

Industry Matters

Weekly Updates

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Economy, Industry and Policy

Indian GDP may grow 9.2% this fiscal on base effect: India's economy is expected to grow 9.2% in the current financial year, aided by the base effect of 7.3% contraction last year, according to the first advance estimates by the National Statistical Office (NSO) released on Friday. *[The Economic Times]*

FY22 per capita income may rise 12% over pre-Covid level - Advance estimates: The per capita income is projected to increase to Rs 1.50 lakh in FY22 from Rs 1.29 lakh in FY21, as per the Advance Estimates of National Income released by the government. *[Business Standard]*

QUICK ESTIMATES OF INDEX OF IIP AND USE-BASED INDEX FOR THE MONTH OF NOVEMBER, 2021 (BASE 2011-12=100): For the month of November 2021, the Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 stands at 128.5. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of November 2021 stand at 111.9, 129.6 and 147.9 respectively. *[Press Information Bureau]*

Gross fixed capital formation-Advance estimates hopeful, say analysts: The Centre predicts that gross fixed capital formation (GFCF) — a proxy for private and public investment in infrastructure — will exceed the pre-pandemic period of 2019-20 in absolute terms as well as share of gross domestic product, in real and nominal terms. *[Business Standard]*

Need to make our growth much more equitable-Niti Aayog Vice-Chairman Rajiv Kumar: The equitable growth should be the one which can empower people and give them the right opportunity to excel, he emphasised. *[Financial Express]*

Avoid knee-jerk reactions, local lockdowns - CII president: The government should opt for coordinated restrictions to ensure recovery is not hit, said TV Narendran, CII president and Tata Steel managing director and CEO, urging the government to spend more if required to support the economy. *[The Economic Times]*

Third wave - Retailers hold only 15 days' stock of TV, washing machine, apparel to cut impact: Manufacturers of televisions, smartphones, refrigerators, washing machines, apparel and footwear said based on the experience of the past two Covid-19 waves, most retailers and distributors want to hold 15 days of inventory instead of 30 days to ensure there is no impact on their cash flow in case the business dips. *[The Economic Times]*

CPI inflation hits 6-month peak, IIP growth at 9-month low: The index of industrial production (IIP) shrank a tad in November from the pre-Covid (same month in FY20) level, reversing a rise witnessed in the previous three months. *[Financial Express]*

E-way bill generation moderates: Daily e-way bill generation under the goods and services tax (GST) system came in at 20.45 lakh for the first nine days of January, 11% lower than the daily average for December, reflecting a moderation in goods dispatches. *[Financial Express]*

Capex set to cross pre-Covid levels; household expenditure, consumption lag: In absolute inflation-adjusted terms, real gross fixed capital formation (GFCF) is projected at Rs 48.5 trillion for FY22, compared with provisional estimates (PE) of Rs 42.2 trillion in FY21 and Rs 47.3 trillion in FY20. *[Business Standard]*

115 companies file applications under PLI scheme for auto sector: As many as 115 companies applied for the Rs 25,938 crore Production Linked Incentive (PLI) scheme for the automotive and the auto component sector notified by the government in September last year. *[The Economic Times]*

Vision India@2047 by May with targets for this decade: The Centre has begun work on a blueprint for India@2047- a vision plan for a 'future ready India' that befits the 100th year of Indian Independence. *[The Economic Times]*

Budget 2022-23 - Worst-hit sectors may get credit guarantee breather: According to highly placed sources, the finance ministry is likely to extend ECLGS and other loan guarantee schemes for micro, small and medium enterprises (MSMEs), hospitality and tourism sector, and the health infrastructure beyond March 31. *[Business Standard]*



Foreign Investment

India considering easing curbs on some Chinese investment, sources say: Currently, Prime Minister Narendra Modi's government scrutinizes all investment proposals from companies that are either based in countries that share a land border with India or have an investor from one of these nations. *[The Economic Times]*

India Inc's overseas direct investment dips over 8% to \$2.05 bn in Dec 21: Outward foreign direct investment by Indian companies fell by over 8 per cent to USD 2.05 billion in December 2021 in the current fiscal, data from the Reserve Bank of India (RBI) showed on Monday. *[Business Standard]*

Govt set to allow 20% foreign direct investment in LIC ahead of listing: The Centre has decided to allow 20 per cent foreign direct investment in the Life Insurance Corporation of India (LIC), like in the case of public sector banks (PSBs), according to people in the know. *[Business Standard]*



Trade Policy and Competitiveness

Exports rise 33% to \$7.63 billion during Jan 1-7 period - Govt data: The country's exports grew 33.16 per cent to USD 7.63 billion during January 1-7 period on account of healthy performance by various sectors, including engineering, petroleum and gems and jewellery, according to preliminary data from the commerce ministry. *[Business Standard]*

UK announces launch of free trade agreement negotiations with India: British Prime Minister Boris Johnson said an FTA would take the country's historic partnership with India to the next level, and highlighted Scotch whisky, financial services and cutting-edge renewable technology among some of the key sectors set to benefit. *[Business Standard]*

