

# Industry Matters

Weekly Updates

September 02, 2022



## Economy, Industry and Policy

**India's manufacturing growth trends higher as input cost inflation eases:** The Manufacturing Purchasing Managers' Index compiled by S&P Global dipped slightly to 56.2 in August from 56.4 in July. [*The Economic Times*]

**August GST revenue collection up 28% YoY at Rs 1.44 lakh cr:** The gross GST revenue collected in the month of August 2022 stood at Rs 1,43,612 crore, up 28% on a year-on-year basis, the Finance Ministry said in a statement on Thursday. [*The Economic Times*]

**Public sector contributes 20% to national income, accounts for 40% of total wages:** The average share of the public sector in gross value addition for the ten years ending FY21 is 19.2 per cent but the share in wages is 39.2 per cent., India Ratings and Research said in an analysis based on gross value added (GVA) data released by the National Statistical Office. [*The Economic Times*]

**Govt to fast-track divestment of BEML and SCI:** The Centre is likely to invite expressions of interest (EoIs) for the strategic disinvestment of BEML and Shipping Corporation of India over the next few months, as it looks to speed up the privatisation of non-strategic state-run companies. [*The Economic Times*]

**June quarter's household consumption, capital investment rise, shows data:** Household and private sector consumption, as measured by Private Final Consumption Expenditure (PFCE), came in at Rs 39.7 trillion in nominal terms in Q1FY23, compared with Rs 28.4 trillion for the same period last year, and Rs 39.2 trillion in Q4FY22 (January-March). [*Business Standard*]

**Cabinet likely to take up Tejas Mark 2 case soon to grant permission:** This week, a case may be placed before the Union Cabinet to grant permission and financial sanction to go ahead with the design and development of the Tejas Mark 2 — a more capable version of the indigenous Tejas light combat aircraft (LCA). [*Business Standard*]

**E-governance - Draft rules on data anonymisation, mobile security released:** The Ministry of Electronics and IT on Tuesday released draft documents for guidelines on data anonymisation and mobile security for e-governance projects conducted by the government. [*Business Standard*]

**India's outbound deal value at \$7.6 billion, rises for third year in a row:** India has spent more on overseas mergers and acquisitions (M&As) by August than in the whole of 2021. [*Business Standard*]

**FinMin releases Rs 4,189 cr as rural local bodies grant to five states:** The Department of Expenditure (has) released an amount of Rs 4,189.58 crore to Karnataka (Rs 628.07 crore), Tripura (Rs 44.10 crore), Uttar Pradesh (Rs 2,239.80 crore), Andhra Pradesh (Rs 569.01 crore) and Gujarat (Rs 708.60 crore) for providing grants to the Rural Local Bodies. [*Business Standard*]

**Centre reports fiscal surplus in July, first in over two years:** Centre has reported a fiscal surplus of Rs 11,040 crore and a revenue surplus of Rs 42,509 crore in July thanks to buoyancy in tax collections and reining of revenue expenditure even as capex continued the robust momentum. *[Financial Express]*

**Four of six major economies miss growth estimates including India - NSO:** The results were even lower than the 14.5 per cent estimate given by the RBI's Survey of Professional Forecasters on Macroeconomic Indicators in August. *[Business Standard]*

**Retail inflation for industrial workers eases to 5.78 per cent in July:** Retail inflation for industrial workers eased to 5.78 per cent in July from 6.16 per cent in June 2022 due to lower prices of certain food items, according to the government data released on Wednesday. *[The New Indian Express]*

**Asia's manufacturing hubs slumped in August as demand fades:** Asia's biggest factory hubs saw further easing in demand in August as China's slowdown weighed on the region and risks piled up in the global economy. *[The Economic Times]*



## Foreign Investment

**US companies geared up to be part of India's vision to become USD30 trillion economy - USIBC president:** India is embarked on a journey to restore itself to the top of the global leadership tables in terms of economy and prosperity, the head of an India-centric American business group has said. *[The Economic Times]*

**Markets log 3rd highest monthly FPI inflows since Covid outbreak in August:** FPIs pumped in over Rs 51,000 crore (\$6.4 billion) in August, the most since December 2020 and the third-highest tally since March 2020—the month the Covid-19 pandemic roiled global markets. This was the second consecutive month of positive foreign flows. *[Business Standard]*

