

Industry Matters

Weekly Updates

January 24, 2025



Economy, Industry and Policy

India must close export gap to match manufacturing might-ISID Chief Nagesh Kumar: India must step up its game in manufacturing exports, where it ranks tenth globally—far behind its standing as the world's fifth-largest manufacturing nation, Nagesh Kumar, Director & Chief Executive, Institute for Studies in Industrial Development, (ISID) has said. *[Business Line]*

RBI MPC member Nagesh Kumar advocates two inflation rates for better policy making: RBI Monetary Policy Committee member Nagesh Kumar has suggested that there should be two inflation rates - one including food prices and the other without food prices - so that relevant rates could be taken into account for policy making. *[The Economic Times]*

Budget 2025-26 needs to focus on capex, infrastructure spending-RBI MPC member Nagesh Kumar: The economist noted that sustaining infrastructure expenditure and building it further would be very helpful for creating a much more robust trajectory of economic growth for India. *[Business Line]*

Moody's slashes India's economic growth forecast to 7% for FY25: Ratings Agency Moody's on Monday lowered India's economic growth forecast to 7% for the fiscal year ending March 2025, down from 8.2% recorded in the previous fiscal year. *[The Economic Times]*

High frequency indicators showing signs of revival-BNP Paribas: Several high frequency indicators in the Indian economy such as credit growth, index of industrial production, steel production, auto sales, and GST collections are showing signs of a pick-up. *[Business Line]*

PE/VC bets grow 5 pc to \$56 bn in 2024, current year to be challenging: Investments by the private equity and venture capital industry grew 5 per cent to USD 56 billion in 2024, after declining for two consecutive years. *[The Economic Times]*

Domestic investment announcements cross Rs 37 lakh crore in last two years-SBI Report: Domestic investment announcements in India have seen a remarkable surge, crossing Rs 37 lakh crore in the last two fiscal years (FY23 and FY24). *[The Economic Times]*

Govt disburses Rs 1,596 cr in six PLI schemes during April-September quarter of FY25: The government has disbursed Rs 1,596 crore under Production-Linked Incentive (PLI) schemes for six sectors, including electronics and pharma, during the April-September this fiscal. *[The Economic Times]*

Union Budget 2025: Balancing growth, demand, and financial strategy: In a few days, the finance minister will present the 2025-26 Budget. Judging by past trends, much of her speech will elaborate on development programmes and schemes to be implemented by other ministries. *[Business Standard]*

India's current economic environment conducive for private investments-CII: India's current economic environment is conducive for private investments with the country emerging as a "bright spot" amid the challenging global environment, according to a CII survey. *[Business Standard]*

Govt set to meet target of 10,000 new FPOs in FY25: The government is aiming to meet the target of 10,000 new farmer producer organisations (FPOs) by the end FY25, five years after the launch of the central sector scheme. *[Financial Express]*

Bailing out a PSU: Govt's equity infusion in RINL signals a shift in policy: Last week, the Union Cabinet Committee on Economic Affairs approved a financial package of Rs 11,440 crore to revive the ailing Rashtriya Ispat Nigam Limited (RINL), a state-owned enterprise that operates the Visakhapatnam Steel Plant. *[Business Standard]*

Creating employment: Why the Budget should look to create "green jobs" in India's hinterland: As renewable energy continues to grow rapidly in India's last mile, it's now imperative to invest in talent building in the sector among the rural population. *[The Economic Times]*

India among top nations on CEOs confidence on investment plans-PwC survey: PwC said nearly 9 out of 10 Indian CEOs remain confident of economic growth as they plan headcount increases and continued AI rollout. *[Business Standard]*

RBI must take more steps to stem liquidity shortage: The central bank may have to conduct open market operations in the coming months. Also, another CRR cut can be considered. *[Business Line]*

India to account for 16% of global consumption at PPP by 2050: According to a report by World Data Lab, India is projected to account for 16% of global consumption at purchasing power parity (PPP) by 2050. *[The Statesman]*

NITI Aayog member revises FY25 GDP growth projection for India to 6.5-7%: Virmani, who had earlier predicted a GDP growth in the range of 6.5-7.5 per cent, adjusted the projection to 6.5-7 per cent now with high probability of it being sub-7 per cent. *[Business Standard]*

Decoded-Real vs nominal GDP-Key differences and which is more reliable: Gross Domestic Product (GDP) is one of the most critical indicators of economic performance, measuring the total value of goods and services produced within a country over a specific period. *[Business Standard]*

