

Industry Matters

Weekly Updates

December 06, 2024



Economy, Industry and Policy

India's potential GDP growth is in range of 6.5-7%-CEA Nageswaran: Economic Survey projected India's GDP to grow at 6.5-7 per cent in 2024-25, down from a high of 8.2 per cent in the preceding financial year. *[Business Standard]*

Maharashtra aims \$1 trillion GDP with growth in manufacturing, services: The Maharashtra government aims to achieve the ambitious target of doubling the state's GDP to \$1 trillion by the end of this decade. *[Business Standard]*

MPC's repo rate stance may remain unchanged amid rise in retail inflation: At the last MPC meeting, the members had decided by a majority of 5 out of 6 to keep the policy repo rate unchanged at 6.5 per cent. *[Business Line]*

India needs stronger partnerships in global economy-EAM Jaishankar: External Affairs Minister S Jaishankar, at the CII Partnership Summit on Sunday, underlined India's growing role in the global arena and the need for stronger international partnerships amid a volatile global economy. *[Business Standard]*

MGNREGA work demand up 4% in November as farm sowing ends: According to some experts, the increase in demand may be attributed to workers returning to worksites after completing sowing activities on farms. *[Business Standard]*

Coal India's total production up by 2% to 471 million tonnes in Apr-Nov: The company's production also rose by 1.7 per cent to 67.2 MT in November against 66 MT in the corresponding month a year ago, CIL said in a regulatory filing to BSE. *[Business Standard]*

Monetary policy- RBI faces Hobson's choice on policy rate cut decision: This policy comes at a time when growth is slowing, inflation is still pretty high, and the rupee has started losing value against the dollar. *[Business Standard]*

India's organic food products export reaches \$448 mn, set to surpass last year's figures: India's organic food products export reached \$447.73 million in the first eight months of this fiscal (FY25), and are set to surpass last year's export figures. *[The Statesman]*

EPFO's investible corpus more than doubled in 5 years to Rs 24.75 trillion: The total amount in the investment corpus of the Employees' Provident Fund Organisation (EPFO) more than doubled in the past five years to Rs 24.75 trillion in the financial year 2023-2024 (FY24) from Rs 11.1 trillion in FY19. *[Business Standard]*

OECD calls for bold reforms to make retirement systems more inclusive, resilient, and innovative: Policymakers advised to steer clear of overly conservative default strategies that may restrict retirement incomes. *[Business Line]*

Central government capex to surge by 25% y-o-y in second half of FY25- Jefferies: The central government's capital expenditure is expected to surge by an impressive 25 per cent year-on-year (y-o-y) in the second half of the financial year 2025. *[Business Line]*

Manufacturing PMI fell to a joint 11-month low of 56.5 in November: Inflation impacted the manufacturing sector in November as Purchasing Managers' Index (PMI) slipped to 11 months low of 56.5 in the said month as against 57.5 of October. *[Business Line]*

Cement, steel inventory drawdown raises concerns: Consumption across some core sector segments like cement and steel are up but production of items have not registered a corresponding rise, indicative of an inventory drawdown. *[Business Line]*

India to shift GDP and CPI base years to reflect economic changes by early 2026: The Ministry of Statistics and Programme Implementation (MoSPI) plans to release a new series for both the Gross Domestic Product (GDP) and Consumer Price Inflation (CPI) index by February 2026. *[Business Line]*

Govt targets 6.5-7% GDP growth in FY25 despite slowdown-EAS Ajay Seth: The Indian government is taking steps to achieve its projected gross domestic product (GDP) growth target of 6.5 to 7 per cent for financial year 2024-25 (FY25). *[Business Standard]*

GST collection rises 8.5% to Rs 1.82 lakh cr in Nov: In April-November, gross GST collections from domestic activity were up 10.3% on year at Rs 11.04 lakh crore, but from imports, the growth was up merely 6%, which dragged down overall growth. *[Financial Express]*

India needs to grow at over 7% along with robust fiscal framework to meet Viksit Bharat target-EY India: A recent report by EY India says enhanced government spending is vital for India's Viksit Bharat vision. *[The Economic Times]*

PM Internship scheme, job-linked incentive schemes may be launched together later in Dec: The government plans to launch the PM Internship scheme and an employment-linked incentive programme as a package this month. *[The Economic Times]*

