 2024). *[The Economic Times]*

New cottage and rural industries policy to create 1.2 mn jobs in Gujarat: The Gujarat government announced on Wednesday its new cottage and rural industries policy, offering higher loans and subsidies to artisans and entrepreneurs to set up units in the state. *[Business Standard]*

India's economy- Extended tight monetary policy may curb growth further: India witnessed three years of heady growth, with average real gross domestic product (GDP) growth of around 8 per cent. *[Business Standard]*



Foreign Investment

FinMin proposes to raise insurance FDI to 100%, composite licence provision: The finance ministry has proposed to amend various provisions of the Insurance Act, 1938, including raising foreign direct investment (FDI) in insurance sector to 100 per cent, reduction in paid-up capital, and provision for composite licence. *[Business Standard]*

Strategy for FDI by Indian firms- A 2x2 classification for the leadership: All important global firms are multinationals. Many large Indian firms have initiated overseas FDI (foreign direct investment) activities. *[Business Standard]*

'China plus one' opportunity opening up for India; Tamil Nadu doing its best to attract FDI - Arvind Subramanian: 'China plus one' opportunity is opening up for India and Tamil Nadu is doing its best to take the state's competitive advantage in attracting foreign direct investments. *[The Economic Times]*

Japan's third-largest bank weighs new push to target private equity boom in India: Mizuho Financial Group Inc. is considering making a push into a new area for the lender in India focusing on private equity and venture capital firms, seeking to tap some of the most prolific dealmakers in the country. *[The Economic Times]*



Trade Policy and Competitiveness

India aiming to finalise carbon deals with Japan, Singapore, and S Korea: India is aiming to finalise a potential carbon credit deal with Japan early in 2025 and then advance similar negotiations with nations including South Korea and Singapore. *[Business Standard]*

US tariffs on China-India could get hurt most - Crisil: As the US imposes higher tariffs and trade barriers on imports from China, surpluses with the latter could increase the possibility of them being diverted to other countries, including India, which already imports heavily from Beijing. *[The Economic Times]*

India must recalibrate its FTA strategy: India should not be pushed into joining trade blocs. It must assess existing FTAs, and should build a larger team of expert negotiators. *[Business Line]*

India-Russia trade hits USD 66bn in 2024- target of USD 100bn by 2030 on track Russian envoy: Russia and India achieved record-breaking bilateral trade of USD 66 billion in 2024. This represents a fivefold surge in five years. *[The Economic Times]*

India, Japan relatively shielded from US tariff risks, says Morgan Stanley: Morgan Stanley's analysis suggests India and Japan are relatively insulated from President-elect Trump's tariff threats, with Japan particularly well-positioned. While India faces greater exposure, the impact on growth is estimated to be moderate. *[The Economic Times]*

India red-flags non-tariff barriers, wants EU focus on market access: India is seeking assurances from the European Union that future non-tariff barriers won't harm its interests during ongoing free trade agreement negotiations. *[The Economic Times]*

Policy decision of Trump administration to play crucial role in shaping global trade dynamics: India's economy shows resilience amidst global uncertainties. Favorable monsoons boost agriculture, while services trade remains strong. *[The Economic Times]*



Corporate Governance

CCI greenlights Google parent Alphabet-owned entity investment in Flipkart: The Competition Commission of India (CCI) has approved a significant transaction involving Flipkart Private Limited, a Walmart Group company, and Shoreline International Holdings LLC, an Alphabet Inc. (Google- parent) subsidiary. *[Business Line]*

RIL subsidiary acquires 21% stake in US-based Wavetech Helium for \$12 million: Reliance Finance and Investments USA LLC, a step-down wholly owned subsidiary of Reliance Industries has acquired a 21% stake in US-based Wavetech Helium, Inc. for around \$12 million (Rs 100 crore). *[The Economic Times]*



