

Industry Matters

Weekly Updates

May 22, 2026



Economy, Industry and Policy

India-Korea partnership needs deeper engagement: During South Korean President Lee Jae Myung visit to India in April, he announced, with Prime Minister Narendra Modi, a Joint Strategic Vision for the India-Korea Special Strategic Partnership. *[Business Line]*

Industry must aim for import-substitution, gear up for \$1 trillion export target-Goyal: Industry must look at import data put up by the Commerce Department on its trade portal to identify opportunities for local manufacture and substitution of imports. *[Business Line]*

Competition Commission of India says it won't allow 'winner-takes-all tyranny' of Big Tech firms in digital markets: Competition Commission of India has said it will not allow dominant technology firms to create a "winner-takes-all" ecosystem in India's fast-growing digital economy. *[The Economic Times]*

RBI weighs all options including rate hike, forex swaps to stabilise rupee: The next scheduled monetary policy decision is on June 5, although the RBI has previously made an out-of-cycle adjustment in May 2022. *[Business Standard]*

Citi sees India tightening currency controls to halt Rupee slump: India may introduce more measures in the coming months to support the rupee and boost foreign reserves, including possible curbs on overseas investments by domestic companies, according to Citigroup. *[The Economic Times]*

RBI likely to hold repo rate at 5.25% through FY27-India Ratings: India Ratings projects GDP growth at 6.7% and inflation at 4.4%, warning that higher crude prices and West Asia tensions may pressure growth and trade deficit. *[Business Standard]*

Centre firms up new land-transfer norms to help public asset monetization: Centre firms up new land-transfer norms to help public asset monetization. *[Mint]*

BEE showcases India's low-energy housing model in Baku amid energy conservation push: The initiative reflects the government's effort to treat energy efficiency as an economic strategy rather than a stand-alone environmental programme. *[Business Line]*

Mospi open to revamping ASUSE to better capture handloom, handicraft sector: Mospi Secretary Saurabh Garg said the ministry is open to refining ASUSE to generate more granular and actionable data for the handloom and handicraft sector. *[Business Standard]*

PM SVANidhi Scheme, PM Mudra Yojana may face loan repayment stress amid West Asia war: Small-ticket loans disbursed under PM SVANidhi and Mudra Yojana may face repayment stress. Street vendors and micro enterprises, vital to urban economies, are struggling with rising costs and reduced foot traffic. *[Mint]*

Financing India's growth story needs new institutional investment vehicles: India's growth story has moved into a new transformational phase. The production-linked incentive scheme, the National Infrastructure Pipeline, Gati Shakti, asset monetisation, and the Digital India stack have created the foundations for sustained acceleration. *[Business Standard]*

India's CAD projected to rise to 2.2% of GDP amid oil pressures-Crisil: The report pointed to a direct connection between global commodity shifts and domestic macroeconomic indicators, noting that higher energy costs will inevitably test the country's external balance sheet. *[Business Line]*

India's private capital investments may remain cautious in 2026-Bain report: However, strong domestic fundamentals are expected to support investments in sectors such as consumer, manufacturing and financial services. *[Business Line]*

CAFE III norms likely by May-end despite E25 recalibration: Final norms to leave automakers with less than 11 months to prepare for implementation from April 1, 2027, forcing them to lock in product plans, supplier contracts and capital-allocation decisions. *[Business Line]*



Foreign Investment

FTAs, lower import duties, better business environment to boost net FDI flows-ADB chief economist: Free Trade Agreements (FTAs), reduction in import tariffs and improvement in the business environment would encourage higher net foreign capital inflows into India, which have moderated in recent years, ADB Chief Economist Albert Park has said. *[Business Line]*

Now that India has opened up its insurance market fully to FDI, over-regulation mustn't play spoilsport: The recent removal of this sector's FDI cap has begun to charge up a high-potential market. For improved customer service, it's better to rely on greater competition than tighter IRDAI guidelines on CEO remuneration. *[Mint]*

India reviews curbs on non-essential imports to support rupee, boost local manufacturing: If necessary, the government can impose higher duties or selective restrictions to curb such imports. India's merchandise trade deficit widened to \$28.4 billion in April, from \$20.7 billion in March, adding to balance of payments concerns amid portfolio outflows and tepid foreign direct investment. *[The Economic Times]*

