

Industry Matters

Weekly Updates

October 8, 2021

Economy, Industry and Policy

India on path of economic recovery, says DEA Secretary Ajay Seth: Economic Affairs Secretary Ajay Seth on Monday said India has got on the path of economic recovery aided by various government reforms in the last seven years under Prime Minister Narendra Modi's leadership. (*The Economic Times*)

Addition of gold reserves from 2018 will help India's sovereign rating - IIM-A study: The researchers considered five-year sovereign credit default swap (CDS) spreads for 48 advanced and emerging market countries over a 20-year period, from 2000 to 2020 for measuring the economy's default risk, as per an official statement. (*The Economic Times*)

Consumption recovery to improve from early 2022 - Morgan Stanley: A recovery in consumption and exports over the coming quarters coupled with policy measures such as lower corporate tax rates, labour reforms, Production Linked Incentive (PLI) schemes and companies looking to diversify incremental production are likely to help improve private capex growth in the next 12-15 months. (*The Economic Times*)

Government of India releases ₹ 40,000 crore to States/ UTs with Legislature in-lieu of GST compensation shortfall: With the current release, the total amount released in the current financial year as back to back loan in-lieu of GST compensation has reached to ₹1,15,000 crore. (*Press Information Bureau*)

India in last stage of finalising details on global minimum tax - FM: Finance Minister Nirmala Sitharaman on Wednesday said India is "very close" to arriving at the specifics of the two-pillar taxation proposition at the G20 and is in the last stage of finalising the details. (*Business Standard*)

SVAMITVA Yojna enhanced rural economy's strength, to be implemented at national level - PM Modi: The SVAMITVA Yojna, a scheme towards establishment of clear ownership of property, has enhanced strength of the rural economy and it will write a new chapter of development of villages in the country. (*Financial Express*)

Special purpose vehicle for non-core assets to draw talent from private sector: The Union Cabinet will likely consider a proposal soon to set up a special purpose vehicle (SPV) for monetisation of non-core public assets such as land parcels under departments and central public sector enterprises (CPSEs). (*Financial Express*)

Impact of protectionist measures on global economy has never been positive - Report: The report by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and the Asian Development Bank (ADB) also made a case for promoting digital and paperless trade procedures by the Asian nations in view of the supply chain disruptions caused by the Covid-19 pandemic. (*The Economic Times*)

Foreign Investments

Govt notifies 100% FDI in telecom sector: The government on Tuesday notified its decision to permit 100% foreign direct investment (FDI) under automatic route in the telecom services sector. (*Mint*)

LIC IPO - Govt plans to allow 20% foreign investment in India's biggest offering: India is considering a proposal for foreign investors to own as much as 20% in Life Insurance Corporation, according to a person with knowledge of the matter. (*Mint*)

Come to India, be part of our growth story - Modi to investors at Dubai Expo: Today's India is one of the most open countries in the world and it offers maximum growth, Prime Minister Narendra Modi said on Friday, inviting investors to the country. (*Business Standard*)

India, UAE discuss ways to facilitate investments: India and the UAE on Saturday explored mutually beneficial methods and incentives to facilitate investments from the United Arab Emirates' sovereign investment entities in key priority sectors in New Delhi. (*Financial Express*)

Siemens firming up big India investment plans: German conglomerate Siemens AG is finalising its strategic plan for the next five years for India and its investments in the country are likely to be "more ambitious" than before, global chief executive Roland Busch said. *(The Economic Times)*

Danish pharma company Lundbeck downs shutters in India: Danish pharmaceutical company Lundbeck that develops drugs for targeted brain diseases, including depression, schizophrenia, Alzheimer's disease, Parkinson's disease and migraine is exiting India as part of the company's global strategy. *(The Economic Times)*

Trade Policy and Competitiveness

India's exports likely to get a boost as WTO raises trade outlook: India's exports to its top trading partners such as the US, European Union, nations in West Asia, among others, are expected to rise. *(Business Standard)*

India's merchandise exports grow 21.3% year-on-year in September: India's merchandise exports grew 21.3% year-on-year to \$33.44 billion in September, and were 28.5% higher than pre-COVID levels of September 2019. Merchandise imports however grew faster to \$56.38 billion, 84.75% higher than September 2020 and nearly 50% over pre-pandemic levels, as per preliminary estimates. *(The Hindu)*

Goods, services exports from India should touch \$1 trillion each - Piyush Goyal: Commerce and industry minister Piyush Goyal said he wants both goods and services exports from India to touch \$1 trillion each and the government is working on a specific plan of action where it will soon announce a deadline to achieve these targets. *(The Economic Times)*

