

# INDIA FOCUS



**India, with a “very buoyant” market and a growth rate that is “the best in the world”**

**SATYA NADELLA,**  
Chairman & CEO of Microsoft Corporation



**India is steadily becoming a destination for aerospace manufacturing**

**JYOTIRADITYA M SCINDIA,**  
Minister of Civil Aviation of India

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## India plans to spend Rs 11 trn on capital expenditure

The Finance and Corporate Affairs Minister Nirmala Sitharaman, while presenting the Interim Budget for 2024-2025 in Parliament in February, announced that the capital expenditure outlay for the next year is being increased by 11.1% to Rs 11.11 trillion, which would be 3.4% of the GDP.

She said this is in the wake of building on the massive tripling of the capital expenditure outlay in the past 4 years, resulting in a huge multiplier impact on economic growth and employment creation.

According to the First Advance Estimates of National Income of FY 2023-24, presented along with the minister's speech, India's real GDP is projected to grow at 7.3%. This is also in line with the upward revision in growth projections for FY 2023-24 by the RBI (in its December 2023 Monetary Policy Committee meeting) from 6.5% to 7%, prompted by strong growth in Q2 of FY 2023-24.

The Indian economy has demonstrated resilience and maintained healthy macroeconomic fundamentals, despite global economic challenges. The International Monetary Fund (IMF), in its World Economic Outlook (WEO)-October 2023, has revised its growth projection for India for FY 2023-24 upwards to 6.3% from 6.1% projected in July 2023. This reflects increasing global confidence in India's economic prowess at a time when global growth projection for 2023 remains unchanged at 3%.

According to the IMF, India is likely to become the third-largest economy in 2027 (in USD at market exchange rate)

### Strategies for Viksit Bharat

Results and announcements made in interim budget



**Rs 1 trillion**

corpus to be set up to give interest-free loans for innovation



**10 million**

households to get up to 300 units free electricity every month



**50 million**

houses will come up via PM Awas Yojana (Grameen)



**3**

major economic railway corridor programmes to be implemented



**Focus**

to be on port connectivity and high traffic density corridors

and it also estimated that India's contribution to global growth will rise by 200 basis points in 5 years. Moreover, various international agencies such as



**“In the full budget in July, our government will present a detailed road map for our pursuit of Viksit Bharat”**

**NIRMALA SITHARAMAN**  
Finance Minister

the World Bank, the IMF, OECD and ADB project India to grow 6.4%, 6.3%, 6.1% and 6.7%, respectively, in 2024-25.

Finance Minister Sitharaman stated that strong growth in economic activity has imparted buoyancy to revenue collections and pointed out that GST collection stood at Rs 1.65 trillion in December 2023. This is the seventh time that gross GST revenues have crossed Rs 1.6 trillion.

Coming to 2024-25, she said, the total receipts other than borrowings and the total expenditure are estimated at Rs 30.80 trillion and 47.66 trillion, respectively. The tax receipts are estimated at Rs 26.02 trillion.

In a major announcement, the minister said the scheme of 50-year interest-free loan for capital expenditure to states will be continued this year with a total outlay of Rs 1.3 trillion. A provision of Rs 750 billion as loan is proposed this year to support the milestone-linked reforms of Viksit Bharat by the state governments.

Referring to the fiscal consolidation, as announced in her Budget Speech for 2021-22, to reduce fiscal deficit below 4.5% by 2025-26, Sitharaman said the fiscal deficit in 2024-25 is estimated to be 5.1% of GDP, adhering to that path.

She announced that the FDI inflow during 2014-23 was \$596 billion marking a golden era and this is twice the inflow during 2005-14. “For encouraging sustained foreign investment, we

are negotiating bilateral investment treaties with our foreign partners, in the spirit of ‘first develop India,’” the minister added

Sitharaman said this government is working with an approach to development that is all-round, all-pervasive and all-inclusive. It covers all castes and people at all levels. She said, “We are working to make India a ‘Viksit Bharat’ by 2047. For achieving that goal, we need to improve people’s capability and empower them.”

The minister said the Indian economy has witnessed profound positive transformation in the last 10 years and the people of India are looking ahead to the future with hope and optimism. “Conditions were created for more opportunities for employment and entrepreneurship. The economy got a new vigour. The fruits of development started reaching the people at scale. The country got a new sense of purpose and hope.”

The minister said the government has in the past 10 years assisted 250 million people to get freedom from multidimensional poverty, and the government’s efforts now are getting synergised with the energy and passion of such empowered people.

She said, “Every challenge of the pre-2014 era was overcome through our economic management and our governance and these have placed the country on a resolute path of sustained high growth. This has been possible through our right policies, true intentions, and appropriate decisions. In the full budget in July, our government will present a detailed road map for our pursuit of Viksit Bharat.”

Sitharaman announced that the government will form a high-powered committee for an extensive consideration of the challenges arising from fast population growth and demographic changes and the committee will be mandated to make recommendations for addressing these challenges comprehensively.

In railways, three major economic railway corridor programmes will be implemented. About 40,000 normal rail bogies will be converted to the Vande Bharat standards to enhance safety, convenience and comfort of passengers. In aviation, the number of airports have doubled to 149 and today 517 new routes are carrying 13 million passengers. Indian carriers have proactively placed orders for over 1,000 new aircrafts.

Among the slew of announcements, the minister said the government will pay the utmost attention to make the eastern region and its people a powerful driver of India’s growth, PM Awas Yojana (Grameen) is close to achieving the target of 30 million houses and 20 million more houses will be taken up in the next five years to meet the requirement arising from increase in the number of families. Similarly, through rooftop solarisation, 10 million households will be enabled to obtain up to 300 units free electricity every month.

**Written using agency reports**

## ECONOMIC RISE

**Animal spirit back in economy, private investment picking up: CEA**

Written using agency reports

India's Chief Economic Adviser (CEA) V Anantha Nageswaran has said the animal spirit is back in the Indian economy and has reflected in the visible pick-up in private sector investment.

