

Industry Matters

Weekly Updates

August 12, 2022



Economy, Industry and Policy

India's GDP to contribute 22% to global growth, says Morgan Stanley: India is likely to be the fastest-growing Asian economy in 2022-23, according to analysts at Morgan Stanley. They expect India's gross domestic product growth to average 7 per cent during this period — the strongest among the largest economies — and contributing 28 per cent and 22 per cent to Asian and global growth, respectively. *[Business Standard]*

The inequality challenge for India@75: In comparison with other countries during the post-colonial era, this performance was not as good as that of East or Southeast Asia, and it was not as bad as that of Africa. It was average. A comparison between the three Asian giants—India, China and Indonesia. *[Mint]*

In the works—PLI scheme for offshore wind turbines: The Union government plans to introduce a production-linked incentive (PLI) scheme to promote the manufacturing of offshore wind turbines. *[Mint]*

Global supply chain stress at 18-month low in July, NY Fed's index shows: Stress on global supply chains eased in July to the lowest level since January 2021 as port congestion and other snags eased, the New York Federal Reserve reported on Thursday, in its latest update to a worldwide index of supply problems. *[The Economic Times]*

Centre doubles August devolution to Rs 1.17 trillion to aid states' capex: The Centre has released two installments of tax devolution to state governments amounting to Rs 1,16,666 crore for August, against the normal monthly devolution of Rs 58,333 crore, to arrest a decline in their capital expenditure. *[Financial Express]*

Infra assets worth over Rs 1.62 lakh crore to be monetised this fiscal - Finance ministry: Infrastructure assets worth over Rs 1.62 lakh crore are expected to be monetised during the current fiscal, Parliament was informed on Monday. The government had last year announced a Rs 6 lakh crore National Monetisation Pipeline (NMP) to unlock value in infrastructure assets across sectors, ranging from power to road and railways in four years till 2025. *[The Economic Times]*



Foreign Investment

FPIs invest over Rs 14,000 cr in a week amid softening dollar index: FPIs had turned buyers in July after nine straight months of heavy net outflows, which started from October last year. Between October 2021 and June 2022, they sold a massive Rs 2.46 lakh crore in the Indian equity markets. *[BusinessToday.In]*

Karnataka govt attracted investments worth Rs 1 lakh crore in last 3-4 months: We will encourage and extend all support to Japanese companies investing in Karnataka, he said, adding that Karnataka ranks first in the list of States that have attracted the most foreign direct investments. *[The Economic Times]*

India plans investments across sectors to strengthen link with Sri Lankan economy: The sectors that India is focusing to invest include renewable energy, hydrocarbons, ports and infrastructure, IT and hospitality. *[The Economic Times]*

HAL's \$100 million deal proves beneficial for Honeywell: Hindustan Aeronautics Ltd (HAL) recently signed a contract with US defence major and integrated technology company- Honeywell for supplying and manufacturing 88 TPE331-12B engines that will be fitted into the Hindustan Trainer Aircraft (HTT-40). *[Financial Express]*

Indian higher education may find capital at home rather than in FDI: Apart from hoping that collaboration with foreign universities will improve the standards of higher education, India would like foreign capital for infrastructure and research laboratories. *[Business Standard]*



Trade Policy and Competitiveness

PM Modi tells states to reduce imports, step up exports: Prime Minister Narendra Modi urged states to focus on reducing imports and increasing exports, asking them to identify opportunities and encourage people to use locally made goods as much as possible. *[The Economic Times]*

EU to end duty benefits for 1,800 goods under Generalised Tariff Preference Scheme: Exports of almost 1,800 products of plastics, fur, stone, plaster, cement, asbestos, and machinery and mechanical appliances will cease to get the benefits and make Indian goods more expensive with exporters paying 6.5% duty for certain plastic products where the tariff is nil at present. *[The Economic Times]*

