

# Industry Matters

Weekly Updates

September 16, 2022



## Economy, Industry and Policy

**Experts welcome caution on large blocs like IPEF:** Nagesh Kumar, director at Institute for Studies in Industrial Development (ISID), noted that another concern may have been the target of 'high-standard' trade commitments in the IPEF trade pillar. "A large and growing part of global trade comprises global value chains. Regional free trade agreements have become key factors for integrating with these regional and global value chains as they are often structured across the region harnessing the ease of trade between members of trade blocs usually on a preferential basis," he said. *[Financial Express]*

**Should India choose manufacturing over services? - The Hindu Parley podcast:** Nagesh Kumar, Director at the Institute of Studies in Industrial Development and Ajay Shah, Research Professor of Business at Jindal Global University discuss government's efforts to promote the country's manufacturing sector through subsidies, and on its relative importance vis-a-vis the services sector. *[The Hindu]*

**India's national logistics policy set for release on September 17 - Some key details:** The aim of the new policy is to facilitate seamless movement of goods across the country. *[The Economic Times]*

**Direct tax revenue up 35 per cent till September 8:** The gross direct tax collection increased by 35.46% on year-on-year basis to Rs 6.48 lakh crore till September 8 in the financial year 2022-23, provisional figures from finance ministry showed on Friday. *[The New Indian Express]*

**Largest states lead as e-way bill generation climbs, shows data:** The number of e-way bills that reportedly hit a record high in August has seen greater traction in states with largest economies, such as Maharashtra, Tamil Nadu, Gujarat, Uttar Pradesh, and Karnataka. *[Business Standard]*

**India's industrial production growth less than estimates - Morgan Stanley:** India's industrial production (IP) growth moderated to four month low of 2.4 per cent year-on-year (YoY) in July, from 12.3 per cent YoY in June, partly due to base effect. *[Business Standard]*

**Robust PMI expansion may not be capturing stress in smaller units:** The latest index of the industrial production (IIP) data showed manufacturing growth slowed down considerably in July, while the manufacturing PMI (Purchasing Managers' Index) for the same month painted a rosy picture of the economy. *[Financial Express]*

**India's WPI inflation eases to 12.41% in Aug, wholesale price remains in double digits for 17-months straight:** India's WPI inflation eased to 12.41 per cent in August, against 13.93 per cent in July, government data showed on Wednesday. Despite the cool-off in August, WPI continued to remain in the double digits for the 17th straight month beginning April 2021. *[Financial Express]*

**View - India's consumer market, a \$1 trillion investment opportunity:** Domestic consumption is making a strong comeback, traditionally one of the main drivers of India's economic growth. This is great news for businesses of all sizes. *[The Economic Times]*

**India ranks 132nd out of 191 in UNDP's human development index:** India ranked 132nd among 191 countries and territories on the 2021 Human Development Index (HDI), showed a report by the United Nations Development Program (UNDP) released on Thursday. *[Business Standard]*

**High-level panel approves 32 beneficiaries under PLI for large scale electronics manufacturing:** Thirty-two beneficiaries had been approved under the PLI scheme for Large-Scale Electronics Manufacturing, of which 10 (5 global and 5 domestic companies) were approved for mobile manufacturing. *[The Economic Times]*

**DoT set to unveil draft bill with new tech focus:** The telecom bill, which has been in the works for many months, also talks of issues around quality of service, right of way and penalty structures, among others. *[The Economic Times]*

**Discussion to extend PLI scheme to more sectors underway:** Government discussions to extend production linked incentive (PLI) scheme to more sectors such as certain electronic components, pharma and medical devices are underway. *[The Economic Times]*

**Retail inflation surges to 7% in August; IIP slows to 2.4% in July:** India's retail inflation surged to 7 percent on an annual basis in the month of August from 6.71 percent in July 2022. The number has remained above RBI's tolerance band of 2-6 percent for the eighth consecutive month. *[The Economic Times]*



## Foreign Investment

**Global chip firms expand R&D footprint in India:** Global semiconductor companies are expanding their research and development (R&D) footprint in India. Although semiconductor manufacturing in India is still in its nascent stages, the country has always been a strong base for semiconductor chip design, a software-intensive area. *[Financial Express]*

**Google considers making some Pixel phones in India, says report:** Alphabet Inc is considering moving some production of Pixel phones to India following disruptions in China from COVID-19 lockdowns and Beijing's rising tensions with the United States. *[Business Standard]*