In an interview with PTI, he said, "It has come back. Otherwise, how can the Indian economy grow at 7%. You look at Purchasing Managers' Index, manufacturing and services indices, the line between expansion and contraction, stock market performance. It has come back, and that is reflected in the GDP numbers."

Listed companies in the private sector were beginning to ramp up their capital spending and new project announcements, Nageswaran said, citing data from the Reserve Bank of India. Both, corporate and banking sector balance sheets, have room to take more risk, assuming India's real GDP grows at 7% in FY25, he said. ■

**RBI projects 7% GDP growth**

Written using agency reports

The Reserve Bank of India (RBI) projects a 7% real GDP growth for 2024-25 from the previous projection of 6.6%. This projection includes a growth rate of 7.2% in Q1, 6.8% in Q2, 7% in Q3, and 6.9% in Q4.

In the second quarter of 2023-24 (Q2FY24), the GDP growth expanded to 7.6%, exceeding analysts' expectations.

The projected CPI inflation rate for the current year, 2023-2024, stands at 5.4%, with the fourth quarter (Q4) projection at 5%. Looking ahead to the next financial year, FY25, the projected infla-

tion rate is estimated to be 4.5%, with projections for each quarter as follows: Q1 at 5%, Q2 at 4%, Q3 at 4.6%, and Q4 at 4.7%.

The status quo decision by the MPC aimed to support the objective of achieving a Consumer Price-based Inflation (CPI) target of 4%.

During the first bi-monthly policy in April of FY24, the RBI made a surprising decision to keep its benchmark rate unchanged at 6.5% after delivering six consecutive hikes that began in May 2022 and continued till February 2023, pushing the repo rate to 6.5% with a 250 basis point hike. ■

**India's GDP to grow at 6.7% in 2024-2031: CRISIL**

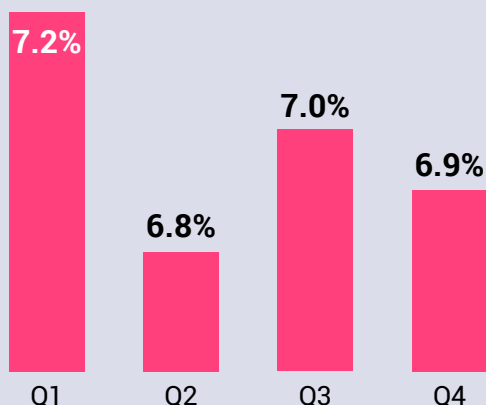
Written using agency reports

The Indian economy is anticipated to experience a consistent growth of 6.7% annually from 2024 to 2031, says CRISIL. This projection slightly surpasses the pre-pandemic average of 6.6%, PTI reported.

CRISIL attributes this growth trend to capital, highlighting the government's investment-driven approach during a period when the private sector hesitated to make substantial investments. The government's notable increase in capital expenditure, supporting infrastructure projects and offering interest-free loans to states, is identified as a pivotal factor, it said.

After achieving a robust 7.3% growth in the current fiscal year, CRISIL predicts a moderation to 6.4% in the next financial year. Additionally, the report emphasises the importance of monitoring the Middle East conflict's impact on energy and logistics costs.

The report points out that in December 2023, India's inflation level stood at 5.7%, primarily driven by fluctuating vegetable prices and food grain inflation. CRISIL suggests that this inflation scenario will make the Reserve Bank of India (RBI) exercise caution in pursuit of its 4% inflation target, added the PTI report. ■

**RBI'S GDP OUTLOOK FOR 2024-25**

## MACRO WATCH

**Services sector expands at fastest pace in six months in January**

Written using agency reports

India's services sector growth reached a six-month high in January driven by higher demand and sales, as new orders with service providers rose the fastest since last July.

The HSBC India Services Purchasing Managers' Index (PMI), compiled by S&P, rose to 61.8 in January, up from 59 in December and from 56.9 in November.

However, the growth during January was still



slower than in July, when India's PMI was at 62.3, the highest monthly reading for the service sector during the ongoing financial year. A reading of 50 separates expansion from contraction. India services PMI has expanded for 30 months, remaining above the contraction point.

The improvement in service sector growth follows a recovery in manufacturing, which hit a four-month-high during January, driven by a sharp uptick in orders amid mild input cost inflation.

The rise in services PMI to a six-month high will



**The rise in services PMI to a six-month high will help India meet its targeted economic growth rate, which the Reserve Bank of India raised to 7% for FY24, from its earlier estimate of 6.5%. India's services sector, one of the fastest growing in the world, contributes to over 50% of its GDP**

help India meet its targeted economic growth rate, which the Reserve Bank of India raised to 7% for FY24, from its earlier estimate of 6.5%. India's services sector, one of the fastest growing in the world, contributes to over 50% of its GDP.

"India's services PMI rose to a six-month high in January. New business expanded at a faster pace and managers' expectation for future activity was strong," said Ines Lam, economist at HSBC. "The new export business index accelerated, signalling that India's services exports remained robust."

According to the survey, the upturn in January was cemented by the quickest increase in new business since July 2023, which stemmed from buoyant demand from domestic and external clients, with new exports rising at the fastest pace in three months.

Indian service companies noted a further increase in their overall expenses at the start of the 2024 calendar year, with food, labour and freight identified as the key cost pressures, and input price inflation reaching a five-month high.

However, selling charges were raised to a smaller extent, the survey added.

The HSBC Global India Services PMI is compiled from responses to questionnaires sent to about 400 service sector companies.

On February 1, HSBC released its latest survey on India's manufacturing PMI, which grew at its fastest pace in four months at 56.5 during January. The composite PMI, consisting of the manufacturing and services indices, rose to 61.2 in January, from 58.5 in December, indicating the sharpest upturn since mid-2023. ■

## FISCAL STRENGTH

### GST collection rises 12.5% to Rs 1.68 trn in February

Written using agency reports

India's goods and services tax (GST) collection stood at Rs 1.68 trillion in February 2024, 12.5% more than the year-ago period, the finance ministry said.

