

Industry Matters

Weekly Updates

August 26, 2022



Economy, Industry and Policy

New foreign trade policy likely next month; focus on e-commerce exports, hubs: The government is likely to release next month the new foreign trade policy with a focus on boosting ecommerce exports and developing districts as export hubs. *[The Economic Times]*

Department of Commerce to set up a dedicated trade promotion body: To set up a future-ready administration geared towards the target of \$2 trillion exports by 2030, the Department of Commerce has decided to set up a dedicated trade promotion body to drive overall promotion strategy, export targets, and execution as part of a restructuring exercise. *[Business Standard]*

CII calls for withdrawal of 50 percent export duty on low grade iron ore: The Confederation of Indian Industry (CII) has urged Union Minister Of Mines, Coal and Parliamentary Affairs, Prahlad Joshi to withdraw the export duty and has written a letter to the Minister citing a drastic fall in low grade iron ore (below 58% Fe) exports. *[Financial Express]*

BSNL to sell 10,000 towers as part of monetisation plans: The state-owned telecom services provider has pegged the enterprise value of the towers to be sold at ₹4,000 crore and engaged KPMG as a financial advisor to administer the sale. *[The Economic Times]*

PM's Economic Advisory Council to release India's competitive roadmap on August 30: "The roadmap presents an integrated agenda of prioritised initiatives based on a thorough examination of India's present economic state and competitive advantages. Building on the many reforms your government has enacted over recent years *[The Economic Times]*

India notifies overseas investment rules and regulations to boost ease of doing business: New Delhi in consultation with the Reserve Bank of India had last year undertaken a comprehensive exercise to simplify the regulations and the draft rules and regulations were put in the public domain for consultations. *[The Economic Times]*

Chinese slowdown brightens prospects for Indian manufacturing - Experts: The growing tension between the US and China over Taiwan may escalate into geopolitical instability adversely impacting sourcing of inputs and equipment from the world's second largest economy. These developments will have some positive spillovers for India. *[The Economic Times]*

Capex loan disbursement to states may rise to Rs 70,000 cr by Q2 end: The central government has so far cleared Rs 30,000 crore of the planned Rs 1-trillion long-term, interest-free capital expenditure (capex) loan to states, and the disbursement could rise to Rs 70,000 crore by the end of the September quarter. *[Business Standard]*

States' revenue growth to slide to 7-9% despite robust GST collections: States' revenue growth will slide to 7-9 per cent in FY23 even as handsome GST collections will help in the accretion, a report said on Wednesday. *[The Economic Times]*

I-T dept collects Rs 28-cr in taxes from new ITR-U filing: The Income-tax department has collected around Rs 28 crore in taxes after about 1 lakh returns were filed by taxpayers under the newly introduced return filing form called ITR-U. *[The Economic Times]*

Consumer sentiments muted in August - CMIE: The Index of Consumer Sentiments (ICS) dropped by 3.2% to 70.7 by August 21 from 73.1 in July 2022 with a 3.4% fall in rural India and 1.7% dip in urban India, CMIE said in its weekly labour market analysis. *[The Economic Times]*

Govt planning PLI scheme for toys, lab-made gems, bicycles: India is eyeing a mega plan to incentivise the manufacturing of bicycles, lab-grown gems and toys in the country and has begun discussions on stitching together production-linked incentive (PLI) schemes for these sectors. *[The Economic Times]*

Govt amends rules for physical verification of companies' registered office addresses: The Indian government has amended rules to ensure a transparent process for physical verification of addresses of the registered offices of companies, including by way of having independent witnesses at the time of the verification. *[The Economic Times]*



Foreign Investment

Taiwanese fab major PSMC looking to set up semiconductor plant in India: Powerchip Semiconductor Manufacturing Corporation (PSMC), the third largest fab company in Taiwan, is exploring the opportunity to come to India. According to sources, it has had some preliminary discussions with Indian companies for a possible tie-up. *[Business Standard]*

