

Industry Matters

Weekly Updates

October 22, 2021

Economy, Industry and Policy

[India now has 'protective shield' of 100 crore vaccine doses against COVID-19 pandemic - PM Modi:](#) India achieved a major milestone in its vaccination programme against COVID-19 as the cumulative vaccine doses administered in the country surpassed the 100-crore mark on Thursday. *(The Hindu)*

[Indian economy to see 10.5% or higher growth this fiscal - Niti Aayog VC:](#) Niti Aayog Vice Chairman Rajiv Kumar said "India Purchasing Managers' Index (PMI) for both manufacturing and services has shown a very smart uptick last month. This (Indian economy) will strengthen even further. *(Mint)*

[Indian economy is bouncing back strongly - MoS for External Affairs V Muraleedharan:](#) The Indian economy is bouncing back strongly, domestic consumption is increasing and industrial production is at pre-Covid level. *(The Hindu BusinessLine)*

[States must step up capex, says RBI governor Shaktikanta Das:](#) "The state finances and the expenditures by states do play an important role in the growth of the country's GDP (gross domestic product), and more particularly in current times when India is recovering from one of the worst challenges to its economies. *(Business Standard)*

[Investment liberalisation, structural reforms could help deepen India's integration in global value chains – IMF:](#) Alfred Schipke, Director, IMF-STI Regional Training Institute and former IMF India Mission Chief said that despite the COVID-19 pandemic, India has attracted the highest amount of Foreign Direct Investment (FDI). *(The Economic Times)*

[India in no hurry to unwind stimulus but oil is a worry, says FM Nirmala Sitharaman:](#) India is in no hurry to withdraw the pandemic-era stimulus and is ready to do more if required to support the nation's economic recovery. *(The Economic Times)*

[Finance Ministry to seek Cabinet nod for setting up company to monetise land assets of privatisation-bound CPSEs:](#) The finance ministry will soon move the Cabinet to seek approval for setting up a company for transfer and subsequent monetisation of land and non-core assets of privatisation-bound CPSEs, an official said. *(The Economic Times)*

[Consumer confidence surged by 1.9 percentage points in Oct:](#) Consumer confidence of Urban Indians has further improved in October, and has surged by 1.9 percentage points over September, according to the Refinitiv-Ipsos India Primary Consumer Sentiment Index (PCSI). *(Business Standard)*

[FMCG sales set for double-digit rise in Q2:](#) Sales at large fast-moving consumer goods (FMCG) companies such as Hindustan Unilever, Nestle, Marico, Tata Consumer, Dabur and Godrej Consumer are expected to have risen at double-digit pace in the September quarter due to recoveries in key segments like packaged foods and personal care as well as higher rural demand. *(The Economic Times)*

[Consumer goods demand rises up to 15% in Navratri:](#) Demand for smartphones, televisions, refrigerators, apparel and cars have surged by up to 15% during Navratri over last year, with manufacturers and retailers saying consumer sentiment is at its most robust since the onset of the pandemic. *(The Economic Times)*

[OECD deal to rev up digitisation, says FM Nirmala Sitharaman:](#) After the G20 finance leaders on Wednesday endorsed a global tax deal that calls for the elimination of unilateral digital services taxes, Union Finance Minister Nirmala Sitharaman said this will help address the challenges arising from the digitalisation of the economy. *(Business Standard)*

Foreign Investments

Govt may permit 20% FDI limit in LIC: Ahead of the mega initial public offer (IPO) of the Life Insurance Corporation (LIC) slated for the March quarter of the current financial year, the government will likely approve 20% foreign investment limit in LIC equity, an enabling provision aimed at attracting foreign investors in the IPO. *(Financial Express)*

Some capital will flow out of India if US Fed does any tapering, warns IMF: The International Monetary Fund (IMF) has cautioned that any tapering by the US Federal Reserve and similar action by other central bankers would lead to some capital flow out of India even as the country has enough foreign exchange at the moment, amid high foreign direct and portfolio investments. *(Business Standard)*

Opportunities galore in India for investors and industry stakeholders - Sitharaman to CEOs of major US giants: Opportunities are galore in India for all investors and industry stakeholders with the current reset in the global supply chain and clear-headed and committed leadership in the country, Finance Minister Nirmala Sitharaman has told CEOs of top American companies. *(The Economic Times)*

K'taka makes strong pitch for more foreign investments in Dubai Expo 2020: Highlighting Karnataka's "dominant position" in the Aerospace and Defence sector, the state government on Sunday made a strong pitch for more foreign investments in these sectors, at the Dubai Expo 2020. *(Business Standard)*

VLCC Health Care raises Rs 37 crore from foreign entity: VLCC Health Care Ltd, which is set to come out with an initial share sale, has raised nearly Rs 37 crore by selling shares to a foreign entity. *(The Economic Times)*

WK Life expands retail footprint, 30% product to be locally manufactured by Q1 2022: "Now, we plan to open as many outlets as quickly as possible. We are introducing more made-in-India products and setting our factories by January-end. . *(The Economic Times)*

