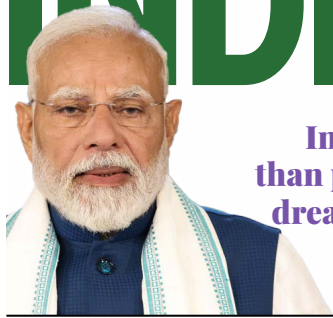


# INDIA FOCUS



**Indian rockets carry more than payloads—they carry the dreams of 1.4 billion Indians**

**NARENDRA MODI,**  
Prime Minister of India

**Our response (to the terror attacks) was targeted and measured**

**EAM S JAISHANKAR,**  
Minister of External Affairs of India



## INSIDE

**Bilateral Developments**  
All-party parliamentary delegation visits Singapore



**PAGE 15**

**Budget aims to attract investments in AI, life sciences, semiconductor and green energy**

**PAGE 03**

**Agri, pharma, electronics, engineering lead India's export list**

**PAGE 04**

**India poised to remain fastest growing major economy in FY26: RBI**

**PAGE 05**

**CIL to set up \$3 bn worth clean energy projects**

**PAGE 07**

**India aims to double share of manufacturing in GDP. FM**

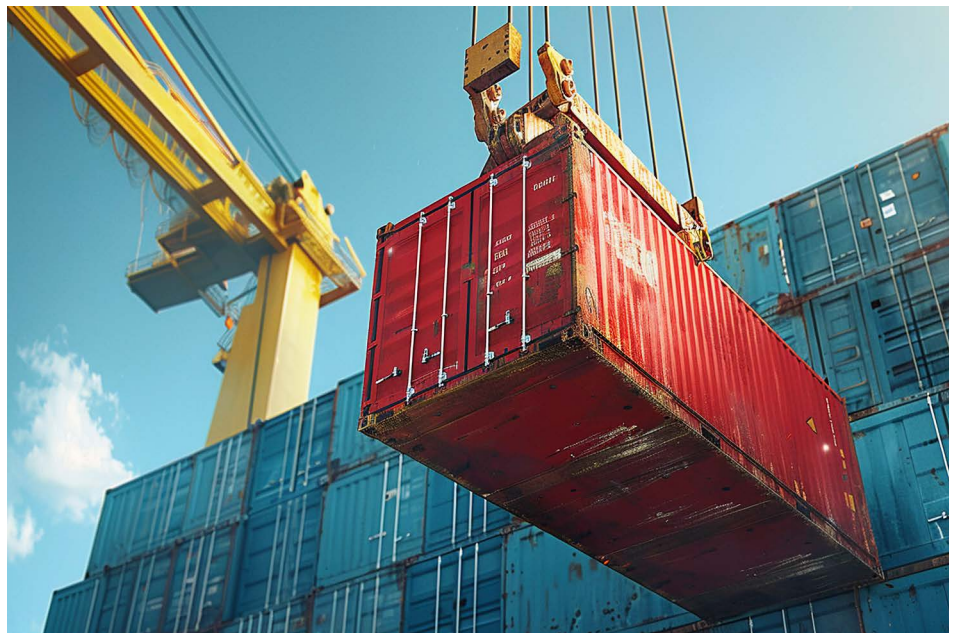
**PAGE 10**

**India's first 3nm chip design facility inaugurated**

**PAGE 12**

## India likely to benefit from trade protectionism, says S&P Global India Research

Country has made progress in making its manufacturing sector more attractive to global investors



Changes in global trade policy would catalyse supply chain diversification to the benefit of India, which is on track to become the world's third-largest economy by financial year 2030-31 (FY31), according to a report by S&P Global.

While projecting India's real GDP growth to average 5.7% over the next decade, Business Standard quoted S&P Global's India Research Chapter saying that further manufacturing reshoring and trade regionalisation strategies could add about 1.3 percentage points to India's real GDP by end of FY35.

"Companies are expected to relocate their operations to regions that offer competitive advantages, with India emerging as a key destination," the report said.

The report stated that in the near term, the broader spillovers of heightened global trade and financial uncertainty may be more damaging to India's growth, affecting private sector investments. "India has made notable progress in enhancing its competitiveness and making its manufacturing sector more attractive to investors... Beyond the near-term impact, therefore, India

can benefit from the increasing trade protectionism, which may catalyse supply-chain diversification,” the report added.

The threat of higher US tariffs on several Asian economies, including mainland China, Vietnam, Taiwan, Thailand, and Bangladesh, could be leveraged to India’s advantage to accelerate its manufacturing growth and increase its share in global exports, the S&P report said.

The report highlighted that the availability of labour with the required skills for value-added manufacturing remains a significant challenge that hinders India’s competitiveness. India has scored higher in the area of finance with improved financial position of lenders over the past seven years, the report added.

“Although the uncertainty stemming from US trade policies will likely reduce the appetite for loans, growth in the manufacturing sector is expected to be supported by high finance resource availability following the inclusion of Indian government bonds in global indices in 2024,” the report said.

The S&P Global India Research report also highlighted that energy will be a key thread that will enable the performance and viability of all sectors in India. “India is set to pursue a path where energy security meets revenue security. Recent regulatory changes present an opportunity as India looks to enhance crude oil exploration and development to achieve self-sufficiency,” the report said.

### Attractive manufacturing sector

India has made progress in making its manufacturing sector more attractive to global investors, and ongoing changes in international trade policy would benefit India in the long run, the study said.

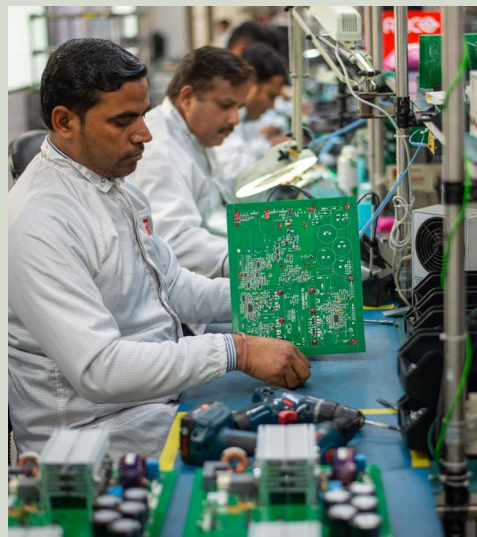
A strategic shift towards local sourcing, proximity to end-markets, and enhanced regional integration should attract additional investment to the sector, accelerating India’s technological advancement and manufacturing competitiveness and creating additional high-quality manufacturing jobs, it said.

“Beyond the near-term, changes in global trade policy would catalyse supply-chain diversification, to the benefit of India,” it added.

The study said India has made “notable progress” in enhancing its competitiveness and making its manufacturing sector “more attractive to global investors”.

