

INDIA FOCUS



Jan Dhan Yojana plays crucial role in development of marginalised communities

NIRMALA SITHARAMAN,
Finance Minister

Centre and states can work together for greater employment opportunities

PIYUSH GOYAL,
Minister of Commerce & Industry



INSIDE

PICTURE GALLERY

Prime Minister's Visit to Singapore (Sept 4-5, 2024)

PAGE 14

Bilateral Developments
Invest India Office Inauguration



PAGE 15

Make in India scheme completes 10 years

PAGE 04

World Bank forecasts India's growth at 7% in FY24-25

PAGE 05

India's solar energy capacity jumped 33-fold in a decade: PM

PAGE 07

India Semiconductor Mission gets another unit

PAGE 11

Economic corridor to add to India's maritime security: Goyal

PAGE 13

India, Singapore ink pacts on semiconductor, digital tech

Both nations elevate ties to Comprehensive Strategic Partnership



As India and Singapore gear up to celebrate the 60th anniversary of the establishment of diplomatic relations next year, Prime Minister Narendra Modi visited Singapore to strengthen the diplomatic relationship between the two countries and take it to a higher level of a "Comprehensive Strategic Partnership".

Both the countries announced the signing of a key bilateral pact to cooperate in the field of semiconductors, during the Prime Minister's two-day visit. In his X page, Modi said: "My visit to Singapore has been a very fruitful

Prime Minister of Singapore Lawrence Wong welcomes Prime Minister of India Narendra Modi to Singapore

PILLARS OF COOPERATION

- Advanced Manufacturing
- Connectivity
- Digitalisation
- Healthcare & Medicine
- Skills Development
- Sustainability



Singapore's semiconductor industry

contributes 7-8% of country's GDP

contributes 10% of global output

Prime Ministers Narendra Modi and Lawrence Wong visit AEM, a leading Singaporean company in semiconductor and electronics sector

one. It will certainly add vigour to bilateral ties and benefit the people of our nations. I thank the government and people of Singapore for their warmth."

During his 5th visit to Singapore, Modi also called on Singapore President Tharman Shanmugaratnam. Then he met Singapore PM Lawrence Wong at the Parliament House in Singapore. The two leaders reviewed the progress of the India-Singapore bilateral relations.

Following this, the two sides exchanged MoUs in the areas of digital technology, semiconductors, skill development and healthcare. The tech

partnership comes as advance manufacturing, with the focus on semiconductors, has been added as a pillar for bilateral cooperation.

Modi and Wong visited AEM Holdings Ltd's semiconductor facility, and were briefed by the Singapore Semiconductor Industry Association.

"India aims to establish a global node for semiconductor manufacturing and has strong domestic demand in the electronics, electric vehicles, and manufacturing sectors that would benefit from its semiconductor industry growth," the Singapore government said. "Singapore's established semiconductor ecosystem has given rise to more domestic semiconductor ecosystem players which are keen to enter emerging global nodes such as the Indian market."

According to the Singapore government, the country's semiconductor industry constitutes

Numbers signal partnership strength

Singapore now ranks second among India's foreign institutional investors (FIIs), according to Trendlyne.

As of August 2024, the total Indian assets under Singapore-based FIIs crossed Rs 7.7 trillion, which includes debt, equity and hybrid instruments.

According to the Singapore High Commission in India, Singapore is bullish on India. The country has already invested more than \$150 billion cumulatively since April 2000.

In FY2024, India exported goods worth \$14 billion to Singapore, with petroleum and bituminous products accounting for half of it.

On the imports side, India bought goods worth over \$21 billion, with electrical machinery the biggest segment. From FY10-24, exports to Singapore grew 5%

annually (CAGR) while imports rose by 9%. Singapore ranks sixth in India's total trade (exports + imports) while India ranks twelfth in Singapore's trade.

The cumulative FDI into India from Singapore is at \$150 billion and surging fast. The declining attractiveness of Mauritius is clearing the way for Singapore to become the top foreign investor in India in a few years.

Given its historically strong relationship and the recent investment roadshow in Singapore, India is at a sweet spot in receiving investments.

A recent news report notes that Singaporean companies have already committed to investments of over Rs 5 trillion (\$60 billion) in the coming years.

The Indian High Commission in Singapore has been working on getting more investments in India's infrastructure, renewable energy and advanced technology sectors.



Prime Minister Narendra Modi with President of Singapore Tharman Shanmugaratnam

7-8% of the country's GDP, and contributes to around 10% of the global semiconductor output.

The pact on digital cooperation envisages the sharing principles and mechanisms of governance frameworks and implementation rules for data protection, which may include model contractual clauses, certifications, or other mechanisms to enable data flows, alongside digital public infrastructure. It also focuses on enhancing cooperation between the cyber security agencies of both nations.

During his visit, Prime Minister Modi had a bilateral meeting with his Singaporean counterpart over a lunch hosted by the latter. Both sides outlined six pillars of cooperation – “Sustainability, Digitalisation, Skill Development, Healthcare & Medicine, Advanced Manufacturing and Connectivity” – a joint statement said.