At \$29 bn, Indian fintech sector now has 14% global funding share: Indian fintech market has received \$29 billion in funding across 2,084 deals to date (January 2017-July 2022), gaining 14 per cent share of the global funding and No 2 spot on the deal volume, a new report has said. *[The Economic Times]*

Overseas FDI rules eased: The Foreign Exchange Management (Overseas Investment) Rules, 2022, has made it tougher for defaulters and others being probed by investigative agencies and regulators to shift funds out of the country. *[The Telegraph]*

PHDCCI urges govt to issue clarification on FDI policy in e-commerce sector: Industry body PHDCCI has urged the government to issue clarifications on the foreign direct investment (FDI) policy in the e-commerce space and plug loopholes to promote the sector. *[The Economic Times]*

MeitY pushes Chinese firms to participate in smartphone exports from India: The Ministry of Electronics and Information Technology (MeitY) has asked Chinese device makers to push exports from India and also bolster their supply chain in the country to increase value additions. *[Business Standard]*



Trade Policy and Competitiveness

New Delhi, Moscow explore alternate payment gateway Mir amid Western Sanction India and Russia are exploring alternative payment mechanisms as the trade between the two countries expand even as Western sanctions on Moscow are set to tighten in the coming months. Nagesh Kumar, director, Institute for Studies in Industrial Development, said The success of rupee trade with Russia has also prompted the RBI to announce Rupee-denominated international trade with several countries. *[The Telegraph]*

US trade representative team visits India to advance talks for bilateral Trade Policy Forum: Assistant USTR for Central and South Asian Affairs Christopher Wilson and Assistant USTR for Agricultural Affairs Julie Callahan will be in New Delhi this week. *[The Economic Times]*

US demand to lift India's lab-made diamond exports to \$8 billion: Exports of polished lab-grown diamonds from India jumped about 70% in the April-July period to \$622.7 million, while those of cut and polished mined diamonds fell around 3% to \$8.2 billion during the same period, GJEPC data showed. *[The Economic Times]*

Senior US treasury official to visit India, to focus on strong bilateral economic relationship, energy security: A senior US Treasury Department official will travel to India next week to hold talks with top Indian officials to enhance the strong bilateral economic ties, bolster energy security cooperation and ways to ensure a secure Indo-Pacific region. *[The Economic Times]*

Gold imports up 6.4 pc to USD 13 billion in April-July this fiscal: Increase in gold and oil imports during the first four months of this fiscal contributed to a record trade deficit of USD 30 billion, against USD 10.63 billion in April-July 2021. *[The Economic Times]*

Auto component industry records highest trade surplus of \$700 million in FY 2021-22: India's auto component industry recorded its highest trade surplus of \$700 million in a financial year in 2021-22, on the back of leading automakers across the world embarking on a 'China Plus One' strategy to de-risk supply chains in the wake of the Covid-19 pandemic. *[The Economic Times]*

Russian banks line up for customised trade a/cs with Indian lenders: More than 15 Russian banks are in advanced talks with Indian lenders to facilitate bilateral business in their respective local currencies, bypassing the established trade mechanism tied to the US dollar. *[The Economic Times]*

Merchandise exports likely to be around \$470-480 bn in FY23 - Commerce Secy: India's merchandise exports are likely to be around \$470-480 billion in the current fiscal against \$420 billion in 2021-22, Commerce Secretary BVR Subrahmanyam said on Tuesday. *[Business Standard]*

Engineering goods exports slump in July, shipments to China continued decline: Engineering exports growth in July remained in positive territory but recorded the sharpest deceleration in the last four months of the current fiscal. India's engineering goods export is estimated at US\$ 9.56 billion in July as compared to US\$ 9.55 billion in July 2021. *[The Economic Times]*

India to incentivize rupee-settled exports to boost Russia trade: India may give incentives to exporters settling trades using rupees to boost the acceptability of the currency and increase the sales of goods to Russia, which has fallen because of western sanctions. *[The Economic Times]*

