

Industry Matters

Weekly Updates

November 5, 2021

Economy, Industry and Policy

PM Narendra Modi pitches India as partner for G20 economic revival: Prime Minister Narendra Modi said India would be a reliable partner for G20 states as they look to revive their economies, citing reforms undertaken by his government and the country's resilient supply chains in the IT and BPO sectors. *(The Economic Times)*

Economy expected to grow by 10% or more in current fiscal - Niti VC: Indian economy is expected to grow by 10 per cent or more in the current fiscal, and 8 per cent plus in the next fiscal year, Niti Aayog Vice-Chairman Rajiv Kumar said on Tuesday. *(Business Standard)*

PLI scheme for specialty steel likely to attract Russian investors: Steel manufacturing firms from Russia are expected to make investments in India under the production-linked investment (PLI) scheme for specialty steel, according to an official. *(The Economic Times)*

Fiscal deficit hits 4-year low of Rs 5.26 lakh crore or 35% of budget estimates: The centre's fiscal deficit hit a four-year low of Rs 5.26 lakh crore, or 35% of the budget estimates, at the end of the first half of FY22, helped by buoyant tax revenues. *(The Economic Times)*

October GST collection at Rs 1.30 lk cr, 2nd highest since GST implementation: Gross Goods and service tax (GST) collection for the month of October came in at Rs 1,30,127 crore, the second-highest collection since GST was implemented in July 2017 & second only to GST revenues collected in April 2021. *(The Economic Times)*

Sharp upturn in new orders; companies scale up production in October, manufacturing PMI shows: India's manufacturing sector activities gained further strength in October as companies scaled up production and stepped up input purchasing in anticipation of further improvements in demand, a monthly survey said on Monday. *(Financial Express)*

India's manufacturing PMI gains steam in Oct, expands for 4th straight month: Growth in manufacturing activities in India continued gathering momentum, remained in the expansion territory for the 4th straight month in October, a private survey showed on Monday. *(The Economic Times)*

Manufacturing accelerates to 8-month high amid festive season demand: Manufacturing activities accelerated to an eight-month high in October but could not arrest job shedding by companies as the existing capacities were enough to meet the rising demand, showed IHS Markit purchasing managers index (PMI) survey. *(Business Standard)*

Oct production, other indicators herald a brisk H2 for India: The IHS Markit Purchasing Managers' Index (PMI) rose to 55.9 in October, from 53.7 in September, riding strong demand and higher output. This is the highest since 57.5 in February. *(The Economic Times)*

42 firms selected under PLI scheme for white goods: The government on Wednesday said 42 firms, including Daikin, Panasonic, Syska and Havells with committed investment of Rs 4,614 crore have been provisionally selected as beneficiaries under the production linked incentive (PLI) scheme for the white goods sector. *(The Economic Times)*

Power consumption rises 4.8 pc to 114.37 BU in October: India's power consumption grew 4.8 per cent in October to 114.37 billion units (BU), indicating a good recovery amid coal shortages at electricity generation plants, according to power ministry data. *(Business Standard)*

A big boost: The World Health Organization (WHO) has approved the Indian-manufactured vaccine Covaxin for emergency use. *(Business Standard)*

Eight core sectors' output grows at 7-month low of 4.4%: Core sector rose 4.4% in September as against 11.5% in August and 0.6% in the year ago period. It contracted 5% month-on-month against a decline of 1% in August. *(The Economic Times)*

Govt plans mega package to woo investors in semiconductor manufacturing: India is planning to roll out a multi-billion-dollar capital support and production-linked incentive plan to push manufacturing of semiconductors in the country. *(The Economic Times)*

Foreign Investments

IFC plans to step up annual allocation for India to \$3 billion: The International Finance Corporation, the private finance arm of the World Bank, could step up its annual allocation to India to \$3 billion from \$2 billion now. *(The Economic Times)*

INDIA'S MERCHANDISE TRADE - Preliminary Data October 2021: India's merchandise exports in October 2021 was USD 35.47 billion, an increase of 42.33% over USD 24.92 billion in October 2020 and an increase of 35.21% over USD 26.23 billion in October 2019. *(Press Information Bureau)*

DoT allows 100% FDI under automatic route, but with boundary riders: The telecom department on Wednesday amended the unified license agreement to allow 100% foreign direct investment (FDI) under the automatic route. *(The Economic Times)*

