

Industry Matters

Weekly Updates

December 20, 2024



Economy, Industry and Policy

Economy ends 2024 strong as business growth reaches 4-month high-PMI: Asia's third-largest economy grew a softer 5.4 per cent last quarter, but easing inflation is expected to spur demand among private sector firms. *[Business Standard]*

Rationalised GST rates key for jobs and growth: While reforming GST, the Centre should remember that rate changes must boost public revenue while enabling businesses to invest and create jobs. *[Financial Express]*

Speed up structural reforms- World Bank chief economists: World Bank (WB) Chief Economist Indermit Gill has urged India's policymakers to accelerate structural reforms, as changes needed to transition to a high-income country are not taking place quickly enough. *[Financial Express]*

Impact of digitalisation on inflation needs close monitoring-DG Patra: Patra highlighted that digitalisation can be regarded as a long-term technology shock impacting economic growth, productivity, labour markets, older technologies, and inflation. *[Business Standard]*

Circular economy may create over 10 mn jobs by 2050-Amitabh Kant: Kant said the circular economy can be a driver of growth, and this transition not only promises cost savings but also positions India to capitalise on the global circular economy market. *[Business Standard]*

The year of the pause- How RBI maneuvered its policy in 2024: India's benchmark interest rate, held steady at 6.5% since late 2018, remains unchanged as inflation control remains a key focus. *[The Economic Times]*

Niti Aayog to undertake research study on cost of doing business in India: NITI Aayog will research business costs in India. The study will compare India with competing nations. *[The Economic Times]*

One Nation One Subscription- Revolutionising access to research journals nationwide: Scheme to bring ease of doing research to the doorstep of all students, faculty and researchers in the government institutions. *[Business Line]*

Compared to 2021-22, India's cotton textile exports decline by 29%: The exports of raw cotton too declined by 60 percent. However, the exports of other textile yarns and made ups during 2023-24 saw an increase of 12 percent *[Business Line]*

Economic uncertainty, geopolitical complexities top challenges flagged by CEOs-KPMG Survey: The KPMG 2024 CEO Outlook revealed that 82 per cent of Consumer and Retail CEOs believe they're on a growth trajectory but only 59 per cent feel the same way about broader economic growth. *[Business Line]*

At \$129 bn, India top recipient of remittances this year-World Bank: The growth rate of remittances this year is estimated to be 5.8 per cent, compared to 1.2 per cent registered in 2023. *[Business Standard]*

Investments, consumption to drive growth in FY26 to 6.6%-India Ratings: The rating agency also noted that inflation is likely to decline to 4.3 per cent in FY26 from 4.8 per cent projected by the central bank for the current fiscal. *[Business Standard]*

India's refined petroleum product exports rose in October aided by petrol and jet fuel: India's refined petroleum product exports increased by 20 per cent year-on-year in October 2024, says Xavier Tang, Market Analyst at Vortexa. *[Business Line]*

India continues to hold steady despite global uncertainties-CareEdge Ratings: Core inflation is expected to remain benign, averaging 3.5 per cent in 2024-25 and 4.3 per cent in 2025-26. *[Business Line]*

India's path to sustainable tourism: Tourism is a vital pillar of economic growth and employment generation all across the world. It offers vast potential for sustainable livelihoods while promoting India's rich cultural and natural heritage. *[Business Line]*

A case for a national competition policy: The country's economic transformation owes much to the 1991 reforms that dismantled several restrictive barriers and promoted market dynamism. *[Business Line]*

High interest rates, fiscal consolidation slowing GDP growth-CRISIL: High interest rates and fiscal consolidation have contributed to slower economic growth for India in the current financial year (FY25) so far. India's real gross domestic product (GDP) is likely to move closer to trend growth of 6.5-7 per cent this year. *[Business Standard]*

India's export performance unexpectedly good but patchy: Indian exporters performed much better in 2024 than many expected despite grappling with geopolitical and other uncertainties, according to Biswajit Dhar, Distinguished Professor, Council for Social Development. *[Business Line]*

Time to focus on export-led Indian miracle as US leans toward isolationism: It is surprising that India has not followed this path even though there have been plenty of examples of export-led economic miracles from the 1950s closer home. *[Business Standard]*

Tourism and Hospitality Sector in India Set to Create 61 Lakh New Jobs by 2034-Key Insights from CII-EY: India's tourism and hospitality sector is set to grow significantly, potentially creating 61 lakh new jobs by 2034. *[Financial Express]*

Investment of Rs 1.46 lakh cr realised across 14 PLI sectors till Aug: The Indian government's Production Linked Incentive (PLI) schemes across 14 sectors have attracted Rs 1.46 lakh crore in investments, leading to over Rs 12.50 lakh crore in increased production and sales as of August 2024. *[The Economic Times]*