Gem, jewellery exports down marginally at Rs 24,913 cr in July: According to the GJEPC data, the overall gems and jewellery exports during the April-July period rose by 10.99 per cent to Rs 1,03,931.14 crores (USD 13,367.91 million) compared to Rs 93,640.44 crores (USD 12,655.55 million) in the same period of the previous year. *[The Economic Times]*

Government puts restrictions on export of wheat flour: The government on Thursday decided to put restrictions on the export of wheat flour to curb rising prices of the commodity. *[The New Indian Express]*

Exports from job-intensive sectors slow down steadily: Exports from the job-sensitive sectors rose 15.7% on year in the June quarter to \$37.6 billion, compared with a 26.8% jump in the overall merchandise exports to \$121.2 billion. *[Financial Express]*



Corporate Governance

Tata Power raising \$320m in sustainability-linked loans: Tata Power is, for the first time, raising \$320-million sustainability-linked loans from foreign lenders led by Bank of America. *[The Economic Times]*

TVS Electronics to acquire GTID Solutions for ₹2.25 cr: TVS Electronics Ltd (TVSE) has executed a Business Transfer Agreement to acquire the business and IP rights of GTID Solutions Development Pvt Ltd to enter into mobile POS software solutions and authentication space. *[Business Line]*

Mitsubishi Electric to increase India's share in global sale to 5%, says MD: Mitsubishi Electric's global annual sales is approximately 40 billion USD and sales generated in India comprise only 1%-2%. In next 10 years, we expect to increase it to 5%. *[The Economic Times]*

20,000 compliances simplified - Piyush Goyal: Commerce and industry minister Piyush Goyal on Saturday said that the government has simplified almost 20,000 compliances and done away with 2,000 laws as part of ease of doing business. *[The Economic Times]*

SpiceJet exploring stake sale to raise Rs 2,000 cr, says CMD Ajay Singh: SpiceJet is exploring multiple options, including a stake sale to other airlines, to raise up to Rs 2,000 crore so that it remains a "strong and vibrant" carrier. *[Business Standard]*

Companies making false M&A disclosures will face heavy penalty - CCI Chief: The bill also proposes to capture overseas M&As by introducing a new mandatory condition for filing a notification with the CCI. All M&A deals will need to be notified to the CCI if the deal value exceeds Rs 2,000 crore and the target company fulfils the local nexus criterion. *[The Economic Times]*

Bharti to buy 3.33% Airtel stake from Singtel for ₹12,895 cr.: Bharti Airtel promoter Bharti Telecom Ltd. will buy a 3.33% Bharti Airtel stake from Singtel for 2.25 billion Singapore dollars, or about ₹12,895 crore, in 90 days' time. *[The Hindu]*

Reliance Retail enters general trade with its own FMCG grocery brands: Retail has entered the Indian fast-moving consumer goods space as it takes its private label brands, sold at its supermarkets and hypermarkets, Reliance Fresh and Reliance Smart, to general trade. *[Business Standard]*

Adani to acquire 29.18% in NDTV; makes Rs 493-cr open offer for another 26%: The media arm of the Adani group on Tuesday said it had exercised rights to acquire an indirect stake of 29.18 per cent in New Delhi Television (NDTV) through the conversion of loans into an equity stake in the promoter group company of NDTV. *[Business Standard]*



MSMEs and Start-ups

India, Mauritius sign MoUs for cooperation to boost MSME sector; discuss B2B meets, training programmes, more: The MoUs signed were part of the India-Mauritius 3rd Joint Committee Meeting on SME cooperation held on Thursday. *[Financial Express]*

80% of SMEs anticipate increase in domestic order book in Q3: Riding on improved confidence, small businesses participating in the survey intend to raise their capacity utilisation to 60% in Q3 of calendar year of 2022, up from 55% in Q2 2022. *[The Economic Times]*

