

Industry Matters

Weekly Updates

December 10, 2021

Economy, Industry and Policy

PMI - Services activity expands in November but records slight dip: This along with PMI for manufacturing — which hit a 10-month high in November — indicates a robust economic performance by the private sector in the first two months of the third quarter (Q3) of the current financial year. (*Business Standard*)

Recovering economy not immune to global spillovers - RBI Governor: Das said that given the slack in the economy and the ongoing catching-up of activity, especially of private consumption, which is still below its pre-pandemic levels, continued policy support is warranted for a durable and broad-based recovery. (*Business Standard*)

Industry body CII suggests investment focus in upcoming budget: Industry body, Confederation of Indian Industry or CII has strongly urged the government to continue its investment focus and enhance capital expenditure in areas such as infrastructure to promote growth in the economy at a time when consumption demand has not picked up adequately. (*The Economic Times*)

Govt sets highway monetisation target, NHAI looks to raise ₹2tn in 3 years: The government is set to accelerate the pace of asset monetisation operations in the road sector by getting the National Highways Authority of India (NHA) to find new buyers and operators for 21,700 km of operational highway stretches valued at over ₹2 lakh crore over the next three year starting next financial year. (*Mint*)

Govt approves investment proposals of 60 processed foods companies under PLI scheme: The Centre has approved investment proposals of 60 processed foods companies including Hindustan Unilever, Dabur, ITC, Amul, Nestle, Parle and Britannia under its Production Linked Incentive (PLI) scheme. (*The Economic Times*)

Revenue boost - States maintain healthy capex pace: Improved revenues have enabled states to keep a healthy pace of capital expenditure in the first eight months of the current financial year, even as the early part of this period saw the savage second Covid wave. (*Financial Express*)

Urban FMCG sales down 6.3%, rural sales increase 17.9% in November: FMCG sales (in value terms) in urban India contracted in November as compared with last year as migrant workers, including shop owners, returned home for the festival season, according to data by retail intelligence platform, Bizom. (*Business Standard*)

India's services activity grew robustly in Nov; price pressures intensify: Activity in India's dominant services sector continued to grow at a robust pace last month supported by a strong recovery in domestic demand, a private survey showed, but elevated price pressures remained a major concern. (*The Economic Times*)

India among the most unequal countries with an affluent elite - Report: The bottom half of the population in India earns Rs 53,610, the top 10% earns twenty times more at Rs 11,66,520. While the top 10% and top 1% hold respectively 57% and 22% of total national income, the share of the bottom 50% has gone down to 13%. India stands out as a poor and very unequal country, with an affluent elite. (*The Economic Times*)

Poverty ratio 32.75% in rural areas against 8.81% in urban - NITI report: The report surveyed 175,946 households in urban areas and 425,563 households in rural parts. Taking a household as comprising five members, there were 874,730 people surveyed in urban areas and 2.22 million in rural areas that year. (*Business Standard*)

Foreign Investments

[FDI in food processing sector down 54 pc to Rs 2,934 crore last fiscal:](#) The minister said that the FDI inflows in the food processing sector stood at USD 393.41 million in 2020-21 as against USD 904.70 million in the previous year. *(The Economic Times)*

[2,783 foreign companies shut India operations since 2014 - Govt to Parliament:](#) There are 12,458 active subsidiaries of foreign companies as on November 30, according to Commerce and industry minister Piyush Goyal. *(The Economic Times)*

[India, Russia sign pact to deepen space cooperation:](#) A joint statement issued after the summit said the two countries welcomed the enhanced cooperation between the Russian State Space Corporation 'Roscosmos' and the Indian Space Research Organisation (ISRO) including in the human spaceflight programmes and satellite navigation. *(The Economic Times)*

Trade Policy and Competitiveness

[India's mission to WTO inks MoU with 2 institutes for capacity building, research in international trade law:](#) The MoU aims to enhance India's capacity in formulating its foreign trade policy and contribute towards ensuring stability in the global trade regime. *(The Economic Times)*

[Forex reserves down by \\$2.713 billion to \\$637.687 billion:](#) The country's foreign exchange reserves declined by USD 2.713 billion to USD 637.687 billion in the week to November 26, RBI data showed. *(Business Standard)*