The S&P Global study said India has moderate dependence on external trade for growth, which cushions it somewhat from ongoing shifts in global trade and tariff policies, though it is not immune to the rising trade protectionism.

While manufacturing value added accounts for a modest 17.2% of the country’s real GDP, the government has implemented targeted policy interventions to build domestic manufacturing capacity and strengthen India’s role in global



**“India has made notable progress in enhancing its competitiveness and making its manufacturing sector more attractive to investors... Beyond the near-term impact, therefore, India can benefit from the increasing trade protectionism, which may catalyse supply-chain diversification”**

**“Although the uncertainty stemming from US trade policies will likely reduce the appetite for loans, growth in the manufacturing sector is expected to be supported by high finance resource availability following the inclusion of Indian government bonds in global indices in 2024”**

**“A strategic shift towards local sourcing, proximity to end-markets, and enhanced regional integration should attract additional investment to the sector, accelerating India’s technological advancement and manufacturing competitiveness and creating additional high-quality manufacturing jobs”**

supply chains.

“High-frequency HSBC Purchasing Managers’ Index (PMI) data ... highlights the domestic manufacturing sector’s resilience to recent global headwinds compared with other major economies,” the study noted. ■



# Budget aims to attract investments in AI, life sciences, semiconductor and green energy

The Prime Minister and Minister for Finance of Singapore, Lawrence Wong, delivered Singapore's FY2025 Budget in February 2025. The budget paves the way to chart Singapore's next lap – to navigate uncertainties with confidence and strength, to address immediate challenges decisively and to secure a bright future for the long term.

Wong outlined various measures to tackle cost pressures, build a sustainable city and nurture a caring and inclusive society, among others. The budget forecasts a GDP growth of 1–3% and inflation expectation averaging between 1.5% to 2.5%.

Budget 2025 emphasises the importance for Singapore to stay competitive, dynamic and vibrant given the intensified global economic competition. It tables various measures in the form of a top-up of the National Productivity Fund, Future Energy Fund and Coastal and Flood Protection Fund, new Enterprise Compute Initiative, introduction of \$1 billion Private Credit Growth Fund, R&D efforts, infrastructure development as well as strengthening of the enterprise ecosystem. Apart from supporting internationalisation and mergers and acquisitions, the budget has launched a Global Founder programme to encourage global founders to anchor and grow more new ventures in Singapore. The proposals also aim to attract high-quality investment in key sectors like artificial intelligence, technology, life sciences, semiconductor and green energy.

On the tax benefits for Singapore corporates and businesses, one of the welcome announcements is a corporate tax rebate (CTR) of 50% of tax payable (subject to a cap of S\$40,000). The CTR can be optimised at a taxable income of S\$573,000 (after taking into account the partial tax exemption). Thus, while the tax rebate aims to reduce the costs for Singapore corporations,



**“The Singapore economy now operates at a higher level. But we cannot afford to stand still. Global economic competition is intensifying. If we fail to stay competitive, we will be left behind. We must therefore redouble efforts to grow our economy, and keep it dynamic and vibrant”**

**LAWRENCE WONG,**  
Prime Minister and Minister for Finance of Singapore

its benefits may be limited for companies with lower taxable profits or who are making losses.

Another step in the right direction is extending the Double Tax Deduction for Internationalisation (DTD<sub>i</sub>) and the mergers and acquisitions (M&A) schemes until December 31, 2030, to promote internal expansion.

To further Singapore's position as a global financial and asset management hub, several tax-related recommendations submitted by the Equities Market Review Group have been accepted. These include tax incentives to new corporate listings in Singapore as well as for fund managers investing in Singapore-listed equities. Another critical tax proposal relates to providing better tax certainty on non-taxation of disposal gains earned by Singapore corporations by way of removal of the sunset clause.

These changes should aid Singapore businesses and investment-holding companies to better structure their investments and exit strategies to achieve tax efficiencies.

Budget 2025 provides for a tax deduction for payments under the Employee Equity-Based Remuneration (EEBR) Schemes. This allows Singapore companies to better structure their employee compensation in the form of issuance of shares.

Another proposal is to allow companies to claim 100% tax deduction for payments made under approved cost-sharing agreements for innovation activities.

On the personal front, a personal income tax rebate of 60% to all tax resident individuals (capped at S\$200) has been proposed. This should mostly benefit middle-income workers. Other measures that find place in Budget 2025 are providing vouchers to individuals to address rising cost and inflation and support for skill development. ■

# Agri, pharma, electronics, engineering lead India's export list



Agriculture, pharma, electronics and engineering goods together accounted for over 50% of India's merchandise exports in 2024-25, according to government data, highlighting the country's growing strength in diverse sectors amid efforts to boost manufacturing and value-added exports.

Engineering goods contributed the highest share of 26.67% to India's \$437.42 billion exports in 2024-25, while agriculture, pharmaceuticals and electronics accounted for 11.85%, 6.96% and 8.82%, respectively.

The data showed that the electronic goods sector saw the highest export growth rate at 32.46%, jumping from \$29.12 billion in 2023-24 to \$38.58 billion in the last fiscal year. It was \$23.6 billion in 2022-23 and \$15.7 billion in 2021-22.

Within this, computer hardware and peripherals, which form 3.8% of the sector, saw 101% growth, doubling from \$0.7 billion to \$1.4 billion.

The main destinations for electronic goods were the UAE, the US, the Netherlands, the UK and Italy.

Engineering goods' shipments rose 6.74% year-on-year to \$116.67 billion. Drugs and pharmaceuticals exports grew 9.4% to \$30.47 billion while that of agri and allied sectors increased 7.36% to \$51.86 billion in 2024-25.

The main export destinations for engineering goods were the US, the UAE, Saudi Arabia, the UK and Germany.

From 2014-15 to 2020-21, exports in this segment hovered in the range of \$73-83 billion. In 2021-22, they jumped to \$112.2 billion and have remained above \$100 billion since.

According to the latest data, India drugs and pharmaceuticals are reaching over 200 coun-

tries now and since 2014-15, the exports are rising continuously

In the agri sector, key commodities that recorded healthy growth rates include spices, coffee, tea, tobacco, rice, fruits and vegetables, and marine products.

Spice shipments rose marginally to \$4.45 billion in 2024-25 from \$4.25 billion in 2023-24. Key export destinations included China, the US, the UAE, Bangladesh, and Thailand, with products like chilli, cumin, turmeric, and ginger leading the basket.

On the other hand, India's coffee exports rose to \$1.81 billion from \$1.29 billion in 2023-24. The country, which is the seventh largest coffee producer globally, exported mainly robusta coffee to countries like Italy, Russia, Germany, the UAE, Belgium, and the USA.

India's rice exports touched a record high of \$12.5 billion in FY25 from \$10.4 billion in 2023-24, maintaining the country's position as the top global exporter with nearly 40% market share.

