

# Industry Matters

Weekly Updates

May 20, 2022



## Economy, Industry and Policy

**Amendments to National Policy on Biofuels will boost 'Make in India' - PM Narendra Modi:** Prime Minister Narendra Modi said on Wednesday that amendments to the National Policy on Biofuels, which have been approved by the Cabinet, will encourage research in developing indigenous technologies, boost 'Make in India' and create employment opportunities. *[The Economic Times]*

**Factory output grew 1.9 per cent in March:** Industrial production growth remained subdued at 1.9 per cent in March compared to a year ago, mainly due to poor performance by the manufacturing sector which showed staggered impact of the third wave of the pandemic. *[The Economic Times]*

**With transactions worth Rs 1 lakh crore, govt surpasses FY22 target of monetisation plan:** India has the biggest asset monetisation programme...my asset monetisation target was Rs 88,000 crore for last year. I have crossed it by Rs 12,000 crore, Niti Aayog CEO Amitabh Kant said. *[The Economic Times]*

**Cost competitiveness is the key factor that is leading global OEMs to Indian shores - Aravind Melligeri, Chairman & CEO, AEQU:** Complex aero parts for the highly demanding aircraft supply chains are being manufactured in India by the Karnatak based Aequus, which has also focussed on growing as a fully equipped manufacturing ecosystem. *[Financial Express]*

**India's economic growth likely to be robust at 8.9% in FY23 - FM at NDB:** India's economic growth is likely to be robust at 8.9 per cent in the current financial year, reflecting the country's strong resilience and speedy recovery. *[Business Standard]*

**NHAI optimistic about meeting asset monetisation target of Rs 20,000 crore in FY'23 - Chairperson:** In the previous fiscal, NHAI had raised Rs 8,000 crore monetisation for five projects accounting for 400 km through the first tranche of InVIT. *[The Economic Times]*

**Centre won't trim its Capex plan despite inflation running hot:** The government has budgeted ₹7.5 lakh crore capital expenditure in FY23 compared with a revised ₹6.03 lakh crore capex in FY22. *[The Economic Times]*

**Indian tablet market grows 68% in March 2022 quarter; Lenovo leads:** The tablet market in India grew 68 per cent year-on-year in the first quarter ended March 2022, with Lenovo leading the chart, a Cybermedia Research report released on Monday said. *[Financial Express]*

**Consumer durables may get costlier by 3-5% in June:** The Consumer Electronics and Appliances Manufacturers Association (CEAMA) says raw material prices are already going up. And that from June onwards, there would be a price increase of 3 to 5 per cent. *[The Economic Times]*

**Inflation gets to the core, project costs may go up:** A sharp spike in prices of steel and cement coupled with a rise in wages will likely push up the cost of key government-funded infrastructure projects in highways, railways and low-cost housing sectors. *[The Economic Times]*

**India's WPI inflation at 17-year high threatens small businesses:** India's wholesale prices accelerated at the fastest pace in at least 17 years as the Ukraine war and a weak rupee pushed up energy and raw material costs, raising risks for businesses that are unable to pass on costs. *[The Economic Times]*



## Foreign Investment

**India remains attractive for FDI investors:** Gross FDI inflows were at \$83.6 billion in FY22, surpassing \$82 billion a year earlier. It stood at \$74.4 billion in FY20. Services and manufacturing sectors accounted for a major share of FDI in FY22, RBI said in its monthly bulletin. *[The Economic Times]*

**Abu Dhabi-based IHC invests ₹15,400 crore in 3 entities of Adani Group:** Abu Dhabi-based International Holding Company PJSC, a global strategic investment company, has invested ₹15,400 crore (\$2 billion) in three listed entities of Adani Group — Adani Green Energy, Adani Transmission and Adani Enterprises. *[The Hindu BusinessLine]*

**Sebi to set up FPI expert panel soon; single window to address concerns:** The Securities and Exchange Board of India (Sebi) will soon set up an expert committee on foreign portfolio investors (FPIs) to directly deal with concerns faced by them and facilitate capital flows into the country. *[Business Standard]*

**UAE Committed Investments of \$100 billion in India, says Goyal:** He said bilateral trade can go up to \$250 billion by 2030 under the India-UAE Comprehensive Economic Partnership Agreement (CEPA). *[The Economic Times]*

