

Industry Matters

Weekly Updates

January 07, 2022



Economy, Industry and Policy

Through the rearview mirror - Economists assess how India fared in 2021: The Indian economy maneuvered choppy waters amid the Covid-19 pandemic, its nascent recovery hampered by a demand-supply mismatch while being among the fastest-growing economies in 2021. *(The Economic Times)*

Manufacturing PMI eases to three month low in December amid Covid fears: The data released by analytics firm IHS Markit showed the purchasing managers' index (PMI) for manufacturing fell to 55.5 in December from 57.6 in November. *(Business Standard)*

India Inc better prepared to limit Omicron impact on economy to bare minimum - ASSOCHAM: Amid the sweeping third wave of Covid-19 pandemic, trade association and advocacy group ASSOCHAM said that India Inc, across different sectors, is far better prepared to remain functional. *(Deccan Herald)*

Policy initiatives to shape India into global manufacturing hub: The government has unveiled a \$27 billion worth of PLI scheme for 13 sectors to help integrate Indian companies into the global value chains and tap into the opportunity. *(The Economic Times)*

Govt cuts capital expenditure by 41% in Oct, Nov despite FM nudge: The government cut down its capex by 41.21 per cent at Rs 44,279 crore in the first two months of the third quarter of FY22 against Rs 75.322 crore spent during the corresponding period of the previous year. *(Business Standard)*

DPIIT to come out with revised FDI policy to facilitate LIC disinvestment – Secretary: Anurag Jain, secretary in the Department for Promotion of Industry and Internal Trade (DPIIT), said the current policy related to the sector will not facilitate the disinvestment process of LIC and, hence, needs to be revised. *(The Economic Times)*

GST mop-up remains above Rs 1 lakh crore for 6th month in a row, collections grow 13% in Dec to Rs 1.3 L cr: Collections stayed above the ₹1 lakh crore for the sixth month in a row but slid marginally from ₹1.32 lakh in November, the second-highest in a month. GST revenue in December 2021 was 26% higher than that in December 2019, showing a strong bounce from pre-pandemic levels as well. *(The Economic Times)*

E-way bill generation in December second highest so far: E-way bill generation for goods transportation under the Goods and Services Tax (GST) system came in at 7.16 crore for December, the second highest in any month since the online system was rolled out on April 1, 2018, reflecting an uptick in demand during the year-end. *(Financial Express)*

2021 Year in Review - The chaos and confusion around India's ecommerce rules: The 'Consumer Protection (E-Commerce) Rules, 2020' apply to all electronic retailers (etailers) registered in India or abroad that offer goods and services to Indian consumers. *(The Economic Times)*

Despite Omicron threat, logistics sector ready to fire, as economy chugs along: After two turbulent years, the country's logistics sector seems to have found its mojo back. Operational efficiency is nearing pre-Covid levels and there is a strong thrust on digitalisation. A few more improvements and the sector might be able to make India a global logistic hub. *(The Economic Times)*



Foreign Investment

EV maker One Moto to invest INR 250 crore to set up manufacturing unit in Telangana: The company has signed a memorandum of understanding (MoU) with the state government to set up the new facility at the outskirts of the capital Hyderabad, One Moto said in a statement. *(The Economic Times)*

Foreign firms keen on Ford plant in India - TN minister Thennarasu: Foreign automakers have indicated an interest to the government of India's Tamil Nadu state in acquiring Ford Motor Co's plant there, the state industries minister said on Thursday, after inconclusive talks with the Tata Group. *(Business Standard)*



Trade Policy and Competitiveness

India's exports touch \$300 billion in Apr-Dec - Goyal: India's exports touched \$300 billion during April-December 2021 and would reach \$400 billion by end of this fiscal, Commerce and Industry Minister Piyush Goyal said on Tuesday. *(The Economic Times)*

Strong demand for Indian apparels to further push exports - AEPC: Export of readymade garments saw an increase of 22 per cent to USD 1.46 billion in December 2021 from USD 1.20 billion in the same month of 2020. Total apparel exports stood at USD 11.13 billion during April-December 2021. *(The Economic Times)*