Key destinations included Saudi Arabia, Iran, Iraq, the UAE, the USA, and Yemen.

Exports of fruits and vegetables reached \$3.9 billion from \$3.7 billion in 2023-24. India exported grapes, pomegranates, mangoes, bananas, oranges, onions, potatoes, tomatoes, mixed vegetables, and green chillies under the two categories.

Bangladesh, the UAE, the Netherlands, Nepal, and Malaysia were among the largest importers.

Marine product exports were valued at \$7.2 billion in FY25. The number of countries importing Indian marine products also rose from 105 in 2014-15 to 130 in 2024-25. ■

## Sectoral Growth in Exports

**Mobile phone exports at \$15.6 bn in 2023-24 from \$0.2 bn in 2014-15**

**Pharma exports at \$27.85 bn in 2023-24 from \$15.07 bn in 2013-14**

**Engineering goods exports at \$109.32 bn in 2023-24 from \$62.26 bn in 2013-14**

**Agricultural exports at \$48.15 bn in 2023-24 from \$22.70 bn in 2013-14**



## MACRO WATCH

**India poised to remain fastest growing major economy in FY26: RBI**

Written using agency reports

The Indian economy is poised to remain the fastest-growing major economy in 2025-26 by leveraging its sound macroeconomic fundamentals, robust financial sector and commitment towards sustainable growth, the Reserve Bank of India said in its annual report.

This comes when the global financial market volatility, geopolitical tensions, trade fragmentation, supply chain disruptions and climate-induced uncertainties pose downside risks to the growth outlook and upside risks to the inflation outlook, reported *The Economic Times*.

India remained the fastest-growing large economy despite the country's real GDP growth moderating to 6.5% in 2024-25.

As per the central bank, India's economic activity was bolstered by an improvement in consumption demand and net exports on the expenditure side and a buoyant services sector and recovery in agricultural production on the supply side. "The outlook for the Indian economy remains promising in 2025-26, supported by a revival in consumption demand, government's continued thrust on capex while adhering to the path of fiscal consolidation."

The report also highlighted other contributors to the positive outlook, including the resilience of the services sector, growing consumer and business optimism, and overall sound macroeconomic fundamentals.

The central bank noted that the National Manufacturing Mission, announced in the Union Budget 2025-26, is expected to further strengthen the 'Make in India' initiative, boosting the manufacturing sector and creating employment opportunities.

RBI also mentioned that India's engagement

in global trade has also been growing. "India's participation in 14 free trade agreements and six preferential trade agreements, along with the new trade deals under negotiation with the US, Oman, Peru and the European Union may support growth in trade." ■

**Indian economy projected to grow at 6.5% in FY26: CII president**

Written using agency reports

India's GDP is projected to grow at 6.5% in the current fiscal and the country's economy is resilient enough to overcome the short-term impact of geopolitical issues, CII President Sanjiv Puri has said.

In an interview with PTI, he asserted that the country must pursue bilateral trade pacts with key trading partners to protect national interests in the backdrop of increasing trade barriers.

Highlighting that the private investment is picking up across various sectors like energy, transportation, metals, chemicals and hospitality, Puri said the current geopolitical uncertainties could lead to "some cautiousness" in investment.

On the economic growth projection for India, he said, "We are looking at 6.5%. We believe this number can be achieved fundamentally, because the fact is, we are starting with a reasonably good foundation, robust economic foundation. In the recent past, interest rates have eased. Inflation is becoming benign. There is this personal income tax concession taking in from the first of April. Investments picked up in public and private space in the latter half of last year."

On the high tariffs proposed by US President Donald Trump on several key economies and the trend of rising protectionism globally, Puri acknowledged that "more and more barriers to trade are coming in right now", suggesting that India should do bilateral trade agreements which are mutually beneficial and in the national interest. "Therefore, the countries that India is pursuing, and the big ones among them, being the US and EU, are important. We should do whatever we have to do from a national interest



**"The domestic drivers of growth and competitiveness are where we should really press the pedal hard so these can kind of offset some of the uncertainties"**

**SANJIV PURI**  
CII President



perspective, and I think, most important is these bilateral trade agreements.”

He also recommended the creation of a three-tier tariff architecture for certain areas to enhance competitiveness.

“These domestic drivers of growth and competitiveness are where we should really press the pedal hard so these can kind of offset some of the uncertainties. I think further interest rate easing is another expectation,” Puri said. ■

## Investors show strong faith in India's economy, PM's policies: Vaishnaw

Written using agency reports

Investors have continued to exude a high level of confidence in India's economy, the Prime Minister's policy and the country's talent, Union Minister Ashwini Vaishnaw said.

The minister was responding to a question on investor sentiment after the India-Pakistan military standoff. He was speaking on the sidelines of the inauguration of a new design centre by the Japanese semiconductor company Renesas. “There is a very high level of confidence about our country's economy, about our Prime Minister's policies, about the excellent talent that we have in our country, and the way, the measured, the calibrated way by which our economy is growing,” Vaishnaw said in response to question the mood of investors after heightened tension between India and Pakistan following their four-day military confrontation. “Everybody wants to come to India at a much faster pace.”



**“There is a very high level of confidence about our country's economy, about our Prime Minister's policies, about the excellent talent that we have in our country, and the way, the measured, the calibrated way by which our economy is growing”**

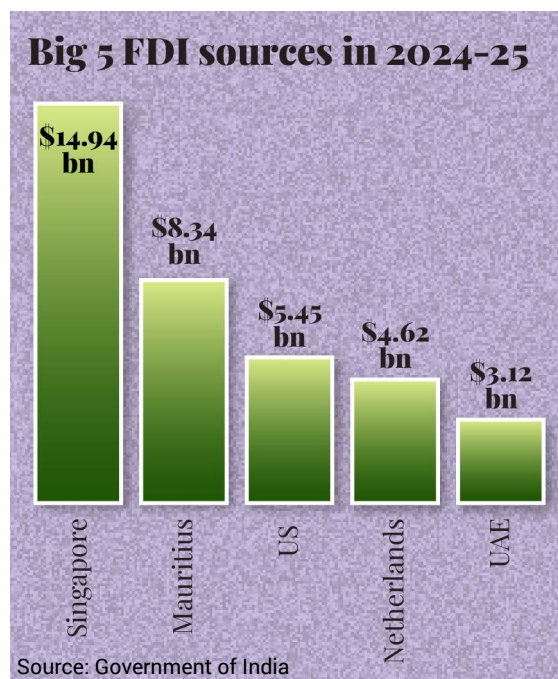
**ASHWINI VAISHNAW**  
Union Minister of I&B and MeITY

The minister said that Renesas has started a new semiconductor design centre in Noida which will mark the beginning of design for the world's smallest chip in the country.

