

# Industry Matters

Weekly Updates

February 25, 2022



## Economy, Industry and Policy

**Economic recovery uneven, government should continue support measures for affected sectors:** Pointing out that the ongoing recovery is still uneven and not broad-based, a foreign brokerage report said the government should continue the income support measures for the affected sectors. *[The Economic Times]*

**Indian economy poised for recovery, but high crude prices worrisome – CEA:** Chief Economic Advisor (CEA) V Anantha Nageswaran on Thursday said that the Indian economy is now poised for recovery but high crude oil price is a cause for concern. *[The Economic Times]*

**LIC likely to launch \$8 billion IPO on March 11:** A public offering of shares by India's state-run Life Insurance Corp (LIC), set to be the country's biggest ever at \$8 billion, is expected to open for anchor investors on March 11. *[The Economic Times]*

**Steady rise in generation of e-way bills so far in February:** The daily e-way bills averaged 23.83 lakh in the first 20 days of February, with the number coming in at 4.77 crore. Generation of daily e-way bills had declined 4% on month to 22.2 lakh in January, compared with 23.1 lakh in December. *[Financial Express]*

**Government aims sustained recovery; infra spends will have multiplier effects - FM Nirmala Sitharaman:** Union Finance Minister Nirmala Sitharaman on February 21 said the government wants a sustained recovery and the Budget proposals on infrastructure building are an attempt to create the multiplier effect to help the economy. *[The Hindu]*

**India's draft data policy unlocks govt data for all, mulls monetisation:** The government on Monday published a draft data policy for public consultation, which says all data collected, generated, and stored by every government ministry and department will be open and shareable barring certain exceptions. *[Business Standard]*

**Nomura business resumption index at record high in week-ended Feb 20:** The Nomura India Business Resumption Index (NIBRI) rose to a record high of 122.8 for the week ended February 20 from 119.5 in the prior week, the Japanese financial services company said on Monday. *[The Economic Times]*

**BPCL stake sale - Investors seek clear policy direction:** The Centre is planning to sell its entire 53% stake in BPCL. The Cabinet had cleared the strategic sale in November 2019. Expressions of interest (EoIs) were invited in March 2020. *[The Economic Times]*

**India, France sign roadmap on blue economy, pledge to increase bilateral exchange:** The two countries committed to adopting a roadmap on the blue economy and ocean governance to enhance partnership for the exploitation and preservation of marine resources through economic, infrastructure and scientific cooperation. *[Mint]*

**Russia-Ukraine conflict raises big risks for global economy:** Russia's attack on Ukraine and retaliatory sanctions from the West may not portend another global recession. The two countries together account for less than 2% of the world's gross domestic product. And many regional economies remain in solid shape, having rebounded swiftly from the pandemic recession. *[The Economic Times]*



## Foreign Investment

**India's total FDI inflow of USD 60.3 billion in April-Dec '21 down 10.6 per cent - Govt data:** India received total foreign direct investment of USD 60.3 billion during April to December 2021 which is 10.6 per cent lower compared to the USD 67.5 billion of FDI received in the same period of 2020-21, according to a government's data. *[The Economic Times]*

**It's right time to pitch for FDI - Industry secretary:** The way the global situation is changing, next 18-30 months are most crucial for FDI. Most supply chains are realigning themselves and major decisions for new investment destinations are happening. This is the right time to pitch and fortunately the kind of work, which is being done, should help. *[The Economic Times]*

**Vedanta charts \$8 billion chip manufacturing plan via Foxconn JV:** The company has already applied for the government's incentive scheme and is hoping to ready the manufacturing facility by 2024. *[The Economic Times]*

**Intel-owned Tower Semiconductor's chip-making plan in India back on table:** Israel-based chipmaker Tower Semiconductor, which was recently acquired by Intel for \$5.4 billion, is in active discussions with the government to set up a manufacturing facility in India, according to a source close to the development. *[Business Standard]*



## Trade Policy and Competitiveness

**Global trade growth likely to be subdued in 2022 after hitting record high of \$28.5 trillion in 2021:** A new report by (UNCTAD) says, "Overall, the value of global trade reached a record level of \$28.5 trillion in 2021," which is an increase of 25% on 2020 and 13% higher compared to 2019, before the COVID-19 pandemic struck. Trade in services rose by \$50 billion to reach \$1.6 trillion, just above pre-pandemic levels. *[The Economic Times]*