At Rs 1.68 trillion, the February GST collection is 3.3% lower than the Rs 1.72 trillion in January, now revised upwards to Rs 1.74 trillion.

The latest GST figure, which has come in above the Rs 1.5 trillion mark for the 12th month in a row, takes the average monthly collection in 2023-24 to Rs 1.67 trillion.

Monthly GST collections have risen over the years. From averaging under Rs 1 trillion per month in 2017-18 – the indirect tax regime's first year – collections rose rapidly after the pandemic-hit 2020-21 to average Rs 1.51 trillion in 2022-23.

Net of refunds, GST revenue for the first 11 months of 2023-24 is Rs 16.36 trillion, 13% higher than the same period last year.

"Overall, the GST revenue figures demonstrate continued growth momentum and positive performance," the finance ministry added. "As of February 2024, the total gross GST collection for the current fiscal year stands at Rs 18.40 trillion, which is 11.7% higher than the collection for the same period in 2022-23."

In February, Central GST collection stood at Rs 317.85 billion, State GST Rs 396.15 billion, Integrated GST Rs 840.98 billion, and cess was Rs 128.39 billion.

The government settled Rs 418.56 billion to Central GST and Rs 359.53 billion to State GST from Integrated GST. As a result, the total revenue for the month post settlement was Rs 736.41 billion for the Centre and Rs 755.69 billion for State GST. ■

### Net direct tax collection reaches 80% of revised target

Written using agency reports

The Central Board of Direct Taxes released a report stating that the country's net direct tax collections have increased by 20.25% to Rs 15.60 trillion, higher than the net collections for the corresponding period of last year.

This collection is 80.23% of the total revised estimates of direct taxes for 2023-24, according to the CBDT. The gross direct tax collection soared to Rs 18.38 trillion as of February 10, which is 17.30% higher than the gross collections for the corresponding period of last year, CBDT data added.

“The provisional figures of direct tax collections continue to register steady growth. Direct tax collections up to February 10 show that gross collections are at ₹18.38 trillion, which is 17.30% higher than the gross collections for the corresponding period of last year,” the CBDT said.

The net growth rate for the corporate income tax stood at 13.57% while that for personal income tax collections stood at 26.91%. ■

## REVENUE STABILITY

### Rs 1.7 trn average monthly GST collection may be norm in FY25: CBIC Chairman

Written using agency reports

**T**he Ministry of Finance is anticipating that the average monthly goods and service tax (GST) revenue collections for 2024-25 will surpass Rs 1.7 trillion, on the back of a strong economy and increasingly better compliance.

For the current fiscal year, average monthly GST collections are around Rs 1.65 trillion, and the expectation is that full year collections will increase by nearly 11% year-on-year.



**Growth in October GST collections was driven by economic activity, and not because of notices that were sent to online gaming companies**

**SANJAY KUMAR,**  
Chairman, CBIC

“The revenue department’s strict enforcement has also contributed to entities paying GST on time,” an official said.

November saw GST revenue collection at Rs 1.67 trillion, October Rs 1.72 trillion, the second-highest monthly collection after April’s Rs 1.87 trillion.

Earlier, Sanjay Kumar Agarwal, Chairman, Central Board of Indirect Taxes and Customs (CBIC), was quoted saying the growth in October

GST collections was driven by economic activity, and not because of notices that were sent to online gaming companies.

“Notices were sent because of the time limitation coming to an end for the year 2017-18. So, it is not because of that. Also, the notices issued to online gaming companies are in dispute, but the growth has come purely from the economic activity that has taken place in the country,” Agarwal had said. ■

## REVENUE INFLOW

### Centre aims to collect Rs 140 bn from online gambling tax in FY25

Written using agency reports

**T**he Centre expects to collect up to Rs 140 billion in goods and services tax (GST) next financial year by taxing online gambling companies, Revenue Secretary Sanjay Malhotra told Reuters.

The government in October imposed a 28% tax on funds that online gaming companies collect from their customers for every bet, shocking a nascent Rs 125 billion industry that is backed by global investors.

The government had defended the move, citing concerns about addiction. In the fiscal year that ends on March 31, the government will collect about Rs 75 billion from the tax, Malhotra said in an interview, up from Rs 16 billion the previous year.

The tax generated was Rs 35 billion in the October-December quarter, he said. “The industry has stabilised, but it is early to make conclusive remarks,” he said. A review of the framework to tax online gambling companies will be conducted by April, but that doesn’t mean tax rates would be changed, he said. ■

### Cabinet approves telecom spectrum auction at base price of Rs 963 bn

Written using agency reports

**T**he Union Cabinet has approved a proposal of the Department of Telecommunications to conduct a spectrum auction for successful bidders. Additional spectrum will improve the quality of telecom services and coverage for the consumers, said the government.

The auction will be held for spectrum in 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 2500 MHz, 3300 MHz and 26 GHz frequency bands. Spectrum will be offered for assignment for a validity period of 20 years. A total of 10,523.15 MHz is being offered with a valuation of Rs 963 billion (at reserve price).

The Cabinet has also set up a committee to con-

sider re-farming of existing spectrum usages with a view to increase the spectrum availability to meet the future needs of telecommunication services.

The Cabinet also approved a proposal for spectrum requirements of rail-based urban/regional transit systems like NCRTC in the 700 MHz band for automatic train protection systems and operations. ■

## ECONOMY & JOBS

### Indian hospitality and tourism aim to generate 58 mn jobs by 2033

Written using agency reports

The hospitality and tourism sectors in India are anticipated to generate a substantial 58.2 million jobs by 2033, according to insights shared during the sixth HAI 2024 Conclave.

The Hotels' Association of India (HAI) projected the creation of 5 million direct and indirect jobs in 5-7 years, emphasising the need for governmental backing for comprehensive industry and infrastructure status at the state level.

