

Industry Matters

Weekly Updates

October 21, 2022



Economy, Industry and Policy

With China Running on Fumes, Time for India to Go Full Steam Ahead, Say Experts: While speaking to CNN-News18, Professor Nagesh Kumar, director of the Institute for Studies in Industrial Development (ISID), a Government of India-owned premier policy research institute, said the Indian economy appears like a beacon of stability and growth when juxtaposed with the fact that major economies are getting into the grip of recession and high inflation. *[News18.com]*

India likely to become third biggest economy behind US and China by FY28: India is likely to become the third-biggest economy behind the US and China by FY28, two years earlier than initially expected, overtaking Germany and Japan, according to the International Monetary Fund (IMF) World Economic Outlook database. *[The Economic Times]*

India government must set moderate divestment targets, says DIPAM secretary: The Indian government has set a 650 billion rupee (\$7.89 billion) divestment and privatisation target for 2022/23, out of which it raised 245.44 billion rupees in the first seven months of the fiscal year. *[The Economic Times]*

E-way bills shoot up to record high: Electronic permits for transporting goods within and across states (e-way bills) shot up to a record high of over 84 million in September, signalling a strong boost to economic activity in the festive season. *[Mint]*

UN wants India to mobilise G20 to help debt-stressed countries: U.N. chief Antonio Guterres on Wednesday sought India's support in mobilising G20 nations to help out developing countries saddled with debt. *[The Economic Times]*

Finance ministry releases Rs 1,764-cr grant to four states for MPC/UAs: The grants released are meant for Million Plus Cities/ Urban Agglomerations (MPC/UAs) of Vijayawada and Visakhapatnam in Andhra Pradesh; Durg Bhilai Nagar and Raipur in Chhattisgarh; Aurangabad, Greater Mumbai, Nagpur, Nashik, Pune and Vasai-Virar City in Maharashtra. *[Business Standard]*

CBIC, Finance Ministry working together to ensure faster release of export cargoes: India's finance ministry is reportedly working with the Central Board of Indirect Taxes and Customs (CBIC) to integrate Customs systems to ensure faster clearance. *[The Economic Times]*

India to bring National Tourism Policy to provide sustainable tourism: Aimed at providing a secure, creative, responsive and sustainable tourism sector in the inclusive development journey of the country, India is planning to bring a National Tourism Policy 2022 this year. *[Business Standard]*

India ranks 41st among 44 nations on pension index: India stood at 41 position out of 44 countries in 2022 with marginal improvement in its index value compared to 40th position out of 43 countries assessed on the Global Pension Index in 2021, shows the Mercer CFS Global Pension Index survey. *[The Economic Times]*

Govt to extend PLI to more sectors, considering proposals for extending Rs 35,000 cr scheme: These sectors include leather, bicycle, some vaccine materials, and certain telecom products, reported PTI citing an official. PLI (Production linked incentive) benefits are also being considered for toys, some chemicals and shipping containers. *[The Economic Times]*

India's WPI inflation eases to 10.7 per cent in September: The wholesale-based (WPI) inflation eased to 10.7 per cent in September as against 12.41 per cent in August, 2022. *[The Economic Times]*

India's external debt is just about a fourth of median 'BBB' rated sovereigns: Gross external debt stood at 18.6 per cent of GDP in 2Q22, which is low compared with the median of 72 per cent for 'BBB' rated sovereigns in 2021, said global ratings firm Fitch. *[The Economic Times]*

India suffered income loss of \$159 b in key sectors due to extreme heat in 2021: India suffered an income loss of \$159 billion, 5.4 per cent of its gross domestic product, in the service, manufacturing, agriculture, and construction sectors due to extreme heat in 2021. *[Business Line]*



Foreign Investment

Reform, economic growth focus to boost FDI opportunities to \$475 bn in 5 years: EY-CII report: FDI in India has risen consistently in the last decade, with an FDI inflow of \$84.8 billion in FY22 despite the impact of the Covid-19 pandemic and geopolitical developments on investment sentiment. *[The Economic Times]*

FPIs withdraw Rs 7,500 crore from Indian equities in October on rate hike concerns: Foreign investors have pulled out nearly Rs 7,500 crore from the Indian equity markets in the first two weeks of October on concerns of monetary policy tightening by the US Federal Reserve and other central banks globally, which could hamper global economic growth. *[The New Indian Express]*



Trade Policy and Competitiveness

Exports up 4.82% to \$35.45 billion in September; trade deficit widens to \$25.71 billion: India's merchandise exports rose by 4.82 per cent to USD 35.45 billion in September, even as the trade deficit widened to USD 25.71 billion, the data released by the commerce ministry showed on Friday. *[The Economic Times]*