India's economy to grow in range of 6.5 to 7% this fiscal-CEA: Even though the Indian Economy slowed down to 5.4 per cent in the second quarter, it will grow in the range of 6.5 to 7 per cent this fiscal. *[The Statesman]*

FinMin unlikely to introduce new Income-Tax Bill in Budget session: The finance ministry is unlikely to introduce the new Income-Tax Bill in the upcoming Budget session of Parliament. *[Business Standard]*

CARE Ratings pares down India's FY25 GDP growth forecast to 6.5%: CARE Ratings on Friday revised downwards its gross domestic product (GDP) growth forecast for FY25 to 6.5 per cent from 6.8 per cent estimated earlier. *[Business Standard]*

Bihar doubles down on investments as industrial growth surges: Bihar is attracting significant investments from major companies like Adani Group and Coca-Cola. The state is leveraging its resources, improved infrastructure, and investor-friendly policies to drive economic growth. *[The Economic Times]*

India's MSMEs offer huge opportunities, need to further leverage this sector- Oliver Prill, Tide: India is a vibrant hub of entrepreneurial spirit, with its Micro, Small, and Medium Enterprises (MSMEs) sector being a key driver of economic growth. *[The Economic Times]*



Foreign Investment

India crosses \$1 trillion in FDI since 2000 Mauritius tops the list: India has surpassed the \$1 trillion mark in cumulative foreign direct investment (FDI) inflows from April 2000 to September 2024, cementing its position as a global investment hub. *[Business Standard]*

In two minds on China-Policymakers split over attracting Chinese FDI: When the FY24 Economic Survey presented in July batted for allowing more Chinese investment into India, it was seen as a change in heart following the NDA government's re-election for a third successive term. *[Business Standard]*



Trade Policy and Competitiveness

UK-India business boosted by prospect of free trade agreement-HSBC: Business between the UK and India has boomed this year as firms in both countries anticipate their governments will be able to seal a free trade agreement. *[Business Standard]*

Reflecting on a decade of Make in India- Achievements, challenges, and the road ahead: The Make in India initiative has transformed many sectors, redefined India's economic strategy, and set the nation on a promising path—albeit with hurdles along the way. *[Financial Express]*

India's merchandise trade deficit widens to a record \$37.8 bn in Nov: Exports contract 4.85% to \$32.1 billion; imports increase by 27% to \$69.95 bn. *[Business Standard]*

India's imports from UAE jumps 109% to \$6.12 billion in Nov: India's imports from its free trade agreement partner UAE have jumped 109.57 per cent year-on-year to \$ 6.12 billion in November, leaving a trade deficit of over \$ 3 billion during the said month. *[Business Standard]*

India has more than a 'BIT' of a problem on trade & investment negotiations: India's model bilateral investment treaty (BIT) and the finance ministry's firm stance against amending it are becoming significant roadblocks for trade negotiators, according to a ToI report. *[The Economic Times]*

The coming trade challenges that India will have to get ready to deal with: India is staring at upcoming trade challenges, Director General of Foreign Trade (DGFT) Santosh Kumar Sarangi said. *[The Economic Times]*

Trade deficit widens to record high: Engineering exports grew 13.7% to \$8.8 billion, electronics exports were up 54.7% at \$3.4 billion, rice exports increased 95.1% to \$1.1 billion as trade curbs were removed. *[Financial Express]*

Big impact on India's steel exports? EU begins review of safeguards measures: The European Union is reviewing steel import safeguards, potentially impacting India's steel exports. *[The Economic Times]*



Corporate Governance

Coal India Ltd spends Rs 5,570 crore on CSR activities in 10 years-Chairman: Coal India Ltd (CIL) is committed to CSR activities and has spent Rs 5,570 Crore on CSR during the last decade on pan India basis, much of it focused on health and education said. *[The Statesman]*

What led to drop in Ambani, Adani's net worth slipping below \$100 billion-A look at how 2024 panned out for two of India's richest: Ambani, Adani exit \$100 billion club: Both Mukesh Ambani and Gautam Adani were dropped out of the 'centibillionaire club' as their net worth has fallen below the \$100 billion mark per the Bloomberg Billionaires Index. *[Financial Express]*

Corporate India in a sweet spot, to scale up capex: Private-sector capital expenditure has not been up to the expectations, despite robust corporate profits. *[Financial Express]*



MSMEs and Start-ups

Rs 12 lakh crore in MSME exports recorded in April-November period-MoS MSME: The total number of MSMEs exporting goods till November in the current fiscal was 1.73 lakh, compared to 1.53 lakh in the entire FY24 and 1.21 lakh in FY23. *[Financial Express]*

