

# Industry Matters

Weekly Updates

November 12, 2021

## Economy, Industry and Policy

**India on way to becoming fastest growing economy in world - Finance Ministry report:** Aatmanirbhar Bharat Mission encapsulating major structural reforms continues to play a critical role in shaping India's economic recovery, both through the signalling of business opportunities and expansion of spending channels. *(The Economic Times)*

**Nirmala Sitharaman to meet heads of banks. FIs next week; nudge them to expand credit to boost economy:** In a letter addressed to chairman and CEO of banks and financial institutions, the finance ministry said the two-day conference will focus on flow of credit into different sectors of the economy in a seamless manner. *(The Economic Times)*

**India ready to move into next orbit of growth - SBI Chief Khara:** The credit growth in the economy was quite muted for almost two years, he said, expressing hope that the capacity utilisation will improve, and help revive investment demand in the corporate sector. *(Business Standard)*

**90% chipmakers have design footprint in India, says Intel's Prakash Mallya:** As much as 90 per cent of the semiconductor companies have a design footprint in India. And as many as 2,000 chips are being designed annually in the country, which reflects the talent and the fact that the eco system is already in place. *(Business Standard)*

**Commercial vehicle volumes set to pick up on economic revival:** On sequential basis, the agency said that total sales of all the four CV manufactures showed an encouraging 14 per cent MoM growth in October 2021 compared against September 2021. *(The Economic Times)*

**Retail rentals bouncing back to pre-Covid levels:** Retail sales rebounded to 96% of what they used to be before Covid in September, according to a survey by the Retailers Association of India. *(The Economic Times)*

**Ships and chips - India hit hard by global shortage of semiconductors and containers:** India, like several other nations, is being severely impacted by the twin crises of chips and ships, which have sent shock waves through global trade and industry. *(The Economic Times)*

**Indirect tax receipts up 51% on year in April-October:** Despite the fizzling out of a favourable base effect, indirect tax collections have seen robust growth till October of this fiscal. *(Financial Express)*

**Centre amends Legal Metrology (Packaged Commodities) Rules 2011:** The central government has amended the Legal Metrology (Packaged Commodities) Rules 2011 making declaration of maximum retail price (MRP) in Indian currency inclusive of all taxes on pre packed commodities and date of manufacture mandatory. *(The Economic Times)*

**India considering 'middle path' on cryptocurrencies:** India is considering a middle path on cryptocurrencies, as it finalises legislation on the virtual asset to be introduced in the upcoming winter session of Parliament. *(The Economic Times)*

**India ahead of China in financial inclusion metrics now - SBI report:** India is now ahead of China in financial inclusion metrics, with mobile and internet banking transactions rising to 13,615 per 1,000 adults in 2020 from 183 in 2015. and the number of bank branches inching up to 14.7 per 1 lakh adults in 2020 from 13.6 in 2015, which is higher than Germany, China and South Africa, according to a report. *(Business Standard)*

**Indian economy likely to remain cash-dependent for many years to come:** After growing at over 20 per cent for most of 2020, currency in circulation growth fell to 8.5 per cent as of October 29 this year, shows data from the Reserve Bank of India (RBI). *(Business Standard)*

**Covid-19 vaccine bill likely to shoot up to ₹50,000 crore:** The Centre's spending on the Covid-19 vaccination programme is expected to touch ₹50,000 crore this fiscal year. The government had made a provision for ₹35,000 crore in the Budget. *(The Hindu BusinessLine)*

**'India has entered into vaccine pacts with 96 nations':** India has entered into agreements for mutual recognition of vaccination certificates with as many as 96 countries, including the US, Canada, the UK and several EU members for easing of travel restrictions for fully vaccinated travellers, said Health Minister Mansukh Mandaviya. *(The Hindu BusinessLine)*

## Foreign Investments

**Amazon infuses Rs 1,000 crore into India payments unit:** Amazon has been pumping in millions of dollars across various operations like marketplace, wholesale and payments business as it looks to strengthen its position in the Indian market. *(Business Standard)*