Exports from STPI units seen at over Rs 5 lakh crore in FY22 despite Omicron wave: The value of software exports from the Software Technology Parks of India units is expected to be at over Rs 5 lakh crore during FY22, almost similar levels or a tad higher than the previous year, Arvind Kumar, Director General of STPI said. *[The Economic Times]*

Trincomalee oil tank deal a result of 30 years of Indo-Lankan effort: The India-Sri Lanka deal to jointly redevelop the Trincomalee oil tank farms signed on Thursday, the eve of Chinese foreign minister Wang Yi's Colombo visit, is a result of an arduous effort undertaken by the two neighbours over the last three decades. *[The Economic Times]*

India, South Korea to discuss market access issues on Tuesday: Concerns regarding a trade deficit, which is in favour of the East Asian nation, will also be taken up during a bilateral meeting between Commerce and Industry Minister Piyush Goyal and Trade Minister of the Republic of Korea Han-koo Yeo. *[Business Standard]*



Corporate Governance

Budget 2022 - Firms want FM to pave way for foreign listing: Many companies and their advisors have reached out to the government and sought a change to existing regulations that will allow unlisted Indian companies to list abroad. *[The Economic Times]*

At CES, tech alliances firm up in the self-driving car wars: Major automakers like General Motors Co, Ford Motor Co and Volvo Cars deepened ties with key technology partners this week to gird for the fight against electric car challenger Tesla Inc and Apple Inc as it revs up to enter the market. *[The Economic Times]*

POSCO, Adani Group sign pact to set up steel plant in Gujarat: Industrialist Gautam Adani-led Adani Group has signed a pact with South Korea's POSCO to explore business opportunities in sectors like steel, renewable energy among others. *[The Economic Times]*

Vedanta is willing to spend as much as \$12 bn to acquire BPCL: Vedanta Group is willing to spend \$12 billion to acquire India's state-owned refiner Bharat Petroleum Corp., an asset sale that's among the nation's biggest and which has faced delays in completion. *[Mint]*



MSMEs and Start-ups

Piyush Goyal appeals to industry to prepay MSMEs to boost employment: Commerce and Industry Minister Piyush Goyal on Wednesday asked industry bodies to prepay Medium, Small and Micro Enterprises (MSME) to safeguard their viability and to boost employment and growth. *[Business Standard]*

Let's target to create 75 more unicorns by 2022-end - Piyush Goyal: Indian start-ups should look to create an additional 75 unicorns in 2022, continuing last year's momentum, commerce and industry minister Piyush Goyal said on Monday. India is now home to 82 unicorns, with more than half of them joining the club in 2021 alone. *[Business Standard]*

SMEs lose Rs 67 lakh annually due to outdated ways of managing finances Study: The study attempted to answer some questions around digital adoption by SMEs and what is stopping them from modernizing their finance function. *[The Economic Times]*

ECLGS stopped 14% of loans from slipping into NPA, says SBI report: The Emergency Credit Line Guarantee Scheme (ECLGS) for micro, small, and medium enterprises (MSME), one of the government's key planks in reviving economic activity, has prevented 1.35 million MSME accounts from going under, according to a report by State Bank of India released on Thursday. *[Business Standard]*



Employment and Industrial Relations

India's formal sector employment up by 0.2 million in July-September quarter: As per the quarterly employment survey for the second quarter of the current fiscal, 31.0 million jobs were created in the country in the given quarter compared to 30.8 million in the April-June quarter of 2021. *[The Economic Times]*

At current pace, MGNREGA will need minimum Rs 1 trillion budget next fiscal: The sustained strong demand for MGNREGA despite resumption of normal economic activity across the country, as seen from the latest data, has triggered calls for adequately funding the scheme in the coming Budget to kick start rural recovery. *[Business Standard]*

Covid-19 pandemic fuels a global crisis in employment, shows data: The Covid-19 pandemic created a global crisis in employment. Microsoft estimates that global unemployment may have exceeded a quarter of a billion people by the end of 2020. *[Business Standard]*

Smaller states fare better at providing MGNREGS jobs: While just 28.7% of the total enrolled MGNREGS workers found work in Bihar, 93% of those in Mizoram have benefitted, according to the government data. Nine out of every ten enrolled workers have got a job under MGNREGS in the state of Mizoram in this financial year, as have 74% in Chhattisgarh. *[Hindustan Times]*

Total employment in 9 select sectors rises to 3.10 cr in July-Sep 2021: Total employment generated by nine select sectors stood at 3.10 crore in the July-September 2021 quarter, which is 2 lakh more than that of the April-June period, according to a quarterly employment survey by the labour ministry released on Monday. *[The Economic Times]*



Industrial Finance

Budget 2022 - Assocham pitches for permanent refinance window for NBFC sector: Industry body Assocham has recommended setting up a refinance window for the NBFC sector and making banks' lending to non-banking financial companies under priority sector permanent for the upcoming Union Budget. *[The Economic Times]*

