

Industry Matters

Weekly Updates

December 31, 2021

Economy, Industry and Policy

These numbers show how India's economy grew steadily - before Omicron hit: India's economy was expanding at a steady pace in November, a month that saw the omicron variant of coronavirus induce fresh concerns about risks to the recovery. All eight high-frequency indicators tracked by Bloomberg News were steady last month. *(The Economic Times)*

RBI expresses doubts over govt meeting fiscal deficit targets: The Reserve Bank on Wednesday expressed doubts about the government's ability to contain fiscal deficit at the budgeted 6.8 per cent this fiscal year after it moved the second supplementary demand of grants worth Rs 3.73 lakh crore which came in spite of a massive 83 per cent jump in net tax revenue so far this year to Rs 10.53 lakh crore. *(Business Standard)*

PLI scheme for speciality steel deferred by a year: The government has deferred by a year the implementation of the `6,322-crore production-linked incentive (PLI) scheme to promote and boost production of speciality steel domestically. Instead of 2022-23, the five-year scheme will now commence from 2023-24. *(Financial Express)*

Direct-selling companies can't promote pyramid scheme, says govt: The Union government on Tuesday prohibited entities such as Amway from promoting a pyramid scheme or enrolling any person to such a scheme in the garb of doing direct-selling business. *(Business Standard)*

At \$18.51b in first 8 months of FY22 , India Inc's overseas borrowing gathers momentum: According to Reserve Bank of India data, external commercial borrowings (ECBs) of India Inc in the first eight months of the current fiscal stood at \$18.51 billion against \$16.56 billion during the same period of FY21. *(The Hindu BusinessLine)*

Govt issues guidelines for textiles PLI scheme worth Rs 10,683 crore: The Centre on Tuesday released the operational guidelines for the production-linked incentive (PLI) scheme for textiles. Under this, companies can begin the registration process from January 1-31, 2022, on the government's online portal. *(Business Standard)*

IT, pharma, electronics departments ask for top-up funds in PLI push: A panel comprising NITI Aayog CEO Amitabh Kant and officials from the Department for Promotion of Industry and Internal Trade (DPIIT), the Ministry of Finance are currently studying these demands and looking into whether unutilised funds from other PLI schemes could be channelled to these departments, said people in the know. *(Business Standard)*

At 20%, CPSEs' capex pace creditable, yet below target: Capital expenditure by large central public-sector entities — companies and undertakings — rose by 19% on year to Rs 3.1 lakh crore in the first eight months of the current financial year. *(Financial Express)*

Uniform GST on MMF, yarn, fabric from January 1 – Government: Despite demands from traders and states, the government is sticking to its decision to implement uniform goods and services tax (GST) rate at 12% on manmade fibre (MMF), MMF yarn, MMF fabrics and apparel from January 1, 2022. *(The Economic Times)*

Indian electronics manufacturing sector to touch Rs 7 trn next fiscal: The Meity has proposed a PLI scheme of about Rs 22,000 crore to promote wearables as well as enhance incentives for IT hardware manufacturers in the next financial year as it aims to increase electronics exports from India by 50 per cent. *(Business Standard)*

[Centre begins consultation on setting up national database on cooperatives:](#) The Centre has started a consultation process with various stakeholders on building a national database on cooperatives which will help in convergence of various schemes implemented by states and the central government as well as in establishing good governance and market orientation. *(The Economic Times)*

Foreign Investments

[Intel looking at semiconductor plant in India:](#) The new unit, sources said, could be set up for development and fabrication of test chips on Intel 18A, which is among the newest technologies developed by the company. *(The Indian Express)*

[Easing foreign investments via International Financial Services Center:](#) For years, India has been receiving a majority of its foreign investment from tax havens such as Mauritius, Singapore, Dubai, Cyprus and Cayman Islands. *(The Hindu BusinessLine)*

[Nokia Intends to Grow Manufacturing Bases in India and Benefit from PLI Scheme:](#) Nokia, a Finnish telecommunications gear manufacturer, has shared its intent for growing manufacturing bases in India. *(Telecomtalk)*

Trade Policy and Competitiveness

[Exports up 36% on-yr in Dec 1-21:](#) India's exports in the first three weeks of December rose 36.20% on-year at \$23.82 billion. *(The Economic Times)*