**Foreign Trade Policy - New FTP to refrain from big-bang fiscal sops:** This will be a break from the past. The government had announced the Merchandise Export from India Scheme (MEIS) in 2015, when the current FTP was rolled out, by merging five different schemes and sharply raising budgetary allocation for it. *[Financial Express]*

**Sanctions on Russia - Exporters to urge govt to weigh alternative payment modes:** Indian exporters are planning to approach the government to put in place a mechanism to ensure their payments are not stuck even if more sanctions are imposed on Moscow. *[Financial Express]*

**Services exports may reach \$325 billion in FY23, says SEPC Chairman:** The country's services export is expected to reach USD 325 billion in 2022-23 on account of increasing demand for all kinds of services and gradual resumption of regular international travels, SEPC Chairman Sunil H Talati said. *[The Economic Times]*

**Exports up 26.40 per cent to \$25.33 bn during Feb 1-21:** The country's merchandise exports rose by 26.4 per cent to \$25.33 billion this month till February 21 on account of healthy performance by sectors including gems and jewellery, engineering, textiles and chemicals, according to the commerce ministry data. *[The Hindu BusinessLine]*

**A decadal India and UAE trade deal:** India and the United Arab Emirates signed a comprehensive trade pact on Friday, the first such agreement signed in a decade. *[The Economic Times]*

**India-UAE trade pact may benefit \$26 billion worth of domestic goods subjected to 5% duty:** The comprehensive free trade agreement between India and the UAE is likely to benefit about USD 26 billion worth of domestic products like gems and jewellery that are currently subjected to 5 per cent import duty by the Gulf nation, an official said. *[The Economic Times]*

**Duty-free access for jewellery sector to get huge export boost under India-UAE trade pact - Commerce Secretary:** The domestic jewellery sector will get a huge export boost in the United Arab Emirates (UAE) market as it would get duty-free access there, while the gulf nation will get greater access to the gold market here as India will give duty concessions on import of up to 200 tonnes, Commerce Secretary B V R Subrahmanyam said on Saturday. *[The Economic Times]*

**India's textiles exports can touch \$100 billion in five years** The country's apparel industry can focus on vertical integration to increase its scale and size and benefit from the production-linked incentive (PLI) scheme, this was stated by Textiles Secretary Upendra Prasad Singh at the 44th Foundation Day of Apparel Export Promotion Council (AEPC). *[The Economic Times]*

**India's auto, pharma, engineering exports to UAE set to grow through trade pact - Govt:** The government on Monday said that India's automobile exports to the United Arab Emirates are projected to increase \$160 million in the next five years while engineering exports are seen growing 10% in the first two years and 15% in the next three years at \$7 billion, \$8 billion and \$9.2 billion in FY25, FY26, and FY27, respectively due to the Comprehensive Economic Partnership Agreement (CEPA) that the two sides have inked. *[The Economic Times]*

**India-UAE trade pact to boost apparel exports, employment, say exporters:** Welcoming the signing of the Comprehensive Economic Partnership Agreement (CEPA) between India and the United Arab Emirates (UAE) on Friday, Apparel Export Promotion Council (AEPC) Chairman Narendra Goenka said that it will further strengthen India's dominant position in the UAE. *[The Economic Times]*

**Commerce department rejig in works to achieve \$2 trillion export target:** The suggestions are part of a project that was undertaken to design a future-ready Department of Commerce. "Separation between bilateral and World Trade Organization negotiations has been envisioned," the ministry said. *[The Economic Times]*



## Corporate Governance

**Crompton Greaves to acquire Butterfly Gandhimathi Appliances for ₹2,076 cr:** It has signed definitive agreements with certain members of the promoter group of Butterfly Gandhimathi Appliances Ltd to acquire up to 55 per cent stake at Rs 1,403 per equity share aggregating up to ₹1,379.68 crore. *[The Hindu BusinessLine]*

**Dabur ties up with IndianOil for direct-to-home sales:** Packaged consumer goods and ayurvedic products maker Dabur India has tied up with energy provider IndianOil in an exclusive partnership, which will provide direct access of Dabur's products to around 14 crore Indane LPG consumer households across India. *[The Economic Times]*



## MSMEs and Start-ups

**Highest capex allotment in Budget 2022 will fast-track MSME sector development:** The sharp hike in capital expenditure by the finance minister can be considered a welcome move as capex not only creates assets for the future but is known to create more jobs that in turn lead to sustainable demand in the long run. *[The Economic Times]*