India should be seen as investment partner, not just a market, says MoS Jitin Prasada: India should be seen not merely as a market for selling products but as a long-term investment partner, with foreign companies encouraged to work alongside Indian businesses in the country's growth story, says Union Minister of State for Commerce and Industry Jitin Prasada on Tuesday. *[The Economic Times]*



Trade Policy and Competitiveness

India-EU FTA to create new opportunities for industries, investors, innovators-Modi: India holds tremendous potential for collaboration with Sweden in high-tech sectors such as AI, health-tech, green mobility. *[Business Line]*

India-New Zealand trade pact-Beyond a small market: India and New Zealand signed their bilateral Free Trade Agreement on April 27, adding another partner to India's steadily expanding FTA network, which now covers all RCEP countries except China. *[Business Line]*

Real challenge beyond tariffs-Technology and compliance capability: New global trade reports highlight that technological capability and regulatory compliance - not just tariffs - are becoming the key drivers of trade competitiveness. *[Business Standard]*

Pvt sector deals are key to push India-United Arab Emirates ties ahead-UAE Minister: India and UAE are set to boost their partnership through joint investments and improved logistics. The UAE's Minister of Foreign Trade highlighted the importance of private sector collaboration in strategic sectors. This follows recent investment commitments worth nearly \$5 billion. Bilateral trade is growing strongly, with a target of \$200 billion by 2032. *[The Economic Times]*



Corporate Governance

BPCL plans ₹25,000 crore capex for FY27, calls fuel price hike respite: State-run Bharat Petroleum Corporation Ltd (BPCL) plans capital expenditure of Rs 25,000 crore for the financial year 2026-27 (FY27), focused primarily on ongoing expansion projects, against spending of Rs 20,400 crore in the previous year, the company's management. *[Business Standard]*

Adani Power to invest ₹4,194 cr to acquire 24% stake in Jaiprakash Power, Churk thermal plant under JAL resolution plan: Adani Power will invest nearly ₹4,194 crore to acquire a 24 per cent stake in Jaiprakash Power Ventures Limited and the 180 MW Churk thermal power plant of Jaiprakash Associates Limited as part of the implementation of the insolvency resolution plan approved by the National Company Law Tribunal (NCLT). *[Business Line]*

Tatas' troubled trusts-Conflict brews over Tata Sons' listing plans: The House of Tatas is divided over Tata Sons' listing, among other issues. The 19-month journey since Ratan Tata explains the sequence of events. *[Business Standard]*

PepsiCo India to invest ₹5,700 crore in expansion plans till 2030: PepsiCo India plans major investments in manufacturing and regional expansion as it sees strong growth potential in India's food and beverage market. *[Business Standard]*



MSMEs and Start-ups

MSMEs key to building self-reliant India, reducing import dependence-Industry leaders: India needs to strengthen MSMEs, boost domestic manufacturing and reduce import dependence as part of the broader push towards Aatmanirbhar Bharat, ASSOCHAM President Nirmal K Minda said on Tuesday. *[The Tribune]*

MSME GNPA ratio falls to 3.3% by Sep. 2026, but further decline unlikely: CareEdge said MSME asset quality improved significantly from FY20 levels, though global trade disruptions, rising costs and export-linked risks could weigh on future loan performance. *[Business Standard]*

Why credit guarantees don't help a range of MSMEs: Bankers are hard-wired into overlooking enterprises that are too large for MUDRA, and yet unfamiliar with banking systems. *[Business Line]*

MSME auto suppliers seek relief from carmakers as rising labour and input costs hurt: Small auto component suppliers are facing severe financial strain. They are urging major car makers to help manage rising wages, energy, and raw material costs. Suppliers also seek long-term partnerships over transactional deals. Industry bodies are pushing for faster price revisions and payments. *[The Economic Times]*

Startup funding, exits evolve as investors demand profitability discipline: As startups increasingly tap public markets, investors are becoming more selective and demanding clearer paths to profitability than during the 2021 boom. *[Business Standard]*

Why startups are restructuring to secure Indian-controlled status: Swiggy's move to qualify as an Indian Owned and Controlled Company shows how new-age internet firms are revamping boards and ownership as quick commerce and ecommerce rules tighten under Fema rules. *[Business Standard]*



