

# Industry Matters

Weekly Updates

August 6, 2021

## Economy, Industry and Policy

**Globalisation tripled India GDP but workers have been left out - Economist:** Globalisation has tripled India's GDP in a generation but workers in the country have been left out, eminent economist and Nobel laureate Eric Maskin said on Saturday while observing that the problem of increasing inequality may be harder to solve than the COVID-19 pandemic. (*Business Standard*)

**PMI - Manufacturing activity hits three-month high in July:** India's manufacturing activity grew at its fastest pace in three months in July, reversing a contraction in June, as states relaxed localised curbs imposed in the wake of the second Covid wave. Output, new orders, exports, quantity of purchases and input stocks expanded in July, while a marginal increase in employment ended a 15-month sequence of job shedding. (*Financial Express*)

**Indian service sector stuck in contraction territory for third straight month in July - PMI:** India's services sector remained in contraction territory for the third straight month in July, as business activity, new orders and employment declined further largely due to the COVID-19 pandemic and local restrictions, a monthly survey said on Wednesday. (*Financial Express*)

**India's services exports at USD 19.72 billion in June - RBI data:** India's services exports increased 24.1 per cent month-on-month to USD 19.72 billion in June 2021, the Reserve Bank of India said on Monday. The exports stood at USD 17.35 billion in May and USD 17.54 billion in April. (*Economic Times*)

**Cabinet clears amendments to GIBNA for insurance PSU privatisation: may table Bill this session:** The Union Cabinet has approved amendments to the General Insurance Business (Nationalisation) Act (GIBNA) to facilitate privatisation of public sector general insurance firms, sources said. The Bill is likely to be tabled in Parliament in the ongoing monsoon session itself, they added. (*Economic Times*)

**At 17% in July, GST e-way bill generation highest in four months:** E-way bill generation for goods transportation under the Goods and Services Tax (GST) system has come in at 6.42 crore in July, highest in four months and 17% higher than June, indicating a sustained pick-up in economic recovery. (*Financial Express*)

## Foreign Investments

**Govt permits 100% FDI in oil PSUs approved for disinvestment; to aid BPCL sale:** The government on Thursday permitted 100 per cent foreign investment under the automatic route in oil and gas PSUs which have received in-principle approval for strategic disinvestment. The move would facilitate privatisation of India's second biggest oil refiner Bharat Petroleum Corp Ltd (BPCL). (*Economic Times*)

**Prevail Electric Mobility to set up additional manufacturing unit in India for electric 2-wheeler:** Prevail Electric Mobility, an arm of French lubricants major FRVelion, will set up an additional manufacturing unit in India for electric two-wheelers to meet demand in the country besides catering to Nepal and Sri Lankan markets, according to a top company official. (*Economic Times*)

**Will invest in firms that reflect India's growth: Temasek Dy head, India:** Singaporean investor Temasek's India portfolio exposure has gone up from \$9 billion in FY20 to \$14 billion in FY21. In an interview, Temasek's deputy managing director in India Promeet Ghosh tells Raghavendra Kamath that the investor is optimistic about the long-term prospects in the country. (*Business Standard*)

**Foreign auto companies must have a plan for localisation, says industry body:** India's \$46-billion auto component industry has 'invited' Tesla to make parts locally in response to the American carmaker's request for tax concessions on fully imported electric vehicles ahead of their local launch. (*Economic Times*)

**Realme to start export of India-made smartphones to Nepal from Q3:** "It is an immensely proud moment where Realme will be exporting 'Made in India' smartphones to our neighbour Nepal. Adding to this, we will also be exporting our AIOT products very soon. We have received great success in India and will look forward to receiving a similar achievement in Nepal," Sheth said on Monday. (*Economic Times*)

**ED slaps Rs 10,600-crore notice on Flipkart for forex violations:** The Enforcement Directorate (ED) has slapped its biggest FEMA show-cause notice of Rs 10,600 crore on Sachin Bansal and Binny Bansal-founded Flipkart and nine other entities/ individuals linked to the e-commerce major for allegedly flouting foreign exchange rules. (*Business Standard*)