Slowing nominal growth major headwind; front-loading capex, easing monetary conditions critical for reviving economy: In India, the process of budgeting perhaps takes up much more focus and energy than what it does in most other economies. *[The Indian Express]*

India's GDP contribution from the EdTech sector is expected to quadruple by 2029: The EdTech sector in India is rapidly growing, with its contribution to GDP expected to increase from 0.1 per cent in 2020 to 0.4 per cent by 2029. *[Business Line]*

Bad economics is corrupting politics, undermining good governance in India: Economic reformers should not remain beholden to free-market ideologies, corporate lobbies, or the sentiments of fickle stock markets. *[Business Standard]*

Growth set to rebound, food inflation needs monitoring-RBI: India's economic growth is poised to rebound as domestic demand regains strength, though elevated food inflation needs careful monitoring of second-order effects, according to the Reserve Bank of India's (RBI) State of the Economy report. *[Business Standard]*

The rupee hasn't overly depreciated: Thanks to RBI continuing with its tried, tested and successful post-liberalisation policy of intervening to reduce excess volatility. *[Business Line]*



Foreign Investment

Outward foreign direct investment rises by 17% to \$37.68 billion in 2024: In a sign that Indian companies are keen on expanding their global footprints, outward foreign direct investment (OFDI) by domestic firms has seen a jump of nearly 17 per cent to \$37.68 billion in 2024. *[The Indian Express]*

Gujarat received FDI equity inflow of \$57.65 billion in last 10 years-Govt: Gujarat received a foreign direct investment (FDI) equity inflow of \$57.65 billion in 10 years starting April 2014. *[Business Standard]*

Chhattisgarh explores FDI opportunities with US, Russia; attracts Rs 6,000 crore investment in Mumbai: Chhattisgarh has paved the way for Foreign Direct Investment (FDI) opportunities, with Chief Minister Vishnu Deo Sai holding discussions with US Consul General Mike Hankey and Consul General of the Russian Federation Ivan Y Fetisov on investment possibilities in sectors such as health, education, Information Technology (IT), and tourism. *[The New Indian Express]*

Divestment, asset monetisation target for FY25 may be cut 40%: The government will likely slash its divestment and asset monetisation target for the current fiscal to less than ₹30,000 crore in the revised estimate from the budgeted ₹50,000 crore. *[The Economic Times]*



Trade Policy and Competitiveness

How India's trade ties with US panned during past two administrations: While India braces for volatility in trade ties with the new president, the previous two administrations saw its shares of ups and downs with India. *[Business Standard]*

Improving connectivity to boost India-New Zealand trade ties-GTRI: Both countries should set a target to double two-way trade within five years by identifying products for early tariff relief. *[Business Standard]*

Trade game-Exports to China saw sharpest fall in December: India's outbound shipments to four of top 10 export destinations – United Arab Emirates (UAE), the Netherlands, China, and Singapore. *[Business Standard]*

New restrictions on AI chips into India but growth remains unaffected: The US restrictions are part of global tech wars and the third globalisation, aimed at hindering China's access to AI technologies. *[Business Standard]*

Changes sought by Oman after FTA talks minimal: In 2023-24, India's trade with Oman was \$8.9 billion, down 27.7% on year. India's exports stood at \$4.2 billion and imports at \$4.5 billion. *[Financial Express]*

Trump Trade dampens FPIs' interest in India's debt market: Rising US yields, stronger dollar shakes India's bond inclusion story; momentum skids as global dynamics shift in driving uncertainty. *[Business Line]*

US global 'supplemental tariffs' to target trade-surplus countries: Trump has not yet announced higher tariffs on China, although he mentioned a 10 per cent tariff hike over a month ago. *[Business Standard]*

Trump administration's stance may open doors for bilateral FTA with India: India is encouraged by the shift in the stance of the United States (US) administration under President Donald Trump to engage with countries in negotiating bilateral free-trade agreements (FTAs) for greater market access. *[Business Standard]*

India introduces Diamond Imprest Authorization Scheme to boost exports: India on Tuesday introduced the Diamond Imprest Authorization (DIA) Scheme that allows duty free import of natural cut and polished diamonds, thereby promoting value addition and boosting exports. *[The Economic Times]*

Mobile phone makers answer the record \$20.4 billion export call: India's mobile phone exports surpassed a record \$20.4 billion in calendar 2024 buoyed by robust overseas shipments by Apple and Samsung. *[The Economic Times]*



Corporate Governance

Corporate leaders, and their 'hard work' spiel: Nothing wrong in focusing on the bottom-line and profits, but please don't dress personal gains as nation-building and make the rest feel guilty for 'staring' at their partners. *[Business Line]*

