

# Industry Matters

Weekly Updates

September 17, 2021

## Economy, Industry and Policy

**Industrial production grows 11.5% in July on low-base effect - Govt data:** Industrial production surged 11.5 per cent in July mainly due to a low-base effect and good performance by manufacturing, mining and power sectors but the output remained slightly below the pre-pandemic level. (*Business Standard*)

**Textile PLI scheme - 35 companies line up Rs 10,000-crore investment:** At least 35 companies, including Reliance Industries, Bombay Dyeing, Welspun Global Brands, Arvind Group, IndoRama Synthetics, and Wellknown Polyesters, have lined up investment plans worth Rs 10,150 crore under the production-linked incentive (PLI) scheme for textiles. (*Business Standard*)

**Cabinet clears Rs 26,000-cr PLI scheme for auto sector to boost production:** The Union Cabinet on Wednesday approved a production-linked incentive (PLI) scheme with a budgetary outlay of Rs 25,938 crore to boost domestic manufacturing capabilities of the automobile industry, including electric and hydrogen fuel cell vehicles. (*Business Standard*)

**Union Cabinet clears decks for National Asset Reconstruction Company:** Clearing the path for the launch of National Asset Reconstruction Company (NARCL), the Union Cabinet is learnt to have approved the government guarantee on security receipts that will be used to buy bad loans of lenders. The Centre has earmarked about Rs 31,000 crore towards this. (*Business Standard*)

**World Bank discontinues ease of doing business reports after ethics review:** The World Bank Group on Thursday confirmed that it will be discontinuing 'Doing Business' reports. It also added that it will work on new approach to assessing business and investment climate in countries. (*Mint*)

## Foreign Investments

**Cabinet allows 100% FDI in telecom sector via automatic route - Vaishnav:** In big bang reforms, the Union Cabinet on Wednesday approved a relief package for the telecom sector that includes a four-year moratorium on payment of statutory dues by telecom companies as well as allowing 100 per cent foreign investment through the automatic route. (*Business Standard*)

**India to revise FDI policy for space sector, says Isro chief Sivan:** Sivan said the FDI policy is getting revised which would open up huge opportunities for foreign companies to invest in India. (*Business Standard*)

**Global businesses confident about investing in India. 44% business planning investments - Deloitte:** About 44% of the 1,200 business leaders surveyed globally are planning additional or first-time investments in India, the Deloitte survey --India's FDI Opportunity - a global survey of multinational business leaders to gauge their perceptions of India said. (*The Economic Times*)

**Around 500 new MNCs are likely to set up captive centres in India by FY25:** About 500 new multinationals are likely to set up captive centres in India by financial year 2025, while exports from global captive centres (GCCs) could double to between \$58 billion and \$81 billion from \$35.9 billion currently, according to a new report. (*The Economic Times*)

**Start local assembly in India, scale to full-fledged manufacturing - Govt tells Tesla:** The government has suggested that the Tesla should begin its India business by starting with local assembly operations, and thereafter scaling it to full-fledged manufacturing. (*The Economic Times*)

## Trade Policy and Competitiveness

**Exports surge 45.8% in Aug to \$33 bn; trade deficit widens to \$13.8 bn:** India exported goods worth \$33.38 billion in August, up 45.76 per cent year-on-year (YoY), amid robust external demand, data released by the commerce and industry ministry showed. (*Business Standard*)

**India-ASEAN must announce review of FTA in goods by year-end - Anupriya Patel:** India and the 10-member ASEAN must announce the review of the India-ASEAN free trade agreement in goods before the end of the year and non-tariff measures faced by Indian exporters of automobiles and agriculture in the bloc should be removed, said Anupriya Patel, Minister of State for Commerce and Industry. *(The Hindu BusinessLine)*

**India's merchandise exports to touch \$98 billion during Q2 of FY22:** According to India Exim Bank, India's merchandise exports during the second quarter of FY22 is expected to be \$98.45 billion and non-oil exports to be \$85.63 billion as against \$74.02 billion and \$66.73 billion respectively logged during the previous year corresponding period. *(Business Standard)*

**Sign FTAs with US, EU for helping domestic exporters - Parliament panel to govt:** The government should iron out the issues hindering the signing of Free Trade Agreements (FTAs) with the US and the EU nations as domestic exporters are at a disadvantage due to the absence of these agreements, a parliamentary panel has recommended in a report submitted on Saturday. *(The Economic Times)*

**This is how RoDTEP scheme can impact exports:** Remissions of Duties and Taxes on Exported Products (RoDTEP) is a much-awaited scheme which seeks to replace the Merchandise Exports from India Scheme (MEIS). *(The Economic Times)*

