

INDIA FOCUS



Digital public infrastructure helped us achieve things much faster

AMITABH KANT,
G20 Sherpa of India

India has talent, expertise and scalability to be a global semiconductor player

S KRISHNAN,
Secretary of MeITY



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Govt committed to 'major economic reforms', says PM Modi

Prime Minister's Independence Day speech outlines a path of reforms to bring about a change in everyone's lives



PM addressing the Nation on the occasion of 78th Independence Day at Red Fort, in Delhi on August 15, 2024.

Prime Minister Narendra Modi said his government is deeply committed to "major reforms", emphasising that the process of reforms is not driven by compulsion, but by the intention to strengthen the nation.

These reforms will help Indians move forward with their dreams and resolutions, and will fulfil the nation's aspirations to become a "swarnim Bharat" (Golden India), he said on August 15 while addressing the nation on the occasion of the 78th Independence Day.

Speaking from the ramparts of the Red Fort, the PM said his government has chosen the path of reforms to bring about a change in the lives of the poor, middle class, deprived people, urban population and youth. "I want to assure the citizens of the country that our commitment to reforms is not limited to the editorials of pink papers. Our commitment to reforms is not for a few days of applause. Our process of reforms is not driven by compulsion, but by the intention to strengthen the nation. Therefore, today, I can say that our path of reforms has become a blueprint for growth. Our reforms, this growth, the change, these are not just topics for debate clubs, intellectual society or experts."

This was Modi's 11th consecutive Independence Day speech as PM.



“We have met the climate targets set under the Paris Agreement ahead of schedule. India is the only nation among the G20 countries to do so”

“Our commitment to reforms is not for temporary applause or due to compulsions, but has the resolve to strengthen the country”

“This is a golden era for Bharat. We must not let this opportunity slip away”

It lasted for nearly 98 minutes and was the longest by any Prime Minister of India.

The Viksit Bharat 2047 plan envisions a developed India by 2047 and these are not mere words but the reflection of the resolve and dreams of 1.4 billion people, said the PM. “We must not let this opportunity slip away. If we seize this moment and move forward with our dreams and resolutions, we will fulfil the nation’s aspirations for a swarnim Bharat, and achieve our goal of a developed Bharat by 2047. Less government interference in the lives of ordinary citizens is an important part of our vision of Viksit Bharat 2047,” said Modi.

The speech also stressed on the need to focus on “Design in India, Design for the World” to make the country a global manufacturing hub.

The PM pointed out that the per capita income has doubled. A new and modern system is being established in every field, be it in the tourism sector, MSMEs, education, healthcare, transport, agriculture or the farming sector. “We are becoming self-reliant in the defence sector. Today, we have our own identity in defence equipment manufacturing. India is emerging as a defence manufacturing hub.”

Many big companies and investors of the world want to invest in India, said the PM. “This is a golden opportunity. I urge the state governments to make clear policies to attract investors and give assurance of good governance and law and order situation to them,” he said.

Citing the example of the banking sector, Modi said his government has implemented multiple

reforms to strengthen the sector, which has led Indian banks to secure their place among selected strong banks in the world.

A strong banking system becomes the greatest strength to meet the needs of the common poor, especially middle class families. Banks are the biggest support of the country’s SMEs. “Think about the state of the banking sector. There was neither development, nor expansion, nor trust. Not only that, the kind of activities that were going on led our banks into crises. We implemented multiple reforms to strengthen the banking sector. And today, as a result, our banks have secured their place among the selected strong banks in the world. And when banks become strong, the power of the formal economy is also strengthened. When a banking system is established, it becomes the greatest strength to meet the needs of the common poor, especially middle-class families,” he added.

Modi said whether it’s a home loan, a vehicle loan, a tractor loan for farmers, funding for startups, education loans, or loans for going abroad, the banking sector has the capability to support these needs.

“I am happy that even cattle rearers and my brothers and sisters involved in fisheries are

benefiting from banks today. I am happy that millions of street vendors are now connecting with banks, achieving new heights, and becoming partners in the path to development,” he added.

He also emphasised the urgent need to transform the agricultural sector to ensure it meets modern demands. This is especially necessary as the unpredictable monsoon season has added to agricultural woes, calling for modernisation in the sector.

The Prime Minister expressed pride in India being the only G20 nation to meet its Paris Agreement climate targets ahead of schedule. ■

FOCUS AREAS

- Ease of living and enhancing quality of life in urban areas
- Make India a global education hub
- Design in India, Design for the World
- Generating employment opportunities in environment segment
- Achieve 500 gigawatts of renewable energy capacity by 2030
- Add 75,000 new medical seats in 5 years

India-Singapore 2nd Ministerial Roundtable focuses on advanced manufacturing & connectivity

03



The second round of the India-Singapore Ministerial Roundtable (ISMR) was held on August 26 in Singapore where the progress of the strategic partnership between the two nations were reviewed, the Ministry of External Affairs said in a press release.

The two nations have decided to add two new pillars, advanced manufacturing and connectivity, to further strengthen bilateral cooperation.

Finance Minister Nirmala Sitharaman, External Affairs Minister S Jaishankar, Commerce and Industry Minister Piyush Goyal and Railways Minister Ashwini Vaishnaw represented India. The Singapore side was represented by Gan Kim Yong, Deputy Prime Minister and Minister

for Trade and Industry; Vivian Balakrishnan, Minister for Foreign Affairs; K Shanmugam, Minister for Home Affairs and Minister for Law; Josephine Teo, Minister for Digital Development and Information and Second Minister for Home Affairs; Tan See Leng, Minister for Manpower and Second Minister for Trade and Industry; and Chee Hong Tat, Minister for Transport and Second Minister for Finance.

