

# Industry Matters

Weekly Updates

May 06, 2022



## Economy, Industry and Policy

**India's April services growth at 5-month high amid mounting price pressures:** India's S&P Global PMI in the month of April stood at 57.9, up from 53.6 in March. Similarly, the composite PMI for the month of April too saw an uptick, from 54.3 in March to 57.6 in April. Faster increases in both manufacturing production and services activity contributed to a stronger expansion in private sector output across India, data shows. *[The Economic Times]*

**GST revenues at all-time high of Rs 1.68 lakh cr in April:** The GST collection in April touched the highest ever level of about Rs 1.68 lakh crore, up 20 per cent from the year-ago period, on improved compliance and recovery in business activity, the Finance Ministry said on Sunday. *[Financial Express]*

**Centre to step on the gas to meet Rs 1.62 lakh crore asset monetisation target:** Cabinet secretary Rajiv Gauba has called a meeting on Friday of secretaries from 12 key ministries to discuss their detailed roadmap with clear timelines for monetising assets such as power lines, gas pipelines, roads, and railway assets among others. *[The Economic Times]*

**Core industry grows by 4.3% in March:** The cumulative growth rate of Index of Eight Core Industries (ICI) stood at 10.4% during April-March 2021-22 compared to the same year in the previous fiscal. *[The Economic Times]*

**Norms may be eased to make asset monetisation lucrative for private companies:** The centre could consider relaxing some conditions to make it more lucrative for the private sector to participate in the asset monetisation programmes of railways, warehouses, and oil and gas sectors. *[The Economic Times]*

**Govt's Rs 7,000-cr port monetisation drive delayed on security clearance:** The ministry has been able to monetise three projects worth approximately Rs 1000 crore, falling significantly short of the target of Rs 6924 crore from 13 projects for this fiscal year. *[Business Standard]*

**FASTag toll collection touches Rs 4,218.89 crores in April 2022:** Compared with April 2021, the number of FASTag transactions increased by 61.87 per cent while the collections rose by 51.93 per cent in the month under review. *[The Economic Times]*

**Services PMI jumps to 57.9 in April, employment rises for the first time in five months:** Services sector in India recorded strong growth in the month of May as Purchasing Managers' Index (PMI) surged to 57.9 in April as against 53.6 in March. *[The Hindu BusinessLine]*

**India's \$5-trillion economy dream - Not before FY29, says IMF:** The wait for India to become a \$5-trillion economic powerhouse by 2024-25 (FY25) is going to take longer than what the finance ministry had originally intended, according to the International Monetary Fund (IMF). *[Business Standard]*

**Parts supply still the weakest link in India's production chain:** Shortage of components due to the Ukraine war and Covid-induced curbs in China are impacting production of automobiles and electronic products in the June quarter. *[The Economic Times]*

**Factory activity gains pace in April amid high inflation:** The manufacturing sector witnessed faster growth in April amid quicker increases in production as well as new orders. The seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index (PMI) rose from 54.0 in March to 54.7 in April. *[Financial Express]*

**Indian economy may take 12 years to overcome Covid losses, says RBI:** The Indian economy could take more than a decade to "overcome the losses" caused by Covid 19 disruptions, the latest report on currency and finance released by the Reserve Bank of India has suggested. *[The Economic Times]*

**Bring down government debt to sustain growth, says RBI report:** The Reserve Bank of India (RBI) has suggested that the government bring down its debt to 66% of the gross domestic product (GDP) over the next five years to secure India's medium-term growth prospects. *[The Economic Times]*

**Panel for 28% GST on casino, online gaming - West Bengal FM Bhattacharya:** The panel of state finance ministers is unanimous on hiking the GST rate on casino, race course and online gaming services to 28 per cent, West Bengal finance minister Chandrima Bhattacharya said on Monday. *[Business Standard]*



