

# Industry Matters

Weekly Updates

January 20, 2023



## Economy, Industry and Policy

**Brainstorming on future-oriented infrastructure development:** Prof Nagesh Kumar, Director Institute for Studies in Industrial Development, India said that the implementation of SDG targets is slow due to non-availability of finance. Even in the Covid pandemic, a large part of the resources of the nations was spent in the health sector. In such situation, external and additional resources are needed to achieve the goal. Meanwhile Prof. Kumar made suggestions to impose international tax to get finance. *[The Pioneer]*

**India among top 3 auto mkts in the world, yet faces shortage of EV buyers:** India is now among the top three auto markets in the world. A feat indeed, but it's being driven by internal combustion-engine cars even as global pressures force a pivot to cleaner electric vehicles. *[Business Standard]*

**India posts robust PMI numbers amid slowing global growth. Can stock markets rejoice yet?:** Since August 2022, the global composite PMI has been in a contraction zone for each month till December, with a major decline in output in developed markets and a mixed trend in emerging markets. *[The Economic Times]*

**WPI inflation cools to 4.95% in December, slips below 5% mark in 22 months:** After having declined to 21-month low of 5.85% in November 2022, country's Wholesale Price Index (WPI)-based inflation fell to 4.95% last month in December. The WPI inflation has slipped below the 5% mark for the first time since February 2021, when it stood at 4.83%. *[NewsonAir]*

**India's 5G phone market set to expand over 70% by end of 2023:** The India smartphone market recorded more than 13 times growth in its 5G shipments from the year of its initial introduction in 2020. *[Business Standard]*

**Retail sales up 16% in Dec compared to pre-pandemic times:** Retailers across the country clocked an estimated 16 per cent growth in sales in December compared to pre-pandemic times, as per the latest survey of Retailers Association of India (RAI). *[Business Line]*

**India bags Samsonite's 2nd-largest market tag, overtakes China in last calendar year:** Samsonite, the world's biggest luggage maker, said India has outpaced China as its second-largest market in the last calendar year, helped by a travel and wedding boom while the neighbouring country's business declined due to restrictions. *[The Economic Times]*

**RMG exports fail to touch pre-Covid level; slowdown concerns remain:** RMG exports from India touched \$11.841 billion during the first nine months of the financial year 2022-23, up 6.5 per cent from \$11.123 billion in 2021-22, based on data shared by Tirupur Exporters Association (TEA). *[Business Standard]*

**Steps to push private investment, capex support on Budget agenda:** Measures to encourage private investment, capital expenditure support to the economy, and some fresh social sector initiatives through new centrally sponsored schemes are likely to be the key themes in the upcoming budget. Education and healthcare are likely to remain in focus again with Covid still a cause for worry. *[The Economic Times]*

**Pension outlay for all States/UTs with legislature jumped 34% in 3 years:** Pension provision by State Governments and UT with legislature has surged over 34 per cent between FY20 and FY23, a Reserve Bank of India report has revealed. This is second highest expenditure among all non- development expenditure and third among all kind of expenditure. *[Business Line]*

**Global VC investment falls for the fourth consecutive quarter to a near 2-year low:** Global venture capital investment dropped for the fourth consecutive quarter in Q4'2022 from \$102.2 billion on 9,767 deals to \$75.6 billion on 7,641 deals, the latest KPMG Private Enterprise Venture Pulse report shows. *[Business Line]*

**Budget may unveil clutch of PLI schemes:** With businesses flooding the government with demands for production-linked incentive (PLIs) schemes for more sectors, the Centre may extend such incentives to over half a dozen new areas in the Budget for 2023-24. *[Financial Express]*

**India an important destination for companies to expand supply chain - Ashwini Vaishnaw:** India has emerged an important destination for companies to expand their supply chain footprint with the government undertaking several initiatives such as production-linked incentive (PLI) schemes and abolishing archaic laws and compliances. *[The Economic Times]*