The two sides reviewed bilateral cooperation in a range of fields and added advanced manufacturing, semiconductors and aviation and maritime connectivity as new areas for collaboration under a ministerial mechanism.

External Affairs Minister Jaishankar, in a post





on X, described the talks as productive and said the two sides explored cooperation in sustainability, healthcare and connectivity. "ISMR enables the emergence of a more contemporary partnership," he said.

Finance Minister Sitharaman said in a post on X that the conversation with Wong showed that India-Singapore relations are on a sound footing. "Together, we shall work to strengthen the relationship for the benefit of our people," she said.

The Indian ministers also called on Singapore President Tharman Shanmugaratnam and Singapore Prime Minister Lawrence Wong. "India and Singapore are important partners of each other. The visit reaffirmed the commitment of both sides to further strengthen their multifaceted partnership," the MEA added.

Wong, who led the Singapore delegation at the first ministerial roundtable in his earlier role as deputy premier, said on X that the ISMR is an important platform

to strengthen bilateral cooperation. "Glad that progress has been made on several fronts since our last meeting [and] new ideas for cooperation are being pursued, including in advanced manufacturing and connectivity," he said.

Singapore's Foreign Minister Balakrishnan described the meeting as productive and said it set the stage for Modi's visit, which is expected to "occur shortly". He pointed to opportunities in India's aviation sector with Indian airlines placing orders for close to 1,000 new aircraft. "This is a once in a two or three decade opportunity and it's good that we are in the front seat and have a chance."

The first meeting of the roundtable – held in New Delhi on September 17, 2022 – had identified digitalisation, food trade, energy and green economy, skill development, healthcare and pharmaceuticals as areas of collaboration. Since then, India and Singapore have linked their digital payment systems – Unified Payments Interface and PayNow – to facilitate real-time payments between banks or e-wallets, and rolled out a pilot shipment involving digital exchange of bills of lading through the TradeTrust framework.

In 2023-24, Singapore was the largest source of foreign direct investments (FDI) for India, with an estimated \$11.77 billion. In bilateral trade, Singapore was India's sixth largest global trade partner in 2023-24, with total trade worth \$35.61 billion, accounting for about 29% of the country's total trade with ASEAN. ■

MACRO WATCH

'Economic momentum intact, set to achieve 6.5-7% growth': FinMin

Written using agency reports

India's economic momentum remains intact despite a somewhat erratic monsoon, and real GDP growth of 6.5-7% projected in the Economic Survey seems appropriate, according to a recent report released by the Finance Ministry.

According to the Monthly Economic Review for July, the Indian economy has sustained its momentum in the first four months of 2024-25. Goods and services tax (GST) collections in the first four months underwent a level shift pushed up by the widening of the tax base and heightened economic activity, mentioned the report. "The resilience of domestic activity is also reflected in the strong performance of the manufacturing and services sector purchasing managers' indices. The manufacturing growth has been driven by expansion in demand conditions, a rise in new export orders and growth in output prices," according to the report.

On the fiscal front, it said, the Union Budget 2024-25 has laid out a glide path of fiscal consolidation. Supported by strong revenue collection, discipline in revenue expenditure, and robust economic performance, the fiscal deficit is projected to decline. At the same time, it said, capital expenditure is maintained at high levels, supporting the fledgling private investment cycle.

"On balance, India's economic momentum remains intact. Despite a somewhat erratic monsoon, reservoirs have been replenished. Manufacturing and services sectors are expanding, according to the Purchasing Managers' indices," it said. ■

REPORT'S FINDINGS

- Retail inflation decreased to 3.5% in July 2024
- Southwest monsoon has supported kharif sowing
- Water levels in reservoirs show food inflation can come down more
- Tax collections growing in a healthy way
- Real GDP growth of 6.5-7.0% for FY25

India can become a \$55 tn economy by 2047 with 8% growth: IMF official

Written using agency reports

India could potentially grow into a \$55 trillion economy by 2047, according to Krishnamurthy V Subramanian, Executive Director of the International Monetary Fund (IMF).

During the launch event of his book, "India @100" at the Indian School of Business (ISB) in Hyderabad recently, he acknowledged that the goal of reaching a \$55 trillion economy by 2047 might seem ambitious, but it is within reach.

He noted that in 2020, India's private credit to GDP ratio stood at 58%, a significant lag behind advanced economies where it has reached 200%.

"So in other words... While this of course appears to be audacious, it is the

power of compounding that makes it happen. As long as we are able to register 8% growth, we can actually become a \$55 trillion economy," the former chief economic advisor said.

Emphasising the importance of wisely using government borrowings, he noted that investments should focus on creating assets rather than merely funding subsidies or operational expenses.

Beyond physical infrastructure, he asserted that India needs to invest in enhancing human capital, healthcare, and digital infrastructure, which are essential responsibilities of the government. ■



Krishnamurthy V Subramanian,
Executive Director
of the International
Monetary Fund (IMF)

India leads South Asian Economies in growth and external indicators: S&P

Written using agency reports

India excels in both growth and external factors compared to other South Asian countries, according to S&P Global Ratings.

Andrew Wood, director of sovereign and international public finance ratings (Asia-Pacific) at S&P, said that while the global economic outlook is challenging, India's economic growth story shows significant promise. The trajectory of the government's fiscal deficit will be crucial

in determining the future direction of India's sovereign ratings.