UK wants trade and security pact with India, says minister Liz Truss: The UK wants to strike agreements covering trade and security with India and other democratic nations in the strategic Indo-Pacific region to challenge the influence of authoritarian states, Britain's new Foreign Secretary Liz Truss said on Sunday. *(The Economic Times)*

World Trade Organization DG may visit India ahead of December ministerial meet: Ahead of a key ministerial conference of the World Trade Organization (WTO) in December, the multilateral agency's Director-General Ngozi Okonjo-Iweala is likely to visit India in the next few weeks. *(The Economic Times)*

As trade pick up, exporters worried about competitiveness challenge – Survey: As global trade picks up pace after the ravages of the pandemic, an industry lobby's survey has found that an overwhelming number of exporters are worried about competitiveness. *(Business Standard)*

Trying to include education as key sector of cooperation in FTA talk – Goyal: India is trying to include education as a key sector of cooperation in free trade agreements (FTA) that the country is negotiating with its trading partners, Commerce and Industry Minister Piyush Goyal said on Thursday. *(Business Standard)*

Corporate Sector

NTPC chalks out Rs 15K cr divestment plan, to list arms NTPC REL, NEEPCO, NVNL: State-run power giant NTPC has drawn a Rs 15,000 crore divestment plan which includes listing of its arms NTPC Renewable Energy, North Eastern Electric Power Corporation and NTPC Vidyut Vyapar Nigam. *(The Economic Times)*

BPCL Privatisation - SEBI unlikely to exempt open offers for Petronet, IGL: India's capital market regulator is unlikely to give exemption to the company acquiring BPCL from making mandatory open offers for Petronet LNG Ltd and Indraprastha Gas. *(Business Standard)*

Reliance to bring 7-Eleven convenience stores in India: Reliance Retail Ventures Limited (RRVL) on Thursday said it has entered into a master franchise agreement with 7-Eleven Inc (SEI) for the launch of 7-Eleven convenience stores in India. *(The Economic Times)*

MSMEs and Start-ups

Udyam portal completes 5 million registrations - MSME Secy: The objective of the portal is to provide a single-page registration, consume less time and simplify processes of registering any enterprise as a MSME. *(The Economic Times)*

Credit guarantee scheme for MSMEs extended till March 31: The Government has decided to further extend it by a period of another six months beyond 30.09.2021. The scheme will now remain operational till 31.03.2022," the MSME ministry said on Monday. *(The Economic Times)*

Regulatory sandbox to spur innovations in MSME space: A cohort on MSME Lending is expected to spur innovations that can fill the lending gap for MSMEs through the innovative use of technology and data analytics, it further added. *(The Economic Times)*

NeoGrowth gears up for festive season, launches loan carnival for SMEs: To boost credit flow to small businesses ahead of the festive season, NeoGrowth has announced the launch of Business Loan Carnival for MSME customers under its D2C initiatives. *(The Economic Times)*

Employment and Industrial Relations

October-December hiring intent touches 18-month peak: The Indian job market seems to be on the road to robust recovery, as companies' intent to hire in October-December has reached the highest in the past one-and-a-half years. *(The Economic Times)*

Indian job market on a strong recovery with a 60% year-on-year increase in the number of active openings: The number of open job positions accepting applications for white-collar professionals in September rose to around 285,000 as companies across sectors such as IT/ITes, BFSI, edtech, ecommerce, fintech and consulting emboldened their hiring plans, showed the data put together by specialist staffing firm Xpheno. *(The Economic Times)*

Jobs in manufacturing - It's time to focus on the middle: At a time when the absence of jobs is widely accepted as one of the biggest economic challenges for India, it is pertinent for us to see how the manufacturing sector has consistently performed well below its potential when it comes to job creation. *(The Economic Times)*

India's unemployment rate falls sharply in September to 6.86% - CMIE: Rural India also saw an increase of 4.7 million in employment in manufacturing industries in September. Of this, employment in food industries increased by 2.16 million while metal industries saw an increase of 1.5 million jobs and textiles added 0.2 million new jobs. *(The Economic Times)*

Industrial Finance

IBC seminal reform; instrumental in changing feudal mindset of promoters – CEA: Terming Insolvency and Bankruptcy Code as a "seminal reform", Chief Economic Adviser KV Subramanian on Friday said it has been instrumental in changing the mindset of promoters of businesses by making them more accountable. *(The Economic Times)*

Reserve Bank of India grants licence to NARCL under Sarfaesi Act: The Reserve Bank of India (RBI) has granted the National Asset Reconstruction Company (NARCL), which is seeking to turn around bad loans worth Rs 2 trillion, the licence to register as an asset reconstruction company (ARC). *(Business Standard)*

Lenders to make Rs 5,000-crore provisions for Srei bad loans, say bankers: With Srei group exposures becoming bad loans in September, the immediate provisions that lenders have to make is over Rs 5,000 crore, bankers said. *(Business Standard)*

