

Industry Matters

Weekly Updates

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Economy, Industry and Policy

Real growth not possible without inclusiveness, says PM Narendra Modi: On the occasion of the first Arun Jaitley Memorial lecture, the prime minister said the government was treating the private sector as a partner in growth. India is not carrying out reforms out of compulsion but out of conviction to prepare a road map for growth over the next 25 years. *[Business Standard]*

India shown consistent improvement in economic performance in last 4 yrs – PHD Chamber: India is the only economy among the top ten leading economies which has shown consistent improvement in its macroeconomic performance during the last four years, an industry body said in a report. *[Mint]*

Large retail chains' sales at pre-Covid levels in Jan-June: Sales have recovered to pre-pandemic levels at large retail chains, also known as modern trade, in the January-June period owing to low infection rates, a pick-up in consumer mobility and withdrawal of all Covid curbs, said researchers and consumer goods makers. *[The Economic Times]*

E-way bills for inter-state commerce up 36% on-year in June: E-way bills stood at 74.48 million in June 2022, the second-highest since the system was rolled out in 2018. *[Financial Express]*

Rupee settlement may bring annual savings of \$36 billion in hard currency: The launch of international trade in Indian rupees could lead to annual savings of \$30-36 billion in hard currency and widen the scope for such trades with countries in the region, easing pressure on the exchange rate. *[The Economic Times]*

India's retail inflation stays above 7%; IIP growth hits 12-month high: Data released by the National Statistical Office on Tuesday showed that the Consumer Price Index (CPI)-based inflation eased only marginally to 7.01 per cent in June from 7.04 per cent in the previous month, while the Index of Industrial Production (IIP) grew 19.6 per cent in May compared to 6.7 per cent in April. *[Business Standard]*

Centre eases norms for adjusting states' off-budget borrowings: The Centre on Wednesday relaxed norms for adjusting states' off-budget loans. It said such liabilities of last fiscal year can be adjusted against their borrowing ceilings of next four years till March 2026. *[The Economic Times]*

IIP data - Industrial activity zooms to 19.6% in May vs 7.1% in April: The manufacturing sector's output grew 20.6% in May this year. In May 2022, the mining output climbed 10.9%, and power generation increased 23.5%. *[Mint]*

GST aid to states may remain for two more years: Under the new mechanism being worked out, states will get revenue protection much lower than a 14% annual growth enjoyed by them in the five years through June 30, and for a shorter period, say, two years. *[Financial Express]*

Centre allays concerns over \$620.7 bn external debt, says its share only 21%: The Centre dismissed apprehensions about India's external debt, saying out of India's total external liability of \$620.7 billion, the Centre's share is just \$130.8 billion, 21% of the total debt liability. *[The Economic Times]*

States to get matching amounts from Centre for SPSEs' privatisation: The Centre has allocated Rs 5,000 crore for disinvestment of SPSEs and asset monetisation. This is over and above the Rs 1 trillion interest-free capex loans to states for FY23. *[Business Standard]*

RBI Governor Shaktikanta Das asks states to find out effective ways to address debt issues: In his address, Das highlighted the importance of the SFS conference as an effective platform to deliberate on, and find out effective ways to address various issues relating to states' debt and cash management. *[The Economic Times]*



Foreign Investment

Japan accounted for more than a tenth of India's FDI under Abe's tenure: Japan's \$1.8-billion investments accounted for 11.2 per cent of India's FDI flows in 2013-14. FDI inflows from the island nation had a 11.7 per cent share in 2016-17 when investments rose to \$4.2 billion. *[Business Standard]*

RBI allows more FPI access to Indian bonds, but returns may not lure flows: The Reserve Bank of India permitted foreign portfolio investors (FPIs) a larger share in Indian debt earlier this week, in a bid to attract more overseas investment flows at a time when the country's Current Account Deficit is on the rise. *[Business Standard]*

Rajasthan's Neemrana town turning into a hub for Japanese industries: Rajasthan State Industrial Development & Investment Corporation (RIICO) has developed a Japanese zone and a country-specific zone in Neemrana. So far, more than 50 Japanese companies, including Daikin, Nissin Brake, Mytex Polymer and Nippon Pipe, among others, have invested over Rs 6,000 crore in the zone. *[Business Standard]*



Trade Policy and Competitiveness

Exports likely to record reasonable level of growth in 2022-23 - Goyal: The country's exports are likely to register a "reasonable level" of growth in the current financial year despite the global uncertainties on the trade front, Commerce and Industry Minister Piyush Goyal has said. *[The Economic Times]*

India manufacturing exports to hit \$1 trillion by FY28, says report: Driven by production capacity expansion, government policy support, heightened M&A activity and investments, India's manufacturing exports are set to touch the \$1 trillion mark by 2028, as per a report by Bain and Company. *[Mint]*

India-China trade goes up to over USD 67 billion in first half of the year amid surge in Chinese exports: China's exports to India have gone up to USD 57.51 billion, up by 34.5 per cent last year while Indian exports to China fell to USD 9.57 billion, a decline of 35.3 per cent compared to last year, according to the trade data released by China's General Administration of Customs (GAC). *[The Economic Times]*