**UGC working on norms to facilitate foreign varsities open campuses in India:** The University Grants Commission (UGC) is working on preparing the regulations to facilitate foreign universities to open their campuses in India and a five-member committee has already been formed. Deliberations regarding the matter are in final stages. *[The Hindu BusinessLine]*

**Brookfield invests Rs 2000 cr in BC Jindal's packaging business:** Jindal Poly Films, a BC Jindal Group firm, has signed a definitive agreement with Canadian investor Brookfield to raise as much as Rs 2000 cr by selling a significant minority stake in its packaging films business. *[The Economic Times]*



## Trade Policy and Competitiveness

**India emerging as leader in exports, manufacturing - MoS IT:** India is rapidly emerging as a leader in manufacturing as well as exports, and e-commerce and logistics infrastructure have a critical role in cementing India's position as a trusted manufacturing partner of the world, Union minister Rajeev Chandrasekhar said on Wednesday. *[The Economic Times]*

**Indonesia to lift palm oil export ban from Monday -president:** Indonesia, the world's biggest palm oil exporter, has since April 28 halted shipments of edible oil in a bid to flood the domestic market with supplies to control the soaring prices of cooking oil. *[The Economic Times]*

**Netherlands is proving to be gateway for India's exports to Europe - Envoy:** Netherlands has emerged as the fifth popular destination for Indian exports. Netherlands Rotterdam Port is playing a big role in promoting Indian trade to Europe and the country is proving to be New Delhi's gateway for exports to the continent. *[The Economic Times]*

**RBI allows settlement of trade transactions with Sri Lanka in Indian rupee:** In view of difficulties being faced by exporters in getting payments from crisis-hit Sri Lanka, the RBI on Thursday allowed settlement of trade transactions in Indian rupee outside the Asian Clearing Union (ACU) mechanism. *[Business Standard]*

**Exports up 30.7% to \$40.19 bn in April; trade deficit widens to \$20.11 bn:** India's merchandise exports rose 30.7% to \$40.19 billion in the month of April aided by growth in sectors like petroleum products, electronic goods and chemicals, data from the commerce ministry showed on Friday. The trade deficit, although, widened to \$20.11 billion, as compared to \$15.29 in April 2021. *[The Economic Times]*

**Readymade garment exporters want India to ban cotton exports:** Some foreign buyers have sought up to a 30% discount if goods are delayed over 15 days in time or asked for air transport at their own cost, which would wipe out profits for sellers. *[The Economic Times]*



## Corporate Governance

**Big M&As of digital businesses likely to come under CCI ambit soon:** Big mergers and acquisitions (M&As) of digital businesses may soon require the Competition Commission of India's (CCI's) approval. The antitrust regulator is working on new rules that will mandate deals above a threshold to seek its nod. *[Business Standard]*

**Mukesh Ambani's Reliance to acquire dozens of brands in \$6.5 billion consumer goods play:** India's biggest retailer Reliance will acquire dozens of small grocery and non-food brands as it targets building its own \$6.5 billion consumer goods business to challenge foreign giants like Unilever. *[Mint]*

**Tata in acquisition talks with as many as five consumer brands:** Tata Consumer Products Ltd., the food and beverage arm of the \$103 billion Indian conglomerate, wants to go on an acquisition spree to bolster its position in the country's competitive consumer goods sector, and is in discussions to buy up to five brands. *[The Economic Times]*

**Over 15,900 companies incorporated in April - Official data:** There were 14,51,401 active companies at the end of April, including 2,53,131 companies incorporated within the preceding 18 months, as per the data provided in the ministry's latest monthly newsletter. *[The Economic Times]*

**Walmart's PhonePe set to acquire WealthDesk, OpenQ for about \$70 mn:** Walmart-owned digital payments firm PhonePe is set to acquire wealth management firms WealthDesk for about \$50 million and OpenQ for around \$20 million. *[Business Standard]*

**Top Headlines - Adani acquires Ambuja Cements, Sebi panel on FPIs, and more:** Billionaire Gautam Adani on Sunday won the race to acquire Swiss cement major Holcim's stake in Ambuja Cements and its subsidiary ACC for \$10.5 bn (around Rs 81,361 crore). *[Business Standard]*



## MSMEs and Start-ups

**PM Narendra Modi launches new start-up policy of Madhya Pradesh government:** Under the new policy, start-ups would get subsidies towards rent and salaries of employees. *[Financial Express]*