GST restructuring may spur parallel economy - companies: Two associations of manufacturers and retailers have said that the new goods and services tax (GST) slabs proposed for readymade garments will promote a parallel economy, defeating the very purpose of GST. *[Financial Express]*



Foreign Investment

India Inc thrilled over FinMin's proposal to hike FDI limit in insurance sector to 100%: New proposals include open architecture for insurance agents, reduced minimum capital norms for insurers; Earlier plan to allow concept of captive insurers dropped. *[Business Line]*

FDI inflows jump 45 pc to USD 29.79 billion in April-September 2024: Foreign direct investment in India rose by 45 per cent year-on-year to USD 29.79 billion in April-September this fiscal. *[The Economic Times]*

India's misguided GVC quest: A rethink on joining RCEP is prompted by the false belief that FTAs will attract FDI and improve exports. *[Business Line]*



Trade Policy and Competitiveness

India eyes opportunity in US-China trade war under Trump's presidency: India has identified key sectors, including electronics, pharmaceuticals, textiles, automobile components, and chemicals, to boost exports to the US, eyeing opportunities arising from a potential trade war between Washington and Beijing. *[Business Standard]*

Trump's threat of 100% tariffs if BRICS nations adopt common currency unrealistic- GTRI: US President-elect Donald Trump's latest tariff threat directed towards the BRICS nations, including India, warning against the proposed adoption of a BRICS common currency, is unrealistic and more symbolic than practical. *[Business Line]*

Sustainability measures in trade adding to economic uncertainties-Govt: FTAs need to take a holistic view of the commercial significance they hold for the country and emphasise the importance of looking at goods, services, and investment together. *[Business Standard]*

Safe Harbour Rules to include foreign companies generating profits from India by selling raw diamond: The Central Board of Direct Taxes (CBDT) has expanded the 'safe harbour rules' to include foreign companies which are engaged in selling raw diamond here. *[Business Line]*

Commerce ministry reviewing India-US trade relations amid Trump statements: The commerce ministry is reviewing various aspects of India-US trade relations focusing on implications of statements made by US President. *[Business Standard]*

New route for INSTC gets activated for Indo-Russian trade: India has used a new Transcaspian leg of the International North South Transportation Corridor or INSTC for the first time to transport goods to Russia. *[The Economic Times]*



Corporate Governance

Tata Sons chairman calls for aggressive growth despite market challenges: Tata Sons Chairman N Chandrasekaran has reportedly asked the CEOs of group companies to prioritise aggressive growth despite increasing uncertainties in domestic and global markets. *[Business Standard]*

Reliance-owned Viacom18 acquires Jiohotstar.com domain name after long wait: Viacom18 Media Pvt Ltd, a subsidiary of Reliance Industries, now officially owns the domain jiohotstar.com, putting an end to months of legal and commercial disputes. *[Business Standard]*



MSMEs and Start-ups

As funding winter bites, startups get finances in order: A large number of startups have either been able to narrow their losses or posted positive bottomlines in FY24. *[Financial Express]*

Indian SMEs see sustainability as a key driver for commercial success:DHL Express Global Sustainability Survey 2024: Sustainability has become a strategic imperative for small and medium-sized enterprises (SMEs), significantly influencing their long-term value and credibility, according to a new international survey from DHL Express. *[The Economic Times]*

Digital Footprint to help MSME get up to Rs 5 L loans from Muthoot FinCorp ONE: Muthoot FinCorp ONE, a strategic business unit and the digital platform of Muthoot FinCorp Ltd (MFL) will offer loans with daily repayment options to Micro, Small and Medium Enterprises (MSME). *[Financial Express]*



Employment and Industrial Relations

CBT approves parking PF funds in public sector InvITs and REITs: The Central Board of Trustees (CBT) of the Employees' Provident Fund Organisation (EPFO) has approved guidelines to allow Provident Fund investments in units of public sector-sponsored Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs). *[Business Line]*

EPS subscribers with Rs 1,000 pension increases by 3% to 3.66 mn in FY24: The total number of pensioners receiving minimum assured pension of Rs 1,000 under the Employee Pension Scheme (EPS) has increased by 3 per cent to 3.66 million in the financial year 2023-2024 (FY24) compared to the previous year. *[Business Standard]*

Israel seeks collab with India Inc, startups; aims to hire Indian workers: As Israel and India work on deepening their trade relations, a high-profile delegation of Israeli chief executives, led by that country's economy and industry minister, Nir Barkat, is scheduled to visit India in January. *[Business Standard]*



