

# Industry Matters

Weekly Updates

January 27, 2023



## Economy, Industry and Policy

**New industrial policy for New India:** An updated industrial policy framework for the changed context is desirable. What should one expect in a New Industrial Policy (NIP) Resolution? Prof Nagesh Kumar, Director, ISID, writes. *[Business Line]*

**Mission 2047 - India's march to become third-largest economy:** The World Bank's revision of Indian GDP growth projections from 6.4 per cent to 6.9 per cent in the current fiscal year is one among the many affirmations Indian policies and reforms have received in recent times. *[The Economic Times]*

**Fiscal deficit target for FY24 to be kept at 5.8-5.9% in Budget:** The Centre is likely to cut its 2023-24 (FY24) fiscal deficit in the range of 5.8-5.9 per cent of the GDP from 6.4 per cent in FY23. *[Business Standard]*

**Centre to come out with 'Blue Economy' policy soon:** The contribution of 'Blue Economy' to the country's GDP currently stands at approximately four per cent and the policy aims to increase it to double digits by 2047, M Ravichandran, Secretary, Ministry of Earth Sciences. *[The Economic Times]*

**Centre likely to borrow record Rs 16 lakh crore in fiscal 2023/24:** The Indian government will borrow a record Rs 16 lakh crore (\$198 billion) in the fiscal year to March 2024, according to a Reuters poll of economists, who said infrastructure spending and fiscal discipline ought to be its highest budget priorities. *[The Economic Times]*

**Foreign Exchange Reserves - India's foreign exchange reserves rise to five-month high of \$572 billion:** India's foreign exchange reserves rose to a five month high in the week ended January 13, according to the Reserve Bank of India's (RBI) statistical supplement released on Friday. *[The Economic Times]*

**UN forecasts fall in global economic growth to 1.9 per cent in 2023:** The United Nations forecast on Wednesday that global economic growth will fall significantly to 1.9 per cent this year as a result of the food and energy crisis sparked by the war in Ukraine, the impact of the COVID-19 pandemic, persistently high inflation and the climate emergency. *[Financial Express]*

**India's industrial and warehousing demand strengthens in 2022:** The year 2022 has been comparatively good for the Indian industrial and warehousing sector as it saw demand improving after a Covid-led slump in economic activities. *[The New Indian Express]*

**Budget may provide more aid for critical infra gap projects:** Budget 2023-24 is likely to provide for higher financial support for critical infrastructure gap projects under the Gati Shakti Mission that have been identified, but are yet to be approved and funded. *[Business Line]*

**Budget - FinMin to consider PLI scheme for e-bike parts, toys, textiles, high-end phone parts:** The Finance Ministry is considering extension of the Production Linked Incentive (PLI) scheme to about seven additional sectors, including e-bicycle components, toys, garments, and home accessories (all materials including cotton), high-end smartphone components, furniture, and leather footwear. *[Business Line]*

**Government looking to sell Rashtriya Ispat Nigam Ltd's forged wheel plant:** The government is looking to sell Visakhapatnam-headquartered Rashtriya Ispat Nigam Ltd (RINL)'s ₹1,900-crore forged wheel plant in Raebareli, Uttar Pradesh. *[The Economic Times]*



## Foreign Investment

**Energy giant ExxonMobil keen on India, seeks legal shield:** Energy giant ExxonMobil is keen to invest in the Indian upstream sector, but wants the country to offer protection against expropriation, neutral arbitration and globally competitive returns that must stay intact through the term of the contract. *[The Economic Times]*

**Okinawa Autotech to invest 25 million euros in next three years to develop new products, powertrain:** Electric two-wheeler manufacturer Okinawa Autotech on Wednesday said it will invest 25 million euros (over Rs 220 crore) in the next three years on the development of new products and powertrain. *[The Economic Times]*

**Morocco comes to India's rescue in fertilisers as China bans export of key component:** Morocco, one of the key African states, has come to New Delhi's rescue, after China suspended exports of a key component to manufacture fertilisers essential for Indian farmers. *[The Economic Times]*

**Amazon To Invest Rs 36 300 Cr For Data Centres In Telangana:** Amazon Web Services (AWS) on Friday announced that it would increase its investment in Telangana from its previously committed Rs 20,096 crore in 2020 to Rs 36,300 crore by 2030. The company has declared this in one of the highest Foreign Direct Investment (FDI) into Telangana. *[Businessworld]*