"We could raise the rating if India's fiscal deficit narrows meaningfully, such that the change in net general government deficit falls below 7% of GDP on a structural basis," Wood said at a webinar on Asia-Pacific. He said in the geography of South Asia, India stands out both on growth and external fronts. "India is a net external creditor economy, which is a core support for its invest-

"We see a lot of promise in India's economic growth story, even in a somewhat challenging global economic growth outlook"

ANDREW WOOD,
Director of sovereign and international public finance ratings (Asia-Pacific) at S&P

ment grade rating. We see a lot of promise in India's economic growth story, even in a somewhat challenging global economic growth outlook."

The budget for 2024-25 has announced targeting a central government fiscal deficit of 4.9% of GDP in the current fiscal, lower than the 5.1% targeted earlier.

"This is good news at the margin but combined with the local government deficit, the general government deficit is likely to remain above 7% of GDP at least for the current fiscal. So the trajectory for these metrics over the next few years will remain an important one for the directionality of India's ratings," Wood said.

In May, S&P Global Ratings had upped India's sovereign rating outlook to positive from stable on robust growth prospects for next three years and public spending, and raised hopes for an upgrade in two years provided the government continues reforms and policies to keep fiscal deficit under check.

While retaining India's sovereign rating at the lowest investment grade of 'BBB-', S&P said it expects broad continuity in economic reforms and fiscal policies, irrespective of the election outcome.

POWER UP

India's nuclear power generation to rise 70% in 5 years: Minister

Written using agency reports

India's nuclear power generation capacity is to increase by around 70% in the next 5 years, said Union Minister Jitendra Singh while convening a high-level meeting to review the 100 days Action Plan of the Department of Atomic Energy.

Highlighting India's progress in nuclear energy and renewable energy in the energy landscape, Singh said: "Installed capacity of 7.48 GWe will

become 13.08 GWe by 2029, which is over 70% increase with addition of 7 new reactors. He also took stock of the already operational projects and gave directions for upcoming plans."

Singh directed the department to integrate and collaborate to harness full potential, by capacity building and sharing of knowledge, resources and expertise. "Indigenous technology development and promoting energy security should be our priority."

CASH IN

Private equity investments in real estate at 3-year high

Written using agency reports

At \$2.5 billion, private equity investments in Indian real estate soared to the three-year high in the April-June quarter, according to data shared by real estate consultancy Colliers.



"The domestic institutional and retail investor activity in Indian real estate is expected to remain strong in the second half of the year, driven by healthy economic activity and consumer confidence"

PIYUSH GUPTA,
Managing Director,
Capital Markets &
Investment Services,
Colliers India

These investments were 20% higher than \$2.1 billion in the same quarter last year. As compared to \$995.1 million in the January-March quarter this year, the PE investments were up 154%.

Out of the total investments, the industrial & warehousing segment accounted for the highest share of 61% at \$1.5 billion.

"Driven by foreign investments, the industrial & warehousing segment witnessed about half of the total inflows in the first half of 2024," said Vimal Nadar, Senior Director and Head of Research, Colliers India.

He added that with India's Manufacturing Purchasing Managers' (PMI) Index staying close to 60.0 in the last few months, investor confidence in the industrial & warehousing segment is likely to remain strong throughout 2024.

"Furthermore, strategic infrastructure projects such as Dedicated Freight Corridors (DFCs) and Bharatmala and

robust government policies such as National Logistics Policy, underscore substantial long-

term growth opportunities for the industrial & warehousing segment in India,” he said.

The segment was followed by the residential sector at \$543.5 million.

In the first half of the 2024 calendar year, the total institutional investments touched \$3.5 billion, led by a strong April-June quarter. The country had recorded a subdued January-March quarter.

Out of the total, 73% of investment was from foreign investors. In the April-June quarter, this was 81% of the total inflows. The investments were predominantly led by investors from the US and UAE. ■

MOVING INDIA

India has improved logistics rankings, says Economic Survey

Written using agency reports

India's logistics sector made substantial progress, according to the Economic Survey 2024 presented by Finance Minister Nirmala Sitharaman on July 22, 2024. The survey reported a significant rise in India's World Bank Logistics Performance Index (LPI) rank.

India's ranking in the international shipments category improved to 22nd in 2023 from 44th in 2014. The Economic Survey attributed this improvement to the government's modernisation and digitalisation efforts. Domestic manufacturing and export competitiveness improved significantly due to the PM Gati Shakti and National Logistics Policy (NLP), the survey stated.

The Economic Survey highlighted that the PM Gati Shakti National Master Plan portal was used for network planning and congestion projections. It also noted that big data from e-way bills and FASTag was leveraged to estimate future transportation demand and enhance logistics efficiency.

India's participation in global value chains (GVCs) increased, with the share of GVC-related trade rising to 40.3% in 2022 from 35.1% in 2019. The survey also mentioned that India's LPI rank improved from 44th in 2018 to 38th in 2023 out of 139 countries.

“The reduction in logistics cost was reflected in an improvement in India's rank on the World Bank's Logistics Performance Index,” it said. Container turnaround time dropped by 50% from 2014 to 2023-24.

The survey credited the GST system for lowering logistics costs by eliminating state border delays, which cut travel time by up to 30%. This increase in efficiency raised the average distance trucks traveled from 225 km to 300-325 km.

