

Industry Matters

Weekly Updates

February 03, 2023



Economy, Industry and Policy

India's nominal GDP to be USD 3.5 trillion by end-March - Economic Survey: India has already become the world's fifth largest economy in the 75th year of Independence and will reach the USD 3.5 trillion mark by end-March. *[The Economic Times]*

Jan manufacturing PMI falls to three-month low as production, exports slow: India's purchasing managers' index (PMI) for manufacturing fell to a three-month low in January from a two-year high in December, as production slowed and total sales and output did too, said a private survey on Wednesday. *[Business Standard]*

Economic growth to slide to 7% in 2022-23 - Fiscal policy statement: Economic growth is expected to slide in the current fiscal, even as India is among the bright spots in the prevailing global scenario marred by fluid geopolitical circumstances, as per the Fiscal Policy statement presented by Finance Minister Nirmala Sitharaman along with the Union Budget on Wednesday. *[Business Standard]*

PLI scheme to make Indian firms globally competitive, attract investment: Benefits of the production linked incentive (PLI) scheme for as many as 14 sectors will help make domestic manufacturers globally competitive, attract investment in cutting-edge technology and make India an integral part of the global value chain. *[The Economic Times]*

India's core sector output rises by 7.4 per cent in December: India's core sector grew 7.4% year on year in December, against 3.8% in December 2021 and 5.7% in November 2022, as output in seven of the eight components of the infrastructure sectors rose. *[The Economic Times]*

India's April-December fiscal deficit widens on-year to 59.8% of FY23 aim: India's fiscal deficit for the first nine months of this fiscal year through December stood at 9.93 lakh crore rupees, or 59.8% of annual estimates, government data showed today. *[The Economic Times]*

IMF retains India's GDP growth outlook for next fiscal at 6.1%: The International Monetary Fund (IMF) on Tuesday projected India to be the fastest-growing major economy in FY24, retaining the forecast at 6.1% in its latest World Economic Outlook, citing "resilient" domestic demand despite a challenging external environment. *[Mint]*

Services sector grew at 8.4% in FY22 - Economic Survey: India's services sector is a source of strength and is poised to gain more. From low to high value-added activities with export potential, the sector has enough scope to generate employment and foreign exchange and contribute to India's external stability. *[The Economic Times]*

Govt to borrow record Rs 15.4 lakh crore in FY24: The government plans to borrow a record Rs 15.4 lakh crore from dated securities in FY24 to meet its expenditure requirement to prop up the economy. This is higher than the total borrowing of Rs 14.21 lakh crore for the current financial year ending March 31, 2023. *[The Economic Times]*

Capital expenditure outlay hiked to Rs 10 lakh crore in Budget 2023-24: The centre on Wednesday gave a boost to infrastructure development and earmarked Rs 10 lakh crore as capital expenditure for financial year 2023-24. This is significantly higher than the Rs 7.5 lakh crore allocated in the fiscal 2022-23 of which around 60% has been spent till December-end. *[The Economic Times]*

Government to provide Rs 10,000 crore/year under Urban Infrastructure Development Fund: The government will provide Rs 10,000 crore per annum for an Urban Infrastructure Development Fund (UIDF), that will be established through use of priority sector lending shortfall. *[The Economic Times]*

Some more PLIs - FY24 could be inflection point for surge in India's manufacturing capex: The sectors covered under the government's `1.97 trillion package include automobiles and auto components, electronics, solar modules, pharmaceuticals, telecom, food products, textiles, white goods and specialty steel. *[The Economic Times]*

2nd highest gross GST collection in January 2023 amounting Rs 1.55 trn: Revenues in the current financial year upto January 2023 was 24% higher than the GST revenues during the same period last year. *[Business Standard]*

Disinvestment proceeds of Rs 4.07 lakh cr realised in last 9 years - Economic Survey: About Rs 4.07 lakh crore has been realised as disinvestment proceeds in the past nine years, and post-2014 the government is engaging with the private sector as a co-partner in the development. *[The Economic Times]*



Foreign Investment

FDI inflows expected to rebound in India - Economic Survey: Foreign direct investment into the country is expected to rebound in the coming months on account of India's high economic growth, and steps to further improve the business environment of India. *[The Economic Times]*

Global economic factors, recessionary fears in advanced economies led to FPI sell-off - Economic Survey: These factors led to foreign portfolio investors (FPIs) pulling out a net amount of Rs 16,153 crore from the Indian capital markets during April-December FY23 as compared to an outflow of Rs 5,578 crore in the year-ago period. *[The Economic Times]*

GRSE signs MoU to manufacture Rolls Royce marine engines in India: Kolkata-based public sector shipyard, Garden Reach Shipbuilders and Engineers (GRSE) Ltd. has signed a Memorandum of Understanding (MoU) with Rolls Royce Solutions of Germany to locally manufacture the latter's marine diesel engines. *[The Hindu]*



Trade Policy and Competitiveness

Taking FTA advantage upto private sector, global slowdown 'reflecting' in India's goods export growth - Eco Survey: India achieved an all-time high annual merchandise export of \$422 billion in FY22. The Netherlands has displaced China from the third spot as India's exporting partner in April-December FY23 and India has

diversified its export destinations over time with the share of South Africa, Brazil and Saudi Arabia rising while those of China and the US fell. *[The Economic Times]*