Industrial Finance

IFC to invest \$20 million in MSME lender Flexi Loans: IFC said it will help FLexiLoans strengthen its loan operation and risk management practices as its business continues to scale. *[Financial Express]*

Central tax officers book 12,803 GST evasion cases in Gujarat in 4 years, 101 persons arrested: Finance Minister Nirmala Sitharaman revealed that 12,803 GST evasion cases were booked in Gujarat from 2021-2024, with 101 arrests. *[The Economic Times]*



Technology and Innovation

EV boom to charge up chip demand: The demand for semiconductors in electric vehicles (EVs) is increasing as automakers accelerate their transition toward cleaner energy and digital transformation. *[Financial Express]*

India stands out as a leader in AI-driven sustainability initiatives: About 98 per cent of Indian business leaders are planning to increase investment in IT for sustainability over the next 12 months, as the country remains a leader in AI-driven sustainability initiatives. *[The Statesman]*

Japanese firms eager to set up semiconductor units in India-Deloitte: Japanese firms are keen to set up semiconductor units in India and they have all the expertise and specialisation to partner with domestic firms. *[Business Standard]*

India closes in on China in iPhone output, but revenue gap remains wide: India is narrowing the gap with China in iPhone production but lags significantly in contributing to Apple's global revenue. *[Business Standard]*

DoT bats for expanded telecom PLI to push diversified manufacturing: The Department of Telecommunications (DoT) is pushing for an expansion of the Production Linked Incentive (PLI) scheme for telecom equipment and network products to further localise the manufacturing of key equipment and quickly capture the export demand for 4G and 5G gears. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

Shipping reforms can build supply chain resilience: By modernising ports and supporting sustainable logistics, India help deal with supply chain vulnerabilities. *[Business Line]*

Adani Ports records 36 MMT cargo volume in November, says growth driven by containers: Adani Ports and Special Economic Zone (APSEZ) on Monday announced that it handled 36 MMT of cargo during November 2024. *[Financial Express]*

Boosting coastal infra - Goa set to become India's key cargo, cruise destination-Here's what Central Govt is planning: The government is promoting coastal shipping by providing subsidies and reduced charges, aiming to increase cargo volumes and reduce traffic congestion on roads. *[Financial Express]*

NHA's 75 tunnel projects spanning 146 km under construction at Rs 49,000 crore investment-Gadkari: Union Road Transport and Highways Minister Nitin Gadkari on Wednesday (December 4) announced that around 75 National Highways Authority of India (NHA) tunnel projects, involving an investment of Rs 49,000 crore. *[Financial Express]*



Sustainable Industrialisation

JSW plans entry into EV market, to launch in-house electric vehicle brand: India's steel giant JSW Group plans to enter the electric vehicle (EV) market under its brand, reported The Financial Times on Monday. India's steel giant JSW Group plans to enter the electric vehicle (EV) market under its brand, reported The Financial Times on Monday. *[Business Standard]*

Tata Power Renewables Energy commissions 431 MW DC solar project in MP: Tata Power on Tuesday said its arm Tata Power Renewables Energy has commissioned a 431 MW DC Solar project in Neemuch, Madhya Pradesh. *[Business Standard]*

Suzlon Group secures repeat order of 302 MW wind project from Jindal Renewables: Suzlon Group on Wednesday said the company has secured an additional wind project of 302.4 megawatt from Jindal Renewables in Karnataka. *[The Economic Times]*

Transition to renewable energy needs ₹30 lakh crore in 7-8 years-Renewable energy secretary Prashant Kumar Singh: Renewable energy secretary Prashant Kumar Singh on Monday said at the CII Partnership Summit there is a financing requirement of ₹30 lakh crore over the next 7-8 years for energy transition. [*The Economic Times*]



Sectoral News

Navigating through India's port sector: Post-Sagarmala there is a growing divergence between the performing and lagging ports. This gap needs to be bridged. [*Business Line*]

Indian steel mills feel crunch from cheap Chinese imports: India's construction boom with its gleaming highrises and multilane highways was supposed to drive up domestic steel sales. [*The Economic Times*]

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Automobile component sector to record slower revenue growth at 6-8% this fiscal and next-CRISIL: The automotive components sector is expected to record moderation in revenue growth to 6-8 per cent this fiscal and the next, after clocking around 14 per cent increase last fiscal, stated a report by CRISIL Ratings. [*Financial Express*]

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