

Industry Matters

Weekly Updates

January 10, 2025



Economy, Industry and Policy

Welfare schemes have reshaped the retail prices that matter to people: The Union ministry of statistics and programme implementation (MoSPI) has recently put out a discussion paper on 'The treatment of PDS items and other free social transfers in consumer price index (CPI) compilation.' *[Mint]*

India's PLI schemes to boost revenue of 720 companies by USD 459 billion over next 5 years-Goldman Sachs: The central government's Production-Linked Incentive (PLI) schemes could generate an incremental revenue of USD 459 billion over the next 5-6 years across more than 720 companies. *[The Economic Times]*

Centre focuses on new strategy to tackle mounting economic challenges: Asia's third-largest economy forecast annual growth of 6.4 per cent in the fiscal year ending in March, the slowest in four years. *[Business Standard]*

Fintech sector voices concerns amid regulatory fears in meeting with FinMin: The fintech sector has expressed its concerns about declining investments, particularly from abroad, as the narrative around this sector has become less positive. *[Business Standard]*

Outlook 2025-Govt capex, safeguard duty key to steel sector performance: A surge in imports, lower exports and weak prices dragged the Indian steel industry in CY2024. As the possibility of a safeguard duty gathers momentum, the big question facing the industry is, will 2025 be any better. *[Business Standard]*

Demand buoyancy pushes services PMI to 4-month high of 59.3 in December: The higher demand supported output growth and prompted firms to recruit additional workers. *[Business Standard]*

SBI sees India's FY25 GDP at 6.3% with downward bias: The State Bank of India (SBI) sees India's GDP growth in FY25 to be 6.3 per cent with a "downward bias" due to several challenges affecting economic growth. *[The Economic Times]*

Real GDP growth to come at 6.2 pc in FY25-HSBC: Real GDP growth will come lower than the official estimate at 6.2 per cent in the ongoing fiscal year and inch up to 6.5 per cent in FY26. *[The Economic Times]*

Services activity hits four-month high: India's services activity surged to a four-month high of 59.3 in December, from 58.4 in November, as strong demand drove business expansion and output growth. *[The Economic Times]*

Union Budget 2025-26 should continue to prioritise job creation-CII: The Union Budget 2025-26 should continue to prioritise employment creation to harness India's demographic dividend and propel economic growth, apex business chamber CII said. *[The Statesman]*

Rural boom to power agri credit to cross ₹28-lakh crore mark in FY25-NABARD: Strong demand from rural India likely to propel agricultural credit flows beyond targets for second consecutive year. *[Business Line]*

Textile Ministry aims for \$300 billion market and 6 crore jobs by 2030-Textile Minister: Union Minister of Textiles Giriraj Singh stated that the textile ministry is committed to helping the industry to reach the market size of \$300 billion in year 2030. *[Business Line]*

Manufacturing sector sees decline in productivity-ASUSE survey: Notably, the rise in GVA per worker is the highest in manufacturing when the survey for 2015-16 is compared to the latest one. *[Business Standard]*

2023 income inequality exceeded 1950s levels in India: The Gini coefficient measures the extent to which the distribution of income among individuals or households within an economy deviates from a perfectly equal distribution. *[Business Standard]*

Jobs, growth, demand in focus as FinMin concludes pre-Budget talks: The Union Budget for FY 2025-26 assumes significance as it comes on the back of lower than expected growth numbers in the second quarter and geopolitical uncertainty. *[Business Standard]*

Any GDP growth below 6% will affect common man significantly: Unless we reach 6.5-7%, we may not be able to create conditions for significant improvement in employment situation, says DK Srivastava, Chief Policy Advisor, EY India. *[Business Line]*

India's growth paradox: A year of economic highs and household lows: Middle class pinning hopes on relief from food inflation, better disposable incomes in 2025. *[Business Line]*

Quick commerce to expand into new categories and cities in 2025-Bernstein: According to the report, The industry is estimated to witness a 75 per cent or more year-on-year growth, outpacing traditional retail. *[Business Line]*



Foreign Investment

FDI in India surging as global investors see top destination-Piyush Goyal: FDI inflows into the country are surging, with investors from the Middle East, Japan, European Union, and the US recognising India's status as a top investment destination, driving rapid economic growth and generating millions of new jobs. *[Business Standard]*

Govt seeks suggestions to boost FDI inflows, may consider policy tweaks: The Central government has asked industry associations, legal players and regulatory representatives to suggest ways to further improve the business climate for overseas investors to boost the flow of foreign direct investment (FDI) -- which has been on a decline for the last three years. *[Business Standard]*



Trade Policy and Competitiveness

Govt considers fresh subsidies worth \$3 bn, tariff cuts for electronics: The Ministry of Electronics and IT proposed giving manufacturers of components like batteries and camera parts at least Rs 23,000 crore (\$2.7 billion) in support. *[Business Standard]*