HAI President Puneet Chhatwal, who is also the Managing Director & CEO of Indian Hotels Company Ltd, stressed that granting infrastructure status to the hospitality sector could attract investments not only for accommodation but also for substantial income and employment generation.

He pointed out the gap between recognising tourism as a crucial development pillar, contributing 10% to employment and 8% to GDP and the actual implementation of policies.

HAI Vice-President KB Kachru highlighted a notable 271% increase in hirings over the last two years, indicating a shift in business dynamics. "Now we need to focus a lot on developing tourism, not only at higher levels but also at entry levels." Kachru, also the Chairman Emeritus and Principal Advisor South Asia of Radisson Hotel Group, conveyed the industry's commitment to creating over 50 million jobs in the next 5-7 years.

Amitabh Kant, India's G20 Sherpa, urged the



**I think somehow the tourism industry has failed to tell the politician that we are a big creator of jobs**

**AMITABH KANT,**  
India's G20 Sherpa

tourism sector to communicate its potential to politicians, suggesting that highlighting the goal of creating 25 million jobs by 2030 could have a significant impact. Kant remarked, "I think somehow the tourism industry has failed to tell the politician that we are a big creator of jobs." He emphasised the global scale of the tourism economy, valued at \$5 trillion, with India's share being less than 2%, underscoring the need for substantial growth. ■

## DEFENCE BOOSTER

### DAC clears capital acquisition proposals worth Rs 845.6 bn

Written using agency reports

The Defence Acquisition Council (DAC), under the chairmanship of Raksha Mantri Rajnath Singh, accorded approval for Acceptance of Necessity (AoNs) for various capital acquisition proposals amounting to Rs 845.60 billion.

The approvals accorded on February 16 lay special emphasis on procurement of various equipment from Indian vendors.

The DAC has accorded AoN under Buy {Indian-Indigenously Designed Developed and Manufactured (IDDM)} category for procurement of a new generation of anti-tank mines having seismic sensor and provision of remote deactivation with additional safety features.

Further, to strengthen the air defence systems, especially the capabilities to detect slow, small and low-flying targets as well as surveillance, detection & tracking of different targets, the AoN has been accorded for procurement of Air Defence Tactical Control Radar under Buy (Indian-IDDM) category. ■

### HAL, DRDO to begin Rs 600 bn Sukhoi fighter jet fleet upgrade

Written using agency reports

Hindustan Aeronautics Limited (HAL), with support from the Defence Research and Development Organisation (DRDO), will be involved in a Rs 600 billion upgrade of the Su-30MKI fighter jet fleet, according to a report





by The Economic Times (ET).

The project, approved by the defence ministry, aims to enhance the aircraft's capabilities with new radars, mission control systems, electronic warfare capabilities, and integration of new weapon systems.

HAL Chairman and Managing Director CB Ananthkrishnan told ET that there would be significant private sector involvement, positioning HAL as the lead integrator for the upgrade.

The project is divided into two phases, with the first focusing on installing new avionics and radars, while the second phase concentrates on flight control systems. Indigenous systems will replace several Russian-origin components, reflecting India's push towards self-reliance in defence manufacturing.

Key upgrades include the installation of a new indigenous radar system to enhance target detection and engagement capabilities, addressing previous concerns about radar performance. Additionally, the aircraft will be equipped with a new electronic warfare system to counter incoming threats and disrupt enemy communication. The integration of indigenous infrared search and track systems will significantly improve air-to-air and air-to-ground targeting capabilities.

The Air Force anticipates commencing work on integrating the new systems within this year. Approximately 90 fighters are slated for upgrade in the initial phase, which will be entirely conducted in India. India's initial order of 272 Su-30MKI jets from Russia forms the backbone of the Air Force's fighter fleet, with an additional order for 12 jets cleared last year.

HAL will manufacture these jets, incorporating over 50% indigenous content. With over 600 Su-27/30 type aircraft manufactured globally, countries like Vietnam, Malaysia, Indonesia and Algeria present a significant export market for these upgrades. ■

## Indian Army plans Rs 570 bn project to replace ageing T-72 tank fleet

Written using agency reports

**T**he Indian Army is set to issue a request for proposal (RFP) this year for a project worth an estimated Rs 570 billion to produce 1,770 future ready combat vehicles (FRCVs) in India, slated to replace the ageing Russian-origin T-72 tanks from 2030, according to a report by the Times of India (TOI).

These FRCVs will incorporate cutting-edge technologies, including artificial intelligence (AI), drone integration, active protection systems and enhanced situational awareness. They will also feature manned-unmanned teaming capability and seamless integration into network-centric warfare environments



In addition to ongoing procurement and upgrade initiatives, the Army plans to induct the first batch of 118 indigenous Arjun Mark-1A tanks this year. These tanks come equipped with various upgrades to boost firepower, mobility, endurance, and protection.

Furthermore, the Army is gearing up to deploy 354 indigenous light tanks for high-altitude warfare under Project Zorawar. These tanks, designed for superior performance in mountainous terrain, will complement existing tank capabilities, particularly in regions like eastern Ladakh.

Several upgrade projects are underway to enhance the operational capabilities of existing tank fleets. This includes the installation of 1000-horsepower engines in T-72 tanks, along with advanced thermal sights, fire detection systems, and other enhancements. ■

## ENERGY PUSH

### India to be largest oil demand growth driver through 2030: IEA

Written using agency reports

**I**ndia is expected to be the largest driver of global oil demand growth between 2023 and 2030, narrowly taking the lead from top importer China, said the International Energy Agency (IEA).

The world's third-largest oil importer and consumer is on track to post an oil demand increase of almost 1.2 million barrels per day (bpd), accounting for more than one-third of the projected 3.2 million bpd global gains, the IEA said in a report released at the India Energy Week in Goa.