**Orion invests Rs 200 cr to set up manufacturing facility in Rajasthan; to hire 1000 in 2 yrs:** South Korean food company Orion on Tuesday said it has invested Rs 200 crore to set up a manufacturing facility at Bhiwadi in Rajasthan and plans to hire 1,000 people in India in the next two years to expand its business. (*Economic Times*)

**Philips to invest Rs 300 crore, hire 1,500 people in India, says global CEO Frans Van Houten:** Health technology and consumer durables company Philips plans to invest more than Rs 300 crore and hire 1,500 people in India over the next one or two years. (*Economic Times*)

## Trade Policy and Competitiveness

**More than 3 GW solar projects held up due to rising module prices – Industry:** The rising costs of solar panels and components like glass, wafers and silicones, which are mostly imported from China, have forced contractors to hold up more than 3,000 MW of ground-mounted and over 300 MW of rooftop projects, eventually leading to renegotiation of contracts. (*Financial Express*)

**India, UK to gain a lot from each other by exploring possibility of signing FTA:** India and the UK will gain a lot from each other by exploring the possibility of signing a free-trade agreement (FTA), as the proposed pact can help in catalysing trade and economic growth in these two countries, according to experts. They also stated that right stakeholders should be present at the table from the Indian side while negotiating the free-trade agreement between the two countries. (*Economic Times*)

**Exports up 47.91 per cent in July to \$35.17 billion:** The country's exports grew by 47.19 per cent to USD 35.17 billion on account of healthy growth in the outbound shipments of petroleum, engineering, and gems and jewellery, according to the provisional data of the commerce ministry. Imports during the month also rose by 59.38 per cent to USD 46.40 billion, leaving a trade deficit of USD 11.23 billion. (*Economic Times*)

## Corporate Sector

**Tata Motors to invest Rs 28,900 crore in domestic business, JLR in FY22 - N Chandrasekaran:** Tata Motors group will invest Rs 28,900 crore across its domestic business and JLR in 2021-22 and is also investing on development of hydrogen fuel cell vehicles, company Chairman N Chandrasekaran said on Friday. The company will also look to raise capital separately for its electric vehicles (EV) business at an appropriate time. It is looking to have 25 per cent of its sales coming from EVs in the medium to long term, up from 2 per cent at present, he said while addressing the company's virtual AGM. (*Economic Times*)

**Bring petroleum products in ambit of GST soon – PHDCCI:** Industry chamber PHDCCI on Sunday urged the government to bring petroleum products in the ambit of goods and services tax (GST) soon, as high inflation in the fuel products is not only stoking overall prices but also increasing the cost of raw materials for manufactured items. (*Financial Express*)

**IOC may sell some petrol pumps to JV with Petronas:** Indian Oil Corporation (IOC), the nation's biggest oil firm, may sell some of its over 32,300 petrol pumps to a joint venture with Malaysia's Petronas with a view to monetising the firm's vast fuel marketing network, its Director (Finance) S K Gupta said on Monday. (*Economic Times*)

**Birla tells govt he is willing to give up promoter stake in Vodafone Idea:** Industrialist Kumar Mangalam Birla has expressed willingness to offer his group's 27 per cent stake in Vodafone Idea Limited (VIL) to any government or domestic financial entity in order to keep the stressed telecom company alive. (*Business Standard*)

**IRCTC and BHEL in talks for a partnership to run private trains:** According to officials in the know, the two public sector undertakings (PSUs) are planning to form a special purpose vehicle (SPV) to run passenger trains on routes for which IRCTC has put in bids. "BHEL will be putting in the money required for private rail service, while IRCTC is going to focus on

operational requirements," an official said. "IRCTC's business model has not been capital expenditure-focussed. (*Business Standard*)

## MSMEs and Start-ups

**MSMEs need most policy attention, govt to do whatever required to promote sector - Niti Aayog:** The MSME sector needs most policy attention, and the government will continue to do whatever is required to promote the sector, Niti Aayog Vice-Chairman Rajiv Kumar said on Friday. Speaking at a virtual event organised by the Institute for Studies in Industrial Development (ISID), Kumar said the government and the Reserve Bank of India (RBI) have announced several measures to help the micro, small and medium enterprise (MSME) sector. (*Economic Times*)