Within sustainability, both the Prime Ministers underscored the potential of increasing cooperation in the areas of green hydrogen and green ammonia, and agreed to explore cooperation in the area of critical and emerging technologies. They also called for an early conclusion to the third review of the Comprehensive Economic Cooperation Agreement (CECA), signed by both nations back in 2005, the joint statement said.

Singapore is India's sixth-largest trade partner with \$35.3 billion worth of bilateral trade, of which \$14.4 billion was exports.

Modi also met top business leaders from Singapore including the CEOs of Blackstone Singapore, Temasek Holdings, Sembcorp Industries Limited, CapitaLand Investment, ST Telemedia Global Data Centers, and Singapore Airways, among others. ■

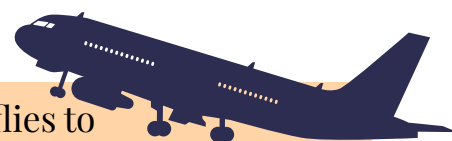
INVESTMENT LINKS

- Singapore ranks second only to the US among India's foreign institutional investors
- Singapore govt is largest FII and eighth-largest institutional investor in India

\$175 bn - FDI from Mauritius (top country)

\$150 bn - FDI from Singapore

Singapore Airlines now flies to more destinations in India than anywhere else in the world.



TRADE LINKS (IN FY2024)

- India exported goods worth \$14 bn – petroleum and bituminous products accounted for half of it
- India imported goods worth over \$21 bn – electrical machinery is the biggest segment

Source: Trendlyne

Make in India scheme completes 10 years



Launched on September 25, 2014, by Prime Minister Narendra Modi, the "Make in India" initiative was a pivotal step in India's nation-building efforts.

Between April 2014 and March 2024, India has attracted \$667.41 billion in FDI, representing nearly 67% of the total FDI received over the last 24 years. In 2023-24, total FDI inflows amounted to \$70.95 billion, with equity inflows reaching \$44.42 billion, underscoring India's growing appeal as a global investment destination. Now, with the "Make in India 2.0" phase encompassing 27 sectors, the programme continues to reinforce India's position as a major player in the global manufacturing landscape.

The "Make in India" vision was designed to transform India into a global hub for design and manufacturing. Its core objectives were to

facilitate investment, encourage innovation, and develop world-class infrastructure. As one of the pioneering "Vocal for Local" initiatives, it sought not only to boost India's manufacturing capabilities but also to showcase its industrial potential on a global stage. The initiative's focus on developing a robust manufacturing sector promises to elevate India's economic trajectory and generate employment opportunities for its vast young workforce.

The "Make in India" initiative identified "ease of doing business" as a crucial factor for promoting entrepreneurship. Several measures were implemented to enhance the business environment, making it more conducive for startups and established enterprises alike.

The government focused on developing industrial corridors and smart cities, integrating state-of-the-art technology and high-speed communication to create world-class infrastructure. The government embraced a role as a facilitator rather than a regulator, partnering with industry to drive the country's economic development. This shift aimed to foster a collaborative environment that supported industrial growth and innovation.

Aligned with India's vision of becoming self-reliant, Production Linked Incentive (PLI) Schemes were introduced to enhance the country's manufacturing capabilities and boost exports. With an outlay of Rs 1.97 trillion (over \$26 billion), these schemes cover 14 key sectors. The primary goals of the PLI Schemes are to attract substantial investments, incorporate advanced technology, and ensure operational efficiency.

As of July 30, 2024, 755 applications have been approved across these sectors, leading to an investment realisation of Rs 1.23 trillion by March 2024. This investment has generated employment for approximately 800,000 individuals. ■

SOME ACHIEVEMENTS UNDER MAKE IN INDIA

- Indigenous development & export of Covid-19 vaccine in record time
- First indigenous semi-high-speed trains, Vande Bharat
- INS Vikrant became India's first domestically made aircraft carrier
- Electronics sector reached \$155 billion in FY23
- Mobile phones now constitute 43% of electronics production
- Unified Payments Interface facilitates seamless digital transactions in multiple countries

ECONOMY WATCH

World Bank forecasts India's growth at 7% in FY24-25

Written using agency reports

Amid challenging external conditions, the World Bank expects India's medium-term outlook to remain positive. Growth is forecast to reach 7% in 2024-25 and remain strong in 2025-26 and 2026-27.

The Indian economy continues to grow at a healthy pace despite challenging global conditions, according to the World Bank's latest India Development Update: India's Trade Opportunities in a Changing Global Context. But to reach its \$1 trillion merchandise exports goal by 2030, India needs to diversify its export basket and leverage global value chains.

The India Development Update (IDU) observes that India remained the fastest-growing major economy and grew at a rapid clip of 8.2% in 2023-24.

Growth was boosted by public infrastructure investment and an upswing in household investments in real estate. On the supply side, it was supported by a buoyant manufacturing sector, which grew by 9.9%, and resilient services activity, which compensated for underperformance in agriculture. Reflecting these trends, urban unemployment has improved gradually since the pandemic, especially for female workers.