Roquette seeks CCI nod for acquisition of IFF's Pharma Solutions business: CCI's scrutiny will determine whether the acquisition impacts market competition in India's pharma excipient space. *[Business Line]*

Private sector must take up the slack in investment: On the profit front, India Inc is doing pretty well. The tax rate between corporates and individuals should probably be reversed. *[Business Line]*



MSMEs and Start-ups

Commerce Ministry's Budget pitch-'Prioritise MSMEs under Rs 3,000-crore Interest Equalisation Scheme: Ahead of the Union Budget 2025-26, the Commerce and Industry Ministry has approached the Finance Ministry to seek an extension of the revamped Rs 3,000 crore Interest Equalisation Scheme (IES) to prioritise focus on Micro, Small and Medium Enterprises (MSMEs) engaged in exports. *[The Indian Express]*

DPIIT joins hands with Apna to boost startup hiring, job creation: The partnership aims to address hiring challenges and create job opportunities for young individuals while strengthening the startup ecosystem. *[Business Standard]*

Indian startups raise over \$308 million this week across 24 deals: The funding season in the Indian startup ecosystem continued its growth this week as startups cumulatively raised more than \$308 million across 24 deals. *[The Statesman]*

How the Budget can make India's 63 million small businesses contribute to a higher GDP growth: The MSME sector has the potential to contribute 40% to GDP by 2030 with the right investments and reforms. *[The Economic Times]*

Startups seek better ESOP taxation, more domestic capital: With the Union Budget on the horizon, Indian startups and venture capitalists are advocating for key policy measures to foster growth and innovation in the ecosystem. *[Financial Express]*

Budget 2025-Mainstreaming MSMEs need enhanced credit access, linkage with global value chain: To catalyse accelerated economic growth, it's essential to focus on improving the quality, innovation, and scalability of the MSMEs which can be the next growth engine. *[Financial Express]*

MSMEs squeezed even for decent margins- Small businesses call for govt funding in Budget to adopt sustainability: Support to the millions of MSMEs, the backbone of the economy, is absolutely vital to inch closer to India's green goals. *[The Economic Times]*



Employment and Industrial Relations

EPFO members can self-correct personal details without employers' intervention: Over 7.4 crore subscribers of the Employees' Provident Fund Organisation (EPFO) will now be able to self-correct common errors in personal details. *[The Indian Express]*

Pay commissions called for reforms in services, but little happened: While the larger issue of reforms in the civil services has hardly ever been acted upon, except the Sixth Pay Commission others have been prudent in offering wage growth. *[Business Standard]*

Will Budget 2025 extend benefits like social security to gig workers?: The number of gig workers in India are expected to grow to 23.5 million by the end of 2029-30 from around 7.7 million in 2020-21. *[Business Standard]*

Formal sector jobs rebound in November: Net formal job creation under the Employees' Provident Fund Organisation (EPFO) recovered last November from the month before, with more than half of new enrollers under the age of 25. *[The Economic Times]*



Industrial Finance

Banks NPAs may dip to 2.4% by March despite stress in retail loans-Fitch: The gross non-performing assets (NPAs) of Indian banks may decline by 40 basis points to 2.4 per cent by March 2025 and a further 20 basis points in the next financial year. *[Business Standard]*

Bank deposits grow 10.83% to Rs 221.50 trn, show steady improvement in Jan: The pace of bank deposit mobilisation showed steady improvement as they grew by 10.83 per cent year-on-year (Y-o-Y) to Rs 221.50 trillion in the fortnight ending January 10, 2025. *[Business Standard]*

IIFL Finance also taps global debt markets: IIFL Finance raised \$325 million at 8.75% for a 3.5-year bond, joining Tata Capital and Vedanta Resources in tapping global debt markets this week. *[The Economic Times]*

FIU-IND, National Housing Bank ink MoU to exchange info: The Financial Intelligence Unit (FIU-IND) and the National Housing Bank (NHB) Saturday signed a memorandum of understanding (MoU) to enhance coordination and information exchange to prevent money laundering. *[The Economic Times]*



Technology and Innovation

India at forefront of age defined by technological evolution-WEF report: India's advocacy for and pursuit of developmental templates where technology serves as a bridge rather than a barrier are highly relevant, report said. *[Business Standard]*

Smartphones emerge as second-largest export category: Apple Inc, through its iPhones, accounted for two-thirds of India's smartphone exports during the period under review, underscoring the impact of the production-linked incentive (PLI) scheme. *[Business Standard]*

