

Industry Matters

Weekly Updates

February 07, 2025



Economy, Industry and Policy

TCA Anant-The budget missed an opportunity to strengthen Indian statistics: The government has just presented the first full-year budget of its third term, marking a significant milestone in its economic agenda. This budget stands out for a deft tightrope walk, navigating the complex challenges posed by an uncertain global environment while ensuring that India's growth remains strong. *[Mint]*

Manufacturing PMI rises to 6-month high in Jan on exports and new orders: Indian goods producers kicked off 2025 on a robust note as Purchasing Managers' Index (PMI) rose to 57.7 in January, recovering sharply from 12-month low of 56.4 in the previous month. *[Business Standard]*

Union Budget lowers the fences for India to take on global trade: India has always been viewed as a niche garden with high fences, however, with this Budget, we are not only enriching the garden by boosting consumption and focusing on MSME sector. *[Business Line]*

India grows faster, yet has miles to go to beat China's trillions: India is projected to add \$383 billion to its GDP in 2025, a significant single-year increase. Despite this growth and a higher growth rate compared to China, India's GDP will still lag far behind China's \$1.26 trillion addition due to China's historical double-digit growth rates. *[The Economic Times]*

Growth in services sector slows to more than 2-year low-PMI survey: Growth in India's dominant services sector in January slumped to the slowest in more than two years as demand softened but remained strong and led to a substantial rate of hiring. *[Business Standard]*

Secy group on asset monetisation to meet on Thursday; to discuss NMP 2.0: Ahead of a formal rollout of the second edition of the National Monetisation Pipeline (NMP 2.0), valued at Rs 10 trillion, the Core Group of Secretaries on Asset Monetisation (CGAM), chaired by Cabinet secretary TV Somanathan, will meet on Thursday to discuss the final progress of the first phase of the NMP. *[Business Standard]*

India's pace of debt reduction remains gradual-Fitch Ratings: India's pace of debt reduction is gradual, which leaves open downside risks to sovereign ratings in the eventuality of a significant economic shock, said Fitch Ratings on Monday, commenting on the Union Budget 2025. *[Business Standard]*

Made sure we're ready for 'Make in India, for the world'-FM Sitharaman: Union Finance Minister Nirmala Sitharaman on Sunday said the FY26 Budget had reinforced the foundations that would guide the country's progress towards a Viksit Bharat, having outlined clear destinations in certain parameters. *[Business Standard]*

Budget 2025-On track to make India future-ready with growth focus: With an ear to the ground and a finger on the nation's pulse, the government has taken note of the demands and necessities for accelerating India's growth. *[Business Standard]*

Budget 2025-Govt shows resolve to take bold steps for transforming economy: In a tumultuous global economic environment, India's 2025 Budget seeks transformative change, signalling stability and growth by embracing the anti-red tape revolution and ensuring its reforms enhance global competitiveness. *[Business Standard]*

Union Budget 2025- Setting a road map to transform India's economy: The Budget 2025-26 is part of the journey which commenced in 2014. It is a lockstep march to 2047; celebrating 100 years of independence and Viksit Bharat. *[Business Standard]*

PLI outlay for FY26 at Rs 19,500-cr, up 76% on year: The outlay for incentives for 2025-26 for all 14 sectors has been pegged at around Rs 19,500 crore, which is 76% higher than Rs 11037 crore that is expected to be paid out this financial year. *[Financial Express]*

Rural economy in focus, but flagship scheme outlays remain flat: The FY26 Budget highlights agriculture as a growth engine, but funding for flagship rural programs remains flat due to low spending in FY25. *[Financial Express]*

Production of key minerals including iron ore records robust growth in FY25: During the Financial Year 2024-25 (April-December), the production of some key minerals in the country has continued to witness strong growth. *[The Statesman]*



Foreign Investment

Draft bill seeking 100% FDI in insurance to be sent to Cabinet soon-DFS: The finance ministry will soon send the draft bill seeking to increase FDI limit in the insurance sector to 100 per cent to the Union Cabinet for its approval. *[Business Standard]*