Defence ministry to review No Cost No Commitment trials to increase MSME participation: The Ministry of Defence is contemplating to review the 'No Cost, No Commitment' trial, where the government neither bears the cost of trials nor is obliged to purchase the equipment post-trial, to offer a level playing field for small businesses and start-ups in the defence sector. *[Financial Express]*

Unicorn India Ventures to exit from six startups by selling its stakes to US-based fund: Early-stage investment firm Unicorn India Ventures is selling its stake in six startups to a US-based investor for Rs 50 crore, doubling returns for its limited partners (LPs). *[The Economic Times]*



Employment and Industrial Relations

Most states ready, staggered rollout of labour codes likely: With the government setting the stage for the four new labour codes, there are indications of a staggered implementation with an initial rollout of two codes, The Code on Wages and The Code on Social Security. *[The Indian Express]*

Over 70% unorganised workers registered in year since e-Shram portal launch: As many as 281.5 million workers were issued e-Shram cards as of August 24. While there are different estimates of unorganised workers in the country, the labour ministry pegs the number at 380 million. *[Business Standard]*

India's e-commerce firms hire more delivery workers for shopping season: Gig work employment, of which delivery workers and salespersons form a large chunk, is expected to reach 9.9 million in India in 2022-23, up about 45% from 2019-20. *[Business Standard]*



Industrial Finance

Not against bank privatisation, clarifies RBI: The paper was published Thursday as part of the RBI Bulletin. A gradual approach to privatisation could help achieve the broader social objective of financial inclusion. *[The Economic Times]*

India's bad bank NARCL proposes to buy 5 distressed loan accounts: The government-promoted bad bank National Asset Reconstruction Company of India Ltd (NARCL) last week offered to acquire five distressed loan accounts, including those of Future Retail GTL Ltd. *[The Economic Times]*

Govt considers selling at least 51% of state-backed IDBI Bank: India's government is considering selling at least 51 per cent of state-backed IDBI Bank Ltd., according to people with knowledge of the matter. *[Business Standard]*



Technology and Innovation

India to make second foray into chip manufacturing as demand seen rising: The United States of America, on August 9, signed the Chips and Science Act to provide \$52.7 billion in government support to domestic semiconductor companies. The European Union is working on a similar legislation. The Indian government in December 2021 approved a \$10 billion (Rs 76,000 crore) package for the semiconductor industry. *[Business Standard]*

India's smartwatch market grows highest ever at 312%, Fire-Boltt leads: India's smartwatch market grew an impressive 312 per cent (on-year) in the June quarter, and homegrown company Fire-Boltt led the market for the first time with a 28 per cent share, a new report said on Friday. *[Business Standard]*

86% Indians hope to access most govt services online in 5 yrs - Deloitte: With the internet becoming ubiquitous by the day, the use of digital platforms to access government services is set to rise. According to a study, 86 per cent of Indian respondents expect most government services to be available online over the next five years. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

Rajasthan accounts for highest share in cost of projects approved by banks in FY22: State-wise data reveals that during 2021-22, more than half (56.4 per cent) of the projects were taken up in five states, viz., Rajasthan, Uttar Pradesh, Gujarat, Maharashtra and Tamil Nadu. *[The Economic Times]*

We have to make Indian infrastructure up to world standards - Gadkari: He said 'I have decided to make Indian road infrastructure, even in Bihar and Uttar Pradesh, up to the road infrastructure standards of USA, before end of 2024'. *[Mint]*

Your tax money flow to roads, highways likely increasing as projects take over a decade to cut the ribbon: In the road transport and highways sector, 300 out of 825 projects are delayed, according to a latest flash report on infrastructure projects for June 2022. *[The Economic Times]*

14,000-cr Surat-Chennai economic corridor hits environmental hurdle: The near Rs 14,000 crore project has run into trouble with the Union Environment ministry's Expert Appraisal Committee (EAC) for Infrastructure projects, over its proposed 290 km long greenfield Surat-Nashik-Ahmednagar section which falls in pristine and untouched areas of the ecologically sensitive Western Ghats. *[The Economic Times]*