The Sagarmala scheme played a key role in port development, aiming to expand port capacity from 2,600 million tonnes per annum (MTPA) to over 10,000 MTPA by 2047. The survey pointed out that cargo movement through waterways increased by 7.5% from April to November 2023 compared to the previous year.

Digital reforms like the Unified Logistics Interface Platform and the Logistics Data Bank were highlighted as crucial to improving logistics performance. “Over 614 industry players registered on ULIP, and 106 private companies signed Non-Disclosure Agreements,” the survey added. ■

MAKE IN INDIA

Solar PV cells, module imports from China declining

Written using agency reports

Solar photovoltaic (PV) cells and modules imports from China have been declining since 2022-23 on the backdrop of increase in domestic module manufacturing capacity over the past 12 months.

According to data shared by Minister of State for New and Renewable Energy Shripad Yesso Naik in Rajya Sabha recently, China accounted for 94% of India's cumulative solar PV cell imports and 93% of solar PV module shipments in FY23.

However, the share of cells and modules fell to 56% and 66%, respectively, in 2023-24. China accounted for 68% of solar PV cell and 59% of solar PV module imports during April-May of 2024-25.

In value terms, India imported around \$1.7 billion worth of solar PV cells and modules in



WORLD BANK LOGISTICS PERFORMANCE INDEX RANK

44 in 2018 to 38 in 2023

139 countries on list

INDIA IMPORTS SOLAR PV CELLS FROM



CHINA



VIETNAM



THAILAND



MALAYSIA



SINGAPORE

FY20, which fell to \$571.65 million in the Covid-impacted 2020-21. In 2021-22, which was again impacted due to the pandemic, India's imports rose to \$4.5 billion. In 2022-23, imports fell to \$2.25 billion, but surged to a record \$6.21 billion a year later. During April-May of FY25, imports stood at around \$551 million.

China accounts for a major share of Indian imports of solar PV cells and modules. Vietnam, Thailand, Malaysia and Singapore are the other top exports, albeit on a much lower scale.

Vietnam accounted for roughly 5% of India's total solar PV cell imports and around 22% of module imports in FY24. Similarly, it accounted for more than 12% and 38% of cell and module imports, respectively, during

April-May of FY25.

Electronics and semicon makers to invest Rs 3 trillion

Written using agency reports

Manufacturers of electronics and semiconductors are set to commit around Rs 3 trillion as capital expenditure in India over the next five years. Companies, big and small, are setting up shop here to make everything from laptops to wearables. They are eyeing a huge market for electronics at \$500 billion by 2030, according to the Confederation of Indian Industry.

Ashok Chandak, president, India Electronics and Semiconductor Association (IESA), was quoted in Financial Express as stating that domestic demand and export potential are leading investment in the sector.

According to the report, India is looking to become a part of the global electronics value chain emulating other nations. Vietnam, for instance, caters to its domestic mobile phones and electronics market valued at \$2 billion, but the bigger pickings are in the export opportunity pegged at \$40 billion. India's companies have a \$33 billion market locally while the export opportunity is around \$30 billion.

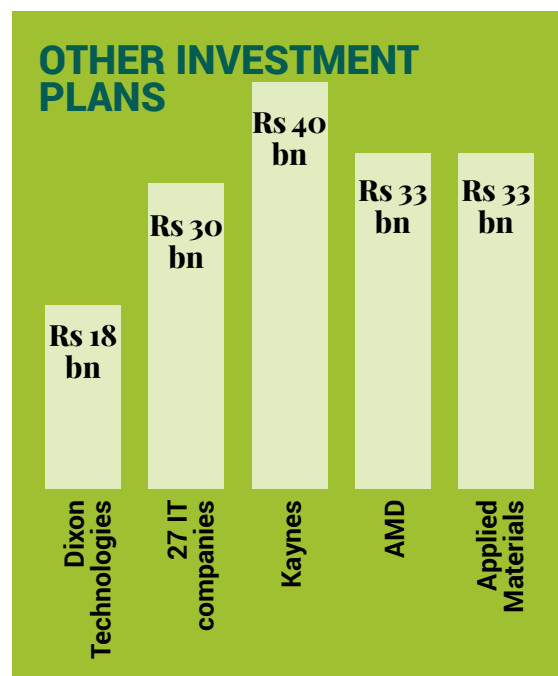
The production-linked incentive scheme apart, SPECS or the Scheme for Promotion of Manufacturing of Electronic Components and

Semiconductors has also enthused companies to set up production capacity.

The Rs 760 billion incentive package for semiconductors has resulted in four projects backed by Micron, Tata Group and CG Power, and worth Rs 1.5 trillion, which have got nod from the government.

The combined investments by these promoters could be around Rs 500 billion, given that the government will provide support to the extent of 50% of the cost and respective state governments too will chip in. The four units with a combined capacity of 80 million chips per day will have a presence across the value chain – design, packaging and fabrication.

Meanwhile, iPhone maker Foxconn has committed to an investment of \$1.5 billion or about Rs 125 billion for its operations in the country. Vedanta Group chairman Anil Agarwal recently talked about plans to invest \$20 billion or Rs 1.6 trillion in the next four years to produce electronics, semiconductors and glass.



Apple assembled \$14 bn worth of iPhones in India in FY24

Written using agency reports

Apple Inc has assembled \$14 billion worth of iPhones in India in fiscal year 2024, Bloomberg News reported.

The iPhone maker now makes as much as 14% or about 1 in 7 of its marquee devices from India, the report said, citing people familiar with the matter.

