

Industry Matters

Weekly Updates

November 04, 2022



Economy, Industry and Policy

India emerges as the lowest-cost manufacturing destination: The 85 selected countries were picked on four benchmark criteria: among the top 100 countries in terms of GDP, FDI inflows, international tourism receipts or tourism arrivals between 2016 and 2020. *[The Economic Times]*

India will become major producer of C-295 transport aircraft - PM Modi: India will now become a major producer of transport aircraft, Prime Minister Narendra Modi said on Sunday after laying the foundation stone of a manufacturing facility for European C-295 medium transport plane for the Indian Air Force. *[Business Standard]*

Manufacturing PMI recovers to 55.3 in Oct amid contained price pressures: India's Purchasing Managers' Index (PMI) for manufacturing recovered slightly in October to 55.3 from 55.1 in September as growth remained robust and price pressures were contained. *[Business Standard]*

GST collection over Rs 1.51 trillion in October, second highest ever: The government collected Rs 1.52 trillion as goods and services tax (GST) in October, a 16.6 per cent rise year-on-year, driven by festival-related spending, higher tax rates, and better compliance. This was the second-highest monthly collection since the implementation of the indirect tax regime in July 2017. *[Business Standard]*

Core sector output rises 7.9 per cent in September: The output of eight core infrastructure sectors rose 7.9% in September 2022, as compared with 5.4% in the same month last year, according to the government data released on Monday. *[The New Indian Express]*

Indians buying more but smaller grocery packs: Average monthly sales of fast-moving consumer product (FMCG) packs in the country stood at 19.2 billion, or 62 packs per household, from April to August 2022, significantly higher than monthly sales of 15 billion packs, or 51 packs per household, before the Covid-19 outbreak, research firm Kantar said in its FMCG Pulse report. *[The Economic Times]*

No breach of fiscal deficit target of 6.4% seen - Budget spending in FY23 to exceed BE by Rs 2 trillion: The Centre's expenditure may exceed the budget estimate (BE) by about Rs 2 trillion in the current fiscal year, which will be funded through additional tax revenue receipts, while keeping the fiscal deficit within the targeted level of 6.4% of the Gross Domestic Product (GDP). *[Financial Express]*

Govt approves Nokia, Samsung, 40 others under PLI scheme for telecom products: The communications ministry granted approval to 42 companies including Nokia, Samsung, Ericsson's partner Jabil, Flextronics, Tejas Networks, VVDN and HFCL, under the production linked incentive (PLI) scheme for telecom and networking products. The companies have committed investments of ₹4115 crore. *[Mint]*

Central government to introduce 7-8 PLI schemes in next Budget: In a bid to push privatisation further, the central government may announce 7-8 new production-linked incentive (PLI) schemes in the upcoming Union Budget. The schemes will cover segments like textiles, electronic components, furniture, toys and leather. *[Business Standard]*

Centre looking at PLI 2.0 for textiles to make it globally competitive - Piyush Goyal: The government is considering the second phase of the Production Linked Incentive scheme for the textile sector to help the industry compete with top exporting countries like China and Vietnam. *[The Economic Times]*

Growth in India's services sector quickened in October, optimism highest since early 2015: Activity in India's services industry gathered pace in the month of October despite high inflationary pressures, underpinned by robust domestic demand. *[The Economic Times]*

India's foreign exchange reserves hit another low as RBI's rupee defense makes it burn \$118 billion: The foreign exchange reserves of Asia's third largest economy fell by \$3.85 billion to \$524.52 billion for the week ending Oct 21, according to data released today by the Reserve Bank of India. *[The Economic Times]*

Windfall tax on crude oil reduced; levy on export of diesel, ATF hiked: The Central government has reduced the windfall tax on crude oil to ₹9,500 a tonne from ₹11,000, showed an official notification. The change is effective from 2 November. *[Mint]*