Trade Policy and Competitiveness

Exports up 40.54% on-year in first fortnight of October: India's exports in the first two weeks of October rose 40.54% year-on-year to \$15.13 billion. Of this, \$7.26 billion were clocked during October 8-14. *(The Economic Times)*

Services exports may reach over \$240 billion in 2021-22, need govt support – SEPC: Seeking incentives from the government, SEPC on Tuesday said the country's services exports are expected to reach over USD 240 billion during 2021-22. *(Financial Express)*

India to start talks for three more free trade agreements - Piyush Goyal: Commerce and industry minister Piyush Goyal on Thursday said two more countries and a bloc of nations have evinced interest in forging trade pacts with India. *(Financial Express)*

Government removes export curbs on all diagnostic kits, reagents: With COVID-19 cases coming down in the country, the government on Friday removed export curbs on all diagnostic kits and reagents including instruments, which are used in detection of coronavirus infections. *(The Economic Times)*

Gem, jewellery exports rise 29% to Rs 23,259 cr in Sept following Covid disruption: Gems and jewellery exports rose by 29.67% to Rs 23,259.55 crore in September 2021 compared to Rs 17,936.86 crore in the year-ago month, according to the Gem and Jewellery Export Promotion Council (GJEPC). *(The Economic Times)*

Corporate Sector

Decision on Air India will give new energy to aviation sector - PM Modi: With Air India set to be acquired by Tata group, Prime Minister Narendra Modi on Wednesday said the decision on the national carrier will give new energy to the country's aviation sector. *(The Economic Times)*

Govt paying Rs 20 cr daily on Air India, wants quick handover-DIPAM Secy: Indian taxpayers will no longer have to pay Rs 20 crore per day to keep the loss-making Air India flying. *(Business Standard)*

Regulatory changes for related-party transactions to boost corporate governance - Fitch: The revised related-party transaction norms will widen the scope of scrutiny and limit the ability of large shareholders – often the founder family or promoters – to enter into such transactions without the approval of minority shareholders. *(The Economic Times)*

Reliance to acquire 40% stake in Manish Malhotra brand company: Mukesh Ambani-led Reliance Industries Ltd has agreed to buy a 40% stake in a company owned by fashion designer Manish Malhotra, as part of a strategy to accelerate the 16-year-old couture-house's growth plans in India and abroad. *(The Economic Times)*

MSMEs and Start-ups

Indian startups raise \$10 billion in a quarter for the first time, report says: A total of \$10.9 billion across 347 deals in the third quarter of calendar year 2021, according to a PwC India report titled 'Startup Perspectives - Q3 CY21' that was released on Monday. *(The Economic Times)*

The two startups at the doors of India's unicorn club: Lenskart plans to launch the D2C platform and carve it out as a separate unit while raising an undisclosed sum from New York-based Falcon Edge, the people cited above said on condition of anonymity. *(Mint)*

Close to half of retail, MSME loans to move to digital lending in 2-3 yrs - Union Bank MD: With digitization gaining pace, close to 50 per cent of retail and MSME loans offered by banks will shift to digital lending platforms over the next two to three years, CEO Rajkiran Rai G said on Thursday. *(The Economic Times)*

HDFC Bank, Mastercard, others launch \$100 mn credit facility for MSMEs: HDFC Bank, Mastercard, US International Development Finance Corporation (DFC), and US Agency for International Development (USAID) on Thursday launched a \$100 million credit facility to encourage small businesses in India to digitize. *(The Economic Times)*

Mudra NPAs rise as Covid hits MSMEs: The ratio of gross non-performing assets (NPAs), or bad loans, in the loans outstanding under the Pradhan Mantri Mudra Yojana (PMMY) stood at 11.98% as on March 31, 2021. *(Financial Express)*

Employment and Industrial Relations

Employment ambit may be widened to include gig and platform workers: The government is considering tweaking how it defines 'employment' to widen coverage to include new forms of the workforce, including gig and platform workers and Anganwadi workers, ahead of a new national policy that will seek to ensure a fair deal to workers. *(The Economic Times)*

Employment could expand in October: An extraordinary September saw 8.5 million additional people being employed. Recent history tells us that gains in employment made in a month are easily wiped out in subsequent months and the net gain over a few months turns out to be negligible. *(Business Standard)*

Blue collar hiring sees significant uptick across job categories - QJobs data: There has been a 320% growth in overall new job openings added in the blue collar hiring market during Q2 (July-September) of FY22 compared to the previous quarter. *(The Economic Times)*

Industrial Finance

Indian banks face rise in bad loans to 8-9% of lending - CRISIL: Indian banks are likely to see a rise in gross non-performing assets (NPA) to 8-9% of total lending at the end of this fiscal year from 7.5% last year, rating agency CRISIL said in a report on Tuesday. *(The Economic Times)*

PSBs told to push for financial inclusion, expand insurance coverage: Banks have been given a broad outline by the government, ranging from financial inclusion to signing co-lending agreements with non-banking financial companies (NBFCs) and microfinance institutions (MFIs). *(Business Standard)*