The report emphasises that India has boosted its competitiveness through the National Logistics Policy and digital initiatives that are reducing trade costs. However, it also notes that tariff and non-tariff barriers have increased and could limit the potential for trade focused investments.

"India's robust growth prospects along with declining inflation will help to reduce extreme poverty," said Auguste Tano Kouame, World Bank's Country Director in India. "India can boost its growth further by harnessing its global trade potential. In addition to IT, business services and pharma where it excels, India can diversify its export basket with increased exports in textiles, apparel, and footwear sec-



"India's robust growth prospects along with declining inflation will help to reduce extreme poverty"

AUGUSTE TANO KOUAME,
World Bank's Country Director in India

tors, as well as electronics and green technology products."

The IDU recommends a three-pronged approach towards achieving the \$1 trillion merchandise export target by reducing trade costs further, lowering trade barriers, and deepening trade integration.

"With rising costs of production and declining productivity, India's share in global apparel exports has declined from 4% in 2018 to 3% in 2022," said Nora Dihel and Ran Li, Senior Economists, co-authors of the report. "To create more trade-related jobs, India can integrate more deeply into global value chains which will also create opportunities for innovation and productivity growth."

India targeting 7%+ growth for next 2 decades: DEA secretary

Written using agency reports

India is looking at a sustained expansion rate of over 7% for at least the next two decades, said Economic Affairs Secretary Ajay Seth.

Delivering the valedictory speech at a Confederation of Indian Industry event in Mumbai, Seth said: "We are not looking for growing at 7% for a couple of years and then lapsing back to a lower rate. What we are looking for is growing at that pace, 7% for the minimum, maybe 7.5%, possibly 8% in some years, but sustaining it over next two decades (to realise the developed India by 2047 goal)."

"Deepening and widening" the corporate bond market, expanding access to insurance, pension



"What we are looking for is growing at that pace, 7% for the minimum, maybe 7.5%, possibly 8% in some years, but sustaining it over next two decades (to realise the developed India by 2047 goal)"

AJAY SETH,
Economic Affairs Secretary

and capital market products, and improving the quality and efficiency of financial services would reduce intermediation cost.

Over 98% of corporate bond issuances are private placements, he said. Over 80% of the issuances are AAA-rated. "That means a very vast segment of economic players are unable to tap the bond market, and that (deepening the bond market) is something we need to grow at 7% plus for 20 years," he added. ■

SECTORAL GAIN

Services sector growth surges to 5-month high in August

Written using agency reports

India's services sector has reported its fastest growth in five months this August, driven by resilient demand and easing inflationary pressures, according to HSBC India Services Purchasing Managers' Index (PMI), compiled by S&P Global.

India's PMI climbed to 60.9 in August, up from July's 60.3, surpassing the preliminary estimate of 60.4. This marks the highest PMI level since March and extends the sector's expansion streak, which has been sustained above the 50-mark separating growth from contraction since August 2021. The latest reading is also significantly above the long-term average, indicating robust growth within the sector.

Pranjul Bhandari, chief India economist at HSBC, attributed this growth to a surge in new orders, particularly from the domestic market. "This growth was largely fuelled by an increase in new orders, particularly domestic orders," Bhandari said, adding, "Employment levels remained robust, though there was a slight decrease in the pace of hiring compared to July."

While international demand also remained strong, the pace of growth in this segment slowed to a six-month low, reflecting softer global conditions. Despite this, the overall outlook remained positive, although business confidence slipped to its lowest level in over a year.

"On a positive note, input costs rose at their slowest pace in six months, with both the manufacturing and service sectors exhibiting the same pattern. Consequently, output price inflation receded in August," added Bhandari. ■

INDIA'S PURCHASING MANAGERS' INDEX (PMI)



FISCAL HEALTH

India remains committed to reducing budget deficit: Fitch

Written using agency reports

India is committed to reducing the budget deficit over the medium term, despite its focus on higher public capex and demands of the coalition government, according to Fitch Ratings.

In a report, it said India has achieved or outperformed its budget deficit targets in the last few years, thereby improving its fiscal credibility.

Fitch said India using RBI dividend to lower its fiscal deficit target for the fiscal year ending March 2025 reinforces its view that the country prefers fiscal consolidation over additional spending.

Still, India's deficit, and interest-to-revenue and debt ratios remain high compared with the 'BBB' category sovereign peers, Fitch said. "...we believe its (India) government remains committed to reducing the budget deficit over the medium term, even amid the demands that governing in the coalition will impose on the newly elected administration - and despite the government's sustained focus on supporting economic growth through higher public capex," the rating agency said.

In the full Budget presented in July, the government lowered the fiscal deficit target to 4.9% for the current financial year against 5.1% estimated in February's interim Budget. ■

DEFENCE BOOSTER

Defence ministry clears 10 projects worth Rs 1.44 trn

Written using agency reports

The Defence Acquisition Council (DAC), under the chairmanship of Defence Minister Rajnath Singh, has given acceptance of necessity for 10 capital acquisition proposals worth Rs 1.44 trillion.

The proposals are for future ready combat vehicles (FRCVs) to replace ageing Soviet-origin T-92 tanks, air defence fire control radars, Dornier-228 aircraft, next generation fast patrol and offshore patrol vessels.

