

Industry Matters

Weekly Updates

May 23, 2025



Economy, Industry and Policy

India's export outlook remains uncertain, trade deficit to widen to 1.2% of GDP in FY26-UBI: India's trade outlook for the current financial year remains uncertain due to the looming threat of reciprocal tariffs by the United States, according to a report by Union Bank of India. The report expected India's current account deficit (CAD) to widen to 1.2 per cent of GDP in FY26, up from an estimated 0.9 per cent in FY25. *[Business Line]*

Engineering, electronics, agri, pharma, textiles help goods exports stay afloat in FY25: Engineering goods remained the largest contributor to total goods exports in FY25, while electronic goods sector witnessed the highest export growth rate. Other sectors which contributed to keeping goods export performance in FY25 at par with the previous fiscal included agriculture and allied products, drugs and pharmaceuticals and textiles. *[Business Line]*

India's manufacturing sector more attractive to global investors-S&P: India has made progress in making its manufacturing sector more attractive to global investors, and ongoing changes in international trade policy would benefit India in the long run, a S&P Global study. *[Business Standard]*

Statsguru-India's GDP growth may miss govt estimate, IIP data fuels doubt: The recent Index of Industrial Production (IIP) data has intensified doubts about the official gross domestic product (GDP) growth projections for Q4 and full FY25. The IIP growth slowed to 3.6 per cent in Q4FY25, the second-lowest in eight quarters. *[Business Standard]*

Tamil Nadu allocated most funds from Centre's rural job scheme so far in FY26; Uttar Pradesh and Bihar follow: Tamil Nadu has emerged as the top recipient of funds from the Central government for the guaranteed rural employment scheme during the current fiscal year FY26 so far, followed by Uttar Pradesh and poll-bound Bihar, officials stated. *[Business Line]*

What is India's monthly unemployment rate? First ever job survey reveals numbers: Earlier conducted annually or quarterly, India will now have a monthly unemployment rate survey conducted by the National Statistics Office as some parameters touch as high as 79% in April 2025. *[Financial Express]*

SBI's "nowcasting model" captures slight moderation in economic activities; forecasts FY25 GDP growth at 6.4-6.5%: Overall, the FY25 GDP growth projection of SBI's economic research department (ERD) is 6.2-6.3% (provisional), assuming there are no major revisions in Q1 to Q3 estimates, against NSO's 6.5%. *[Business Line]*

India's infrastructure output grows 0.5% in April against 4.6% in March: India's infrastructure output, which tracks activity across eight sectors and makes up 40% of the country's industrial production, grew at 0.5% annually in April as against 4.6% in March. *[The Economic Times]*

To revive manufacturing, India must focus on strengthening six key pillars: The world's attention in the last few weeks has sharply turned to global trade, driven by the United States administration's escalated import tariffs. These shifts have rekindled debates over economic competitiveness. *[Business Standard]*



Foreign Investment

Reliance Power to build Bhutan's largest solar project in ₹2,000 cr JV: Anil Ambani-led Reliance Power has partnered with Bhutan's Druk Holding and Investments (DHI) to develop the country's largest solar power project in a ₹2,000 crore joint venture. The 500 megawatt (MW) project will be developed under a 50:50 partnership through a Build-Own-Operate (BOO) model. *[Business Standard]*

Apollo in talks to invest \$750 million in Adani's Mumbai Airport bonds: US-based financial services giant Apollo Global Management is in advanced talks to invest \$750 million in bonds to be issued by Mumbai International Airport Limited (MIAL), according to people familiar with the matter. *[Business Standard]*

India mulling stricter rules for foreign owned companies: The Indian government is also reviewing the existing foreign direct investment rules. It seeks to simplify investment and rectify the loopholes. Sources quoted by Reuters claim, the discussions on the changes in rules are close to being finalised. *[Financial Express]*

Reliance Power, Druk Holding to jointly develop 500 MW solar project in Bhutan: Reliance Power and Bhutan's Druk Holding to jointly develop a 500 MW solar project with Rs 2,000 crore investment—the largest FDI in Bhutan's solar sector. The project aims to diversify Bhutan's renewable energy mix and boost regional clean energy collaboration under a BOO model. *[Financial Express]*

Global re-set: India can receive USD 200 billion in foreign inflows: India gets less than 2.5% of GDP annually in foreign capital inflows. This is across FDI, Portfolio flows and External Commercial Borrowings by the Corporate sector. At this stage of its development journey, India should be attracting at least 5% of GDP from foreign flows. *[Financial Express]*

