

Industry Matters

Weekly Updates

January 28, 2022



Economy, Industry and Policy

India-Central Asia Summit - PM Modi calls for 30-year roadmap for regional connectivity, cooperation: Prime Minister Narendra Modi has called for an ambitious road-map to adopt an integrated approach for regional connectivity and cooperation between India and the Central Asian countries over the next thirty years. *[The Hindu BusinessLine]*

A budget fillip for Make-in-India: The key priority for the stimulus would be to enhance and frontload capital expenditure on infrastructure development that would not only help in creating jobs and purchasing power but also help crowd-in private investment, especially in the manufacturing sector. *[Financial Express]*

IMF cuts India's GDP forecast to 9 per cent in FY22: The International Monetary Fund (IMF) has cut India's economic growth forecast to 9 per cent for the current fiscal year ending March 31. *[The Economic Times]*

Hike in import duties on components of mobile devices may nix PLI benefits: The repeated increase in the import duties on key components of mobile devices may neutralise the benefits of the government's ambitious and much-touted production-linked incentive scheme (PLI) for mobile phones. *[Business Standard]*

India's international trade - Potential areas of action for Budget 2022: The focus of the oncoming budget is expected to be towards keeping the growth and recovery momentum alive while safeguarding economic security and taking the economy further towards green and sustainable growth. *[The Economic Times]*

Exporters seek support measures in Budget to boost shipments: Exporters have demanded support measures, including enhanced allocations for RoDTEP scheme, high import duty on plastic finished goods, setting up of an Indian shipping line and reinstating exemption for duty free import of critical inputs for leather products, in the forthcoming Budget to promote growth of the country's outbound shipments. *[The Economic Times]*

B2B spending in India expected to grow 10.3% in 2022: The total business-to-business spending in India is expected to rise by 10.3 per cent in 2022 with the spend of the country's businesses growing three times faster than the expectations from its comparable peers in other countries in the third quarter of last year, according to a study. *[The Economic Times]*

Hedging 63-66 per cent of ECB exposure 'optimal' - RBI economist: Indian corporates which have borrowed in US dollars are exposed to currency volatility as they may be 'inadequately' hedged to protect them from sudden swings in the direction of currency movement. *[The Economic Times]*

Niti may rank states on GSDP, highways, power consumption: The Niti Aayog is planning to rank states on their overall performance on various development indicators including gross states domestic product, per-capita electricity consumption and state highways per sq km. *[The Economic Times]*

SEZs may be able to sell goods in domestic market: The commerce and industry ministry has pushed for a new Act for SEZs to be able to sell goods in the domestic market at low duties, easier exit for loss-making units and units to be able to accept payment in Indian currency. *[The Economic Times]*

People can soon invest in infra projects – Gadkari: The Union government is awaiting approval of the Securities Exchange Board of India (SEBI) for enabling common citizens to invest at least ₹1 lakh in infrastructure projects under a new model for asset monetisation, Road Transport and Highways Minister Nitin Gadkari said on Friday. *[The Hindu]*



Foreign Investment

McLaren Strategic Ventures launches AI-customized chip design venture in India: California-based investment management and business acceleration venture McLaren Strategic Ventures (MSV) has launched Atlas Silicon, the AI (Artificial Intelligence) first customized chip design venture in India. *[The Economic Times]*

Pernod Ricard plans to set up its own branded retail outlets in India: Pernod Ricard is looking at opening its own branded retail outlets in India to showcase its range of spirits and bringing its popular branded bar outlets here. The world's second largest wine and spirits company is exploring these options in order to gain direct access to customers. *[Business Standard]*

Ola to set up global automotive design and R&D centre in UK, invest over \$100 mn: Two days after teasing an image of an electric concept car, Ola Electric on Thursday announced it will invest over \$100 million to set up a global centre for advanced engineering and automotive design in the UK. *[Mint]*

Mirae Asset India to bring Global X ETFs to India soon: Mirae Asset Investment Managers India has announced that it is planning to offer its Global X ETF (owned by Mirae Asset Global Investments) products to Indian investors. *[The Economic Times]*