## Foreign Investment

**ISMC to set up Rs 22,900 crore-semiconductor fab plant in Karnataka:** Israel-based ISMC Analog Fab Private Ltd has expressed willingness to set up a semiconductor fabrication plant in Karnataka at an outlay of Rs 22,900 crore. *[Financial Express]*

**Manufacturing FDI inflows jump 78% till February:** Foreign direct investment (equity) inflows into manufacturing surged 78% until February last fiscal to \$20 billion, far exceeding the pace of rise in overall FDI, despite the pandemic blues, Department for the Promotion of Industry and Internal Trade (DPIIT) secretary Anurag Jain told FE. *[Financial Express]*

**The spectre of rate hikes could drive further FII outflows from India:** Foreign institutional investors (FIIs) continue to be on a selling spree as far as their holdings in Indian stocks are concerned. April was the seventh consecutive month of FIIs being net sellers, with outflows at \$3.8 billion, showed an analysis by Motilal Oswal Financial Services Ltd. *[Mint]*



## Trade Policy and Competitiveness

**LIVE - India becoming a trusted partner in global supply chain, says PM Modi:** Prime Minister Narendra Modi on Tuesday said "India was among most backward countries in per capita data consumption 5-6 years back, things have changed now.". He added, "India was hardly counted in start-up ecosystem; it now ranks third in the world." *[Business Standard]*

**Explore project exports in developed countries - Piyush Goyal:** Commerce and industry minister Piyush Goyal on Thursday said that there is a need to explore project exports in developed nations such as the United States as it would result in lower risk and a better rating of projects in such countries. *[The Economic Times]*

**PM Modi's visit - Defence remains cornerstone of India-France relations:** Cooperation in defence is also the cornerstone of the India-France partnership. With this meeting the bilateral relations are expected to reach a new height with France actively collaborating in "Atmanirbhar Bharat" project in the defence sector. *[NewsonAir]*

**Services exports set a new record of \$254.4 billion in FY22:** The new record achieved in 2021-22 beats the previous high of USD 213.2 billion in 2019-20. *[The Economic Times]*

**India-UAE trade pact comes into force:** The free trade agreement between India and the UAE has come into effect on Sunday, under which domestic exporters in various sectors like textiles, agriculture, dry fruits, gems and jewellery will get duty-free access to the UAE market. *[Financial Express]*

**India excludes 1,157 products from ambit of free trade pact with UAE:** India has kept out as many as 1,157 products, including TVs, picture tubes, soaps, toys, footwear, instant coffee, sharbat, and petroleum waxes, from the ambit of its free trade agreement with UAE. *[The Economic Times]*

**India's exports rise 24% to \$38 bn in April, trade deficit widens:** It said that petroleum products (113.21%), electronic goods (64.04%) and chemicals (26.71%) led the way in high increase in exports during April. *[The Economic Times]*

**India, Germany commit to reform WTO:** India and Germany on Monday committed to reforming the WTO with a view to strengthen its principles and functions as well as preserve the autonomy of the two-tier appellate body of the global trade organisation. *[The Economic Times]*

**Pharma exports touch Rs 1.83 trillion in 2021-22 - Commerce ministry:** Pharma exports have touched Rs 1,83,422 crore in 2021-22 against Rs 90,415 crore in 2013-14, the commerce ministry said on Sunday. *[Business Standard]*



## Corporate Governance

**Tata Consumer Products to get into home and personal care through acquisition led strategy:** The company, which has operated primarily in the foods and beverages space, will now get into categories such detergents, home cleaners, body washes and creams and will bank on acquisitions to implement the plan. *[The Economic Times]*

**Adani Wilmar acquires Kohinoor rice, strengthens its presence in food segment:** The acquisition would give AWL exclusive rights over the brand 'Kohinoor' basmati rice along with 'Ready to Cook', 'Ready to Eat' curries and meals portfolio under the Kohinoor Brand umbrella in India. *[The Economic Times]*