India, Malaysia agree to explore to enhance cooperation in critical minerals: India and Malaysia on Tuesday agreed to deepen cooperation in counter terrorism and deradicalization; cyber security; defence industry; and maritime security. *[The Economic Times]*

India not planning to curb laptop imports immediately-IT secretary: The Indian government does not intend to impose immediate restrictions on laptop imports in the New Year, as it expects local production to grow steadily and replicate the success achieved in the smartphone sector. *[The Economic Times]*

Industry seeks extension of RoDTEP scheme to SEZs, EOUs till Sep-end: Amid global economic uncertainties, the industry has urged the government to extend key export-boosting scheme Remission of Duties and Taxes on Exported Products (RoDTEP) for export-oriented units (EOUs) and special economic zones (SEZs) till September-end. *[Business Standard]*

India, Iran discuss development of Chabahar Port, trade relations: India and Iran on Friday carried out a comprehensive review of their ties including the joint development of the Chabahar port, ways to boost trade and economic engagement and possible cooperation in agriculture and some other sectors. *[The Economic Times]*



Corporate Governance

CPSEs' CSR surge: Corporate Social Responsibility (CSR) has become a cornerstone of responsible business practices, and central public sector enterprises (CPSEs) are increasingly stepping up to the plate. *[Business Line]*

Govt plans to give LPG subsidy worth Rs 35,000 cr to IOC, BPCL, and HPCL: The government is likely to provide a subsidy of Rs 35,000 crore to state-owned Indian Oil Corporation Ltd (IOC), Bharat Petroleum Corporation Ltd (BPCL), and Hindustan Petroleum Corporation Ltd (HPCL) to make up for losses they incurred on selling the fuel this fiscal. *[Business Standard]*

Consumer goods space to see muted growth in 3QFY25: Growth in the consumer goods space for October-December 2024 is expected to be muted due to sluggish urban demand, gradual rural recovery, and price hikes across product categories. *[The Economic Times]*

Tata Electronics gets CCI's clearance to acquire majority stake in Pegatron India: The Competition Commission of India approved Tata Electronics' acquisition of a majority stake in Pegatron Technology India. *[The Economic Times]*



MSMEs and Start-ups

MSME credit scheme set to be placed before cabinet soon: The government is set to launch the proposed credit guarantee scheme for the MSME sector, which will cover loans up to Rs 100 crore. *[The Economic Times]*

DPIIT and Stride Ventures join hands to help start-ups: Stride Ventures will curate dedicated programmes and collaborate on engagements like the Bharat Grand Challenge to promote entrepreneurship, innovation, and investment, says Sanjiv, Joint Secretary in DPIIT. *[Business Line]*

Govt open to making it easier for start-ups to move back to India: The government is open to ideas to make it easier for start-ups that have migrated overseas to return, commerce and industry minister Piyush Goyal. *[Financial Express]*

Fast & flexible: Startups turn to revenue-based financing: Startups, especially in e-commerce and B2B software-as-a-service (SaaS), leaned heavily on revenue-based financing (RBF) in 2024 as equity markets remained muted. *[Financial Express]*

Over 2,000 startups in edtech sector shut shop in past five years: India's once-thriving edtech sector is witnessing a significant downturn with 2,148 startups having shut operations in the past five years. *[Business Standard]*



Employment and Industrial Relations

Trade unions urge FM to prioritise jobs, 8th Pay Commission, MGNREGA boost: The unions further demanded an increase in the income tax exemption rebate limit to Rs 10 lakh per annum and a social security scheme for gig workers. *[Business Standard]*

The fine print on women's jobs: The recent spurt in women's workforce participation is welcome but the data must be interpreted with great caution. *[Business Line]*

Social security net to be spread wider for unorganised workers: The labour and employment ministry will implement a series of measures this calendar year aimed at enhancing social security coverage for unorganised workers. *[The Economic Times]*

EPFO rolls out centralised pension payment systems across India: The Employees' Provident Fund Organisation Friday said it has fully rolled out the Centralized Pension Payments System (CPPS) under Employees' Pension Scheme 1995, enhancing the ease of living for millions of pensioners in the country. *[The Economic Times]*



Industrial Finance

IIFCL urged to scale up, DFS sets ₹1-lakh crore asset growth target in 3 years: Need to finance large-scale projects, work closely with banks and other infrastructure lenders, says DFS Secretary Nagaraju. *[Business Line]*

Accel raises \$650 million early-stage fund for start-ups in India and Southeast Asia: With this fund, Accel will continue to partner with founders in AI, consumer brands, fintech, and manufacturing. *[Business Line]*

Indian Overseas Bank to sell Rs 11,500 cr NPAs to boost asset quality: Indian Overseas Bank has decided to put non-performing assets to the tune of Rs 11500 crore on sale in a bid to improve asset quality further before the end of the fiscal. *[The Economic Times]*