[India imposes antidumping duty on 5 Chinese goods for 5 years:](#) India has imposed antidumping duties on five Chinese products, including certain aluminium goods and some chemicals, for five years to guard local manufacturers from cheap imports from the neighbouring country. *(The Economic Times)*

[Indian engineering exports to China doubles in November 2021:](#) Engineering goods shipments to China has more than doubled in November, 2021 to USD 434.6 million (Rs 32,60 crore approximately) as compared to USD 205.3 million (Rs 1540 crore) in the same month last year, sector export promotion body EEPC said on Friday. *(The Economic Times)*

[India-UAE FTA text likely to get Cabinet nod soon:](#) The Cabinet approval for the India-UAE Comprehensive Economic Partnership Agreement (CEPA) is expected to come in time for Prime Minister Narendra Modi's visit to Dubai, scheduled around January 6, where the pact is likely to be formalised", the source told BusinessLine. *(The Hindu BusinessLine)*

[Bangladesh may become India's fourth largest export destination in FY22:](#) According to disaggregated data available till October, during the first seven months of FY22, exports to Bangladesh grew 81 per cent over the same period in the preceding year to \$7.7 billion. This makes it India's fourth largest export market behind the US, UAE and China. *(Business Standard)*

[India's textile and apparel exports outshine pre-Covid numbers:](#) India's textile and apparel exports have seen a 53 per cent growth during the April-November period of the current fiscal year at around \$26 billion. This compares to the figure of \$17 billion during the same period in FY21. *(Business Standard)*

[Defence ministry restricts import of 351 more items for 'Make in India' push:](#) This was the third such list issued by the defence ministry in the past 16 months as part of efforts to make India a hub for developing and manufacturing military hardware. The ministry issued a separate list of 2,500 imported items that it said had already been indigenised. *(Hindustan Times)*

[Environment, labour, data issues to test skills of Indian trade negotiators in 2022 - WTC report:](#) Issues of the 21st Century, such as environment protection, labour, e-commerce and data protection, are set to be major drivers of global supply chain and exports and could test the skill of Indian negotiators in 2022 as they try to arrive at mutually beneficial agreements with major trade partners such as the UK, the EU and the US, according to a research paper by World Trade Centre, Mumbai. *(The Hindu BusinessLine)*

Corporate Sector

[Air India handover to Tata Group delayed by a month till January:](#) Tata Group's takeover of loss-making national carrier Air India is most likely delayed by a month till January as the completion of procedures taking longer than expected. *(The Economic Times)*

[Ashok Leyland ties up with Shriram Auto Mall to enter used vehicle business:](#) Ashok Leyland (AL) said on Monday it's entering the used vehicles business by tying up with Shriram Automall India Limited (SAMIL), a marketplace connecting pre-owned vehicles and equipment buyers and sellers. *(Business Standard)*

[Bharti Airtel, TCS partner for 5G-based remote robotic operations:](#) Indian companies are looking to adopt indigenously developed technology for 5G. Airtel and TCS have joined hands for remote robotics operations using 5G. They have successfully conducted trials in Airtel's 5G lab. *(Business Standard)*

[Maharashtra distributors to stop supply of HUL products from Jan 1:](#) Hindustan Unilever's (HUL) distributors in Maharashtra will stop supplying its products in phases in the state from January 1. This is because the fast-moving consumer goods (FMCG) major has not come forward to discuss the issue of price parity between traditional and organised distributors. *(Business Standard)*

MSMEs and Start-ups

[Emerging signs of stress in MSME sector, bad loans on the rise – RBI:](#) There are emerging signs of stress in micro, small and medium enterprises (MSME) and the microfinance segment. This calls for close monitoring of these portfolios, said the Reserve Bank of India (RBI) in its Financial Stability Report (FSR). *(The Economic Times)*

[Small e-sellers may get GST compliance relief:](#) Exemption from mandatory goods and services tax (GST) registration that is currently available for small enterprises with annual revenue of up to ₹40 lakh may soon extend to their sales on online platforms as well, two people aware of the matter said. *(Mint)*

[GlobalBees enters unicorn club with \\$110 million funding led by Premji Invest:](#) Thrashio-style venture GlobalBees has raised over \$110 million led by Premji Invest with participation from new investor, Steadview Capital and existing investors, SoftBank, FirstCry among others, said the company in a statement shared with ET. *(The Economic Times)*