MSMEs and Start-ups

MSMEs can boost finances with formal registration, digital payments-RBI DG: Micro, Small, and Medium Enterprises (MSMEs) can strengthen their financial health and credibility by embracing formal registration, maintaining accurate financial records, and adopting digital payment systems to create a transparent financial footprint. *[Business Standard]*

RBI asks MSMEs to formalise business, focus on credit discipline, capacity building for credit access: While regulatory policies and government schemes have played a crucial role in creating an enabling environment for MSMEs. *[Financial Express]*

Regulations, business registrations, credit and market access still a challenge for MSME: Complying with regulations, obtaining business registrations and accessing finance and markets are some of the most challenging issues plaguing the Micro, Small and Medium Enterprises (MSME), according to "MSMEs Facing Challenges in Doing Business," a study published by ASSOCHAM in collaboration with Egrow Foundation. *[The Economic Times]*



Employment and Industrial Relations

EPFO subscribers may soon get ETF fillip- CBT meeting on Saturday: CBT meeting on Saturday may take a call on reinvesting 50% of its ETF redemption proceeds in equity. *[Business Standard]*

How e-Shram portal could transform social security, labour market landscape: The government is working on integrating welfare schemes across ministries into a single portal for unorganised sector workers to access, as well as for private firms to tap into for labour needs. *[Business Standard]*

EPFO considering removing 12% ceiling on employees' contribution to EPS: In a bid to enable subscribers with basic pay up to Rs 15,000 to earn a higher pension and build a bigger corpus, the Employees' Provident Fund Organisation (EPFO) is considering to do away with the 12 per cent ceiling that is currently applicable on members' contribution to the Employee Pension Scheme (EPS), while keeping the employer's share of 12 per cent unchanged. *[Business Standard]*



Industrial Finance

Univest in talks to raise \$16 million in round likely led by Bertelsmann India Investments: Innoven Capital will participate in the Series A funding round for the wealthtech platform through \$3 million in debt financing. *[The Economic Times]*

I-T probe finds 500 'actionable' cases of undisclosed Dubai assets held by Indians: The income-tax department has found more than 500 "actionable" cases related to undisclosed immovable properties held by Indians in Dubai and raids conducted in Delhi alone have discovered evidence of unaccounted transactions worth more than ₹700 crore. *[The Economic Times]*

Creditors recover Rs 3.55 lakh crore till Sept under insolvency law: Creditors have recovered around Rs 3.55 lakh crore through resolution of 1,068 cases under the insolvency law till September this year. *[The Economic Times]*



Technology and Innovation

Internationalisation of UPI progressing rapidly-RBI: The UPI hit a milestone of 16.6 billion transactions in a month in October, with improvements in its capabilities like successful instant debit reversals at 86 per cent. *[The Statesman]*

India strengthens GenAI startup market, funding up over threefold- Nasscom: India has strengthened its position in the global generative artificial intelligence (GenAI) landscape, ranking sixth among major economies in the share of GenAI startup ecosystems. *[Business Standard]*

Greening AI for sustainable computing-A call for tech firms, policymakers: Technologies are providing solutions to many business and social problems. However, the solution itself is becoming a problem for climate action. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

Better infrastructure is about connecting dreams, accelerating progress - PM Modi: Prime Minister Modi announced Cabinet approvals for three railway projects worth ₹7,927 crore, benefiting Maharashtra, Madhya Pradesh, and Uttar Pradesh. A national mission to promote natural farming among one crore farmers was also approved, with a budget of ₹2,481 crore. *[The Economic Times]*

India-UK investment bridge: Focus on roads, renewables, and rapid transit projects: India and the UK are partnering on infrastructure projects, focusing on roads, rapid transit, and renewables. The collaboration aims to attract UK investment and expertise to support India's growth, with initial plans to identify three projects by March 2024. *[The Economic Times]*

Indian Railways Infra Push - Cabinet greenlights several rail projects worth Rs 7,927 crore for Maharashtra, MP, UP: The Union Cabinet's approval for three critical rail projects, valued at Rs 7,927 crore, promises to enhance connectivity and economic development across Maharashtra, Madhya Pradesh, and Uttar Pradesh. *[Financial Express]*