For modernisation of the tank fleet, there will be a proposal for procurement of FRCVs. This will be the Indian Army's largest-ever contract in recent times. But the ministry did not disclose the value.

Under the Make 1 procedure of Defence Acquisition Procedure (DAP), the FRCVs will be acquired in three phases, with 590 of them allocated in the first go, said media reports quoted sources. ■

HAL to supply 240 engines for Su-30 MKI

Written using agency reports

The Cabinet Committee on Security (CCS) approved the proposal for procurement of 240 aero-engines (AL-31FP) for Su-30 MKI aircraft of the Indian Air Force (IAF) under Buy (Indian) category from Hindustan Aeronautics Limited (HAL) at a cost of over Rs 260 billion.

The delivery of these aero-engines would start after one year and complete over a period of eight years.



The SU-30 MKI is a frontline all-weather air-dominance fighter with multi-role capability, which can undertake varied air combat and ground attack missions. "The engines will have indigenous content over 54%, enhanced due to indigenisation of some key components of aero-engines," a statement from the Ministry of Defence said. These would be manufactured at the Koraput division of HAL.

The Su-30 fighter jets are the mainstay of the Indian Air Force with 260 of them already in service. Su-30 have already been upgraded by integrating Indian systems and weapons like the BrahMos supersonic cruise missile and the Astra air-to-air missile. "The supply of these aero-engines by HAL would meet the fleet sustenance requirement of IAF to continue their unhindered operations and strengthen the defence preparedness of the country," the statement further said.

POWERING UP

India's solar energy capacity jumped 33-fold in a decade: PM

Written using agency reports

India's solar energy capacity rose by 33-fold in the last year, said Prime Minister Narendra Modi. He praised India's significant progress in the green energy sector, highlighting the country's achievement as the first G20 nation to fulfil its Paris Agreement commitments.

While addressing the inaugural International

Solar Festival in Delhi's Bharat Mandapam, Modi credited the remarkable growth in solar energy as a key factor in reaching these goals. "Our solar energy capacity has increased 33-fold in the last 10 years....this speed and scale will also help us achieve 500 GW of non-fossil fuel capacity by 2030," he said.

Modi said that the solar festival is being celebrated to unite the world in realising the sun's impact and building a better planet. India will support every effort to create an inclusive, clean, and green planet, he emphasised. ■

Investors commits Rs 32.45 trn at RE-INVEST

Written using agency reports

Renewable energy sector attracted investments worth Rs 32.45 trillion in the form of "Shapath Patra". The investments were committed at the 4th edition of Global Renewable Energy Investors Meet and Expo.

Union Minister for New and Renewable Energy Pralhad Joshi said it was the first time all stakeholders have come forward to pledge such substantial investments for a brighter tomorrow.

Developers have committed an additional 570 GW, manufacturers have committed additional manufacturing capacities of 340 GW in solar modules, 240 GW in solar cells, 22 GW in wind turbines and 10 GW in electrolyzers. ■

India will contribute to 35% of global energy demand in 2 decades: Puri

Written using agency reports



"We are confident in our ability to manage and succeed in the green transition"

HARDEEP PURI,
Union Minister of
Petroleum & Natural
Gas

India will contribute to 35% of the global increase in energy demand over the next two decades, said Union Minister of Petroleum & Natural Gas Hardeep Puri.

During his speech Addressing at the 52nd Gastech Exhibition & Conference, Puri underscored India's increasingly dominant role in the global energy landscape.

"If global demand is increasing by 1%, ours is surging three times faster. Over the next two decades, India will contribute to 35% of the global increase in energy

demand,” he said.

He added India's challenge as an “energy trilemma,” emphasising the need to balance availability, affordability, and a successful green transition.

“We are confident in our ability to manage and succeed in the green transition,” Puri said.

The conference's opening ministerial panel, featuring officials from the US, India, Egypt, Nigeria, and Turkey, deliberated on critical geopolitical and industry challenges. ■

GREEN FUEL

Ethanol blending percentage hits 15% in 2024

Written using agency reports

Ethanol blending percentage has surged from 1.53% in 2014 to 15% in 2024. Encouraged by this progress, the government has set an ambitious target of reaching 20% blending by 2025 and is confidently progressing towards this goal, said Hardeep Singh Puri, the Minister for Petroleum & Natural Gas.

At the inaugural session of the India Bio-Energy & Tech Expo 2024 (IBETE), he said, over the past decade, this initiative has delivered significant benefits, including saving Rs 990 billion in foreign exchange, reducing CO₂ emissions by 51.9 million tons, and substituting 17.3 million tons of crude oil.

Minister Puri emphasised that bioenergy is increasingly becoming a crucial alternative to fossil fuels, offering both environmental benefits and economic opportunities, particularly in rural areas. He also said that the E20 fuel is now offered at over 15,600 retail outlets across India. ■

WHY FOCUS ON BIOENERGY SECTOR

- Reduce import dependence
- Save foreign exchange
- Promote circular economy

INFRA WATCH

Cabinet approves 12 industrial corridor projects worth Rs 286 bn

Written using agency reports

The Cabinet Committee on Economic Affairs chaired by the Prime Minister Narendra Modi has approved 12 project proposals under the National Industrial Corridor Development Programme (NICDP) with an

estimated investment of Rs 286 billion.

