ISID Institute for Studies in Industrial Development
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Industry Matters

Weekly Updates June 19, 2026

Economy, Industry and Policy

TCA Anant-India's new package of price indices promise us a sharper view of economic trends: India's latest statistical revisions constitute a useful upgrade of our economic data. Here's how a rejigged wholesale price index and the formulation of new indices promise to enrich our view of how prices move across the economy. *[Mint]*

India's merchandise exports jump 18% in May; trade deficit widens to $28.21 billion: India's merchandise exports rose to $45.20 billion in May, driven by engineering goods and electronics. Imports increased 20.6% to $73.41 billion, widening the trade deficit to $28.21 billion. *[Mint]*

Gadkari clears E100 fuel framework, paving way for ethanol-only vehicles in India: India has formally cleared the regulatory framework for the use of 100% ethanol (E100) as a vehicular fuel, a move that could accelerate the rollout of ethanol-powered cars and two-wheelers while deepening the country's push to cut crude oil imports. *[Business Line]*

India taps World Bank, ADB for $2.5 billion infrastructure spend: India is in talks with the World Bank and Asian Development Bank for substantial funding. This financial support aims to boost urban infrastructure and create jobs. The loans will help New Delhi manage its budget after increased spending on subsidies. *[The Economic Times]*

RBI temporarily withdraws rate caps on FCNR(B), NRE deposits till Sept 30: The Reserve Bank of India has removed interest rate caps on specific non-resident deposits. This move grants banks more freedom to attract foreign funds. The changes are effective immediately and will continue until September 2026. *[The Economic Times]*

A tax hurdle in India's job market: India stands at a crossroads. With over one million young workers entering the labour market every month, a demographic dividend that economists call the envy of the world, and an ambitious $5-trillion economy target firmly in sight, it has every structural reason to accelerate the formalisation of its workforce. *[Financial Express]*

Govt hikes windfall tax on diesel, ATF exports; petrol duty unchanged: The government on Monday hiked windfall gains tax on exports of diesel and aviation turbine fuel (ATF), while retaining the levy on petrol for the fortnight beginning June 16. *[Business Standard]*

Public sector units must be the patient investor in India's long-term future-CEA Anantha Nageswaran: The framework of the new peace deal between the US and Iran is welcome for oil importing countries like India and it should be a catalyst to deepen reforms and grow faster, the Chief Economic Advisor (CEA) Dr. V. Anantha Nageswaran, said on Monday. *[Business Line]*

Govt needs to revive NITI's PSU, PSB privatisation program-Panagariya: The government needs to resuscitate privatisation of public sector undertakings (PSUs) as well as public sector banks (PSBs) as it is integral to India's economic reforms, former NITI Aayog vice chairman Arvind Panagariya said on Monday. *[Business Standard]*

India's productivity gap with China widens despite strong GDP growth-Equirus Securities: The report noted that while emerging market labour productivity has grown steadily over the past three decades, the current phase is marked by sharp divergence across countries. *[Business Line]*

India needs a supply chain resilience fund: The classic Mundell-Fleming trilemma — the idea that an open economy cannot simultaneously fix its exchange rate, control monetary policy, and allow free capital flows — is well known. *[Business Line]*

India’s energy transition at risk, import dependence for critical minerals near total: An IEEFA report warns that India’s 100% import dependence on lithium, cobalt, and nickel, combined with a 91% reliance on China for synthetic graphite, creates severe supply chain vulnerabilities for the nation's green energy goals. *[Financial Express]*

Foreign Investment

More measures on anvil to attract global flows, says FM Sitharaman: Finance Minister Nirmala Sitharaman on Monday said more steps will be taken to attract foreign capital into India, indicating that recent measures announced for the bond market were only the beginning of a broader initiative to boost investment inflows. *[Business Standard]*

Japan company to set up rare earths magnet unit in Andhra Pradesh: Japan's Proterial will invest ₹2,250 crore to build a rare earth magnet plant in Andhra Pradesh. This facility will produce vital components for electric vehicles and wind turbines. The move aims to boost India's local rare earth value chain. *[The Economic Times]*

Govt likely to clear Dixon-Vivo JV deal this month: The government is set to approve the Dixon-Vivo joint venture this month. Dixon Technologies will hold a majority stake in this new venture. This partnership aims to manufacture electronic devices, including smartphones. *[The Economic Times]*

Govt notifies rules to lift investments by persons resident outside India: In an exciting development, India has relaxed its investment rules, making it more convenient for foreign investors to dive into its dynamic stock market. The latest regulations expand opportunities via the portfolio investment scheme, designed to lure capital inflows and support the stability of the Indian rupee. *[The Economic Times]*