India-UK investment bridge- Focus on roads, renewables, and rapid transit projects: India and the UK are partnering on infrastructure projects, focusing on roads, rapid transit, and renewables. *[The Economic Times]*

Odisha govt approves investment projects worth Rs 1.36 trn across sectors: The High-Level Clearance Authority (HLCA) headed by Chief Minister Mohan Charan Majhi has approved the projects, poised to generate employment for over 74,350 individuals and significantly bolster the state's economic growth. *[Business Standard]*



Sustainable Industrialisation

NTPC Green Energy forms JV with MAHAGENCO for RE projects: NTPC Green Energy Ltd, a wholly owned subsidiary of NTPC Ltd, on Tuesday incorporated a 50:50 joint venture with Maharashtra State Power Generation Company Limited (MAHAGENCO). *[Financial Express]*

India, EU firm up extensive roadmap for green hydrogen cooperation: India and the European Union have finalized a comprehensive roadmap for collaboration in the green hydrogen sector. *[The Economic Times]*

India's transport future balances fossil fuels and clean technology: Fossil fuels will continue to play an important role in India's transportation sector, even as alternative fuel technologies see multifold growth. *[Business Standard]*

Renewable Energy PPAs for 55 GW capacity yet to find takers: Around 55 gigawatts (GW) of renewable energy (RE) capacity, awarded between April 2022 and October 2024, is awaiting the signing of power purchase agreements (PPAs). *[Business Line]*

Over 90% of Indian businesses raised sustainability investments over last year: there has been a notable rise in investment in sustainability over the last one year with 91 per cent CXOs interviewed reporting an increase, indicating that climate action drives value creation and is central to the company's overall business strategy. *[The Economic Times]*

Sembcorp Industries bags 300MW wind-solar hybrid project from NTPC: Sembcorp Industries on Wednesday said it has secured a 300 MW wind-solar hybrid project through its arm Sembcorp Green Infra from NTPC Ltd. *[Business Standard]*

India reshapes its workforce to plug into the electric vehicle era: Weak global demand for electric vehicles (EVs) and mounting industry challenges have pushed several automobile (auto) makers to announce job cuts. *[Business Standard]*



Sectoral News

Major port cargo contracts 3.2% to 68 mt in October: Central government-owned ports, also known as major ports, recorded a rare 3.2 per cent year on year (Y-o-Y) contraction in their cargo volumes during October, primarily due to a fall in crude oil and coal shipments. *[Business Standard]*

India's dairy sector-A pillar of rural economy and holistic well-being: As of the 2022-2023 period, India's per capita milk availability has surged impressively from just 115 grams per day in the 1940s to 459 grams per day. *[Financial Express]*

India's JSW Steel, SAIL in talks with Mongolia for coking coal shipments: India's JSW Steel and state-run Steel Authority of India (SAIL) are in talks with Mongolian authorities to import two shipments of coking coal. *[The Economic Times]*

Healthcare access for all Indians by 2047: AI and health data have roles to play: India could achieve universal healthcare access by 2047, according to a new report by consulting firm BCG and TPA Medi Assist. *[The Economic Times]*

Ethanol blending saved foreign exchange worth Rs 1.08 trillion since 2014: India's ethanol blending program has saved Rs 1.08 trillion in foreign exchange since 2014, data submitted by the Petroleum Ministry to Parliament showed on Thursday. [*Business Standard*]

Centre approves coal allocation for MP to set up power plants with capacity of 4100 MW: The Union government on Thursday cleared coal allocation to Madhya Pradesh for setting up thermal power plants having a total installed capacity to generate 4100 mega watt power. [*The Economic Times*]

India's iron ore production rises 4 pc in Apr-Oct: Iron ore production in the country rose 4.1 per cent to 158.4 million tonnes (MT) in the April-October period of the ongoing fiscal year. [*The Economic Times*]

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