

Industry Matters

Weekly Updates

January 13, 2023



Economy, Industry and Policy

Indian economy to grow at a robust 6.6% in FY24, says World Bank: The World Bank on Tuesday projected the Indian economy to grow at a robust 6.6 per cent in 2023-24 (FY24), slowing down from an estimated 6.9 per cent in 2022-23 (FY23), citing "limited spillovers" to Asia's third-largest economy from a projected global slowdown. *[Business Standard]*

India's GDP likely to grow 7% in FY23 - NSO's first advance estimates: The Indian economy may grow at 7 per cent in FY23, which is higher than projections made by the Reserve Bank of India (RBI) and the World Bank, according to the latest estimates by the National Statistical Office (NSO). *[Business Standard]*

IIP growth rebounds to 7.1% in Nov; retail inflation eases to 5.7% in Dec: India's factory output rebounded to a five-month high in November and retail inflation eased marginally to a 12-month low in December, providing the much-needed comfort to the government. *[Business Standard]*

India overtakes Japan to take third spot among largest vehicle markets: India has overtaken Japan to become the third largest vehicle market in 2022 after China and the US, selling more than 4.25 million vehicles riding on pent-up demand and enhanced production by carmakers. *[Business Standard]*

CPI eases marginally to 5.72% in Dec 2022, within RBI's comfort zone: In November, CPI, also called retail inflation, was at eleven-month low of 5.88 per cent. For October it was 6.7 per cent and 7.14 per cent in September. In December 2021, retail inflation was 5.66 per cent. *[Business Standard]*

Direct tax collections cross 86% of target for fiscal year: The Centre's direct tax collections have surpassed 86% of the budget target for 2022-23 so far, providing cushion to the government amid higher-than-estimated spending due to global economic disruptions, data released by the central board of direct taxes (CBDT) showed on Wednesday. *[Mint]*

Capital expenditure by CPSEs at 68% of FY23 target by December: Capital expenditure (capex) by large central public sector enterprises (CPSEs) — with a target of Rs 100 crore or more — touched 68 per cent of the annual target of Rs 6.62 trillion during the first nine months of FY23, according to sources. *[Business Standard]*

Budget 2023-24 - Govt may go easy on capital expenditure growth in FY24: The Central government may not expand its capital expenditure (capex) for the next financial year (FY24) to as large a degree as the increase in the previous two Budgets in the belief that private-sector capex is recovering strongly. *[Business Standard]*

Govt will soon launch new PLI scheme for IT hardware - Union minister: The government will soon launch a new production-linked incentive (PLI) scheme aimed at supporting manufacturers of IT hardware and computer servers, Minister of State for Electronics and Information Technology Rajeev Chandrasekhar said on Tuesday. *[Business Standard]*

Green hydrogen manufacturing to come under PLI scheme - R K Singh: The Centre will bring in a production-linked incentive (PLI) scheme in coming months to give impetus to manufacturing of green hydrogen and its key component electrolyser, Union Power, New, and Renewable Energy Minister R K Singh said on Thursday. *[Business Standard]*

DESH Bill deadlock likely to force Cabinet secretary to step in: Amid continued differences between the commerce and the revenue departments over the proposed revamped special economic zone (SEZ) law or the Development of Enterprises and Services Hub (DESH) Bill, the Cabinet secretary may step in to clear the deadlock over vexed issues. *[Business Standard]*

Small, mid CPSEs likely to be on Centre's FY24 disinvestment list: The government may add small- and mid-cap central public sector enterprises (CPSEs) to its list of disinvestment and privatisation candidates for the next financial year. *[Business Standard]*

Asset monetisation pace slows, likely to miss FY23 target: After achieving the target for the first year rather comfortably, the Centre's ambitious National Monetisation Pipeline (NMP) may miss the goal in FY23 by a wide margin as the railways, telecom and petroleum sector slip on their goals. *[Financial Express]*

IDBI Bank divestment process to complete in FY24 - DIPAM Secy: The government and LIC together are looking to sell 60.72 per cent in IDBI Bank and had invited bids from potential buyers in October. The last date for submitting Expression of Interest (EoI) or preliminary bids was set at December 16, which was later extended to January 7. *[The Economic Times]*



Foreign Investment

FDI inflows likely to improve in coming months - DPIIT: Banks, financial institutions (FIs), and newly established National Bank for Financing Infrastructure Development should play a proactive role in financing projects under the National Infrastructure Pipeline (NIP) to avoid crowding out of private investment. *[Business Standard]*