**India Inc's foreign investment declines over 50% to \$1.11 billion in July:** India Inc's foreign direct investment in July declined over 50 per cent to USD 1.11 billion in July 2022, the Reserve Bank data showed. *[Business Standard]*

**FDI equity inflows dip six per cent during April-June to USD 16.59 billion - DPIIT:** Foreign Direct Investment (FDI) equity inflows into India contracted by 6 per cent to USD 16.59 billion during the April-June quarter this fiscal, according to the data of the Department for Promotion of Industry and Internal Trade (DPIIT). *[The New Indian Express]*

**GMR Group to divest 30% stake in Indonesia's PT GEMS for \$420 mn:** The divestment will give thrust to GMR's non-airport business through reduction of leverage and give a platform for the growth of its clean energy initiatives. *[Business Standard]*

**Overseas portfolio investors turn positive about India, pump in \$7.6 bn in August:** Overseas portfolio investors pumped in about \$7.6 billion in the last one month as they turned upbeat about India's growth and inflation outlook vis-a-vis other major global economies. *[The Economic Times]*

**Toyota invests USD 5.6 billion in EV battery production in Japan, US:** Toyota is investing 730 billion yen (\$5.6 billion) in Japan and the U.S. to boost the production of batteries for electric vehicles, the Japanese automaker said Wednesday. *[The New Indian Express]*

**India emerging as attractive investment destination, says SBI report:** India seems to be a clear beneficiary in terms of an attractive investment destination as investment opportunities drag for China, stated a research report by State Bank of India. *[The Economic Times]*



## Trade Policy and Competitiveness

**India's services exports jump 20.2% in July to \$23.26 billion:** India's services exports went up by 20.2 per cent on an annual basis to \$23.26 billion in July 2022. The July number is lower compared to that in June 2022. A month ago, services exports had come in a higher \$25.29 billion. *[The Economic Times]*

**India is trying to get duty-free access for ODOP products, said Commerce Minister Piyush Goyal:** Commerce and industry minister, Piyush Goyal said that India is seeking duty-free access for various products, categorised under One District One Product (ODOP) initiative, to promote their exports. *[Financial Express]*

**Trade deficit with Russia zooms to \$8.8 bn in Q1:** India's exports to Russia plummeted 38% between April and June from a year before in the wake of the Ukraine war, even though its imports jumped 369%, boosted by energy purchases. *[Financial Express]*

**Diesel export falls 11%, petrol 4.5% in July on levy of windfall profit tax:** India's diesel exports fell by 11 per cent in July and overseas shipment of petrol dropped by 4.5 per cent after the government slapped a windfall profit tax on such sales, official data showed. *[Business Standard]*

**China slowdown means contrasting fortunes for Asia's exporters:** China's economic growth slowdown has triggered a stark contrast in fortunes for its trading partners across Asia, with northern neighbors suffering while economies in the southeast are broadly holding up. *[The Economic Times]*

**Large scale exports key to make India a global electronics hub - MoS Raveesh Kumar:** The 'Atmanirbhar Bharat' economic policies, with a focus on 'local for global' have set ambitious goals for electronics manufacturing of \$300 billion, including exports of \$120 billion by 2025-26, up from the current \$75 billion. *[The Economic Times]*



## Corporate Governance

**Grasim earmarks Rs 3,117-cr FY23 capex for existing business - Birla:** Grasim Industries, the flagship company of Aditya Birla Group, would invest Rs 3,117 crore on its existing businesses in FY23, its Chairman Kumar Mangalam Birla said on Monday. This investment would be towards capacity creation and modernisation of plants. *[Business Standard]*

**RIL's O2C business gets leg-up with Rs 75,000-cr investment over 5 years:** Reliance Industries (RIL) will invest Rs 75,000 crore over the next five years in its oil-to-chemicals (O2C) business and expand capacities in existing and new value chains. *[Business Standard]*

**NMDC in advanced talks for demerger of steel unit:** PSU iron-ore miner NMDC is in advanced stages of completing the demerger of its upcoming steel unit, NMDC Iron and Steel Plant (NISP), into a separate company, NMDC Steel Ltd. *[Business Line]*