India's finished steel exports fall 53 per cent in June: Impact of export duty by the Centre, a slowdown in demand and competitive pricing by Chinese offerings saw India's finished steel exports for June drop 53 per cent year-on-year to 0.64 million tonnes from 1.4 million tonnes in the year-ago-period. *[The Hindu BusinessLine]*

RBI allows global trade settlements in rupees: The Reserve Bank of India (RBI) on Monday announced an arrangement for domestic traders to settle imports and exports in rupees, a move experts said is aimed at facilitating trade with sanctions-hit Russia. *[Mint]*

Gem, jewellery exports get CEPA boost: Gem and jewellery exports to the UAE have started showing the positive impact of the Comprehensive Economic Partnership Agreement (CEPA) signed with it in May. *[The Hindu BusinessLine]*

India's interests compromised by huge edible oil imports, imperative to become self-reliant: Huge reliance on edible oil imports could compromise India's national interest in the long run, said rating and research firm CareEdge in a report, adding that it has now become imperative for the country to become not only self-reliant but also self-sufficient to the best extent possible via 'Atmanirbhar Bharat' initiative. *[The Economic Times]*

India may increase coal imports from Russia to 40 MT by 2035 - Russian official: The statement assumes significance as several parts of India had witnessed power outages in the wake of coal shortages in the summer months of April and May. *[The Economic Times]*



Corporate Governance

M&A deal value in healthcare, pharma hits record high in first half of 2022: M&A deal value in the sector touched \$4.32 billion during January to June, compared to \$2.02 billion in the same period last year. *[Mint]*

Airtel closes Google investment deal, allots 1.2% shares for \$1 billion: Bharti Airtel Ltd on Thursday said it has closed the \$1 billion investment deal with Google International LLC, with the search giant holding 1.2% in India's No. 2 telecom service provider. *[Mint]*

Reliance Retail in talks to partner UK's Fortnum: The British luxury department store chain is known for curated premium foods, wine and spirits, gifting and restaurants, and has a close association with the British royal family. *[The Economic Times]*

Infosys to acquire Denmark-based BASE life science for Rs 875 crore: "This acquisition augments Infosys' deep life sciences expertise, and expands our footprint further in the Nordics region and across Europe, and scales our digital transformation capabilities with cloud-based industry solutions. *[The Economic Times]*



MSMEs and Start-ups

Formalisation of MSMEs is our primary target and biggest ambition - MSME Secretary BB Swain: To solve multiple issues faced by MSMEs, the key approach required is to shift more and more MSMEs operating in the informal sector towards formalisation, said MSME Ministry Secretary B.B. Swain. *[Financial Express]*

Maharashtra leads states with 13,541 govt-recognised startups - DPIIT data: As many as 13,541 active Department for Promotion of Industry and Internal Trade (DPIIT) recognised startups were from Maharashtra, out of the total 73,205 such government-approved new age companies in the country. *[Business Standard]*

88% street vendors regularly repaying PM SVANidhi loans: The ministry also clarified that out of 30.24 lakhs disbursed only 12% loans have been reported as NPAs which means that 88% street vendors are regularly repaying the loans. *[The Economic Times]*



Employment and Industrial Relations

EPFO to soon disburse pension to over 73 lakh pensioners in one go via central system: Retirement fund body EPFO will consider and approve a proposal for setting up a central pension disbursement system in its meeting on July 29 and 30, paving the way for crediting the benefit into over 73 lakh pensioners' bank accounts in one go across India. *[The Economic Times]*

EV sector witnessing significant employment growth, says report: The survey 'Latest Employment Trends in EV sector 2022' was conducted among 15,200 employees over 52 companies by city-based CIEL HR services Ltd. Bengaluru topped the list accounting for 62 per cent of electric vehicle talent, followed by New Delhi 12 per cent, 9 per cent Pune, Coimbatore 6 per cent and Chennai 3 per cent. *[The Economic Times]*

Over 2 lakh jobs generated by Indian tech players in the US - Nasscom: The Indian tech industry has directly generated \$103 billion of revenue and directly employed 2,07,000 people in the US with an average wage of \$1,06,360, witnessing a 22 per cent of employment growth since 2017, according to a new report from Nasscom. *[The Hindu BusinessLine]*



Industrial Finance

Bank NPAs at 6-year low, still higher than comparable economies: Gross non-performing assets (GNPAs) of banks have hit a six-year low of 5.9% as of March 2022. But India's NPA ratio is one of the highest among comparable countries, says a report. *[The Economic Times]*

Government plans to start next round of public sector bank mergers: The aim is to have 4-5 large banks as large and strong as the country's biggest lender State Bank of India (SBI), said the official who requested anonymity. *[The Economic Times]*

Banks' Q1 net profit growth estimated at 47% as lending stays strong: With increases in lending rates, high credit growth, and lower credit costs, banks are likely to report a significant rise in net interest income (NII) and profits year-on-year (YoY) in the quarter ended June 2022 (Q1FY23). *[Business Standard]*

