

# Industry Matters

Weekly Updates

December 27, 2024



## Economy, Industry and Policy

**Growth to pick up in coming quarters on govt capex - MPC member Nagesh Kumar:** Kumar was one of the two external members of the Reserve Bank of India's MPC who had voted for a 25-basis-point rate cut to help revive growth, which according to him has seen a serious decline and warrants immediate policy attention.

*[Mint]*

**Policy rates have limited impact on food prices-MPC external members:** Taming food prices, which have been driving the headline inflation rate, through interest rates has a limited impact, said two external members of the Reserve Bank of India's (RBI's) Monetary Policy Committee in the December policy review. *[Business Standard]*

**India's GDP to stay at 6.5% in FY25 & FY26 provided govt accelerates capex in rest of the year-EY:** India's real GDP growth is projected to remain steady at 6.5 per cent for the financial years 2025 and 2026. *[The Economic Times]*

**India's top economic moments in 2024- Women welfare to foreign inflows:** From economic growth and technological strides to diplomatic successes and social welfare reforms, India has made significant progress in 2024. *[Business Standard]*

**GST Council paves way for CGST Act amendments during Budget session:** The Goods and Services Tax (GST) Council has paved the way for several amendments to the CGST Act, including a retrospective change to reverse the Supreme Court's judgment in the Safari Retreats case, during the Budget session. *[Business Standard]*

**Focus likely to shift to more disciplined growth, sustainable business models for start-ups:** The year 2024 emerged as a defining period for start-up exits, with significant momentum across IPOs, strategic acquisitions and secondary market transactions. *[Business Line]*

**Out of sync- Persistent mismatch between MGNREGA wage growth and inflation:** Over the past few years, wage growth has consistently trailed both general and food inflation rates, with the exceptions of FY21 and FY24. *[Business Standard]*

**Finmin likely to peg fiscal deficit below 4.5 per cent for FY26:** The Union Finance Ministry has emphasised adopting a 'fair degree of flexibility in conducting its fiscal policy,' keeping in mind the gloomier global situation. *[Business Line]*

**Inflation, tariffs & conflicts-Risks stack up for global economy in 2025:** In richer economies, governments need to work out how to counter the conviction of many voters that their purchasing power, living standards and future prospects are in decline. *[Business Standard]*

**Budget 2025- Why Nirmala Sitharaman needs to revamp priority sector lending and how it can drive growth:-** Budget 2025: The CII has recommended changes to India's lending policy for the 2025 budget. *[The Economic Times]*

**India projected to witness 6.5 per cent real GDP growth in current, next fiscal:** India is projected to witness 6.5 per cent real GDP growth in the current and next fiscal (FY25 and FY26), according to a report. *[The Statesman]*

**India, ADB ink \$350 mn deal to boost logistics sector reforms & efficiency:** The Indian government and the Asian Development Bank (ADB) on Friday (December 20) signed a landmark \$350 million policy-based loan under the second subprogramme of the Strengthening Multimodal and Integrated Logistics Ecosystem (SMILE) programme. *[Business Standard]*

**Chhattisgarh attracts ₹15,184 crore investment through industrial proposals:** Chhattisgarh has attracted ₹15,184 crore investment through various industrial proposals by top companies. *[Business Line]*

**Steel Ministry in-talks for “tweaks” to PLI Scheme for speciality steel:** Discussions are underway on how the scope of the PLI scheme can be broadened and made more attractive, said an official. *[Business Line]*

**Time to boost demand drivers of growth:** Amidst global uncertainties, the Indian economy has demonstrated remarkable resilience, with its real GDP averaging 8.3 per cent in the last three fiscal years. *[Business Line]*

**Corporate growth struggles as inflation dents purchasing power, warn RBI officials:** Slowing growth in nominal GDP could hit fiscal spending, including capex, and that could impact budgetary deficit, debt target goals. *[Business Line]*

**Unincorporated establishments grew by around 23% in 2023-24, jobs registered 10% rise:** The total number of establishments in the sector increased to 7.34 crore in 2023-24 as against 6.5 crore in 2022-23 representing a healthy 12.84 per cent growth. *[Business Line]*