Foxconn assembled nearly 67% while Pegatron Corp made about 17% of the India-made iPhones, the Bloomberg report added. Wistron Corp's plant in the southern Indian state of Karnataka, which the Tata Group took over last year, made the remaining.

Apple is increasingly looking to diversify its supply chain beyond China amid geopolitical tensions between Beijing and Washington, even as China remains the largest iPhone-making hub in the world, the report added

Reuters reported that Pegatron is in advanced talks to hand over control of its only iPhone manufacturing facility, located near Chennai in the southern state of Tamil Nadu, to the Tata Group.

The Indian consumer goods conglomerate is also building another plant in Hosur in Tamil Nadu, with Pegatron likely to emerge as its joint venture partner. ■

DEFENCE DEALS

Defence production hits record of Rs 1.27 trn in 2023-24

Written using agency reports

The Ministry of Defence has achieved the highest-ever growth in indigenous defence production in value terms in 2023-24, on the back of successful implementation of the policies and initiatives of the Prime Minister Narendra Modi-led government, focusing on achieving “aatmanirbharta”.

According to data, the value of defence production in the country stood at Rs 1,268 billion against Rs 1,086 billion in 2022-23, a growth of 16.7%.

In his X page, Defence Minister Rajnath Singh stated that the make in India programme is crossing new milestones, year after year, under



“We are passing through an era of big global disruptions. Amidst the vagaries of the volatility, uncertainty, complexity and ambiguity of the world, the global arms industry is grappling with a seemingly insurmountable problem of widening demand and supply gap”

GENERAL ANIL CHAUHAN,
Chief of Defence Staff

the leadership of Prime Minister Shri Narendra Modi.

Of the total value of production (VoP) in 2023-24, about 79.2% has been contributed by public sector undertakings (PSUs) and 20.8% by the private sector. The data shows that in terms of absolute value, both PSUs and private companies have recorded a steady growth in defence production.

It may be recalled that defence exports touched a record-high of Rs 210 billion in 2023-24, reflecting a growth of 32.5% over the last fiscal year when the figure was Rs 159 billion.

Chief of Defence Staff General Anil Chauhan recently said that global disruptions have presented an opportunity for the Indian defence ecosystem to ramp up manufacturing capabilities. “We are passing through an era of big global disruptions. Amidst the vagaries of the volatility, uncertainty, complexity and ambiguity (VUCA) of the world, the global arms industry is grappling with a seemingly insurmountable problem of widening demand and supply gap,” he said.

He called upon the troika of the services, defence industries and scientists to come together to promote the nation’s aatmanirbharta drive. ■

77 projects cleared under TDF

Written using agency reports

A total of 77 projects, with a commitment of over Rs 3 billion, have been sanctioned to various industries, and 27 defence technologies have been successfully realised under the Technology Development Fund (TDF).

This scheme encourages the participation of public/private industries, especially startups and MSMEs, to create an ecosystem aimed at enhancing the capabilities in cutting-edge technology and promoting self-reliance in defence. The TDF scheme is a flagship programme of the Ministry of Defence executed by Defence Research and Development Organisation (DRDO) under the “Make in India” initiative. ■

DRDO tests indigenous portable anti-tank missile

Written using agency reports

The Defence Research and Development Organisation (DRDO) on August 13 successfully test-fired the indigenously built Man-Portable Anti-Tank Guided Missile (MP-ATGM). The test was conducted at a field firing range in Jaisalmer, Rajasthan, reported ANI.

The MP-ATGM is a shoulder-launched, portable missile system designed specifically to destroy enemy tanks and armoured vehicles. This advanced ATGM system is equipped with

both day and night capabilities, top attack functionality, and a dual-mode seeker.

On April 13, 2024, the warhead flight trials were successfully conducted at the Pokhran Field Firing Range in Rajasthan, demonstrating impressive missile and warhead performance. A day later, successful missile trials were carried out. The system included the MPATGM, a launcher, a target acquisition system, and a fire control unit.

The MPATGM is a lightweight, cylindrical missile featuring two sets of four radial fins. It is equipped with a high-explosive anti-tank (HEAT) shaped charge warhead. The missile measures approximately 130 cm in length and 12 cm in diameter and is used with a collapsible tripod and launch tube. ■

AVIATION HIGH

Indian MRO industry to double in 7 years, says minister

Written using agency reports



“India’s geographical advantage allows us to offer MRO facilities to numerous international airlines, making us a competitive global player. We are committed to ensuring that our MRO sector aligns with global practices, making India a preferred destination for international airlines”

RAMMOHAN NAIDU,
Union Minister for Civil Aviation

The recent order by domestic airlines for over 1,100 aircraft is expected to double the size of India’s maintenance, repair and operation (MRO) industry from \$2 billion to \$4 billion over the next seven years, said Union Minister for Civil Aviation Rammoohan Naidu.

He emphasised the government’s commitment to create a robust environment for both domestic and international airlines to access world-class MRO facilities in India. The government

has recently announced the unification of GST slabs for MRO components and services, which will facilitate the integration of domestic MROs with global value chains.

Addressing the concerns raised regarding the challenges faced by the MRO sector, the minister stated in Lok Sabha: “We are not only focusing on the needs of Indian airlines but also aiming to attract international carriers to use our MRO services, including in strategic locations like Thiruvananthapuram.”

He acknowledged the growing demand for MRO services in India and expressed the government’s ambition to cater not only to the domestic fleet but also to international airlines. “India’s geographical advantage allows us to offer MRO facilities to numerous international airlines, making us a competitive global player. We are committed to ensuring that our MRO sector aligns with global practices, making India a preferred destination for international airlines,” he added.

