

Industry Matters

Weekly Updates

July 2, 2021

Economy, Industry and Policy

India's core sector output in May grows 16.8% year-on-year on low base: The output of the eight-industry core sector grew 16.8 per cent year-on-year in May as against a sharp jump of 60.9 per cent in April on account of a weak base owing to factories remaining shut due to the stringent nationwide lockdown last year. [business-standard.com](https://www.business-standard.com)

Booster dose: Govt unveils Rs 6.3-trillion package to spur growth: Union Finance Minister Nirmala Sitharaman on Monday announced the much-awaited fiscal package to revive the economy ravaged by the second pandemic wave, keeping the fiscal outgo limited for the current year. [business-standard.com](https://www.business-standard.com)

Rs 1.75 lakh crore disinvestment target on track- Chief Economic Advisor: The target of mopping up Rs 1.75 lakh crore from disinvestments of some of the public sector companies, including LIC and BPCL during the current fiscal, is on track and groundwork is being prepared for the goal, Chief Economic Advisor Krishnamurthy Subramanian said on Monday. [financialexpress.com](https://www.financialexpress.com)

FM Nirmala Sitharaman, US Treasury Secretary Yellen discuss global minimum tax: Union Finance Minister Nirmala Sitharaman and US Treasury Secretary Janet L Yellen spoke over phone on Tuesday and discussed global minimum tax. "Yellen discussed that the US and India have a shared interest in implementing a robust global minimum tax," said the Department of Treasury. [financialexpress.com](https://www.financialexpress.com)

Govt to monitor Covid data for 6 weeks to decide on economic intervention: Sanjeev Sanyal: The Centre will closely monitor Covid-19 infection data for six weeks to chart the path it needs to walk for economic intervention, rather than making announcements based on projections of the third wave of the pandemic, Principal Economic Advisor to the finance ministry, Sanjeev Sanyal said. [economictimes.indiatimes.com](https://www.economictimes.indiatimes.com)

Covid-19 to worsen indebtedness of states despite economic rebound: S&P: S&P Global Ratings on Friday said the Covid pandemic could worsen structural deficits and indebtedness of states, despite a likely rebound in the economy over the next 12-24 months. [economictimes.indiatimes.com](https://www.economictimes.indiatimes.com)

E-way bills up in June after May's sharp drop: E-way bill generation, a key metric measuring business activity, bounced back in June, indicating a strong recovery amid easing restrictions and the second Covid-19 wave loosening its grip. [economictimes.indiatimes.com](https://www.economictimes.indiatimes.com)

E-comm rules: Fight between Amazon, Flipkart vs Reliance, Tata to intensify: As ecommerce regulations are tightened, fight between foreign companies Amazon, Flipkart and Indian companies Reliance, Tata Group is set to intensify. [economictimes.indiatimes.com](https://www.economictimes.indiatimes.com)

Foreign Investments

No conflict of interest in pushing FDI while promoting 'Atmanirbhar Bharat': CEA: There is no conflict of interest in enhancing Foreign Direct Investment (FDI) flow into the country while promoting the policy of 'Atmanirbhar Bharat' said CEA Subramanian at ISID-UNCTAD roundtable. [thehindubusinessline.com](https://www.thehindubusinessline.com)

Slew of reforms by govt to spur investment: CEA KV Subramanian: Speaking at a virtual discussion on World Investment Report 2021 organised by Institute for Studies in Industrial Development (ISID), Subramanian said the fact that India recorded the highest growth amidst pandemic when FDI has shrunk by about 50% for the emerging economies, indicates that foreign firms put their money where their mouth is. [livemint.com](https://www.livemint.com)

Cash in on opportunities arising out of recent FDI reforms: FM Nirmala Sitharaman to US investors: The Centre's fiscal deficit spiked to as high as 9.3% of the gross domestic product (GDP) in FY21, as revenue collections crawled while the need for spending to soften the Covid blows grew. In the current fiscal, the Centre is targeting to reduce the deficit to 6.8%. [financialexpress.com](https://www.financialexpress.com)

FTAs with key nations will boost exports, attract more investments: FIEO: Inking free trade agreements (FTAs) will India's major trading partners such as the United States, United Kingdom, European Union, Australia, New Zealand, Canada, Israel, among others, will boost exports and help in attracting more foreign investments into the country, Federation of Indian Exports Organisation (FIEO) said on Monday. [business-standard.com](https://www.business-standard.com)

Trade Policy and Competitiveness

Current account surplus for first time in 17 years in FY21; slips in deficit in Q4'21: India's current account in the balance of payments ended in a surplus to the extent of 0.9 per cent of GDP in FY '21 for the first time in 17 years as trade deficit narrowed due to contraction in pandemic induced import demand. But as the economy opened up in the latter parts of the year, the fourth quarter ending March'21 ended in a deficit. economictimes.indiatimes.com

China is now second largest export partner of India: China replaced the UAE as the second largest export destination for India in fiscal 2021, with outbound shipments to the neighbouring country rising 27.53% to \$21.18 billion in the pandemic year. economictimes.indiatimes.com