FDI flows surge in 2021 hinting at global recovery, says OECD: Global foreign direct investment (FDI) flows rebounded in the first half of 2021 to reach \$870 billion, exceeding pre-pandemic levels by 43 per cent and more than double that of the second half of 2020, OECD data and analysis show. *(Business Standard)*

Musk's SpaceX readying to collaborate with Indian telcos for satcom services: Elon Musk's SpaceX will soon start talks with Indian telecom service providers like Reliance Jio, Vodafone Idea, BharatNet and Raitel for possible collaborations to offer satellite communication, or broadband from space, services in the hardest-to-reach regions. *(The Economic Times)*

Asus in talks with Indian EMS players to start local laptop manufacturing: Taiwanese laptop maker Asus is in talks with local EMS players to begin local manufacturing of its laptops in the country and it is aiming to capture 20% market share in the consumer laptop segment this year. *(The Economic Times)*

Our mission is to be top performing consumer products firm in India - Diageo: Global spirits major Diageo is embarking on a mission to be a top performing consumer products company in India. *(The Economic Times)*

Trade Policy and Competitiveness

Is India's export growth 'sticky' enough to hit \$400-bn mark this year?: Data released by the commerce ministry last month showed that for the first five months of fiscal 2021-22, India exported \$164.4 billion worth of goods. *(Business Standard)*

India, Bhutan to have 7 more entry and exit points for trade - Govt: India and Bhutan will have seven additional entry and exit points for trade as part of measures to increase trade connectivity, the government said on Wednesday. *(Business Standard)*

Engineering goods exports cross \$9 billion in October: The robust performance by the sector means greater support to the economy as it will create more jobs and fresh capital investment, said EEPIC India chairman Mahesh Desai. *(The Economic Times)*

United States Trade Representative Katherine Tai to visit India on November 22: United States Trade Representative (USTR) Katherine Tai will travel to India next month to discuss the US' commitment to the Indo-Pacific region with government officials and stakeholders. *(The Economic Times)*

CAIT pegs Rs 50,000 cr losses to Chinese exporters this Diwali: Trader's body CAIT on Friday said it estimates Chinese exporters to suffer business losses worth Rs 50,000 crore this Diwali season due to its boycott call. *(The Economic Times)*

Exports rise for 11th month, up 43.3% in October: Led by engineering goods, petroleum products and gems and jewellery, India's merchandise exports increased for the eleventh consecutive month in October and grew 42.33% on year at \$35.47 billion. *(The Economic Times)*

India, Italy to collaborate on green hydrogen, gas sector: India and Italy have agreed to explore development of green hydrogen, setting up renewable energy corridors, and joint projects in the natural gas sector as the two nations sought to strengthen partnership in energy transition. *(Financial Express)*

Rise in import of copper in recent times great concern for govt - V K Saraswat: The rise in copper import in recent times is a great concern for the government and it is imperative that a better ecosystem is established to make domestic copper industry competitive, Niti Aayog Member V K Saraswat has said. *(The Economic Times)*

Corporate Sector

Super app war - Adani, Tata and Reliance Industries go on acquisition spree: India's top business groups, such as Tata, Adani, and Reliance Industries (RIL), are scouting for acquisition targets to offer additional goods and services under their "super app" umbrella. *(Business Standard)*

Lenovo businesses in India registered \$621 million revenue in September quarter: The total revenue for all Lenovo businesses in India was \$621 million for the second quarter (July-September 2021), representing a year-on-year increase of 26.9 per cent, according to a statement. *(The Economic Times)*

Hindalco to buy Ryker for Rs 323 crore enterprise value: Hindalco's copper is a vital input into India's accelerating journey on electrification, urbanisation, renewables and e-mobility. Keeping the needs of the nation and industry in mind, the company has taken the step to expand its capacity, Satish Pai, Managing Director of Hindalco Industries, said. *(The Economic Times)*

Unacademy acquires K-10 online tuition platform Swiflearn: Edtech platform Unacademy on Tuesday said that it has acquired online tuition platform Swiflearn for an undisclosed amount. *(Mint)*

MSMEs and Start-ups

India's economy takes 'formal' leap as informal shrinks drastically - Study: "Currently, the informal economy is possibly at maximum 15-20 per cent of gross value added (GVA)," said Soumya Kanti Ghosh, group chief economic advisor, SBI. *(Business Standard)*