**Service sector MSMEs need special focus - Rajiv Kumar:** Small businesses in contact-intensive services sectors such as hospitality have suffered much more because of the coronavirus pandemic than large corporations and hence deserve special attention, NITI Aayog vice chairman Rajiv Kumar said. The manufacturing sector was important, but micro, small, and medium enterprises (MSMEs) in the services sector also have their challenges and deserve special attention, Kumar said at a virtual conference on sustainable growth of MSMEs organized by Institute for Studies in Industrial Development, a think tank, and the UN Industrial Development Organization. (*Mint*)

**SMEs go digital due to Covid pandemic, see spurt in sales - LocalCircles survey:** "The COVID pandemic brought challenges for many small businesses in India and some of them had to literally initiate or expand their digital presence within a few weeks of the pandemic for their survival. Those in the direct-to-consumer domain, many of them started their own websites/apps, listed their products on eCommerce platforms or did both," LocalCircles survey said. (*Economic Times*)

**Factoring Regulation Bill to open more credit facilities for MSMEs- FM:** The Factoring Regulation (Amendment) Bill, 2021 will expand credit facilities for small businesses, and will help them in accessing funds from 9,500 non-banking financial companies (NBFC), Finance Minister Nirmala Sitharaman tweeted. (*Business Standard*)

## Employment and Industrial Relations

**Give jobs data faster every quarter - Finance ministry to statistics ministry:** The finance ministry has asked the statistics ministry to put in place a quarterly employment data mechanism, which should be released within a month's lag to help in policymaking. (*Economic Times*)

**Parliamentary panel bats for enhanced budgetary allocation under MGNREGA:** The parliamentary standing committee on labour has recommended the government to contemplate enhancing the budgetary allocations under the Mahatma Gandhi National Rural Employment Guarantee Act while increasing the work allocation to 200 days as against 100 days and linking the benefits to individuals instead of family or households. (*Economic Times*)

**India will be short of 3.5 million cybersecurity jobs by year-end:** By 2021, fighting cybercrime will cost businesses globally more than \$6 trillion annually and there will be 3.5 million unfilled security jobs, according to Cybersecurity Ventures. Echoing this issue, 57 percent of survey respondents say they are unable to recruit the skilled personnel needed to deploy their security automation tools. (*Business Standard*)

**TCS, Infosys, Wipro, HCL Tech to hire 60,000 women employees from campuses this year:** Tata Consultancy Services, Infosys Wipro and HCL Technologies are likely to together hire close to 60,000 women from campuses this year, as they seek to improve gender diversity. (*Economic Times*)

## Industrial Finance

**Govt spending to push private capex higher after multi-year deleveraging:** After witnessing a subdued credit growth in their corporate loan books till June quarter, Indian banks are expecting a revival in the next few quarters with the Indian government giving fresh orders to Indian companies. (*Business Standard*)

**Need to devise new formula for states' borrowings: SBI Economists:** States are increasingly borrowing higher by making ambitious GSDP projections and hence, there is a need for a new formula to define the loan caps, economists at the largest lender SBI said on Tuesday. (*Business Standard*)

## Technology and Innovation

**PM Modi to launch e-RUPI on August 2. Here's all about the cashless digital payment solution:** Prime Minister Narendra Modi will launch e-RUPI, a person and purpose specific digital payment solution on Monday via video conferencing. e-RUPI is a cashless and contactless instrument for digital payment. (*Economic Times*)

**Data consumption increased 400% in Rural India in past one year:** Data consumption in rural areas has increased by 400% in the past one year, official data showed, indicating a large appetite for internet connectivity in India's hinterlands. (*Economic Times*)

## Industrial Infrastructure, Clusters and SEZs

**Hindalco to invest Rs 8,000-10,000 cr in Hirakud, Silvassa & Mundra plants:** The investment will be for expanding flat rolling capacity at Hirakud, Odisha, new extrusion plant at Silvassa in Dadra and Nagar Haveli, and in a greenfield site at Mundra in Gujarat with a recycling facility, Hindalco said in its Annual Report 2020-21. (*Economic Times*)