“The key point about this centre is, for the first time in our country, three nanometer chips, which are the most advanced, will be designed here in India end-to-end,” Vaishnaw said. ■

## FDI inflows up at 13% to \$50 bn in FY25, says govt

Written using agency reports



Foreign direct investment (FDI) in India grew 13% at \$50 billion during FY25, according to government data. FDI inflows during Q4FY24 stood at \$12.38 billion. These were \$44.42 billion in FY24.

Total FDI, which includes equity inflows, reinvested earnings and other capital, grew by 14% to \$81.04 billion during the last financial year. It is the highest in the last three years. The same stood at \$71.3 billion in 2023-24.

During 2024-25, Singapore emerged as the largest source of FDI with \$14.94 billion inflows. It was followed by Mauritius (\$8.34 billion), the US (\$5.45 billion), the Netherlands (\$4.62 billion), the UAE (\$3.12 billion), Japan (\$2.47 billion), Cyprus (\$1.2 billion), UK (\$795 million), Germany (\$469 million), and Cayman Islands (\$371 million). However, the data showed that when compared to 2023-24, the inflows had declined from the Netherlands, Japan, the UK, and Germany.

Sectorally, inflows rose in services, trading, telecommunication, automobile, construction development, non-conventional energy and chemicals. However, it has contracted in computer software and hardware, construction (infrastructure activities), and pharmaceuticals. ■



## GREEN MUSCLE

## CIL to set up \$3 bn worth clean energy projects

Written using agency reports

Coal India will set up clean energy projects of around 4.5 gigawatts at a cost of Rs 250 billion (about \$3 billion), it said on Thursday, as it aims to achieve net zero carbon emissions from its operations.

The state-owned miner has been diversifying beyond coal, which is still key for the country's power needs, as a part of the wider national aim to achieve net zero carbon emissions by 2070.

The coal giant targets to supply clean energy through solar and wind energy projects to the upcoming green ammonia facilities of AM Green Ammonia (India). It did not give a date for building these projects.

AM Green, in which the founders of India's Greenko Group have large stakes, targets to produce 5 million tons per annum (MTPA) of green ammonia by 2030.

Coal India's clean energy projects come amid its drive to expand its coal-powered capacity, and at a time when electricity demand in the country has been increasing thanks to climate change and increasing industrialisation.

India aims to raise its coal-fired capacity by 80 gigawatts by 2031-32, from the current 222 GW, to meet growing demand for power, and, in parallel, the country is also aiming to add at least 500 GW of clean energy by 2030, against 172 GW currently. ■



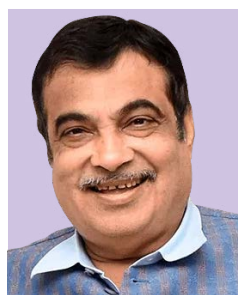
## PATH TO PROGRESS

## Rs 10 trn to upgrade 30k km of highways: Gadkari

Written using agency reports

Union minister Nitin Gadkari said that infrastructure development is key to making India a strong economic power, and the highways ministry has taken a decision to convert 25,000-30,000 km two-lane highways into four lanes at an investment of Rs 10 trillion.

Addressing an event, Gadkari further said that the Ministry of Road Transport and Highways (MoRTH) will now encourage the Infrastructure Investment Trust (InvIT) model to raise money for highway projects from Indian investors.



**“To make India a strong economic power, infrastructure is key... We have taken a decision to convert 25,000-30,000 km two-lane highways in the country into four lanes for Rs 8-10 trillion”**

**NITIN GADKARI,**  
Union Minister for  
Road Transport and  
Highways

“To make India a strong economic power, infrastructure is key... We have taken a decision to convert 25,000-30,000 km two-lane highways in the country into four lanes for Rs 8-10 trillion,” he said.

The road transport and highways minister further said his dream is to complete road projects worth Rs 5-6 trillion every year.

Infrastructure Investment Trust (InvIT) is an instrument on the pattern of mutual funds, designed to pool money from investors and invest in assets that will provide cash flows over a period of time.

Gadkari also said the government is working to revise the BOT model (annuity) for the construction of roads, under which the highways ministry will collect tolls for 15 years, and share part of it with concessionaires. “And maintenance of highways for 15 years will be done by contractors,” he said.

BOT projects provide the risk of financing, building and operating highway projects with a concession period of 20-30 years.

“The quality of highways constructed under the EPC model is not good when compared to highways constructed under the BOT model,” he said.

The minister further said that there is no problem if the toll increases by 10%. However, if it (toll) goes beyond 10% the concessionaires must share 50% of the additional with the government.

Gadkari, who is known for his frank views, said he will not tolerate contractors who make cartels for getting highway projects. ■

### GROWTH PARTNER

## Co-living sector to see 1 mn beds by 2030, says Colliers India

Written using agency reports

The co-living segment inventory is set to reach one million beds by 2030 in India, up from around 300,000 beds, on rising demand and rapid migration to cities, according to a report by Colliers India.

This comes after the segment faced a temporary lull in demand during the Covid pandemic. “The resurgence of the sector is being fuelled by rapid urbanisation and migration to cities, especially amongst students and young professionals who continue to seek flexible, relatively affordable, and hassle-free housing options,” the report added.

According to the report, the current demand for co-living beds is estimated to be 6.6 million and is forecast to reach 9.1 million by 2030. It adds that the Rs 40 billion Indian co-living market can grow over five times and reach close to Rs 200 billion by 2030.

Badal Yagnik, chief executive officer at Colliers India, said that with rapid urbanisation and a high proportion of migrant population such as students and young working professionals, the demand for organised rental housing, especially co-living, is likely to witness strong growth. “Significant upside potential is anticipated to provide thrust to investor participation and operator expansion in the co-living sector,” he added.

With the inventory set to reach close to one million beds by 2030, co-living penetration rates are expected to improve from 5% to over 10% by the end of the decade.

While leading operators continue to consolidate their presence in the tier-1 cities, the report suggests that the segment is also witnessing a steady expansion into select tier-2 markets such

as Indore, Coimbatore, Chandigarh, Jaipur, Visakhapatnam, and Dehradun.

A significant opportunity for the segment remains tapping the demand–supply gap in student housing. ■

### LEARNING PUSH

## Cabinet approves Rs 118 bn expansion of five IITs

Written using agency reports

The Union Cabinet approved the expansion of academic and infrastructure capacity at five third-generation Indian Institutes of Technology (IITs), adding 6,500 seats over the next four years.

The plan includes expansion at IITs set up after 2014 — Bhilai, Dharwad, Jammu, Palakkad and Tirupati — for Rs 118.29 billion between FY26 and FY29. “On completion of construction, these five IITs shall cater to 13,687 students, against the current strength of 7,111 students — an increase of 6,576 seats,” said a Cabinet press note.