**ED seizes Rs 5,551 crore of Xiaomi India for alleged forex violation:** The Directorate of Enforcement (ED) has seized Rs.5551.27 crore of Xiaomi Technology India Private Limited under the provisions of Foreign Exchange Management Act,1999, the federal agency said in a statement Saturday. *[The Economic Times]*

**Holcim's sale of Ambuja Cement, ACC to be biggest exit of an MNC from India:** The deal, valued at nearly \$10.35 billion, will put in the shade Cairn Energy Plc's exit from India in 2010, when it sold Cairn India to Vedanta Group for \$4.48 billion. *[Business Standard]*



## MSMEs and Start-ups

**Industry 4.0 - A case for MSMEs in Odisha:** The rank of Odisha in terms of the number of MSMEs is not in top 10 positions but average employment generated by MSMEs in the State is more than the national average. At present, Odisha is having 4.5 lakh registered MSMEs providing 16.9 lakh employment. *[The New Indian Express]*

**Defence Ministry's procurement from MSMEs on GeM portal hits all-time high in FY22:** Purchase of defence-related goods and services by the Defence Ministry from micro, small and medium enterprises (MSMEs) and others on the government's business-to-government (B2G) portal Government eMarketplace (GEM) jumped over 250 per cent in the financial year 2021-22 from the previous year. *[Financial Express]*

**India, Germany discuss investment opportunities in MSME sector:** The Department for Promotion of Industry and Internal Trade (DPIIT) secretary Anurag Jain and Jerger talked about cooperation in the MSME sector between India and Germany with special focus on the fields of food processing, textiles, manufacturing, artificial intelligence, technology, hydrogen and green energy, sustainability and digitalisation. *[The Economic Times]*

**Amazon doubles MSME export target from India to \$20 billion by 2025:** E-commerce company Amazon on Wednesday announced doubling its cumulative export target of 'Made in India' goods from micro, small and medium enterprises (MSMEs) under its global selling programme. *[Financial Express]*

**A century in style - Fintech firm Open becomes India's 100th unicorn:** The countdown for 100 unicorns had begun early in the year itself but the Russian attack on Ukraine had paused the startups' rush to touch the \$1-billion valuation. *[Business Standard]*

**IIFL Finance, Open Financial join hands to launch neobank for MSMEs:** NBFC company IIFL Finance Ltd. and Open Financial Technologies Private Ltd., Asia's largest SME focused neo-banking platform today announced a joint venture to launch India's first neobank to cater to banking and credit requirements of Micro and Small Enterprises (MSMEs). *[The Economic Times]*



## Employment and Industrial Relations

**Government looks to widen Skill India mission to enable multi-skilling of youth:** The government is set to widen the scope of Skill India mission to enable multi-skilling of youths, a move aimed at enhancing their employability. *[The Economic Times]*

**India's unemployment rate rose to 7.83% in April - CMIE:** The unemployment rate in urban areas was higher at 9.22 per cent compared to 8.28 per cent in March, the data released on Monday showed. *[Financial Express]*



## Industrial Finance

**Vedanta is in talks to raise up to \$3 billion debt in semiconductors push:** Vedanta is in talks with banks to raise debt of \$2.5 billion-\$3 billion to bolster its semiconductor and display manufacturing plans as it races to become the country's first chipmaker, a senior company official told Reuters on Saturday. *[The Economic Times]*

**Positive start - LIC's mega share sale subscribed 67% on first day:** The offer received bids for 108.6 million shares against the offered 162.7 million shares. The retail category and LIC employees were given a discount of Rs 45, while LIC policyholders were given a discount of Rs 60 per share. The issue has a price band of Rs 902-949. *[Business Standard]*

**Bank credit to micro, small enterprises - Double-digit growth logged in March:** Credit deployed to medium enterprises also continued to post double-digit growth of 36.9 per cent. Rs 3.04 lakh crore was disbursed by banks to medium units in March, up from Rs 2.22 lakh crore in March 2021. *[Financial Express]*

