

# Industry Matters

Weekly Updates

July 22, 2022



## Economy, Industry and Policy

**World Bank grants \$1 billion loan for Ayushman Bharat health infra mission, Centre tells Parliament:** The loan cleared on June 28, 2022 comprises two complementary loans of USD 500 million each namely for "Transforming India's Public Health Systems for Pandemic Preparedness Program (PHSPP)" and "India's Enhanced Health Service Delivery Program (EHSDP)". *[Financial Express]*

**Karnataka, Telangana and Haryana top NITI Aayog's India Innovation Index 2021:** Karnataka, Manipur and Chandigarh have topped in their respective categories in the third edition of NITI Aayog's India Innovation Index. Karnataka has topped again in the 'Major States' category, followed by Telangana and Haryana. *[Mint]*

**Govt plans short-term foreign trade policy, may release before September:** The government may roll out a new foreign trade policy (FTP) of a shorter term of two-three years in a bid to keep pace with the fast-evolving scenarios in international trade which have been triggered by recent disruptions, such as the pandemic and the Russia-Ukraine war. *[Business Standard]*

**French carmaker Citroën launches made-in-India New C3:** This is the first product from the C-Cubed family of vehicles and are made with over 90 per cent localization at the company's manufacturing facility in Tamil Nadu. *[BusinessToday.In]*

**With \$87 billion, India top remittance recipient in 2021 - UN report:** India received 87 billion dollars in remittances in 2021, the top remittance recipient, and way ahead of countries like China and Mexico, according to a World Health Organisation report released on Wednesday. *[The Economic Times]*

**5G auctions - Government may earn up to Rs 1.95 trillion:** The EMD numbers, which were released by the department of telecommunications on Monday, show that Reliance Jio has deposited the maximum of Rs 14,000 crore, followed by Bharti Airtel which has deposited Rs 5,500 crore, and Vodafone Idea Rs 2,200 crore. *[Financial Express]*

**India's GDP to grow 7% this fiscal - FICCI survey:** Industry body FICCI on Thursday said India's economy is estimated to grow 7% in the current fiscal, lower than the earlier projection of 7.4%, mainly due to the ongoing geopolitical uncertainties. *[The Hindu]*

**States' capex seen soaring 36 pc in FY23, fiscal deficit at Rs 8.4 lakh crore - Icmr:** Registering an increase of 34.1 per cent from the pre-pandemic (FY20) levels, 26 large states, excluding Assam, have spent Rs 5 lakh crore in capital expenditure, or Rs 1.3 lakh crore more than they had spent in FY20, shows an Icmr analysis of these states' budgets. *[Financial Express]*

**GST rates revised; Here is a list of items that'll get costlier:** Consumers may have to shell out more starting July 18 as several goods and services will cost higher with the Goods and Services Tax (GST) Council approving rate hike to address inverted duty structures and withdrawing some exemptions. *[The Economic Times]*

**Govt extends deadline for PLI applications for telecom products:** The central government has extended the last date for submission of applications for design-led manufacturing under the production linked incentive (PLI) scheme for telecom and networking products up to August 05, 2022. *[The Economic Times]*



## Foreign Investment

**FDI inflow in R&D sector grows six-fold YoY to Rs 344 million in 2021:** Singapore was the largest investor in the investor in the R&D space during CY 2021 with a share of 40 per cent as compared to total inflows. The country was followed by Germany (35 per cent) and the United States (11 per cent). *[Business Standard]*

**FPIs return with Rs 1,799-cr inflow - Re, markets get a boost:** FPIs, who pulled out Rs 2.28 lakh crore since January, invested Rs 1,799 crore on Thursday, raising expectations that FPIs will start investing in India again at low levels. *[The Indian Express]*

**UAE, US to invest \$2.3 billion in India under the framework of I2U2:** The United Arab Emirates (UAE) will invest \$2 billion (about Rs 15,500 crore) in India to develop a series of integrated food parks, while the United States (US) will set up a hybrid renewable energy project in Dwarka, Gujarat, with an investment of \$330 million (about 2,500 crore) under the framework of I2U2. *[Business Standard]*

**Panel seeks strong action against errant e-tailers:** The Parliamentary standing committee on commerce has suggested that the government strengthen the enforcement mechanism under its foreign direct investment (FDI) policy to take "proactive action" against e-commerce giants flouting FDI rules. *[Financial Express]*