The expansion of capacity is expected to take place in a graded manner, with student strength in these IITs to be increased by 1,364 students in the first year. This will be followed by an addition of 1,738 seats in the second year, 1,767 in the third, and 1,707 in the fourth.

The Cabinet also approved the creation of 130 faculty posts, at the level of professor (level 14 and above) at the five IITs. “Employment will be generated by hiring faculty, administrative staff, researchers, and support personnel to manage the increased number of students and facilities,” the note stated. “The additions will be across undergraduate (UG), postgraduate (PG) and PhD programmes put together.”

The Centre will also work on five new state-of-the-art research parks for better industry-academia linkage. “The increased number of graduates and postgraduates from IITs further fuel innovation and startup ecosystems, contributing to employment generation across diverse sectors,” the Cabinet stated. ■



### Co-living Bed Demand

6.6 mn now

9.1 mn by 2030

### Indian Market

Rs 40 bn now

Rs 200 bn by  
2030



IIT Palakkad



## Cabinet approves Rs 600 bn ITI upgradation plan

Written using agency reports

The Union Cabinet approved a Rs 600 billion Industrial Training Institute (ITI) upgradation scheme, with focus on 1,000 government ITIs in hub and spoke arrangement with industry aligned revamped trades.

This scheme, which was announced in the Union Budget 2024-25, would run for a period of five years.

The Centre would contribute Rs 300 billion, state's share would be Rs 200 billion and industry would pitch in with Rs 100 billion. The funding would also include co-financing to the extent of 50% of the central share by the Asian Development Bank and the World Bank, equally.



**2 mn youth to be trained**

**Scheme focus on aligning workforce supply and industry demand**

**33 institutes in the country**

“The financial assistance provided under various schemes in the past was suboptimal to meet the full upgradation needs of ITIs, particularly in addressing growing investment requirements for infrastructure upkeep, capacity expansion, and the introduction of capital-intensive, new-age trades. To overcome this, a need-based investment provision has been kept under the proposed scheme, allowing flexibility in fund allocation based on the specific infrastructure, capacity, and trade-related requirements of each institution,” according to an official statement issued after the Cabinet meeting.

The first NSTI opened in 1963, and currently, there are 33 such institutes in the country. The primary focus of NSTIs is on training trainers.

The ITI upgradation scheme aims to skill over 2 million youth through courses that address the human capital needs of industries. The scheme will focus on ensuring alignment between local workforce supply and industry demand, thereby facilitating industries, including MSMEs, in accessing employment-ready workers.

“By addressing long-standing challenges in infrastructure, course relevance, employability, and the perception of vocational training, the scheme aims to position ITIs at the forefront to cater to skilled manpower requirements, aligned to the nation's journey to becoming a global manufacturing and innovation powerhouse,” the statement said. ■

## WATER SOLUTION

### IWAI signs MoU with Rhenus to increase cargo on national waterways

Written using agency reports

Inland Waterways Authority of India (IWAI), under the Ministry of Ports, Shipping and Waterways (MoPSW), has signed a memorandum of understanding (MoU) with Rhenus Logistics India Private Limited to operate their barge services in various national waterways in India. Rhenus Logistics is a Germany-based international logistics service provider operating globally in more than 70 countries with an annual turnover of EUR 8.2 billion.

The agreement was signed in the presence of Minister of Ports, Shipping and Waterways Sarbananda Sonowal in New Delhi. T.K. Ramachandran, Secretary, MoPSW; Vijay Kumar, Chairman, IWAI, along with other senior officials of the Authority and representatives of Rhenus Logistics India were present at the occasion.

Under the MoU, Rhenus Logistics will deploy 100 cargo vessels along with pusher tugs in a phased manner along NW-1, NW-2, NW-16 and the Indo-Bangladesh Protocol (IBP) routes. During the Phase-I, which will start from the third quarter of 2025, about 20 barges and six pusher tugs are expected to be deployed in these waterways.

A combination of pushers and barges, to suit low-draft navigation in waterways, will be used to transport both bulk and break-bulk cargo across North and East India, North-East India, and subsequently to neighbouring countries. The operations will gradually be scaled up to include other national waterways in the country. ■



## MAKE IN INDIA

**India aims to double share of manufacturing in GDP: FM**

Written using agency reports

**F**inance Minister Nirmala Sitharaman said India plans to increase the share of the manufacturing sector from 12% to 23% over the next two decades, aiming to create jobs and drive economic growth.

India is focussing on 14 identified sunrise sectors such as semiconductors, renewable energy components, medical devices, batteries and labour intensive industries, including leather and textile, to enhance the share of manufacturing in GDP, she said while speaking at Hoover Institution at Stanford University California.

For India, she said, “scaling up manufacturing is essential to absorb a youthful workforce, reduce import dependencies and build competitive global supply chains”.

Observing that the world is undergoing a complete reset with regard to manufacturing in the view of industrial revolution 4.0, she said, India, too, is witnessing changes.

“In India's GDP, the service sector's contribution is about 64% and if that is one side, at the lower end, the gig economy's growth is rapid. In fact, if 7.1 million people are in the gig economy today, as of 2021-22 data, we expect that to go to 230 million by 2030. That's not manufacturing,” she said.

“So the service sector disproportionately contributes both to the GDP and to employment but that's not to say manufacturing should be left aside. We have been hoping to increase the contribution of manufacturing from 12% to about 22-23%,” she said, replying to a question as to what share of jobs the manufacturing sector will account for in the next decade, or by 2047.

The government has identified 14 sunrise sectors to strengthen manufacturing and introduced the production-linked incentive (PLI) scheme to promote them.

For long-term growth, the minister said, manufacturing emerges as a key engine for transformation. “Manufacturing has historically been a cornerstone of the economic transformation of nations from 19th century Britain to 21st century East Asia. It creates a forward and backward linkages, catalyses skilling and pushes demand for infrastructure and governance reforms,” she said.

On the recent tariff-related actions by the Trump administration in the US and its impact on India, Sitharaman said when there is stability in government, consistency in policy, a predictability in tax regime, investments and growth can be planned and executed to a large extent. ■

## GREEN MINING

**Adani deploys India's 1st hydrogen-powered truck for mining logistics**

Written using agency reports

**A**dani Enterprises has deployed India's first hydrogen-powered truck for mining logistics in Chhattisgarh, equipped with smart technology and three tanks that can carry 40 tonnes of cargo for 200 km.

Chhattisgarh Chief Minister Shri Vishnu Deo Sai flagged off the first truck in Raipur. It will be used to transport coal from the Gare Pelma III Block to the state's power plant.

The state-owned Chhattisgarh State Power Generation Company Limited has appointed Adani Enterprises as the mine developer and operator for the Gare Pelma III block through a competitive bidding process.

