

Industry Matters

Weekly Updates

May 02, 2025



Economy, Industry and Policy

Stance change means possibilities of more rate cuts-MPC's Nagesh Kumar: Nagesh Kumar, external member of the Reserve Bank of India's (RBI's) monetary policy committee, says, in an email interview with Manojit Saha, the impact of reciprocal tariffs imposed by the United States (US) is mixed and there is fiscal space to support public expenditure. *[Business Standard]*

India growth story largely intact amid turbulent times-FM Sitharaman: Amid a flurry of downgrades to India's growth forecast by international agencies, Union Finance Minister Nirmala Sitharaman has told the International Monetary and Financial Committee (IMFC) that the country's economy is expected to grow by 6.5 per cent in 2025-26. *[Business Standard]*

Low labour productivity and gaps in high-tech infrastructure holding back India's export potential: Despite becoming the world's fifth-largest economy, India is yet to tap into its full export potential, according to a report by Ionic Wealth by Angel One. The report highlighted that low labour productivity and gaps in high-tech infrastructure are key challenges holding back India's global trade performance. *[The Economic Times]*

Govt sets up panel to draft plan for new National Manufacturing Mission: The government has formed an inter-ministerial committee to design the main plan for new national manufacturing mission, an official said. The mission was first announced in the Budget on February 1 to boost the Make in India initiative. *[Business Standard]*

UP aims to triple exports to Rs 5 trn in five years with help of new policy: Uttar Pradesh is working on a policy to promote exports and triple the outbound shipment from the state to over Rs 5 lakh crore in the next five years by tapping new markets and products. *[Business Standard]*

Industrial Output grows 3% in March; Gains in power & manufacturing sectors help overall growth: India's industrial output saw a 3% year-on-year increase in March, driven by growth in electricity and manufacturing, according to official data. While overall industrial activity grew by 4% in FY25, it was lower than the previous year. *[The Economic Times]*

Engineering goods exports from India reach record high in 2024-25, hit \$116.7 billion: India's engineering goods exports hit a record high of USD 116.67 billion in fiscal year 2024-25. This represents a 6.74 percent increase. The United States was the top destination. There was growth in exports to the UAE, Singapore, and Nepal. Engineering exports outperformed overall merchandise exports. *[The Economic Times]*

Strong growth, stability make India investors' natural choice-RBI governor: India remains a top investment destination with 6.5% growth, strong macroeconomic stability, and a resilient financial sector, says RBI Governor Sanjay Malhotra. At the US-India Economic Forum. *[Financial Express]*

Perception of prolonged uncertainty may put a break on private capex-FinMin: A Finance Ministry report on Tuesday apprehended that Trump tariffs and the resulting trade wars may push private sector to put investments on hold. *[Business Line]*

New Maharashtra EV policy aims to strengthen charging infrastructure: Maharashtra, which ranks second among states in terms of electric vehicle (EV) sales, cleared the new EV Policy 2025, which targets to take the share of EV registrations to 30 per cent of new vehicle registrations by 2030. *[Business Standard]*

RBI launches 3 surveys for inflation, consumer confidence, policy input: The Reserve Bank on Tuesday launched three key surveys, including inflation expectations, to gather useful inputs for monetary policy decisions. *[Business Standard]*



Foreign Investment

India considers 49% FDI in nuclear power-legal reforms likely in July: India could allow foreign companies to take a stake of up to 49% in its nuclear power plants, three government sources said, as New Delhi draws up plans to open up its most guarded sector to help achieve goals to cut carbon emissions. *[Business Line]*

Goyal may travel back to UK later this week to wrap up FTA: Piyush Goyal's UK visit aims to finalize the India-UK FTA, facing last-minute technical issues in trade and investment agreements; potential announcement follows after resolving these issues. *[Financial Express]*

Repatriation drags down net FDI to \$1.5 billion in Apr-Feb-RBI bulletin: Net foreign direct investment (FDI) into the country declined sharply to \$1.5 billion during April 2024-February 2025 from \$11.5 billion in the same period a year ago due to higher repatriation and outward FDI from India. *[Business Standard]*