**14 Chinese suppliers to Apple get nod to Make in India via JV route:** The government has given preliminary clearances to several of Apple's Chinese suppliers, allowing them to form joint ventures with Indian companies to set up facilities here, as it seeks to expand the local value chain in iPhone and electronics manufacturing. *[The Economic Times]*

**India Inc business confidence hits a 2-year high in third quarter:** Industry leaders have expressed confidence in India's economy being resilient in the face of global headwinds in uncertainties, with the Confederation of Indian Industries' Business Confidence Index achieving its highest reading in two years for the October-December quarter. *[Business Standard]*

**Budget needs to offer growth impetus - PM Modi:** India may have emerged as a bright spot in an otherwise turbulent global world but the government needs to provide new growth impulses in the upcoming budget to build on it, leading economists conveyed to Prime Minister Narendra Modi at a pre-budget consultation. *[The Economic Times]*

**India to speed up deficit reduction as fiscal target looms:** India is preparing a stepped-up deficit reduction plan in its annual budget due out next month, two government officials said, holding fast to fiscal targets that will require deep spending cuts and could pose fresh risks in a slowing global economy. *[The Economic Times]*

**Ministry seeks extra Rs 30,000 crore fertiliser subsidy for Q4:** The fertiliser ministry has asked for an additional Rs 30,000 crore as subsidy allocation for the last quarter of the current fiscal, which would be in addition to Rs 2.15 trillion already allocated by the finance ministry for the subsidy on soil nutrients. *[Financial Express]*

**Access to electricity among poorest households rises to 86 per cent:** Electricity access among the poorest 20 per cent of households increased from 53 per cent of households increased from 53 per cent to 86 per cent in the five-year period between the fourth and fifth rounds of the National Family Health Survey (NFHS). *[The Economic Times]*



## Foreign Investment

**Taiwan's Gogoro, India's Belrise to invest \$2.5bn in Maha for battery swapping infra:** An Indo-Taiwanese joint venture has signed a memorandum of understanding with the Maharashtra government to set up a battery swapping infrastructure which will witness an investment of \$2.5 billion over eight years. *[Financial Express]*

**Havmor to invest ₹450 cr in India to expand capacity:** Havmor ice-cream, a subsidiary of South Korea's Lotte Confectionery, will invest ₹ 450 crore over a five-year period, the company said on Tuesday. The fresh investment is to ramp-up capacity and the company will set up a new manufacturing facility at Pune. *[The Economic Times]*

**India to see \$58 bn investment in E&P; Chevron, Exxon, Total keen to invest - Minister Hardeep Singh Puri:** India will likely see an investment of USD 58 billion in finding and producing oil and gas resources in 2023, Oil Minister Hardeep Singh Puri said on Friday, adding global energy majors Chevron Corp, ExxonMobil and TotalEnergies are keen to invest. *[The Economic Times]*

**FPIs withdraw Rs 15,000 crore from equities in 2 weeks of January:** Foreign investors offloaded around Rs 15,000 crore worth of Indian equities in the first two weeks of January amid risks of Covid in some parts of the world and recession worries in the US. *[Business Standard]*



## Trade Policy and Competitiveness

**India's imports from China rise, exports fall in April-December 2022:** China was India's top import source in April-December 2022, with an increase of 11.9 per cent (year-on-year) to \$75.87 billion, while exports to the country during the period declined 35.58 per cent \$11.03 billion pushing up trade deficit in the first nine months of the fiscal to \$64.84 billion. *[Business Line]*

**Indian tea exports up in 2022 on demand from Russia, UAE:** Despite a sharp decline in purchases by Iran, a key buyer, Indian tea exports are predicted to be higher by 13 per cent at around 220-225 million kgs (mkg) in 2022 on higher demand from the Russian Federation, CIS countries and West Asia. *[Business Line]*

**Russia's second largest bank launches direct payments in rupees:** Russian VTB bank, Russia's second largest bank, launches direct payments in rupees in what would boost bilateral trade and investments in a big way. *[The Economic Times]*

**Amid slowing demand, exports dip by 12.2%; imports contracts 3.5%:** India exported goods worth \$34.48 billion in December 2022, constituting a 7.75% rise from November's \$32 billion figure but a steep 12.2% dip from a year ago, amid slowing global demand. Imports also contracted 3.5% to \$58.2 billion from \$60.33 billion a year ago. *[The Hindu]*