**PHDCCI identifies 75 potential products, markets to take exports to \$750 bn by 2027:** Industry chamber PHDCCI on Sunday said it has identified as many as 75 potential products from nine sectors, including agriculture and minerals, and as many markets like the US and Europe, which can help take India's exports to USD 750 billion by 2027. *(The Economic Times)*

**India, U.K. to begin trade talks from November 1:** Formal negotiations for a proposed India-United Kingdom Free Trade Agreement (FTA) would begin on November 1, with an interim 'early harvest' agreement to be completed by March 2022, the government stated on Tuesday. *(The Hindu)*

**Reforms in jewellery sector to help achieve \$ 43.75 bn export target - Patel:** Introduction of reforms for the gems and jewellery industry such as revamped gold monetisation scheme, reduction in import duty of gold, and hallmarking would help push its growth rate and achieve USD 43.75 billion exports target for this fiscal year, Union Minister Anupriya Patel said on Wednesday. *(Business Standard)*

## Corporate Sector

**India Inc sees 219 deals worth \$8.4 bn in August, record volumes since 2005:** For India Inc the month of August witnessed 219 deals aggregating to \$8.4 billion, record volumes for any given month since 2005. *(Business Standard)*

**Premji Invest invests \$25 million in SB Packagings for significant stake:** Premji Invest, the family office of Wipro's chairman emeritus Azim Premji, has invested \$25 million (about Rs 180 crore) in SB Packagings Pvt. Ltd. for a significant stake. *(The Economic Times)*

**Air India receives financial bids; Announcement of new owners by end of this month:** Privatisation of loss-making Air India is being touted as one of the biggest reforms by this government. *(The Economic Times)*

**PepsiCo commissions India's largest greenfield plant worth Rs 814 cr:** Entailing an investment of Rs 814 crore, the PepsiCo unit spanning 29 acres in Kosi Kalan, Mathura will procure 150,000 tonnes of locally grown potatoes, thus benefitting more than 5,000 farmers and creating 1,500 direct and indirect job opportunities. *(Business Standard)*

**India Inc spent Rs 1,600 cr on Covid-19 relief during March-May 2021:** The study revealed that Indian companies launched more than 750 CSR initiatives in response to the second wave with 35% of these interventions implemented in Maharashtra, Gujarat, Karnataka and Uttar Pradesh. *(Financial Express)*

## MSMEs and Start-ups

**PLI scheme - How auto component MSMEs stand to benefit from govt's production incentives for auto sector:** "The new scheme aims at MSMEs, which are into manufacturing, to scale up their production to reduce excessive reliance on imports by achieving better economies of scale to become export competitive. *(Financial Express)*

**On track to have over 4.2 lakh sellers, MSMEs by December 2021 - Flipkart:** Walmart-owned Flipkart on Thursday said it has onboarded around 75,000 sellers on its platform in the past few months, and is on track to have over 4.2 lakh sellers and MSMEs (micro, small and medium enterprises) by the end of this year. *(The Economic Times)*

**Indian unorganised retail - Key to world's third largest consumer market:** India's unorganised retail that stands at 90 percent, is the key towards digitising and providing an access to new products and shopping experiences. *(The Economic Times)*

**Small businesses expect easier credit access, better opportunities with post-Covid govt measures – Survey:** Post-Covid guidelines by the government to promote micro, small and medium enterprises (MSMEs) in India is likely to facilitate easier access to credit and more growth. *(Financial Express)*

**MSME manufacturers seek speedy policy implementation, lower interest rates to boost recovery - FICCI survey:** Manufacturers across multiple sectors have sought support for their micro, small, and medium enterprises (MSMEs) among measures proposed to revive and accelerating growth. *(Financial Express)*

**Blue-collar worker app Apna becomes a unicorn in under two years:** Apna, a digital hiring startup in India that connects millions of blue-collar workers to employers, reached a valuation of \$1.1 billion with a new funding round led by Tiger Global Management. *(Business Standard)*

## Employment and Industrial Relations

**Hiring outlook at 7-year peak, rising demand and eased curbs to push rebound:** Job creation is likely to see a strong recovery in the upcoming December quarter, with employers reporting the most optimistic hiring outlook in seven years. *(The Economic Times)*

**Pandemic prompting professionals to rethink their career paths, says Amazon India survey:** The pandemic is prompting professionals in the country to rethink their career paths with many looking at switching industries as well as upskilling themselves to advance in their careers, according to a survey commissioned by Amazon India. *(The Economic Times)*

**Unorganised workers to be brought under ESIC net:** ESIC has also decided to extend unemployment allowance under Atal Beemit Vyakti Kalyan Yojana up to June 30, 2022. *(The Hindu BusinessLine)*

## Industrial Finance

**Over Rs 30,000 crore guarantee approved for bad bank, says FM Sitharaman:** The Cabinet had yesterday approved govt guarantee of up to Rs 30,600 crore to back security receipts to be issued by National Asset Reconstruction Company (NARCL), said Finance Minister Nirmala Sitharaman in an address on the bad bank on Thursday. *(The Economic Times)*