**Invest Rajasthan meet in October likely to attract Rs 10-trn investment:** The state government will organise the "Invest Rajasthan" conclave in Jaipur from October 7 to October 8. Through this, it hopes to attract investment of over Rs 10 trillion. *[Business Standard]*



## Trade Policy and Competitiveness

**RBI prepared to spend \$100 bn more for defending rupee, says report:** The Reserve Bank of India (RBI) is prepared to sell a sixth of its foreign exchange reserves to defend the rupee against a rapid depreciation after it plumbed record lows in recent weeks. *[Business Standard]*

**India's electronic goods exports surge 42% to Rs 1.17 lakh crore in the last fiscal: Government:** India's electronics export was Rs 81,822 crore in 2020-21, which surged to Rs 1,16,894 crore in 2021-22. Similarly the electronics production in the country also grew from Rs 5,33,550 crore in 2019-20 to Rs 5,54,461 crore in 2020-21. *[The Economic Times]*

**India, UK to sign MoUs on market access, education and health:** India and the UK will sign on Thursday three memorandums of understanding (MoUs), covering market access, health and education. *[Financial Express]*

**Piyush Goyal calls for deepening trade ties with Africa; exploring solar energy, startup ecosystem:** Solar energy, infrastructure, military cooperation and startup ecosystem are four critical areas where India can be a valuable partner to African nations, Commerce and Industry Piyush Goyal said on Tuesday. *[Financial Express]*

**India's passenger vehicle exports jump 26% in Apr-Jun to 160,263 units:** The latest data released by the Society of Indian Automobile Manufacturers (SIAM), passenger vehicle shipments rose to 1,60,263 units in the April-June period of this fiscal as compared with 1,27,083 units in the same quarter of 2021-22. *[Business Standard]*

**India's finished steel exports grow 25% to 13.49 MT in FY22; imports fell 1.68% to 4.67 MT:** Government has taken various steps to increase the availability of iron ore and make them available at reasonable prices, which, inter-alia, including Mining and Mineral Policy reforms to enhance production/availability of iron ore. *[The Economic Times]*

**Imports from Russia jump 272% in April-May to \$5 billion:** India's imports of crude oil from Russia climbed 621% to \$3.2 billion, while those of petroleum products jumped 879% to \$509 million (see chart). *[Financial Express]*

**India's exports up 16.22 pc during May-June to UAE after FTA implementation:** After implementation of a free trade agreement, India's exports to the UAE rose by 16.22 per cent to USD 837.14 million during May-June this year, sources said on Friday. Exports during the same period of the previous year stood at USD 720.31 million. *[Financial Express]*

**Share of MSMEs in India's total exports declined from nearly 50% - Govt data:** The share of micro, small and medium enterprise (MSME) sector in the country's annual merchandise exports has declined even as the latter hit a record high level in the financial year 2021-22. *[Financial Express]*

**Vietnam pushes trade & investments with India:** India is one of the top 8th trading partners of Vietnam while Vietnam is 15th largest trading partner of India and fourth in Southeast Asia. In 2021, bilateral trade turnover reached \$ 13.2 billion for the first time. It is expected to reach the target of \$ 15 billion set by the leaders of the two countries in 2022. *[The Economic Times]*



## Corporate Governance

**India Inc signs over 1,100 deals worth over \$104 billion in first half of 2022:** According to the Grant Thornton Bharat Dealtracker report, the numbers show a 34 per cent increase in overall deal volumes, while deal values more than doubled with a 143 per cent rise in comparison to the same period last year. *[The Economic Times]*

**Vedanta keen to collaborate with auto sector to reduce aluminium imports:** The company is keen to partner with the automotive sector....from large players to OEMs and MSMEs, for reducing the industry's import dependence," the company said in a statement. *[The Economic Times]*

**Companies make over 25 kg packs to avoid 5% GST:** The CBIC on Sunday clarified that pre-packaged food items weighing more than 25 kg in a single packet would be exempted from GST. The 5% levy on smaller packets came into effect Monday. *[The Economic Times]*