Road, shipping, rail ministry arms sign agreement to develop Multi Modal Logistics Parks: The centre has prioritized swift development of modern Multi Modal Logistics Parks (MMLPs) through a tripartite agreement signed between roads, shipping, and railway ministries arms on Wednesday. *[The Economic Times]*

India is on track to have 1.8 lakh kilometres of highways and 1.2 lakh kilometres of rail lines by 2025: According to a report by Bank of America Securities India, the length of all national highways is anticipated to reach 1.8 lakh kilometres by 2025, while the length of all railway lines would be 1.2 lakh kilometres. *[The Economic Times]*

Defence corridor nets Rs 11,250-crore projects in Uttar Pradesh: The Uttar Pradesh government has bagged 93 investment proposals worth more than Rs 11,250 crore for the flagship defence corridor project. *[Business Standard]*



Sustainable Industrialisation

India's first indigenously built Hydrogen Fuel Cell bus by CSIR, KPIT launched in Pune: Union Minister Jitendra Singh on Sunday launched "India's first indigenously developed hydrogen fuel cell bus". The bus, developed by the Council of Scientific and Industrial Research (CSIR) and private firm KPIT Limited, was showcased in Pune earlier today. *[The Economic Times]*

Avaada Group signs MoU for Rs 40,000 crore Green Ammonia plant with Rajasthan government: The MoU signed on Wednesday, is part of the investment promotion strategy for the Investment Rajasthan Summit held in New Delhi proposes an investment of Rs 40,000 crore while also providing direct employment opportunities to about 3,500 people and indirect jobs to over 10,500 people. *[The Economic Times]*



Sectoral News

Narendra Modi's nuclear power push gains traction as NTPC eyes new plants: India's largest power producer is looking to develop another massive nuclear project just weeks after announcing its entry into the sector, a sign that Prime Minister Narendra Modi's expansion into atomic energy is gaining momentum. *[Business Standard]*

Govt asks edible oil firms to declare correct quantity: The union government on Thursday advised the edible oil manufacturers, packers, and importers to declare net quantity on packages in volume without temperature in addition to declaring the same in weight, as per an official statement. *[The Economic Times]*

Nepal gives India two power projects quit by China: A formal agreement on the projects was signed this week in Kathmandu in backdrop of a decision by the prime ministers of the two countries to focus on expanding power sector partnership that includes participation of Indian power majors in the projects in Nepal. *[The Economic Times]*

17 mineral mines taken back from states over non-production - Pralhad Joshi: The Centre has taken back mineral mines from states, due to non-production, Pralhad Joshi, Union minister for coal and mines, said, adding that the 17 blocks will be put up for auction. *[Business Standard]*

Taxes on mining industry should be pruned to global level - Ficci: The domestic mining industry wants the government to prune incidence of taxes on the sector to around 30% from the present 45-50% as this would help increase the industry's contribution to the country's gross domestic product (GDP) to 5% from around 2% at present. *[Financial Express]*

Govt allows retrofitment of CNG and LPG kits in BS-VI compliant vehicles: This ministry has notified retrofitment of CNG and LPG kit on BS (Bharat Stage)-VI gasoline vehicles and replacement of diesel engines with CNG/LPG engines in case of BS-VI vehicles, less than 3.5 tonnes. *[The Economic Times]*

ISID Institute for Studies in Industrial Development
An institution of Indian Council of Social Science Research (Ministry of Education)
4 Vasant Kunj Institutional Area, New Delhi - 110070, India



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Team Members: Satyaki Roy, Swati Verma, Sangeeta Ghosh, B. Dhanunjai Kumar, Amitava Dey & Rakesh Gupta.
Compiled by: Rakesh Gupta. Edited by Sangeeta Ghosh.

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