According to an official statement, this move is set to transform the industrial landscape of the country creating a robust network of industrial nodes and cities that will significantly boost economic growth and global competitiveness.

Spanning across 10 states and strategically planned along 6 major corridors, these projects represent a significant leap forward in India's quest to enhance its manufacturing capabilities and economic growth. These industrial areas will be located in Khurpia in Uttarakhand, Rajpura-Patiala in Punjab, Dighi in Maharashtra, Palakkad in Kerala, Agra and Prayagraj in UP, Gaya in Bihar, Zaheerabad in Telangana, Orvakal and Koppurthy in AP and Jodhpur-Pali in Rajasthan.

NICDP is expected to generate significant employment opportunities, with an estimated 1 million direct jobs and up to 3 million indirect jobs being created through planned industrialisation.

The new industrial cities will be developed as greenfield smart cities of global standards. This approach ensures that the cities are equipped with advanced infrastructure that supports sustainable and efficient industrial operations. Aligned with the PM GatiShakti National Master Plan, these projects will feature multi-modal connectivity infrastructure, ensuring seamless movement of people, goods, and services. ■

ELECTRIC MOBILITY

India Post enters EV charging

Written using agency reports

India Post has entered into a partnership with ThunderPlus, an EV charging company, to launch an EV charging station at a post office in Sainikpuri, Hyderabad. This collaboration aims to expand EV charging infrastructure to more post offices and public locations across the country, fostering a green ecosystem and reducing range anxiety.

ThunderPlus has established over 2,000 charging stations in more than 65 locations, including Hyderabad, Bengaluru, Delhi and Chennai. This initiative marks a pioneering move towards advancing sustainable mobility in India.

“India Post's extensive network of infrastructure buildings makes it an ideal partner for this initiative. The introduction of EV charging solutions at post offices opens up numerous opportunities and aligns with our goal of removing charging anxiety within the Indian ecosystem,” said Rajeev Y S R, chief executive officer of ThunderPlus.

As India's first EV charging station located at a public post office, this initiative sets a precedent for eco-friendly transportation in the country, converting a public post office into a hub for clean energy. It not only enhances accessibility



to EV charging but also lays the foundation for a robust charging infrastructure across multiple cities. ■

GROWTH VIA TEXTILES

Textile industry to grow to \$350 bn by 2030, says Minister

Written using agency reports

India's textile industry is expected to grow to \$350 billion by 2030 and is expected to add 35 million jobs, said Union Minister of Textiles Giriraj Singh.

While addressing the curtain raiser event of Bharat Tex 2025, he expressed hope of India being recognised by its Bharat brand and green sustainable textile products at the world stage.

Singh asserted that the government's PLI scheme for textiles will enable the apparel industry to boost production and promote their branding. The minister also added that the PLI scheme will enable linking of the textile value chain and lure FDI in the country.

At a later address, he expressed confidence in India crossing the \$10 billion export target for technical textiles by 2030.

He emphasised the increasing consumption



“Confident that India's technical textile industry will cross the target of \$10 bn set for 2030”

GIRIRAJ SINGH,
Union Minister of
Textiles

and importance of man-made fibres and technical textiles in all spaces of life, at both a global and domestic level.

The Secretary, Ministry of Textiles, Rachna Shah, emphasised the role of technical textiles in Viksit Bharat. Highlighting the large market opportunity in technical textiles, the secretary stated that the global trade of technical textiles is around \$300 billion, while India's domestic market size stands at \$25 billion with an export of \$2.6 billion. ■

BIG FLIGHT PLAN

Govt to set up SPV to push for aircraft manufacturing: Naidu

Written using agency reports

The government is planning to set up a special purpose vehicle (SPV) to manufacture commercial aircraft in India, said Civil Aviation Minister K Rammohan Naidu.

The Bhartiya Vayuyan Vidheyak Bill 2024, which was passed by the Lok Sabha in August, includes provisions to regulate the design and manufacturing of aircraft, supporting the Aatmanirbhar Bharat initiative for self-reliance.

“The government is strongly pushing the idea of India manufacturing its own planes,” Naidu said, adding that a special purpose vehicle will be set up with industry stakeholders and others. Efforts are on to ensure that aircraft manufacturing activities can start in the next five years, he said. “We want to be a big player for manufacturing planes and also export them,” Naidu said.

India is one of the world's fastest growing civil aviation markets. ■



EYE ON PRIZE

Goyal sets 500 mn tonnes steel production target by 2034

Written using agency reports

India has set a target of 500 million tonnes of steel production by 2034, said Union Minister of Commerce and Industry, Piyush Goyal.

In his address at the 5th edition of ISA Steel Conclave, he urged the industry leaders to focus their energy on economies of scale through decarbonisation as green steel will be in more demand.