Trade Policy and Competitiveness

India, US likely to use side letters to settle non-tariff barriers: India and the United States (US) may resolve contentious non-tariff barriers (NTBs) by signing the so-called "side letters" outside the framework of the proposed bilateral trade agreement (BTA). *[Business Standard]*

India, Netherlands discuss ways to strengthen trade, investments ties: India and European nation Netherlands have discussed ways to boost trade and investments ties during the visit of Commerce Secretary Sunil Barthwal to Hague. *[Business Standard]*

Protecting India's trade interests with the US amid global uncertainty: Prime Minister Narendra Modi and United States President Donald Trump agreed to launch negotiations for a bilateral trade agreement (BTA). A BTA is essentially a free trade agreement (FTA) under a different name, similar to India's Comprehensive Economic Partnership Agreement (CEPA) with Japan and its Economic Cooperation and Trade Agreement (ECTA) with Australia. *[Business Standard]*

Chinese dumping could wipe out our industry, we have to be wary," says Arvind Virmani: Arvind Virmani urges India to finalize FTAs with the US, EU, and UK in FY26 while maintaining protective tariffs against China to counter dumping threats. He emphasizes a three-pronged trade strategy to safeguard industry and attract global supply chains. *[Financial Express]*

India to press for technology access parity with US allies in new trade agreement talks: India-US BTA: Sources indicate that India will likely request relaxation of export restrictions in sectors such as telecom equipment, biotechnology, artificial intelligence (AI), pharmaceuticals, quantum computing, and semiconductors. *[Financial Express]*

Trade wars and India's long-term economic and technology strategy: The world economy is experiencing trade disruption on an unprecedented scale. Risk perceptions on this count have always been heavily discounted in favour of globalisation and orthodoxies that drive economic decisions. *[Business Standard]*

Global trade tumbles: Amid turmoil, India needs reform, not protectionism: Donald Trump's trade tantrums have sent shockwaves throughout the global economy. He imposed a 10 per cent tariff across the board on all imports, and a steeper 25 per cent tariff on steel, aluminium, automobiles, and auto parts. *[Business Standard]*

US, UK, Canada quiz India's SPECS scheme, sops at WTO: The US, UK, and Canada have raised concerns at the WTO regarding India's Make in India initiative and various subsidy programs. Questions were specifically directed towards the Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS), fisheries subsidies, and agricultural support. *[The Economic Times]*

Ongoing supply chain diversifications benefiting India, South Asia industrial hubs: Cushman & Wakefield's report highlights that while US trade policies create risks for export-reliant manufacturers, supply chain diversification is boosting industrial sectors and commercial real estate in India and Southeast Asia. *[The Economic Times]*



Corporate Governance

Surge in spending, India Inc rides the Corporate Social Responsibility wave: India Inc is mandated to allocate 2 per cent of their average net profit from the past three years to Corporate Social Responsibility (CSR) activities. A Prime Database study on CSR spending for the financial year 2023-24 (FY24) reveals that some companies significantly surpassed this requirement. *[Business Standard]*

How tech can help improve corporate governance, strengthen leadership: Companies, old and new, continue to see startling failures of corporate governance. Storied brands and star startups have crashed recently owing to poor governance and financial fraud. *[Business Standard]*

Ambani rejoins \$100 billion club as Reliance, Jio rally; Adani lags behind: A sharp rally in Indian stock markets since mid-March—driven by foreign inflows and easing global trade tensions—has propelled the net worth of several top billionaires. Mukesh Ambani, chairman of Reliance Industries, has re-entered the \$100-billion club, gaining nearly \$20 billion in under two months. *[Business Standard]*



MSMEs and Start-ups

Startup leaders meet Piyush Goyal to discuss innovation, ecosystem growth: India's leading startup founders met Commerce and Industry Minister Piyush Goyal, in a closed-door roundtable, to present opportunities and issues aimed at bolstering the country's startup ecosystem. *[Business Standard]*