## MSMEs and Start-ups

**MoU signed by WTC Mumbai can provide MSMEs access to \$2 billion export opportunity in Australia:** India's micro, small and medium enterprises (MSMEs) can explore more than \$2 billion in new export opportunities in Australia following a memorandum of understanding signed by MVIRDC World Trade Center Mumbai with an Indo-Australian body. *[The Economic Times]*

**Funding in startups drops by 17% to USD 6 billion in April-June - Nasscom:** Funding in startups dropped by 17 per cent on quarter-on-quarter basis to USD 6 billion (about Rs 47,800 crore) in the April-June period, industry body Nasscom has said. *[Business Standard]*

**India's rising medical devices imports hurt small and medium units:** India's medical devices imports surged 41 per cent to touch Rs 63,200 crore in 2021-22, led by a 48 per cent year-on-year (YoY) jump in imports from China to Rs 13,538 crore, the commerce ministry data analysed by the Association of Indian Medical Device Industry (AiMeD) has showed. *[Business Standard]*

**MSME registrations on govt's Udyam portal near 1-crore milestone in 2 years:** According to MSME Ministry's FY21 annual report, it took nearly five years (from September 2015 to June 30 2020) for UAM to register 1.02 crore businesses. *[Financial Express]*



## Employment and Industrial Relations

**Employment rate increasing in July after fall in June - CMIE:** According to the data, the all-India unemployment rate in June was 7.80 per cent, urban at 7.30 per cent and rural at 8.03 per cent. In The previous month, the all-India unemployment level was 7.12 per cent. *[The Economic Times]*

**India registered 72,993 startups that created 7.68 lakh jobs in past six years:** The 72,993 startups registered in India over the past six years generated about 7.68 lakh jobs over this period, the government informed Parliament on Wednesday. *[The Economic Times]*

**Pension, health benefits for workers on e-Shram portal:** Over 270 million unorganised workers registered on the e-Shram portal will soon get pension and health benefits, over and above the accidental cover, as the labour ministry works towards enhancing the benefit basket for these workers. *[The Economic Times]*

**Gig hiring picks up ahead of festive season:** The demand for contract workers has witnessed a 66 per cent sequential growth during June mainly led by e-commerce companies. . *[The New Indian Express]*

**NSO develops three labour indicators, says 15% of 60+ employed people worked part time in 2017-20:** The National Statistical Office on Tuesday said that the proportion of employed persons working part-time in the 46-59 years age group at all India level was more than 10% between 2017-20 while in the age group of above 60 years, the proportion of employed persons working part-time was more than 15%. *[The Economic Times]*



## Industrial Finance

**Adani Group approaches SBI for Rs 14,000 crore loan:** Adani Group has approached the State Bank of India (SBI) for a loan worth Rs 14,000 crore to build a new plant in Mundra in Gujarat. The new facility is being planned to manufacture polyvinyl chloride (PVC) from coal. *[Business Standard]*

**'Govt, RBI moves help banks recover Rs 8.6-trn bad loans in last 8 fiscals':** Concrete steps taken by the government and RBI helped banks recover bad loans worth over Rs 8.6 lakh crore in the last eight financial years, the government informed Parliament on Monday. *[Business Standard]*

**IndusInd Bank board gives nod to mobilise Rs 20,000 crore:** The board approved raising funds through debt securities in any permitted mode on a private placement basis as may be decided, for an aggregate amount not exceeding Rs 20,000 crore. *[The Economic Times]*

**NCLT starts insolvency process against Future Retail:** The bankruptcy court on Wednesday admitted the Bank of India's petition to admit Future Retail Ltd under the Corporate Insolvency Resolution Process (CIRP) and has also appointed Vijay Kumar Iyer as the interim resolution professional (IRP) of the company. *[The Economic Times]*

**Banks' NPA ratio likely to fall to 5-5.55% by March 2024 - S&P Global:** S&P Global Ratings on Thursday said non-performing loans of banks are expected to decline to 5-5.5% of the total advances by March 2024. As per the latest Financial Stability Report published by the RBI, the gross non-performing assets (GNPA) declined to a six-year low of 5.9% in March 2022. *[The Hindu]*

**Niti Aayog suggests three-step process for full-stack digital banks:** The Niti Aayog on Wednesday suggested a roadmap for the setting up of full-stack digital business/consumer banks to deepen the access to financial services in the country. *[Financial Express]*