**Sports goods major Yonex expands manufacturing footprint in India:** Leading sporting equipment maker Yonex is expanding its manufacturing footprint in India. The Japanese major will begin selling made-in-India carbon graphite racquets, in a bid to offer them at more affordable price points. *[Business Line]*



## Trade Policy and Competitiveness

**India's services exports to cross USD 300 bn target for this fiscal - Piyush Goyal:** The country's services exports are doing "extremely well" and going by the current trend these outbound shipments would register about 20 per cent growth in this fiscal and cross the USD 300 billion target despite global economic uncertainties. *[The Economic Times]*

**Govt eases norms for certain sectors under Export Promotion Capital Goods scheme:** In a relief to exporters from hotel, healthcare, and educational sectors, the government on Friday announced a one-time relaxation for them with respect to maintaining the average export obligation under the Export Promotion Capital Goods (EPCG) scheme. *[The Economic Times]*

**India, Egypt to further strengthen co-operation between defence industries - Modi:** India and Egypt will further strengthen co-operation between its defence industries, and enhance the exchange of information and intelligence related to counter-terrorism. *[Business Line]*

**Apple's handset exports from India reach USD 1 billion in December - IT Secretary:** iPhone maker Apple is not only manufacturing mobile phones for India but it exported handsets worth USD 1 billion as of December. *[The Economic Times]*

**UAE, India in talks to settle non-oil trade in rupees:** The UAE signed a wide-ranging free trade agreement last year with India, which, along with China, is among the biggest trade partners for Gulf Arab oil and gas producers, most of whose currencies are pegged to the US dollar. *[The Economic Times]*

**High-quality FTA with India a priority, says UK trade minister:** Britain's trade minister in charge of negotiating a free trade agreement (FTA) with India says clinching a high-quality deal is among her top priorities for the year. *[The Economic Times]*

**Several Chinese suppliers to Apple to soon seek govt approval to form joint ventures in India:** Several Chinese suppliers to iPhone maker Apple will "very soon" seek approval from the government to form joint ventures with domestic firms to set up facilities here, as the California-based company is looking to develop local capacities. *[The Economic Times]*

**Rupee trade with Russia to succeed if India's exports more or less same as imports:** Russia can import a wide range of items from India such as machinery, automobile parts, electronic goods, tea, agriculture goods, textiles and spices for achieving a balance. *[Business Line]*

**India plans to cut gold import duty to arrest smuggling:** India is expected to slash the import duty on gold to undercut smugglers who have been offering hefty discounts as illicit imports boom after COVID-19, denting the market share of banks and refiners. *[The Economic Times]*

**UP has much better environment for setting up industry than before - Assocham:** Amid ongoing preparations for Global Investors Summit in Uttar Pradesh next month, industry body Assocham has said the state now has a much better environment for setting up industry than before besides having one of the best investment opportunities. *[The Economic Times]*

**Freeze import duties for next five years; cut customs levy slabs to 5 - GTRI to Govt:** The government should not make any changes in the customs duties for at least five years with a view to promoting domestic manufacturing, economic think tank GTRI said on Wednesday in its pre-Budget recommendations. *[The Economic Times]*



## Corporate Governance

**Tata Chemicals Europe, Vertex sign low-carbon hydrogen offtake agreement:** Vertex Hydrogen, a part of the Essar group, has signed a "heads of terms" offtake agreement for over 200 megawatts of low-carbon hydrogen with Tata Chemicals Europe (TCE). *[Business Standard]*

**Adani Group to spin off hydrogen, airports, data centre businesses by 2028 - CFO:** Adani Enterprises Ltd, which is looking to raise ₹20,000 crore in a follow-on share sale, is the business incubator for the group. Over the years, businesses such as ports, power and city gas were first incubated in AEL before being spun off or demerged into separate listed companies. *[Business Line]*

**Dell acquires Israel's cloud services start-up Cloudify for \$100 million:** According to reports, Dell spent close to \$100 million in buying the startup to boost its cloud services business, specifically its offerings in DevOps. *[Business Standard]*

**Accel, Tiger Global mulling to exit e-commerce firm Flipkart:** Private equity firms Accel and Tiger Global are in talks to sell their remaining stake in ecommerce company Flipkart to its parent Walmart Inc for about \$1.5 billion. *[Business Standard]*

**Nokia signs 5G patent agreement with Samsung:** Finnish telecom equipment maker Nokia on Monday said it has signed a new multi-year agreement to license its 5G patents to Samsung following the expiry of the previous pact in December. *[The Economic Times]*