**FM Sitharaman says many PSBs have come back to normalcy now:** Finance Minister Nirmala Sitharaman on Sunday said that the banking sector, especially public sector banks were in a better position now. *(The Economic Times)*

**FinMin asks Indian Banks' Association to play pivotal role in resurgence of economy:** Inaugurating the Delhi office of IBA, the secretary suggested that the Association can also look at providing training and skilling to middle management banking professionals so as to unburden banks in the same task. *(Financial Express)*

## Technology and Innovation

**TCS first Indian tech company to cross \$200 billion market cap:** Tata Consultancy Services, India's largest software exporter crossed \$200 billion in market capitalisation on Wednesday, as investors backed technology service providers who are growing their business helping the digital transformation of global businesses. *(The Economic Times)*

**Addverb to expand robots manufacturing by 10 times in next financial year:** Robotics and automation firm Addverb plans to expand its robot manufacturing unit in India to boost its output by around 10 times in the next financial year. *(The Economic Times)*

**India and Singapore to link UPI and PayNow to foster trade, travel and remittance:** The Reserve Bank of India (RBI) and the Monetary Authority of Singapore (MAS) have announced a project to link their respective payment systems - Unified Payments Interface (UPI) and PayNow for an interoperable remittance and trade network between the countries. *(The Economic Times)*

**OneWeb launches satellites in global internet service push:** British-based firm OneWeb launched 34 satellites into orbit from a cosmodrome in Kazakhstan, expanding its in-orbit constellation to 322 satellites, it said on Wednesday. *(The Economic Times)*

## Industrial Infrastructure, Clusters and SEZs

**DRDO contracts Godrej, 9 other companies to manufacture oxygen generators:** The Defence Research and Development Organisation (DRDO) has contracted 10 private sector players, including city-based Godrej & Boyce (G&B), to manufacture oxygen generators. *(The Economic Times)*

**Cabinet likely to clear 7 mega textile parks within 2 weeks:** The textiles ministry has proposed to set up these parks on over 1,000 acres in the next three years, on the lines of China and Vietnam. *(The Economic Times)*

**Govt unveils 100-day plan for civil aviation sector:** Union minister Jyotiraditya Scindia on Thursday announced a 100-day plan for the country's civil aviation sector, including policy measures and development of airports as well as heliports. *(The Economic Times)*

**Will concentrate in building air connectivity between India and CIS countries, says Civil Aviation Minister Jyotiraditya Scindia:** The Centre will concentrate on building air connectivity between India and countries that are part of the Commonwealth of Independent States (CIS) includes Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Uzbekistan and Ukraine. *(Financial Express)*

## Sustainable Industrialisation

**Centre plans to limit PLI scheme for auto to green vehicles:** Govt plans to restrict its Rs 26,000 crore production-linked incentive (PLI) scheme for automobiles to green technologies such as electrics and futuristic hydrogen fuel cells, eschewing petrol and diesel vehicles. *(The Economic Times)*

**JSW Energy to invest Rs 35,500 crore in green energy projects:** The Maharashtra government and power major JWS Energy Ltd on Tuesday signed two MoUs to set up two green projects worth Rs 35,500 crore to generate 6,500 MW clean energy in northern and western Maharashtra, Industry Minister Subhash Desai said. *(The Economic Times)*

**Tata Steel commissions India's first plant for CO2 capture from blast furnace gas:** Tata Steel on Tuesday commissioned a 5-tonne per day (TPD) carbon capture plant at its Jamshedpur Works, making it the country's first steel company to adopt such a carbon capture technology that extracts CO2 directly from the blast furnace gas. *(The Economic Times)*

## Sectoral News

**Government could soon come up with a proposal to provide relief to telecom companies:** The government is believed to have discussed the proposal to defer spectrum payments and thereafter convert part of the interest dues of telecom companies into equity in order to maintain the net present value of the outstanding, according to a report in Times of India. *(The Economic Times)*

**Target commercial production of Nano DAP within a year - Mansukh Mandaviya to fertiliser makers:** After the successful launch of nano urea, Union Chemicals and Fertilizers Minister Mansukh Mandaviya on Friday directed IFFCO and other fertiliser makers to start commercial production of Nano DAP (di-ammonium phosphate) within a year to reduce the country's import dependence. *(The Economic Times)*

**Five firms to undertake pilot projects to boost farmers' incomes:** The agriculture ministry on Tuesday signed a memorandum of understanding (MoU) with five companies — CISCO, Ninjacart, Jio Platforms, ITC and NCDEX e-Markets (NeML) — to undertake pilot projects in different districts with the objective to increase farmers' income. *(Financial Express)*

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