Japan finds new bright spots for investment in India: Japanese investments in India are moving beyond the well-established patterns and are now exploring new avenues in financial services, electronics and telecommunications. *[The Economic Times]*

Need to go all out on FDI: India must pull all stops to attract foreign direct investment (FDI) and make itself more attractive to overseas investors through tax certainty and stability in matters like Advance Pricing Agreement (APA). *[Financial Express]*



Trade Policy and Competitiveness

India, UK to resume talks on proposed trade agreement from Feb 24: India and the UK are expected to resume the talks for the proposed free trade agreement from February 24, and the UK trade minister is likely to visit the national capital soon. *[Business Standard]*

Trump's tariffs on China, Mexico, Canada double-edged sword for Indian exporters: US President Donald Trump's tariffs on China, Mexico, and Canada could create opportunities for Indian exporters in sectors where they have capacity and a competitive edge, such as telecom, pharmaceuticals, chemicals, electrical machinery, apparel, and footwear. *[Business Line]*

India open to revive US trade deal talks during PM Modi's upcoming visit: India is open to reviving talks on a limited trade deal with the US during Prime Minister Narendra Modi's upcoming visit to Washington, where he will meet American President Donald Trump. *[Business Standard]*

In the US-China trade battle, the 'biggest tariff abuser' may come out on top: The renewed US-China trade war, sparked by Trump's policies, presents India with lucrative economic opportunities from trade diversions and increased exports. *[The Indian Express]*

Plan is to create separate agency to implement BharatTradeNet-DGFT: The Budget announcement to set up BharatTradeNet as a unified platform for trade documentation and financing solutions is an ambitious proposal and there is a plan to create a not-for-profit company to implement this project. *[The Economic Times]*

India to assess US-China trade war impact after inputs from industry: The government is likely to discuss with industry representatives the impact of the US administration's recently announced tariffs on countries such as China. *[The Economic Times]*

India working on compromise proposal to resolve origin rules differences with EU in FTA talks: India and the European Union are negotiating product-specific rules of origin for their bilateral free trade agreement to prevent circumvention and the inflow of cheap imports. *[The Economic Times]*

Govt framing schemes under export promotion mission for exporters: The government is framing schemes for MSME exporters to provide credit at easy terms, promote alternate financing instrument through strengthening factoring services for them and offer assistance to deal with non-tariff measures imposed by other countries. *[The Economic Times]*



Corporate Governance

CCI approval sought for Aster DM Healthcare-QCIL merger transaction: Aster DM Healthcare Limited and Quality Care India Limited (QCIL), a network of multi-specialty hospitals, have approached Competition Commission of India (CCI) for approval of their merger transaction. *[Business Line]*

Insolvency code must constantly evolve for better results: An efficient bankruptcy system will free up capital, allowing better production, employment, and growth prospects, it said, and added that the next step towards IBC reform is to improve operational efficiencies to speed up the resolution process. *[Financial Express]*

Indus to acquire 26% in Amplus Tungabhadra in Rs 27 cr all-cash deal: Indus Towers will acquire a 26% stake in Amplus Tungabhadra Pvt Ltd, a special purpose vehicle (SPV) involved in the renewable energy space, for a cash consideration of Rs 27 crore, the telecom tower company informed exchanges Tuesday early morning. *[The Economic Times]*



MSMEs and Start-ups

Budget strengthens India's position as innovation powerhouse-Startups: The Union Budget 2025-26 marks a significant milestone for India's startup ecosystem and reinforces the nation's position as a global innovation powerhouse, say startup players. *[Business Standard]*

Budget 2025 for startups-100% tax deduction on profits — Sitharaman proposes 5-year extension of Section 80-IAC benefits: Budget 2025 for startups: Section 80-IAC, introduced in April 2017, allows eligible startups to claim 100 per cent tax deductions on profits for any three consecutive years. *[Financial Express]*

Union Budget 2025-National Manufacturing Mission for small, medium, large industries soon: The mission's mandate will include five focus areas – ease and cost of doing business, upskilling for in-demand jobs, MSMEs, availability of technology, and quality products. *[The Indian Express]*