Trade Policy and Competitiveness

Electronic goods exports up 49% on-year in April-December 2021: India's electronic goods exports grew 49% in April-December 2021 at \$11 billion over \$7.4 billion during same period last year with the US and the UAE being the top two destinations, commerce and industry ministry said on Thursday. *[The Economic Times]*

US & India should set bold goals to achieve USD 500 billion in bilateral trade - new USIBC president: After achieving enormous progress in their overall relations, the US and India must now set bold goals to take their ties to a new level and achieve the ambitious target of USD 500 billion in bilateral trade, Atul Keshap, the new president of the influential US India Business Council (USIBC) has said. *[The Economic Times]*

India-Uzbek PTA talks gather momentum coinciding with Central Asia summit: India and Uzbekistan had signed a joint statement in September 2019 to carry out a joint feasibility study for entering into negotiations for a preferential trade agreement (PTA). *[The Economic Times]*

India smartphone market logs 169 mn units shipment in 2021, highest till date – Counterpoint: Preliminary data from Counterpoint Research's Market Monitor service said India's smartphone shipments crossed 169 million units in 2021 to register 11 per cent year-on-year growth from about 152 million units in 2020. *[The Economic Times]*

Gems, jewellery exports grow 5.76% to USD 29 bn in Apr-Dec 2021: Gems and jewellery exports in the April-December 2021 period grew by 5.76 per cent to USD 29.08 billion on account of healthy demand in major countries including the US, Hong Kong and Thailand, the GJEPC said on Friday. *[The Economic Times]*

India's addiction to costly cooking oil imports seen lasting for years: India, one of the world's largest buyers of vegetable oils, has struggled to wean itself off imports. Farmers have typically focused on growing cotton and staples like rice, wheat and sugar, partly because the government sets price floors for these crops and buys some of them -- such as food grains -- in bulk for its welfare programs. *[The Economic Times]*



Corporate Governance

Tatas back in Air India cockpit: The Union government on Thursday transferred its shares in Air India, along with control and management, to Tata Sons subsidiary, Talace, ending a disinvestment process that started five years ago and saw a failed attempt. *[The Hindu]*

ArcelorMittal Nippon Steel commits ₹1.66 lakh cr investment in Gujarat: ArcelorMittal Nippon Steel India has signed an agreement with Gujarat government to invest ₹1.66 lakh crore in six different projects in the state. *[The Hindu BusinessLine]*

Traders' body CAIT moves CCI against Amazon deal with More Retail: Traders' body CAIT on Monday filed a complaint with the Competition Commission of India against Amazon accusing the e-commerce major of committing a fraud while seeking approval for the takeover of More Retail's stores in India. *[Business Standard]*

Jio-bp expands with Delhi EV charging hub: A joint venture of billionaire Mukesh Ambani's Reliance Industries Limited (RIL) and energy major BP has opened one of the country's largest EV charging hubs in Delhi, as the duo scale up the fuel-retail network, offering multiple fuel choices, including EV charging infrastructure. *[The Hindu]*

BPCL to invest ₹10,000 crore in six new city gas networks: Bharat Petroleum Corporation Limited (BPCL) on Tuesday said it will invest ₹10,000 crore over the next five years in setting up city gas distribution networks in the cities for which it secured licences in the latest bidding round. *[The Hindu]*



MSMEs and Start-ups

182 factoring companies for MSMEs now, up from seven earlier: The RBI has allowed all non-deposit taking NBFC-Investment and Credit Companies (NBFC-ICCs) with asset size of ₹1,000 crore and above to carry on with factoring business, significantly boosting the number of such companies to 182 from seven earlier. *[Business Standard]*

Start-ups continue to witness a rapid growth trajectory, shows data: With India shaping the next digital transformation wave, start-ups continue to witness a rapid growth trajectory, creating an ecosystem of un-hindered technology innovation. NASSCOM, in collaboration with Zinnov, on Friday released its annual start-up study, titled "Indian Tech Start-up Ecosystem: Year of The Titans". *[Business Standard]*