UCO Bank, Yes Bank in talks with Russia to finalise trade mechanism: Indian lenders UCO Bank and Yes Bank are in talks with their Russian counterparts over a payment mechanism for trade between the two countries. *[The Economic Times]*

Jaishankar visit - India, Egypt explore opportunities in energy, trade & investment: India and key Arab state of Egypt on Saturday decided to explore opportunities in new and renewable energy; trade and investment, education, tourism and connectivity and agreed to promote independent thinking in a polarised world. *[The Economic Times]*

Global branding push for 400 items to boost exports: The DPIIT wants to promote these in a focussed manner and an extensive plan is being drawn up on the lines of One-District One-Product scheme to provide much-needed support for their exports. *[The Economic Times]*

Import of thermal coal to stop by 2024-25, says Union Minister Pralhad Joshi: We are working in that direction and I am assuring you that by 2024-25, the substitute coal that is thermal coal import, we are going to stop it. *[The Economic Times]*

India's steel exports dip 54% in H1 FY23: The decline was caused by global recessionary trends affecting demand and the continued imposition of import duty by the Centre, making offerings pricier compared with competing countries. Exports in April–September period of FY21 was 7.8 mt. *[Business Line]*

Huge scope for India to move in global value chain systems - Commerce Secy: India's share in global exports is less than 2 per cent. So, huge potential is there to boost the shipments despite global headwinds and low trade growth predictions. *[The Economic Times]*

Coherent trade strategy needed to achieve export target of \$2 trillion by 2030: India's export target of \$2 trillion for goods and services by 2030 can be achieved through a coherent trade strategy focusing on greater integration and participation in global value chains, strengthening of data and analytics, and setting sector-specific targets, Commerce Secretary Sunil Barthwal said. *[Business Line]*

India-UK FTA - Internal consultations gain momentum even as Diwali deadline set to be missed: The India-UK Free Trade Agreement (FTA) is clearly set to miss the ambitious Diwali deadline but the Commerce Department has stepped up internal consultations for greater clarity on where things stand in tricky areas., such as duty cuts for automobiles and wines, e-commerce, government procurement, visas and new areas such as labour, environment and gender. *[Business Line]*



Corporate Governance

M&As hit a record on HDFC, Adani, LTI-Mindtree deals: Deal value in India rose 58% to \$148 billion in the nine months to 30 September from \$93.5 billion in the year earlier, Refinitiv data showed. *[Mint]*

Adani Defence & Aerospace to acquire India's oldest, biggest MRO, Air Works, for Rs 400 cr: Adani Defence & Aerospace has signed a definitive agreement to acquire India's biggest and highly diversified independent MRO Air Works for Rs 400 crore. Air Works is also the country's oldest MRO and has its presence across 27 cities. *[BusinessToday.In]*

Bharat Forge inks pact with General Atomics for collaboration in Li-Ion battery system: Indian defence firm Bharat Forge Ltd on Wednesday said it has inked an agreement with American technology major General Atomics for collaboration in developing Lithium-Ion battery system for use by the Indian Navy. *[The Economic Times]*

Metro Brands acquires 100% shareholding of Cravatex Brands: Footwear retail chain Metro Brands has signed a share purchase agreement to acquire 100 per cent shareholding of Cravatex Brands to expand its presence in the sports and athleisure space in India. *[Business Standard]*



MSMEs and Start-ups

MSMEs can continue to avail non-tax benefits post re-classification - Govt: Micro, small and medium enterprises will continue to avail all non-tax benefits in their respective categories post re-classification for three years, the government said on Wednesday. *[Business Standard]*

Tax incentives and breaks can help start-ups innovate - NASSCOM: The study, which traces the state and challenges of open innovation in India, rolled out a series of recommendations that can foster this ecosystem in the country. The report revealed that incentivising innovation for start-ups and corporates can be a big game changer. *[BusinessToday.In]*



Employment and Industrial Relations

'Rozgar Mela' - PM Modi to launch recruitment drive for 1 mn jobs on Oct 22: Prime Minister Narendra Modi will launch 'Rozgar Mela', a drive to recruit 10 lakh people, on October 22 via video-conference and appointment letters will be given to 75,000 candidates during the ceremony. *[Business Standard]*

Formal job creation in August jumps by 14.4% year on year - EPFO data: Formal job creation under the Employees' Provident Fund Organisation jumped by 14.4% in August to 1.69 million compared to 1.48 million added in August 2021 as economic activities picked up with the start of festive season. *[The Economic Times]*

72% of budgeted fund under MGNREGS released to states so far, says Centre: In the Union Budget for 2022-23, Rs 73,000 crore was allocated for the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), out of which Rs 52,833 crore has been allocated to states so far. *[The Economic Times]*