Govt plans alternative financing plans for MSME exporters: The government plans to provide alternative financing models including export factoring services under the budget's proposed Export Promotion Mission as it seeks to ensure collateral-free, pre-shipment loans to micro, small, and medium enterprise (MSME) exporters. *[The Economic Times]*

Export mission to ease woes of MSME exporters-DGFT: Most of the allocation for the Export Promotion Mission (EPM) will focus on addressing MSME export credit needs and promoting alternative financing instruments like factoring. *[Financial Express]*

Simplifying compliance, boost to MSMEs key to Budget announcements: An increase in investment and turnover limits for MSMEs strengthens the sector, enabling smaller enterprises to contribute significantly to economic growth and global competitiveness. *[The Economic Times]*



Employment and Industrial Relations

No immediate impact of Pay Commission on FY26 Budget-Expenditure Secy: Expenditure Secretary Manoj Govil, in post-Budget interaction with Ruchika Chitravanshi and Asit Ranjan Mishra in New Delhi, spoke about issues ranging from Unified Pension Scheme (UPS) and pay commission to continued thrust on capital expenditure. *[Business Standard]*

Job market enters 2025 on a steady footing White-collar hiring rises 4% in Jan, led by FMCG & insurance: India's white-collar job market saw a 4% YoY hiring increase in 2025, driven by FMCG, Insurance, and Pharma, despite slow growth in IT. *[Financial Express]*

Gig workers may soon get pension benefits via EPFO: The ministry of labour and employment will soon firm up a policy to give pension benefits to gig and platform workers through the Employees' Provident Fund Organisation. *[The Economic Times]*

You still need EPF, NPS, insurance: The huge relief in the new tax regime will enhance take-home pay, spur consumption and reduce the allure of traditional tax-saving investments. *[Financial Express]*

Centre targets creating over 21 lakh jobs in 2025-26, led by fisheries, tourism, manufacturing: With the allocation earmarked to various government schemes under the 2025-26 Budget, the Union government is targeting the creation of more than 21 lakh direct and indirect employment opportunities in sectors such as fisheries, tourism, food processing, textiles, and electronics manufacturing, among others. *[The Indian Express]*



Industrial Finance

Swiss firms eye investments in Rajasthan's key sectors after summit boost: Swiss companies have shown interest in investing in Rajasthan's key sectors, fueled by the momentum of the 'Rising Rajasthan' Global Investment Summit 2024, sources said. *[Business Standard]*

Credit growth exceeds deposit growth in January, 24 fortnight: Bank lending again outpaced deposit growth in the beginning of the fourth quarter putting pressure on resources forcing many banks to raise deposit rates. *[The Economic Times]*

Changing ties-USAID funding to India on the decline since pandemic: As American President Donald Trump's decision to re-evaluate and realign his country's foreign aid is sending the world into a tizzy, data from the United States (US) government's foreign assistance website shows that funding by the US Agency for International Development (USAID) for India has been on the decline since the pandemic. *[Business Standard]*

Lending a helping hand- New support schemes for small exporters on cards: The government is designing new support schemes, especially for small exporters to help them avail collateral-free loans and partially fund the compliance needs for non-tariff measures being implemented by developed nations. *[Business Standard]*



Technology and Innovation

Global tech firms Nvidia, AMD, HPE in talks with govt for 'indigenous' GPUs: Three global technology players — Hewlett Packard Enterprise (HPE), Advanced Micro Devices (AMD), and Nvidia — are in discussions with the Indian government for a collaborative effort to help design and develop "indigenous" graphic processing units (GPUs), as well as in building the artificial intelligence (AI) ecosystem in the country. *[Business Standard]*

Edtech company Great Learning launches AI Mentor and AI Teacher: Great Learning, the professional learning and upskilling company, said it is leveraging artificial intelligence (AI) to chart the next phase of its growth with the launch of AI Mentor and AI Teacher. *[Business Standard]*

India's fintech journey- Charting the course to global financial supremacy: India is undergoing a massive transformation as it moves steadily towards the path of being one of the largest economies of the world. At the heart of this journey is the fintech sector which is redefining the financial system of the country and making it more accessible. *[Financial Express]*