Industrial credit continues to lag personal loans for the second consecutive month in August: The share of industrial credit in banks loans, after years of sluggish growth, declined to a record low of 26 per cent during the first five months of FY22, down from 26.6 per cent during FY21. *(The Economic Times)*

Technology and Innovation

Govt to roll out 5-year strategic perspective plan to make India big tech player - Rajeev Chandrasekhar: The government is looking at rolling out a five-year strategic perspective plan to make India a significant tech player. *(The Economic Times)*

NITI Aayog launches Geospatial Energy Map of India: "NITI Aayog in collaboration with Indian Space Research Organisation (ISRO) has developed a comprehensive Geographic Information System (GIS) Energy Map of India with the support of Energy Ministries of Government of India,". *(The Economic Times)*

L&T makes entry into online learning space with L&T EduTech: Marking its entry into the high potential space of virtual learning, Larsen & Toubro (L&T) has announced the launch of L&T EduTech aimed at bridging the gap between the competence of young engineers and industry expectations. *(The Hindu BusinessLine)*

Industrial Infrastructure, Clusters and SEZs

Gati Shakti master plan may help cut logistics cost to 8% of GDP: High logistics cost typically impacts the competitiveness of domestic goods in the international market, while lowering it can boost domestic manufacturing. *(Business Standard)*

PM Modi inaugurates Kushinagar International Airport in Uttar Pradesh; To boost tourism in the region: After inaugurating the international airport, the Prime Minister said it will boost tourism and connectivity, while also helping establish an entire economic ecosystem in the region as well as generate new job opportunities. *(Financial Express)*

Madhya Pradesh govt announces electricity subsidy of over Rs 20,700 cr: Madhya Pradesh Chief Minister Shivraj Singh Chouhan on Tuesday announced a subsidy of over Rs 20,700 crores on electricity, with an aim to provide cheap electricity to farmers and domestic consumers. *(The Economic Times)*

Central Vista - L&T lowest bidder for construction of 3 buildings of Common Central Secretariat: Infrastructure firm Larsen & Toubro Limited on Monday emerged as the lowest bidder for the construction and maintenance of the first three buildings of the Common Central Secretariat under the Central Vista redevelopment project. *(The Economic Times)*

P&G to invest Rs500 crore to drive India's rural growth story: Procter & Gamble India said it will invest Rs 500 crore through its 'Rural Growth Fund' to accelerate growth in the Indian rural market, home to more than 800 million people, whose purchase behaviour is largely linked to farm output. *(The Economic Times)*

IL&FS seeks NCLT approval to place Rs 4,000 crore of assets in InvIT: The IL&FS group has sought approval from the National Company Law Tribunal (NCLT) to move five highway assets of the beleaguered group to an infrastructure investment trust (InvIT). An independent assessment has valued the projects at Rs 4,000 crore, said a company spokesman while confirming the development. *(Business Standard)*

A new Quad? India, Israel, US and UAE agree to establish joint economic forum: In what could mark the emergence of a new Quad, India-USA-Israel-UAE in the first ever meeting of their foreign ministers have explored possibilities for joint infrastructure projects in the fields of transportation, technology, maritime security, economics and trade, as well as for additional joint projects. *(The Economic Times)*

Sustainable Industrialisation

Tata Power looking to raise \$500 million for renewables unit: Tata Power is in talks with large pension and sovereign asset managers, including Canada Pension Plan Invest Board (CPPIB) and Government of Singapore Investment Corp. (GIC), to raise at least \$500 million ahead of a planned initial public offering (IPO) by its renewable energy unit. *(The Economic Times)*

India only G20 nation well on track to achieve Paris agreement goal – Kant: Addressing 'Schneider Innovation India summit 2021' virtually, Kant said India introduced the faster adoption of electric mobility policy which is facilitating India's transition to clean mobility. *(The Economic Times)*

Sectoral News

More trust, transparency in defence sector than ever before – PM: After dedicating seven new state-run defence firms replacing the Ordnance Factory Board, the prime minister said a single-window system has been put in place instead of stagnant policies to develop India as a major producer of defence equipment. *(The Indian Express)*

PM Modi meets global oil executives, urges to boost local production: India wants to increase domestic oil and gas production after it has undertaken reforms in the sector to attract investment. *(Business Standard)*

Centre infused Rs 131,000 cr to boost agriculture, allied sectors: Minister: The Centre has infused Rs 1,31,000 crore to boost agriculture and allied sectors with special emphasis on becoming an export-oriented economy as India has tremendous potential to satiate global demand, Union Minister Shobha Karandlaje said on Monday. (*Business Standard*)

Copper warehouse stocks hit critical level in global squeeze: Copper inventories available on the London Metal Exchange hit the lowest level since 1974, in a dramatic escalation of a squeeze on global supplies that sent spreads spiking and helped drive prices back above \$10,000 a ton. (*Mint*)

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