**MSMEs will survive if they are on digital platforms, part of global value chains - MSME Joint Secretary:** NSIC also facilitates online marketing services for MSMEs through its MSME Global Mart portal. During 2020-21, 46,034 units were registered under the B2B portal while 11,105 MSMEs had enrolled till December 2021 in the current financial year, as per the MSME Ministry's annual report 2021-22. *[Financial Express]*

**TransUnion CIBIL partners with FICCI to help MSMEs:** TransUnion CIBIL has partnered with the Federation of Indian Chambers of Commerce & Industry (FICCI) to launch a nationwide MSME consumer education program that will support MSMEs in gaining awareness of credit management, CIBIL Rank and commercial credit information. *[The Economic Times]*

**SaaS start-up Hasura enters unicorn club with \$100 mn Series C funding:** Software-as-a-service startup Hasura has raised \$100 million in funding at a valuation of \$1 billion. The Series C round brings the total capital raised by Hasura to \$136.5 million. *[Business Standard]*



## Employment and Industrial Relations

**'Unified MGNREGS wages needed' - Panel flags pay disparity in Centre's flagship rural employment scheme:** A parliamentary standing committee has flagged the disparity in wage rates in various states under the rural employment scheme MGNREGS, calling it baffling and unjustified. *[New Indian Express]*

**EPFO Payroll data - 14.6 lakh subscribers added in December 2021, a rise of 16.4% YoY:** The Employees' Provident Fund Organisation (EPFO) added 14.6 lakh net subscribers in December 2021, up 16.4 per cent compared to the corresponding period of the previous year. *[The Economic Times]*

**Unemployment falls in UP, on the rise in Punjab and Goa, shows data:** An overall analysis of 24 states and UTs shows a mixed bag performance, wherein while 13 states witnessed a fall in the unemployment rate during this period, 11 saw an increase. Rajasthan has been the worst-performing state, followed by Haryana and Jharkhand. *[Business Standard]*

**EPFO mulling new pension scheme for formal workers getting over Rs 15K basic wage:** Retirement fund body EPFO is mulling a new pension product for organised sector workers who are getting basic wages of more than Rs 15,000 per month and are not mandatorily covered under its Employees' Pension Scheme 1995 (EPS-95). *[The Economic Times]*

**Remote work model sees a rise in compensation for employees in India - Indeed Report:** As per the new report, 60% of the employees surveyed say remote work has been the biggest work trend, post-pandemic, followed by hybrid work (42%). Employers share a similar view, with 64% considering remote work, followed by hybrid work (45%), to be the biggest trends. *[The Economic Times]*

**Paternity leave gaining ground among Indian companies:** In India, central government employees get 15 days of paternity leave, but there is no formal policy in place for employees in the private sector. However, companies have set out progressive policies of their own. While new-age companies including Meesho, Twilio, Flipkart, Razorpay and Okcredit are taking the lead in terms of giving more time off to new fathers, sometimes as much as 30 weeks, the shift is increasingly gaining ground across sectors. *[The Economic Times]*

**Slower Recovery - 19 States overshoot MGNREGA budget:** Data from the rural development ministry website shows states such as Jharkhand, Gujarat, Uttar Pradesh and West Bengal have utilised 128%, 110%, 100% and 109% of the funds, respectively, for the year till February 21. *[The Economic Times]*



## Industrial Finance

**Bank loans to industries get momentum after 21 months:** Bank loans to industries crossed the Rs 29 lakh crore mark for the first time in 21 months and settled at Rs 29.85 lakh crore at the end of December, with an improvement in consumer and business confidence that laid the pitch for sustained economic revival. *[The Economic Times]*

**Banks may not wait for regulation to adopt decentralised finance:** Decentralised finance or DeFi is fast catching up with bankers and technologists around the globe even as regulations around it are still not in place. Decentralised finance offers a number of new opportunities to banks to expand their scope and cut costs. *[The Economic Times]*

**FSDC calls for constant vigil on functioning of financial institutions:** The Council deliberated on the various mandates of the FSDC and major macro-financial challenges arising in view of global and domestic developments, Finance Ministry said in a statement. *[The Economic Times]*



## Technology and Innovation

**PM flags off 100 'kisan drones' to spray pesticides in farms across India:** Prime Minister Narendra Modi expressed confidence that India's rising capability in the drone sector will give the world a new leadership, as he flagged off 100 'kisan drones' in different parts of the country for spraying pesticides and other farm materials. *[The Hindu BusinessLine]*