Industrial Infrastructure, Clusters and SEZs

FM announces Rs 25K cr Maritime Development Fund to boost shipping: As India's nascent shipping sector struggles to make headway, Union Finance Minister Nirmala Sitharaman on Saturday announced a Rs 25,000 crore Maritime Development Fund — a long-awaited policy intervention to support the industry. *[Business Standard]*

Strong support for India's ports, shipping & logistics sectors'—Industry players laud Union Budget 2025: The Union Budget 2025, tabled by Union Finance Minister Nirmala Sitharaman on Saturday in Parliament, placed significant emphasis on the country's shipping and maritime sector. *[The Economic Times]*

PM Gati Shakti, logistics policy to push India's World Bank ranking: Strong infrastructure development through initiatives like PM Gati Shakti and National Logistics Policy will help India find a place among top 25 nations on the World Bank Logistics Performance Index by 2030. *[Business Standard]*

Budget 2025- Shipping gets a blast of wind in its sails: India is set to boost its shipbuilding industry with the announcement of a ₹25,000-crore Maritime Development Fund and development of new shipbuilding clusters. *[The Economic Times]*



Sustainable Industrialisation

Solar cell developer Art-PV receives \$10 million grant from MNRE & others: IIT Bombay-incubated Art-PV India Pvt Ltd has received a \$10 million grant from the Ministry of New and Renewable Energy (MNRE). The company will use the funds to establish a plant for manufacturing high-efficiency tandem solar cells. *[Business Line]*

Emphasis on green transition to boost India's position as clean energy leader: The Budget's focus on green transition will strengthen India's position as a global clean energy leader and meet decarbonization goals, industry players said. *[The Economic Times]*

NaBFID eyes tieups with multilateral funding agencies: The National Bank for Financing Infrastructure and Development (NaBFID) is looking to forge partnerships with multilateral funding agencies for blended finance to develop urban infrastructure and finance sustainable projects of urban local bodies. *[The Economic Times]*

Budget 2025-Clean energy tech focus amid transition: India's government supports clean technologies to enhance domestic value addition and create an ecosystem for solar cells, EV batteries, turbines, and high-voltage transmission equipment amid rising electricity demand and global supply challenges. *[The Economic Times]*

Budget shines a light on rooftop solar scheme: The Indian government has boosted the budget for the Pradhan Mantri Surya Ghar Muft Bijli Yojana by 80% to ₹20,000 crore for FY26. The initiative aims to install rooftop solar systems in 10 million households by FY27, promoting solar energy adoption and enhancing energy security. *[The Economic Times]*

Tata Power seeks hydro projects to ramp up clean energy bets: Tata Power Co. is scouting for hydroelectric power opportunities in India and overseas as it looks to ramp up the share of renewable energy in its overall portfolio to more than half in the next 14 months. *[The Economic Times]*



Sectoral News

Sectoral Impact Analysis-Which sectors stand to gain the most?: Auto and auto components, fertilisers and textile as well as the transport sector stand to benefit the most from the policy measures. However, sectors such as BFSI, healthcare and pharma may not be impacted much, according to a sectoral impact analysis by CareEdge. *[Financial Express]*

Regulatory clarity and risk-sharing tools critical to Budget's power sector reforms: The Budget 2025-26 paved the way for the crucial reforms needed in the power sector – strengthening of the distribution and transmission segment while enabling a clear path for the non-fossil energy to meet the country's net zero targets. *[Financial Express]*

Budget 2025-Discoms may take dose of reforms to turn healthy: The government intends to enhance the financial health of power discoms through incentives for reforms, along with improving intra-state transmission infrastructure. *[The Economic Times]*

DGCA developing regulatory framework for eVTOLs; ops to be managed strategically, tactically-Govt: The government announced the development of a regulatory framework for advanced air mobility solutions, including electric Vertical Take Off and Landing (eVTOL) aircraft. The Directorate General of Civil Aviation (DGCA) is collaborating with international aviation agencies to optimize air traffic management. *[The Economic Times]*

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