Reserve Bank has taken steps to promote rupee as preferred currency for global trade - FM Nirmala Sitharaman: Finance Minister Nirmala Sitharaman on Monday said the Reserve Bank of India (RBI) has taken steps to promote rupee as the preferred currency for global trade in order to promote exports. *[The Economic Times]*

Switzerland seeks fast conclusion of India FTA talks: India's exports to EFTA stood at just \$1.7 billion in FY22, up 9% from a year ago. However, its imports surged 35% on year to \$25.5 billion last fiscal. Of these, imports from Switzerland alone touched \$23.4 billion, with supplies of diamonds and other precious and semi-precious stones and metals accounting for as much as \$20.9 billion. *[Financial Express]*

India-UK bilateral trade to double by 2030 - Grant Thornton Bharat, CII: India's trade in goods and services with the UK increased to \$31.34 billion in 2022 from \$19.51 billion in 2015. In January, India and the UK formally launched talks for an FTA and have set the deadline for concluding talks by Diwali. *[The Economic Times]*

Commerce ministry recommends anti-dumping duty on Chinese cutting tool: The commerce ministry's arm DGTR has recommended imposition of anti-dumping duty on imports of a kind of cutting tool from China, for five years, to protect the domestic industry from cheap inbound shipments. *[The Economic Times]*

Piyush Goyal asks industry to study FTAs, identify areas of competitive edge: The government is also negotiating more FTAs with important trade partners and this will have a direct impact in providing a level playing field in international markets, Goyal added. *[The Economic Times]*

India Inc ready to embrace broader, new-age FTAs: These may include labour, climate/environment, digital technology, public procurement, supply chains, e-commerce, gender, health, education and even some evolving sectors, in addition to the traditional pillars. *[Financial Express]*



Corporate Governance

India at 75 - From Ambanis to Bajaj - 20 doyens who shaped India's business: Each one of them has played a key role in the building of India, taking ideas and giving them wings. Here's a look at 20 leaders of India Inc who are inseparable from the idea of India. *[Business Standard]*

Ford's Sanand plant buy to help Tata Motors consolidate EV position: The Tata Group flagship corners 80 per cent share in the e-passenger vehicle market and it's looking at a 5x jump in sales by end of next financial year. *[Business Standard]*

Reliance Retail pumped in Rs 30,000 crore to strengthen operations last fiscal: Reliance Retail invested ₹30,000 crore in fiscal year 2022 to expand stores, and on acquisitions and strategic partnerships, parent entity Reliance Industries. *[The Economic Times]*

Orange Health acquires Gurugram-based diagnostics lab Rapidx: Orange Health on Wednesday announced that the company has acquired Gurugram-based Rapidx to expand its footprints in the crucial NCR region. The company claims that the current acquisition is a part of Orange Health's strategy to accelerate growth, expand its reach and consolidate its position in the \$10 billion diagnostic sector in India. *[Financial Express]*



MSMEs and Start-ups

India holds world's highest rate of recognising start-ups per day: Currently, there are 75,000 start-ups in the country, which coincides with the 75th year of independence. Out of the total recognized startups, around 12% cater to IT services, 9% to Healthcare and Life Sciences, 7% to education, 5% to professional and commercial services and 5% to agriculture. An impressive, 7.46 lakh jobs have been created by the Indian startup ecosystem, so far, which has been a 110% yearly increase over the last 6 years. *[Mint]*

MSME exporters facing dip in demand in global markets: Most of the sectors, including hand tools auto parts and spinning mills, are working at 25-60% capacity only. Most of the exporters said they had orders for only one or two months. *[The Hindu]*

SIDBI, ONDC ink MoU to accelerate e-commerce for small industries: ONDC has signed a Memorandum of Understanding (MoU) with SIDBI for coordination of functions of institutions engaged in similar activities. The partnership is aimed to change the landscape of MSMEs by bringing them into the ONDC network and accelerating their participation in e-commerce. *[The Economic Times]*

