

# Industry Matters

Weekly Updates

December 3, 2021

## Economy, Industry and Policy

**PMI manufacturing rises to 10-month high in Nov on high domestic demand:** PMI rose to 57.6 in November from 55.9 in the previous month, the highest figure since January this year. (*Business Standard*)

**India's manufacturing sector records highest production growth in November after nine months:** India's manufacturing sector recorded the highest production growth in nine months in November, as per the survey-based IHS Markit India Manufacturing Purchasing Managers' Index (PMI), which rose to 57.6 from 55.9 in October. (*The Hindu*)

**GDP grows at 8.4% in Q2 - India still fastest growing large economy in world:** India was the fastest growing major economy in the world during the second quarter of the current financial year. (*Business Standard*)

**Public capex turns the corner: Central spending seen jumping 12% over pre-pandemic level:** Indicating durable recovery to the pre-pandemic levels, the public Capex cycle has turned the corner with the Central and states capital expenditure nearly crossing FY20 levels, growing faster than the gross domestic product rate, according to a report. (*Financial Express*)

**GST collections in November cross Rs 1.3 lakh crore, second-highest ever:** Gross GST revenue collected in November came in at Rs 1,31,526 crore. This was an improvement over the Rs 1.30 lakh crore collected in the month of October. (*The Economic Times*)

**Eight core sectors' output grows to 7.5% in October:** Industrial growth in the economy is yet to pick up pace. Although the industry grew 6.9 per cent in the second quarter of 2021-22 (FY22) year-on-year, its growth was just 3.7 per cent, compared with the corresponding pre-Covid period, according to the gross domestic product (GDP) numbers released by the National Statistical Office. (*Business Standard*)

**Govt debt at 62% of GDP: capable of repaying liabilities - MoS Finance Pankaj Chaudhary:** Central government debt is estimated at about 62% of GDP for this fiscal and it is capable of repaying its liabilities, Minister of State for Finance Pankaj Chaudhary informed Parliament on Tuesday. (*The Economic Times*)

**India's fiscal deficit for April-October at 36.3% of FY22 target:** The Union government's fiscal deficit for the April-October period came in at Rs 5.47 trillion or 36.3 per cent of the Budget estimates. In the corresponding period last year, the country's fiscal deficit was a high 119.7 per cent. (*Business Standard*)

**Centre's expenditure budget for FY22-23 likely to remain flat:** The fiscal deficit of the Union Budget for FY23 could stay around 6.8 per cent, the same as expected for FY22. (*Business Standard*)

**Four CPSEs pay Rs 5,155 crore dividend to government:** With this, so far this fiscal Rs 25,376.75 crore has been obtained through dividends from various CPSEs, as per the Department of Investment and Public Asset Management (DIPAM) website. (*The Economic Times*)

**Net direct tax revenue rises 68% to Rs 6.92 lakh cr till November 23:** "The Net Direct Tax Collection figures for the FY- 2021-22 as on 23.11.2021 are at Rs 6,92,833.6 crores showing a growth of 67.93 per cent and 27.29 per cent over the net collection figures for the corresponding period FY2020-21 and FY 2019-20,". (*The Economic Times*)

**Large corporates going back to banks amidst signs of capex pick up:** Credit growth to industry including small and medium sized firms picked up to 4.1 % in October 2021 from a contraction of 0.7 % in October 2020. Size-wise, credit to medium industries rose 48.6 % in October 2021 as compared to 20.8 % last year. (*The Economic Times*)

**[India's FMCG market grew 12.6% in Sept quarter led mostly by price hikes:](#)** India's fast-moving consumer goods market grew 12.6 per cent in the September ended quarter compared to the same period last year largely led by higher prices and an increase in urban consumption, NielsenIQ said in its release. *(Business Standard)*

**[Supply chain, talent key challenges to setting up cell manufacturing in India for Electric Vehicles:](#)** Talent and supply chain will be the key challenges for companies planning to set up lithium-ion cell manufacturing in India under the government's Rs 18,100-crore production-linked incentives (PLI) scheme, according to multiple industry executives. *(The Economic Times)*

**[Centre, states making efforts to remove burdensome compliance to promote ease of doing biz - Piyush Goyal:](#)** The Centre's effort along with states is to eliminate burdensome compliances, reduce the need for licensing and rationalise the renewal process with an aim to promoting ease of doing business in the country. *(The Economic Times)*