**Number of start-ups in India has grown exponentially, unicorns being churned out quickly - PM Modi:** Prime Minister Narendra Modi on Friday said the number of start-ups in the country has grown to 70,000 from a mere 300 to 400 in 2014, and start-ups are turning into unicorns very quickly. *[Financial Express]*

**WEF 2022 - 5 Indian start-ups among 100 to join Tech Pioneers community:** A few days ahead of WEF 2022 annual meeting from May 22, it has been announced that about 100 innovative tech firms have joined the Technology Pioneers community this year, of which five are Indian start-ups. *[Business Standard]*

**Byju's in talks to acquire US target, likely to bid for Chegg or 2U:** The Bangalore-based company has held talks with both Santa Clara, California-based Chegg and Lanham, Maryland-based 2U and the total value of a deal could be about \$2 billion. *[Business Standard]*

**Ease of doing business, digitization helped MSMEs grow significantly says PHDCCI survey:** In 2020, India ranked 63rd in World Bank's Ease of Doing Business EODB Report out of 190 countries, leapfrogging by 14 ranks from the previous year. *[The Economic Times]*



## Employment and Industrial Relations

**PM advisory panel seeks urban MGNREGS:** The Economic Advisory Council to the Prime Minister has suggested the government launch a guaranteed employment scheme for the urban unemployed, introduce universal basic income and allocate higher funds towards the social sector to reduce inequality. *[The Economic Times]*

**Niti Aayog to soon bring out policy on job creation:** In a move aimed at creating employment opportunities, the Niti Aayog will soon come out with a policy for enhancing female participation in the labour force, giving a boost to the gig economy and suggesting ways to develop a care economy. *[The Economic Times]*

**Global Capacity Centres in India to add 2,00,000 jobs in FY22:** The total headcount is set to double to 3.0-3.2 million by FY25 from 1.5 million now as the market size is estimated to increase to \$60 billion from \$36 billion. *[The Economic Times]*

**Optimism for hiring workforce at 11-year high:** As the economy recovers from the onslaught of the Covid-19 pandemic, the optimism for hiring among India Inc is at an 11-year high, as per data analytics firm Dun & Bradstreet. *[The Economic Times]*

**India adds 8.8 mn new jobs in April; yet inadequate to meet demand - CMIE:** In one of the largest expansions in the labour market since the beginning of the pandemic, 8.8 million people joined the country's workforce in April, as per data provided by the Centre for Monitoring Indian Economy (CMIE). *[Business Standard]*

**Earning Rs 25,000 monthly puts one in India's top 10% - Inequality report:** The report looked at data from the Periodic Labour Force Survey (PLFS) 2019-20 to conclude that earning Rs 25,000 per month would put a worker in the top 10 per cent of India's wage earners. *[Business Standard]*



## Industrial Finance

**Bank credit grows 10.82 pc; deposits rise 9.71 pc - RBI data:** Bank credit grew by 10.82 per cent to Rs 120.46 lakh crore and deposits by 9.71 per cent to Rs 166.95 lakh crore in the fortnight ended May 6, 2022, RBI data showed. *[The Economic Times]*

**Allow large NBFCs to offer full banking services - CII chief:** India requires a much larger number of banks to take banking to every corner, new CII president Sanjiv Bajaj said on Monday, highlighting the need for allowing large non-banking financial companies (NBFCs) to offer full banking services. *[Financial Express]*



## Technology and Innovation

**IIT Hyderabad to offer UG course in VLSI design and technology:** The courses are a part of the IT ministry's plan to train 85,000 engineers for various roles in the semiconductor industry, apart from nearly 250,000 shop-floor technicians and junior engineers. *[The Economic Times]*

**Indian, Chinese companies take lead in use of artificial intelligence - IBM:** According to the survey, 35 per cent of companies globally reported using AI in their business and when compared with 2021, organisations are 13 per cent more likely to have adopted AI in 2022. *[Business Standard]*

**Dunzo, PhonePe among 24 e-commerce firms joining India's open network:** More than two weeks since the launch of the Open Network for Digital Commerce (ONDC) pilot, as many as two dozen companies, such as Flipkart-backed logistics provider Ekart Logistics, hyperlocal quick commerce company Dunzo, and digital payments company PhonePe, were in the process of integrating with the network. *[Business Standard]*