India is said to weigh another mega merger, hike in FDI limit for public sector banks: The union finance ministry is said to form a new banking reforms committee to consolidate 12 public sector banks into five and raise foreign investment limits to 49%. *[Mint]*

Trade Policy and Competitiveness

India's FTAs set stage for $1-trillion export target: The trade agreements along with PLI schemes and ‘China+1’ diversification give india a good shot at lifting its merchandise exports to $1 trillion by 2030, the report said. *[Business Line]*

Economic sentiments may be lifted-BoP and fiscal concerns to ebb; if peace lasts: The US-Iran tentative deal to end the 107-day conflict and reopen the Strait of Hormuz could boost India's economic sentiment, ease fiscal pressure, improve the rupee, and lower energy import costs, experts say. *[Financial Express]*

India-UK free trade deal to take effect on July 15, opening 99% of exports to tariff-free access: India and the UK's Comprehensive Economic and Trade Agreement (CETA) will take effect on July 15, granting 99% of Indian exports tariff-free access. The pact, announced by Prime Ministers Modi and Starmer, also includes a social security agreement for temporary workers. *[The Economic Times]*

FTAs as catalyst for India's manufacturing breakthrough: The coming years will be decisive for a vibrant economy like India which aspires to become a developed nation by 2047. Indian policymakers are navigating geopolitical conflicts, rising global trade protectionism, economic policy uncertainty and geo-economic fragmentation. *[Business Line]*

US-Iran peace pact may boost India's economic outlook, soften inflation and fiscal risks: Economists suggest reduced crude oil prices could decrease India's import bill and ease rupee pressure, contingent on the agreement's details regarding energy supply and shipping operations. *[Mint]*

Corporate Governance

Tata Motors PV confident of delivering industry-leading growth in FY27-Chairman N Chandrasekaran: Chandrasekaran pointed out that rapid global advances in digital technologies and AI are transforming how mobility products are designed, experienced and supported. *[Business Line]*

India Inc raises more via CPs vis-a-vis corporate bonds in FY27 so far: India Inc raised more short-term resources via the commercial paper (CP) route as against longer-term resources via the corporate bond route in the current financial year so far. *[Business Line]*

Sebi allows AIFs, venture capitals to retain fund beyond expiry: The Securities and Exchange Board of India (Sebi) on Tuesday issued a circular allowing alternative investment funds (AIFs) and venture capital funds to retain funds beyond fund life under specific circumstances. *[Financial Express]*

CCI to create a panel of agencies to identify competition risks from AI, tech overhaul: The Competition Commission of India seeks research bodies to study competition in AI, e-commerce, fintech, and tech platforms, aiming to proactively address market and regulatory challenges. *[Financial Express]*

Can and should Indian investors get a piece of the biggest artificial intelligence IPOs?: Artificial intelligence (AI) firms have been listing their shares on public bourses left and right this year, from China's Zhipu.ai and Minimax to America's SpaceX and possibly OpenAI. For investors in India, AI exposure isn't easy to get, but it may be what a well diversified portfolio demands. *[Mint]*

Tata Trusts CEO shifts focus from Boardroom turmoil to Philanthropy: Tata Trusts is among India's largest philanthropic institutions and remains the principal shareholder of Tata Sons, the holding company of the Tata group. *[Business Line]*

MSMEs and Start-ups

Programme to link corporates, SMEs with start-ups launched: Kerala Startup Mission has launched BRIDGE, a first of its kind corporate-start-up convergence programme to help large corporates and SMEs adopt, invest in and acquire innovative startup technologies. *[Business Line]*

Govt extends QCO deadline for non-leather footwear MSMEs to July 2027: The government has provided one more year till July 31, 2027 to micro and small enterprises (MSEs) from the non-leather footwear sector to comply with the mandatory quality control order. *[Business Standard]*

MSME credit growth slows amid West Asia conflict; large private banks remain preferred bet-Elara: The Middle East war has slowed MSME loan growth across PSU banks, private banks, and NBFCs due to higher costs and disruptions, though asset quality remains stable with manageable impacts so far. *[Financial Express]*

Boost for space economy-Government unveils Rs 1,500 crore fund package to scale startup infrastructure: Dr Jitendra Singh cited Skyroot Aerospace, Agnikul Cosmos, Pixxel, GalaxEye, Digantara and Dhruva Space as prime examples of India's growing entrepreneurial and technological capabilities. *[Financial Express]*

India's MSMEs are no longer digitising for compliance alone-Tally's Tejas Goenka: As MSMEs accelerate their digital transformation journey, technology is becoming central to growth, efficiency, and resilience. Tejas Goenka shares how AI, connected ecosystems, and India-built software are reshaping the future of small business management. *[The Economic Times]*