Employment and Industrial Relations

More output, fewer workers-Why are labour-heavy industries becoming leaner: Rising production, ageing workforces, and rapid automation are pushing India's industrial companies towards leaner, productivity-driven workforce structures. *[Business Standard]*

Overlaps in labour codes, state laws create compliance grey zone for firms: Experts say overlaps between Labour Codes and state Shops and Establishments Acts may create compliance uncertainty for companies across working hours and leave rules. *[Business Standard]*

India's unemployment rate rises to 5.2% in April: India's unemployment rate rose to 5.2% in April from 5.1% in March, government data showed on Friday. *[Business Line]*



Industrial Finance

Private, govt banks pledge full support to ECLGS 5.0: Banks are fully supporting the new Emergency Credit Line Guarantee Scheme 5.0. This scheme aims to help businesses facing challenges due to the West Asia conflict. Government officials highlighted its importance for MSMEs in Maharashtra. The scheme provides working capital support. A digital portal simplifies loan applications. *[The Economic Times]*

TVS Venu's Jana SFB bet expands financial services push: The \$6.5 billion TVS Venu Group has been steadily expanding its financial services footprint beyond lending - particularly vehicle loans, and has made strategic investments in insurance as well as asset management. *[Mint]*

Credit card adoption rises in Tier-II, -III cities-SBI Card report: Rising incomes, digital adoption, and UPI-linked RuPay cards are accelerating credit card usage in smaller cities, according to SBI Card's latest report. *[Business Standard]*

Banks seek RBI relief on InvIT lending rules, warn 3-yr track record rule may slow infra monetisation & fresh funding: Banks have asked the Reserve Bank of India to relax new lending rules for Infrastructure Investment Trusts. The proposed three-year operational track record requirement could delay infrastructure monetisation and new project funding. *[The Economic Times]*



Technology and Innovation

Industry leaders call for resilient telecom networks powered by satellite, AI and fiber to drive India's digital future: As India's digital economy expands rapidly, industry leaders said resilient and intelligent telecom networks are emerging as critical infrastructure supporting financial systems, governance platforms, enterprises, healthcare, mobility and AI-driven ecosystems. *[Business Line]*

Fintechs turn to AI for personalised finance, fraud detection and smarter operations: Fintech companies are increasingly leveraging artificial intelligence (AI) to personalise customer experiences, strengthen fraud detection systems and improve operational efficiency, as the sector looks beyond basic automation and chatbots toward more intelligent financial services infrastructure. *[Business Line]*

Centre likely to extend India Semiconductor Mission 2.0 tenure to 12 years: The government may extend the second phase of the India Semiconductor Mission to 12 years to strengthen domestic chip manufacturing and supply chains. *[Business Standard]*

Suchi Semicon to spend ₹700 crore on OSAT equipment, majority to be imported: As India accelerates its semiconductor manufacturing ambitions under the "Make in India" programme, Gujarat-based Suchi Semicon is preparing to place equipment orders worth around ₹700 crore for its Outsourced Semiconductor Assembly and Test (OSAT) facility at Surat. *[Business Line]*

AI begins to erode scale edge in IT-Mid-cap firms gain agility, but large deals stay with incumbents: Artificial intelligence is reshaping India's IT sector as mid-cap firms leverage agility, faster workforce retraining and lower-cost delivery to compete with larger peers despite weaker large deal wins. *[Financial Express]*

India's satellite-to-phone plan faces industry divide over telecom-led model: India's satellite-to-phone plan faces industry divide over telecom-led model. *[Mint]*

Tata Electronics partners with ASML in preparation of India's first commercial semicon Fab: The facility will manufacture semiconductors for a variety of applications across automotive, mobile devices, artificial intelligence (AI) and other key segments, to serve customers globally, with a planned total investment of \$11 billion. *[Business Line]*



Industrial Infrastructure, Clusters and SEZs

MPEZ approves new projects worth ₹450 crore in Tamil Nadu: These sectors include IT/ITES, nutraceuticals, warehousing & logistics, engineering services, and footwear, further accelerating industrial growth across the Tamil Nadu, Andaman & Puducherry (TAP) Region. *[Business Line]*