The agency forecast India's demand would reach 6.6 million bpd in 2030, up from 5.5 million bpd in 2023.

"India will become the largest source of global oil demand growth between now and 2030, while growth in developed economies and China ini-

tially slows and then subsequently goes into reverse in our outlook,” it added.

To meet this demand, India is expected to add 1 million bpd of new refining capacity over

**“India will become the largest source of global oil demand growth between now and 2030, while growth in developed economies and China initially slows and then subsequently goes into reverse in our outlook”**

**INTERNATIONAL  
ENERGY AGENCY**

0.7% annual growth average for gasoline, the IEA said. New electric vehicles and energy efficiency improvements in India will avoid 480,000 bpd of extra oil demand from now to 2030, it added. ■

#### ROAD TO PROGRESS

### Highway construction likely to reach 13K km in FY24

Written using agency reports

The government is planning to build 13,000 km of national highways (NH) by the end of March, meaning it would be able to meet about 94% of its target for FY24.

The ministry of road transport and highways (MoRTH) had initially targeted to construct 13,814 km of roads in FY24. In FY23, the government had constructed 10,331 km of highways, against the initial target of 12,500 km.

The ministry is also confident of awarding highway projects worth Rs 100 billion by March end, MoRTH Secretary Anurag Jain told Mint. He was confident of converting all one-lane roads into two-lane NHs by 2028, given that the length of less than 2-lane NH decreased from 30% in 2014 to 10% in 2023.

In the interim budget, the government has set aside Rs 2.78 trillion for the MoRTH for FY25, higher than the budget estimate of Rs 2.7 trillion in FY24. When compared to the revised estimate of Rs 2.76 trillion, the allocation is hike of a mere 0.5%. The government has kept its focus on rapid

the seven-year period and this will increase its crude imports further to 5.8 million bpd by 2030, the IEA said.

Among products, diesel will be India's single largest source of oil demand growth on the back of massive industrial expansion, accounting for almost half of the rise in the national demand and more than one-sixth of total global oil demand growth through to 2030, the IEA said.

Jet fuel is poised to grow at 5.9% annually on average but this will be from a low base compared with other countries, it added.

The electrification of India's vehicle fleet will lead to a more muted



**Ministry is confident of awarding highway projects worth ₹100 billion by March end and converting all one-lane roads into two-lane NHs by 2028**

**ANURAG JAIN,**  
MoRTH Secretary

infrastructure growth in the next financial year with a plan to give another increase in capital expenditure allocations for MoRTH. The move will further speed up road construction and completing work on portions awarded under Bharatamala I projects. ■

#### AVIATION HIGH

### Airbus A220 doors to be made in India

Written using agency reports

The Union Minister of Civil Aviation & Steel, Jyotiraditya M Scindia, has unveiled Airbus's significant expansion in its “Make-in-India” initiative. Airbus and Dynamatic Technologies have joined hands to manufacture all doors for the single-aisle A220 family aircraft in India.

Scindia said, “India is steadily becoming a destination for aerospace manufacturing across the world, the largest order for the aircraft doors to Dynamatic which is already working with Airbus is a great moment in the Prime Minister's resolve for make in India.”

He said the company is already exporting made-in-India products worth \$750 million and aims to double it in the next year or so. There has also been investment both in technology transfer as well as human resource development in India by Airbus.

The Dynamatic Technologies manufacturing facility of all doors for the single-aisle A220 family aircraft will offer an incredible opportunity for the Indian private sector to enter a technology-intensive and highly competitive





aviation industry. This is the second contract for doors, awarded by Airbus to an Indian supplier. In 2023, Airbus gave the contract for the manufacturing of bulk and cargo doors of the A320 family to Tata Advanced Systems Ltd to collaborate on the replacement of the Indian Air Force's fleet of Avro-748 aircraft with reliable and robust Airbus C295 medium transport aircrafts. The project, worth roughly \$3 billion, entails supply of 56 aircrafts to the Indian Air Force. ■

## ENERGISING LOGISTICS

### 14 rail projects taken up for improving coal transportation

Written using agency reports

**T**he Ministry of Coal has recently launched a Coal Logistics Policy and Integrated Coal Evacuation Plan to address the issue of coal transportation amid rising demands.

The government has planned to address the issue of coal transportation through construction of new railway lines and capacity augmentation of railway network, first-mile connectivity projects, rail connectivity projects and railway sidings. These evacuation facilities/infrastructures are planned in line with the country's long-term production projection.

Fourteen rail projects have been taken up for implementation for improving coal evacuation. Out of these, five rail lines have already been commissioned and others are at various stages of construction, said Union Minister of Coal, Mines and Parliamentary Affairs Pralhad Joshi in a written reply in Rajya Sabha.

The Ministry of Railways has planned several rail projects under green energy corridor projects, high-density network projects and rail sagar projects. In addition, coastal shipping and inland waterways are also being promoted for coal evacuation. ■

## India ranks 38 of 139 countries on World Bank's Logistics Performance Index Report 2023

Written using agency reports

**A**ccording to the World Bank's Logistics Performance Index Report (2023): Connecting to Compete 2023, India ranks 38 out of 139 countries. India's rank has improved by six places from 44 in 2018 and 16 places from 54 in 2014.

The government has formed an inter-ministerial team to focus on targeted action plans with interventions needed to improve logistics performance across six parameters of the index – customs, infrastructure, ease of arranging shipments, quality of logistics services, tracking and tracing, and timeliness.

India wants the World Bank to take into account several measures taken by the government on the logistics front such as the PM GatiShakti initiative while determining the logistics ranking. Special Secretary in the Department for Promotion of Industry and Internal Trade (DPIIT) Sumita Dawra said that the present way of ranking by the World Bank is "very narrow". ■

## FOOD GUARANTEE

### Govt launches Bharat rice at subsidised rate of Rs 29/kg

Written using agency reports

**T**he government launched "Bharat rice" at a subsidised rate of Rs 29 a kg to provide relief to consumers amid a 15% rise in retail prices of the grain in the last one year.