Power Finance Corporation inks pact with JBIC for \$220-million loan: State-owned Power Finance Corporation (PFC) on Thursday inked a loan pact for JPY 30 billion with Japan Bank for International Cooperation (JBIC). *[Business Standard]*

Vivo India transferred Rs 62,476 crore to China to avoid paying taxes - ED: The Enforcement Directorate's (ED's) money-laundering probe into mobile phone maker Vivo India has revealed the company, to avoid paying taxes in India, remitted about Rs 62,476 crore of its turnover to China between 2017 and 2021. *[Business Standard]*



Technology and Innovation

DPIIT, MeitY draft guidelines to make GatiShakti portal public in August: The Department for Promotion of Industry and Internal Trade (DPIIT) and the Ministry of Electronics and Information Technology (MeitY) are working towards finalising the guidelines to make the Prime Minister GatiShakti National Master Plan portal available to the public. *[Business Standard]*

Nasscom, Google join hands to empower women entrepreneurs with digital skillset: Participation of women in entrepreneurship can generate 150-170 million jobs in India, which is more than 25% of the new jobs required for the entire working age population by 2030, says the report. *[The Economic Times]*

India's first private rocket engine factory opens: Homegrown space startup, Agnikul Cosmos, opened on Wednesday the country's first private factory dedicated to building rocket engines. *[Mint]*



Industrial Infrastructure, Clusters and SEZs

PM to open Rs 15,000 crore Bundelkhand expressway: The Rs 14,849-crore four-lane access-controlled expressway from Chitrakoot to Etawah, that would connect seven districts of the state – Chitrakoot, Banda, Mahoba, Hamirpur, Jalaun, Auraiya, and Etawah. , will cater to the parched and economically backward Bundelkhand region and will be directly connect the region to the national capital through the Agra-Lucknow Expressway and Yamuna Expressway. *[Financial Express]*

PM Modi inaugurates 657-acre Deoghar airport, flags off flight to Kolkata: PM Modi laid the foundation stone of Deoghar airport back in May 2018. The airport has a 2,500-metre-long runway, which can handle the landing and takeoff of Airbus A320 planes. *[Mint]*

Cabinet approves new rail line in Rajasthan and Gujarat at Rs 2,798.16 crore: The Cabinet Committee on Economic Affairs has approved the construction of Taranga Hill-Ambaji- Abu Road new rail line at an estimated cost of Rs 2,798.16 crore. *[The Economic Times]*



Sustainable Industrialisation

Japan plans to expand clean energy transition support to India: Japan's 'Asia Energy Transition Initiative' initially targeted supporting countries in the Association of South East Asian Nations (ASEAN) pushing towards net-zero carbon emissions, including \$10 billion in finance for renewable energy, energy efficiency and liquefied natural gas (LNG) projects. *[Business Standard]*

Ola Electric unveils lithium-ion cell, mass production to begin by 2023: Electric two-wheeler maker Ola Electric on Tuesday unveiled India's first indigenously developed lithium-ion cell. The Bengaluru-based company said it will begin the mass production of the cell -- NMC 2170, from its Chennai-based Gigafactory by next year. *[Mint]*

IREDA to increase MSME participation in renewable energy by offering more loans: The Indian Renewable Energy Development Agency (IREDA) on Friday said it is committed to increasing participation of MSMEs in the green energy sector by offering more loans, its Chairman and Managing Director Pradip Kumar Das said. *[The Economic Times]*



Sectoral News

The sectors that would matter in India's race to be a manufacturing powerhouse: India is expected to scale up its manufacturing exports to \$1 trillion by FY28 and analysts have said that much of this growth will come from a select few sectors. *[The Economic Times]*

DoT gets applications from 4 firms to participate in 5G spectrum auction: The auction includes 5G airwaves in 3.5 GHz and the millimetre bands. The applicants include three telecom service providers — Bharti Airtel, Reliance Jio and Vodafone Idea. The name of the fourth bidder could not be confirmed. *[Business Standard]*

June fuel consumption rises 17.9% YoY as demand hits pre-pandemic levels: India's fuel consumption in June rose by 17.9% from a year earlier, government data showed on Friday, as demand in the world's No.3 oil consumer headed back towards pre-pandemic levels. *[Business Standard]*

Passenger vehicle makers report best sales in June: As per data available with industry body Society of Indian Automobile Manufacturers (SIAM) as many as 275,788 passenger vehicles were sold last month, which is an increase of 19% over 231,633 units sold in the corresponding period of the last financial year. *[The Economic Times]*

5G spectrum auction may fetch over Rs 1 trillion, say analysts: Adani group and Vodafone Idea are also looking to play a limited part in the auction, analysts say the figure could hit around Rs 1 trillion from the sale of these two bands alone. *[Business Standard]*

Electrolux re-enters Indian consumer durables market: Swedish home appliance manufacturer Electrolux has re-entered the Indian market almost after four years and launched its "first experience centre" in the national capital. *[The Economic Times]*

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