Depending on the industry demand, the government could consider extending a PLI scheme to the MRO industry, he said. ■

INFRA BOOSTER

Railways university signs MoU with Airbus

Written using agency reports

Indian Railways’ Gati Shakti Vishwavidyalaya (GSV)-Vadodara and Airbus have entered into collaboration to strengthen the Indian aviation sector.

Following up on the Memorandum of Understanding (MoU) signed in September 2023, a definitive agreement was signed at Rail Bhawan, New Delhi, between Rémi Maillard, President and Managing Director, AIRBUS India and South Asia, and Manoj Choudhary, Vice-Chancellor, Gati Shakti Vishwavidyalaya. The agreement was signed in the presence of Ashwini Vaishnaw,



Minister of Railways, Information and Broadcasting, Electronics.

The agreement includes a full scholarship for 40 GSV students, setting up a centre of excellence at GSV as well as the Airbus Aviation Chair Professor position at GSV. Further, GSV and Airbus will partner for executive training for working professionals in the aviation sector.

Speaking on this occasion, Vaishnav said, "The reason why GSV was established was to have a focussed and specialised institution which caters to all sectors of transportation. We started with Railways, gradually moved to manufacturing and the next sector is civil aviation. The next sector will be shipping and logistics." ■

PLACE TO WORK

1.5 mn direct jobs created by recognised startups

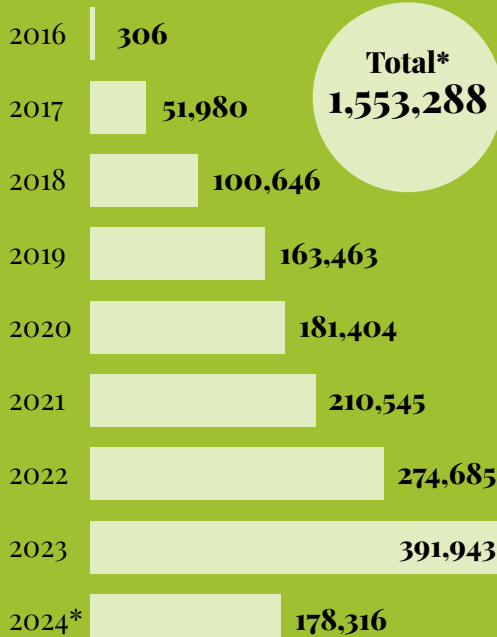
Written using agency reports

Since the launch of Startup India initiative in 2016, recognised startups have reportedly created over 1.55 million direct jobs.

The government launched the Startup India initiative in January 2016 with the objective of building a strong ecosystem for nurturing innovation, startups and encouraging investments in the startup ecosystem of the country. As on June 30, 2024, DPIIT has recognised 1,40,803 entities as startups. ■

EMPLOYMENT

Direct jobs (self-reported) created by DPIIT-recognised startups as on June 30, 2024



Source: PIB

KVIC's efforts have created 1 mn jobs in rural areas

Written using agency reports

Releasing the provisional figures for financial year 2023-24, KVIC Chairman Manoj Kumar said that surpassing all previous figures, there has been an increase of 399.69% in sales, 314.79% in production, and 80.96% in new employment generation compared with 2013-14. In 2022-23, there was an increase of 332.14% in sales, 267.52% in production, and 69.75% in new employment generation over 2013-14.

For the first time in independent India, the sales of KVIC products have crossed Rs 1.55 trillion, in 2023-24. The sales figure in 2022-23 was Rs 1.34 trillion. In the last 10 financial years of the Modi government, the sales of indigenous khadi and village industry products made by artisans in rural areas have reached Rs 1.6 trillion. In 2023-24, KVIC's efforts have created 1 million new jobs in rural areas, strengthening rural India's economy. ■

TECH BACKBONE

Google unveils AI tech to support Indian developers

Written using agency reports

Google recently unveiled a range of tools, programmes and partnerships to empower Indian developers and startups to be at the forefront of the global artificial intelligence (AI) revolution.

At the Google I/O Connect Bengaluru 2024 event, the company said that it is working with MeitY Startup Hub to train 10,000 startups in AI. It is expanding access to its AI models like Gemini and Gemma. It is also introducing new language tools from Google DeepMind India, and enhancing software development with AI-powered features, with a focus on responsible AI.

As part of its Gemini era, the company is focused on bringing the power of multimodality to everyone. It is expanding the types of questions one can ask with advances in long context windows. Today, more than 1.5 million developers globally use Gemini models across its tools.

The fastest way to build with Gemini is through its developer platform Google AI Studio. India has one of the largest developer bases on Google AI Studio today.

"At Google, we've been investing in AI for over a decade, driving fundamental advancements that have led us to the exciting Gemini era. AI is a powerful enabler and a major inflection point that will require us to continuously reimagine what's possible," said Ambharish Kenghe, vice-president, Google. "We're committed to

empowering Indian innovators to harness AI's full potential, creating solutions that not only address India's unique needs but also shape the future of AI globally. The opportunities with multimodal, mobile, and multilingual AI are immense."

The company is working with MeitY Startup Hub to support 10,000 Indian startups in its AI journey. Developers in India now have expanded access to Google's powerful AI models with the 2 million token context window in Gemini 1.5 Pro and Gemma 2, the next generation of open models.