Reciprocal tariffs will exacerbate stress for MSMEs-Ind-Ra: India Ratings and Research (Ind-Ra) on Tuesday said reciprocal tariffs will exacerbate stress for medium, small and micro enterprises (MSMEs) but mid-sized corporates have a greater cushion against unanticipated financial shocks. *[The Economic Times]*

Tariff war to put MSMEs under greater stress: Analysing 1,898 listed and unlisted MSMEs and 1,055 mid-corporates (MCs), India Ratings and Research said MCs have a greater cushion against unanticipated financial shocks with only 11 per cent of them under stress in comparison to MSMEs with 23 per cent of them being stressed. *[Financial Express]*



Employment and Industrial Relations

Modi govt gave 1.5 times more jobs to youths than UPA-Union Minister: Union Minister Harsh Malhotra handed over appointment letters to 258 candidates during Rozgar Mela here on Saturday. This fair is part of PM Narendra Modi's nationwide initiative, where similar events across 47 locations benefited over 51,000 youths. *[Business Standard]*

Employees hold tight to current jobs as economic jitters shake up hiring: In a further sign of caution, candidates are increasingly willing to accept smaller salary hikes and, in some cases, even salary cuts, as they prioritise job security over aggressive career moves. *[Business Line]*

EPFO hands over appointment letters to 976 recruits at 15th Rozgar Mela: The event saw the distribution of over 51,000 appointment letters to newly inducted youth in various government departments, including EPFO. *[Business Line]*

Employment in India grown faster than working-age population-World Bank: India's job market is experiencing growth, with employment rates outpacing the working-age population since 2021-22, particularly among women. Urban unemployment has fallen to a low of 6.6 per cent, while rural women are increasingly engaged in agriculture. *[The Economic Times]*

MSME jobs cross 27 crore mark; women make up 26% of workforce-Govt data: The number of jobs reported by micro, small and medium enterprises (MSMEs) in the country has crossed the 27 crore mark. According to the data from the MSME Ministry's Udyam portal, 6.29 crore MSMEs with Udyam registration have reported over 27 crore 34 thousand jobs since the launch of the portal in July 2020. *[Financial Express]*



Industrial Finance

Shriram Finance to provide payment services through mobile wallets, prepaid cards, more: Shriram Finance Ltd. is set to broaden its financial services by venturing into the payments sector, introducing mobile wallets, prepaid cards, and UPI. This strategic move aims to diversify its offerings and enhance earnings. *[The Economic Times]*

IRFC eyes project refinancing, metro & rapid rail as growth drivers in bid to chase 'high margin' biz: Indian Railway Finance Corporation (IRFC) is moving beyond funding pure-play railway projects, its traditional role where it supported rolling stock manufacturing and rail line laying. *[Business Line]*



Technology and Innovation

Make UPI robust to prevent disruptions, FM Nirmala Sitharaman tells NPCI: Finance Minister Nirmala Sitharaman on Monday directed action to make the Unified Payments Interface (UPI) system more robust, and ensure there is no repeat of the multiple disruptions experienced by users earlier this month. *[Business Standard]*

Indian business leaders harness AI for sustainability, but talent shortage is holding them back-Autodesk: Indian business leaders are embracing AI for environmentally responsible outcomes, surpassing global averages. They express optimism about AI's transformative potential, prioritizing AI skills in hiring. [*The Economic Times*]

AI leap for multilingual India: Voice-first AI agent can empower millions of micro-entrepreneurs with voice tools, helping rural citizens access digital services in their own languages. [*Financial Express*]

Indian businesses bet big on small language models-Deloitte: Deloitte's 2025 India Tech Trends report highlights Indian enterprises' increasing adoption of small language models (SLMs) for efficient and targeted AI solutions, integrated with simulations and AI agents. [*Financial Express*]



Industrial Infrastructure, Clusters and SEZs

French shipping company CMA CGM launches vessel under Indian flag: In a boost to India's shipping ambitions, French shipping giant CMA CGM has launched a vessel under the Indian flag, Union shipping minister Sarbananda Sonowal said on Monday. [*Business Standard*]