**Incremental credit-to-GDP share likely to breach 50 pc mark in FY23:** The share of incremental bank credit in incremental nominal GDP is likely to cross the 50 per cent mark in the current financial year, from a decade low of 27 per cent in FY2022, an SBI research report said on Monday. *[The Economic Times]*



## Technology and Innovation

**Aim to make India a hub for semiconductors for the world - PM Narendra Modi:** Modi said there was a collective aim to establish India as one of the key partners in global semiconductor supply chains. "We want to work in this direction based on the principle of hi-tech, high quality, and high reliability," he said. *[Business Standard]*

**Tatas plan to go atmanirbhar with chipmaking, EV battery plans:** Semiconductors are next on the Tata Group's list as the coffee-to-cars conglomerate seeks to trim the pain from the global chip crisis as well as reduce its dependence on imports. *[The Economic Times]*

**UPI hits record high in April with 5.58 bn transactions worth Rs 9.83 trn:** India's flagship digital payments platform — Unified Payments Interface (UPI) — saw its highest ever number of transactions in April 2022 at 5.58 billion, amounting to Rs 9.83 trillion. *[Business Standard]*

**Meity to train over 85,000 engineers in chip design in next 5 years:** The Electronics and IT Ministry aims to train over 85,000 engineers on chip design by expanding the infrastructure available for the technology to 120 academic institutions across the country in the next five years. *[The Economic Times]*

**C-DOT and C-DAC sign MoU to boost indigenous technology in telecom and ICT:** Both research centers have agreed to collaborate in identification and development of activities in the areas of 4G/5G, broadband, IOT/M2M, packet core, computing etc, the government said in a release. *[The Economic Times]*



## Industrial Infrastructure, Clusters and SEZs

**PM Modi invites Danish companies, pension funds to invest in India's infrastructure sector:** Prime Minister Narendra Modi on Tuesday invited Danish companies and pension funds to invest in India's infrastructure sector and green industries. *[The Economic Times]*



## Sustainable Industrialisation

**IOC rolls out methanol-blended petrol on pilot basis:** Union Minister of State for Petroleum and Natural Gas Rameswar Teli launched the M15 petrol in the presence of Niti Aayog member VK Saraswat and IOC chairman SM Vaidya on Saturday. *[The Economic Times]*

**Tata Power Renewables commissions 120 MW solar project in Gujarat:** In the installation, approximately 3.81 lakhs modules were used and the project will reduce up to 1.03 lakh ton CO2 annually, the statement added. *[The Economic Times]*



**Indo-German green hydrogen task force set up for climate action goals:** India and Germany have agreed to a near 10 billion Euro partnership to strengthen financial and technical cooperation towards 2030 climate action and sustainable development goals. *[The Economic Times]*

**RIL looks for mega land bank for 100GW solar projects:** RIL, which generates more than half of its revenue from refining and chemicals, is pivoting to clean energy by setting up a green energy complex on 5,000 acres in Jamnagar. *[Mint]*



## Sectoral News

**Power Minister RK Singh meets companies, banks to restart 5 GW units:** Union power minister RK Singh on Monday held meetings with lenders, state government officials and power project developers that could help restart nearly 5 GW of non-operational plants within a month. *[The Economic Times]*

**Telecom operators may be able to buy spectrum for 20 years instead of 30:** Telecom operators may be able to buy spectrum for 20 years in the upcoming auction as the Digital Communications Commission (DCC) on Friday decided to offer such an option. *[Financial Express]*

**India's peak power supply touches record level of 204 GW on Thursday:** During the current month of April, 2022 (Up to 28th April, till 14:50 Hours), peak power demand met has increased by 12.1 per cent to 204.653 GW from 182.559 GW during same period previous year, a source said. *[Business Standard]*

**Coal India output rises to record high of 534.7 lakh tonnes in April:** The total coal production during the financial year 2021-22 stood at 7,770.23 lakh tonnes (provisional) compared to 7160 lakh tonnes during 2020-21, recording a growth of 8.55 per cent. *[The Economic Times]*

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