Madhya Pradesh attracts intentions of Rs 15.42 trillion in investment: Madhya Pradesh Chief Minister Shivraj Singh Chouhan on Thursday said the state had received intentions of investment (IoI) worth over Rs 15.42 trillion during the two-day Global Investors Summit (GIS). *[Business Standard]*

Tata Motors plans electric vehicle cell manufacturing unit in Europe: India's oldest conglomerate, Tata Group, is planning to set up electric vehicle cell-manufacturing operations in Europe as it tries to accelerate its British marque unit's shift to battery-powered cars. *[Mint]*

Allcargo Logistics expands in Germany through acquisition of Fair Trade GmbH: Logistics solutions provider, Allcargo Logistics, has acquired 75% stake in Fair Trade GmbH, a strong player in Germany, through its subsidiary Allcargo Belgium NV. (Operating ECU Worldwide network). *[The Economic Times]*

Drug firm Gland Pharma to fully acquire Europe-based Cenexi Group: Drug firm Gland Pharma on Friday said it has inked a pact with FPCI Sino French Midcap Fund to acquire 100 per cent stake in Europe-based Cenexi Group. *[Business Standard]*



Trade Policy and Competitiveness

Geopolitical fragmentation offers trade opportunity for South Asia - CEA: The geopolitical fragmentation in large economies is an opportunity for South Asian nations to climb on to the global trade bandwagon and grab market share, India's chief economic adviser V Anantha Nageswaran said on Friday. *[The Economic Times]*

Gem, jewellery industry seeks abolition of import duty on raw material for lab-grown diamonds in Budget: Gem and jewellery exporters on Sunday urged the government to announce support measures like the abolition of import duty on raw material for lab-grown diamonds and jewellery repair policy to promote the sector and boost shipments in the forthcoming Budget. *[The Economic Times]*

India's April-December finished steel exports drop 54% y/y - Data: The exports fell 54.1% to 4.74 million tonnes between April and December, as consumption dropped in major global markets, and mills struggled to revive shipments after the recent withdrawal of an export tax. *[The Economic Times]*

Textiles, G&J, pharma to gain much by India-Australia FTA: Textiles and leather, pharma and gems and jewellery are set to gain substantially by the India-Australia Economic Co-operation and Trade Agreement, which entered into force on December 29, 2022. *[Business Line]*

India and United States to increase dialogue on food, agricultural trade in 2023: India and the United States have established a new working group to build sustainable supply chains and boost bilateral trade, the governments said in a joint statement on Thursday. *[The Economic Times]*

India's December gold imports plunge 79%; fall by over a third in 2022: India's gold imports in December plunged 79% from a year earlier to the lowest level in at least two decades for the month as a rally in local prices near record high dampened demand, two government sources told Reuters on Thursday. *[The Economic Times]*

Indian Bank to hold special rupee vostro A/cs of Sri Lanka banks: Indian Bank, which has had a long presence in Sri Lanka, has received the regulatory go ahead to hold special rupee vostro accounts of three banks from the South Asian island nation which is struggling to tide over a serious foreign exchange crunch. *[The Economic Times]*

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India to become major exporter of telecom equipment in 2-3 years - Ashwini Vaishnaw: India will become a major exporter of telecom equipment in the next two to three years and the government is working to achieve that goal. *[Financial Express]*

Huge potential to boost exports of processed food - TPCI: India's agri exports are growing at a healthy pace and there is a need to focus on the processed food sector as it holds huge potential to boost the country's outbound shipments. *[The Economic Times]*



Corporate Governance

Hindustan Unilever completes purchase of 51 pc stake in Zywie Ventures: FMCG major Hindustan Unilever Ltd on Wednesday said it has completed the acquisition of a 51 per cent stake in Zywie Ventures for a consideration of Rs 264.28 crore. Now, Zywie Ventures, a wellness company, has become a subsidiary of HUL. *[The Economic Times]*

Vedanta-Foxconn leads race to get govt nod for chip plant: The Vedanta-Foxconn joint venture's \$20 billion proposal in Gujarat is expected to be the first to secure government approval, while the other two, submitted by the International Semiconductor Consortium (ISMC) and Singapore's IGSS Ventures, lag behind, with the latter one almost out of the race. *[Mint]*

PVR-Inox merger approved by Mumbai NCLT: The Bombay Bench of the National Company Law Tribunal (NCLT) on Thursday approved the merger between the country's top two multiplex chains – PVR Limited and INOX Leisure. *[Mint]*