Steel safeguard duty to hike infra costs, hurt MSMEs: The steel safeguard duty is set to increase infrastructure costs. Construction projects may become more expensive. Micro, small, and medium enterprises will face challenges. Automobile industries will be impacted. [*The Economic Times*]

Cochin Port unions seek optimal use of projects to maximise revenue: The master plan should concentrate on restoring the past glory of Willingdon Island through reactivation of port activities, maximising revenue streams to the port by optimising the use of projects in Puthuvypeen and Vallarpadam area. [*Business Line*]

Rs 22,864 crore highway project for Northeast approved: The government has approved a Rs 22,864 crore greenfield high-speed corridor connecting Shillong (Meghalaya) to Silchar (Assam), spanning 166.9 km (144.8 km in Meghalaya, 22 km in Assam); built under the Hybrid Annuity Mode (HAM) with a 3-year completion target. [*Financial Express*]



Sustainable Industrialisation

PM E-DRIVE scheme-Centre targets 5-day turnaround for EV subsidy claims: The Ministry of Heavy Industries (MHI) is working to expedite the disbursement process for electric vehicle (EV) subsidies under the PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) initiative. [*Business Standard*]

India's onshore wind power market may hit record capacity in 2025-GWEC: India's onshore wind sector fell short of expectations in 2024, but signs of strong recovery point to a record-breaking year ahead. Despite commissioning 3.4 GW of new capacity—the highest annual addition since 2017. [*Business Line*]

ALTERRA, Brookfield invest \$100 mn invests in clean energy platform Evren: ALTERRA, the world's largest private climate investment vehicle, has made its first investment in India by co-investing \$100 million in Evren, an Indian renewable energy company, alongside Brookfield Asset Management. This investment will support the development of up to 11GW of solar, wind, and battery storage projects in Rajasthan and Andhra Pradesh, contributing to India's renewable energy goals. [*The Economic Times*]

Enerparc Energy to set up 35 MW solar project: Enerparc Energy will set up a 35 MW solar project in Gujarat to supply clean power to commercial and industrial consumers starting August 2025, generating 58 million units annually and cutting 41,000 tons of CO2 emissions. *[The Economic Times]*



Sectoral News

PV industry to hit record 5 mn domestic, export units in FY26-Crisil: Passenger vehicle industry in India is expected to touch a record cumulative domestic and export volume of 5 million units this fiscal despite the annual growth rate slowing down to 2-4 per cent, according to Crisil Ratings. *[Business Standard]*

Centre unveils guidelines for ₹22,919 cr electronics manufacturing scheme: Union Minister for Electronics and Information Technology, Ashwini Vaishnaw, released the guidelines and portal for the Electronics Component Manufacturing Scheme (ECMS) on Saturday (April 26). The scheme has a budget outlay of ₹22,919 crore and a run duration of six years (FY 2025-26 to FY 2031-32, including a gestation period of one year). *[Business Standard]*

Incentives must to get speciality chemicals supply chains to India-PwC-Assocham: A recent PwC-Assocham report suggests measures for the Indian chemical industry. The report recommends safeguard duties and incentives. These steps can attract speciality chemicals supply chains to India. *[The Economic Times]*

US tariffs may erode Rs 2700-4500 cr of operating profits of Indian auto component exporters-ICRA: The Indian auto component industry is facing challenges due to newly imposed US tariffs, which could significantly impact exporters' earnings. ICRA estimates that the tariff-related impact may reduce operating profits by Rs 2,700-4,500 crore, affecting 10-15% of auto component exporters' profits and 3-6% of the overall industry's profits. *[The Economic Times]*

Steel Ministry mandates sector-wide data reporting under new policy push, penalties for non-compliance: India's Steel Ministry is seeking detailed market information - from mills and other producers, exporters/importers and other participants - to implement more data-driven policy interventions. *[Business Line]*

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