State-run lenders ask private peers to raise bad bank stake: Last year in September, the union cabinet had given its approval for guarantees of Rs 30,600 crore to back security receipts issued by NARCL for acquiring stressed loan assets from banks. *[The Economic Times]*

Credit growth visible across sectors - SBI research report: Sectors such as healthcare, commercial real estate, pharmaceuticals, infrastructure, NBFCs and construction will be the prime beneficiaries of such non-PSU credit. *[Financial Express]*

CreditAccess, Suryoday post double-digit loan growth in December: CreditAccess Grameen, India's largest NBFC-MFI, said its gross loan portfolio rose 19.4% year-on-year to Rs 12,180 crore at the end of December 2021. *[The Economic Times]*



Technology and Innovation

Big data analytics forecasted to be the most in-demand skill in 2022 - Monster Annual Trends Report: 96% of companies are definitely planning or likely to plan to hire new staff with relevant skills to fill future big data analytics related roles in 2022. This is most likely going to be the most in-demand role in 2022, says the Monster Annual Trends report. *[The Economic Times]*

India climbing up the ladder of emerging tech patents, shows data: Domestic and global companies in emerging technologies have filed over 80,000 applications in India between 2016 and 2020 in areas ranging from Artificial Intelligence (AI), the Internet of Things (IoT), and big data to cloud, Edge, cyber security, and real time processing. *[Business Standard]*

Rising digital dependence during pandemic heightening cyber threats - WEF survey: As the world enters the third year of the Covid-19 pandemic, a growing dependence on digital systems has heightened the risks posed by cybersecurity threats globally, while fracture of inter-state relations, widespread youth disillusionment and digital inequality are among top risks for the Indian economy, a new survey showed on Tuesday. *[The Economic Times]*

Government optimistic of taking ONDC global, says DPIIT official: The government's intention is not to get into business but create standards through the Open Network for Digital Commerce (ONDC) that it expects will be adopted by the global e-commerce ecosystem, a senior DPIIT official said on Monday. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

PM Modi to inaugurate 11 medical colleges in Tamil Nadu on Wednesday: In order to strengthen health infrastructure in the country, Prime Minister Narendra Modi will inaugurate 11 medical colleges in Tamil Nadu on Wednesday via video conferencing. *[The Economic Times]*

Odisha CM launches 13 projects, says state provides 'hassle-free' environment for investors: Odisha Chief Minister Naveen Patnaik on Monday inaugurated two new industrial projects and performed groundbreaking ceremony for 11 others, all of which taken together entails an investment of Rs 2,360 crore. *[The Economic Times]*



Sustainable Industrialisation

India's renewable energy generation capacity addition estimated at 16 GW in FY23, says Icrea: Growth prospects robust with India's commitment to reducing emissions and meeting 50% energy requirement from renewable sources by 2030," Icrea said in a statement on Monday, adding that, "Investment requirement remains large at \$450 billion - \$500 billion to achieve the RE capacity targets by 2030. *[Mint]*

Yara debuts world's first autonomous electric container ship: The world's first fully electric and self-steering container ship, owned by fertiliser maker Yara, is preparing to navigate Norway's southern coast and play its part in the country's plans to clean-up its industry. *[The Economic Times]*

Cabinet approves Rs 12,000 crore Green Corridors-II for RE uptake in states: The projects in this phase would be set up in seven states to expedite the transmission of renewable energy. *[Business Standard]*

Decarbonisation to see \$395 bn capex by 2030-Report: As the country moves more aggressively towards its decarbonisation goals with the overall energy economy shifting towards greener fuels, a Wall Street brokerage has said this space will see a capex of USD 395 billion by 2030. *[Financial Express]*

NTPC arm NREL to float global tender to set up 3GW RE project worth Rs 15K cr by Feb: State-owned power giant NTPC arm NTPC Renewable Energy Ltd (NREL) will float a global engineering procurement and construction tender to set up a 3GW renewable energy project with a battery storage system worth around Rs 15,000 crore by February 2022, according to a senior official. *[The Economic Times]*



Sectoral News

India can tap new opportunities like Chip design, electronics manufacturing services: R Chandrasekhar: India can tap new opportunities in areas like semiconductor design, electronic systems design and electronics manufacturing services, on top of its core capability over the next 5-7 years, Minister of State for Electronics and IT R Chandrasekhar said on Tuesday. *[The Economic Times]*

Gold jewellery hallmarking picking up significantly in India - GJEPC: Hallmarking of gold jewellery has picked up in the country significantly with about 1 crore pieces hallmarked with HUID in December 2021, according to a media release issued by Gem & Jewellery Export Promotion Council (GJEPC). *[The Economic Times]*

Power CPSEs capital expenditure rises 47% to Rs 40,000 crore in Apr-Dec: The power ministry on Thursday said the state-owned firms (CPSEs) under it have incurred capital expenditure of Rs 40,395.34 crore during April-December 2021, which is 47 per cent higher year-on-year. *[Business Standard]*

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