Proposed Digital Competition Bill likely to hurt MSMEs and startups: The proposed Digital Competition Bill by the government to curb anti-competitive practices by large technology companies could hurt India's growing digital economy. *[Financial Express]*

Focus on trade infra, MSMEs competitiveness to help India double share in global trade-CII: The Confederation of Indian Industry (CII) suggests that by strengthening MSMEs, enhancing digital trade, and integrating deeply into global value chains, India could more than double its 2% share in global trade. *[The Economic Times]*

High interest rates deterrent for MSME exporters; working with FinMin- DGFT: The country's high interest rates are a big deterrent for exporters community and the commerce ministry is working with its finance counterpart to help them at this front. *[Business Standard]*

Over Rs 21,000 crore invested in startups so far under Startup India's schemes-Commerce Ministry: The central government's various schemes for startups under the Startup India initiative have invested over 21,000 crore in startups as of October 31, 2024. *[Financial Express]*



Employment and Industrial Relations

Women workforce participation rate in tech sector to reach 14.9% by 2027: Women to drive India's tech industry growth with a demographic shift of skilled professionals. Increasing diversity and rising opportunities for women in the industry will fuel the transformation. *[Business Standard]*

EPFO extends timeline for employers till January 31, 2025 to process pending application for higher pension: The Employees' Provident Fund Organisation has for the last time extended the window for employers till January 31, 2025 to process and upload about 3.1 lakh applications pending with them for validation of option or the joint options under the pension scheme on higher wages. *[The Economic Times]*

Formal job creation up 3% under ESIC at 1.78 million in October-Payroll data: India added 1.78 million formal jobs under ESIC in October 2024. This shows a 3% rise from October 2023. *[The Economic Times]*



Industrial Finance

Shriram Finance raises \$1.27 bn in multi-currency syndicated loan: Shriram Finance said on Wednesday it has raised \$1.27 billion through a syndicated external commercial borrowing (ECB) in various currencies, making it the largest such loan secured by a domestic private non-banking finance company (NBFC). *[Business Standard]*

NARCL has acquired 22 accounts with an exposure of Rs 95,711 cr: The Finance Ministry Thursday said that the National Asset Reconstruction Company Limited (NARCL) has so far acquired 22 accounts with an exposure of Rs 95,711 crore, and banks resolved 28 accounts worth Rs 1.28 lakh crore through other resolution mechanisms, subsequent to offers made by NARCL. *[The Economic Times]*



Technology and Innovation

Suchi Semicon readies OSAT facility in Surat; to begin trial production in Jan 2025: With a capacity to produce 3 million chips per day, this new Outsourced Semiconductor Assembly and Test facility from Suchi Semicon will begin trial-run from January 2025. *[Business Line]*

Security vulnerabilities hinder AI adoption in India-Deloitte: AI at a crossroads-Building trust as the path to scale' report by Deloitte Asia Pacific, which surveyed 900 senior leaders across 13 markets revealed while enthusiasm for AI is high, barriers remain. *[Business Standard]*

Reliance Jio launches JioTag Go- India's first tracker compatible with Google's Find My Device network: Reliance Jio has officially launched the JioTag Go, India's first tracker designed to work with Google's Find My Device network. *[Financial Express]*

Indian businesses ahead of global counterparts in AI adoption: Indian enterprises are leading in the adoption and experimentation with artificial intelligence as compared to the global average, according to a report. *[Financial Express]*



Industrial Infrastructure, Clusters and SEZs

Bihar sees over 3,800 industrial investment proposals, fueling rapid growth and development: Bihar has received more than 3,800 proposals for setting up factories in the state since it floated a progressive industrial investment promotion policy in 2016, proving to be a pivot for its rapid development. *[Financial Express]*

Infra boost- Record capital expenditure marks India's road to a \$30 trillion economy by 2047: The Indian government has intensified its efforts to bolster infrastructure development, a cornerstone of its economic growth strategy. *[Financial Express]*

India's Aviation Boom- Modi government doubled number of airports in the country in 10 years-Scindia: India's aviation sector has experienced a transformative boom under the leadership of Prime Minister Narendra Modi, with the country's airport infrastructure seeing unprecedented growth in the last decade. *[Financial Express]*

Infra works worth Rs 24,276 crore approved for Amaravati-Minister P Narayana: The Andhra Pradesh Capital Region Development Authority (APCRDA) chaired by Chief Minister N Chandrababu Naidu has approved infrastructure works worth Rs 24,276 crore in greenfield capital Amaravati, Municipal Minister P Narayana said. *[The Economic Times]*