**Indi Grid to buy Khargone Transmission for ₹1,497cr:** "IndiGrid signed a share purchase agreement on January 21, 2023, for the acquisition of a 100% shareholding and economic interest, in one or more tranches, in Khargone Transmission from Sterlite Power Transmission (one of the sponsors of IndiGrid)," the company said in a statement. *[The Economic Times]*



## MSMEs and Start-ups

**6.35 lakh MSMEs likely to benefit from World Bank-assisted RAMP scheme: Finance ministry:** 6.35 lakh MSMEs are likely to benefit from better access to market, finance and credit under the Rs 6,000-crore Raising and Accelerating MSME Performance (RAMP) scheme for MSMEs, according to the finance ministry. *[Financial Express]*

**ECLGS scheme stopped Rs 2 trn MSME loans from turning bad - SBI:** Around 12 per cent (Rs 2.2 trillion) of the outstanding MSME credit has been saved from slipping into bad loans because of the Emergency Credit Line Guarantee Scheme (ECLGS) launched by the government during the pandemic, thus saving 16.5 million jobs till November, 2022. *[Business Standard]*

**Indian fintech start-up funding fell 47% in 2022, says Tracxn:** Fintech start-ups in India raised a total of \$5.65 billion in 390 rounds in 2022, a decline of 47 per cent in terms of funding amount and 29 per cent in the number of rounds, compared with 2021. *[Business Standard]*

**Budget 2023 - Scrapping of key MSME schemes worrying, say industry experts:** The government has announced a slew of schemes over the years to boost the MSME sector, but it has also discontinued many useful ones, said industry experts. Key schemes such as 2% interest subvention for all GST-registered MSMEs and interest subvention for incremental loans could have been extended to support the sector. *[The Economic Times]*

**M1xchange launches new platform to help MSMEs avail easy liquidity:** Trade receivable platform for MSMEs, M1xchange, has begun testing ITFS (international version of TReDs) allowing MSMEs to avail liquidity for as low as 4-9% against their invoices. *[The Economic Times]*

**Venture capital investment in Indian startups plunge 38 per cent in 2022:** In a statement, GlobalData said an analysis of its financial deals database reveals that "a total of 1,726 VC funding deals worth USD 20.9 billion were announced in India in 2022 compared to 1,715 deals worth USD 33.8 billion in 2021." *[The New Indian Express]*

**Govt may announce measures in Budget to further strengthen startup ecosystem:** The government is expected to announce in the forthcoming Budget steps to further strengthen the startup ecosystem in the country and address inverted duty issues in certain sectors to promote domestic manufacturing. *[The New Indian Express]*



## Employment and Industrial Relations

**Formal job creation in India rose in November after October lows - MoSPI:** Formal job creation in India recovered in November 2022 from a multi-month low in October, data released by the Ministry of Statistics and Programme Implementation (MoSPI) released on Wednesday showed. However, job creation in November was the second-worst in 2022. *[Business Standard]*

**On-the-job training - Revamp of skilling policy on the anvil:** India is looking to revamp its skilling framework to make on-the-job training mandatory across all short-term courses while proposing to set up a global board of accreditation to bring industry focus in the ecosystem. *[The Economic Times]*

**IBM cuts 3,900 jobs after muted consulting demand hits quarterly revenue:** IBM Corp on Wednesday said it would lay off 3,900 people as part of some asset divestments and posted flat fourth-quarter revenue due to lackluster demand for its consulting services. *[The Hindu]*

**A first - Atal Pension Yojana logs 10 million enrolments in a calendar year:** The Atal Pension Yojana (APY) — targeted towards unorganised sector workers — saw the highest-ever takers in 2022 with enrolments rising 36 per cent. The figure crossed 10 million for the first time in a calendar year, data released by the finance ministry showed. *[Business Standard]*



## Industrial Finance

**FinMin meets private sector bankers, reviews progress of flagship schemes:** The finance ministry on Tuesday held a meeting with private sector bankers to review progress made by them under the flagship financial inclusion and social security schemes. *[Business Standard]*

**Indian stock markets migrating to T+1 settlement cycle from Jan 27:** Indian stock markets are embarking on a shorter settlement cycle or T+1 regime for the final list of large stocks from Friday, a move that will help reduce margin requirements for clients and boost retail investment. *[The New Indian Express]*

**ADB to provide \$131 million loan to support Jawaharlal Nehru Port Container Terminal upgrade:** The Asian Development Bank (ADB) and Nhava Sheva Freeport Terminal Private Limited (NSFTPL) have signed a USD 131 million (about Rs 1,066 crore) loan agreement to upgrade the Jawaharlal Nehru Port Container Terminal. *[The Economic Times]*