India's 100 GW nuclear energy target requires ₹25 trn investment-TERI: TERI said India will need sustained annual nuclear capacity additions and policy support for SMRs to achieve its 100 GW nuclear energy target by 2047. *[Business Standard]*

Nods for Rs 30,000 crore shipbuilding cluster in Andhra Pradesh this month-Minister Sonowal: India plans a major shipbuilding cluster in Andhra Pradesh with ₹30,000 crore investment. This move aims to boost the Indian fleet size. Projects for West Bengal's waterways and ports are also set to accelerate. India has repatriated over 3,000 seafarers due to West Asia disruptions. *[The Economic Times]*

Govt working on plan to rollout water metro transport system in 18 cities: In the first phase, cities such as Srinagar, Patna, Varanasi, Ayodhya and Prayagraj are expected to get water metro services, while Tezpur and Dibrugarh in Assam are included in the second phase. *[Business Line]*

Rail-led industrial corridors: Consider a freight train travelling nearly 1,500 km from Dadri, Uttar Pradesh, to Jawaharlal Nehru Port Authority (JNPA), Navi Mumbai, at speeds approaching 100 kmph and carrying significantly heavier cargo loads without the delays historically associated with India's rail network. *[Business Line]*

KPI Green Energy arm signs agreement with GUVNL for 120 MW battery storage project: KPI Green Energy's subsidiary Sun Drops Energia has signed a Battery Energy Storage Purchase Agreement (BESPA) with Gujarat Urja Vikas Nigam for a standalone Battery Energy Storage System (BESS) project with a capacity of 120 MW / 240 MWh. *[Financial Express]*



Sustainable Industrialisation

Adani Green to develop 2,250 Mw pumped storage project in Andhra Pradesh: The Andhra Pradesh government has approved Adani Group's 2,250 MW Gandikota-2 Pumped Storage Project in YSR Kadapa district under its clean energy policy framework. *[Business Standard]*

India's clean energy expansion to boost real estate demand-Colliers India: India's renewable energy push is set to unlock a major opportunity for the real estate sector, with solar and wind energy expansion likely to drive \$10-15 billion worth of land investments by 2030, according to a report by Colliers India. *[Business Standard]*

India solar industry seeks higher power prices amid record demand: India's solar industry is urging the power market regulator to raise electricity price limits on exchanges. Companies say the current cap hinders profitability and investment, especially with demand soaring due to heat waves. Peak power demand has hit record highs recently. *[The Economic Times]*

MoF approves scheme for floating solar battery storage: India is set to boost renewable energy with a new ₹5,500 crore floating solar battery storage scheme. The finance ministry's expenditure finance committee has approved the plan. This initiative aims to encourage states to install floating solar panels. It will help reduce reliance on fossil fuel imports. *[The Economic Times]*

India must push solar, grid reforms to navigate oil price rise-Ex-NITI Aayog member Arvind Virmani: suggested navigating this crisis by adopting a two-pronged strategy by implementing a gradual pass-through of rising oil and gas prices in the immediate term, while aggressively accelerating long-term structural reforms across its solar, storage, and distribution networks. *[The Economic Times]*

Chinese stranglehold on EV components: India has plans to manufacture EV and cellphone parts. But for now we're reliant on Chinese imports. *[Business Line]*



Sectoral News

Auto exports jump 38% as Indian firms gain ground in emerging markets: April's sharp 38% jump in vehicle exports suggests Indian automakers are increasingly turning overseas markets into a key growth lever at a time when domestic demand across segments remains patchy. *[Business Line]*

Challenging times for Indian auto even as long-term demand trends hold-Assocham's Nirmal Minda: India's automotive industry is facing the dual challenge of escalating costs and uncertainties in global trade. Yet, the future looks good with robust long-term demand and a significant pivot towards electric vehicles. [*The Economic Times*]

Handloom, handicraft sector grapples with falling output: India's handloom and handicraft sector is facing falling production, weak incomes and slowing growth despite employing millions across the country's informal manufacturing economy. [*Financial Express*]

India plans national registry to track implantable medical devices and patients: India is set to launch a national registry for implantable medical devices. This initiative aims to track all devices and patients, ensuring only certified products are used. The registry will help curb overuse and fix accountability [*The Economic Times*]

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