“The launch of India's first hydrogen-powered truck in Chhattisgarh reflects the state's commitment to sustainability. Such initiatives will significantly reduce our carbon footprint and set a new standard for industry. Chhattisgarh is not only at the forefront in meeting the country's electricity demands, but also leads by example in adopting sustainable practices,” said the chief minister.

With an aim to promote cleaner transportation, the group is developing hydrogen fuel cell battery-operated trucks, equipped with smart technology, for cargo transport in collaboration with an Indian and international energy technology firm, and a major auto manufacturer, according to a statement issued by the company.

Hydrogen, the most abundant element, produces no harmful emissions. Hydrogen fuel cell vehicles match diesel trucks in range and load capacity but emit only water vapour and warm air, with minimal noise.

Since mining mainly uses diesel-powered







### Chhattisgarh Chief Minister Shri Vishnu Deo Sai flags off the hydrogen-fuelled truck in Raipur

machinery, switching to cleaner fuels will reduce emissions and noise. It will also help lower India's crude oil imports and carbon footprint. ■

#### DEFENCE MUSCLE

### India's 1st anti-submarine warfare shallow water craft delivered

Written using agency reports

'Arnala', the first of the eight anti-submarine warfare shallow water craft (SWC), indigenously designed and built by Garden Reach Shipbuilders and Engineers (GRSE), Kolkata, has been delivered to the Indian Navy.

The warship has been designed and constructed as per the Classification Rules of Indian Register of Shipping (IRS) under a PPP of GRSE with L&T Shipyard, thus demonstrating the success of collaborative defence manufacturing. The 77 m warship is the largest Indian Naval warship propelled by a diesel engine-waterjet combination.

The ship has been designed for underwater surveillance, search & rescue operations and low intensity maritime operations (LIMO). The ship is capable of undertaking ASW operations in coastal waters, along with advanced mine laying capabilities. The induction of ASW SWC ships would significantly boost shallow water Anti-Submarine Warfare capabilities of the Indian Navy. ■

### New BrahMos supersonic missile plant inaugurated in Lucknow

Written using agency reports

Defence Minister Rajnath Singh and Uttar Pradesh Chief Minister Yogi Adityanath have inaugurated the BrahMos Aerospace plant in Lucknow.

Rajnath Singh, who joined the event virtually from New Delhi, said that BrahMos is among the

fastest supersonic cruise missiles in the world. "BrahMos is not just a weapon. It is a message of the Indian armed forces' strength, deterrence capability, resilience, and commitment to safeguarding our borders," he said.

The Rs 3 billion facility, part of the Uttar Pradesh Defence Industrial Corridor (UPDIC), was launched on National Technology Day, marking the anniversary of India's 1998 nuclear tests at Pokhran. The unit aims to produce 80 to 100 supersonic cruise missiles each year.

BrahMos Aerospace is a joint venture between India's Defence Research and Development Organisation (DRDO) and Russia's NPOM, aimed at developing next-generation supersonic missiles for domestic and export markets.

Singh outlined the vision to develop Uttar Pradesh into a major hub for defence manufacturing and military exports, supporting India's goal of achieving defence self-reliance.

Singh also inaugurated a second defence unit, Aerolloy Technologies Limited (ATL), a subsidiary of Lucknow-based PTC Industries, which specialises in titanium and superalloy components for aerospace and defence applications.

The UPDIC, spread across Lucknow, Kanpur, Jhansi, Chitrakoot, Aligarh, and Agra, aims to attract investments to the tune of Rs 500 billion.

So far, 57 MoUs worth nearly Rs 300 billion have been signed with major players like Bharat Dynamics, Adani Defence, Godrej, and L&T. Key products include UAVs, drones, small arms, and aircraft. ■



### DRDO developing humanoid robot to reduce risk for troops

Written using agency reports

Scientists at the Defence Research and Development Organisation (DRDO) are working on a humanoid robot that can be part of a frontline military mission, according to a PTI report.

The Research and Development Establishment (Engineers), a key lab under the DRDO, is developing a machine that can carry out complex tasks under direct human command, aiming to reduce troop exposure in high-risk environments, an official said in the report.

Talking to PTI, S E Talole, group director at the Centre for Systems and Technologies for Advanced Robotics within the R&DE (Engineers), said the team has been engaged in the project for four years. "We've developed separate prototypes for the upper and lower body and have successfully achieved certain functions during internal trials," he said, adding that the humanoid will be able to function on tough terrains like jungles.

The robot was recently showcased at the National Workshop on Advanced Legged Robotics held in Pune (*pictured*).

Currently in its advanced development phase, the team is focusing on refining the robot's ability to understand and execute operator commands.

The system relies on three key components: actuators that generate movement like human muscles, sensors that collect real-time data from the surroundings, and control systems that interpret this information to guide actions.

Researchers are concentrating on these aspects as they move towards completing the project by 2027, said Kiran Akella, a scientist leading the design team.

DRDO officials said legged robots, both bipedal and quadrupedal, offer immense potential in defence and security and sectors like healthcare, domestic assistance, space exploration, and manufacturing. However, creating autonomous, efficient-legged robots comes with significant technological hurdles, they said.

Scientists explained that the humanoid's upper body would feature lightweight arms with a spherical revolute joint configuration, offering 24 degrees of freedom in each arm, 4 in the gripper, and 2 in the head.

The robot will be able to perform complex autonomous tasks with closed-loop gripping and manipulate objects by turning, pushing, pulling, sliding doors, opening valves, and overcoming obstacles, especially in high-risk environments, they said.

The system will operate seamlessly day or night, indoors or outdoors, and incorporate proprioceptive and exteroceptive sensors, data fusion capabilities, tactical sensing, and audio-visual perception. ■



## WAFER BUILDING

### India's first 3nm chip design facility inaugurated

Written using agency reports

The Union Minister for Electronics & Information Technology, Railways, and Information & Broadcasting, Ashwini Vaishnaw, inaugurated India's first design centre to work on cutting-edge 3 nanometer chip design centres.

The two new design facilities of Renesas Electronics India Private Limited are located in Noida and Bengaluru. This is a milestone that places India firmly in the global league of semiconductor innovation. "Designing at 3nm is truly next-generation. We've done 7nm and 5nm earlier, but this marks a new frontier," he said.

He said that the inauguration of this major Semiconductor Design Centre in Uttar Pradesh is a critical step towards developing a pan India ecosystem that harnesses the rich talent available across the country.

The Union Minister added, over 270 academic institutions that have already received advanced EDA (Electronic, Design, Automation) software tools under the India Semiconductor Mission will also receive these hands-on hardware kits.

"This integration of software and hardware learning will create truly industry-ready engineers. We are not just building infrastructure but investing in long-term talent development," he said. ■

### Cabinet approves semiconductor unit in Uttar Pradesh

Written using agency reports

The Union Cabinet chaired by the Prime Minister Narendra Modi has approved the establishment of one more semiconductor unit under the India Semiconductor Mission. The new semiconductor unit will attract investment of Rs 37 billion.