Govt notifies 12% wage hike for employees of PSU general insurers: The Finance Ministry has notified an average 12 per cent wage hike for employees of four public sector general insurance companies effective from August 2017. *[Business Standard]*

Work generated under NREGS rises in September after 3-month fall: Work generated under the rural employment guarantee scheme bounced back in September after falling for three consecutive months, raising apprehensions over stability in the labour market. *[The Economic Times]*



Industrial Finance

Bank credit to retail, wholesale trade jumps 17% YoY in August to Rs 7.31 lakh cr - RBI data: The credit deployment to wholesale trade during August was up by 17.6 per cent from Rs 3.24 lakh crore deployed during August last year. For retail trade, the credit growth stood at 16 per cent from Rs 3.01 lakh crore loan deployed in August 2021, showed data from the RBI's October bulletin released on Monday. *[Financial Express]*

Greenko plans to raise up to \$4.5 billion for renewable energy projects: Renewable energy major Greenko Group is planning to raise up to \$4.5 billion in a mix of equity and debt from local banks. The group will invest the amount in various projects over the next three years. *[Business Standard]*



Technology and Innovation

PM Modi to launch 75 digital banking units across 75 districts today: The DBUs are being set up to ensure that the benefits of digital banking reach every nook and corner of the country and cover all states and union territories. *[Business Standard]*

India slips to 79th position globally in median fixed broadband speed, mobile speed ranking also down: India's ranking has fallen from 117th to 118th in global median mobile speed, and 78 to 79 in overall median fixed broadband speeds, in September, as per Ookla Speedtest Global Index. *[Financial Express]*



Industrial Infrastructure, Clusters and SEZs

Bharat Petroleum to invest ₹500 crore to set up 200 EV fast-charging corridors: Bharat Petroleum Corporation Limited (BPCL) on Friday announced the launch of electric vehicle fast-charging stations on two corridors in the southern region: Bangalore-Chennai and Bangalore-Mysore-Coorg Highway. *[Business Line]*

Walmart's PhonePe investing \$200 mn to set up data centres in India: The Bengaluru-based firm is setting up data centres in India at a time when it has completed three steps to move its domicile to India. *[Business Standard]*

DESH Bill likely to help SEZs make use of vacant space: The Development of Enterprises and Services Hub Bill, 2022 (DESH Bill), which will replace the Special Economic Zones (SEZ) Act, will benefit real estate developers by decreasing vacancies by denotifying vacant spaces and leasing them to domestic enterprises, said real estate experts. *[The Economic Times]*

CSIR to build next-generation lithium-ion battery plant in Chennai: The Central Electro Chemical Research Institute (CECRI) is building an indigenously-developed lithium-ion battery manufacturing plant in Chennai with the capacity of producing 1,000 batteries a day. *[The New Indian Express]*



Sustainable Industrialisation

Union minister RK Singh gave this interesting advice to industry over the question of solar production: The price of setting up storage sites for renewable energy needs to come down significantly for the global transition to green energy. *[BusinessToday.In]*

India, France adopt roadmap for development of green hydrogen: India and France on Tuesday adopted an ambitious roadmap for the development of green hydrogen as part of the efforts to promote clean energy transitions and meet carbon neutrality targets. *[The Economic Times]*

Many India Inc majors may be Net-Zero by 2050: These include Vedanta, Aditya Birla Group, JSW Group, Adani Transmission, Mahindra & Mahindra, and Dalmia Cement, among others. Reliance Industries, the most valuable company in India by market capitalisation, has set a target of net-zero by 2035. *[The Economic Times]*



Sectoral News

India's domestic passenger volume rose 65% to 10 mn in September - DGCA: Domestic air passenger volume grew 64.61 per cent to 10.35 million in September over the same period last year, according to a data released by aviation safety regulator Directorate General of Civil Aviation (DGCA) on Wednesday. *[The Economic Times]*

Toyota launches India's first flex fuel-strong hybrid electric vehicle: As the world is discussing what should be the next alternative energy to run vehicles, Toyota has launched a first-of-its-kind pilot project flex fuel-strong hybrid electric vehicle (FFV-SHEV) in India. The new vehicle can run on 100 per cent ethanol. [*Business Standard*]

70-80% of APIs are imported from China; We are working towards filling this gap: Dr. Sanjay Chaturvedi, CEO, IOL Chemicals and Pharmaceuticals: According to a report by Data Bridge Market Research, the active pharmaceutical ingredient (API) market was valued at USD 300,722.26 billion in 2021 and is expected to reach a value of USD 540335.81 billion by 2029 at a CAGR of 7.6% during the forecast period of 2022 to 2029. [*Financial Express*]

Natural gas consumption declines 9% in September: Domestic production of natural gas fell 1.7% in September while imports dropped 16.3% from a year earlier, as per the oil ministry data. [*The Economic Times*]

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