

Industry Matters

Weekly Updates

January 17, 2025



Economy, Industry and Policy

UN pegs India FY26 GDP growth at 6.6%:The United Nations has projected India's economic growth for FY26 at 6.6%, driven by strong private consumption and investment growth. *[The Economic Times]*

Simplify India's GST regime-The case for it is clear and it's time to act: The United Nations has projected India's economic growth for FY26 at 6.6%, driven by strong private consumption and investment growth. *[Mint]*

How to give firms a tech boost: The advanced industrial economies are on the global technology frontiers. China is emerging as a competitor to the US in developing new technologies. While in 1991 we were broadly on a par with China, we are yet to make our presence felt. Certainly, it cannot be the case that Indians have less talent or ability. *[Business Line]*

Global inflation will remain high for years, economists tell Ifo: Economists expect global inflation to remain high at least until 2028, according to a new survey that may add to market concerns about sticky price pressures. *[The Economic Times]*

Steady GDP growth, likely rate cuts in 2025 to support credit access of corporates in FY26-Fitch: Fitch Ratings on Monday said India's steady GDP growth outlook, improved banking sector's financial health and expected interest-rate cuts in 2025 will support credit access for corporates in FY26. *[The Economic Times]*

India's November industrial growth jumps to 6-month high; economy looking up after dismal Q2: India's November 2024 industrial production expanded 5.2% from the year earlier, the fastest in six months, boosted by a favourable base effect and festive spending, official data released on Friday showed. *[The Economic Times]*

FICCI cuts India's GDP growth estimate to 6.4% for FY25: Industry body FICCI lowered India's gross domestic product (GDP) growth projection to 6.4% in 2024-25 from 7% earlier on Thursday. *[The Economic Times]*

India poised to become world's 4th largest economy by 2026; GDP to grow 6.8% in FY25-PHDCCI: India's economy is expected to become the fourth largest in the world by 2026, surpassing Japan, said industry body PHDCCI on Wednesday, as it projected the nation's GDP to grow 6.8 per cent in the current financial year ending March and 7.7 per cent in FY26. *[The Economic Times]*

India's fiscal conditions to constrain credit strength in 2025-Moody's: India's fiscal conditions will continue to constrain its credit strength in 2025, although tension in US-China relations could benefit the Indian economy, Moody's Ratings said on Wednesday. *[The Economic Times]*

Centre likely to save over Rs 70,000 crore on expenditure in FY25: The government may save over Rs 70,000 crore on capital and revenue expenditure allocated towards new schemes in the FY25 Budget that are yet to be implemented. *[Business Standard]*

India's retail inflation eases to 4-month low of 5.2% in December: Retail inflation, based on the consumer price index (CPI), fell slightly to a four-month low of 5.22 per cent in December from 5.48 per cent in November, driven by easing food inflation. *[Business Standard]*

Centre releases tax devolution of Rs 1.73 lk cr to states: The Centre on Friday released ₹1.73 lakh crore to state governments, marking a significant increase from the ₹89,086 crore transfer in December 2024. *[The Economic Times]*

Fuel, non-food goods drive wholesale inflation to 2.4% in December: India's wholesale price inflation accelerated to 2.4% in December from 1.9% the previous month, driven by an increase in the cost of fuel, power and non-food articles, according to official data released Tuesday. *[The Economic Times]*



Foreign Investment

FPIs withdraw Rs 22,194 cr in Jan amid weak earnings outlook, rising dollar: Foreign investors have withdrawn Rs 22,194 crore from Indian equities this month, driven by expectations of a weak earnings season, a steady rise in the US dollar, and concerns over tariff war during Donald Trump's presidency. *[Business Standard]*

Benchmark indices shed 1.8% in January as FPIs offload Rs 34,841 crore: A combination of concerns about corporate earnings, uncertainty about rate cuts in the US, and strengthening US dollar and bond yields has nudged foreign portfolio investors (FPIs) to continue with their selling in Indian equities in 2025. *[Business Standard]*

DPIIT holds discussions with PEs, VCs, pension funds on ways to promote FDI: The Department for Promotion of Industry and Internal Trade (DPIIT) on Wednesday held consultations with pension funds, private equity and venture capitals on ways to attract more foreign direct investments into the country. *[Business Standard]*



Trade Policy and Competitiveness

Malaysia imposes anti-dumping duties on iron, steel from four nations: Malaysia has imposed provisional anti-dumping duties on some exports of flat-rolled iron products or non-alloy steel from China, India, Japan and South Korea. *[Business Standard]*