[Exports rise 44.2% YoY, imports 45.3%:](#) Merchandise exports were \$8.5 billion during December 1-7, while imports rose at a faster pace at \$14.14 billion netting a trade deficit of \$5.64 billion in the week, a government source said. *(The Economic Times)*

[India, UAE aim to conclude trade pact talks next week:](#) "The third round of India-UAE CEPA negotiations are scheduled to be held in New Delhi on December 6-10 wherein both sides aim to conclude the negotiations," the commerce and industry ministry said in a statement. *(The Economic Times)*

[Food exporters fret over registration in China:](#) India's food product exporters supplying to China are worried as they rush to register with Chinese customs and allow their supply chain for inspection, a mandatory requirement that kicks in from January next year. *(The Economic Times)*

[India to push back on \\$1-billion Russian helicopter deal - Report:](#) India won't go ahead with building Russian helicopters locally under a \$1 billion deal when President Vladimir Putin visits New Delhi next week, according to senior government officials with knowledge of the matter, complicating plans to modernize the world's third largest military force. *(Business Standard)*

[US largest trading partner of India during Apr-Oct - Govt:](#) The government on Friday said during the April-October period this fiscal, the US has once again emerged as the largest trading partner of India with bilateral merchandise trade of USD 67.41 billion. *(The Economic Times)*

[Agricultural exports rise by 13% in Apr-Nov:](#) India's exports of agricultural and processed food products rose by more than 13 per cent during April-November this fiscal to USD 23.26 billion, the commerce ministry said on Saturday. *(The Economic Times)*

[Singapore fits into India's development journey - Principal Eco Advisor Sanyal:](#) Singapore fits very much into what India will do in the next 30 years as part of the ongoing reform process and building on the past three decades of liberalisation, acclaimed economist and Principal Economic Advisor to the Indian government Sanjeev Sanyal has said. *(The Economic Times)*

Corporate Sector

[Jio-BP, Mahindra Group sign MoU for EV, low-carbon solution:](#) A joint venture of Reliance Industries Ltd and BP of the UK on Wednesday said it has signed an agreement with the Mahindra Group to explore EV and low-carbon solutions, including battery swapping technology options, for electric 3-wheelers. *(The Economic Times)*

[Airtel & Juniper Networks sign deal for extension broadband coverage:](#) Bharti Airtel selects California-based Juniper Networks for network upgrades for the expansion of Airtel's nationwide broadband coverage across India. *(The Economic Times)*

[Delhivery buys US-based UAS platform Transition Robotics for unknown sum:](#) Fully-integrated logistics services firm Delhivery said it has acquired Transition Robotics Inc., a California-based company focused on developing unmanned aerial system (UAS) platforms, for an undisclosed amount. *(Business Standard)*

[Tata Motors to invest over \\$1 billion in CV business:](#) Tata Motors, the nation's largest truck maker, has lined up an investment of more than \$1 billion (over Rs 7,500 crore) in the coming 4-5 years to recraft its road map for the commercial vehicle business, with electric vehicles at its core, people in the know said. *(The Economic Times)*

[Three Indian companies among top 100 in arms sales globally:](#) Three Indian companies are among the world's top 100 for combined arms sales in 2020, said a new report by the Stockholm International Peace Research Institute (SIPRI), which tracks global arms trade. The three are: Hindustan Aeronautics Limited (HAL), Indian Ordnance Factories, and Bharat Electronics Limited (BEL). *(The Indian Express)*

[Byju's acquires Austria's math platform GeoGebra in \\$100 million deal:](#) Edtech major Byju's on Wednesday said it has acquired Austria-headquartered GeoGebra that runs an interactive mathematics learning tool with a community of over 100 million learners spread across some 195 countries. *(The Economic Times)*

MSMEs and Start-ups

[MoUs signed in Tamil Nadu to serve the micro, small and medium industries:](#) The Tamil Nadu government on Wednesday announced the signing of memorandum of understandings between Tamil Nadu Industrial Investment Corporation Ltd (TIIC) and Tamil Nadu Small Industries Development Corporation (TANSIDCO) to serve the micro, small and medium industries in the state. *(The Economic Times)*