HPCL signs pact with NLDS for integration of API with unified logistics interface platform: HPCL and NICDC have partnered to integrate HPCL's APIs with the Unified Logistics Interface Platform (ULIP). *[The Economic Times]*

JSW Infrastructure plans ₹30,000 crore capital to expand cargo-handling capacity: JSW Infrastructure, India's second-largest private port operator, announced today a massive ₹30,000 crore capital expenditure plan for FY25-30 to expand its cargo-handling capacity to 400 million tonnes per annum (MTPA) by FY30. *[Business Line]*



Sustainable Industrialisation

JSW Energy gets RE projects, achieves total locked-in capacity of 20 GW: The company's step-down subsidiaries have executed power purchase agreements (PPAs) with DCM Shriram Ltd and Indus Towers Ltd for the supply of renewable energy. *[Business Standard]*

Apollo Tyres explores sustainable materials to cut costs, reduce impact: The company is collaborating with research institutions to develop innovative, bio-based materials for tyre production. *[Business Standard]*

India's RE capacity addition doubled to 15 GW in Apr-Nov-Pralhad Joshi: At present, India's total installed capacity of the non-fossil fuel sector has touched 214 GW, over 14 per cent increase compared to the same month last year. *[Business Standard]*

Govt looks to further relax solar power scheme credit process for households: The government is streamlining the loan application process for rooftop solar installations under the PM Suryaghar Muft Bijli Yojana. *[The Economic Times]*

India will be 'shop floor' for world in renewable energy sector in next 30 years- US Ambassador: Like the resilience of a palm tree that grows notwithstanding the "strongest storm" and "biggest wind", the India-US relationship will continue to thrive and benefit the world. *[The Economic Times]*

IMFA partners with JSW Green Energy for renewable power in smelting ops: The company also mentioned that it is setting up a 1 lakh tonne per annum greenfield facility at Kalinganagar, Odisha, to augment its ferrochrome production in line with increasing demand. *[Business Standard]*

Hindustan Zinc to transition to renewables for 70% of total power requirements: Hindustan Zinc, the country's largest integrated zinc and silver producer, on Tuesday said, by 2027 nearly 70 per cent of the power requirements – across mining activities, mines, processing and other purposes - will be met through renewables. *[Business Line]*



Sectoral News

India's cement sector sees a concrete 2024 with over 10 major deals: With over 10 deals announced in 2024, the cement sector logged the highest number of pacts, including acquisitions and fresh financial investments, in a single calendar year since 2014, with the combined value of investments over \$3.5 billion. *[Business Standard]*

Auto component aftermarket grows 5% in H1FY25-ACMA: The auto component aftermarket grew by 5 per cent due to an increase in used vehicle parc and formalisation of the repair and maintenance market, according to the findings of the Automotive Component Manufacturers Association of India (ACMA). *[Business Line]*

Indian Pharma and healthcare sectors are poised for long-term growth-Centrum: The recent policy initiatives taken by the government of India will boost Indian Pharma and healthcare sectors in the long run says a report by Centrum. *[The Economic Times]*

Auto industry on track to achieve target of Rs 25,000 crore import cut: India's auto industry plans to significantly reduce imports by making more parts locally. This includes key components like electric motors and transmissions. *[The Economic Times]*

Domestic shipping companies to witness dip in revenue, margin as charter rates retract: Domestic shipping companies are expected to continue to see a declining trend in revenue growth with an on-year dip of 8-10 per cent in fiscal 2026, stated a report by CRISIL Ratings. *[Financial Express]*

India's electrical and electronics industry set to hit \$130 billion by 2030-ELECRAMA 2025 preview: The Electrical and Electronics Industry in India is targeting massive growth, poised to become a USD 130 billion industry by 2030. *[The Economic Times]*



Institute for Studies in Industrial Development

An institution of Indian Council of Social Science Research (Ministry of Education)

4 Vasant Kunj Institutional Area, New Delhi - 110070, India

Follow us at



Disclaimer: *Industry Matters* is a weekly news update on Indian economy, industry, and policy compiled at ISID from various newspapers and e-resources. ISID does not guarantee the truthfulness, accuracy, or validity of the news items linked in the above message. It is shared for informational and educational purposes to facilitate and support research and information on Indian industry. It is not a commercial product and all copyrights remain with those of the respective copyright holders. Images are sourced from the web.

Team Members: Satyaki Roy, Swati Verma, Sangeeta Ghosh, B Dhanunjai Kumar, Amitava Dey & Rakesh Gupta. Compiled by: Rakesh Gupta, Edited by Sangeeta Ghosh.

To unsubscribe please [click here](#)