**Zoomcar raises \$92 million led by SternAegisVentures:** Car sharing startup Zoomcar on Monday said it has raised \$92 million in a private placement led by New York-based SternAegis Ventures with participation from international family offices and institutional investors. *(Mint)*

## Trade Policy and Competitiveness

**Current account deficit seen hitting 1.4% or \$45 billion by March as crude soars – Report:** From an average monthly trade deficit of USD 12 billion till June, it has jumped to USD 16.8 billion in July-October, with September showing the highest-ever trade deficit on record at USD 22.6 billion, the report said. *(The Economic Times)*

**Govt sets up committee for determination of RoDTEP rates for exports from SEZs, EOUs:** The government has constituted a committee for the determination of RoDTEP rates for exports from special economic zones (SEZs) and export-oriented units (EOUs), as these sectors were left out in the earlier exercise, according to the DGFT. *(Financial Express)*

**Is India recalibrating its approach towards FTA negotiations?:** There are early signs that India may be recalibrating its approach towards PTA negotiations. The direction in which its trade policy tilts will determine the success of India's plans for export-led economic growth. It will also influence India's positions on emerging global trade issues. *(The Economic Times)*

**Commerce ministry shares list of 102 items to ministries for enhancing domestic capacity to cut imports:** According to the analysis, the import of these goods has been consistently increasing or have held high import shares across the long, medium and short terms. The cumulative share of these items is 57.66 per cent in total import during the March-August 2021 period. *(The Economic Times)*

**India's share of exports declines among developing countries in 2020:** India slipped to eighth position in 2020 in terms of its share of merchandise exports among developing economies, according to a World Trade Organization report. *(Business Standard)*

**Time for India to aim 5x rise in technical textile exports in 3 years - Piyush Goyal:** Textiles minister Piyush Goyal on Friday said that the time has come to target a five times increase in the export of technical textiles in three years to \$10 billion from \$2 billion now. *(The Economic Times)*

**Iraq may open doors to Indian tea after 10-year hiatus:** The Baghdad Chamber of Commerce has invited Indian tea companies to participate in the first tea festival in Iraq which will be held at the end of this month. *(The Economic Times)*

**Retailers lose love for Asia - Snarled supply chains force manufacturing exodus to Balkans, LatAm:** Major clothing and shoe companies are moving production to countries closer to their U.S. and European stores. *(The Economic Times)*

**Competition between Indian, Chinese steel players to intensify in export markets - ICRA:** According to Icra, in 2020-21, China emerged as the single-largest importer of steel from India. However, with the Chinese steel demand growth waning in the current fiscal. *(The Economic Times)*

## Corporate Sector

**L&T construction arm bags orders worth up to Rs 2,500 crore:** L&T bagged the DRDO order to construct their flight control system facility at Aeronautical Development Establishment, Bengaluru. *(The Economic Times)*

**Byju's borrows \$1.2 bn to spend on acquisitions:** Byju's has raised \$1.2 billion in debt, more than double its previous target, two people aware of the matter said, as India's most valuable startup prepares a war chest for more acquisitions and for working capital ahead of a potential public listing next year. *(Mint)*

## MSMEs and Start-ups

**4.5 lakh MSMEs in UP took advantage of ECLGS during Covid - State MSME min Sidharth Nath Singh:** With nearly 90 lakh MSMEs, UP had the largest number of estimated small businesses with a 14.20 per cent share of 6.33 crore MSMEs in the country, as per the MSME Ministry 2020-21 annual report. *(Financial Express)*

**Bounce eyes \$100mn investment in e-scooter mfg, battery swapping infra:** Electric scooter rental startup Bounce is making investment of about USD 100 million (around Rs 742 crore) over the next 12 months across manufacturing of e-scooters and expanding the battery swapping infrastructure, its co-founder and CEO Vivekananda Hallekere said. *(Business Standard)*