**After China+1, global corporations now mull over 'Minus China':** The Covid crisis hastened the adoption of China Plus One. Now, as another Covid wave in the East Asian country makes global corporations relive the pandemic nightmare, experts are observing a trend of "Minus China" strategy gaining ground among actors in the global value chains. *[The Economic Times]*

**India's imports from Russia rise 400% in April-December as crude shoots up:** Russia has become India's fourth largest import source in April-December 2022, with total goods imports from the country during the period rising 400 per cent (year-on-year) to \$32.88 billion. *[Business Line]*



## Corporate Governance

**MG Motor India becomes first automobile manufacturer in country to accept model dealer agreement - FADA:** The Federation of Automotive Dealers Association on Friday said MG Motor India has become the first automobile manufacturer in the country to accept its model dealer agreement that provides the retail partners equitable say in the running of the auto sales business. *[The Economic Times]*

**Vedanta emerges successful bidder for Meenakshi Energy; to pay ₹1,440 crore for acquisition:** Vedanta Ltd has emerged as the successful bidder for Meenakshi Energy Ltd under bankruptcy proceedings and will pay ₹1,440 crore for acquiring it, the company said in an exchange filing on Wednesday. *[Business Line]*

**ITC set to acquire 100% in health food brand Yoga Bar:** Cigarette-to-hotel conglomerate ITC on Tuesday announced plans to acquire 100% of Sproutlife Foods (SFPL), a direct-to-consumer (D2C) startup and parent company of health food brand 'Yoga Bar' over a period of three to four years. *[Financial Express]*

**Sun Pharma to acquire US firm Concert for \$576 mn:** Sun Pharmaceutical Industries Ltd on Thursday agreed to buy Concert Pharmaceuticals Inc. for \$576 million to access the US company's experimental drugs for treating skin diseases, including patchy hair loss. *[Mint]*

**CCI to SC in Google case; next hearing tomorrow:** The world was looking at how India was dealing with Google's alleged abuse of its dominant position, the Competition Commission of India (CCI) told the Supreme Court on Wednesday. *[Business Standard]*

**Samsung Electronics spars with India over \$110 mn production incentives:** The smartphone giant's India unit is seeking just under 9 billion rupees (\$110 million) in incentives for the fiscal year through March 2021. *[Business Standard]*

**RattanIndia Enterprises acquires EV maker Revolt Motors:** RattanIndia Enterprises Ltd on Saturday said it has completed the acquisition of Revolt Motors which is into manufacturing of electric vehicles. Now Revolt Motors has become a 100 per cent subsidiary of RattanIndia Enterprises Ltd, the company said in a statement. *[The Economic Times]*

**HCCB revives plans to sell Coca-Cola's bottling business:** Hindustan Coca-Cola Beverages (HCCB), the bottling arm of Coca-Cola, has revived plans of selling its business as a robust post-pandemic recovery boosts valuation again, executives directly aware of the development said. The operations could be either split among independent Indian bottlers or could go to a single Indian or an overseas company. *[The Economic Times]*

**Bharti Airtel to invest Rs 2,000 crore to set up hyperscale data centre in Hyderabad:** The Bharti Airtel Group, through its data centre arm, Nextra Data Centers, will invest the amount as capital investment for the infrastructure which will further attract investments from their customers. *[The Economic Times]*

**Adani Green Energy arm to acquire 50pc equity in Essel Saurya Urja Company of Rajasthan:** Adani Green Energy arm Adani Renewable Energy Holding Two Ltd will acquire 50 per cent equity in Essel Saurya Urja Company of Rajasthan Ltd from Essel Infraprojects for Rs 15 crore. *[Financial Express]*



## MSMEs and Start-ups

**Govt increases fee for facilitators to help start-ups apply for IP:** The facilitator shall not charge anything from the start-up or the entrepreneur, and this fee shall be paid directly to the facilitator by the Centre through the office of the Controller General of Patents, Designs and Trade Marks (CGPDTM). *[Business Line]*