Start-ups raised a record \$24.1 billion in 2021 - study: Start-ups raised a record \$24.1 billion in 2021, a two-fold increase over pre-COVID-19 levels, according to a new study by NASSCOM and Zinnov. *[The Hindu]*

Steps on to boost startup ecosystem, chief info security officer needed for single window - Piyush Goyal: Commerce and industry minister Piyush Goyal on Friday said that the government is taking significant steps such as resolving the angel tax issue, simplification of tax procedures, and self-certification, in a bid to boost the startup ecosystem of the country. *[The Economic Times]*



Employment and Industrial Relations

ESIC scheme adds 10.28 lakh new members in November: Around 10.28 lakh new members joined the ESIC-run social security scheme in November 2021 against 12.39 lakh in the previous month, official data showed on Tuesday, giving a perspective on formal sector employment in the country. *[The Economic Times]*

Formal job creation under ESIC fell by 17.1% to 1.02 million in November 2021: The formal employee addition under the Employees Provident Fund Organization, however, went up in November 2021 by 25.6% to 1.39 million compared to 1.11 million net new subscribers added in October 2021. *[The Economic Times]*

Haryana's unemployment rate the highest in India, shows analysis: Haryana has the highest unemployment rates in the country. In the September-December quarter last year, CMIE data shows the state had an unemployment rate over three times the national average — one out of four people was unemployed as against the national average of one out of 14. *[Business Standard]*

Phased introduction of Labour Codes on cards: The two codes which may come in from the next fiscal will be the Social Security Code and the Code on Occupational Safety, Health and Working Conditions. *[The Economic Times]*

Changes in labour rules, PLI on cards for electronics push: India is planning to make changes to its labour regulations in order to facilitate global value chains to set up large manufacturing units that would employ between 40,000 and 100,000 employees. *[The Economic Times]*

DPIIT suggests electronics industry to create skilling programme: The government on Monday suggested the electronics industry to come together and create a skilling programme for the sector to deal with the shortage of skilled manpower. *[The Economic Times]*

Apprenticeship revamp - On-the-job training for all sectors in the offing: The move is aimed at skilling India's workforce at a rapid pace across sectors, especially for the 13 sectors under the production-linked incentive (PLI) scheme, and to cover up the loss in skilling for two years due to the Covid-19 pandemic. *[The Economic Times]*

Public wifi hotspots can generate 20-30 mn jobs this year - Telecom Secy: Setting up of 1 crore public wifi hotspots across the country by this year as envisaged under the present telecom policy has the potential to create 2-3 crore job opportunities, a senior government official said on Saturday. *[Business Standard]*



Industrial Finance

Niti Aayog moots priority sector lending for EVs: Niti Aayog has proposed inclusion of electric vehicles in the Reserve Bank of India's priority-sector lending guidelines, saying the move will help give a significant push to retail lending for EVs. *[The Economic Times]*

Loan demand back to pre-COVID levels: "Indian banks are ready to shift into a growth phase, just in time to meet rising demand as the country's economy recovers," said Nikita Anand, associate director for credit risk at S&P Global Ratings. *The Economic Times]*

Digital payment sector wants MDR to be back: The digital payment sector is seeking reintroduction of MDR (merchant discount rate) charges in the union budget as the absence of it is crippling the homegrown payment service providers while multinational companies benefit from levying those charges. *[The Economic Times]*

PSU Bad bank, ARC reforms are awaited as NPA threat looms: Even as the wait goes on for the National Asset Reconstruction Company (NARC), or 'bad bank', which was announced in the previous Union Budget and proposed reforms for the private asset reconstruction companies (ARCs) to take off, the dead weight of old accounts continues to languish on the banks' books. *[The Economic Times]*

Bring EV financing under priority sector lending - Industry body: Electric vehicles must be considered for priority lending by the government to accelerate their adoption, while sufficient funds must also be allocated for R&D in a public-private partnership mode for development of batteries, industry body SMEV said on Thursday. *[Business Standard]*



Technology and Innovation

TCS world's second most valuable IT brand, Infosys fastest growing - Report: Tata Consultancy Services (TCS) has become the second most valued brand in the information technology (IT) services sector globally, while Accenture retains the title of the world's most valuable and strongest IT services brand, according to Brand Finance. *[Business Standard]*