The Google DeepMind India team shared updates to empower developers building language solutions for India. This includes the expansion of Project Vaani, in collaboration with the Indian Institute of Science (IISc). It provides developers with over 14,000 hours of speech data across 58 languages, collected from 80,000 speakers in 80 districts.

The company will also soon launch an agricultural landscape understanding (ALU) research API. It is a limited availability tool designed to make agricultural practices more data-driven and efficient. ■



E-MONEY

'Digital payments rise 50% between FY18 and FY24'

Written using agency reports

Digital payments have recorded a compound annual growth rate (CAGR) of 50% and 10% in volume and value terms, respectively, in the last seven years (between 2017-18 and 2023-24), RBI said in its latest Report on Currency and Finance (RCF).

Digital payments, including NEFT (National Electronic Funds Transfer), UPI (Unified Payments Interface), credit and debit cards, saw 164 billion transactions worth Rs 2,428 trillion in 2023-24. Except paper-based instruments, all other payments constitute digital transactions.

In value terms, NEFT transactions had the highest share (49.4%) in total retail payments in 2023-24, followed by UPI (25.3% share in 2023-24 as compared to only 2.4% in 2018-19).

RBI officials were quoted in reports stating that UPI has seen a tenfold increase in volume over



"...At the same time, digitalisation also presents challenges related to cybersecurity, data privacy, data bias, vendor and third-party risks, and customer protection. Increased inter-connectedness may lead to systemic risks"

SHAKTIKANTA DAS,
RBI Governor

the past four years, increasing from 12.5 billion transactions in 2019-20 to 131 billion transactions in 2023-24 – 80% of all digital payment volumes.

Currently, the UPI is recording nearly 14 billion transactions a month, buoyed by 424 million unique users in June 2024.

The officials said the surpassing of UPI transactions volume for peer-to-merchant (P2M) transactions over the peer-to-peer (P2P) segment and high volume for small value transaction categories indicate its high usage. ■

'India's fintech industry to reach \$420 bn by 2029'

Written using agency reports

The Indian fintech industry is estimated to be around \$110 billion in 2024 and is projected to reach about \$420 billion by 2029, Ajay Kumar Choudhary, Non-Executive Chairman and Independent Director, National Payments Corporation of India, said.

The sector, he said, is expected to continue to grow due to factors like favourable policies of the government.

The government's push towards a digital economy, coupled with a young and tech-savvy population, is likely to propel the fintech sector to new heights, he added.

"As of 2024, Indian FinTech Industry is estimated to be around \$110 billion and by 2029, it is projected to reach an impressive number of around \$420 billion at a cumulative annual growth rate of 31%," industry chamber Assocham said in a statement, quoting Choudhary.

It said the advent of the fintech ecosystem, driven by technology-linked innovation, has revolutionised traditional financial services and led to improvement in the efficiency of delivery of financial products and services. ■

AI GROWTH

GenAI adoption to add extra \$675 bn to India's economy by 2038: Accenture

Written using agency reports

Generative artificial intelligence (GenAI) could potentially add an additional \$675 billion to India's economy by 2038, according to a study released by Accenture.

The research said that because of the deployment of GenAI, around 31% of working hours in India will be automated, contributing to a 0.6 percentage point increase in the annual gross domestic product (GDP) growth of the country. "The scaled and responsible deployment of generative AI can not only drive revenue growth, but also act as a force of change that can reinvent almost all functions across industries. To unlock its real value, businesses need to have a bold vision for reinvention anchored in a strong data and technology foundation. This, coupled with an intentional approach to skilling, is crucial to succeed in the age of generative AI," said Saurabh Kumar Sahu, Lead-India business, Accenture.



The research is based on economic modelling conducted for four of Asia Pacific's largest economies, including Australia, China, India, and Japan, and a CXO survey in these countries and Singapore. ■

India will follow a DPI-like approach for AI: Vaishnaw

Written using agency reports

Underlining India's unique approach to building digital public infrastructure (DPI), Union Electronics and Information Technology Minister Ashwini Vaishnaw said that the country is going to adopt a similar approach for artificial intelligence (AI) as well.



"We will focus on obtaining good datasets, high-quality datasets that can add more value to researchers' and startups' efforts"

ASHWINI VAISHNAW,
Union Electronics and Information
Technology

Speaking at the Global IndiaAI Summit, Vaishnaw said that, similar to DPI, the government will also create a public platform for AI where all relevant resources and information will be made available for use. "The government will be investing in creating a public platform where resources like compute power, high-quality datasets, a common set of protocols, a common framework, technical as well as legal, are available. Then startups, entrepreneurs, academicians, and people working on different applications for various sectors like agriculture, medicine, healthcare, and education can use this common platform to accelerate their efforts," Vaishnaw said at an event.

The minister also said that the government was actively working to lay the foundation of the Rs 100 billion IndiaAI Mission announced a few months ago, which is expected to be launched in the next two to three months.

Talking about India's approach to AI, Vaishnaw said, "We will focus on obtaining good datasets, high-quality datasets that can add more value to researchers' and startups' efforts. We will have an application (app) development initiative where apps relevant to our social and economic problems can be developed and focused on, and we will also put a huge emphasis on skill development."

The minister also expressed concern about the issues arising from AI and said that the entire world was facing the same challenges with the technology.

"The Global South is seeking universal support, a universal thought process, at least some common basic principles on which the world has to respond to the potentials on the one hand and the challenges on the other," he added.