Launching the subsidised rice that will be available in 5 kg and 10 kg packs, Food and Consumer Affairs Minister Piyush Goyal said the government is making efforts to ensure that daily food items are available at affordable rates for the common people. "When the wholesale intervention (to control prices) was not benefitting more people, the retail intervention was started under the Price Stabilisation Fund (PSF)," Goyal said.

As part of the retail intervention, rice will be sold at Rs 29 per kg under the Bharat brand to help middle-class and poor consumers, he said. Each kilogramme of Bharat rice will contain 5% broken rice.

Goyal stated that the government's efforts have already contributed to the rapid reduction of tomato and onion prices. "Wheat inflation has been zero in the last six months since we started selling Bharat atta. The same impact we will see in rice," the minister said.

In the first phase, the Food Corporation of India (FCI) will provide 0.5 million tonnes of rice



**When the wholesale intervention (to control prices) was not benefitting more people, the retail intervention was started under the Price Stabilisation Fund (PSF)**

**PIYUSH GOYAL,**  
Food and Consumer Affairs Minister

to two cooperatives, the National Agricultural Cooperative Marketing Federation of India Ltd (NAFED) and the National Cooperative Consumers' Federation of India (NCCF), as well as the retail chain Kendriya Bhandar.

These agencies will then pack the rice in 5 kg and 10 kg bags and sell it through their stores. The rice will also be sold via e-commerce platforms. ■

## EASE OF DOING BUSINESS

**Multiple certifications for food products may go; only FSSAI nod mandatory**

Written using agency reports

**T**he Food Safety and Standards Authority of India (FSSAI) in its 43rd meeting decided to do away with the need for Bureau of Indian Standards (BIS) or AGMARK certification for food products which have FSSAI licence with them.

This means that once a food business operator (FBO), from a small seller to a big firm, has received a FSSAI certification, they won't be required to get a separate certification from Agmark or BIS for quality standards.

"After the amendments are finalised, food businesses would not have to go to different authorities for mandatory certification with only FSSAI certification being made mandatory for food products," an official statement said.

The FSSAI authority comprises representatives from different ministries. ■

## Govt to set up agri storage across 65,000 villages

Written using agency reports

**T**he government is planning to create storage infrastructure for agricultural commodities at around 65,000 primary agricultural credit societies (PACS) in the next couple of years. This would help to reduce post-harvest losses and protect farmers from distress, according to Financial Express.

The move aims at integrating godowns built at the PACS level with the national food grain supply chain, providing essential market linkages, help farmers store their commodities for longer periods, reduce post-harvest losses, avoid multiple handling and transportation costs. Currently, most of the storage facilities by state warehousing corporations and central agencies are not located in rural areas.

These storage facilities would expand PACS's economic viability by diversifying their business activities and generating additional revenue streams. The move aims at creation of infrastructure.

"PACS can avail subsidies and interest subvention benefits for construction of godowns or storage facilities and setting up of other agri infrastructure," according to a note. NABARD is currently providing financial support to PACS by refinancing them at highly subsidised rates of around 1%, after incorporating the 3% interest subvention under AIF scheme for projects up to Rs 20 million.

State level cooperatives and national cooperatives such as NCCF and farmers' cooperative NAFED have identified 1,711 PACS for creation of storage capacity under the pilot project, according to an official note.

In May, 2023, to address shortage of food grain storage capacity, the government approved the "world's largest grain storage plan" in the cooperative sector, which is currently being rolled out as pilot projects across the country. An official note stated that with the creation of storage facilities at the village level, there will be reduction in post harvest losses from the current level of 6%. ■

## MAKE IN INDIA

**Assam to get Rs 250 bn semiconductor plant: Chandrasekhar**

Written using agency reports

**U**nion Minister of State for Electronics and Information Technology Rajeev Chandrasekhar has said Assam will become home to a semiconductor packaging plant worth Rs 250 billion.

This facility is expected to create employment opportunities for the youth interested in the semiconductor sector, Chandrasekhar said, speaking at the Digital India #futureSKILLS Summit in Guwahati.

Chandrasekhar said a proposal for the plant, in collaboration with the Tata group, is nearing finalisation and will soon be presented to the Union Cabinet for approval.

Chandrasekhar said the plant would provide employment opportunities locally and prevent youths from having to relocate. The minister underscored the emergence of various opportunities in sectors such as artificial intelligence, semiconductors, electronics, cybersecurity, and internet technology. ■

## CG Power in semiconductor JV with 2 foreign firms

Written using agency reports

**M**urugappa Group entity CG Power and Industrial will join hands with Renesas Electronics America and Stars Micro-electronics (Thailand) to set up an outsourced semiconductor assembly and testing (OSAT) facility in India.

As a part of the joint venture (JV), CG Power has signed agreements on technology and services, and offtake and manufacturing agreement with Renesas Electronics Corporation, Japan, according to a regulatory filing. It has also signed a technology know-how sharing and technical support agreement with Stars.

As part of the agreement, CG, Renesas, and Stars will invest \$205 million, \$15 million, and \$2 million, respectively. The JV company will have an equity stake of approximately 92.34%, 6.76%, and 0.90% of CG, Renesas, and Stars, respectively.

The announcement of the joint venture is subject to necessary regulatory and statutory approvals. In November last year, the company had announced applying to the government to set up an OSAT unit with an investment of around \$791 million spread over five years and said that it was looking for global partners. ■

## Alstom starts making driverless metro trainsets

Written using agency reports

**A**lstom has started producing its Metropolis driverless trainsets for the Chennai Metro's Phase II at a manufacturing facility in Sricity in Andhra Pradesh.

Alstom has to deliver 36 trainsets, each comprising three cars and capable of operating at a top speed of 80 km per hour. The trains are designed to run on a 26 km corridor.