Retail inflation for industrial workers rises to 6.49 per cent in September: Retail inflation for industrial workers rose to 6.49 per cent in September from 5.85 per cent in August 2022 mainly due to higher prices of certain food items, according to the government data released on Monday. *[The New Indian Express]*



Foreign Investment

India needs to soften FDI rules, rationalise tariff to become an electronics hub: The industry has suggested softening rules to allow investment from India's neighbouring countries amid shifting of the electronics manufacturing ecosystem to the country as many companies adopt the China+1 strategy. *[The Economic Times]*

India signs deal with Belgium-based IMEC to get chip-making technology: The government has signed an agreement with Belgium-based research and innovation hub, Interuniversity Microelectronics Centre (IMEC), which will provide the technology to manufacture chips of 28 nanometres and above. *[Business Standard]*

Key execs of Chinese companies in India under lens: The ministry is in the process of identifying and deregistering shell companies that have been involved in predatory lending by Chinese loan apps without regulatory oversight. *[The Economic Times]*



Trade Policy and Competitiveness

British PM Rishi Sunak committed to FTA with India, says Downing Street: Intensive negotiations continue towards a free trade agreement (FTA) between India and the UK and new British Prime Minister Rishi Sunak is committed to achieving a balanced deal. *[The Economic Times]*

India, smaller nations talk trade via Rupee accounts: India is in talks with about a dozen smaller countries as the government seeks to expand bilateral trades through bespoke rupee accounts and internationalise indigenous payment modes. *[The Economic Times]*

Australia parliament likely to shortly ratify trade pact with India: Australia has informed that the free trade agreement with India has been introduced in its parliament and it is likely to be ratified shortly, the commerce ministry. *[The Economic Times]*

Trade data from China, India shows gaping hole of \$12 billion: According to China's data, its trade with India touched \$103 billion in the first 9 months of 2022. On the other hand, according to India's data, the bilateral trade stood at \$91 billion. *[Business Standard]*

India likely to start next month free trade pact negotiations with Gulf Cooperation Council: India is likely to start next month negotiations with the Gulf Cooperation Council for a free trade agreement that will not only boost economic ties between the regions but also be a shot in the arm for New Delhi's ambition to significantly shore up its share in global exports. *[The Economic Times]*

FM Sitharaman asks states to lessen logistics burden on exporters: Union Finance Minister Nirmala Sitharaman asked States to adopt a multi-modal approach and ensure logistics did not become a burden on exporters. *[Business Standard]*

India's October iron ore exports 'nearly zero' - FIMI: India's iron ore exports dropped to "nearly zero" in October, and overseas shipments of the steelmaking raw material are expected to continue to languish due to higher export taxes and lower demand from China. *[The Economic Times]*

Malabar becomes 1st Indian jeweller to import 25 kg gold from UAE under CEPA: The gold has been imported through ICICI Bank with one percent duty rebate under the agreement. *[The Economic Times]*



Corporate Governance

Timeline to complete acquisition of DB Power by Adani Power extended till November 30: Adani Power on Monday said that the timeline for completion of the Rs 7,017-crore deal to acquire thermal power assets of DB Power Ltd has been extended by one month till November 30, 2022. *[The Economic Times]*

Aditya Birla Group plans branded jewellery foray: Diversified retail, textiles and cement conglomerate Aditya Birla Group is setting up an all-new separate business venture for branded jewellery, to directly rival Tata group's Tanishq. *[The Economic Times]*

upGrad files Merger Scheme to consolidate all M&As into Parent Company: Asia's largest higher EdTech player upGrad today announced comprehensive plans to merge all its M&As in India into 'One upGrad' and complete the integration process by March to June 2023. *[The Economic Times]*

Govt puts several dormant entities out of business: The ministry of corporate affairs (MCA) is striking off entities which have not commenced business activities even six months after their incorporation, in a nationwide move to tackle money laundering through shell and dormant companies. *[The Economic Times]*