**The India story-Progress in manufacturing sector but key challenges remain:** To boost domestic factory production and capitalise on the global “China Plus One” strategy, which encourages multinational companies to reduce reliance on China, India needs a conducive ecosystem for manufacturing. *[Business Standard]*

**CCI to intervene selectively, considering sector-specific dynamics:** The Competition Commission India (CCI) takes into account sector-specific characteristics and the larger economic and policy backdrop to intervene carefully when necessary. *[Business Standard]*



## Foreign Investment

**Single Window System grants Rs 4.81 lakh approvals:** The government Friday said that till October 14, 7.1 lakh approvals have been applied and 4.81 lakh approvals have been granted via the National Single Window System including foreign direct investment (FDI) approvals, petroleum-related services, hallmarking and start-up registration. *[The Economic Times]*

**Healthy FDI inflows to continue in 2025 amid investor-friendly reforms:** India, averaging over \$4.5 billion in monthly foreign direct investment (FDI) inflows since January this year. *[Business Standard]*

**Net FDI into India slows to \$2.2 billion during April-October- RBI data:** The slowdown in net FDI into India is consistent with trends observed in other emerging market economies, including Mexico, Vietnam, Indonesia, the Philippines, and Thailand, among others. *[Business Standard]*



## Trade Policy and Competitiveness

**India's share in global trade doubled since 2005, comparatively moderated in last 10 years:** India's contribution to global trade has seen significant growth over the last two decades, with its share in both exports and imports doubling during this period. *[The Economic Times]*

**India-US critical mineral partnership step forward, China nods to some fish imports:** India's MoU with the US on critical minerals will be "a step forward" for their engagement as the scaling up of this will lead to more binding commitments fructifying to benefits under the US' Inflation Reduction Act (IRA). *[The Economic Times]*

**Indo-US FTA- A strategic opportunity amid global trade challenges:** The people in the US who are imbued with free trade as a philosophy are concerned about the growing impediments to global trade. *[Business Standard]*

**Exporters seek Rs 750 cr to target US to tap \$25 bn potential amid tariff threats on China:** Exporters on Thursday sought a fund of Rs 750 crore for three years to tap USD 25 billion export potential in the US, aiming to seize potential opportunities that may arise as the US President-elect, Donald Trump, has threatened to impose high tariffs on Chinese goods. *[The Economic Times]*

**India-EFTA FTA-Mechanisms planned to fast-track \$100-billion investments:** The India-European Free Trade Association (EFTA) free trade pact, with a committed \$100 billion investment flow into India from the four-member European bloc, is likely to be ratified in the first quarter of 2025. *[Business Line]*

**India's leather exports likely to grow by over 12% to \$5.3 billion this fiscal-CLE:** The country's leather and footwear exports are expected to grow by over 12 per cent to \$5.3 billion in the current financial year on account of healthy demand in key global markets. *[Business Line]*

**India's steel trade deficit soars to ₹26,468 crore as imports from China surge, export challenges persist:** India was a net importer of finished steel with imports at 6.5 mt, up by 26.6 per cent; outpacing exports by 3.154 mt, down by 23.6 per cent in April to November period. *[Business Line]*

**Piyush Goyal flags trade barriers in first meet with EU trade chief:** Commerce and Industry Minister Piyush Goyal held his first virtual meeting with the new European Union (EU) trade commissioner, where he flagged that non-tariff barriers were "impeding" trade between both sides. *[Business Standard]*

**India sticks to stand, no investment treaties with FTAs:** The FTAs that India is negotiating do have their chapters on investment facilitation. *[Financial Express]*



## Corporate Governance

**CCI strikes a fine balance-regulator and business facilitator:** Experts said that these tools and a bunch of other amendments to the competition laws in the past year will make the enforcement procedures more smooth. *[Financial Express]*

**CSR spending by CPSEs surge 19% to Rs 4,911 cr, reaches 4-year high in FY24:** Corporate social responsibility (CSR) spending by central public sector enterprises (CPSEs) surged by 19 per cent to Rs 4,911 crore in 2023-24 (FY24), marking a four-year high after a dip in 2022-23 (FY23). *[Business Standard]*