**Fintech startups in India raise \$5.65 bn in 2022, 47% drop from 2021:** Fintech startups in India raised \$5.65 billion in 390 rounds last year, a massive drop of 47 per cent in terms of funding amount and 29 per cent in the number of rounds when compared with 2021. *[Business Standard]*

**ESG adoption can help MSMEs play big role in reducing carbon emissions:** With sustainability gaining ground world over, India's MSMEs can play a huge role when it comes to saving the environment from increasing carbon emissions by embedding environmental, social, and governance (ESG) measures into their business models. *[Financial Express]*

**Australia to cooperate with MSME entrepreneurs in Kerala:** With the signing of the landmark bilateral trade pact India-Australia Economic Cooperation and Trade Agreement (IAECTA) between the two countries, Kerala's food sector will open up more opportunities in Australia. *[Business Line]*



## Employment and Industrial Relations

**Demand for gig workers increased by 10 times in 2022:** Demand for gig workers increased ten-fold while the participation of gig workers rose by three times in calendar year 2022 compared to the previous year, said a recent report by Taskmo, a gig work platform. *[Business Standard]*

**Microsoft plans to cut thousands of jobs across divisions:** Microsoft Corp plans to cut thousands of jobs with some roles expected to be eliminated in human resources and engineering divisions, according to media reports on Tuesday. The expected layoffs would be the latest in the U.S. technology sector. *[Financial Express]*

**Global jobs growth will halve in challenging 2023 - ILO:** Global employment growth is expected to slow down sharply to 1% this year compared to 2% in 2022, hit by the economic fallout of the war in Ukraine, high inflation and tighter monetary policy, the International Labour Organization (ILO) said on Monday. *[The Economic Times]*

**Amazon to lay off staff in US, Canada and Costa Rica as it plans to cut 18,000 jobs:** The layoffs are the latest in the U.S. technology sector, with companies cutting their bloated workforce and slashing costs to reverse pandemic-era excesses and prepare for a worsening global economy. *[The Economic Times]*

**Vodafone to hand over pink slips to 'several hundred' employees:** Vodafone is planning to shed "several hundred jobs", most of which are located at its London headquarters, the *Financial Times* reported on Friday. It cited people who said this would be the company's biggest job cut in five years. *[Business Standard]*





## Industrial Finance

**Corporate funding in global solar sector falls 13% to \$24.1 billion in 2022:** Total corporate funding in 2022 (first nine months) stood at USD 24.1 billion, 13 per cent lower compared to USD 27.8 billion raised in 2021, the global clean energy consulting firm said in its report. During 2022, VC funding activity rose 56 per cent to USD 7 billion compared to USD 4.5 billion in 2021. *[The Economic Times]*

**NBFCs' bank borrowings rise 1.5X since pandemic as high yields rock Bond St:** In November 2022, banks' outstanding credit to NBFCs rose by 33 per cent yearly to Rs 12.2 lakh crore. The growth remained high due to high growth in the NBFC asset book and additional borrowings moved to banks as hardening of yields in the bond market, a big avenue of NBFCs for funds, according to CareEdge Ratings. *[The Economic Times]*

**Bank credit growth lowest in 5 months:** The non-food credit growth in the banking industry has slumped to a low of five months even as consistently slow deposit growth continues to haunt the sector. The non-food credit, which witnessed accelerated growth in 2022, grew at a slower pace of 15.3% in the fortnight ended December 30, levels last seen in August. *[Financial Express]*

**Indian stock market to shift to a shorter trading cycle T+1 settlement on Jan 27:** The market will have more liquidity as the settlement cycle is shortened to T+1, and as a result, buyers and sellers will be able to receive shares and corporate actions like dividends and bonus shares in their accounts one day after the market closes. *[Mint]*



## Technology and Innovation

**Govt notifies incentives for promoting PoS, e-commerce transactions using Rupay, BHIM:** The government has notified a scheme to incentivise banks for promoting point-of-sale and e-commerce transactions using RuPay debit cards and low-volume payments to merchants on the BHIM-UPI platform. *[The Economic Times]*