Lending rose faster than deposits in the December 27 fortnight: Lending rose faster than deposits in the last fortnight of 2024 with fortnightly growth in a year when credit and deposits have not moved in tandem and banks struggling to raise deposits to meet credit demand. *[The Economic Times]*

NHAI prepays Rs 56,000 cr to its lenders in FY25 to save Rs 1,200 cr interest: National Highways Authority of India (NHAI) has pre-paid loans of worth Rs 56,000 crore during the current fiscal, helping the state-owned agency to save interest cost of around Rs 1,200 crore. *[The Economic Times]*



Technology and Innovation

Meity seeks 10K graphics processing units, receives offer for 20K: The Ministry of Electronics and Information and Technology (Meity) has received offers for 20,000 graphics processing units (GPUs) from companies that bid under the ~10,370 crore IndiaAI Mission. *[Business Standard]*

India must prioritise frontier AI research to drive innovation-Nadella: India must prioritise frontier research in artificial intelligence (AI) and develop foundational models to drive innovation. *[The New Indian Express]*

How do we develop 'core' technologies?: For lasers and semiconductor industries developing domestic core technologies is crucial for reducing import dependence. *[Business Line]*



Industrial Infrastructure, Clusters and SEZs

Boosting infra, empowering youth in rural areas a priority-PM Modi: At the inauguration of Grameen Bharat Mahotsav 2025, Prime Minister Modi highlighted the importance of creating economic policies that take into account every section of the society. *[Business Standard]*

Industry leaders seek affordable housing, duty relief at pre-Budget meet: The housing and infrastructure sectors were represented by leaders such as Hiranandani Group, Afcons, L&T, and GMR Group. *[Business Standard]*

Why housing and urbanisation key to India's growth story: Urbanisation and housing were also fundamental to China's growth over the last four decades. *[Financial Express]*

Hybrid annuity model for road construction is expensive-NHAI member: The hybrid annuity model (HAM) is costly to the government and the new build-operate-transfer (BOT) model is expected to attract more private players. *[The Economic Times]*

Stable policy framework key to attract investments in infrastructure sector- Aviation secy: Policy stability, efficiency in execution, and respecting contracts are vital for attracting international investments in India's infrastructure sector. *[The Economic Times]*



Sustainable Industrialisation

India set to add 18 GW coal-based power capacity by FY26: Ratings agency Ind-Ra projects healthy plant load factors for thermal power plants, alongside a significant uptick in renewable capacity additions estimated at 30 GW over the next two years. *[Business Line]*

India added 24.5 GW solar and 3.4 GW wind capacity in 2024, sets new records: India saw a substantial growth in renewable energy in 2024, adding 24.5 GW of solar and 3.4 GW of wind capacity. *[The Economic Times]*

Jupiter International to invest Rs 6,500 cr on capacity expansion: The investment will bolster Jupiter's position in the solar sector by significantly expanding its capacity across wafer production, solar cell manufacturing, and module assembly. *[The Economic Times]*

Robust charging infra key to achieving India's ambitious EV targets: The lack of charging stations has long been pinpointed as a brake on the faster growth of the electric-vehicle (EV) market in India. In this context, the government's plans to provide up to 80 per cent or higher subsidies to the next-generation upstream infrastructure, or charging points. *[Business Standard]*

India's 'build now, decarbonise later' approach to achieving a net-zero steel industry will backfire in the long run-GEM: India's ongoing investments in new coal-based steelmaking, coupled with a young fleet of emissions-intensive blast furnaces that is set to have its operations extended, jeopardise the country's Net Zero by 2070 target, the report states. *[Business Line]*

NTPC Renewable Energy bags 1,000-MW solar power project: NTPC Renewable Energy Ltd has secured a 1,000-MW solar power project from Uttar Pradesh Power Corporation Ltd (UPPCL). *[Business Line]*

India is ahead of other countries in green hydrogen sector-Union minister Pralhad Joshi: Union Minister Pralhad Joshi states that India is leading in green hydrogen. *[The Economic Times]*



Sectoral News

PLI scheme-Government to launch another round for steel sector on January 6: The decision to notify a new round of production-linked incentive scheme for speciality steel was made as the response for the first round of the initiative did not meet expectations. *[Business Line]*

Bulls back in China cos' India shop- Firms from neighbouring country see robust sales growth despite tighter scrutiny: Chinese companies like Midea, Haier, Xiaomi, Lenovo, and BYD are seeing strong revenue growth in India. *[The Economic Times]*

Unlocking India's pharma potential-Why India needs to join a 56-member global regulators association: India, often celebrated as the "pharmacy of the world," has made rapid strides in the pharmaceutical industry in the last few years. *[The Economic Times]*

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