Reliance Retail Plans to open small stores to sell electronics: Reliance Retail plans to open thousands of smaller-sized stores under its electronics chain Reliance Digital in both high street and neighbourhood locations across the country, primarily selling smartphones, tablets, laptops, gaming devices, televisions, and internet-enabled products. *[The Economic Times]*

Xiaomi discontinues Mi Financial Services in India to focus on core business services: The decision has been taken as part of its strategic assessment activity and to focus more on core business services in the country. *[The Economic Times]*

Axis Bank to acquire Citibank's consumer business by June: Axis Bank expects to complete the acquisition of Citibank's consumer business in India by the first or second quarter of the next calendar year. *[The Telegraph]*

MG Motor India's books under scanner as probe on Chinese executives intensifies: The MCA, through its registrar of companies (RoC), has summoned the company's directors and its auditor Deloitte to explain certain alleged audit deficiencies that had been discovered during the course of the probe. *[The Economic Times]*

JSW Energy likely to close Rs 10,530-cr Mytrah acquisition by December-end: The acquisition, which was announced in August, will take JSW Energy's operational generation capacity to 6.5 giga-watts (Gw), from 4.8 Gw currently. *[Business Standard]*

AirAsia exits AirAsia India, sells 16.33% stake to Air India for Rs 156 cr: Ending its uncomfortable journey in India after eight years, Malaysia-based AirAsia Group on Wednesday said it has exited AirAsia India by selling its remaining 16.67 per cent stake to Tata Group-owned Air India for Rs 155.64 crore. *[Business Standard]*



MSMEs and Start-ups

MSME Association CIMSME partners with two banks to vet their MSME loan applications: The Delhi-based MSME Association, Chamber of Indian Micro, Small and Medium Enterprise (CIMSME) signed two Memoranda of Understanding (MOUs) with Central Bank of India and Union Bank of India. *[Financial Express]*

Govt's GeM portal hits 12 million order volume in purchases from MSMEs: The portal had processed 12,001,179 orders worth Rs 322,013 crore from 63,564 buyers on the platform, data on GeM at the time of filing this report showed. The order volume nearly doubled from 67 lakh orders as of June 2021. *[Financial Express]*



Employment and Industrial Relations

Rural development ministry seeks additional Rs 25,000 cr fund for MGNREGS: The rural development ministry has sought additional funds of about Rs 25,000 crore for the MGNREGS, in a clear indication of a rise in demand for work, sources said on Tuesday. *[Business Standard]*

65% Indian firms now employing gig workers amid tech talent crunch: Nearly 65 per cent of Indian firms are currently employing gig workers, a higher share compared to 57 per cent in 2020. *[Business Standard]*

India Unemployment rate - Unemployment rate surges to 7.77% in Oct against 6.43% in Sept - CMIE: The data from the Centre for Monitoring Indian Economy shows the unemployment rate in India stood at 7.77% in October compared to a four-year low of 6.43% in September. *[The Economic Times]*

5G rollout may worsen skills crunch in technology sector: Indian companies preparing to take advantage of the 5G rollout may find it difficult to get skilled individuals who can help build applications for the next-generation services. *[Mint]*



Industrial Finance

Credit to industry up 12.6% YoY in September; touches 100-month high: According to the latest sectoral deployment data of the Reserve Bank of India, credit to industries, which accounts for 27.6 per cent of non-food credit, was up 12.6 per cent year on year to Rs 32.4 trillion. *[Business Standard]*

IIFCL aims to sanction Rs 30,000 crore for infrastructure projects this fiscal: This would be the highest ever loan sanction in any year while disbursement would also be a record high of Rs 15,000 crore to various infrastructure projects by March 2023. *[The Economic Times]*



Technology and Innovation

Currency in circulation declines in Diwali week for the first time in 20 years, shows SBI Research: Innovations in technology have changed the Indian payment system over the years and the Indian cash-led economy now has changed to a smartphone-led payment economy, the report stated. *[The Economic Times]*