Foxconn to expand India focus with \$1.5 billion investment: Foxconn is investing \$1.5 billion to expand its Indian operations as Apple diversifies production away from China, aiming to mitigate geopolitical and tariff risks. This move follows Apple's plan to manufacture a majority of iPhones sold in the US in India. *[The Economic Times]*

CPP Investments' India portfolio hits \$21.68 bn in net assets in 2025: Canada Pension Plan Investment Board (CPP Investments) is accelerating its exposure to India's high-growth sectors even as its India portfolio surpasses a milestone, exceeding C\$30 billion (US\$21.68 billion) in net assets in 2025. *[Business Standard]*



Trade Policy and Competitiveness

US-China tariff truce: Indian shippers see cargo rush, freight rates surge: After the United States (US) administration announced a 90-day pause on the tariff war with China last week, Indian shippers are facing the risk of being caught in disruption in global supply chains because Chinese goods are seeing an evacuation rush. *[Business Standard]*

India, EU conclude another round of FTA talks; deal likely in two phases: India and the European Union (EU) chief negotiators have concluded another round of talks on the proposed free trade agreement (FTA) here and agreed to reach a deal in two phases. *[Business Standard]*

Trade talks-India to push US to lift non-tariff curbs for goods exporters: India is set to push the United States (US) to remove non-tariff barriers (NTBs) for its goods exporters, in the ongoing negotiations for a bilateral trade agreement (BTA). *[Business Standard]*

Internal growth drivers anchor Indian economy amid US policy shifts, global uncertainty-Moody's: Talking about strength to deal with global disruptions, the agency has listed robust internal growth drivers, a sizable domestic economy and a low dependence on goods trade as key factors. *[Business Line]*

Why India must rethink its use of quality control orders in trade policy: India is on a path of increasing openness in its markets, and this heralds the start of a far more confident, less reactive, and more proactive import policy regime. This change in gear appears to have occurred sometime last year but has since been gathering momentum through the previous Budget and now with the various possible free-trade agreements (FTAs). *[Business Standard]*



Corporate Governance

LIC portfolio recovers ₹1.8 trillion amid market rebound from April lows: Life Insurance Corporation of India (LIC), India's largest domestic institutional investor, has seen the value of its portfolio rise nearly ₹1.8 trillion as the market staged a recovery from its April 2025 lows. *[Business Standard]*

Lumax Auto to acquire remaining 25% stake in IAC India for Rs 221 cr: Auto component supplier Lumax Auto Technologies (LATL) has signed an agreement to acquire the remaining 25 per cent stake in IAC International Automotive India from the International Automotive Components Group (IAC Group) for Rs 221 crore. *[Business Standard]*

Bajaj Group get CCI's nod to acquire Allianz's 26 pc stake in insurance JVs for Rs 24,180 cr: The Competition Commission of India (CCI) has approved Bajaj Group's acquisition of a 26% stake each in Bajaj Allianz General Insurance and Bajaj Allianz Life Insurance from Allianz SE for Rs 24,180 crore. *[The Economic Times]*

JSW Energy to invest Rs 14,000 cr to expand renewable energy capacity of Oxygen Power: JSW Energy will invest approximately Rs 14,000 crore to expand O2 Power's renewable energy capacity to 4.7 GW by 2027. The company expects to spend up to Rs 18,000 crore in FY26 to complete ongoing projects. JSW Energy is currently constructing 11.3 GW of generation projects, all secured under long-term Power Purchase Agreements. *[The Economic Times]*

Tata Sons may infuse capital into Tata Tele as AGR dues cross Rs 19,000 cr: Tata Sons Ltd, the holding company of the \$150 billion Tata Group, may be forced to infuse fresh capital into its loss-making telecom arm, Tata Teleservices Ltd (TTSL). This is because TTSL has to pay ₹19,256 crore adjusted gross revenue (AGR) along with other dues to the central government by March 2026. *[Business Standard]*



MSMEs and Start-ups

MSMEs face credit gap of ₹30 lakh crore, women-owned businesses see highest shortfall: The MSME (Micro, Small and Medium Enterprises) sector is facing an addressable credit gap of around ₹30 lakh crore, which is about 24 per cent of the total credit demand, according to a recent report by SIDBI (Small Industries Development Bank of India). *[Business Line]*

DPIIT, GEAPP partner to boost opportunities for clean energy startups in India: The Department for Promotion of Industry and Internal Trade (DPIIT) has signed a Memorandum of Understanding (MoU) with the Global Energy Alliance for People and Planet (GEAPP) to enhance opportunities for clean energy startups in India. *[The Statesman]*