## Foreign Investments

**[Government approves continuation of Scheme for Investment Promotion for 5 years:](#)** The scheme comprises a number of components and activities for the promotion of investment into the country; enhancing international co-operation for promoting FDI and capacity building. *(The Economic Times)*

**[Far-East Russia big focus of Modi-Putin summit:](#)** India has ambitious plans for resource-rich Russian Far East and Modi had announced \$1 bn Line of Credit (LoC) for various projects in the region while announcing India's Act Far East Policy from Vladivostok in 2019. *(The Economic Times)*

**[US fund TFCC to buy 46% stake in Chennai's Ramcharan for \\$4 billion:](#)** This investment will be made over a period of five to seven years and the first round would be closed by January 2022. *(Business Standard)*

**[Only 29 FDI proposals pending for approval as of today - DPIIT secy:](#)** Foreign direct investment (FDI) proposals are being cleared and as of today only 29 applications are pending, a top government official said on Thursday. *(The Economic Times)*

**[Voltas plans compressor manufacturing unit in JV with international partner, to invest around Rs 500 crores:](#)** The company is yet to decide on a place for its compressor manufacturing plant as it is still waiting for the finalisation of the PN3 application. "Once PN3 is approved, we will decide on other things," Bakshi added. *(The Economic Times)*

**[Govt fast-tracking bordering nations' FDI - Industry secy:](#)** At an event organised by the Department for Promotion of Industry and Internal Trade (DPIIT) and Ficci, he also said the government is fast-tracking foreign direct investment (FDI) applications under Press Note 3, the commerce and industry ministry said in a statement. *(The Economic Times)*

## Trade Policy and Competitiveness

**[India Nov trade deficit at record \\$23.27 billion:](#)** India's merchandise exports rose to \$29.88 billion for the month from \$23.62 billion in the same period last year, while imports rose to \$53.15 billion in November from \$33.81 billion last year. *(The Economic Times)*

**[Tremendous potential to grow bilateral trade with Canada – Goyal:](#)** Bilateral trade between India and Canada stands at USD 10 billion currently and there is tremendous potential to take it to much higher levels, Commerce and Industry Minister Piyush Goyal said on Friday. *(The Economic Times)*

**[Slow exports growth takes trade deficit to record high of \\$23 billion:](#)** Exports growth fell to 26.49 per cent in November from 43.05 per cent in the previous month. Imports also grew at a slower pace of 57.18 per cent from 62.51 per cent during this period. *(Business Standard)*

**[Parliamentary Panel suggests commerce ministry to resolve issues hindering signing of FTAs with leading trade partners:](#)** The commerce ministry should resolve issues that are hindering signing of free trade agreements (FTAs) with India's leading trade partners including the US and European Union and enter into such pacts that are beneficial for the country. *(The Economic Times)*

**[India-China trade deficit stands at \\$30 bn during April-September:](#)** India's exports to China during the April-September 2021 period was USD 12.26 billion, while imports were aggregated at USD 42.33 billion. *(The Economic Times)*

**Piyush Goyal suggests five focus areas to enhance India-Bangladesh ties:** Commerce and Industry Minister Piyush Goyal on Sunday suggested five focus areas including trade, connectivity, health and tourism for further enhancing economic ties between India and Bangladesh. *(Business Standard)*

**Piyush Goyal asks gem, jewellery sector to focus on design, diversifying export product basket:** Commerce and Industry Minister Piyush Goyal on Saturday asked the gem and jewellery industry to focus on areas like design, diversification of export product basket and lab grown diamonds with a view to boost outbound shipments and job creation. *(Financial Express)*

**US softens stand, but FTA uncertainties far from over - Experts:** Some of the experts say that the two countries are trying to iron out thorny issues under the revived TPF. And, this could be the first step towards inking a larger trade deal in future even as the Biden administration has ruled out any free-trade agreement (FTA) at this point in time. *(Business Standard)*

**Counting hits and misses of India's Foreign Trade Policy:** The Union Commerce and Industry Minister Piyush Goyal reaffirmed last month that exports from India were on track for hitting the ambitious target of \$400 billion set for 2021-22, amounting to a 37% growth over the last year's figure. *(The Economic Times)*

## Corporate Sector

**IFFCO number one cooperative in world:** The ranking is based on the ratio of turnover over the gross domestic product (GDP) per capita, Indian Farmers Fertiliser Cooperative Limited (IFFCO) said in a statement. *(The Economic Times)*