The project, valued at Euro 124 million, includes training personnel for Chennai Metro in operation and maintenance. Alstom said its trainsets will ensure safe and reliable passenger transport for more than 11 million citizens. ■

## PLI schemes become more outward looking: Goyal

Source: PTI

**T**he industry should look at the measures under the Production-Linked Incentive (PLI) scheme as an initial support because the industry has to face competition to grow further, Commerce and Industry Minister Piyush Goyal said.

He asked the PLI beneficiary firms to share their "constructive criticism and feedback for better implementation of the scheme".

The idea is to make India a manufacturing powerhouse and there is a long journey ahead, he said.

More than 1,200 stakeholders, including government officials and industry players, are meeting and deliberating on the progress of 14 PLI schemes.

The scheme incentives should not be seen as crutches and "we are not looking to make you dependent on government subsidies. This is only like a kickstart... The PLI scheme is only meant to give you that little bit of a boost to kickstart your effort and please look at it as a kickstart, an initial support (because) ultimately competition will prevail. We will ultimately have to compete with each other and with the world," he added.

The minister also suggested that the industry gradually focus on global markets and come out of the "cosy comfort" of India's large domestic market.

Speaking at the meeting, Department for Promotion of Industry and Internal Trade (DPIIT) Secretary Rajesh Kumar Singh called upon the industry to focus on value addition as India's



manufacturing gross value added (GVA) is about 17.4%. It is not enough for a country that is looking to become a developed nation and for huge job creation, Singh said.

He added that certain quarters have raised some problems with regards to the scheme and the government is working to address those issues.

The other concern people talk about generally is that in such subsidy schemes, industry uses the incentive and leave as they invest for a short time to get the subsidy, but "in this case, the scheme design is such" that it is "highly unlikely" that the industry will leave.

"The scheme will help you grow bigger. You will be able to change India's manufacturing landscape and really bump up our share in the GVA as (at present) it is really far too low for an economy that is trying to achieve a developed nation status in the next 25 years," Singh said.

He added that there could be some "teething" issues in the scheme with regards to documentation or incentive disbursal, but those are "nuts and bolts" of the story on which "we would like your feedback". ■

## CAPITAL RAISING

### Indian stock exchanges topped in number of IPOs in 2023: EY Report

Written using agency reports

Indian stock exchanges the BSE and NSE witnessed a significant surge in initial public offerings (IPOs), with 92 IPOs, in the quarter ended December 2023.

A new report by EY, which highlights key trends in the fourth quarter of calendar year 2023, the Indian stock exchanges, including the BSE and the National Stock Exchange (NSE), have emerged as global leaders in IPOs for the year 2023. India's stock exchanges have secured the top position worldwide in terms of the number of IPOs, with no cross-border deals reported.

In a notable development, the primary markets, comprising BSE and NSE, recorded 31 IPOs (including one InvIT) in the fourth quarter of 2023, marking a significant uptick compared to the same period in 2022 and the third quarter of 2023. This represents a remarkable 72% increase over Q4 2022 and a substantial 41% increase over Q3 2023.

"Looking ahead to Q4FY24, the Indian IPO market is anticipated to continue its upward trajectory, buoyed by optimistic investor sentiment, a robust economy, and expectations of lower inflation and rate cuts in 2024. This positive environment is expected to fuel further growth in both the number and average size of mainboard and SME IPOs," said Adarsh Ranka, Partner and Financial Accounting Advisory Services Leader, EY Global. ■

## AI FOR DEVELOPMENT

### AI to speed up India's growth on road to 2047: Nadella

Written using agency reports

India, with a "very buoyant" market and a growth rate that is "the best in the world," is poised to gain tremendously from the era of artificial intelligence-led growth according to Satya Nadella, Chairman and CEO of Microsoft Corporation told The Economic Times. Emphasising the role of artificial intelligence in driv-



**India's unique ability to use this technology (AI) to create solutions for its own structural challenges is going to be a competitive advantage**

**SATYA NADELLA,**  
Chairman and CEO of Microsoft Corporation

ing increased productivity, the Hyderabad-born technocrat said it gives him "tremendous optimism" that it (AI) will further accelerate India's growth as it races towards its goal of becoming a developed nation by 2047.

"At the end of the day, what's the difference between being a developed country and a developing country? It's just the rate of growth over long periods of time," 56-year old Nadella told Economic Times in an interview, last week. He cited the example of the digital public goods, which when "scaffolded or daisy-chained with a large language model" can create several innovative solutions for various sectors of the economy.

He also noted that using AI, India can create solutions that not only deliver societal benefit and drive productivity for the country, but will also be "very relevant for the rest of the world."

"India's unique ability to use this technology to create solutions for its own structural chal-

lenges is (also) going to be a competitive advantage,” said the Microsoft CEO.

In comparison to the rate of adoption during previous technology cycles, India is demonstrating much faster adoption of AI, according to Nadella, who earned his bachelor's degree in engineering from an Indian university.

While last year, (Indian) firms were still experimenting with proofs of concepts, they are starting with “broad deployments” now, he noted. “In 12 months for that to be the case is very, very heartening to see.” ■

## Google partners with Maharashtra govt to provide AI-led services

Written using agency reports

Google has signed a MoU with the Government of Maharashtra to provide artificial intelligence (AI)-led solutions across key sectors in the state.

As a part of the collaboration, Google will leverage its AI capabilities to provide solutions in sectors like agriculture, healthcare, sustainability, education, and startups.

The company also announced launching a state-of-the-art AI Centre of Excellence at the Indian Institute of Information Technology (IIIT), Nagpur.

journey. This collaboration will empower our citizens with critical future-ready skills, revolutionise essential sectors like healthcare and agriculture, and create a thriving environment for the Maharashtra AI startups through the AI Center of Excellence at IIIT Nagpur.”

To enable an environment of innovation and entrepreneurship across the State, Google plans to provide startups mentorship, networking, and demo days with Google experts and industry leaders covering areas across technology, product development, business strategy, and more, said the company in a press release.