Changes in labour rules, PLI on cards for electronics push: India is planning to make changes to its labour regulations in order to facilitate global value chains to set up large manufacturing units that would employ between 40,000 and 100,000 employees. *[The Economic Times]*

Centre to fund drone purchase by FPOs, farm R&D bodies, even individuals: The Central government will provide 100 per cent funding support of up to Rs 10 lakh to agriculture training institutes and krishi vigyan kendras, and 75 per cent funding support for drones purchased by FPOs. *[Business Standard]*

Adani to invest Rs 4,600 crore in two data centre projects in Uttar Pradesh: According to UP MSME and export promotion minister Sidharth Nath Singh, Adani Enterprises is setting up two data centres, totalling a cost of Rs 4,646 crore, in Noida sectors 62 and 80 respectively. *[Business Standard]*

Indian Digital Infra needs investment of up to \$23 bn by 2025: Digital infrastructure sector needs investment of up to USD 23 billion by 2025, to support the growing demand of digital services and rising online traffic, says a report. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

Arunachal Pradesh to establish new body to improve infrastructure: The state cabinet has also decided to complete and inaugurate 365 physical infrastructure projects within the Golden Jubilee year period from 20 January 2022 to 20 January 2023. *[The Economic Times]*

445 infra projects show cost overrun of Rs 4.4 lakh cr: The Ministry of Statistics and Programme Implementation monitors infrastructure projects of Rs 150 crore and above. Of 1,673 such projects, 445 projects reported cost overruns and 557 projects were delayed. *[The Economic Times]*

Maruti Suzuki to make Sonipat unit its largest production base in India: The country's largest carmaker Maruti Suzuki will shortly commence work on its new manufacturing facility in Sonipat, Haryana. It could emerge as the largest production base for Maruti in India. *[The Economic Times]*



Sustainable Industrialisation

Green Hydrogen - L&T partners Norway's HydrogenPro for key electrolyser technology: Electrolysers are used to split water into oxygen and hydrogen using electricity. When the electricity used in the process is sourced from renewable sources, the end-product is called green hydrogen. The elemental hydrogen can then be used as a fuel in industries such as steel manufacturing that presently burn coal. *[The Economic Times]*

Welspun India joins global coalition to undertake climate action to mitigate GHG emissions: Home textiles major Welspun India Ltd on Tuesday said it has joined the global coalition to undertake climate action aligned with Science Based Targets initiative (SBTi) of Net-Zero standard and Business Ambition for 1.5 degrees Celsius to mitigate greenhouse gas emissions. *[The Economic Times]*

Solar power segment adds highest-ever new capacity in 2021: With the addition of close to 12 GW to the grid, the solar power segment in the country has touched its highest ever new capacity addition during the calendar year 2021. *[The Hindu BusinessLine]*

India's renewable energy sector can employ 1 million people by 2030 - Study: India's renewable energy sector has the potential to employ around one million people by 2030, and most of the new jobs would be generated by small-scale renewable energy projects, according to a study. *[The Economic Times]*



Sectoral News

Global steel production up marginally in 2021 despite drop in Chinese output: Global crude steel production, based on the output in 64 countries that report to the World Steel Association (worldsteel), increased 3.6 per cent in 2021 to 1,191.9 million tonnes (mt) compared with a 0.9 per cent output drop in 2020. *[The Hindu BusinessLine]*

Coal Ministry CPSEs clock 28.33% growth in capex at Rs 12,605.75 cr: The government on Wednesday said the Ministry of Coal, through its CPSEs, has registered a 28.33 per cent year-on-year growth in capex achievement at Rs 12,605.75 crore for the period ending December, 2021. *[Business Standard]*

Domestic auto components industry to see 15-17 pc revenue growth this fiscal – Report: The domestic auto components industry is expected to see a revenue growth of 15-17 per cent this fiscal and 10-12 per cent in the next financial year on the back of recovery in automobile sales after having remained subdued in the last couple of years, according to a report. *[The Economic Times]*