The unit is a joint venture of HCL and Foxconn. They will set up a plant near Jewar airport in Yamuna Expressway Industrial Development Authority or YEIDA. This plant will manufacture display driver chips for mobile phones, laptops, automobiles, PCs and devices that have displays. The plant is also designed for 20,000 wafers per month. The design output capacity is 36 million units per month.

Already five semiconductor units are in advanced stages of construction. With this sixth unit, India moves forward in its journey to develop the strategically vital semiconductor industry. Students and entrepreneurs in 270 academic institutions and 70 startups are working on world-class latest design technologies for developing new products. ■



## WHEELS IN MOTION

**India leads electric 3-wheeler market with 20% rise in sales: IEA**

Written using agency reports

India continues to be the world's largest market for electric three-wheelers for a second year in a row as sales rose nearly 20% to reach about 700,000 vehicles in 2024, the International Energy Agency (IEA) said in a report.

In its Global EV Outlook 2025, the Paris-based energy watchdog said India continues to drive most growth in the global electric three-wheeler market.

Despite the global three-wheeler (3W) market shrinking 5% from the previous year, electric 3W sales grew more than 10% to surpass 1 million vehicles in 2024. Electric 3W sales represented almost one-quarter of all 3W sales, up from one-fifth in 2023, it said.

The market is highly concentrated, with China and India together accounting for more than 90% of electric and conventional 3W sales.

"Electrification of 3Ws in China has stagnated at less than 15% over the past three years. In 2023, India overtook China

to become the world's largest market for electric 3Ws, and it maintained this position in 2024, with sales growing close to 20% year-on-year to reach nearly 700,000 vehicles," it said.

This translated into a record 57%

electric sales share in 2024, 3% up on the previous year.

This growing trend, it said, looks set to continue thanks to policy support under the new PM E-DRIVE scheme, which allocated budget in 2024 to support the roll-out of more than 300,000 electric 3Ws for commercial use - for which the total fleet (electric and ICE) was estimated at more than 10 million vehicles in 2023.

IEA said China, India and Southeast Asia remain the world's largest 2/3W markets, accounting for around 80% of 2024 global sales. "India's increasingly dynamic electric 2W market hosted a total of 220 OEMs in 2024, up from 180 in 2023, although the four market leaders accounted for a combined 80% of the 1.3 million electric 2Ws sold in the country in 2024 (6% of the overall 2W market)," the report said.

While the upfront purchase price of electric 2Ws remains higher on average than that of conventional 2Ws, increasing competition is prompting OEMs to offer more affordable

electric models.

On the manufacturing side, the 80 largest electric 2W makers in India accounted for a combined production capacity of 10 million electric 2Ws in 2024, almost 8 times the domestic sales that year. The capacity is expected to increase to 17 million electric 2Ws in the near term, if all OEM announcements come to fruition. ■

## TECH SHIFTS

**Human space mission in final phase: Jitendra Singh**

Written using agency reports

India's first human space mission, the Gaganyaan programme, has entered its final phase, with the first human spaceflight scheduled for the first quarter of 2027, said Union Minister of State (Independent Charge) for Science and Technology; Earth Sciences and Minister of State for PMO, Department of Atomic Energy, Department of Space, Personnel, Public Grievances and Pensions, Jitendra Singh.

Successful completion of the test vehicle (TV)-D1 mission and the first uncrewed test vehicle abort mission earlier this year have laid a strong foundation for the upcoming test schedule. The second TV-D2 is slated for later in 2025, followed by the uncrewed orbital flights of Gaganyaan. These milestones will culminate in India's maiden human spaceflight in 2027, launching Indian astronauts into orbit aboard an Indian rocket from Indian soil.

Calling it a "historic mission," Singh underlined that the Gaganyaan programme goes far beyond scientific achievement. "It represents India's rise as a global space power built on indigenous technology, fiscal prudence, and visionary political leadership," he said.

The minister said that the four Indian Air Force pilots, selected as astronaut-designates, have completed training in Russia and are undergoing further mission-specific training in India.



**The four Indian Air Force pilots who have been selected as astronaut-designates**



Their health, psychological fitness, and simulation-based operational readiness are being continuously assessed at India's astronaut training facility. ■

## India to launch 52 spy satellites over five years: INSPACE chairman

Written using agency reports

India will put in orbit a constellation of 52 satellites over the next five years to step up space-based surveillance capabilities, Pawan Kumar Goenka, Chairman, Indian National Space Promotion and Authorisation Centre (IN-SPACe) said.

He said the move will see strong participation from the private sector. Speaking to PTI on the sidelines of the Global Space Exploration Conference 2025, Goenka said, "We have fairly strong capabilities already. It is just that it needs constant enhancement."

He said the plan is intended at increasing surveillance capabilities of the defence sector.

"So far, this was primarily done by ISRO (Indian Space Research Organisation). We will bring in the private sector as we move forward," he said. The satellites will help the Indian Army, Navy and Air Force track enemy movements, monitor borders, and improve real-time coordination during military operations.

"The private sector will deliver half of the 52 satellites, while the rest will be built by ISRO," said Goenka, who heads the space sector regulator. ■



## Gross expenditure on R&D more than doubled to Rs 1.27 trn

Written using agency reports

Budgetary allocations for gross expenditure on research and development (GERD) have more than doubled, from Rs 600 billion to Rs 1.27 trillion, along with over a 100% increase in DST and DBT budgets. Most of the technologies used today in defence are indigenously developed, says Union Minister Jitendra Singh.

During his address at National Technology day celebration the Union Minister of State (Independent Charge) for Science and Technology said that India's impressive leap in the Global

Innovation Index, moving from the 81st to the 39th position, and the fact that nearly 56% of patents are now filed by resident Indians demonstrate a surge in domestic innovation.

India has also emerged as the third-largest startup ecosystem in the world, fostering entrepreneurship and technological advancement.

In the defence sector, exports have seen a substantial rise from Rs 20 billion to Rs 160 billion, showcasing the strength of indigenous capabilities. The space sector budget has nearly tripled, driven by the opening up of the sector to private participation. ■

## BONE STRENGTH

## India's ortho implant sector may hit \$5 bn by FY28

Written using agency reports

India's orthopaedic and cardiac implant sector is expected to reach \$4.5-5 billion by 2027-28, mainly driven by strong domestic demand and gradually growing exports, a report by CareEdge said.

Currently, the orthopaedic and cardiac implant sector, including exports, stood at \$2.4-2.7 billion in FY24, according to a report by CareEdge Ratings.

The growth in the sector is led by increasing per capita income, greater healthcare awareness, ageing population, expanding healthcare infrastructure, and broadening insurance coverage, it stated.