**Employee compensation up 13%:** Average annual employee compensation at unincorporated enterprises rose 13% to Rs 1.4 lakh per head during the October 2023-September 2024 period compared to a year earlier. *[The Economic Times]*



## MSMEs and Start-ups

**Plans underway for bigger role for TReDS, to enrol million MSMEs in 2 years:** The country's Trade Receivables E-discounting System (TReDS) platforms are drawing up plans to on-board as many as a million micro, small, and medium enterprises (MSMEs) over the next couple of years. *[Business Standard]*

**Tamil Nadu achieves milestone with over 10,000 DPIIT-registered startups:** The state's startup ecosystem has been 'thriving' with 9 regional hubs and a metro hub in Chennai, providing a robust infrastructure for budding entrepreneurs to grow. *[Business Standard]*

**India now has 1,57,066 recognised startups, 73,000 with at least 1 woman director- Centre:** At least 157,066 startups have been recognised by Department for Promotion of Industry and Internal Trade (DPIIT) to date and 759,303 users are registered on the portal. *[The Statesman]*

**Start-up momentum:** India is undergoing an entrepreneurial boom, ranking among the top three global start-up ecosystems with over 140,000 start-ups and 100+ unicorns valued at \$347 billion. *[Business Line]*



## Employment and Industrial Relations

**PM Modi to distribute 71,000 appointment letters to new recruits on Monday:** Over 2.2 lakh jobs created in 2024 as government accelerates employment drive through nationwide initiatives. *[Business Line]*

**Push adoption of NPS- FinMin to new pension industry body:** The Finance Ministry has called on the newly formed "Association of NPS Intermediaries" to play an active role in advocating the National Pension System (NPS) to drive its adoption among individuals. *[Business Line]*

**Net formal jobs under EPFO down to five-month low of 1.34 million in October:** Net formal job creation under the Employees' Provident Fund Organisation (EPFO) fell to a five-month low of 1.34 million in October, a year-on-year dip of 11.8% compared to 1.52 million in October 2023. *[The Economic Times]*



## Industrial Finance

**IFC invests \$75 mn in NDR InvIT's sustainability-linked bonds:** NDR InvIT, India's first warehousing InvIT, secured a groundbreaking \$75 million investment from IFC through sustainability-linked bonds. *[The Economic Times]*

**Asian Development Bank to provide \$500 million loan to support sustainable infra projects in India:** The Government of India and the Asian Development Bank (ADB) has signed a USD 500 million (about Rs 4,250 crore) loan to support green and sustainable infrastructure projects aligned with the country's climate commitments. *[The Economic Times]*



## Technology and Innovation

**Agentic AI-Technology that will work for the world on its own agency:** Agentic AI can process a payment claim on its own or generate images for a social media post without human prompt. It has the agency to learn from its environment. *[Business Standard]*

**RBI announces 'FREE-AI' committee to develop AI framework:** The Reserve Bank of India on Thursday announced the setting up of an eight member panel to develop the framework for responsible and ethical enablement of artificial intelligence. *[The Economic Times]*

**India's semicon sector needs strong IP:** The semiconductor industry, a cornerstone of modern technology, is thriving in India due to initiatives like the India Semiconductor Mission (ISM) and growing global investments. *[Business Line]*

**Indian IT hiring set to rebound by 2025, AI and data science to dominate:** Indian IT hiring landscape is at a pivotal juncture as it transitions from a year of decline towards a more hopeful future. *[Business Standard]*

**Indian technology startup scene in 2024: More unicorns, more exits:** Technology startups raised \$11.3 billion, a six per cent increase from \$10.7 billion raised in 2023. *[Business Standard]*

**AI to generate new revenue streams in 2025, innovate business processes- Experts:** AI agents will generate new revenue streams, innovate business processes across industries, boosting profitability, operational efficiency, and customer experience. *[The Statesman]*

**When innovation meets purpose: AI in US-India collaborative vision:** Artificial intelligence (AI) is transforming the global geotechnical and strategic landscape, with countries racing to harness the benefits of the technology. *[Business Standard]*