Employment and Industrial Relations

['E-commerce hiring rose 28% in 2021':](#) Employment opportunities in the e-commerce and allied industries witnessed a 28% surge in 2021, and recruitment activities in this segment will gain further momentum driven by economic recovery and aggressive vaccination drive., according to TeamLease Services. *(The Hindu)*

[ESIC scheme adds 12.19 lakh new members in October:](#) Gross new enrolments with Employees' State Insurance Corporation (ESIC) were 10.78 lakh in April, 8.91 lakh in May, 10.68 lakh in June, 13.40 lakh in July and 13.47 lakh in August this year, the latest data showed. *(The Economic Times)*

[High demand, work control pulled in gig workers; now focus turns to rights:](#) The surge in demand for gig workers, particularly in the shared services and logistics segments, in the aftermath of the pandemic led to mushrooming of job discovery platforms specifically targeting this area. *(The Indian Express)*

[Sunny days await job seekers as economic recovery hopes energise cos:](#) Better days are ahead for job seekers as companies are projecting a positive outlook on business revenue riding high on post pandemic economic recovery and there is also an increasing buzz about newer opportunities as well as better pay packages for professionals. *(Mint)*

[NPS subscribers can soon switch asset allocation 4 times in a year:](#) You as an NPS subscriber may soon be allowed to switch your asset allocations of your National Pension System (NPS) funds for as many as four times in a year. *(The Hindu BusinessLine)*

Industrial Finance

[Why did RBI sell Rs 8,710 cr worth of government securities from secondary market?:](#) The Reserve Bank of India (RBI) has sold Rs 8,710 crore worth of government securities in the secondary market in just four weeks to drain excess liquidity. *(The Economic Times)*

[State-backed Bad Bank set to begin operations in January second week:](#) The bad bank plans to recruit as many as 50 professional executives for the asset management company (AMC) — India Debt Resolution Company Ltd (IDRCL) — to begin with, said people familiar with the matter. The bad bank's regulatory framework is being worked out. *(The Economic Times)*

Banks' bad loan growth likely to slow as recovery gathers pace – RBI: The Reserve Bank of India (RBI) expects bad loan growth to slow at banks under extreme macroeconomic stress as the recovery gathers pace, but warned about the precarious position of small and medium enterprises. *(The Economic Times)*

Top 6 trends likely in banking and FinTech space in 2022: In response to the pandemic, banks and FinTechs have been busy re-assessing their operations and strategies so that they can reach out to customers in better and cost effective ways. *(The Economic Times)*

Technology and Innovation

Madurai Kamaraj University researcher develops kit to diagnose COVID-19 in 12 seconds: T. Arokiyadoss, Assistant Professor and in-charge head of the Department of Physics at the Directorate of Distance Education, developed the diagnostic kit based on lab-on-a-chip technology. *(The Hindu)*

Microsoft Windows 11 review - Give it time to mature; don't upgrade just yet: Six years after launching Windows 10 and adding scores of features to it later, Microsoft has now come up with its next avatar – Windows 11. It is a free upgrade on the earlier version, provided you are using a licensed copy of Windows 10. *(Business Standard)*

IndusInd Bank, NPCI partner to simplify cross-border remittances through UPI: Indians can now get remittance money from their foreign sources in a much easier way as IndusInd Bank has tied up with NPCI to facilitate cross-border money transfer by using UPI IDs of the beneficiaries. This will obviate the need to remember one's bank account details to send money. *(The Economic Times)*

Govt mandates telcos to keep call data, internet usage record for 2 years: The amendment mandates telecom companies to maintain internet data records of subscribers including login and logout details of all subscribers for services provided such as internet access, e-mail, internet telephony services like calls made from mobile applications or wifi calling for at least two years. *(Business Standard)*

NPCI says it can't bear USSD mobile banking cost burden: National Payments Corp of India (NPCI), the country's umbrella organisation for operating retail payments and settlement systems, has urged the telecom regulator not to burden it with the costs of providing unstructured supplementary service data (USSD)-based mobile banking and payment services. *(The Economic Times)*

Industrial Infrastructure, Clusters and SEZs

PM Modi lays foundation of projects worth over Rs 28,000 crores in Mandi: Prime Minister Narendra Modi on Monday attended the ground breaking ceremony for 287 investment projects worth over Rs 28,197 crores in Himachal Pradesh's Mandi. *(The Economic Times)*