MSME loan disbursements double; banks sticking to existing borrowers: Credit disbursements to small businesses have doubled compared to the pre-pandemic levels but bankers seem to be cautious and are largely sticking to existing borrowers in extending the loans, a report said on Monday. *[The Economic Times]*

MSME loan demand touches 1.6 times the pre pandemic levels: MSME loan demand has touched 1.6 times the pre-pandemic levels thanks largely to the government's ECLGS scheme according to a report by credit bureau Transunion Cibil and Sidbi. *[The Economic Times]*



Employment and Industrial Relations

Global youth unemployment set to slip to 73 million in 2022 - UN: The total global number of unemployed youths should fall to 73 million in 2022, down by two million from the year before, the United Nations said on Thursday. *[The New Indian Express]*

PFRDA looks to offer guaranteed pension programme under NPS: The Pension Fund Regulatory and Development Authority (PFRDA) is mulling over a guaranteed pension programme under the National Pension System (NPS) and it may launch it from September 30. *[The Economic Times]*

Rural jobs scheme outlay may be hiked by Rs 15,000 crore: The Centre is considering enhancing the outlay for its flagship rural employment guarantee scheme by ₹15,000 crore. *[The Economic Times]*

Job demand stays flat in July amidst fears of global recession: Growth in job postings remained flat at 1 per cent in July amidst fears of global recession and inflation, several sectors saw improvement due to digitisation and changing consumer sentiments. *[Business Standard]*

Income tax payers barred from enrolling in Atal Pension Yojana from October 1: Income tax payers will not be allowed to enrol in the government's social security scheme Atal Pension Yojana (APY) from October 1, according to a notification. *[The Economic Times]*



Industrial Finance

India at 75 - 12 landmarks for Indian markets between 2015 and 2020: From top rating for India's financial market regulatory framework to RIL becoming the first Indian company to top \$200 bn in m-cap, here are the 12 biggest events for stock markets from 2015 to 2020. *[Business Standard]*

Public Sector Banks recover ₹6.4l cr NPAs, written-off loans since FY15: The public sector banks (PSBs) have recovered ₹6.42 lakh crore of non-performing loans and written-off loans since FY15 and filed suits against 98.5% of wilful defaulters, data available with the government showed. *[The Economic Times]*

Bank credit rises 14.52 per cent - RBI data: Bank credit rose 14.52 per cent to Rs 123.69 lakh crore and deposits increased 9.14 per cent to Rs 169.72 lakh crore in the fortnight ended July 29, according to RBI data. *[The Economic Times]*

HDFC raises \$1.1 bn 'social loan' for financing affordable housing segment: India's top mortgage lender Housing Development Finance Corp has secured the world's biggest social loan, a \$1.1 billion facility (around Rs 8,700 crore) to fund affordable residences, underscoring potential for sustainability-linked financing. *[The Economic Times]*

RBI penalises eight cooperative banks: The RBI on Monday said it has imposed penalties on eight cooperative banks, including a fine of Rs 40 lakh on the Mehsana Urban Co-operative Bank, Gujarat, for non-compliance with various norms. *[The Economic Times]*



Technology and Innovation

Microsoft gives ONDC its 1st Big Tech push, to launch shopping app in India: Microsoft has become the first global Big Tech company to join the Open Network for Digital Commerce (ONDC), an Indian government initiative for developing a first-of-its-kind open network for digital commerce. *[Business Standard]*

Meity looks to tweak the PLI scheme for top IT hardware companies: The Ministry of Electronics and Information Technology (MeitY) is engaged in discussions with global IT hardware makers which are looking to move part of their production capacity from China to India. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

PM to inaugurate IOC ethanol plant near Panipat tomorrow: Prime Minister Narendra Modi will inaugurate Indian Oil Corporation's Rs 900-crore ethanol plant on August 10. The plant, located near the state-run firm's Panipat refinery, will use about 0.2 million tonne of rice straw annually to generate around 30 million litres ethanol a year. *[Financial Express]*