India's iron ore exports drop nearly 30% in 9MFY25 amid weaker buying from China: The country's iron-ore exports for the nine-month-period (9MFY25) saw a near 30 per cent drop y-o-y with shipments slowing down to 22.67 million tonnes. *[Business Line]*

US removes long standing restrictions on three Indian nuclear entities: In a significant move, the US on Wednesday removed restrictions on three Indian nuclear entities, over a week after NSA Jake Sullivan announced that Washington was finalising steps to "remove" hurdles for civil nuclear partnership between Indian and American firms. *[Business Standard]*

Boost South Korea, Japan ties to cut reliance on China-GTRI: India must strengthen partnerships with Japan and South Korea to source high-quality components for electronics, solar panels, and EVs to help cut reliance on China amid Beijing's restrictions on export of key inputs and machinery, think tank Global Trade Research Initiative (GTRI) said Thursday. *[The Economic Times]*

India's electronics exports hit 24-month high at USD 3.58 bn in Dec: New Delhi: India's electronics exports rose 35.11 per cent to USD 3.58 billion in December 2024, marking the highest level of shipments in the last 24 months, according to the commerce ministry data. *[The Economic Times]*

India will face over \$14.6 bn in additional duties, if US imposes 20% tariff-BCG: The ASEAN region, alongside India, stands out as a major beneficiary of the ongoing geopolitical shifts. India's trade is forecasted to grow at an impressive 6.4 per cent annual rate, reaching \$1.8 trillion by 2033 according to Boston Consulting Group (BCG). *[Business Line]*

Free Trade Agreement talks with India have been relaunched-UK: The UK government on Tuesday told Parliament that the Free Trade Agreement (FTA) talks with India have been relaunched to deliver a joint ambition of taking the bilateral relationship to "even greater heights". *[The Economic Times]*

China's export curbs-Hi-tech machinery supply faces major hit: Sectors with heavy reliance on China, like electronics, solar panels and electric vehicles (EVs), are facing severe challenges in getting capital equipment including hi-tech machinery, with India's Far East neighbour almost halting supplies, say industry executives. *[The Economic Times]*

India's April-December finished steel imports touch at least six-year high: India's finished steel imports hit at least a six-year high in the first nine months of the financial year that started in April 2024, according to provisional government data reviewed by Reuters on Monday. *[The Economic Times]*

Smartphone exports set to hit \$20 billion in FY25, driven by surge in iPhone sales: The government is targeting to cross \$20 billion smartphone exports in FY25, on the back of rising iPhone exports. In the last financial year, smartphone exports stood at \$15 billion, with Apple contributing nearly \$10 billion. *[The Economic Times]*



Corporate Governance

India's M&A activity drops to 4-year low at \$80.5 billion in 2024, deal volume rises 3.3%: Elaine Tan, Senior Manager at LSEG Deals Intelligence, said the year 2024 has seen a strong focus on domestic deals, along with an increase in strategic cross-border deals exceeding \$ 1 billion. *[Business Line]*

Hyundai Motor India expects passenger EV market to double in 2 years: Hyundai Motor India, which is set to launch its Creta Electric SUV at the Bharat Mobility Global Auto Expo, expects the passenger electric vehicles' volume in India to double in the next two years from around 106,000 units, owing to a series of launches by major original equipment manufacturers in 2025. *[Business Standard]*

PAG acquires majority stake in Pravesha Industries for \$200 million: PAG, an Asia-Pacific-focused alternate investment firm, has acquired a majority stake in Pravesha Industries, a pharmaceutical packaging company, at an enterprise valuation of \$200 million, according to a source close to the development. *[Business Standard]*

J&J to acquire drugmaker Intra-Cellular Therapies for \$14.6 billion: Johnson & Johnson said on Monday it would buy drugmaker Intra-Cellular Therapies for about \$14.6 billion, boosting its presence in the market for neurological disorder treatments. *[Business Standard]*

Sun Pharma's unit Taro to acquire 100% stake in Antibe Therapeutics: Sun Pharmaceutical has announced that its subsidiary, Taro Pharmaceuticals, has entered into an agreement to acquire a 100 per cent stake in Antibe Therapeutics, a clinical-stage biotechnology company based in Ontario, Canada. *[Business Standard]*

Torrent Power to invest Rs 18K cr in thermal power plant in Madhya Pradesh: Torrent Power Limited has announced plans to set up a thermal power plant in Madhya Pradesh with an investment of Rs 18,000 crore. The company made the announcement at the Regional Industry Conclave (RIC) held in Shahdol on Thursday. *[Business Standard]*