Employment and Industrial Relations

India's unemployment rate hits 11-month high as rural joblessness rises in May: Higher unemployment in rural India pushed the overall jobless rate to 5.5% in May, while labour-force participation and employment ratios also weakened. *[Mint]*

Blue-collar wages growing faster than white-collar-ProNearMe study: The platform, which operates home-services across Delhi-NCR, Mumbai and Bengaluru, surveyed 1,000 skilled service professionals on its platform earlier this year. *[Business Line]*

India reaffirms role in ILO-led coalition for social justice at Geneva meet: India participated in a Global Coalition for Social Justice meeting in Geneva, reaffirming its engagement with the ILO-led initiative on labour rights and social protection. *[Business Standard]*

Govt ratifies 8.25% EPF interest rate for FY'26, to be credited this month: The government has approved an 8.25% interest rate on Employees' Provident Fund (EPF) deposits for FY26, clearing the proposal recommended by the Employees' Provident Fund Organisation's (EPFO) Central Board of Trustees in March. *[The Economic Times]*

Will employment rise in age of AI?: Everyone thinks there is only one gorilla in the room, namely, AI. Actually there are two. The second is the absence of policy instruments to tackle the massive unemployment that awaits societies because of AI. *[Business Line]*

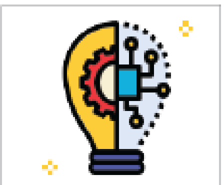
Industrial Finance

NBFC balance sheets may reach ₹93 trillion by FY28, says Brickwork Ratings: Brickwork Ratings expects NBFC balance sheets to expand to ₹92.9 trillion by FY28, while warning of rising stress in unsecured and rural credit segments. *[Business Standard]*

Microfinance sector sees first portfolio growth in seven quarters: After seven quarters of contraction, the microfinance sector's gross loan portfolio (GLP) posted a sequential growth of 3% to ₹3.25 lakh crore in Q4FY26, aided by a sharp recovery in disbursements and improving asset quality. *[Financial Express]*

Bank lending to REITs to improve access to long-term funds, lower borrowing costs: The RBI's new framework allows banks to lend directly to SEBI-registered REITs, improving access to long-term capital, lowering borrowing costs, and reducing reliance on corporate bonds. Effective October 1. *[Financial Express]*

Credit flow to bottom tier slows as microfinance lenders turn to safer borrowers-SIDBI-Equifax: Credit access for bottom-of-the-pyramid borrowers in India has slowed as microfinance lenders turn cautious after two years of asset quality stress, increasingly favouring customers with established credit histories. *[The Economic Times]*



Technology and Innovation

India shouldn't shy away from frontier AI: Frontier AI models have crossed a threshold. They are instruments of national power, economic dominance, and strategic advantage. As their capabilities grow, governments seem to be becoming less willing to leave decisions about access entirely to laboratories and markets. *[Business Line]*

AI may add up to 4 percentage points to Indian pharma margins-Bernstein: Artificial intelligence (AI) could add 3-4 percentage points to profit margins for Indian pharmaceutical companies by 2035, as the sector increasingly deploys the technology across research and development (R&D), manufacturing, quality systems and supply chains, according to a report by Bernstein. *[Business Standard]*

Schneider Electric, Foxconn partner to build next-generation AI data centres: Schneider Electric and Foxconn partner to develop next-generation AI data centres focusing on energy efficiency, rapid deployment, and integrated power and cooling solutions amid rising global AI demand. Production starts later this year to support scalable, sustainable AI infrastructure. *[Financial Express]*

AI industry leaders at G7 Summit call for US-led coalition to define rules and standards: The proposed coalition comes as countries look more determined than ever to reduce dependence on foreign AI companies and strengthen domestic AI capabilities. *[The Indian Express]*

Industrial Infrastructure, Clusters and SEZs

Adani Ports expands partnership with Kaleris, to invest up to $100 million in AI-led port automation: The company stated that it has expanded its partnership with US-based supply chain software provider Kaleris to deploy advanced optimisation, planning and automation solutions across its port network. *[Business Line]*

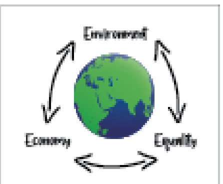
Shipping Min to nudge for U-turn on SCI divestment amid maritime push: With India planning a major maritime push led by domestic shipping through Shipping Corporation of India (SCI), the shipping ministry is in talks to seek reversing the 2019 Cabinet nod for the company's disinvestment, according to people in the know. *[Business Standard]*

Andhra Pradesh's Naidu pitches state as semiconductor hub to global chipmakers: Andhra Pradesh Chief Minister N Chandrababu Naidu is inviting global semiconductor firms to invest in the state. He highlighted Andhra Pradesh as a top investment destination in India. *[The Economic Times]*