Gautam Adani plans \$5.2 billion alumina mill in growing metal ambitions: Adani Enterprises plans to invest \$5.2 billion in setting up an alumina refinery in the eastern Indian state of Odisha, as Gautam Adani, Asia's richest man, adds one more business to his rapidly-expanding empire. *[The Economic Times]*

Karnataka government clears 18 investment proposals worth Rs 34,432 crore: The state high-level clearance committee (SHLCC) chaired by chief minister Basavaraj Bommai on Friday cleared 18 investment proposals worth Rs 34,432 crore with a potential to add 48,850 jobs. *[The Economic Times]*

Finance ministry raises concerns on proposed tax sops under DESH Bill: The finance ministry's revenue department has raised concerns over the proposed revamped law for Special Economic Zones (SEZs) that offers some direct tax concessions to companies setting up units in the hubs. *[Business Standard]*

Specify time limit for remittance of SEZ export proceeds: The Comptroller & Auditor General of India has asked the Central Board of Direct Taxes to consider specifying a time limit for remittance of export proceeds by special economic zone (SEZ) units for claiming deduction under Section 10AA of the Income Tax Act. *[The Economic Times]*

India pushes for early completion of trilateral highway from northeast to Cambodia: India has once again stressed the need for early completion of the India-Myanmar-Thailand Trilateral Highway - and its extension to Cambodia - to boost connectivity in the region as part of the Narendra Modi government's Act East policy. *[The Economic Times]*

Over \$2.7 billion infrastructure projects in India, and 4 other Asian countries: The projects currently listed on the portal reveals that there are 11 infrastructure projects listed with a value exceeding \$2.7 billion in five Asian countries namely - Indonesia, Cambodia, Philippines, Vietnam and India. *[Mint]*



Sustainable Industrialisation

Parliament pass energy conservation bill; India gets one step toward climate goals: India took another step toward meeting its climate goals on Tuesday when lawmakers in parliament's lower house approved legislation that would require greater use of renewable energy and force industrial polluters to pay a price for the carbon they emit. *[The News Indian Express]*

Floating solar projects may get sops under new policy: The government is working on a policy on floating solar power generation, offering higher incentives to companies willing to invest in plants requiring a power generation technology that is expensive. *[Mint]*

JSW Energy unit to buy Mytrah Energy's renewable assets for Rs 10,530 cr: The Sajjan-Jindal-led JSW Energy on Wednesday said its arm JSW Neo Energy has agreed to buy Mytrah Energy's 1.75-gigawatt (Gw) renewable energy assets for Rs 10,530 crore in its largest deal, so far. This is the third-biggest acquisition in the renewable energy space in India. *[Business Standard]*



Sectoral News

India at 75 - A journey from growing more food to smartly growing it: Unless policies are pursued to address all the problems facing Indian agriculture holistically, the sector would find it difficult to meet the challenges of a new India. *[Business Standard]*

Steel players expect govt to withdraw export duty; to go ahead with capex plans: The export duty imposed on certain steel products recently will not force steel makers to review their capital expenditure plans as top producers expect it to be a "short-term" move to stabilise inflation. *[BusinessToday.in]*

India to start supplying petrol with 20% ethanol from April 2023 - Puri: India will start supplying petrol with 20 per cent ethanol at select petrol pumps from April next year and will ramp up supplies thereafter as it looks to cut oil import dependence and address environmental issues. *[Business Standard]*

We expect textile exports to revive - Textile Commissioner Rashi: According to available preliminary estimates, export of readymade garments declined 0.6% from \$1,389.3 million in July 2021 to \$1,380.5 million in July 2022. Cotton yarn, fabrics, and made-ups exports slid 28.3 % to \$ 943.5 million (\$1,313.4 million). *[The Hindu]*

Parliament committee suggests Centre to reduce coal import, increase local production: The quality of indigenous coal can be enhanced to a great extent and the design of boilers of power plants can be modified to enable them to run on domestic coal, the panel headed by Lok Sabha member Rajiv Ranjan Singh. *[Deccan Herald]*

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