Amazon to acquire fintech firm Axio to expand credit services in India: Amazon is set to acquire Bengaluru-based fintech firm Axio, enabling the e-commerce giant to expand credit-based offerings to its customers in India. *[Business Standard]*

India's billionaire promoters' club surpasses 200 members in 2024: The club of billionaire promoters in India expanded to a record high of 201 members at the end of 2024, up sharply from 157 at the close of the equivalent period the previous year and 126 when 2022 ended. *[Business Standard]*



MSMEs and Start-ups

Startup India has fuelled entrepreneurial spirit: India has emerged as a global hub for innovation and entrepreneurship, thanks largely to the government's Startup India initiative. Launched in 2016, Startup India has been a cornerstone in reshaping India's entrepreneurial landscape, fostering a culture of innovation, and positioning the country as a prominent player on the world stage. *[Business Line]*

From 500 to over 159,000 and counting: Nine years of Startup India: India's startup landscape has witnessed transformative growth over the past decade on the back of key policy interventions and initiatives. From the launch of the 'Startup India' initiative in 2016, to the abolition of angel tax and easing of reverse flipping norms, the startup ecosystem is evolving. *[Business Standard]*

Angel tax removal helped reverse flipping, startup funding \$155 bln in 2024-DPIIT: Encouraged by the decision to abolish angel tax, some start-ups are returning to India by shifting their headquarters back to the country. Amardeep Singh Bhatia, secretary, Department for Promotion of Industry and Internal Trade (DPIIT) said Friday. *[The Economic Times]*



Employment and Industrial Relations

International Labour Organisation pegs global jobs gap at 402 million in 2024, down from 435 million in 2023: The global economy is slowing down and challenges such as geopolitical tensions, the rising costs of climate change and unresolved debt issues are putting labour markets under pressure, making it harder to recover fully. *[The Economic Times]*

PM Modi approves setting up of 8th pay commission: Prime minister Narendra Modi Thursday approved the setting up of eight central pay commission, to revise the payment and pension of government employees. *[The Economic Times]*

Govt employees can now use LTC for Tejas, Vande Bharat and Humsafar trains: The Central government employees now can travel on Tejas, Vande Bharat, and Humsafar express trains under the Leave Travel Concession (LTC) scheme. *[Business Standard]*

Govt employees can get Rs 25 lakh as gratuity. What rules say: The gratuity limit for central government employees has been raised to Rs 25 lakh from the previous Rs 20 lakh, following the increase in the dearness allowance (DA) to 50 per cent. *[Business Standard]*

Analysing the new labour codes: Impact on employee work hours, leave and overtime: India has passed four new Labour Codes with the objectives of promoting labour welfare by way of “universalisation of wages and social security, ensuring safe and healthy workplace, formalisation of employment, higher female labour force participation, skill development of workers, portability of benefits for migrant workers” and other means.

[The Economic Times]



Industrial Finance

RBI injects ₹40,000 cr into banking system via 2 auctions: The Reserve Bank of India (RBI) injected slightly more than ₹40,000 crore into the banking system under two separate operations on Thursday, a day after the banking system liquidity gap breached the ₹2 lakh crore threshold. *[The Economic Times]*

India ranks 3rd in global fintech funding despite 33% drop in 2024: India ranked third globally in terms of funding received in the fintech segment despite a decline of 33 per cent on a year-over-year basis to USD 1.9 billion in 2024, market intelligence firm Tracxn said in a report on Monday. *[Business Standard]*

India Inc's foreign borrowings decline 20.2% in 2024 as rupee slips: Indian companies' foreign borrowings plunged 20.2 per cent to \$23.33 billion in 2024, down from \$29.22 billion a year earlier. With the Indian rupee sliding against the dollar, analysts forecast that corporate India will continue scaling back overseas debt as repayment costs and forward cover prices climb. *[Business Standard]*

Microfinance sector contracts below Rs 4 lakh crore amid loan disbursement woes: The size of the microfinance sector has contracted to below Rs 4 lakh crore from its highest level of Rs 4.43 lakh crore seen in March 2024 as lenders slowed loan disbursement with several of them completely stopping acquisition of new-to-credit customers amid rising asset quality stress. *[The Economic Times]*

Vedanta Resources raises \$1.1 billion through dual tranche bond issuance: Mining mogul Anil Agarwal's Vedanta Resources has raised \$ 1.1 billion through a new bond offering to prepay existing liabilities, the company said in a Singapore exchange filing. *[Business Standard]*