**'Investing in 'greening' of MSMEs should be of high priority for India to meet sustainability goals':** In India, the MSME sector contributes approximately 30 per cent of GDP. Thus, the collective objective of nation-building with a sustainability focus makes the MSMEs a critical part of the sustainable economic development plan. *(Financial Express)*

**CredAble launches credit, cash flow management app for SMEs:** CredAble has introduced UpScale, a platform that enables growth and financial inclusion for MSMEs in India. Last month CredAble disbursed Rs 3,500 crore to more than 100,000 small businesses. *(The Economic Times)*

## Employment and Industrial Relations

**Revival in consumer sentiment faces headwinds from high unemployment scenario:** A number of high frequency indicators in October have returned to pre-Covid levels or even touched new highs amidst festive season demand and normalisation of economic activities, but questions remain if this momentum will continue with at least some concerns over job creation and inflation. *(The Hindu BusinessLine)*

**MGNREGS will need Rs 32K-crore more aid to meet demand - Experts:** With demand for work under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) continuing to be robust, civil society activists and experts believe an additional financial support of at least Rs 32,000 crore is required over and above the budgeted Rs 73,000 crore this fiscal year. *(Business Standard)*

**Flexible jobs in demand as the cubicle fails to lure freshers:** Campus recruiters are facing a tricky situation-potential recruits at the country's leading management and engineering institutes want flexibility to work remotely or from a place of their choice at a time when employers are planning a phased return to office work. *(The Economic Times)*

**Hiring demand up 9% YoY in Oct, dips sequentially - Monster Employment Index:** Hiring demand for the month of October 2021, witnessed a dip of 3 per cent, as compared to September 2021. However, job demand grew 9 per cent sequentially in the past six months showing an optimistic outlook to recovery, said the Monster Employment Index. *(Business Standard)*

## Industrial Finance

**Decoding the new model to fix blame for bad loans:** A loan can turn bad for reasons beyond the control of the promoter and could thus be a genuine business failure, but some have also turned bad because of the lack of proper due diligence before sanctioning. *(Mint)*

**Mid-size firms, retail lead the charge in credit rebound:** Bank credit rose 6.8% in October, compared with 5.1% in the same period a year ago, show the latest figures published by the Reserve Bank of India (RBI). *(The Economic Times)*

**Loan collections for non-bank lenders surpass pre-second wave levels - ICRA:** Collection efficiency including overdue collection for the most affected asset classes, that is microfinance and SME loans, reached close to 100% for September 2021 from a low of 80% seen in May 2021, the rating agency said in a note. *(The Economic Times)*

**ICICI, Axis, SBI and PNB report sharp rise in bad loan recoveries:** Bankers and analysts said the improvement in recoveries is another indicator of improving consumer sentiment and is a start of better asset quality for banks in the immediate future. *(The Economic Times)*

## Technology and Innovation

**Govt launches first-ever mentorship programme for young innovators:** Union minister Jitendra Singh on Monday launched the first-ever mentorship programme for young innovators to mark the 75th year of India's independence. *(Business Standard)*

**India's longest drone flight conducted in Haryana for HPCL - Robotics firm:** A robotics and drone company has claimed that it has conducted the longest drone flight of 51 km in India to survey the pipeline of the Hindustan Petroleum Corporation Limited (HPCL) in Haryana. *(Business Standard)*

**DoT forms innovation group for 6G technology:** Telecom secretary K Rajaraman will head the initiative as chairperson and the forum aims to create vision and objectives as well as develop a roadmap for research and development (R&D), pre-standardisation, development of applications and products, and action plans for 6G technology. *(The Economic Times)*

**Rise of the robots speeds up in pandemic with U.S. labour scarce:** American workers are hoping that the tight pandemic labor market will translate into better pay. It might just mean robots take their jobs instead. *(The Economic Times)*