## Technology and Innovation

**Indian SaaS firms to have 8% of world market, get \$35 bn in revenue:** Indian companies will command 8 per cent of the global Software as a Service (SaaS) market by 2027 as they generate \$35 billion in annual recurring revenue (ARR), said a report on Wednesday. *[Business Standard]*

**India - A hub of opportunities for electronic subcontracting in global markets:** Electronics manufacturing has emerged as one of the highest-growth sectors, attracting global markets, and making India an unparalleled hub for sub-contract manufacturing. *[The Economic Times]*



## Industrial Infrastructure, Clusters and SEZs

**343 infrastructure projects show cost overruns of Rs 4.5 lakh crore; 835 delayed:** Total original cost of implementation of the 1438 projects was Rs 20,35,794.75 crore and their anticipated completion cost is likely to be Rs 24,86,069.52 crore, which reflects overall cost overruns of Rs 4,50,274.77 crore (22.12% of original cost)," the Ministry's latest report (December 2022). *[The Economic Times]*

**Tamil Nadu attracted ₹2.23-lakh crore investments in last 20 months - MSME minister:** In the last 20 months since the current government came to power, Tamil Nadu has signed 207 MoUs attracting ₹2.23-lakh crore of investments. *[Business Line]*

**Coal India arm MCL to set up Rs 12,000-crore power plant in Odisha:** Coal India arm MCL is in the process of diversifying into power generation and will set up a coal-based plant entailing an investment of around Rs 12,000 crore in Odisha. *[The Economic Times]*

**Noida investor summit attracts Rs 11,500 cr of investment proposals:** Uttar Pradesh's Gautam Buddh Nagar on Friday received investment proposals of about Rs 11,500 crore from around 50 investors at the district-level investors' summit. *[The Economic Times]*

**Telangana secures Rs 21,000 crore worth of investments during World Economic Forum in Davos:** Telangana has attracted investments worth Rs 21,000 crore across various sectors during the recently concluded annual World Economic Forum (WEF) meeting at Davos in Switzerland. *[The Economic Times]*



## Sustainable Industrialisation

**Suzuki plans to launch 6 electric cars in India by 2030:** Suzuki Motor Corporation (Japan) on Thursday said it will launch six models of battery electric vehicles (EVs) by FY2030 in India, apart from providing a full range of products and services in alternate fuel. *[Business Line]*

**Tamil Nadu leather industry takes green initiatives on export demand from US, Europe:** Leather industry in Tamil Nadu is making efforts to change their manufacturing process greener by adopting zero liquid discharge process, utilising renewable power, recycling and making circular products. *[The New Indian Express]*

**India to extend export incentive scheme to green hydrogen fuel:** India will extend export benefits under a key scheme to domestic green hydrogen fuel manufacturers, two government officials said, as the Asian nation aims to become a global supplier of the clean fuel. *[The Economic Times]*



## Sectoral News

**Reliance Jio launches 5G services in 50 more cities; total number hits 184:** Reliance Jio on Tuesday announced the largest launch of its True 5G services across 50 cities in the country. With this, Jio users across 184 cities are now enjoying the fifth-generation mobile services. *[The Economic Times]*

**Work in progress to set up Coal-to-Methanol plants in country - Puri:** Work is in progress to set up Coal-to-Methanol plants in the country using indigenous technology. *[Business Standard]*

**Tourism sector nets Rs 35K-crore investment proposals in Uttar pradesh:** The intended investments pertain to a plethora of projects, including hotels, resorts, river cruise, wellness hubs, ecotourism, entertainment zones, theme parks, etc. *[Business Standard]*

**Niti Aayog's AIM, CBSE, Intel India collaborate to bring change in education sector:** Niti Aayog's Atal Innovation Mission(AIM), Central Board of Secondary Education(CBSE) and Intel India have collaborated to bring a change in the education sector by embedding future skills, such as artificial intelligence (AI), in the formal curriculum. *[The Economic Times]*

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**ISID** **Institute for Studies in Industrial Development**

An institution of Indian Council of Social Science Research (Ministry of Education)

4 Vasant Kunj Institutional Area, New Delhi - 110070, India

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**Team Members:** Satyaki Roy, Swati Verma, Sangeeta Ghosh, B Dhanunjai Kumar, Amitava Dey & Rakesh Gupta.

Compiled by: Rakesh Gupta, Edited by Sangeeta Ghosh.

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