MSMEs show improved sentiments for Q4 2025, bullish on Q1 FY2026 growth prospects: PHDCCI SME Market Sentiment Index suggests positive momentum in business activity for the period Q4 FY2025 compared to previous quarter Q3 FY2025 and robust growth outlook for next quarter (Q1 FY2026), based on survey conducted on 3,000 pan-India SME firms across various manufacturing units. *[The Economic Times]*

MSME Ministry partners with Denmark Patent Office to facilitate IPR transfer to MSMEs: The ministry and the Denmark Patent Office will conduct workshops for IPFCs, developing centres' capacity and understanding of the IPR application and registration process. *[The Economic Times]*



Employment and Industrial Relations

Labour codes' rollout: Centre nudges states to get in driver's seat: In the absence of a clear timeline for notifying the four labour codes, the Centre has asked all states and Union Territories (UTs) to make "necessary" amendments to their existing labour laws to align them with the "spirit and provisions" of the new codes, according to official sources. *[Business Standard]*

8th Pay Commission-Why 2.57 fitment factor demand may be rejected again? Here's what happened in 6th and 7th Pay Commissions: Various reports suggest that the Staff Side of the National Council Joint Consultative Machinery (NC JCM) has sought a fitment factor higher than 2.57 - one that was fixed by the 7th Pay Commission. The NC JCM Staff Side is a group of representatives who negotiate with the government on behalf of central government employees. *[Financial Express]*

EPFO new rules 2025-5 major changes all EPF members need to know: EPFO has now made the process of updating the profile simpler than ever. If your Universal Account Number (UAN) is linked to Aadhaar, then you can now update details such as your name, date of birth, gender, nationality, parents' name, marital status, spouse's name and date of starting the job online without any documents. *[Financial Express]*

EPFO onboards 14.58 lakh net members during March 2025: The Employees' Provident Fund Organisation saw a rise in new members in March. EPFO added over fourteen lakh new members. Most new subscribers are between eighteen and twenty-five years old. Many previously exited members rejoined EPFO. *[The Economic Times]*



Industrial Finance

India's private capex growth remained robust over FY21-FY25E, reported a 19.8% CAGR: The private capital expenditure growth in India remained robust in the last five years from FY21 to FY25E, reporting a CAGR of 19.8 per cent, according to a report by HDFC Securities. The report highlighted that private capex growth was strong during this period, but it did not reflect in the credit growth of the banking system. *[Business Line]*

IndusInd Bank signs pact with AIC STPINEXT to support startups, MSMEs: IndusInd Bank on Monday said it has signed a pact with AIC STPINEXT to provide early-stage startups and MSMEs essential financial solutions and structural support. *[Business Standard]*

Credit growth may slow in FY26 as lenders focus more on secured loans: Fitch Ratings anticipates slow loan growth for banks in fiscal years 25 and 26. This follows two years of strong growth. Banks are expected to prioritize secured retail loans. Housing and vehicle loans will likely increase. *[The Economic Times]*



Technology and Innovation

AI-enabled white goods with smart features gain traction: Premiumisation is a clear trend across appliance categories, and brands offering AI-tech features in air conditioners, refrigerators and washing machines as added value to customers. *[Business Line]*

VerSe Innovation to lay off 350 employees amid AI-led restructuring: The company is shifting focus to streamline operations by automating manual processes and reducing costs, with a goal of achieving profitability by the end of FY25. *[Business Line]*

ALIMCO integrates AI in next-gen prosthetics for inclusive innovation: From AI-powered systems to smart mobility aids, the Artificial Limbs Manufacturing Corporation of India (ALIMCO) is gearing up to introduce a new lineup of assistive technologies designed for persons with disabilities, featuring integrated artificial intelligence components. *[Business Standard]*

Semicon 2.0-India eyes 5% slice of global semiconductor chip pie by 2030: The central government is aiming for a 5 per cent share of global semiconductor chip production by the end of 2030 as it readies for the next phase of the India Semiconductor Mission — Semicon 2.0. *[Business Standard]*

Public sector firms' Agentic AI use set to surge-Capgemini: Capgemini report reveals 90% of public sector organisations plan to adopt agentic AI within 2-3 years, despite data readiness challenges. Key sectors like defence and healthcare lead Gen AI use, while concerns over data security, trust, and infrastructure maturity remain significant hurdles. *[Financial Express]*

Tech upgrade-Firms shell out big bucks to rope in AI experts: Companies across sectors ramp up hiring of AI leaders as enterprise-wide adoption accelerates. With salaries up to Rs 2.5 crore, demand for CAIOs and AI experts surges. Traditional firms and IT giants alike drive growth, signaling a strategic shift toward full-scale AI deployment. *[Financial Express]*