**Grasim to foray into B2B e-commerce platform for building materials:** Aditya Birla Group's flagship company Grasim Industries Ltd on Tuesday said its board had approved a plan to enter the B2B e-commerce platform for the building materials segment with an investment of around ₹2,000 crore over the next five years. *[Mint]*



## Technology and Innovation

**Indonesia to buy BrahMos Missile from India? Talks in advance stage:** Indonesia will become the second Asean member country after the Philippines to import missiles from India. *[Financial Express]*

**ONDC adds 15 more cities, onboards Snapdeal for pan-Indian access:** Open Network Digital Commerce (ONDC) has expanded its pilot to 15 more cities. This comes at a time when it plans to begin operations next month. Snapdeal has also signed the onboarding agreement with the network and will debut on it next month. *[Business Standard]*

**LG first in India to sell over 1 mn dual-inverter ACs in six months:** The inverter technology-based ACs now contribute nearly 80 per cent of the total air-conditioner market in the country. *[Business Standard]*



## Industrial Infrastructure, Clusters and SEZs

**Rural roads constituted 71.4 pc of total network in India till March 2019:** India had a road network of over 63,31,757 kilometres as of March 31, 2019, which is the second largest in the world. As per the report, the total road constructed increased to 63,31,757 km in 2019 from 62,15,797 km in 2018 and registered a growth of 1.9 per cent. *[The Economic Times]*

**National highways length rises by 50 per cent in 7 years - Govt sources:** The total length of national highways was 91,287 km in April 2014, it was around 1,41,000 km by the end of 2021. *[The Economic Times]*

**National highway construction likely to be around 32-34 km/day during this fiscal - Crisil:** India's national highway construction will likely reach only 32-34 km per day during the current financial year as input prices are expected to remain elevated. *[The Economic Times]*



## Sustainable Industrialisation

**India's renewable energy capacity at 114 GW till June-end:** India has set a target of having 175 GW of renewable energy capacity, including 100 GW of solar and 60 GW of wind energy, by 2022. *[Financial Express]*

**Hindalco, Israel's Phinergy partner to develop aluminium-air batteries for EVs in India:** Aditya Birla Group's Hindalco on Monday said that it has signed a memorandum of understanding with Israel's metal-air battery technology pioneer Phinergy to develop and pilot the production of aluminium plates for aluminium-air batteries in India. *[The Economic Times]*

**Govt has a Rs 80,000 cr plan to decarbonise public transport and cut emissions:** State-controlled Convergence Energy Services Ltd. is planning a \$10-billion tender for 50,000 electric buses that will drive India's plans to decarbonize public transport and help meet its goals for net zero emissions. *[The Economic Times]*

**Godi India to bring out first domestic made lithium-ion cell by August:** The company has signed a public private partnership deal with CSIR-CECRI (Central Electrochemical Research Institute) to operate and maintain an advanced Lithium-ion cell manufacturing unit in Taramani, Chennai. It is planning to invest about \$3 billion over the next five years. *[Business Standard]*



## Sectoral News

**More than 13 lakh electric vehicles registered in country - Nitin Gadkari:** The number of electric vehicles in the country is 13,34,385 (excluding data of Andhra Pradesh, Madhya Pradesh, Telangana and Lakshadweep, which is not available in VAHAN 4) as on 14-07-2022 and a total of 2,826 public charging stations are operational in the country. *[The Economic Times]*

**India set to be self-sufficient in urea by 2025 with six new plants:** Union Fertiliser Minister Mansukh Mandaviya some days ago hoped India would eliminate urea import by 2025 through the increased domestic production and enhanced use of nano urea, which cuts the consumption of traditional urea by as much as 30 per cent. *[Business Standard]*

**India to roll out twin schemes to boost pharma industry - Centre:** The government is all set to roll out schemes for strengthening the pharmaceuticals industry with a focus on micro, small and medium enterprises (MSMEs) and clusters to enhance India's manufacturing prowess in the sector. *[Mint]*

**4,500 Air India employees opted for voluntary retirement so far:** In a bid to infuse fresh talent in Air India, Tata Group introduced the voluntary retirement scheme (VRS) on June 1. An Economic Times report stated that around 4,500 employees have opted for retirement under the scheme. *[Business Standard]*

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