About 80% of economy now formal following digitisation drive, pandemic - SBI Report: The digitisation drive and pandemic-induced emergence of the gig economy have led to a faster formalisation of the economy, with the share of the informal sector shrinking to just 15-20 per cent in 2021 from 52.4 per cent in 2018, according to an SBI Research report. *(The Economic Times)*

Banks sanction Rs 63,574 cr under credit outreach initiative - Finance Ministry: Similar outreach programmes were held between October 2019 and March 2021 by banks and fulfilled all kinds of credit requirements of the RAM sector (Retail, Agriculture and MSME). *(The Economic Times)*

SIDBI's 59-min loan scheme for MSMEs- 80% of sanctioned amount disbursed in 2.19 lakh loans till Nov 1: The 59 minutes in-principle loan approval scheme for MSMEs by SIDBI, launched by Prime Minister Narendra Modi in November 2018, has sanctioned 2,35,511 loans involving Rs 78,738 crore as of November 1, 2021, official data from the MSME Ministry showed. *(Financial Express)*

Economy woes - The 'small guys' wait for winds of revival: According to Centre for Monitoring Indian Economy data, the 30-day moving average unemployment rate for India as on November 2 stood at 7.57 per cent, which while lower than the 11.84 per cent in May this year, remains at a worrying high. *(The Economic Times)*

BSE signs MoU with HDFC Bank to promote listing of SMEs: "Through this MoU we aim to resolve funding constraints for SMEs in India. BSE along with HDFC Bank shall work together to create a sustainable ecosystem." *(The Economic Times)*

How to make MSMEs credit ready through supply chain financing: In India, only 10% (6 - 10 million) MSMEs get access to formal sources of finance, this represents 40-50% of the value of credit extended to the sector. The rest of the MSMEs take loans from informal sources of finance at usurious rates. *(The Economic Times)*

FinMin reforms public procurement to fast-track projects, help MSMEs: The finance ministry has initiated reforms in public procurement and project management to execute projects and provide payments to the micro, small and medium enterprises (MSMEs) on time. *(Business Standard)*

Employment and Industrial Relations

Over 50% of employees likely to return to office thrice a week by Jan 2022 - Nasscom: More than 50% of India's technology workforce is likely to return to office three times a week from January 2022, according to a study by industry body Nasscom. *(The Economic Times)*

Labour Ministry hikes minimum wages for central sphere workers from Oct 1: The Ministry of Labour and Employment has revised the rate of variable dearness allowance for 1.5 crore central sphere workers. *(The Economic Times)*

Hiring activity in India grows by 43% annually in October 2021 - Report: Growth in India's job market once again surpassed pre-pandemic levels, showcasing a 19% uptick vs Oct '19. The country's premier index was trending at 2523 in October 2021, recording 43% year-on-year (Y-O-Y) growth Vs October 2020 according to the latest Naukri JobSpeak report. *(The Economic Times)*

Hybrid to be new norm for return to work, finds Nasscom-Indeed study: Both employees and employers are equally interested in making a comeback to the workplace in a hybrid setup, and 50 per cent of the workforce is likely to return to offices for up to three days a week starting next year. *(Business Standard)*

Industrial Finance

ADB approves \$250 million loan for India's industrial corridor development: The Asian Development Bank (ADB) on Friday said it has approved a USD 250 million (about Rs 1,875 crore) loan to support India's National Industrial Corridor Development Program (NICDP). *(The Economic Times)*

Poor IBC recovery calls for process rejig – Crisil: With only ₹2.5 lakh crore in recoveries, there is a need for a 'stronger push' to make resolutions under the Insolvency and Bankruptcy Code (IBC) process more effective, Crisil said. *(The Hindu)*

RBI eases current account rules for bank exposures less than Rs 5 crore: The Reserve Bank of India on Friday eased current account rules for bank exposures less than Rs 5 crore, allowing lenders to open current account, cash credit and overdraft facilities without any restriction. *(The Economic Times)*

Deutsche Bank ready to be NPS custodian for just Rs 100 per year: In an ultra-aggressive bid, Deutsche Bank is willing to accept a fee of just ₹100 a year for being the custodian of India's pension fund which has total assets under custody of more than ₹6 lakh crore across various schemes. *(The Economic Times)*