UPI processes over 7 bn transactions in Oct, record high since inception: India's flagship digital payments platform – Unified Payments Interface (UPI) – processed over 7 billion transactions in October, a record high for the platform since its inception. *[Business Standard]*

India may allow Chinese JVs with Indian cos for electronics manufacturing: In an attempt to boost the high-end electronics manufacturing sector in India, the central government is considering allowing Chinese companies to set up bases in the country with some riders. *[Business Standard]*

Elon Musk fires entire Twitter board to become the sole director: Elon Musk the new 'Chief Twit' of Twitter is also the sole board member of the company. A new filing has disclosed that only Elon Musk sits on the Twitter Board right now. The entire board has been fired, according to a Securities and Exchange Commission (SEC) filing by Twitter. *[BusinessToday.in]*

One-stop for insurance services 'Bima Sugam' a game changer - IRDAI Chairman: This tech-led portal will help in expanding insurance penetration in the country by ensuring a hassle-free experience for customers across the country. *[Business Standard]*

Technology helped to stop leakage of welfare spending - Nirmala Sitharaman: Technology has turned out to be an effective tool in transferring benefits to eligible people without any pilferage and has aided in ensuring good governance. *[Mint]*



Industrial Infrastructure, Clusters and SEZs

NITI wants infra projects lagging for decades completed by FY23-end: The Centre's think tank NITI Aayog — mandated with the task to monitor energy and infrastructure —has shortlisted 494 projects worth Rs 5.66 trillion for completion by March 2023. *[Business Standard]*

Karnataka leads the way in many sectors with attractive policies to promote industries - Nirmala Sitharaman: Karnataka is a leader in many sectors. First in renewable energy, because 63 per cent of all our installed capacity lies in renewable energy. First in electrical maintenance, innovation, home to about seven plus auto Original Equipment Manufacturers (OEMs). *[The Economic Times]*

JSW Group plans to invest Rs one trillion in Karnataka in five years: The investment would head into expansion of its steel plant, and renewable energy and port infrastructure development space. *[Business Standard]*

Karnataka to set up separate body to oversee investment in special investment areas: The government has decided to set up special investment zones at Tumakuru and Hubli on a pilot basis, before adding other regions. *[The Economic Times]*

Centre for 'common ducts and posts' in linear infrastructure projects: Common duct refers to a common structure installed underground for public utilities ranging from electric and communication cables to water, sewage and gas pipelines. Common post is an overground structure for housing public utilities and usually includes a smart pole. *[The Economic Times]*

Gujarat govt launches new Electronics Policy: The 'Gujarat Electronics Policy 2022-2028' has been designed to make Gujarat a national hub of ESDM by offering a host of subsidies and incentives to the investors, said an official release. *[The Economic Times]*

India to see 80% increase in investment of digital healthcare tools in the next 5 years - MoS Jitendra Singh: The COVID-19 pandemic has accelerated the adoption of digital technologies across industries, including health care, which resulted in new innovations and an uptake in virtual care. *[The Economic Times]*

ArcelorMittal arm AMNS India to invest Rs 60,000 crore to expand Hazira plant - Chairman Aditya Mittal: ArcelorMittal's arm AMNS India will invest Rs 60,000 crore to scale up capacity of its steel plant here to 15 million tonnes (MT), the company's chairman Aditya Mittal said on Friday. The existing capacity of the plant is 9 MT. *[The Economic Times]*

Plans afoot to use future road projects to raise funds - Nitin Gadkari: The government is planning to use future road projects for raising funds, road, transport, and highways minister Nitin Gadkari said on Friday, a day after the maiden bond issue of National Highway Infra Trust (NHIT) received a tremendous response from investors. *[The Economic Times]*