Beyond Solow-Rethinking growth in the age of AI: The rise of AI challenges the Solow Model's assumption that technology enhances, rather than replaces, labour. For India, embracing AI for global competitiveness risks job displacement and increased inequality. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

Chabahar and after. India eyes global stage for ports biz: India is eyeing a strategic expansion of its port infrastructure and management capacities on a global scale. Post its fruitful engagement at Chabahar port in Iran, and other ports in its immediate neighbourhood, the country is scouting for opportunities in African nations for port and/or berth operations. *[Business Line]*

AP targets big returns from shipyards, ports: For Andhra Pradesh, the buzzword for faster economic growth is, of late, port-led development, going by the string of investments in developing port and coastal infrastructure. *[Business Line]*

Green shipping corridor between VOC and Kandla ports gains pace: Works on a green shipping corridor, where methanol-run ships are to be operated, between VO Chidambaranar (VOC) Port and Deendayal Port in Kandla, Gujarat, are picking up pace with high-level talks taking shape last week. The ships will be operated by State-owned Shipping Corporation of India. *[Business Line]*

Adani Ports, JSW Infra make logistics anchor for cargo growth plans: Adani Ports and JSW Infrastructure, India's leading private port operators, are expanding their logistics services to capture extra cargo while they run integrated transport services. *[Business Standard]*

Indian ports set to gain from ongoing supply chain shift? Moody's weighs in on the China+1 strategy: Indian ports are poised to gain significantly from the global China+1 strategy, as companies diversify their supply chains. Moody's Ratings suggests that while Chinese ports may face financial headwinds, Indian and Indonesian ports could experience increased activity. *[The Economic Times]*



Sustainable Industrialisation

ZF Wind Power unveils India's largest 13.2 MW wind gearbox test rig: The 13.2 MW test rig strengthens our broader strategy to drive sustainable energy solutions and empowers the development of more efficient and reliable wind turbines,' said President, ZF Group India. *[Business Line]*

India set to drive in new leadership opportunities with EVs: G20 Sherpa and former NITI Aayog CEO Amitabh Kant emphasizes the urgent need for India to embrace green mobility. "If we don't shift now, we risk missing the opportunity to become the world's largest EV manufacturer. *[The Economic Times]*

India makes remarkable strides in green hydrogen development: The nation has launched pilot projects across various sectors and aims to become a major global exporter by 2030. With the National Green Hydrogen Mission and supportive policies, India is committed to achieving energy independence and Net Zero emissions. *[The Economic Times]*

Sustainable shipping in India is becoming more closely linked to economic competitiveness-Johnson Controls' Arun Awasthy: The maritime sector is a major source of carbon emissions globally. As a part of its efforts to limit emissions, the Indian government is implementing various measures to promote environmental sustainability and the advancement of its maritime sector. *[The Economic Times]*

K P Energy gets transmission link for its 100MW wind project: K P Energy has received in-principle approval for grid connectivity from Central Transmission Utility of India for its 100 MW wind project in Gujarat. The company is developing projects directly connected to the Inter-State Transmission System. *[The Economic Times]*

Adani Green Energy operational RE capacity increases to 14,528.4 MW: Adani Green Energy Ltd (AGEL) on Wednesday said its total operational renewable generation capacity has increased to 14,528.4 MW. Adani Renewable Energy Fifty Seven Ltd, a wholly-owned step down subsidiary of the company, has operationalised an incremental solar power project of 187.5 MW at Khavda, Gujarat. *[Business Standard]*



Sectoral News

Electrical appliance industry may get more time to implement quality order: Household and commercial electrical appliance manufacturers may get more time to adhere to the quality control order (QCO) for the sector, notified by the government in September 2024, following various concerns raised by the industry on its implementation. *[Business Line]*

Trump's plans to cut drug prices in US may impact Indian pharma landscape: Will people in India have to pay more for patented drugs? Are home-grown players with focus on specialty drugs about to face stiffer challenges in the US market? And will global pharma majors delay launching new drugs in lower cost markets or choose not to sell them at all in low middle income countries? *[Business Standard]*

Auto parts sector to grow 7-9% in FY26, driven by 2W, PV demand-Crisil: India's auto components industry is expected to grow 7-9 per cent in FY26, maintaining last fiscal's pace, supported by strong domestic demand from two-wheelers (2Ws) and passenger vehicles (PVs) — especially utility vehicles — which together account for nearly half of the sector's revenues. *[Business Standard]*



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