**Arcelor-Nippon JV to acquire Essar's steel infrastructure for \$2.4 billion:** ArcelorMittal Nippon Steel India (AM/NS India) has inked an agreement with Essar Group to buy certain infrastructure assets that are "strategic" to its steel-making operations in the country. *[The Times Of India]*

**Nabinagar, Kanti power projects merge with NTPC:** State-run power giant NTPC on Friday announced the merger of its wholly-owned arms Nabinagar Power Generating Company Ltd and Kanti Bijlee Utpadan Nigam Ltd with itself. In 2018, the two firms had become wholly-owned subsidiaries of NTPC. *[The Economic Times]*

**Meesho shuts Superstore grocery business in India, 300 'lose' jobs:** Homegrown social commerce platform Meesho has reportedly shut down its grocery business called Superstore in more than 90 per cent of cities in India (except Nagpur and Mysuru), resulting in several job losses. *[The Economic Times]*

**Reliance's big push to FMCG business hinges on partnering with 1 crore merchants in 5 years:** Reliance Industries entry in the fast-moving consumer goods (FMCG) business as a part of its expansion plan and partnering with one crore merchants in the next five years can provide a fillip to the MSME sector. *[The Economic Times]*



## MSMEs and Start-ups

**E-commerce adoption boosts SMEs' revenue by nearly 200%; helps cut costs, create more jobs:** According to the report – Does E-commerce Impact Small Enterprises and Employment in India? by Tata Institute of Social Sciences (TISS), SMEs adopting the e-commerce channel to sell goods have recorded 194 per cent jump in revenues in comparison to those selling goods offline. *[Financial Express]*

**FICCI-IBA survey - Banks say NPAs may rise in MSME sector in next 6 months:** Some of the high NPA risk sectors identified by respondent bankers in the survey included aviation, tourism and hospitality, power, and retail trade. Sixty five per cent of the respondent banks expect NPAs in the MSME sector to increase in the next six months. *[Business Standard]*

**IT ministry to promote 10,000 startups in next 5-6 years - A K Sharma:** Meity is already running a programme Startup Accelerator of MeitY for Product Innovation, Development & Growth (SAMRIDH) under which it plans to select 300 startups and provide each of them funding support of up to Rs 40 lakh. *[Business Standard]*

**PHDCCI asks govt to direct PSUs to clear pending bills of MSMEs in 30 days:** In a representation to MSME minister Narayan Rane, the chamber said the sector is facing the problem of delayed realisation of their bills and receivables, particularly from their large corporate buyers and government organisations, for a long time. *[The Economic Times]*

**Startup funding declines for fourth straight month:** The capital flow into Indian startups declined for the fourth straight month in August to \$1.27 billion, data sourced from Tracxn showed, as investors continued to stay cautious and cherry-picked companies which displayed strong prospects. *[Financial Express]*



## Employment and Industrial Relations

**Gender disparity - Harder for women to re-enter job market, shows EPFO data:** The payroll data released by the National Statistical Office shows only 18.67 per cent of those who rejoined and re-subscribed to the Employees' Provident Fund (EPF) in June are women, a slight improvement from 18 per cent in April and 17.7 per cent in May. *[Business Standard]*

**India employment rate - Employment rate among Indian youth dips in FY22:** The employment rate among Indian youth (15-24 years) stood at 10.4% in 2021-22 compared to 10.9% in 2020-21, shows the Consumer Pyramid Household Survey of the Centre for Monitoring Indian Economy. *[The Economic Times]*

**Unemployment rate drops for fourth straight quarter, lowest in 4 yrs - PLFS:** The unemployment rate in current weekly status terms for all ages in the June quarter has been estimated at 7.6 per cent. This is the lowest in the last four years. *[Business Standard]*

**Non-tech sector main driver of white-collar hiring in last 4 months:** Manufacturing, services, automotive, consumer, telecom, oil & energy, hospitality & tourism, and infrastructure continue to power India's white-collar job market over the last four months at a time when the overall hiring action has been on a decline amid macroeconomic headwinds and high inflation. *[The Economic Times]*