**Croma could soon come under Tata Digital:** Electronics retailer Croma is the latest entity that is likely to join the Tata Digital's growing cart, a report in the Times of India said. Tata Digital already houses 1MG, CureFit and BigBasket. *(The Economic Times)*

**Adani, Tata Power, ReNew to benefit - Solar PLI outlay to be hiked to Rs 19,500 crore:** As many as 15 companies including public-sector Coal India, Adani Infrastructure, Larsen and Toubro, ReNew Solar, Tata Power Solar, Waaree Energies, Vikram Solar, Megha Engineering & Infrastructures and FS India Solar Ventures will likely get incentives offered under the production-linked incentive scheme for solar manufacturing. *(Financial Express)*

**ITC to acquire 16% stake in D2C brand Mother Sparsh:** Mother Sparsh is a premium Ayurvedic and natural personal care start-up in the D2C space, focusing on mother and baby care segments. *(The Economic Times)*

## MSMEs and Start-ups

**Loans worth Rs 2.82 lakh crore sanctioned under ECLGS:** The existing overall guarantee limit under the ECLGS has been enhanced from Rs 3 lakh crore to Rs 4.5 lakh crore and the scheme has been extended up to March 31, 2022. *(The Economic Times)*

**Strong Indian tech startup ecosystem, ripe for scale-ups - Nasscom report:** Analysis of about 100 shortlisted "scale-up" stories in startups indicate a story of growth and focus over the past decade. *(Business Standard)*

**Need credible policy to attract investments that are exiting China to boost MSME manufacturing - Rane:** Rane shared with the finance minister the feedback of the MSME entrepreneurs regarding the "apathy and indifference" of the banks towards providing credit to the sector. *(The Economic Times)*

**Festive season retail demand, MSME drive bank loan growth in October:** Reflecting uptick in festive season demand, the bank retail credit covering housing, vehicle and credit cards etc grew by 11.7 per cent on year-on-year (YoY) basis in October 2021. *(Business Standard)*

**MSME Secretary - Udyam portal getting good response with 6 million MSME registrations in 15 months:** As per the MSME Ministry annual report 2020-21, there were 1.02 crores Udyog Aadhaar Memorandum (UAM)-registered MSMEs between September 2015 and June 2020 apart from nearly 22 lakh units registered under Entrepreneur Memorandum (EM) II between 2007 and 2015. *(Financial Express)*

**SBI and Capri Global Capital sign MOU to accelerate MSME lending:** This association will offer strategic and customized financing solutions to the underserved MSMEs of the country in line with RBI guidelines. *(Mint)*

## Employment and Industrial Relations

**Unemployment rate at 9.4% in January-March 2021 - NSO survey:** This was the lowest since the nationwide lockdown was imposed in March last year but was higher than the pre-pandemic levels of 9.1 per cent, showed the Periodic Labour Force survey by the National Statistical Office (NSO). *(Business Standard)*

**Additional Rs 10,000 crore allocated for MNREGA earlier this month – Centre:** The finance ministry allocated Rs 10,000 crore earlier this month as an interim measure for the rural employment guarantee scheme over and above the budgetary allocation, the Ministry of Rural Development said on Thursday. *(Business Standard)*

## Industrial Finance

**Govt proposes framework for cross-border insolvency; seeks comments till Dec 15:** The government is preparing to come out with a cross-border insolvency resolution framework based on the UNCITRAL model law and is proposed to be made applicable for both corporate debtors as well as personal guarantors to such debtors. *(The Economic Times)*

**Industry bodies urge RBI to scrap daily loan asset classification norm:** The Confederation of Indian Industries (CII) and the Associated Chambers of Commerce and Industry of India (Assocham) are writing to the regulator to review the norm which asks NFBCs to classify loans based on daily repayments. *(The Economic Times)*

**Banks write off Rs 46,382 crore NPA in H1:** Banks have written off bad loans amounting to Rs 46,382 crore during the first six months of 2021-22, the finance ministry informed the Lok Sabha on Monday. *(The Economic Times)*

## Technology and Innovation

**Nasscom launches centre of excellence for IoT and AI at Visakhapatnam:** The CoE of IoT and AI aims to solve real-world challenges and creating an impact. It is designed to be a catalyst that will help the industry embrace technology and become globally competitive. The centre will focus on harnessing the power of AI and IoT to bring new opportunities for industry, startups, and academia. *(Mint)*

**5,554 cr digital transactions logged in FY2020-21 - Rajeev Chandrasekhar:** "Digital Payments transactions have been steadily increasing since last few years. Over the past four years, digital payment transactions have grown multifold from 1,004 crore in FY2016-17 to 5,554 crore in FY2020-21. *(The Economic Times)*