**DHL to invest €500 million in India over the next five years:** In one of the biggest investments in the logistics sector in the country, DHL supply chain will be investing €500 million (nearly ₹4,000 crore) over the next five years in India. *[Business Line]*



## Trade Policy and Competitiveness

**India's Foreign Trade - August 2022:** Overall (merchandise and services) exports in April-August 2022 jump by 19.7 percent as compared to the same period last year. *[Press Information Bureau]*

**Trade with India saw single-biggest jump among 15 nations in past 1 year - US envoy Melinda Pavek:** "Exports to India were USD 23 billion, while Indian exports to the US stood at USD 44 billion during January-June. US trade with its top 15 partners has increased over the past year. *[The Economic Times]*

**Many countries interested in bilateral rupee trade - FM Nirmala Sitharaman:** Currently, a large part of bilateral trade between India and Russia is getting settled in the rupee due to sanctions imposed by the US and Europe following Moscow's attack on Ukraine. *[The New Indian Express]*

**State Bank of India ready to open rupee trade account with Russian banks:** State Bank of India (SBI) is willing to work with Russian banks not facing sanctions and remain on the Society for Worldwide Interbank Financial Telecommunication (SWIFT) network to open a special rupee vostro account (SRVA) for invoicing in Indian currency. *[Business Standard]*

**India-Russia trade hits roadblock as Moscow wants ruble for its exports:** Russian traders have started asking for payments in Ruble for their exports to India in a move that could derail trade between the two countries which gathered pace after the war in Europe. *[Business Standard]*

**India's merchandise exports to rise over 11 per cent to \$114 billion in July-September:** India's merchandise exports are expected to grow by 11.4 per cent to hit USD 114.4 billion during the July-September quarter of the current financial year, Export-Import Bank of India (Exim Bank) said in its quarterly data. *[The Economic Times]*

**India's trade deficit more than doubles to \$27.98 billion in August:** India's exports in the month of August rose marginally by 1.62% to \$33.92 billion while the trade deficit more than doubled on an annualised basis to \$27.98 billion, government data showed on Wednesday. *[The Economic Times]*

**Piyush Goyal to chair reconstituted Board of Trade meet on Tuesday, \$2 trillion export aim on agenda:** The meeting comes ahead of the government likely to announce the new Foreign Trade Policy later this month and the country's merchandise exports shrinking 1.15% in August- the first drop since November 2020. *[The Economic Times]*

**Key suggestions by EEPIC India at Board of Trade meeting:** Participating in the meeting, EEPIC India chairman Mr Mahesh Desai also proposed to withdraw export duty on selected steel items as it will be especially helpful for the MSMEs which have a significant contribution in India's engineering exports. *[The Economic Times]*

**Gem & jewellery exports up 4.4% during Apr-Aug:** The gem & jewellery exports for the period April - August of FY23 has witnessed a growth of 4.4% to US\$ 16695.56 million as compared to US\$ 15991.68 million) for the same period last year. *[The Economic Times]*



## Corporate Governance

**Reliance Industries arm buys Shubhalakshmi Polyesters:** Reliance Industries (RIL), through its wholly-owned subsidiary Reliance Polyester, has acquired polyester business of Shubhalakshmi Polyesters Limited (SPL) and Shubhlaxmi Polytex Limited (SPTex) for Rs 1,592 crore (Rs 1,522 crore for SPL and Rs 70 crore for SPTex). *[The New Indian Express]*

**Reliance Jio going with Nokia, Ericsson to roll out 5G network in October:** This is the first time that Jio is opting for multiple vendors. During its 4G rollout, it had signed up with South Korean giant Samsung for the entire network, despite tough competition from European and Chinese vendors. *[Business Standard]*

**Tata group to invest \$90 bn in India by 2027, focus on new industries:** The Tata group is planning to invest \$90 billion in new industries such as mobile components plant, semiconductor, electric vehicles, batteries, renewables energy and e-commerce by 2027. *[Business Standard]*

**Airtel, IBM tie up for edge computing platform for large firms; sign up Maruti:** IBM and Bharti Airtel have tied up to deploy Airtel's edge computing platform that will enable large enterprises across multiple industries including manufacturing and automotive to accelerate innovative solutions. *[Mint]*