JSPL to invest Rs 1,500 crore to make Monnet Power project operational - MD: Jindal Steel and Power Limited (JSPL) will invest up to Rs 1,500 crore to make recently-acquired Monnet Power operational, its Managing Director Bimlendra Jha said. The investment will be made over the period of the next 12 to 18 months, he said. *[Business Standard]*



MSMEs and Start-ups

DPIIT to undertake third party assessment of Startup India Seed Fund Scheme: The Rs 945-crore scheme was launched in 2021. It aims to provide financial assistance to startups for proof of concept, prototype development, product trials, market entry, and commercialization. *[The Economic Times]*

Startup funding in India drops 33 per cent to USD 24 bn in 2022- PwC India: Funding for Indian startups dropped by 33 per cent to USD 24 billion in 2022 as compared to the previous year though it was nearly double the amount recorded in 2019 or 2020. *[Financial Express]*

Micro & small enterprises corner 55% of total orders placed on GeM portal: "On GeM, MSEs have secured 55.2 per cent (₹1,41,887 crore) of total order value (₹2,57,263 crore) and MSEs owned by women have secured 8 per cent (₹11,373 crore) of the MSE orders since FY2020-21 till now. *[Business Line]*

Loans worth Rs 1,550 crore disbursed to street vendors, small scale entrepreneurs: Loans worth Rs 1,550 crore were given in a single day to street vendors, small scale entrepreneurs and cattle rearers at a credit outreach program here on Sunday. Union Finance Minister Nirmala Sitharaman and Lok Sabha Speaker Om Birla handed over the cheques to some beneficiaries. *[The Economic Times]*



Employment and Industrial Relations

Amazon to axe 18,000 jobs globally; CEO blames 'uncertain economy': Technology giant Amazon said on Thursday its previously announced global layoffs would increase to more than 18,000 due to an “uncertain economy”. The company, which employs around 10,000 in India, will start communicating with the impacted employees from January 18. *[Business Standard]*

Women make up only 12 per cent of the construction workforce in India: Besides, there is a severe lack of women in technical and upper management positions in India’s real estate industry. “The number of women engaged in other technical and managerial roles (architects, civil engineers, supervisors) stood at just 1.4 per cent. *[Business Line]*

Expect board approval for minimum assured product in 7-10 days - PFRDA Chairperson: The minimum assured return scheme (MARS) will have a fixed rate of return, which will be reviewed annually and may be linked to the government securities, Bandyopadhyay said, adding that the product will have a tenure of 10 years. *[Business Line]*



Industrial Finance

India's credit worthiness stable compared to negative outlook for the world, says Moody's: The credit worthiness outlook for countries in the Asia-Pacific (APAC) region, including that of India, for 2023 is stable as compared to the negative outlook for sovereigns globally, Moody's Investors Service said on Monday. *[The Economic Times]*

Industry credit grew 13% in Nov due to robust growth in MSMEs - CareEdge: The credit outstanding of the industry segment registered a growth of 13.1 per cent year-on-year (YoY) in November 2022 from 4.4 per cent in the year-ago period due to robust credit growth in the MSMEs, higher working capital requirements, and capex. *[Financial Express]*

Govt to focus on micro credit facility for street vendors in 2023 - Ashwini Vaishnaw: The government will enhance its focus on providing micro-credit facility in the range of Rs 3,000-5,000 to street vendors in 2023, with the help of digital technologies. *[The Economic Times]*

Nearly 28 million demat accounts added in 2022, shows data: Close to 28 million demat accounts were added during the 2022 calendar year, with the total active accounts tally climbing to 108.3 million at the end of December. *[Business Standard]*



Technology and Innovation

Three-four countries keen on UPI, says NPCI MD & CEO Dilip Asbe: The countries had shown interest in adopting UPI but it might take another 12 months to sign up, Asbe said on the sidelines of the first G20 Global Partnership for Financial Inclusion (GPI) in Kolkata. *[Business Standard]*

Rs 2600 crore incentive for Rupay, BHIM UPI transactions; Cabinet push for digital payments: The cabinet today approved incentives worth Rs 2600 crore for FY 2022-23 which will be given on the use of Rupay debit cards and BHIM for P2M (person to merchant) transactions. *[Financial Express]*

NRIs from 10 countries can use UPI with domestic accounts, int'l phone numbers: Non-resident Indians (NRIs) from 10 countries can now use UPI to send and receive money if their domestic bank accounts are linked to their phone numbers abroad. The list of countries includes Singapore, Australia, Canada, Hong Kong, Oman, Qatar, US, Saudi Arabia, United Arab Emirates, and the United Kingdom. *[Mint]*