The Union minister asked the industry to find new and better ways towards low emission, high productivity and high quality to make India an irresistible steel manufacturer in the world. He also urged the industry to utilise artificial intelligence (AI) to optimise production, reduce waste and improve efficiency across the value chain.

Goyal asserted that domestic industry should be given a levelling playing field. He also noted that the government will take up the issue related to Border Adjustment Tax in discussions with steel industry leaders to promote sustainable manufacturing in the sector. ■



PIYUSH GOYAL,
Union Minister of Commerce and Industry

3 WAYS TO REACH GOAL

- Find new and better ways to reduce emission, raise productivity and quality
- Use AI to optimise production, reduce waste and improve efficiency
- Integrate indigenous machinery for domestic production

ELECTRONICS MANUFACTURING

PM Modi sets \$500 bn target for electronics sector

Written using agency reports



“This is the right time to be in India. In the 21st century India, the chips are never down”

PRIME MINISTER NARENDRA MODI

Prime Minister Narendra Modi has set a goal to grow India's electronics sector to \$500 billion by the end of the decade.

Speaking at the Semicon India 2024 in Greater Noida, Modi emphasised India's strengths in areas like semiconductors. Currently, the nation's electronics market is valued at approximately \$155 billion.

India is actively courting semiconductor makers. The government has so far approved over \$15 billion in semiconductor investments, including Tata Group's plans to build the country's first major chip plant and US-based Micron Technology Inc's proposed \$2.75 billion assembly facility in Gujarat. Additionally, Israel's Tower Semiconductor is exploring a \$10-billion partnership with billionaire Gautam Adani to establish a fabrication plant in western India. A formal proposal is yet to be submitted with the Indian government.

“This is the right time to be in India,” Modi stated. “In the 21st century India, the chips are never down.”

At the same event, NXP Semiconductors NV CEO Kurt Sievers announced that the Dutch chipmaker will invest over \$1 billion in India in the coming years to expand its research and development efforts. ■

CHIP MAKING

India Semiconductor Mission gets another unit

Written using agency reports

The government has approved the proposal of Kaynes Semicon Pvt Ltd to set up a semiconductor unit in Sanand, Gujarat. The proposed unit will have an investment of Rs 33 billion and the capacity to make 6 million chips per day.

The chips produced in this unit will cater to a wide variety of applications which include industrial, automotive, electric vehicles, consumer electronics, telecom, mobile phones.

In June 2023, the Union Cabinet had approved the first proposal for setting up a semiconductor unit in Sanand, Gujarat. In February 2024, three more semiconductor units were approved. Tata Electronics is setting up a semiconductor fab in Dholera and one semiconductor unit in Morigaon, Assam. CG Power is setting up one semiconductor unit in Sanand, Gujarat.

Construction of all four semiconductor units is progressing at a rapid pace and a robust semiconductor ecosystem is emerging near the units. These 4 units will bring an investment of almost Rs 1.5 trillion. The cumulative capacity of these units is about 70 million chips per day.



ELECTRIC MOBILITY

Cabinet approves PM E-DRIVE with an outlay of Rs 109 bn

Written using agency reports

The Union Cabinet has approved a proposal of the Ministry of Heavy Industries (MHI) for implementation of the PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme, for promotion of electric mobility in the country.

The scheme has an outlay of Rs 109 billion over a period of two years.

The major components of the scheme includes subsidies/demand incentives worth Rs 37 billion have been provided to incentivise e-2Ws, e-3Ws,

e-ambulances, e-trucks and other emerging EVs. The scheme will support 2.5 million e-2Ws, 0.3 million e-3Ws, and 14,028 e-buses.

The scheme allocates Rs 50 billion for the deployment of e-ambulances. This is a new initiative of Government of India to promote the use of e-ambulance for a comfortable patient transport.

EV adoption could save \$10 bn, create millions of jobs: Kant

Written using agency reports

EV adoption could save \$10 billion and create millions of jobs by 2030, said G20 Sherpa and former NITI Aayog CEO, Amitabh Kant.

"There is a need to develop a new overarching strategy for road transport that accelerate the EV transition by 2030," Kant wrote in a post on X.

He also mentioned that this transition should focus on fully electrifying India's 50 most polluted cities by 2030. "This could save \$ 10 billion by 2030 and generate millions of jobs, positioning India as a global EV manufacturing leader," the G20 Sherpa said.

The EV market in the country is currently valued at \$5.61 billion (2023) and is projected to reach \$50 billion by 2030, potentially creating at least 5 million direct and up to 50 million indirect jobs, he noted.

ROLLING RIGHT

'Auto component sector to reach \$100 bn export target by 2030'

Written using agency reports

Union Minister of Commerce & Industry Piyush Goyal has expressed confidence that the auto component sector will reach the \$100 billion export target by 2030, making the sector one of the largest job creators in the country.

Talking at the 64th Annual Session of Automotive Component Manufacturers Association of India (ACMA), the Union Minister said that as India is progressing to become the third-largest economy in the world in terms of GDP, the auto sector must also strive to become the world leader from currently being the third-largest auto market in the world.