India's high import tariffs in electronics sector negating PLI, impacting competitiveness - Report: India's import tariffs for the electronics sector are higher compared to countries like China and Vietnam that is negating the support provided through PLI schemes and is adversely impacting competitiveness, a report by ICEA and IKDHVAJ Advisers LLP said on Thursday. *(The Economic Times)*

Govt should include iron and steel in RoDTEP to make exports competitive - EEPC: As skyrocketing prices of primary raw materials have been hurting the industry, especially MSMEs, the government should consider including iron and steel products in the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme to make exports more competitive, Engineering Export Promotion Council of India (EEPC India) said on Friday. *(Mint)*

Commerce ministry to launch Brand India Campaign to boost exports: In the initial stage, the campaign would focus on Indian exports in specific sectors such as gems and jewellery, textiles, plantation products (tea, coffee, spices), education, healthcare, pharma, and engineering. *(Financial Express)*

India's trade deficit could soon double to \$200 billion, as domestic demand drives up imports: The country's trade deficit is expected to widen to \$190 billion in the current fiscal year 2021-22, and further to \$200 billion in the next fiscal year 2022-23, according to Kotak Securities. *(Financial Express)*

India spends record \$55.7 billion on gold imports in 2021 - Report: The 2021 gold import bill easily doubled the \$22 billion spent in 2020, and surpassed the previous high, set in 2011, of \$53.9 billion, according to the official, who tracks broad import trends. *(Mint)*

INDIA'S MERCHANDISE TRADE - Preliminary Data December 2021: As per the Preliminary Data for December 2021, India's merchandise export in December 2021 was USD 37.29 billion, the highest ever monthly achievement, which shows an increase of 37.0% over USD 27.22 billion in December 2020 and an increase of 37.55% over USD 27.11 billion in December 2019. *(Press Information Bureau)*

Govt making efforts to get duty concessions on textile via FTAs - Goyal: Interacting with textiles associations, the Minister for Textiles and Commerce and Industry shared that in all the ongoing negotiations with major countries like the UK, the UAE, Canada, the European Union and Australia, there is a special focus on getting concessional duties for textile products. *(Business Standard)*

DGFT extends deadline for exporters to submit applications for pending dues to Jan 31: The government on Friday extended the last date for submitting applications to January 31, 2022 from December 31, 2021 for various export promotion schemes under the Foreign Trade Policy. *(The Economic Times)*

Eyeing agri market, Australia offers tariff sops on 99% Indian imports: Australia has offered to give tariff concessions to 99% of its traded goods with India under the proposed bilateral free trade agreement in lieu of opening up of India's dairy and agriculture sectors through low or zero tariffs. Canberra is keen to export dairy products, grains, oilseeds and processed food to India. *(The Economic Times)*



Corporate Governance

HDFC Life completes acquisition of Exide Life; to start merger soon: The private sector insurer acquired a 100 per cent stake in Exide Life from its parent Exide Industries after issuing over 8.7 crore shares at an issue price of Rs 685 and a cash payout of Rs 726 crore, aggregating to Rs 6,687 crore. *(The Economic Times)*

Maersk overtaken as world's no.1 shipping line by MSC: The Danish carrier has been overtaken by Mediterranean Shipping Co. in terms of capacity, according to data compiled by Alphaliner and published on Wednesday. MSC's fleet can carry 4,284,728 standard 20-foot containers, 1,888 more than Maersk, giving both a market share of 17%. *(The Economic Times)*

Asian Paints second most valuable paints company in the world: Asian Paints has emerged as the second-most valuable paints company in the world. The company's market capitalisation has soared 22 per cent to \$43.7 billion at the end of December 31 from \$35.6 billion a year ago. *(Business Standard)*



MSMEs and Start-ups

India's new billionaires - A record 40 promoters entered the club in 2021: There has never been a better time to be a promoter of a listed company in India. A record 40 businessmen and promoters entered the billionaires' club in 2021, beating the previous record of 24 new entrants during the year ending March 2010. *(Business Standard)*

ECLGS helps save 14% MSME loans, Gujarat biggest beneficiary – Report: Government's ECLGS to support the MSMEs deal with the pandemic has helped banks prevent 14 percent of MSME loans turning into NPAs, finds a State Bank of India research report. *(The Economic Times)*