## Industrial Infrastructure, Clusters and SEZs

**Maruti Suzuki to finalise plans for new Haryana unit by 2021-end:** Car market leader Maruti Suzuki India Ltd (MSIL) will go ahead and finalise plans to set up of a ₹18,000 crore new manufacturing facility in Haryana before the end of this calendar year. *(Mint)*

**PM to cut a swathe through U.P. with major infra projects lined up:** Uttar Pradesh as always is expected to be the star turn in the next set of Assembly polls set for early 2022, and Prime Minister Narendra Modi will be visiting the State four times in the next month and a half alone to launch and inaugurate projects worth over ₹1 lakh crore in the State. *(The Hindu)*

**ISRO can suggest ideal locations to set up solar power projects:** An android application for the computation of solar energy potential has been developed by ISRO's Space Applications Centre (SAC), Ahmedabad at the behest of the Ministry of New and Renewable Energy. The tool can be used for installation of photovoltaic solar panels for tapping solar energy. *(Business Standard)*

**UP's Purvanchal Expressway to open for public from November 16th:** The 340.8 km long Purvanchal expressway will be open to the public from November 16th after Prime Minister Narendra Modi inaugurates it at 2.30 pm at Kudebhar airstrip in Sultanpur. *(The Economic Times)*

**Indian Railways to launch another Vande Bharat Express train by March 2022:** All Vande Bharat Express train coaches are equipped with automatic doors, on-board hotspot Wi-Fi for passengers' entertainment purposes, GPS based audio-visual passenger information system, and very comfortable seating. The 'Make in India' semi-high speed Vande Bharat train can run up to a maximum speed of 160 km per hour. *(Financial Express)*

## Sustainable Industrialisation

**US joins India-led International Solar Alliance as 101st member:** The US joined the International Solar Alliance (ISA) on Wednesday, becoming the 101st country to join the sunshine club. *(The Economic Times)*

**Countries agree to create green shipping lanes in pursuit of zero carbon:** A coalition of 19 countries including Britain and the United States on Wednesday agreed to create zero emissions shipping trade routes between ports to speed up the decarbonisation of the global maritime industry. *(The Economic Times)*

**India's transition to net zero economy can create over 50 million jobs - WEF:** In its latest research report, the World Economic Forum has propagated that a Green New Deal for India could represent upwards of a \$15 trillion economic opportunity by 2070 & that it has the potential to create more than 50 million net new jobs. *(The Economic Times)*

**There's an \$80-billion hole in India's net zero pledge by 2070 at Glasgow:** After emphasizing for years that a pathway to going green was more important than a deadline, India surprised delegates at the COP26 climate summit in Glasgow by announcing a net zero goal for emissions by 2070. *(The Economic Times)*

**Five Indian companies leading the green hydrogen revolution:** As one of the cleanest forms of energy in the world, green hydrogen is one of the ultimate solutions to achieve net-zero emissions. *(Mint)*

[India needs to tap hydro resources to achieve 500 GW RE capacity target - R K Singh](#): The Minister has directed NHPC to exploit hydro resources in the country to become one of the largest hydro power companies in the world. (*The Economic Times*)

[India signs up to COP26 action agenda on sustainable agriculture](#): India is among 27 countries to sign up to a sustainable agriculture action agenda at the conclusion of the first week of the COP26 climate summit in Glasgow, laying out new commitments to make farming more sustainable and less polluting. (*The Economic Times*)

[Vector Green, Evergreen Power tie up to develop 300MW wind projects in India](#): "Vector Green Energy Pvt Ltd (Vector Green) and Evergreen Power Mauritius Pvt Ltd (Evergreen Power) have entered into a MoU to develop around 300 MW of wind power projects in India through greenfield development," a company statement said. (*The Economic Times*)

## Sectoral News

[Diwali was the worst in almost a decade for India's auto firms](#): According to industry insiders, retail sales of passenger vehicles dropped by about a third in the 30-day period. An estimated 305,000 PVs were delivered this time versus 455,000 units last year, they said. (*The Economic Times*)

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