He urged the industry leaders to set a road map to achieve the target and stressed on combining organic growth with outreach across the world along with technological improvements.

Goyal said that India's auto sector is well poised to attract investment from abroad and the industry can explore investment from EFTA countries. He further stated that India should be

ready to capture the opportunities in new-age technologies like EVs and its related ecosystem along with other upcoming opportunities like the bicycle sector. ■

BANKING ON TRUST

Need to facilitate development of 'trustworthy AI'

Written using agency reports

Central banks, governments as well as financial sector players should facilitate the development of "trustworthy AI" by taking into consideration data privacy concerns and other elements, Reserve Bank of India (RBI) Governor Shaktikanta Das said.

The integration of cutting-edge technologies promises transformative advancements across various facets of our life, Das said while addressing the Global Fintech Fest.

"Artificial Intelligence and Machine Learning (AI/ML) are poised to revolutionise financial services in unprecedented ways. AI algorithms are already being deployed for fraud detection. Machine learning models are increasingly being employed in credit scoring, leveraging predictive analytics to assess creditworthiness, and expand access to credit," he said.

As AI and ML capabilities continue to evolve, their potential applications in regulatory compliance, investment advisory services, and algorithmic trading are expected to further refine the financial landscape, he said.

Simultaneously, he said, "we should also fully understand the risks posed by AI and facilitate calibrated and responsible adoption. Players in the financial sector, central banks and governments should facilitate the development of trustworthy AI, keeping in mind the concerns surrounding data privacy, explainability, accountability and transparency".

Moreover, he said, quantum computing's potential to solve optimisation problems could enhance real-time decision-making processes and improve predictive analytics in risk management.



Central banks, governments as well as financial sector players should facilitate the development of "trustworthy AI" by taking into consideration data privacy concerns and other elements,

SHAKTIKANTA DAS,
Reserve Bank of India (RBI) Governor

The Internet of Things (IoT) represents another frontier of opportunity for the financial sector, he said.

As these future technologies continue to evolve, their integration into India's financial ecosystem will require strategic investments in research and development, collaboration across sectors, and proactive regulatory frameworks to ensure ethical deployment and mitigation of potential risks, he said.

The Reserve Bank is fully conscious of all these issues and giving due attention to these areas, he said. ■

We are now focusing on making UPI, RuPay truly global: RBI Guv Das

Written using agency reports

Reserve Bank of India Governor Shaktikanta Das said the central bank is focused on making the UPI and RuPay "truly global" and asked financial institutions and fintech startups to adapt robust frameworks to capitalise on the new opportunities while mitigating connected risks.

Speaking at the Global Fintech Fest 2024, the governor said digital financial inclusion, digital public infrastructure (DPI), consumer protection and cyber security, sustainable finance, and global integration and cooperation are the five priority areas for the Reserve Bank.

Das said strengthening financial infrastructure, including cross-border payment systems, will be key focus areas as India, with its tech talent and evolved fintech ecosystem, holds the potential to serve as a global hub for digital innovation and fintech startups.

Building and strengthening strategic partnerships, reinforcing the commitment to international cooperation, and developing institutions of excellence in the areas of technology and innovation across a wide spectrum of areas, including financial services, would give the right impetus for our journey towards 2047, he added.

"Based on the encouraging response we have received from several jurisdictions, we are now focusing on making the UPI and RuPay truly global," Das said. ■

SCIENCE R&D

Cabinet approves 'Bio-RIDE' to support R&D in Biotechnology

Written using agency reports

The Union Cabinet has approved the continuation of the two umbrella schemes of Department of Biotechnology (DBT) by merging them as Biotechnology Research Innovation and Entrepreneurship Development

(Bio- RIDE), with a new component namely bio-manufacturing and biofoundry.

The scheme has three broad components including Biotechnology Research and Development (R&D), Industrial & Entrepreneurship Development (I&ED) and Biomanufacturing and Biofoundry.

The proposed outlay for the implementation of the unified scheme Bio-RIDE is Rs 92 billion during the 15th Finance Commission period, from 2021-22 to 2025-26.

Bio-RIDE scheme is designed to foster innovation, promote bio-entrepreneurship, and strengthen India's position as a global leader in biomanufacturing and biotechnology. It aims to accelerate research, enhance product development, and bridge the gap between academic research and industrial applications. ■

SEA DOMINANCE

Economic corridor to add to India's maritime security: Goyal

Written using agency reports

The India-Middle East-Europe Economic Corridor (IMEC) is an important initiative that can add to India's maritime security and faster movement of goods between Europe and Asia, said Union Minister of Commerce & Industry Piyush Goyal.

While addressing Confederation of Indian Industry (CII's) India-Mediterranean Business Conclave 2024, the minister said that IMEC was launched during India's G20 presidency and aims to integrate India, Europe, the Middle-East through UAE, Saudi Arabia, Jordan, Israel and the European Union.

Goyal noted that lower logistics cost, faster connectivity and secure movement of goods is dependent on better cooperation in this area.