**Govt working on new legal framework on tech, internet - MoS IT:** A new legal framework will start taking shape in the country around technology and internet, and the data protection bill is the first step towards that, Minister of State for Electronics and IT Rajeev Chandrasekhar said on Thursday. *(Business Standard)*

**Satellite communications could improve quality of existing mobile networks:** The advent of Starlink may lead to a new battle for internet market share. Bharti Airtel's OneWeb, which is a collaboration with the UK government, is also planning to launch satellite services in a big way. *(Business Standard)*

## Industrial Infrastructure, Clusters and SEZs

**Noida International Airport - Clearance for work at Jewar site:** With Prime Minister Narendra Modi on Thursday laying the foundation stone for the Rs 30,000-crore Noida International Airport, to be the largest in Asia and the fourth largest in the world, decks have been cleared for the execution of the grand project. *(Financial Express)*

**Investments worth Rs 91,000 cr expected for airports development - Govt:** Investments worth Rs 91,000 crore will be made for developing existing and new airports in different parts of the country, as several measures are being taken to boost the civil aviation sector, the government said on Monday. *(Business Standard)*

**Rajasthan bags investment commitments worth about Rs. 78,700 cr:** The state government has signed memorandums of understanding (MoUs) worth Rs 68,698 crore and letters of intent (LOIs) worth over Rs 10,099 at the Delhi roadshow of its upcoming investors' summit 'Invest Rajasthan 2022', a press release said. *(Business Standard)*

**Delhi-Mumbai Industrial Corridor - Four industrial smart cities being developed, says Commerce Ministry:** According to the report, the industrial corridor programme's main objective is to develop greenfield smart industrial cities with sustainable 'plug n play' ICT-enabled utilities in order to facilitate the manufacturing investments into the country by offering quality, sustainable, reliable as well as resilient infrastructure for the industries. *(Financial Express)*

**[World's tallest railway bridge pier to come up in Manipur:](#)** With the completion of the project, the 111 km of distance will be covered in 2-2.5 hours. Presently, the distance between Jiribam-Imphal (NH-37) is 220 km, which took about 10-12 hours of travelling. The work on the bridge will be completed by December 2023. *(The Economic Times)*

## Sustainable Industrialisation

**[Rising sun - Renewables to dominate new power capacity through 2026 –IEA:](#)** Renewable energy should account for nearly 95% of the increase in power capacity in the world through 2026, a report by the International Energy Agency (IEA) showed on Wednesday, with solar power providing more than half the boost. *(The Economic Times)*

**[How traditional power behemoths are transitioning to renewable energy:](#)** The renewable energy (RE) space is buzzing with excitement. The sector is being incentivised by policies that can alter the power mix of the country — and make it greener and cleaner. Money is chasing RE assets which is helping green power producers add fresh capacities every year. *(The Economic Times)*

**[Ethanol blending in petrol helped India save Rs 9,580 crore in last one year:](#)** Under the EBP programme, Oil Marketing Companies (OMCs) sell 10 per cent ethanol-blended petrol or E10. Indian Oil (IOC), Bharat Petroleum (BPCL) and Hindustan Petroleum (HPCL) sold 3,672 crore litres of EBP between 1 December 2020 and 14 November 2021. *(The Economic Times)*

## Sectoral News

**[Electronics mfg sector's commitment to mission \\$300 bn offers great confidence – Vaishnav:](#)** "It gives me great confidence when the electronics manufacturing industry today has committed and assured us of USD 300 billion revenue by 2025-26. *(The Economic Times)*

**[Nearly 33% of India's medical devices capacity lying unused - Industry:](#)** After ramping up production to meet the steep demand spike during the Covid-19 pandemic, Indian medical device makers are now struggling with idle capacity. *(Business Standard)*

**[India's power consumption rises 3.6% to 100.42 BU in November:](#)** During November, the peak power demand met or the highest supply in a day stood at 166.19 GW, higher than 160.77 GW in the same month last year. *(Business Standard)*

**[As mandatory hallmarking draws near, number of registered jewellers surges:](#)** Following the government's decision to make hallmarking mandatory for gold jewellery from middle of June this year, the number of jewellers registered with the Bureau of Indian Standards (BIS) has nearly tripled from 43,153 in June 2021 to 1,24,034 as of November 15. *(The Economic Times)*

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