DPIIT against any Chinese linked companies in public projects: The Department for Promotion of Industry and Internal Trade (DPIIT) wants the Department of Expenditure (DoE) to withdraw a relaxation allowing domestic companies that have technology transfer arrangements with Chinese companies to bid for public projects, wary of a backdoor entry by entities from across the border. economictimes.indiatimes.com

India's tea exports may fall this year due to stiff competition from Africa: India's tea exports may plunge below 200 million kg this year, down from 207 million kg in the pandemic-hit 2020, owing to stiff competition from Africa which is offering teas at more competitive rates. Freight rates are lower in Africa than in India while production of black teas is higher in the continent. economictimes.indiatimes.com

India set to clock record rice exports in current year too: After exporting a record 17.71 million tonne of rice in 2020-21, an increase of 86% over the previous year's 9.5 million tonne, India is set for another good season of exports in 2021-22 as well, despite high freight costs. [financialexpress.com](https://www.financialexpress.com)

Govt removes import restrictions on refined palm oil till December: The government on Wednesday removed import restrictions on refined palm oil till December 31 this year, a move that could help increase the availability of the commodity in the domestic market and bring down prices. economictimes.indiatimes.com

Corporate Sector

Devas joins Cairn Energy in trying to seize Air India's overseas assets: Devas Multimedia Pvt., a company seeking over \$1.2 billion it won in international arbitration from India, has joined Cairn Energy Plc in seeking to seize Air India Ltd.'s assets abroad. [business-standard.com](https://www.business-standard.com)

Bharti Group to invest \$500 million to be OneWeb's largest shareholder: Bharti Group on Tuesday said it would invest \$500 million to become the largest shareholder in the satellite communications company OneWeb, which Bharti Group, along with the British government, rescued from bankruptcy last year. [business-standard.com](https://www.business-standard.com)

Reliance Industries announce mega petrochemical joint venture with ADNOC in UAE: Reliance Industries Limited (RIL) and UAE's state-run oil giant Abu Dhabi National Oil Company (ADNOC) announced that they will develop a new petrochemical joint venture to produce chlor-alkali, ethylene dichloride and polyvinyl chloride (PVC) production facility at Ta'ziz Industrial Complex in Ruwais. economictimes.indiatimes.com

MSMEs and Start-ups

Nearly 73% SMBs unable to report profit due to lockdown: study: Nearly 73 per cent of small and micro business entities operating in the country were unable to report profits during the last financial year following the impact caused by the COVID-19 enforced lockdown, a report prepared by Consortium of Indian Associations (CIA) along with 40 other associations said on Thursday. [business-standard.com](https://www.business-standard.com)

Govt's Rs 50K-cr Fund of Funds scheme for small businesses hits Sebi hurdle: The government's Rs 50,000-crore Fund of Funds (FoF) scheme for small businesses has hit a hurdle as the Securities and Exchange Board of India (Sebi) has questioned the existing structure of the scheme. According to the market regulator, it does not comply with the current regulatory framework. [business-standard.com](https://www.business-standard.com)

[Another expansion likely for guaranteed loan scheme; major leg-up for hospitals may be on cards:](#) The Emergency Credit-Linked Guarantee Scheme (ECLGS) of the government could be in for a major scale-up — to Rs 5 lakh crore from Rs 3 lakh crore at present. [economictimes.indiatimes.com](#)

Employment and Industrial Relations

[World Bank approves \\$500 million loan to support India's informal working class amid pandemic:](#) World Bank on Wednesday said it has approved a USD 500 million (about Rs 3,717.28 crore) loan programme to support India's informal working class to overcome the current pandemic distress. [financialexpress.com](#)

[Unemployment rate down to 8.7%. LPR fall a cause for concern:](#) Unemployment rate came down further to 8.72% for the week ended June 27 from 9.35% in the previous week, but still remained higher than 8.16% recorded at the beginning of the second Covid-19 wave in early April. [financialexpress.com](#)

[Govt extends Atmanirbhar Bharat Rozgar Yojana till March 2022:](#) The government on Monday extended the Atmanirbhar Bharat Rozgar Yojana, which was launched in October last year to encourage employment generation, by nine months till March 31, 2022. [financialexpress.com](#)

Industrial Finance

[RBI issues norms for dividend distribution by NBFCs:](#) The Reserve Bank of India (RBI) on Thursday came out with dividend distribution guidelines for non-banking finance companies (NBFCs) in order to infuse greater transparency and uniformity in the practice. The regulator has mandated that net NPA ratio of the NBFC concerned should be less than 6% in each of the last three years for declaring dividend. [financialexpress.com](#)

[Private sector banks' share in loans rises to 36.5% in FY21:](#) Helped by faster pace of credit growth, the share of Indian private banks in total credit rose to 36.5 per cent in the financial year ended March 2021 (FY21) from 35.4 per cent a year ago. [business-standard.com](#)