Goyal suggested that the government should have a working group on tourism between the nations of the Mediterranean and India as there is a huge potential for cooperation and mutual benefit. He said that India offers a large market for the Mediterranean goods and services given the close connection both the nations have shared over the decades. ■

RIGHT CALL

India's mobile phone manufacturing rises to Rs 4.1 trn

Written using agency reports

India's mobile phone manufacturing in value has risen to Rs 4.1 trillion in the last 10 years, says a report by Broadband India Forum (BIF).

The electronics sector experienced rapid growth and local production nearly doubled

from \$48 billion in 2016-17 to \$101 billion in 2022-23 and is around \$115 billion in the current fiscal year to date – driven primarily by mobile phones which now constitute more than 43% of total electronics production.

As the country becomes the second largest mobile manufacturer in the world, global manufacturing companies like Samsung, Apple and Google are making their latest generation smartphones in India.

TV Ramachandran, President, BIF, said the "make in India" initiative has been instrumental in transforming the country into a global hub for mobile device manufacturing. ■

SPACE REACH

Isro gets cabinet nod for key projects

Written using agency reports

The Union Cabinet approved four big-ticket space projects, including the next mission to the moon, a mission to Venus, follow-ups to the ongoing Gaganyaan mission and the setting up of an Indian space station.

"All the missions are time-bound and there has been good progress on all of these," said Union Minister Ashwini Vaishnaw after the Cabinet meeting.

The Union Cabinet also approved the continuation of the Gaganyaan mission and the setting up of the Bharatiya Antariksh Station (BAS) at a cost of Rs 203 billion. The space agency has set a deadline of December 2029 for the completion of all launches and operations of the first module of BAS. The project will have eight missions, including four needed to build the space station.

Isro will aim for a March 2028 launch for the Venus mission – when Earth and Venus are at their closest. For Chandrayaan-4 mission, Rs 20 billion has been approved. The mission is designed to land on the lunar surface, collect samples, store them in a vacuum container, and bring them back.

The fourth project to get the Cabinet nod was the building of the Next Generation Launch Vehicle, which will increase Isro's launch capability. ■



Bilateral Developments

Prime Minister's Visit to Singapore (Sept 4-5, 2024)



Invest India Office Inauguration

On September 22, 2024, Union Minister of Commerce and Industry Shri Piyush Goyal inaugurated Invest India's first overseas office in Singapore. It is located on the Mission's premises. The new office aims to facilitate and strengthen investment partnerships between India and the ASEAN region, particularly by serving as a point of contact for companies looking to invest in India. Singapore is a crucial strategic partner for India, and this office represents a commitment to enhancing economic cooperation. The office will provide global investors easier access to India's dynamic economy.



MPEDA Pavilion at Sea Food Asia Expo

The Marine Products Export Development Authority (MPEDA) participated in the Seafood Expo Asia from September 4 to 6 at the Sands Expo and Convention Centre in Singapore. The Indian delegation, led by Mr Vinu PK, Deputy Director of Administration, and Ms Shajina I, Assistant Director of MPEDA's Chennai Regional Division, included representatives from eight Indian seafood companies. The Indian Pavilion showcased a wide range of seafood products, with cooking and tasting sessions for visitors. Key seafood trading nations like Australia, China, Japan, Vietnam, the US and Singapore were part of the event. The High Commission's officials visited the pavilion and discussed India's seafood trade with Singapore officials. Indian delicacies, including Black Tiger shrimp, L. vannamei, and value-added products like popcorn shrimp and fish fingers, were featured at the event. The pavilion received 95 trade inquiries, and visitors were provided with product catalogues, QR code access to information on commercial Indian fish, and seafood product demonstrations.



Forthcoming Events In India

I. 18th India International Silk Fair

Date & Venue: November 7-9, 2024;
Sector 25, Dwarka, Delhi, India
Organiser: Indian Silk Export Promotion
Council (ISEPC)
Contact: buyersphysical@indiansilkgfair.in

Details: The Indian Silk Export Promotion Council (ISEPC), an apex government body of the exporters of Indian silk & silk blend products

from all over India, is organising the 18th India International Silk Fair from November 7-9, 2024. The objective of sponsoring the visit of the foreign buyers to the fair is to provide an exposure of products of around 100 exhibitors from all over India who will be displaying varieties of fabrics & garments both in silk & silk blended, scarves, sarees, made-ups, silk carpets & home furnishing.

Website: <http://indiansilkgfair.in/physical/>

II. 10th edition of India Electronics Expo (INDELXPO)

Date & Venue: March 19-21, 2025;
Pragati Maidan, New Delhi, India
Organiser: Electronics and Computer
Software Export Promotion
Council (ESC)
Contact: csr@escindia.com

Details: The Electronics and Computer Software Export Promotion Council (ESC) is organising the 10th edition of India Electronics Expo (INDELXPO), from March 19-21, 2025, in New Delhi. This premier event will showcase the best of India's electronics manufacturing, innovation and technology to a global audience.

Website: <https://www.indiaelectronicsexpo.com/>

For feedback & comments, please contact:

High Commission of India,

31, Grange Road, Singapore-239702

Email: com2.singapore@mea.gov.in; com.singapore@mea.gov.in

URL: www.hcisingapore.gov.in