[IT minister asks bankers to create robust, digital platform for easy credit availability to small businesses:](#) IT Minister Ashwini Vaishnaw on Sunday exhorted the banking industry to create an innovative digital platform -- as powerful, seamless and robust as UPI -- for providing quick and easy credit to MSMEs, small businessmen, and those at the bottom of pyramid. *(The Economic Times)*

[Electric mobility solutions startup Matter to invest Rs 1,500 crore in Gujarat:](#) Start-up electric mobility solutions and energy storage provider Matter on Monday said it plans to invest Rs 1,500 crore over the next five years in Gujarat. *(The Economic Times)*

[Meta to skill 1 crore small businesses, 2,50,000 creators in India:](#) Meta opened its new office in Gurugram on Wednesday and said its new office will host the Centre for Fuelling India's New Economy (C-FINE) with a commitment to train one crore small businesses and 2,50,000 creators in the next three years. *(The Economic Times)*

[ECLGS helped 65% MSMEs through financial troubles, 57% found it difficult to access – Report:](#) Based on a survey of 756 MSMEs, 65% of the respondents said the ECLGS scheme helped their business tide through financial troubles and 68% were confident about a future positive outlook. *(The Economic Times)*

Employment and Industrial Relations

[India's employability improves marginally to 46.2% from 45.97% last year:](#) "The pandemic has shown us that remote learning and remote work are going to become the new normal for many sectors across IT, business consultancy, financial services, and very specifically one industry leading the game, the education industry," Nirmal Singh, Founder & CEO, Wheebox said. *(The Economic Times)*

[Employment data disappoints in November:](#) The encouraging signs are that the unemployment rate declined from 7.8 per cent in October to 7 per cent in November; the employment rate rose by a whisker — from 37.28 per cent to 37.34 per cent. This translated into employment increasing by 1.4 million, from 400.8 million to 402.1 million in November 2021. *(Business Standard)*

[Govt to chalk out legal road map for working from home:](#) India is eyeing a comprehensive framework for work from home that will define the liability of employers towards employees working from home. *(The Economic Times)*

Industrial Finance

PM Modi's 59-min MSME loans - 2.36 lakh loans in 3 years but only this much sanctioned in last 12 months: The 59-minute loan approval scheme by SIDBI for micro, small, and medium enterprises (MSMEs), which completed three years of operation in November, had sanctioned 2.36 lakh loans involving Rs 79,149 crore as of November 30, 2021. *(Financial Express)*

Banks can prepay TLTRO funds - RBI: The Reserve Bank of India (RBI) will provide banks one more option to prepay the outstanding amount of funds availed under the Targeted Long-Term Repo Operations (TLTRO 1.0 and 2.0). *(The Hindu BusinessLine)*

Rules on banks' investment portfolios to be revamped first time in 21 years: For the first time in 21 years, the Reserve Bank of India (RBI) will revise norms for investment portfolios of commercial banks to reflect changes in global standards on valuation and measurement, and progress in the domestic market. *(Business Standard)*

Till September, 421 cases resolved under insolvency law; 1,149 cases went for liquidation: As of September 30, a total of 4,708 CIRPs were initiated under the IBC. "The realisable value of 421 cases which were resolved through a resolution plan as on 30th September, 2021 is Rs 2.55 lakh crore for all creditors, including financial creditors. *(The Economic Times)*

PSBs restructure over Rs 58,500 crore loan advanced to 9.8 lakh MSME accounts amid pandemic - Govt: Public sector banks (PSBs) effected restructuring of 9.8 lakh accounts of micro, small and medium enterprises, due to the impact of Covid-19 pandemic, amounting to Rs 58,524 crore as of November 26, the government said in Parliament on Monday. *(The Economic Times)*

RBI new norms likely to increase NBFCs bad loans by one-third - Study: The recent clarification by the Reserve Bank of India on non-performing advances (NPA) may increase non-banking financial companies' (NBFC) bad loans by one-third, says a report. *(The Economic Times)*

Technology and Innovation

Need to convert Fintech initiatives into Fintech revolution - PM Modi: Observing that India has proved to the world that it is second to none when it comes to adopting technology, he said transformational initiatives under Digital India have opened doors for innovative fintech solutions to be applied in governance. *(Business Standard)*