**Data localisation row - It's Big Tech vs Reliance Industries and Paytm:** Serious differences have arisen between domestic companies such as Reliance Industries Ltd and Paytm, and global tech and media companies such as Google, Meta, Disney+Hotstar and others, on the contentious issue of data localisation in the proposed Data Protection Bill. *[Business Standard]*

**NxtGen plans to invest Rs 1,300 crore in data centres across the country:** NxtGen Datacenter and Cloud Technologies is gearing up to invest Rs 1,300 crore to set up around 10 more data centers and 236 edge centers across the country. *[Business Standard]*





## Industrial Infrastructure, Clusters and SEZs

**Prime Minister Modi inaugurates 550-tonne capacity Bio-CNG plant in Indore:** Prime Minister Narendra Modi on Saturday virtually inaugurated 550-tonne capacity 'gobar-dhan' Bio-CNG plant in Indore city of Madhya Pradesh. The plant, named as Govardhan plant, is based on the concept of waste-to-wealth innovation. . *[The Economic Times]*

**Need to bridge global infra funding gap, develop innovative financing mechanisms - FM at G20 meet:** Finance Minister Nirmala Sitharaman on Friday emphasised the need for bridging the infrastructure funding gap and developing innovative financing mechanisms for an inclusive growth in the sector. *[The Economic Times]*

**NHAI to roll out ₹1 trillion plan to connect 117 districts:** India is set to unveil an ambitious ₹1 trillion programme to build 5,795km of national highways in 117 so-called aspirational districts, two officials aware of the matter said. *[Mint]*

**Govt sanctions four national highway projects worth Rs 4,500 crore:** The approved projects pertain to the construction, widening and upgradation of national highways in Assam, Telangana, Karnataka, and Andhra Pradesh. *[Business Standard]*

**3 Gujarat highway stretches may be lined up for sale:** The government may look to add three highway stretches from Gujarat to the asset monetisation pipeline after they were handed back to the National Highways Authority of India after end of the 15-year concession period. *[The Economic Times]*

**Infrastructure is key driver for the Indian economy:** For any country, one sector that can make or break its growth story is infrastructure. In India, which is the sixth-largest economy by market exchange rates in the world, infrastructure is the cornerstone of the economy. The country has a labour force of 522 million workers and is considered to be one of the world's fastest-growing economies. *[Financial Express]*



## Sustainable Industrialisation

**India's green energy exports to touch \$500 bn in 20 years - Mukesh Ambani:** The statement comes at a time when RIL has started aggressive expansion into the green energy sector with solar equipment manufacturing, green hydrogen production and energy storage. *[Business Standard]*

**New policy to cut green hydrogen cost by 40-50 per cent, says Indian Oil:** India's largest oil firm IOC will set up 'green hydrogen' plants at its Mathura and Panipat refineries by 2024 to replace carbon-emitting units as it sees the just announced green hydrogen policy as a watershed moment in the country's energy transition that will help cut costs. *[The Economic Times]*

**Indian Oil sets up 1,000 EV charging stations:** The company is targeting to provide EV charging facilities at 10,000 fuel stations in the next three years. "This will give confidence to customers for an uninterrupted drive as well as to automobile manufacturers to enhance the production of electric vehicles," said Kumar. *[The Economic Times]*



## Sectoral News

**At 314.89 billion units, NTPC hits generation record so far in FY22:** State-run NTPC said on Saturday that it had achieved an all-time high generation of 314.89 billion units up to February 18, surpassing its earlier record of 314 billion units achieved in the whole of FY21. *[The Hindu BusinessLine]*

**Five companies submit proposals to set up semiconductor and display facilities:** The government said on Saturday that it received proposals from five companies to set up electronic chip and display manufacturing plants with investment of \$20.5 billion (₹1.53 lakh crore). *[The Economic Times]*

**India's computer shipment grew by a record 44.5% in 2021 - IDC:** India's computer market shipment grew by a record 44.5% in calendar year 2021 over 2020 driven by laptops and desktop computers with strong demand from enterprise, small and medium businesses, and consumer segment. *[The Economic Times]*

**Govt explores ways to bring home oil & gas from overseas Indian assets:** India will increase expenditure on surveys of domestic hydrocarbon assets to insulate the country from crude oil price shocks. There has been discussion in the Ministry of Petroleum and Natural Gas to consider ways of bringing oil and gas from India's overseas assets in the event of a supply disruption. *[Business Standard]*



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