**Deep-tech focus critical for India to lead global digital innovation:** The development of the IT services opportunity saw India emerge as the manpower capital of the world to service the Y2K problem at the dawn of the new century. *[Business Standard]*



## Industrial Infrastructure, Clusters and SEZs

**Bihar receives record Rs 1.81 trillion investment proposals-minister:** Sun Petrochemicals will invest Rs 36,700 crore in renewable energy projects, including pump hydro and solar plants. Adani Group, which is the largest private investor in the state, committed to invest. *[Business Standard]*

**Indian Railways revamps strategy for station redevelopment unlocking business opportunities worth Rs 30,000 crore:** Indian Railways is considering a total of 1,318 railway stations for redevelopment under the Amrit Bharat Station Scheme. *[Financial Express]*

**Andhra govt approves roadworks worth Rs 2,723 crore in Amaravati:** The Andhra Pradesh government on Monday said it has approved road infrastructure works worth Rs 2,723 crore in greenfield capital Amaravati. *[The Economic Times]*

**TIL to invest Rs 20,000 cr to develop Vadhvan Port:** Jawaharlal Nehru Port Authority (JNPA) collaborates with Switzerland-based Terminal Investment Limited Sarl (TIL) to invest Rs 20,000 crore in the Vadhvan Port development in Maharashtra. *[The Economic Times]*

**Govt considering flexibility for SEZ services sector units in tax exemption:** In a move that could make it easier for eligible service sector units in SEZs, including IT/ITeS, to claim income tax exemptions. *[Business Line]*



## Sustainable Industrialisation

**India to kick off critical minerals mission to bolster energy transition, EV manufacturing:** India is launching a Critical Mineral Mission in 2025 to secure vital resources for green energy and technology. *[The Economic Times]*

**Crisil analysis-Sprint towards power sector's 500 Gw of green energy goal:** India's power sector is prioritising climate-transition goals, where a supportive ecosystem of energy storage, transmission connectivity and supply chain is now being created holistically. *[Business Standard]*

**Avaada plans to raise \$1 bn to fund green projects:** Last year, Avaada Group raised \$1.3 billion from Canadian investor Brookfield and Global Power Synergy (GPSC) to fund its green hydrogen and green ammonia ventures in the country. *[Financial Express]*

**Push for domestic solar cells seen to inflate project costs:** Crisil estimates domestic solar cell manufacturing capacity to more than quadruple to 43-47 GW by June 2026 from 10 GW in March 2024. *[Financial Express]*

**Rise of sustainable entrepreneurship- How Eco-friendly businesses are revolutionising industries:** Sustainable entrepreneurship is transforming business by prioritizing both profit and the planet. *[The Economic Times]*

**IREDA has sanctioned over Rs 3,000 crore for green energy projects in Odisha:** The Indian Renewable Energy Development Agency Limited has sanctioned over Rs 3,000 crore for green energy projects in Odisha. *[The Economic Times]*



## Sectoral News

**Indian aviation set to soar in 2025 with more planes, flights, and airports:** The trails of mega-mergers, tailwinds of expanding fleets, flights and airports will dot the fast-growing Indian aviation firmament in 2025. *[Business Standard]*

**India's cement sector has significant opportunities to cut carbon intensity, boost efficiency:** Satish Chander, Shree Cement: India's cement industry is embracing sustainability as the world transitions to green energy. *[The Economic Times]*

**Government seeks to boost domestic food processing machinery sector:** Food Processing Industries Secretary Subrata Gupta convened a meeting with industry leaders to discuss modernizing India's food processing sector. *[The Economic Times]*

**What does the future hold for India's automobile sector in 2025?:** The Indian automobile industry is transitioning from vehicle manufacturing to providing mobility solutions. [*The Economic Times*]

**Indian telecom industry's revenue doubled in 5 years, Bharti Airtel biggest gainer:** The revenue of India's telecom industry increased 8 per cent (quarter-on-quarter) to Rs 674 billion (13 per cent growth year-on-year) in the second quarter of FY25. [*The Statesman*]

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