**Patanjali Group plans to list 4 of its group firms over the next 5 years:** It plans to list Patanjali Ayurved, Patanjali Wellness, Patanjali Lifestyle, and Patanjali Medicine in the next five years. *[Business Standard]*



## MSMEs and Start-ups

**Vedanta-Foxconn MoU with Gujarat to create ecosystem of ancillary industries, help MSMEs:** - PM Modi Hailing the partnership between Vedanta-Foxconn group with the Gujarat government on Tuesday as an important step to accelerate India's semiconductor manufacturing ambitions, Prime Minister Narendra Modi tweeted it will create a huge ecosystem of ancillary industries and help micro, small and medium enterprises (MSMEs). *[Financial Express]*

**Manufacturing MSMEs likely to increase their share in India's GDP:** India will see an increasing share of manufacturing MSMEs in its Gross Domestic Product (GDP) with an expected growth of 100 per cent by 2025. *[Financial Express]*

**India has 100 unicorns with a value at \$250 billion - FM:** The start-up eco-system was built well in the country and all the one hundred unicorns were valued at \$250 billion and have managed to raise over \$63 billion from the capital markets. *[Business Line]*

**Govt to set up Rs 200 crore training centre in Goa for new MSMEs - Narayan Rane:** MSME Minister Narayan Rane on Saturday said the Centre will establish a training centre at a cost of Rs 200 crore in Goa for setting up new enterprises and MSMEs in the state. *[Financial Express]*

**Entrepreneurship skill development programme: Beneficiary count jumps over 100% in FY22:** the number of beneficiaries increased from 27,544 in FY21 to 58,659 in FY22 even as the amount released by the government for the programme dipped from Rs 2.87 crore to Rs 1.99 crore during the said period. *[Financial Express]*



## Employment and Industrial Relations

**EPFO pension scheme may cover unorganised workers:** The new scheme is proposed to be based on individual contribution and ensure that each worker gets a minimum pension of Rs 3,000 a month after attaining the age of 60 years. *[Financial Express]*

**Bengaluru tops in intent to hire in Q2 2022: Employment Outlook Report:** Driven by the growth in the IT, e-commerce, FMCG and other allied sectors, Bengaluru has emerged as the top city in India with the highest intent to hire in the second quarter of the current financial year. *[Deccan Herald]*

**India's hiring outlook ranked second globally: ManpowerGroup report:** The report titled "ManpowerGroup Employment Outlook Survey" showed that India has the strongest net employment outlook for the December quarter in the Asia-Pacific region, followed by China (46 per cent), and Australia (38 per cent). *[Business Standard]*

**India's labour market shrunk by 2.1 million in August on the back of decline in salaried jobs - CMIE:** India's labour market shrunk by 2.1 million in August on the back of decline in salaried jobs while the labour force increased by 4 million, resulting in an increase of over 6 million in the number of unemployed in the country last month. *[The Economic Times]*



## Industrial Finance

**India emerges as Sri Lanka's top lender in 2022 - Verite Research think-tank:** India has emerged as the top lender to Sri Lanka in 2022, disbursing USD 377 million in loans to the island nation as it grappled with an unprecedented political crisis and economic turmoil, according to the Verite Research think-tank. *[The Economic Times]*

**NBFCs turn around, likely to expand AUMs by 11-12% by FY23:** Non-banking financial companies (NBFC) are likely to make a comeback on the hopes of 11-12% growth in their total assets under management (AUM) by the end of the current financial year. *[Financial Express]*

**Billionaire Venture, DBS Bank form JV to fund startups, earmarks \$200m:** Chennai-based Billionaire Venture Incubation and DBS Bank have signed an MoU to facilitate investment in startups through a special purpose vehicle (SPV) formed by this joint venture. *[Financial Express]*

**Bank of Baroda braces up to expand mid corporate loans:** State-owned Bank of Baroda is taking the lead in loans for mid and small companies seeking credit up to Rs 100 crore. *[The Economic Times]*



## Technology and Innovation

**Connecting the dots to boost the patent ecosystem:** The recent report of the Economic Advisory Council to the Prime Minister (EAC-PM), Why India Needs to Urgently Invest in its Patent Ecosystem?, highlights the significance of a robust patent system for a knowledge economy and for the promotion of technological innovations. *[The Hindu]*