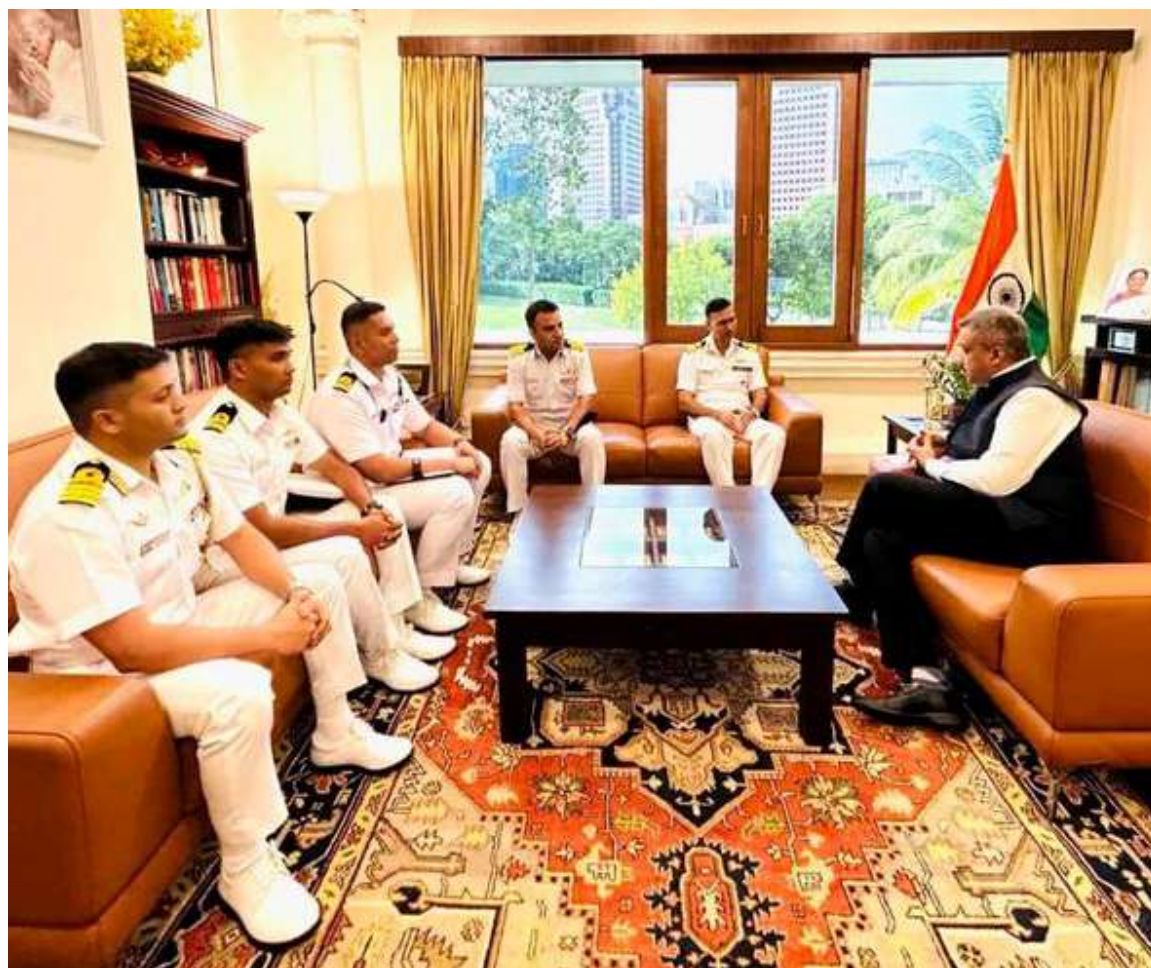
India assumed the chairmanship of the Global Partnership on Artificial Intelligence (GPAI) in December last year. ■

Glimpses of flag hoisting ceremony and cultural performances to celebrate 78th Independence Day of India



Indian Navy & Indian Coast Guard Delegation visits Singapore

The High Commissioner of India interacted with a delegation from the Indian Navy and the Indian Coast Guard when they had visited Singapore to participate in the exercise SEACAT 24 conducted at Changi C2 Centre. India's participation in the senior leaders' meet and presentation by the Information Fusion Center-Indian Ocean Region at the MARSEC Seminar gave the participants valuable insights on enhancing maritime security through partnerships and collaborations.



Forthcoming Events In India

I. Bharat Global Expo 2025

Date & Venue: March 6-8, 2025, at
Yashobhumi (IICC), Dwarka,
New Delhi, India
Organiser: Invest India
Contact: Email: event@bharat-expo.org

Details: Bharat Expo is a premier international trade exhibition that serves as a dynamic platform for networking, collaboration and

business development across various sectors. Our exhibitors represent a diverse range of industries, including food & agro products. Participants from this segment will showcase agricultural machinery, food processing technologies and organic products. Other product exhibit will include dairy, beverages, wine, alcohol, sweets, chocolates, condiments and frozen foods.

Website: <https://bharat-expo.org/>

II. RE-Invest 2024

Date & Venue: September 16-18, 2024,
at the Mahatma Mandir,
Gandhinagar, Gujarat
Organiser: Confederation of Indian Industry
Contact: Mr. Surender Rai,
Senior Manager, CII,
Email: surender.raii@cii.in,
Phone: +91-9350293635

Details: RE-Invest 2024 is a premier event organised by the Ministry of New and Renewable Energy (MNRE), Government of India. The event will be held on September 16-18 at the Mahatma Mandir, Gandhinagar, Gujarat.

Website: <https://re-invest.in/>

For feedback & comments, please contact:

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