## Industrial Infrastructure, Clusters and SEZs

**Gujarat needs to focus on 9 winning sectors to assist India become \$5 tn economy - Report:** The report has identified nine 'winning sectors' for manufacturing needing special attention from the government. These are automobiles, apparel, basic metals, electronics, electrical machinery and equipment, food processing, gems & jewellery, pharmaceuticals and textiles. *[Financial Express]*

**Over Rs 7 lakh cr worth projects outstanding in Assam in 3 yrs - MSME report:** Investment projects worth Rs 7,67,518.72 crore have been outstanding in Assam since 2018-19 against projects valued at Rs 6,49,313.63 crore being implemented in the same period, a new study has found. *[The Economic Times]*

**Tata Motors goes big bang with Rs 32,000-crore capex plan:** Tata Motors will be making its highest ever domestic investment of Rs 6000 crore in the current financial year to fund expansion of portfolio of capacity across all its businesses. *[The Economic Times]*

**PG Technoplast inaugurates its flagship AC manufacturing facility in Ahmednagar:** PG Technoplast had received government approval under the Production Linked Incentive (PLI) scheme for white goods under the air conditioner components category in November 2021. *[Business Standard]*

**Amritsar-Jamnagar expressway to be completed by Sep 2023 - Gadkari:** The expressway will connect the economic towns of Amritsar, Bhatinda, Sangaria, Bikaner, Sanchore, Samakhiali and Jamnagar across the four states of Punjab, Haryana, Rajasthan and Gujarat. *[Business Standard]*



## Sustainable Industrialisation

**Renewable energy projects worth \$197 billion underway in India:** A total of 493 projects are underway including 464 government-aided projects, according to government data. India offers a great opportunity for investments. Currently around \$196.98 billion worth of projects are underway in India. *[Mint]*

**Rays Experts to commission world's largest solar park in Rajasthan:** Rays Experts on Tuesday said it will commission the world's largest solar park in Rajasthan with a 3000 MWp capacity. The 9000-acre solar park will be built in Bikaner, Rajasthan. *[Business Standard]*

**Greenko setting up world's largest RE storage plant at \$3 bn investment:** Sharing the details of the project, he said out of 5,230 MW, 3,000 MW is solar, 550 MW wind and 1,680 MW is pump storage capacity for 6 hours. The project is expected to be commissioned by 2023, Kolli said. *[Business Standard]*

**Tata Power partners with Hyundai Motor for EV charging infra in India:** Currently, all 34 HMIL dealer locations are equipped with AC 7.2 kW chargers, and the company aims to expand the fast charging infra network across its pan India dealerships, the company said. *[The Economic Times]*

**PMI Electro to set up commercial EV manufacturing plant in Maharashtra:** Electric bus maker PMI Electro on Friday announced the setting up of its largest commercial EV manufacturing plant having annual production capacity of 2,500 vehicles at Chakan in Maharashtra. *[The Economic Times]*

**NTPC's 20 MW solar capacity at Kawas begins commercial operation:** State-owned power giant on Saturday announced the beginning of commercial operation of the first part capacity of 20 MW out of 56 MW Kawas Solar PV Project in Gujarat. *[The Economic Times]*



## Sectoral News

**PM Modi inaugurates India's first 5G testbed:** Prime Minister Narendra Modi on Tuesday inaugurated the country's first 5G testbed to enable startups and industry players to test and validate their products locally and reduce dependence on foreign facilities. *[The Economic Times]*

**Hyundai, Kia plan \$16.5 billion spend to boost EV production:** Hyundai Motor Co. and its affiliate Kia plan to invest 21 trillion won (\$16.5 billion) to boost the production of electric vehicles in South Korea. *[Mint]*

**CII president Sanjiv Bajaj calls for incentive-based schemes for labour-intensive sectors:** CII president Sanjiv Bajaj said on Tuesday that while the production linked incentive (PLI) scheme will give industry a booster shot, employment-intensive sectors like tourism and footwear also need incentive-linked programmes. *[Financial Express]*

**GatiShakti Sanchar portal launched; Vaishnav says legal backing for RoW by December:** The GatiShakti Sanchar portal will facilitate centralised Right of Way (RoW) approvals. An online platform for the industry to apply for RoW approvals as they build telecom infrastructure, including for 5G services. *[Financial Express]*



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