**Indian job market unfazed by inflation, hiring up 29% in Q1:** In line with the employee sentiment, 89 per cent of employers interviewed said inflation will not change the way companies hire and pay employees. *[Business Standard]*

**Labour ministry forms committee on sharing of data of unorganised workers:** The government plans to integrate e-Shram portal with state portal for onboarding social security schemes run by the central government and the state governments to universalize social protection to workers and to improve employment opportunities for them. *[The Economic Times]*

**PMJDY accounts hit 462.5 mn in eight yrs, deposits reach Rs 1.73 trillion:** Total accounts opened under PM Jan Dhan Yojana (PMJDY) touched 462.5 million in eight years since the launch of financial inclusion initiative, taking the deposits in these accounts to Rs 1.73 trillion as on August 10, 2022. *[Business Standard]*

**Urban unemployment rate dips to 7.6% in April-June 2022:** Urban unemployment rate, in current weekly status (CWS), for all ages stood at 7.6% in the first quarter of current fiscal, lower than 12.7% recorded in corresponding quarter last fiscal and 7.8% in the preceding January-March period of the last fiscal. *[Financial Express]*



## Industrial Finance

**Finmin reviews PSBs' financial performance, progress on financial inclusion:** PSBs' quarterly financial performance was reviewed based on broad parameters such as credit growth, asset quality, and recoveries made during the year, and their projections for the entire year. *[Business Standard]*

**Credit card spends touch all-time high of Rs 1.16 trillion in July:** Credit card spends touched an all-time high of Rs 1.16 trillion in July, registering a growth of 6.5 per cent on a month-on-month basis and 54 per cent year-on-year, latest data put out by the Reserve Bank of India revealed. *[Business Standard]*

**National Highways Infra Trust to raise Rs 2,350 cr via bonds, bank loans:** National Highways Infra Trust (NHIT) is planning to raise up to Rs 2,350 crore through bank loans and bonds to acquire three road assets from state-owned National Highway Authority of India. *[Business Standard]*

**Life insurance premium in India set to cross \$100 billion mark this year: Swiss Re:** India is going to emerge as the sixth India largest market in terms of total premium volume by 2032 beating many of her emerging market peers according to Jérôme Jean Haegeli, global chief economist at Swiss Re. *[The Economic Times]*

**Loans to industry hit new high in July:** Credit to industry remained stagnant around ₹28-29 lakh crore per month in 2020 and 2021. Industry comprises 27.7% of total non-food credit. As per the RBI's July data on sectoral credit, loans to industry expanded 10.5% year on year - the highest in the last eight years. *[The Economic Times]*





## Technology and Innovation

**UPI transaction value touches Rs 10.73 lakh cr in August:** Mass retail payments platform Unified Payments Interface, popularly known as UPI, posted yet another life high in August. The platform processed 6.57 billion (657 crore) transactions, totalling ₹10.73 trillion, data released by the National Payments Corporation of India (NPCI) showed. *[The Economic Times]*

**Over 90 lakh direct benefit transfer payments are processed daily - IT ministry:** According to data shared by the Ministry of Electronics and IT, on average 28.4 crore digital transactions are performed in a day. *[The Economic Times]*

**Companies divided over the size of chips they plan to make in India:** Chips of smaller nodes are faster and more profitable, but their factories can cost as much as a nuclear power plant. *[Business Standard]*

**Qualcomm to provide chipset platforms for Reliance Jio's 5G equipment:** Qualcomm has been at the forefront of the effort to develop a 5G ecosystem in the country even before the launch of 5G services. *[Business Standard]*

**NPCI to acquire stakes in govt's pet e-commerce project ONDC:** National Payments Corporation of India (NPCI), an umbrella organisation for operating retail payments and settlement systems in India, is reportedly acquiring 9-10 per cent stake in Open Network for Digital Commerce (ONDC), the government's pet project to develop e-commerce in India. *[Financial Express]*

**Centre working to develop portal for 'ease of living' of pensioners:** Srinivas stressed on providing seamless experience to pensioners for which the DoPPW is working on an Artificial Intelligence/Machine Learning enabled integrated pensioners portal, a statement issued by the personnel ministry. *[The Economic Times]*