Target to register 10,000 GI products by 2030 from current 605-Goyal: Commerce and Industry Minister Piyush Goyal on Wednesday set a target to register 10,000 GI (geographical indication) products by 2030 from the current 605. *[Business Standard]*

US' Stargate-Will India be able to tap into a \$500 billion opportunity?: The US' \$500 billion Stargate project, announced by Donald Trump on the second day of his presidency to build a massive AI infrastructure in the country. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

Power, industry consumption lifts LNG imports by 27% y-o-y in 2024: According to the Petroleum Planning and Analysis Cell (PPAC), India imported around 37,336 million standard cubic meters (MSCM) in 2024 with monthly in-bound cargoes hitting a record during July (3,689 MSCM), October (3,626 MSCM) and May (3,516 MSCM). *[Business Line]*

Railway milestone-18-coach trial run on Katra-Budgam track in J&K: The trial run on the Katra-Budgam railway track of Udhampur-Srinagar-Baramulla Rail Link (USBRL) was completed on Sunday as the 18-coach trial train started at 8 a.m. from Katra railway station towards Kashmir. *[The Statesman]*

Budget 2025-Industry players focus on freight infrastructure development: The industry also stressed the need to increase the average speed of freight trains to 50 kmph and deploy advanced 12,000 HP electric locomotives. *[Business Standard]*

India plans to form consortium for global port operations, launch Bharat Container Shipping Line to strengthen trade connectivity: The initiative aims to replicate the Chabahar port model in strategic locations, enhance maritime presence, and mitigate global trade disruptions with the establishment of Bharat Container Shipping Line. *[The Economic Times]*



Sustainable Industrialisation

Govt gears up to create ecosystem for high-end EVs: The govt is considering including R&D investments and funding for setting up dedicated EV assembly lines in existing factories under the Scheme for Manufacturing Electric Cars (SMEC). *[The Economic Times]*

OREDA, Tata Power Renewable Energy sign pact to accelerate rooftop solar adoption in Odisha: Odisha Renewable Energy Development Agency (OREDA) has partnered with Tata Power Renewable Energy Ltd to promote rooftop solar systems under Pradhan Mantri Surya Ghar Yojana. *[The Economic Times]*

Budget 2025-Green funding door may open for clean projects: The govt plans to introduce a credit guarantee fund in the February 1 budget to promote green financing and support companies transitioning to cleaner energy. *[The Economic Times]*

Govt likely to provide incentives for local manufacturing of high-end electric vehicles: The Indian government is likely to incentivise carmakers for manufacturing high-end electric vehicles by considering investments in R&D and setting up dedicated assembly lines at existing factories under the SMEC scheme. *[The Economic Times]*

Avaada Group gets Rs 8,500 cr commitments for nine projects for Q3FY24: Avaada Group specialises in solar module manufacturing, renewable power generation, and the development of green hydrogen, green methanol, green ammonia, and sustainable aviation fuel projects. *[Business Standard]*

Strategies and roadmap for making green fertiliser production viable: The National Green Hydrogen Mission has set an ambitious target of producing 5 million tonnes of green hydrogen by 2030. *[Business Standard]*



Sectoral News

MedTech industry divided over move to stop imports of refurbished devices: Domestic manufacturers added that the order will also stop the unregulated influx of second hand medical devices which could have been detrimental to the patient safety in India. *[Business Standard]*

Govt to launch critical mineral mission to boost production-Mines minister: Union minister G Kishan Reddy on Monday said the Centre will soon launch the National Critical Mineral Mission (CMM) to enhance domestic production. *[Business Standard]*

Budget 2025-Simplified tariff structure, lower tax on electronics sector's wish list: Budget 2025: India's electronics industry is eyeing significant reforms in the upcoming Union Budget to address challenges like high tariffs, regulatory hurdles, and tax compliance. *[The Economic Times]*

Unlocking potential-India's path to a robust petrochemical industry: With a market size of \$220 billion, the Indian chemicals and petrochemicals sector contributes about 6 per cent to the GDP and provides employment to over 5 million people. *[Business Standard]*

Steel, cement sector in hands of few people, cartels a big problem-Gadkari: The Union minister said the fiber-reinforced plastic (FRP) can act as a good alternative to break the hold of the steel and cement companies and offered every help possible. *[Business Standard]*

ISID 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: Amitava Dey & Rakesh Gupta, Edited by Sangeeta Ghosh.

To unsubscribe please [click here](#)