Role of MSMEs crucial for India to become a \$5-trillion economy, says Kant: The MSME sector is the backbone of the Indian economic structure and has a very important role in buffering it from global economic shocks and adversities. *(The Economic Times)*

Retail, MSME credit shows steady growth in November - RBI report: Growth in bank credit, especially to retail, industry, and agriculture remained steady in November, reflecting the effect of economic upturn and festival demand. *(Business Standard)*

Record number of unicorns in 2021 as race for such valuation takes longer: Unicorns, contrary to popular perception, took slightly longer than in previous years to get to a billion-dollar valuation in 2021. The record-breaking year saw more than 40 unicorns, shows the data from start-up data provider Tracxn Technologies. This was the highest number in the data, which goes back over a decade. *(Business Standard)*

Indian startup roped in by London mayor's office to set up gaming hub: Homegrown gaming startup Microgravity has been appointed by the Mayor's Office of London to set up an augmented and virtual reality (AR/VR) gaming arena in the city. *(Mint)*



Employment and Industrial Relations

Hiring intent still unruffled by Omicron threat: Hiring intent of India Inc may not be dented in the New Year despite an exponential rise in cases of the highly infectious Omicron variant of the coronavirus since the past one week, company executives and job market experts have said. *(The Economic Times)*

Beneath India's PMI data, simmers signs of unemployment: Business activity in India's services and manufacturing sectors fizzled out in December. Latest data published by market researcher IHS Markit showed that the Composite PMI Output Index slipped to 56.4 in December from 59.2 in November. *(Mint)*

Payscale report - B'luru #1 among tier-1 cities for junior and mid-level jobs: India's IT capital Bengaluru has ranked top among Tier-I cities in salary pay-scales across junior and mid-levels in job level hierarchies, the 2021 edition of the Randstad Salary Trends Report has shown. *(The Economic Times)*



Industrial Finance

Electrical machinery industry availed credit of Rs 94.8 thousand crore in March 2021 - Report: In its fourth edition of Industry Spotlight that analyses the electrical machinery industry, Small Industries Development Bank of India (SIDBI) and CRIF High Mark found that the total amount of credit availed by the sector as of March 2021 stood at Rs 94.8 thousand crore which witnessed a Y-o-Y increase of 3.2%. *(The Economic Times)*

MFIs seek extension of credit guarantee scheme till FY2023: Microfinance institutions (MFIs) have written to Finance Minister Nirmala Sitharaman seeking extension of the credit guarantee scheme for micro lenders till FY 2022-23 with an amount of Rs 15,000 crore. *(Business Standard)*

Large, mid-sized banks report 11-23% loan growth in December quarter: Four commercial banks, including HDFC Bank and Bank of Maharashtra, posted credit growth between 10.7 and 23 per cent on a year-on-year basis in the December quarter (Q3FY22). *(Business Standard)*



Technology and Innovation

Digital transaction volume grew at 50% in four years, shows data: The volume of digital transactions rose to 55.54 billion in FY21 from 10.85 billion in FY17, at a compounded annual growth rate of 50.42 per cent, according to the Ministry of Electronics & Information Technology (MeitY). *(Business Standard)*

Hughes, Airtel form JV for satellite broadband: Hughes Communications India Private Ltd and Bharti Airtel have formed a joint venture to provide satellite broadband services in India, the companies said on Wednesday. *(Mint)*

Google buys Israeli security startup Siemplify for \$500 million – Report: The deal came after Google made a pledge to U.S. President Joe Biden last August to invest \$10 billion in cybersecurity over the next five years. *(Mint)*



Industrial Infrastructure, Clusters and SEZs

PM Modi inaugurates new integrated airport terminal building in Agartala: PM Narendra Modi today inaugurated the New Integrated Terminal Building at Maharaja Bir Bikram Airport in Agartala. *(Mint)*

Panel for Gati Shakti asks DPIIT to identify high-impact infra projects: The Cabinet Secretary-led panel for Gati Shakti has asked the Department for Promotion of Industry and Internal Trade (DPIIT) to ensure that “high-impact” infrastructure projects get on a fast track, and to kick-start the exercise of identifying projects for inclusion in the Budget. *(Business Standard)*