BPCL executes a loan agreement of Rs 31,802 crore with State Bank of India Consortium, to finance the projects planned at Bina: Bharat Petroleum on Thursday signed a loan agreement of Rs 31,802 crore with the State Bank of India Consortium to finance the development and operation of a petrochemical complex and refinery expansion at Bina, Madhya Pradesh. *[The Economic Times]*

Power Finance Corporation signs 120 billion yen loan pact with Japan Bank for International Cooperation: State-owned PFC on Thursday said it has inked an agreement with Japan Bank for International Cooperation (JBIC) for 120 billion Japanese yen (around Rs 6,600 crore) loan facility. *[The Economic Times]*



Technology and Innovation

India outpaces global AI adoption-BCG survey: India has emerged as a global leader in terms of the adoption of AI as a core strategic focus, with 80 per cent of firms prioritising AI as a core strategic focus, outpacing the global average of 75 per cent in this space, according to a new Boston Consulting Group (BCG) AI Radar global survey. *[Business Line]*

Google-backed Pixxel launches India's first private satellite constellation: Pixxel, a Bengaluru-based space technology company backed by Google and building the world's highest-resolution hyperspectral satellite constellation, has successfully launched the first three satellites of its Firefly constellation. *[Business Standard]*

First e-commerce export hub may start operations in March-DGFT: The first e-commerce export hub in the country is expected to be operationalised from March this year, a senior government official said on Wednesday. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

PM Narendra Modi inaugurates Rs 2,700 crore Z-Morh tunnel in J&K: Prime Minister Narendra Modi on Monday inaugurated the 6.5-kilometre-long Sonamarg tunnel, and said that several large road and rail projects like the upcoming Zojila tunnel and the Udhampur Srinagar Baramulla Rail Link (USBRL) would make Jammu and Kashmir among the most well-connected regions in the country. *[Business Standard]*

SAIL, John Cockerill to invest around ₹6,000 crore in building downstream steel plant: Steel Authority of India and John Cockerill India will jointly invest around ₹6,000 crore on setting up a downstream plant for steel, which will be used for the production of cold-rolled grain-oriented and cold-rolled non-oriented types of electrical steel, sources aware of the development said. *[The Economic Times]*

Adani announces Rs 65K cr investment in energy projects in Chhattisgarh: Industrialist Gautam Adani on Sunday called on Chhattisgarh Chief Minister Vishnu Deo Sai and announced an investment of Rs 65,000 crore in the Adani Group's energy and cement projects in the state. *[Business Standard]*



Sustainable Industrialisation

India's renewable energy capacity rises 16% to nearly 210 GW by December: India's renewable energy installed capacity increased by 15.84 per cent to 209.44 GW by December 2024 from 180.80 GW a year ago, marking a record expansion. *[Business Standard]*

India's green investments to grow 5-fold to Rs 31 trn by 2030-CRISIL: India's investments in green infrastructure and energy projects will grow five-fold over the next five years to Rs 31 trillion, according to market intelligence firm CRISIL. *[Business Standard]*



Sectoral News

India to outpace major steel-consuming economies with 8-9% demand growth in 2025-CRISIL: India will continue to outpace other major steel-consuming economies in calendar year 2025 with a demand growth of 8-9 per cent, CRISIL's Market Intelligence and Analytics report said. *[The Economic Times]*

Coal import rises by 2% to 182.02 million tonnes in April-November period: India's coal import rose by two per cent to 182.02 million tonnes (MT) in the April-November period of the current fiscal year. *[Business Standard]*

Indian realty sector sees 6% rise in PE investment to \$2.82 bn-Anarock: Private equity investment in Indian real estate rose 6 per cent to USD 2.82 billion during the April-December period of this fiscal, driven by a surge in fund inflow in industrial & logistics parks, according to Anarock. *[Business Standard]*

Uttar Pradesh looks to privatise two power distribution firms: Uttar Pradesh is looking to privatise two of its four power distribution companies, a state government tender showed, as the country's most populous state grapples with power losses and a lack of sufficient transmission infrastructure. *[Business Line]*

Indian gem & jewellery market to soar from \$85 billion to \$130 billion by 2030-GJEPC: Uttar Pradesh is looking to privatise two of its four power distribution companies, a state government tender showed, as the country's most populous state grapples with power losses and a lack of sufficient transmission infrastructure. *[The Economic Times]*



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