## Industrial Infrastructure, Clusters and SEZs

**386 infrastructure projects show cost overruns of Rs 4.7 trillion:** Total original cost of implementation of the 1505 projects was Rs 21,21,793.23 crore and their anticipated completion cost is likely to be Rs 25,92,537.79 crore, which reflects overall cost overruns of Rs 4,70,744.56 crore (22.19% of original cost), the ministry's latest report for July 2022. *[Business Standard]*

**Adani Group's firm plans to build 1,000-MW data centres in 10 years:** Data centre capacity is measured in terms of power they consume. According to market research firm Arizton, India's data centre market size stood at 447 MW in 2021, valued at USD 10.9 billion. *[Business Standard]*

**Metro network in 20 cities now from 5 in 2014:** In 2014, the total Metro network in the country was 248 km. Today, the total Metro network in the country is 775 km. Another 1,000 km of metro network is under construction. *[The Economic Times]*

**DPIIT Reviews 40 Critical Infrastructure Projects Across India:** The Special Secretary emphasized upon the importance of timely completion of projects and the role of seamless coordination between the various departments of the Central Government to ensure that projects having high socio-economic importance are not delayed. *[BusinessWorld]*



## Sustainable Industrialisation

**India can generate \$212 billion revenue via investments in renewable energy by 2030:** The report said that about 3.4 million jobs can be created 2030 with an investment of \$350 billion in several ventures and initiatives dedicated to renewable energy and cleantech. *[Mint]*

**By 2030, 50 per cent of power capacity will be from non-fossil sources, India tells UN:** India has submitted its updated Nationally Determined Contribution (NDC) - climate action targets - to the UN climate change body, promising that the country would achieve about 50 per cent cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030. *[The Economic Times]*

**To achieve net-zero emissions target by 2070, India needs \$10-tn investment from now:** According to the 'Getting India to Net Zero' report, the investment required will be \$13.5 trillion if the target is to be met by 2050. The report also says achieving net-zero by 2070 would boost annual GDP by up to 4.7% by 2036 and create as many as 15 million new jobs by 2047. *[The Indian Express]*

**Solar equipment maker Artech opens joint venture manufacturing facility in Gujarat:** Solar equipment maker Artech has opened its first joint venture manufacturing facility in Gujarat. The company is a leading tracking, racking, and BIPV (Building Integrated Photovoltaics) solutions provider. *[The Economic Times]*



## Sectoral News

**Power plants report record high coal stocks in August:** Power plants had record high coal at the end of August, the latest available data shows, suggesting that the country may not see a post-monsoon power crisis like the last year. *[The Economic Times]*

**Maruti Suzuki's initial EVs will be in upper segment - R C Bhargava:** According to its green energy programme, MSIL will manufacture anywhere between 400,000 and 500,000 compressed natural gas (CNG) cars in 2022-23, marking a big jump from about 250,000 CNG cars manufactured in 2021-22, he said. *[Business Standard]*

**Indian Textile Industry to expand In 5 To 7 years to USD 250 Billion & achieve exports of USD 100 Billion - Chairman, Texprocil:** Manoj Kumar Patodia, Chairman - TEXPROCIL, stated that textile and apparel exports achieved their highest ever level in the year 2021 - 2022 with an export turnover of USD 44.4 Billion, growing by 40% over the previous year. *[Business Standard]*

**Niti Aayog to identify potential gold mines:** The plan will identify potential gold-bearing regions to be developed by 2030 and the policy interventions needed to attract private investment into gold mining. *[The Economic Times]*

**Core sector output slows down to 4.5 pc in July:** The output of these infrastructure sectors expanded by 13.2 per cent in June, 19.3 per cent in May, 9.5 per cent in April, 4.8 per cent in March, 5.9 per cent in February and 4 per cent in January. *[Financial Express]*

**Passenger vehicle sales to remain in fast lane in August:** Passenger vehicle sales are expected to be robust in August on account of large pending orders with various companies and production ramp up, according to a report. *[The Economic Times]*

**India's power consumption up 2% in August:** India's power consumption grew by around 2 per cent on an annual basis to 130.35 billion units (BU) in August 2022, according to the power ministry data. [*The Economic Times*]

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