Industrial Infrastructure, Clusters and SEZs

PM GatiShakti maps data layers related to social sector infrastructure: Data layers on important assets related to health, education, culture, tourism, Gram panchayats, municipal corporation, social welfare housing, among others, are being mapped for optimum use of PM GatiShakti for social infrastructure planning. *[The Economic Times]*

Ola to buy 1500 acres in Tamil Nadu for EV factory: The state govt has approved Ola's plan to acquire the land and it might become one of the biggest deals for a factory in the Indian automobile industry. *[The Economic Times]*

Greenko Group will invest Rs 10K crore to set up pumped storage project in MP: Greenko Group, one of India's Leading energy transition companies, would be investing 10,000 crores to set up a Pumped Storage Project (PSP) near Gandhi Sagar in Neemuch District of Madhya Pradesh. *[The Economic Times]*

Adani Group plans to invest Rs 60,000 crore in MP in various sectors: Ports-to-energy conglomerate Adani Group on Wednesday said that it has plans to invest Rs 60,000 crore in mineral exploration, energy, agriculture, renewable energy and coal sectors. The group, however, did not give timelines for the investment. *[The Economic Times]*

MoRTH confident of achieving highway construction target of 12,000 km this fiscal - Secretary Alka Upadhyaya: The Ministry of Road Transport and Highways (MoRTH) is confident of achieving the highways construction target of 12,000 kilometres for the current fiscal as the pace of construction has increased. *[The Economic Times]*

Ashoka Buildcon receives letter of intent to develop distribution infra in UP districts: Ashoka Buildcon on Saturday said it received a letter of intent (LoI) from Dakshinanchal Vidyut Vitran Nigam for the development of distribution infrastructure in Aligarh and Agra for a total outlay of Rs 807.64 crore. *[The Economic Times]*



Sustainable Industrialisation

Repowering wind energy plants could potentially attract ₹40,000 cr investment: The Ministry of New and Renewable Energy's (MNRE) move to repower old wind power plants with more height and better efficient windmills could potentially attract ₹40,000 crore of investments and speed up a slowing down wind energy industry in the country, according to research agency Crisil. *[Mint]*

India needs holistic e-waste policy for sustainable reverse supply chain: As India aims to achieve its ambitious climate targets, a recent report said that the country requires a holistic e-waste policy for sustainable reverse supply chain and to regulate the informal sector. *[Mint]*

Three floating solar power plants to be set up in MP with investment of Rs 7,500 crore: The work of installing three floating solar power plants in water reservoirs in Madhya Pradesh with a total investment of Rs 7,500 crore will start soon, state officials said on Wednesday. *[The Economic Times]*

India may exempt 30 GW of solar plants from equipment duty: India may exempt some solar projects from paying duties on equipment imports, according to government and industry sources, to bring renewable-energy capacity additions back on schedule and lower consumer power tariffs. *[Business Standard]*



Sectoral News

India's pharma market grows 8% in '22 led by price hikes: India's pharmaceutical market (IPM) grew by 8% year-on-year to ₹1.8 lakh crore in 2022, mostly driven by price increases even as volumes remained muted, according to market research firm AWACS. *[The Economic Times]*

Coal production rose by 9% in Dec 2022 to 82.87 mn tonnes: India's coal production increased by 9.2 per cent to 82.87 million tonnes in December 2022, from 75.87 million tonnes recorded during November 2022. *[The Economic Times]*

Revenue growth of telcos likely to be sluggish in Q3: Bharti Airtel, Reliance Jio and Vodafone Idea (Vi) are likely to report sluggish sequential mobile revenue growth for the October-December 2022 quarter, as users discarded multiple SIMs, conversion from 2G to 4G slowed and the impact of late 2021 tariff hikes petered out with no fresh increases, said analysts. *[The Economic Times]*

India's December fuel demand rises 3.1% year on year: India's fuel consumption, a proxy for oil demand, rose 3.1% year on year in December to 19.60 million tonnes, data from the Petroleum Planning and Analysis Cell (PPAC) of the oil ministry showed on Monday. *[The Economic Times]*

India's fuel demand hits 9-month high in Dec due to uptick in PV sales: Consumption of fuel, a proxy for oil demand, was about 4% higher than the previous month, and rose 3.1% year-on-year to 19.60 million tonnes in December, data from Indian oil ministry's Petroleum Planning and Analysis Cell (PPAC). *[Business Standard]*

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