PM Modi inaugurates BPCL's Rs 1,524 crore petroleum pipeline project: Prime Minister Narendra Modi today inaugurated a petroleum products pipeline built at a cost of Rs 1,524 crore by state-owned refiner Bharat Petroleum Corporation (BPCL) at a ceremony in Kanpur, Uttar Pradesh. *(The Economic Times)*

Budget FY23 to give SEZs a leg up: The government is weighing a raft of steps to give a new lease of life to special economic zones (SEZs), including freedom to sell goods in the domestic market at low duties, easier exit for loss-making units and a relaxation of extant norms. *(Financial Express)*

LULU Group to set up Rs 500 cr food processing park in Greater Noida: Middle East retail and food processing major LULU Group plans to set up a 100% export-oriented food and agri produce processing park in Greater Noida with a total investment of Rs 500 cr. *(The Economic Times)*

PM Narendra Modi in Uttarakhand today will launch multiple projects: Prime Minister Narendra Modi will visit Haldwani in Uttarakhand today. The PM will inaugurate and lay the foundation stone of 23 projects worth over ₹17500 crore. *(Mint)*

Bajaj Auto sets up Rs 300 crore EV manufacturing facility in Pune: The unit, which is spread over an area of half a million square feet, will employ nearly 800 people and have a production capacity of 500,000 EVs a year. *(Business Standard)*

Sustainable Industrialisation

[Okaya Electric Vehicle launches high-speed e-scooter 'Faast':](#) Okaya Electric Vehicles on Friday said it has launched high-speed e-scooter Faast at an introductory price of Rs 89,999 (before subsidies) at the EV Expo 21 held at Greater Noida. *(Business Standard)*

[JSW Group launches employee-friendly electric vehicle policy across country:](#) The JSW Group will facilitate up to Rs 3 lakhs as incentive for its employees to purchase electric four- and two-wheelers, seeking to help India's Nationally Determined Contributions (NDCs) and Sustainable Development Scenarios (SDS) of the International Energy Agency (IEA). *(Business Standard)*

[E-vehicles in Maharashtra up 153% in 1 year, more than double in Mumbai:](#) It's boom time for electric vehicles in Mumbai and Maharashtra. While the state saw a phenomenal 153% rise in new e-vehicle registrations in the first nine months of the financial year 2021-2022. *(The Economic Times)*

Sectoral News

[Samsung, Micron warn China's lockdown could disrupt memory chip manufacturing:](#) Samsung Electronics and Micron Technology, two of the world's largest memory chip makers, warned that strict Covid-19 curbs in the Chinese city of Xian could disrupt their chip manufacturing bases in the area. *(Mint)*

[Govt asks automakers start producing flex-fuel vehicles in 6 months - Union minister Nitin Gadkari:](#) To substitute India's petroleum imports, the government has advised automobile makers to start manufacturing flex-fuel vehicles and flex-fuel strong hybrid electric vehicles complying with BS-VI emission norms within six months. *(The Economic Times)*

[Mandatory gold hallmarking rollout smooth in 256 districts, planning for wider implementation - Govt:](#) Hallmarking, a quality certification, has been made mandatory with effect from June 23, 2021 for 14, 18, and 22 carat gold jewellery and artifacts in 256 districts of the country, where there is at least one Assaying and Hallmarking Centre (AHC). *(The Economic Times)*

[13 Indian firms set to boost India's anti-Covid arsenal with a pill:](#) Thirteen Indian companies can now manufacture and market oral antiviral drug Molnupiravir developed by Merck and Ridgeback Biotherapeutics after the country's drug regulator granted approval for restricted use under emergency situations for Covid-infected adults in high-risk category. *(Business Standard)*

[Covaxin gets nod for use in kids above 12:](#) India's drug regulator granted an emergency use authorisation (EUA) to Bharat Biotech's Covid-19 vaccine Covaxin for children aged 12-18 years. *(The Economic Times)*

[Two vaccines, Merck drug cleared for emergency use amid Omicron rise:](#) India's drug regulator approved two new Covid-19 vaccines, along with an oral antiviral pill, on Tuesday, a day after the subject expert committee (SEC) gave its green signal. Vaccines Corbevax (Biological E) and Covovax (Serum Institute of India and Novavax), and antiviral Molnupiravir (Merck and Ridgeback) were given the nod. *(Business Standard)*