**Email marketing leader Mailchimp hacked, customers' data compromised:** Email marketing leader Mailchimp has admitted it was hacked and at least 133 customers' data was exposed. It's the second time the company was hacked in the past nine months. *[Business Standard]*



## Industrial Infrastructure, Clusters and SEZs

**Safety audit of 19,300 km of national highways completed till Dec:** The government on Friday said safety audit of 19,300-kilometre of national highways has been completed till December in the current fiscal. During FY22, safety audit of 16,500 km of national highways was undertaken. *[The Economic Times]*

**ReNew setting up solar cell units at Rs 2,000 cr investment in Raj, Guj:** The company is also exploring investment opportunities in Uttar Pradesh to expand presence in the country. *[Business Standard]*



## Sustainable Industrialisation

**UP receives Rs 2 lakh crore investment commitments in solar sector - Minister AK Sharma:** UP has launched 'Uttar Pradesh Solar Energy Policy 2022' which aims to set up 22 gigawatt (GW) of green energy projects by 2027. *[The Economic Times]*

**Green Hydrogen Mission to help India meet net-zero targets:** The objective of the Mission is also development of a production capacity of at least 5 MMT (Million Metric Tonnes) per annum with an associated renewable energy capacity addition of about 125 GW in the country by 2030. *[The Economic Times]*

**Centre to nudge 'Carbon Intensive' PSUs on the path of decarbonisation:** The Centre has begun identifying public sector undertakings (PSUs) operating in carbon-intensive sectors that can be initiated into joining the 'First Movers Coalition' to usher in new decarbonisation technology. *[The Economic Times]*



## Sectoral News

**Steel industry saw rise in output, consumption in Apr-Dec:** India's steel production and consumption grew 5.7% and 11.5%, respectively, during the first nine months of FY23 (April to December), CareEdge Research said in a report on Wednesday. *[Mint]*

**India ranked second-largest market for Singapore tourism sector in 2022:** India has been ranked the second-largest tourist market for Singapore in 2022 behind Indonesia, with 686,000 Indian arrivals, according to data provided by the country's tourism authority. *[Business Standard]*

**Textile industry angles for changes in import-export levies:** The textiles sector is among those hit hard by the Covid-19 pandemic. And just when the production and exports began recovering, the ongoing Russia-Ukraine war and its spillovers of high inflation and monetary tightening knocked down the sector as developed markets slowed. *[The Economic Times]*

**Cipla launches diagnostic device for multiple health conditions:** Drug major Cipla on Wednesday said it has launched a diagnostic device for various conditions including diabetes, infectious diseases and thyroid function. *[The Economic Times]*

**Union Budget 2023 - Centre to give ₹2,000 crore to states encouraging to scrap old vehicles:** To incentivise them to scrap old vehicles and also provide tax concessions to individuals for it, the central government will give an additional ₹2,000 crore to states under the Special Assistance for Capital Investment scheme. *[Mint]*

**India's ethanol capacity to jump 25% to 12.5 bn litres by year-end - Govt:** The government on Friday said the overall ethanol production capacity in India is expected to go up by 25 per cent to 1,250 crore litres by the end of this year, as proactive steps have been taken for faster clearance of projects. *[Business Standard]*

**Pharma, healthcare Q3FY23 preview - Cost pressures abating to aid margins:** Analysts expect pharma and healthcare companies to report a modest growth in Q3FY23, supported by healthy domestic market performance, tapering down of raw material and freight costs, and easing pricing pressures in the US coupled with a strong flu season. *[Business Standard]*

**India's mineral production rises 9.7 pc in November:** The cumulative growth for April-November was 4.7 per cent over the corresponding period of the previous financial year, according to provisional figures of the Indian Bureau of Mines. [*The Economic Times*]

**Apparel sales slow down on price pressures:** The apparel industry has witnessed a slowdown in discretionary spends by consumers over the past few months, primarily because of inflationary pressures, with an impact of around 10-12%. [*Financial Express*]

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