Technology and Innovation

Govt bodies up AI investment globally, but workforce apprehensive – Gartner: Government organizations around the world are adopting artificial intelligence (AI) technologies to help them achieve their public purpose or mission, but government employees are still concerned about the technology's impact, according to research firm Gartner, Inc. *(Mint)*

UPI records 3.65 bn transactions worth Rs 6.54 trillion in September: The National Payments Corporation of India's (NPCI) flagship payment platform, Unified Payments Interface (UPI), logged 3.65 billion transactions worth Rs 6.5 trillion in September, an all-time high, both in volume and value terms. *(Business Standard)*

Indian SaaS industry is gearing up to move onto global platforms: The recent listing of software-as-a-service (SaaS) player Freshworks on Nasdaq may have hit the headlines, but the Indian SaaS story is much older and the industry is gearing up to move onto global platforms. *(Business Standard)*

Industrial Infrastructure, Clusters and SEZs

Cabinet approves setting up mega integrated textile parks to create jobs: The union cabinet has approved a proposal for setting up seven mega integrated textile parks in order to generate employment and attract investments for the sector, Union Ministers Anurag Thakur and Piyush Goyal announced on Wednesday. *(Mint)*

Ministry asks Coal India to invest in electric vehicles, charging pods: India's coal ministry has asked state-run Coal India to diversify its interests to areas such as electric vehicles and charging stations. *(Business Standard)*

[Extension of RoDTEP scheme to SEZs, export-oriented units in pipeline - Government official:](#) Extension of benefits of the RoDTEP scheme to special economic zones and export-oriented units (EOUs) is in the pipeline to make SEZs more investor-friendly, a senior government official said on Tuesday. *(The Economic Times)*

[GEODIS leases 3 lakh sft warehouse at the LOGOS Logistics Estate in Luharii:](#) The Luhari warehouse that will be operational by March 2022, is the first transaction with LOGOS. The firm is also in talks with LOGOS for more such facilities in India and Asia Pacific. *(The Economic Times)*

['US has huge investment surplus that can be used in India's infra sector':](#) The US has huge investment surpluses that can be used in developing infrastructure in India and make it a manufacturing base to help American economy grow and provide goods and services at affordable and competitive prices, Commerce and Industry Minister Piyush Goyal said on Thursday. *(Business Standard)*

[Maharashtra govt bags Rs 2,800 crore investment for EV manufacturing:](#) The Maharashtra government on Friday signed a pact with Causis E-Mobility Pvt Ltd to set up an electric vehicle (EV) manufacturing facility in the state, making it the first big-ticket investment under the recently announced Maharashtra EV Policy 2021. *(The Economic Times)*

Sustainable Industrialisation

[Gautam Adani seals the largest deal in India's renewable sector with SB Energy buy for \\$3.5 billion:](#) Adani Green Energy Ltd (AGEL) has completed the acquisition of SB Energy India for USD 3.5 billion, the company stated on Monday. It is the largest solar power developer in the world which made SB Energy Holdings Ltd (SB Energy India) its subsidiary with this deal. *(The Economic Times)*

[IREDA to assist NEEPCO in developing renewable energy projects:](#) Indian Renewable Energy Development Agency (IREDA) on Saturday inked an MoU with North Eastern Electric Power Corporation to assist in developing renewable projects and raising funds. *(The Economic Times)*

[Govt asks oil & gas companies to present a detailed plan for Hydrogen by month-end:](#) The government is putting together a large plan to adopt green hydrogen as part of the energy transition and expects oil and fertiliser companies to lead it. *(The Economic Times)*

Sectoral News

[Coal ministry finalises agenda document for sectoral reforms, sustainability:](#) The agenda document broadly focuses on four areas — coal sector reforms, coal transition and sustainability, institution building and futuristic agenda, the coal ministry said. *(Financial Express)*

[Indian EV company Okinawa Autotech to be 100% localized by end of fiscal year:](#) Commenting on the development, Jeetender Sharma, MD and Founder, Okinawa Autotech states, "At present, Okinawa is proudly over 92 per cent localized and we are aiming to go for 100 per cent localized components by the end of this year. *(Mint)*

[36% of USFDA's market authorisations in 2020 went to Indian drug-makers:](#) In what can be seen as an indication of the primacy of India's pharma industry, 36 per cent of total market authorisation granted by the US Food and Drug Administration (USFDA) in 2020 was to drug makers from India. *(The Hindu BusinessLine)*

[Coal ministry constitutes panel to review, benchmark timelines for project execution:](#) The Coal Ministry on Friday said it has constituted a panel to review and benchmark the timelines in project execution. *(The Economic Times)*