Norms soon for spraying fertiliser via drones: The Centre is finalising the guidelines for the use of drones in applying fertiliser to crops. India expects to emulate Israel and Europe in adopting this new method, which may help reduce consumption, save on subsidy and improve soil health. *(The Hindu BusinessLine)*

Over 93% of villages in country have mobile broadband coverage - Chauhan: It is estimated that out of 5,97,618 inhabited census villages (as per Census 2011) in the country, a total number of 5,58,537 villages have been connected with mobile broadband through 3G/4G mobile technologies. *(Business Standard)*

India looking forward to leverage digital payments stack; in talks with regulators globally - NPCI: India is looking forward to leveraging the stack it has built in the digital payments space and the National Payments Corporation of India (NPCI) is reaching out to many countries to help them build their own payment systems, its MD & CEO Dilip Asbe said on Friday. *(The Economic Times)*

MeitY releases national strategy on blockchain for its adoption in govt systems: The ministry has adopted a multi-institutional approach for the national blockchain framework, which includes C-DAC for research and development of the framework, NIC and NICS for hosting the national-level blockchain infrastructure and offering blockchain as a service. *(The Economic Times)*

Industrial Infrastructure, Clusters and SEZs

PM Modi inaugurates, lays foundation stone for multiple projects worth Rs 18,000 crore in Dehradun: Prime Minister Narendra Modi on Saturday inaugurated and laid the foundation stone for multiple projects worth around Rs 18,000 crore on Saturday in Dehradun. The Prime Minister laid the foundation stone of eleven development projects. *(The Economic Times)*

[144 central infra projects had delays in FY22; cost overrun at Rs 14,960 cr:](#) As many as 144 central infrastructure projects have reported delays (single and multiple) in its completion in the current financial year and the total cost overrun of these is Rs 14,960.02 crore. *(Business Standard)*

[CII makes case for replacing bank guarantees with surety bonds in infra sector:](#) Industry body CII has urged the government to consider replacing bank guarantees with surety bonds in the infrastructure sector and also develop the municipal bond market so that urban local bodies can raise funds. *(The Economic Times)*

Sustainable Industrialisation

[Green energy goals achievable with right steps taken now - Sunil Mittal:](#) If tech companies take steps in the right direction now, India can get close to its goal of having net zero emissions by 2070, and being carbon neutral by 2030. *(Business Standard)*

[In green push, IIT explores new battery packs, charging infra:](#) In a bid to push for electric vehicles, Indian Institute of Technology (IIT) Delhi's Centre for Automotive Research and Tribology (CART) has been conducting various inter-disciplinary research focusing on new battery packs and charging facilities and maintenance and diagnostics. *(The Economic Times)*

[MoHI to roll out EV fast charging standardisation by 2022-end:](#) The union government's efforts to speed up electric vehicle adoption in the country will get a big push with the standardization of charging infrastructure which is scheduled to be launched by the end of 2022. *(The Economic Times)*

Sectoral News

[Construction steel prices up 117% in 6 years:](#) Prices of various steel products used in the infrastructure sector such as wire rods, plates and TMT bars have gone up by up to 117% in the last six years, steel minister RCP Singh informed Parliament on Wednesday. *(Financial Express)*

[India's Nov YoY retail sales dip on supply shortages – FADA:](#) The data released by the Federation of Automobile Dealers Associations (FADA) showed a fall of 2.7 per cent during the month under review from November 2020. *(The Economic Times)*

[Power minister approves 23 new inter-state transmission projects worth Rs 15,893 cr:](#) The new transmission projects would inter-alia facilitate evacuation system for 14 GW of renewable projects in Rajasthan, 4.5 GW of RE projects in Gujarat, 1 GW Neemuch Solar Park, Madhya Pradesh and feeding areas near Akhnoor and Jammu region by establishing Siot Substation in Jammu. *(The Economic Times)*

[November retails stay in slow lane, PV sales drop 19%:](#) The semi-conductor shortage and its resultant supply-side constraints, high acquisition price, as well as fuel costs and unexpected floods, have played spoilsport for India's automobile retails for November 2021. *(Financial Express)*