Sell bad debts early, let ARCs take part in IBC - RBI committee: A committee formed by the Reserve Bank of India (RBI) to recommend ways to revive asset reconstruction companies (ARCs) has suggested an early sale of bad debts to them, directly acquiring non-performing assets from the market, and letting ARCs bid in the insolvency and bankruptcy process. *(Business Standard)*

Technology and Innovation

Hybrid model - Cloud's next leap of faith: As organisations progress on their journey to the cloud, adopting hybrid, multicloud has become essential and is a clear winner in the race to become the dominant architecture for enterprise cloud estates in India," says Sandip Patel, managing director, IBM India. *(Financial Express)*

India's first manned ocean mission 'Samudrayan' launched: The nation has made huge progress in science and technology and when an Indian goes up into space as part of the Gaganyaan programme, another would dive deep into the ocean, the Minister said. *(The Economic Times)*

Value of UPI transactions crosses \$100 billion in October: A whopping 4.2 billion UPI transactions amounting to Rs 7.71 lakh crore (about \$103 billion) were clocked in the month, marking all-time highs on both counts for the five-year-old payments channel. *(The Economic Times)*

Industrial Infrastructure, Clusters and SEZs

Indian Oil Corp to set up 10,000 electric vehicle charging stations: Indian fossil fuel retailers have begun scaling up their EV charging ambition to ensure they stay relevant in the future when EVs are expected to comprise a significant share of new vehicle sales. *(The Economic Times)*

[Finmin may tweak rules to boost infra financing:](#) The finance ministry is studying a proposal to liberalize loan classification norms to ease infrastructure financing for lenders and developers. *(Mint)*

[Centre sets up empowered group of secretaries to monitor PM Gati Shakti roll out:](#) The government on Monday said it has constituted an empowered group of secretaries (EGOS), headed by the cabinet secretary, which will be a monitoring mechanism for the development and implementation of the PM Gati Shakti National Master Plan. *(The Economic Times)*

[Dalmia Cement to set up Rs 577 crore plant in Bokaro:](#) Dalmia Cement will set up a 2 million tonne plant at Jharkhand's Bokaro at an estimated cost of Rs 577 crore, the Jharkhand government said on Friday. *(The Economic Times)*

Sustainable Industrialisation

[India Inc welcomes Modi's pledge to achieve net zero emissions by 2070; 'practical long-term target':](#) In his address at the ongoing COP26 in Glasgow, Modi announced a bold pledge on Monday that India will achieve net zero carbon emissions by 2070. *(The Economic Times)*

[India, UK launch first transnational solar grid plan:](#) Prime Minister Narendra Modi and his UK counterpart Boris Johnson on Tuesday unveiled an ambitious plan for the world's first transnational network of interconnected solar power grids—Green Grids Initiative: One Sun One World One Grid. *(Mint)*

[PM promises 500 GW renewable energy to meet India's 50% energy requirements by 2030:](#) Scaling up India's ambitious agenda to combat climate change, Prime Minister Narendra Modi on Monday announced five "amrit tatva" at the COP26 Summit including the target to attain net-zero emissions by 2070. *(The Economic Times)*

[India proposes new rules to push green energy use in industries:](#) India, the world's third-biggest emitter of greenhouse gases after China and the United States, is under pressure to announce plans to become carbon neutral by mid-century. *(The Economic Times)*

Sectoral News

[Tests above 20K ft done, Ministry of Defence orders 12 choppers:](#) The Ministry of Defence (MoD) on Tuesday cleared the purchase of 12 Light Utility Helicopters (LUH) from Hindustan Aeronautics Ltd (HAL) under the Make in India category. *(Business Standard)*

[FM asks transport, petroleum, steel ministries to front load capex spending:](#) To push investment in infrastructure projects, Finance Minister Nirmala Sitharaman on Tuesday reviewed the progress of capital expenditure (Capex) by the petroleum and steel ministries and asked them to front-load their spending. *(Business Standard)*

[Tourism looks to spread its wings post pandemic upheaval:](#) "Tourism direct gross value added (TDGVA) for 2020-2021 fell by 42.8% in quarter 1, 15.5% in Q-2 and 1.1% in Q-3. *(The Economic Times)*

[NTPC's 80MW solar capacity at Jetsar begins commercial operations:](#) State-run power giant NTPC on Tuesday said its 80 MW solar power generation capacity at Jetsar in Rajasthan has started commercial operations from October 22, 2021. *(The Economic Times)*