Blue Dart Aviation to expand cargo operations across five emerging Indian hubs, targets high-value cargo: Blue Dart Aviation is gearing up to enhance its air cargo operations by launching services in five new industrial hotspots over the next five years. With an ambitious target of managing 100 tonnes of cargo daily from these centers. *[The Economic Times]*

India sets transmission project deadlines to speed up renewable energy expansion: India has introduced standardized timelines for power transmission projects to accelerate renewable energy integration. The Central Electricity Authority's new guidelines aim to synchronize grid expansion with generation and distribution, reducing delays that hinder new power capacity. *[The Economic Times]*

Navitas Solar to invest ₹1,500 crore in Gujarat to enter solar cell manufacturing, pilot wafer-ingot production: Navitas Solar plans to invest around ₹1,500 crore to set up a 3.6 GW solar cell manufacturing facility and a pilot wafer and ingot production line in Ankleshwar, as the company looks to deepen backward integration and reduce dependence on imported components. *[Business Line]*



Sustainable Industrialisation

Global energy transition readiness dips, India among top gainers-WEF: Global energy transition readiness has declined for the first time in over a decade. Geopolitical risks are a major factor. However, India has registered one of the strongest improvements. *[The Economic Times]*

Inox Wind inks MoU with Inox Clean to supply 1,500 MW wind turbines: Under the Memorandum of Understanding (MoU), IWL will supply its 3.3 MW and 4X MW wind turbines for renewable energy projects being developed by Inox Clean Energy across India. *[Business Line]*

Where to put your green money-AP, Uttar Pradesh and Rajasthan stand out in India's energy transition: For investors navigating India's crowded renewable energy landscape, a new study offers a roadmap. Andhra Pradesh, Uttar Pradesh, and Rajasthan have emerged as the most investor-friendly destinations for clean energy capital, according to The Institute for Energy Economics and Financial Analysis (IEEFA)'s. *[Business Line]*

From Data Centres to Hydrogen-Rs 1 lakh-crore AI bet that could reshape India's solar industry: Analysts say AI data centres and Green Hydrogen production could drive a multi-decade opportunity for India's solar sector. *[Financial Express]*

Wind sector to add 8 GW in FY27; minister suggests repowering old projects to reach targets faster: India's wind energy sector set to add 8 GW of capacity in 2026-27 after a record 6.1 GW in 2025-26, with plans to boost repowering, explore offshore potential, and increase exports. *[Financial Express]*

JBM Auto secures Rs 750 crore investment for E-bus deployment: JBM Auto's unit has secured a significant Rs 750 crore long-term investment from Motilal Oswal to deploy 2,000 e-buses and bolster India's sustainable public transit. This substantial capital infusion will accelerate the rollout of zero-emission fleets across key Indian cities, marking a major step in the nation's electric mobility transition. *[The Economic Times]*

Sectoral News

Electronics, pharma and engineering goods lead India's FTA dividend as export engine shifts gears: The brokerage views Engineering & Machinery and Pharmaceuticals as key beneficiaries, while Textiles, Gems & Jewellery, and Specialty Chemicals face structural challenges despite FTAs. *[Business Line]*

HFCL bags Rs 2,666 crore telcom gear supply order from Rail Vikas Nigam for BharatNet project: HFCL has secured a significant Rs 2,666 crore order from Rail Vikas Nigam Limited. This contract is for the BharatNet Phase-3 project in Uttar Pradesh West. HFCL will supply telecom equipment and manage installation and commissioning. *[The Economic Times]*

Vedanta Iron and Steel aims to become major resource-backed integrated steel platform: Vedanta Iron And Steel Ltd, newly listed, plans to be a leading integrated steel producer. The company will leverage its vast iron ore reserves for over 50 years. Expansion will focus on value-added products like silicon iron and ductile iron pipes. *[The Economic Times]*

Indian pharma market's double-digit growth momentum is likely to continue further-Equirus: The Indian Pharmaceutical Market is set for continued double-digit growth. May's performance showed strong demand across all therapies. Chronic therapies are leading the expansion, with acute therapies also showing improvement. *[The Economic Times]*

$15 billion game-changer-Reliance Jio readies for a big bang in space: Reliance Jio is reportedly planning a massive 1,600-satellite low Earth orbit constellation, aiming for direct-to-device connectivity and extending its telecom dominance into space. This ambitious project, potentially costing $10-15 billion, seeks to bolster India's digital sovereignty and reduce reliance on foreign infrastructure, positioning Jio as a major global player. *[The Economic Times]*

India's electronics output hits ₹13 lakh crore; Vaishnaw eyes No. 2 export spot: India's electronics production has reached Rs 13 lakh crore. The nation aims to make electronics the second largest export category. Two semiconductor plants are already operational. Two more chip plants will begin full commercial production this year. *[The Economic Times]*

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