Medical device park to come up on 350 acre land near Noida airport: A medical device park would come up in an area of 350 acres along the Yamuna Expressway and just 3.5 km away from the upcoming Noida International Airport at Jewar, officials said on Monday. *(Business Standard)*

Gadkari launches 821 km of National Highways worth Rs26,778 crore in poll bound UP: The minister inaugurated and laid foundation stones in Kanpur for 8 National Highway projects worth Rs. 14,199 Crore , in Lucknow for 16 National Highway projects worth Rs. 7409 Crore and in Shringverpur Dham,Prayagraj for 4 National Highway projects worth Rs. 5169 Crore. *(Mint)*



Sustainable Industrialisation

NHPC, GEDCOL JV to set up India's largest floating solar power project in Odisha: The joint venture (JV) will make an initial investment of over Rs 2,000 crore to set up 300 MW floating solar projects, which would generate 600 million units (MU) per annum. *(The Economic Times)*

Govt approves Rs 12,000-cr Green Energy Corridor Phase-II: The government on Thursday approved Rs 12,031 crore intra-state transmission scheme for evacuation of renewable energy from 20 Gw power projects in seven states including Gujarat, Himachal Pradesh, Karnataka, Kerala, Rajasthan, Tamil Nadu and Uttar Pradesh. *(The Economic Times)*

Hero Future Energies ties up with Ohmium to set up 1GW green hydrogen facilities: Hero Future Energies (HFE), a leading developer of solar, wind and hybrid/BESS projects, and Ohmium International -- specialised in the design, manufacture and deployment of PEM Electrolysers -- have announced a strategic partnership to develop and build 1,000 MW of Green Hydrogen production facilities in India, the UK and Europe, a joint statement said. *(The Economic Times)*

Electric vehicles sales in India to touch 10 lakh units this year – SMEV: Sales of total electric vehicles in India are expected to be around 10 lakh units this year, equal to what was sold collectively in the last 15 years, mainly riding on the good traction witnessed by electric two-wheelers, Society of Manufacturers of Electric Vehicles (SMEV) said on Thursday. *(The Economic Times)*

Reliance New Energy acquires 100% stake in sodium-ion battery firm Faradion: Reliance Industries' solar arm will buy sodium ion battery technology provider Faradion for 100 million pounds including debt. *(The Economic Times)*

Sony looks to sell its own electric vehicles: Sony Group Corp. said it would create a car unit and explore entering the electric-vehicle market, in another sign of how the electronics and car businesses are overlapping. *(Mint)*

Environment Ministry brings out draft EPR notification for waste tyres: The Ministry of Environment, Forests and Climate Change on Wednesday shared the draft notification for regulations for the extended producer responsibility (EPR) for waste tyres that will, if finalised, be effective starting the new fiscal year. *(The Economic Times)*



Sectoral News

Power consumption rises 4.5% to 110.34 billion units in December: India's power consumption grew by 4.5 per cent in December to 110.34 billion units (BU) over the same period a year ago, according to power ministry data. In December 2020, consumption was 105.62 BU, up from 101.08 BU in December 2019. *(The Economic Times)*

Mankind Pharma set to roll out cheapest coronavirus drug: Mankind Pharma is all set to launch the cheapest molnupiravir, the Covid-19 antiviral drug, this week at ₹35 per capsule, its chairman told ET. The full treatment of Molulife (brand name) is expected to cost ₹1,400, RC Juneja, chairman of Mankind Pharma, told ET. *(The Economic Times)*

India's coal production up to 74.78 mt in December: India's coal production went up to 74.78 million tonnes (mt) in December as compared to the same period in 2019, union coal ministry said in a statement on Wednesday. *(Mint)*

Rising costs crack Morbi's ceramic units: Around 800 ceramic factories in and around Morbi are facing an uncertain future. Constant rise in prices of gas, coal and raw materials have seen as many as 100 units shutting down in the last few months. *(The Times of India)*

Christmas, New Year booking cancellations result in Rs 200 crore loss for hospitality sector: Booking cancellations for Christmas and New Year celebrations, along with those of weddings and planned events, due to a surge in COVID-19 cases have so far resulted in a loss of around Rs 200 crore in the hospitality industry, the Federation of Hotel & Restaurant Associations of India (FHRAI) said on Thursday. *(The Economic Times)*