**Gujarat is Vedanta's pick for \$20-billion semiconductor foray:** Vedanta is amongst the five companies which have applied for the government's Rs 76,000-crore incentive scheme for development of semiconductors and display manufacturing ecosystem in the country. *[Financial Express]*

**Rising credit card and UPI payments indicate increase in consumption, say experts:** As per the RBI's monthly data, Unified Payments Interface (UPI) transaction increased from Rs 9.83 lakh crore in April this year to Rs 10.73 lakh crore in August. *[Financial Express]*

**Installation of traffic management systems on highways is a huge opportunity - Nitin Gadkari:** There is a huge opportunity in the installation of intelligent traffic system (ITS), advanced traffic management system (ATMS), centralised traffic control centres, Artificial Intelligence (AI) based driver information system, and electronic surveillance system. *[The Economic Times]*



## Industrial Infrastructure, Clusters and SEZs

**Centre considering 100% WFH across all SEZ units, says Piyush Goyal:** The move is expected to create employment opportunities in small cities and increase the export of services, he said. "We had permitted work from home in SEZ units during Covid times. *[Business Standard]*

**Vedanta to create hub to manufacture iPhones, TV equipment in India:** Vedanta Ltd will look at creating a hub to manufacture Apple's iPhones and TV equipment, along with possibly diving into the electric vehicle sector, Chairman Anil Agarwal said in an interview with CNBC TV18 on Wednesday. *[BusinessToday.in]*

**AP emerges as India's top investment destination:** Andhra Pradesh has emerged as India's top investment destination, attracting investments to the tune of Rs 40,361 crore in the first seven months of 2022. *[The New Indian Express]*

**Telcos expected to invest \$19.5 billion by 2025 to develop 5G infrastructure:** Indian telecom carriers are expected to invest nearly \$19.5 billion by 2025 to develop infrastructure for 5G network. *[The New Indian Express]*

**IOC to have 4,000 EV charging stations by FY23:** Indian Oil has been in the forefront for serving EV customers and has already provided 2,500+ EV charging stations at fuel stations across the country and plans to increase numbers to 4,000 by end of current financial year. *[Business Line]*

**Highway construction slows to 19 km/day during April-August - MoRTH:** The Ministry has constructed 2,912 km of National Highways up to August 2022, as compared to 3,355 km up to August last year. The Award figure is 2,706 km during this period as compared to 3,261 km in the previous year. *[The Economic Times]*



## Sustainable Industrialisation

**Karnataka inked MoUs worth Rs 1.3 lakh crore in renewable energy space - CM:** Karnataka Chief Minister Basavaraj Bommai on Thursday said the State has signed memoranda of understanding worth Rs 1.3 lakh crore in the renewable energy space and soon work will start in the area of hydrogen fuel. *[The Economic Times]*

**Tata firm gets letter of award worth Rs 596 crore for MP solar project:** Tata Power Solar Systems Ltd (TPSSL) has received a letter of award worth Rs 596 crore from NHDC to set up a 125MWp floating solar project in Madhya Pradesh. *[Business Standard]*

**Renewable Energy India Expo to bring Rs 800 crore investment opportunity for biogas:** Renewable Energy India Expo 2022 scheduled for later this month will bring in investment opportunities worth Rs 800 crore for the biogas sector, the Indian Biogas Association (IBA) said on Thursday. *[The Economic Times]*



## Sectoral News

**Production-linked incentive scheme: Padget first local electronics company to get fund:** Padget Electronics, a subsidiary of Dixon Technologies, is the first domestic company to get incentives under the government's production-linked incentive (PLI) scheme for the large-scale electronics manufacturing sector. *[The New Indian Express]*

**Indian Railways revenue up 38% to Rs 95,486.58 crore till August-end:** The overall revenue of Indian Railways at the end of August 2022 was Rs 95,486.58 crore, showing an increase of Rs 26,271.29 crore or 38 per cent over the corresponding period of last year. *[Business Standard]*

**Indian pharma industry likely to grow to \$130 bn by 2030, says IPA:** The Indian pharma industry is currently valued at \$49 billion and is the third largest in the world. India supplied medicines to over 200 countries in the world, he said. *[Business Standard]*

**Tyre exports from India up 31% in Q1:** Tyre exports from India went up by 31 per cent and stood at ₹6213 crore in Q1FY23, data released by the Commerce Ministry has shown. In the year-ago quarter, the exports stood at ₹4754 crore. *[Business Line]*

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