[NBFCs' vehicle loan and MFI collections hit most by Covid 2.0: IndiaRatings:](#) Vehicle financing and micro finance segments of non banking finance companies (NBFCs) have been hardest hit as localised lockdowns and rising infections within staff have hit collection efficiencies raising the risk of non performing assets (NPAs), credit rating agency IndiaRatings (Ind-Ra) said. [economictimes.indiatimes.com](#)

[Half of India's working population credit active: Report:](#) Half of the country's working population of 400 million people is credit active, having at least one loan or credit card, a report by a credit information company (CIC) said on Tuesday. [economictimes.indiatimes.com](#)

Technology and Innovation

[Revenue from 5G services to be insignificant for late adopters including India: Moody's:](#) Countries in the Asia-Pacific region, including India, that are late in adopting 5G technology will get insignificant revenue from the services, Moody's Investors Service said in a report on Thursday. [economictimes.indiatimes.com](#)

[Cabinet okays PPP mode of BharatNet implementation in 16 states:](#) The Union Cabinet on Wednesday approved the revised implementation strategy of BharatNet through Public-Private Partnership mode in 16 states. [business-standard.com](#)

[India ranks among top 10 in ITU's Global Cybersecurity Index 2020:](#) India has made it to the top 10 in Global Cybersecurity Index (GCI) 2020 by ITU, moving up 37 places to rank as the tenth best country in the world on key cybersafety parameters. [business-standard.com](#)

Industrial Infrastructure, Clusters and SEZs

[Govt to formulate streamlined approval process for PPP projects, core infra asset monetisation:](#) Finance Minister Nirmala Sitharaman on Monday said new streamlined approval process for PPP projects and monetisation of core infra assets will be formulated, which will help fast-track asset monetisation by CPSEs. Announcing a set of economic relief measures, she said the current process was long and required multiple approvals for public private partnership (PPP) projects. [economictimes.indiatimes.com](#)

478 infra projects show cost overruns worth Rs 4.4 lakh crore: As many as 478 infrastructure projects, each worth Rs 150 crore or more, have been hit by cost overruns totalling more than Rs 4.4 lakh crore, according to a report. The Ministry of Statistics and Programme Implementation monitors infrastructure projects worth Rs 150 crore and above. economictimes.indiatimes.com

Sustainable Industrialisation

India Inc fares well on environmental, social and governance disclosures: Indian companies have done well when it comes to environmental, social and governance (ESG) disclosures. Refinitiv, a financial-data provider, has analysed the level of transparency in public disclosure of ESG strategies and performance data across 163 Indian companies, and compared that to markets, such as South Africa, Brazil, China, and Hong Kong. business-standard.com

Green Freight Corridor-2 service inaugurated in Kerala: Will reduce logistic cost & transit time of containers: Green Freight Corridor 2: Various steps are being taken to promote coastal trade and to provide sustainable, efficient and cost-effective Intermodal as well as Multimodal customer solutions. The Ministry of Ports, Shipping and Waterways aims to provide seaborne connectivity to the trade and industries in the hinterland, minimize congestion on the rail and road other than bringing down logistics costs. financialexpress.com

Sectoral News

Global electronics firms Foxconn, Flex, Jabil, Sanmina among 29 registered under telecom PLI: Global electronics manufacturing companies Foxconn, Flex, Jabil Circuit, Sanmina SCI are among 29 companies that have registered under the Rs 12,195 crore production linked incentive scheme for the telecom sector, according to an official source. economictimes.indiatimes.com

India's crude oil output slips 6.3% in May, gas production jumps: India's crude oil output fell 6.3 per cent in May after state-owned ONGC produced nearly a tenth less due to cyclone 'Tauktae', government data showed on Tuesday. business-standard.com

Easing curbs, sustained operations propel June car dispatches into the fast lane: Indian carmakers are expected to have dispatched up to 245,000 units to retail outlets in June, the second-highest for this month, with sustained plant operations through the lockdown and phased easing of mobility curbs prompting firms to build dealership inventory and help meet pent-up demand. economictimes.indiatimes.com

Strong recovery likely to continue for auto ancillary companies: There's an interesting divergence of opinions on the auto-ancillary sector. Some analysts and fund managers believe the sector is likely to continue a strong recovery. On the other hand, India Ratings & Research has issued an advisory saying there will be a contraction in the first quarter of financial year 2021-22 (Q1FY22). business-standard.com

Eye on consolidation: Govt may end cross-holding in oil PSUs: The government may gradually end the cross-holding structure existing in the [oil sector](#) as it looks to further consolidate operations of public sector enterprises and go ahead with its [privatisation](#) plan by getting a fair valuation of assets. economictimes.indiatimes.com

Amid robust demand, Iranian oil unlikely to push crude prices down: In a signal that economic recovery globally would be sustained post the fresh wave of Covid-19 infections, oil guzzling is expected to increase rapidly in the second half of the fiscal despite a rise in prices. economictimes.indiatimes.com

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Compiled by Rakesh Gupta. Edited by Sangeeta Ghosh