The report said that domestic manufacturers have grown at a faster pace than the dominant foreign MNCs in recent years, aided by their price competitiveness and a gradual build-up of an efficacy and safety track record.

The segment is dominated by the presence of foreign multinational companies, which largely import the implants and sell them in India as the implant business requires strong technological capabilities, a proven track record of safety and efficacy, a broad marketing and distribution network, and a robust post-sales support system.

However, India is gradually reducing its dependence on imports as sales of home-grown implant manufacturers have grown at a compound annual growth rate (CAGR) of 28% (including a CAGR of 37% for exports) during the four years ended FY24, outpacing the sales CAGR of 12% for foreign multinational corporations (MNCs) during the same period.

The sales volume growth of domestic entities was even higher, driven by their competitive pricing and increased participation in government-sponsored insurance schemes.

Over the past few years, Indian manufacturers have not only challenged foreign MNCs in the domestic market but are also gradually venturing into the export market, added the report. ■



# Bilateral Developments

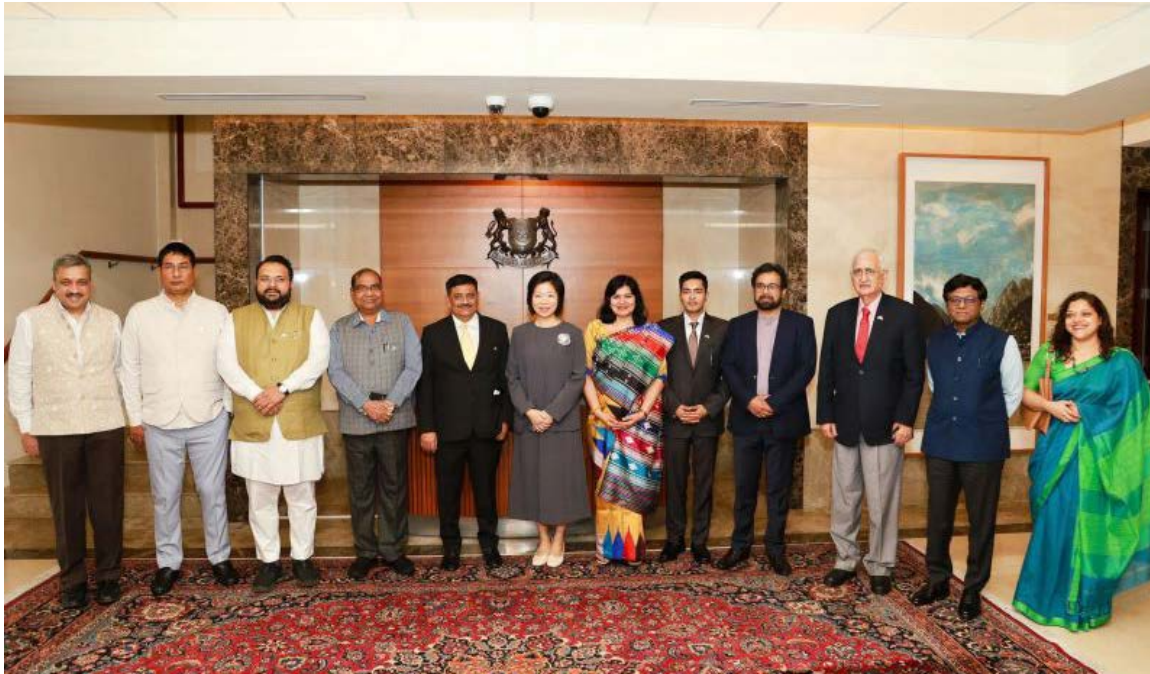
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## All-party parliamentary delegation visits Singapore

An all-party parliamentary delegation led by Hon'ble MP Shri Sanjay Kumar Jha arrived in Singapore in the last week of May 2025. The delegation met Singapore's ministers, Members of Parliament, representatives of think tanks, academia, businesses, media and the Indian community to convey India's national consensus and collective resolve against terrorism.

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## India & Singapore sign authorised economic operator pact

India and Singapore signed the Authorised Economic Operator Mutual Recognition Arrangement on May 20, 2025, on the sidelines of the Regional Heads of Customs Administrations (RHCA) meet in Hong Kong. The arrangement is expected to boost trusted trade and regional supply chain security.



## GFF2025 International Dialogue

The Singapore chapter of the GFF2025 International Dialogue was held on May 9, 2025, at the Pan Pacific Singapore, bringing together leading voices in fintech for an evening focused on the future of payments and partnerships. The event featured a keynote address by H.E. Dr. Shilpak Ambule, High Commissioner of India to Singapore, who highlighted the deepening fintech collaboration between India and Southeast Asia. Mr. Amrish Rau, CEO of Pine Labs, shared insights into India's fintech evolution that paved the way for a high-level panel on real-time payments. Leaders from MAS, DBS Bank and Mastercard were present at the event. The discussion spotlighted regional innovation, global interoperability and scalable cross-border collaboration. The event also offered a preview of GFF2025, themed "Empowering Finance for a Better World – Powered by AI," and concluded with vibrant networking that fostered new partnerships on the Singapore-India fintech corridor.



# Forthcoming Events In India

17

## I. 3rd edition of the Uttar Pradesh International Trade Show (UPITS)

**Date & Venue:** September 25-29, 2025;  
The India Expo Centre & Mart  
in Greater Noida  
**Organiser:** The PHD Chamber of  
Commerce and Industry  
(PHDCCI) and the Government  
of Uttar Pradesh

**Contact:** [upits@indiaexpocentre.com](mailto:upits@indiaexpocentre.com)

**Details:** The Department of Micro, Small & Medium Enterprises and Export Promotion, Government of Uttar Pradesh, is organising the 3rd edition of the Uttar Pradesh International Trade Show (UPITS) from September 25-29 of 2025.

**Website:** <https://upinternationaltradeshow.com/links/>

## II. iPHEX-2025: India's Mega Pharma Exhibition & B2B

**Date & Venue:** September 4 to 6, 2025;  
Bharat Mandapam, Delhi, India  
**Organiser:** The Pharmaceuticals Export  
Promotion Council of India  
(Pharmexcil)  
**Contact:** [rbsm@iphex-india.com](mailto:rbsm@iphex-india.com)

Promotion Council of India (Pharmexcil), supported by the Department of Commerce, is inviting nominations for importers, distributors and government procurement officials to participate in the 11th edition of iPHEX, India's premier pharma Exhibition and B2B event. The exhibition will take place from September 4 to 6, 2025, at Bharat Mandapam, Delhi, India.

**Website:** [https://hcikl.gov.in/pdf/press/iPHEX%202025%20\(11th%20Edition\).pdf](https://hcikl.gov.in/pdf/press/iPHEX%202025%20(11th%20Edition).pdf)

**Details:** The Pharmaceuticals Export

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