In terms of skilling, the company commits to train 500 government IT professionals with conversational AI skills through Google Cloud.

Further, the global tech giant will also explore IT solutions to issues in healthcare and agriculture as a part of the collaboration.

In the healthcare domain, the company, along with its partners and the State of Maharashtra, will provide health-related AI imaging models.

“Through this collaboration, our aim is to empower citizens, create new opportunities, foster a thriving innovation ecosystem, and bring the transformative power of AI to the people of Maharashtra,” said Sanjay Gupta, Country Head & VP, Google India. ■

## OpenAI to invest in Indian developers, hold summits

Written using agency reports

ChatGPT maker OpenAI will continue investing in the developer community in India and hold several developer summits in the country this year, the company's chief strategy officer, Jason Kwon, was quoted by The Economic Times.

“India has the key ingredients of being one of the world's leaders in AI. It has the largest developer community in the world, with some of the most impressive talent in the field, a track record of developing extraordinary technology businesses and a relentless focus on competing on the world stage,” said Kwon at the ET Now Global Business Summit in New Delhi.

The company plans to meet with Indian developers to work alongside OpenAI product leaders on some of the most difficult challenges in AI.

OpenAI's Vice President of Engineering, Srinivas Narayanan, had met developers in Bengaluru on January 5.

“Our hope is that this collaboration between Silicon Valley developers and Indian developers will put us on a path for building the tools that define our future,” Kwon added.

OpenAI launched the GPT Store in January this year. It operates like a mobile application store or marketplace, which is specifically tailored for AI applications like the chatbot ChatGPT. ■



**We see AI as the key to unlocking a more prosperous, equitable, and sustainable future for the state and are excited to partner with Google on this journey**

**DEVENDRA FADNAVIS,**  
Deputy Chief Minister, Government of Maharashtra

Speaking on the occasion, Devendra Fadnavis, Deputy Chief Minister, Government of Maharashtra, said, “Maharashtra is committed to AI-driven development, and our partnership with Google marks a significant milestone in this



# Bilateral Developments

## India-Singapore Trade Roundtable Held in Singapore



An India-Singapore Trade Roundtable on Food Processing and Manufacturing Sector was organised by the High Commission of India in Singapore on February 19, 2024, during the visit of Mr. Rajesh Kumar Singh, Secretary, DPIIT, Ministry of Commerce and Industry, Government of India. The event was supported by FICCI and the Singapore Business Federation (SBF). Representatives of Indian & Singapore businesses and FICCI officials discussed possible opportunities for expanding trade, joint ventures, technology transfers, and collaborations. Dhekal Tea from

Assam, turmeric from Meghalaya and Warli paintings from Maharashtra were displayed at the event, and distributed to the delegates as part of promoting India's unique One District, One Product (ODOP) scheme during the trade roundtable.

During the course of his visit to Singapore, Secretary of DPIIT Mr. Rajesh Kumar Singh met Permanent Secretary Dr. Beh Swan Gin, Ministry of Trade and Industry, Singapore, and had an engaging discussion on the contours of India-Singapore trade and investment relationship.

## Startup Delegation Visits Singapore



The High Commissioner of India in Singapore, Dr. Shilpak Ambule, had a lively interaction with a delegation of startups from across India visiting Singapore for industry and investor outreach.





## India, Singapore Sign Customs Joint Action Plan

The Chairman of the Central Board of Indirect Taxes and Customs (CBIC), Mr. Sanjay Kumar Agarwal, and the Director General of Singapore Customs, Mr. Tan Hung Hooi, virtually signed a joint action plan for phased negotiations of the Authorized Economic Operator Mutual Recognition Arrangement (AEO-MRA).

The AEO-MRA is aimed at enhancing supply chain security and trade facilitation between India and Singapore. This arrangement signifies a commitment to mutual recognition of Authorized Economic Operators (AEOs) between the two countries.



## Sarang Helicopter Display Team Participates in Singapore Airshow 2024



The IAF's Sarang Helicopter Display Team showcased their spectacular aerobatic manoeuvres at the Singapore Air Show on February 20-25, 2024.

# Forthcoming Events In India

## I. PLEXCONNECT 2024

**Date & Venue:** June 7-9, 2024,  
Bombay Exhibition Center,  
NESCO, Mumbai

**Organiser:** The Plastics Export  
Promotion Council

**Contact:** [kajal@plexconcil.org](mailto:kajal@plexconcil.org)  
[prasad@plexconcil.org](mailto:prasad@plexconcil.org)

**Details:** PLEXCONNECT 2024, India's only  
export-focused exhibition for plastics, is

scheduled to be held in Bombay  
Exhibition Center, NESCO, Mumbai, India,  
from June 7-9, 2024. During the trade  
show, PLEXCONCIL will be organising a  
Reverse Buyer Seller Meet (RBSM).  
This event will facilitate international buyers  
to meet Indian manufacturers and exporters for  
sourcing products from India and also  
for establishing marketing tie-ups and exploring  
business collaborations.

**Website:** <https://www.plexconcil.org/plexconnect/>

## II. World Food India 2024

**Date & Venue:** September 19-22, 2024,  
in New Delhi

**Organiser:** Ministry of Food Processing  
Industries, Government  
of India

**Contact:** [world-foodindia@gov.in](mailto:world-foodindia@gov.in)

**Details:** Recognising the potential of the food  
processing sector in transforming India as the

food basket of the world, the Ministry of Food  
Processing Industries, Government of India, has  
adopted measures to channelise investments  
in food processing subsegments. This includes  
backward linkages, food processing equipment,  
processing related R&D, cold chain storage  
solutions, startups, logistic & retail chains and  
other segments encompassing the entire food  
processing value chain.

**Website:** <https://worldfoodindia.gov.in/abouts>

For feedback & comments, please contact:

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URL: [www.hcisingapore.gov.in](http://www.hcisingapore.gov.in)