Housing Ministry approves Rs 1,665 cr action plan for J-K under AMRUT 2.0: Union Ministry of Housing and Urban Affairs (MoHUA), in its fifth Apex committee meeting, has approved UT Water Action Plan (UTWAP) for 153 projects amounting to Rs. 1665.10 crore for 78 urban local bodies of Jammu and Kashmir under Atal Mission for Rejuvenation of Urban Transformation (AMRUT) 2.0. *[Business Standard]*



Sustainable Industrialisation

India's first fully solar village lights up the lives of poor residents: Modhera, a village in Gujarat, has around 6,500 residents, consisting mainly of potters, tailors, farmers and shoemakers. It was declared India's first village to run entirely on solar energy all the time. *[The Economic Times]*

Researchers invent anode material to aid ultra-fast charging, ensure long life of lithium batteries: Soon, you will be able to charge your battery-based gadgets or even electric vehicles at an ultra-fast speed as a team of researchers from the Indian Institute of Technology, Gandhinagar (IITGN) and the Japan Advanced Institute of Science and Technology (JAIST) has invented a new anode material that enables lithium batteries to be recharged within minutes. *[The Economic Times]*

Adani New Industries installs India's largest wind turbine, taller than Statue of Unity: A wind turbine taller than the world's tallest Statue of Unity with blades spanning wider than the wingspan of a jumbo jet has been installed at Mundra in Gujarat by Adani New Industries Ltd as part of its renewable energy expansion plans. *[The Economic Times]*

JLR partners with Wolfspeed for silicon carbide chips supply for EVs: Jaguar Land Rover (JLR) on Tuesday announced a partnership with Wolfspeed Inc for supply of silicon carbide semiconductors for the next generation electric vehicles (EVs). *[The Economic Times]*



Sectoral News

Janaushadhi stores for affordable medicines grew 100-times in 8 yrs: India has 8,809 Janaushadhi stores that provide affordable generic medicines and the service has resulted in savings of more than Rs 15,000 crore, said the Union Health Minister on Tuesday. *[Business Standard]*

Centre clears 20 projects under National Technical Textiles Mission: The government has cleared 20 strategic research projects worth around Rs 74 crore in the areas of specialty fibre, agro-textiles, smart textiles, protective gear, sports textiles and geo textiles segment under its flagship programme National Technical Textiles Mission. *[The Economic Times]*

Monthly EV registrations cross 1-lakh mark for the first time in Oct: Total EV (all segments) recorded 23 per cent month-on-month increase at 114,001 units in October against 92,833 units in September . To put this in a perspective, EV sales in the full year 2020-21 was 1,33,000 vehicles. *[Business Line]*

Trai needs more teeth to punish and enforce - Ashwini Vaishnav: The government wants to see India emerge as a global leader in telecom technology in three to four years and for that the country needs modern, globally benchmarked regulations, which is the aim of the new draft Indian Telecommunication Bill, 2022. *[The Economic Times]*

India's passenger vehicle market is expected to grow by 8% next year, Maruti's Chairman Bhargava: India's passenger vehicle market is expected to grow by 8% next year, building on the momentum from the current fiscal year when sales are expected to breach peak pre-covid volumes reported in FY19. *[The Economic Times]*

Power consumption grows marginally to 114.64 bln units in October: India's power consumption grew 1.64 per cent to 114.64 billion units in October compared to the year-ago period, according to government data. *[The Economic Times]*

Q3 gold demand tops pre-pandemic levels: Gold demand in the September quarter was up 14 per cent to the pre-Covid level of 192 tonnes against 168 tonnes logged in the same period last year, largely due to fall in gold prices. *[Business Line]*

Festive season propels petrol, diesel demand to highest in four months: Petrol sales soared 12.1 per cent to 2.78 million tonnes in October, as compared to 2.48 million tonnes of consumption in the same month last year. Sales were 16.6 per cent higher than in COVID-marred October 2020 and 21.4 per cent more than in pre-pandemic October 2019. *[The Economic Times]*

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