**Noida Jawar Airport - Decks cleared, land for phase I handed over to concessionaire:** Uttar Pradesh government's joint venture company Noida International Airport (NIAL) and Yamuna International Airport (YIAPL), signed a licence memorandum here on Saturday, signalling the formal handover of land for Jawar airport from NIAL to the concessionaire, YIAPL. (*Financial Express*)

## Sustainable Industrialisation

**IT firms are sizing up market opportunity for sustainable solutions:** In the last few years, industries across the world have become increasingly aware about sustainability measures as well as Environmental, Social and Corporate Governance (ESG) criteria. This has had the effect of throwing open fresh opportunities for the Indian IT sector. The ESG market, pegged by some to grow to \$50 billion by 2030, could emerge as the next big growth driver for domestic IT services providers. (*Economic Times*)

**India's top carmaker, Maruti Suzuki sees hydrogen as 'interesting alternative':** The use of hydrogen power for mobility is an "interesting alternative" for India, especially as it would reduce dependence on lithium imports, the chairman of Maruti Suzuki, India's top-selling carmaker, said on Monday. (*Economic Times*)

**Ola Electric to ride into two-wheeler market with scooter launch on Aug 15:** Ola Electric's maiden scooter offering will get formally launched on August 15, coinciding with India's Independence Day, company's founder Bhavish Aggarwal wrote on the micro blogging site Twitter. The launch will mark Ola Electric's formal entry in the world's largest two-wheeler market. (*Business Standard*)

## Sectoral News

**Agriculture ministry to bring data policy for farm sector:** Agriculture Minister Narendra Singh Tomar on Friday said the government aims to create a national database of farmers and is also in the process of bringing out a data policy for the farm sector. In a written reply in the Rajya Sabha, Tomar said, "The government aims to create a federated National Farmers Database and the digitised land records will be used as data attributes for creating this database. To bring dynamism to the farmer's database, the linkage with digital land record management system is essential." (*Economic Times*)

**PI Industries to acquire API biz from Ind-Swift Labs:** Ind-Swift Laboratories has agreed to sell its Active Pharmaceuticals Ingredients (API) business to PI Industries on a slump sale basis, both the companies said in exchange notifications. (*Economic Times*)

**FMCG players reap in profits with D2C channel:** Just like many other categories, fast-moving consumer goods (FMCG) majors too have decided to give the direct-to-consumer (D2C) selling channel a shot in the midst of the ongoing pandemic. As per data by Technopak, the D2C channel has grown around 20% in the past two years, led by the pandemic-infused demand, and it is expected to grow 15-20% in the next five years. (*Financial Express*)

**Maruti, Hyundai and Tata Motors post double-digit sales growth in July:** Auto majors, including Maruti Suzuki India, Hyundai and Tata Motors, on Sunday reported high double-digit growth in their domestic passenger vehicle sales in July riding on stabilisation of macro-economic factors and better consumer sentiments. (*Economic Times*)

**Chip shortage hits global manufacturing: electronics firms affected:** A global semiconductor chip shortage has caused a major delay in manufacturing activity, with automakers cutting down on production and electronic device makers struggling to keep up with a pandemic-led surge in demand for phones, TVs and gaming consoles. (*Business Standard*)



**Institute for Studies in Industrial Development**

*A Sponsored Institution of Indian Council of Social Science Research*

4, Vasant Kunj Institutional Area, New Delhi - 110070, India

Follow us at



**Disclaimer:** *Industry Matters* is a weekly news update on Indian economy, industry, and policy compiled at ISID from various newspapers and e-resources. ISID does not guarantee the truthfulness, accuracy, or validity of the news items linked in the above message. It is shared for informational and educational purposes to facilitate and support research and information on Indian industry. It is not a commercial product and all copyrights remain with those of the respective copyright holders.

Compiled by: Rakesh Gupta. Edited by Sangeeta Ghosh

To unsubscribe please [click here](#)