Commerce Ministry recommends imposing anti-dumping duty on vinyl tiles from China, Taiwan: The Commerce Ministry has the recommended imposition of anti-dumping duty on vinyl tiles coming from China and Taiwan for five years to guard domestic players from cheap imports from these countries. *[The Economic Times]*

Netherlands emerging as key export destination for India amid jump in shipments of petro products: The Netherlands has emerged as India's third largest exports destination after the US and UAE during April-December this fiscal on account of a surge in shipment of goods such as petroleum products, electronic items, chemicals, and aluminium goods. *[The Economic Times]*

Promoting international trade in rupee to help reduce currency volatility - Survey: Promoting international trade in the domestic currency will help in protecting the rupee from volatility and reduce cost of doing business in the global markets, Economic Survey said on Tuesday. *[The Economic Times]*

India's engineering goods exports to key markets down in Dec - EEPC: India's engineering goods exports to key markets, including the US, Europe, and China, registered a year-on-year decline in December amid a global demand slowdown, as per a statement by Engineering Export Promotion Council (EEPC). *[Mint]*

Foreign trade in farm goods to hit fresh record in FY23: India's farm trade, which recovered smartly in FY22, will likely hit a record this fiscal, with both exports and imports scaling new peaks. *[Financial Express]*

Near 50% jump in imports threatens India textile story: Textile and garment imports by India, traditionally a major exporter, jumped as much as 48.8% until November this fiscal from a year ago to \$7.2 billion, while the outbound shipment of such products shrank 13.4% to \$23.1 billion. *[Financial Express]*

New diversified markets helping India's exports - FIEO: Increasing exports to markets such as Brazil, South Africa and Saudi Arabia are boosting the growth of the country's outbound shipments. *[The Economic Times]*

Electronics good exports growing at 55% annually, PLI to help local firms - Economic Survey: Electronics goods emerged among the top five commodity groups showing healthy exports at an annual growth rate of 55.1 per cent with mobile phone production in the country rising by five-fold in past seven years. *[The Economic Times]*



Corporate Governance

Indian cos raise Rs 5.06 lakh cr via equity, debt during Apr-Nov 2022 - Eco Survey: Indian companies mobilised Rs 5.06 lakh crore through the equity and debt routes during April-November 2022, a drop of 8.5 per cent from the year-ago period. *[The Economic Times]*

M&A, other corporate deals surpass pre-Covid levels in 2022 - PwC: Mergers and acquisitions accounted for a major share of the deal value, boosted by more than 20 large transactions, and reached a record high of \$107 billion -- almost twice that of 2021. *[Business Standard]*

Domestic deals dominate M&A in healthcare and Pharma; Trend to continue in 2023: The market for mergers and acquisitions (M&A) in the healthcare industry seems to be going through consistent change. In the last couple of years, M&A's in the healthcare segment are booming. *[Financial Express]*

Microsoft partners with global solar leader Qcells to curb carbon emissions: Tech giant Microsoft has announced that it has partnered with global solar leader Qcells to curb carbon emissions and power the clean energy economy. *[Business Standard]*

Reliance announces tie-up with Lanka-based biscuit brand: Reliance Consumer Products (RCPL), the FMCG arm and a wholly-owned subsidiary of Reliance Retail Ventures has entered into a strategic partnership with Sri Lanka-based Maliban Biscuit Manufactories. *[Financial Express]*



MSMEs and Start-ups

Budget - Govt to launch accelerator fund to boost agritech startups: The government will set up an accelerator fund for agri-startups to increase digital infrastructure in the rural areas and boost startups in this space, finance minister Nirmala Sitharaman announced in her Budget speech on Wednesday. *[Mint]*

Budget 2023 - Credit guarantee scheme continuation to boost MSMEs: Credit to the micro, small and medium enterprises (MSMEs) will get a boost with the continuation of the credit guarantee scheme for lending to these business units with additional Rs 9,000 crore in the corpus. *[The Economic Times]*

'Smart recovery' for MSMEs with GST payments crossing pre-Covid levels, Udyam registrations over 1-cr mark - Economic Survey: Taking cognisance of the way Micro, Small and Medium Enterprises (MSMEs) have posted smart recovery from the pandemic, the Economic Survey 2022-23 said that GST trends reflected this in good measure. *[The Economic Times]*



Employment and Industrial Relations

India's jobless rate declined to four-month low of 7.14% in January- CMIE: India's unemployment rate fell to 7.14% in January, the lowest in four months, from 8.30% in the previous month, data from the Centre for Monitoring Indian Economy (CMIE) showed on Wednesday. *[The Economic Times]*

Manufacturing, services log 8.27 per cent attrition in Q3: The average attrition rate across manufacturing and services industries increased sequentially to 8.27 per cent in the October-December quarter. *[The Economic Times]*

1.1 cr people trained, 21.4 lakh placed under PMKVY 2.0 - Economic Survey: About 1.1 crore persons have been trained and 21.4 lakh placed under the second phase of the government's flagship skilling scheme PMKVY. *[The Economic Times]*

More than 50 million citizens subscribe to Atal Pension Yojana - PFRDA: Pension Fund Regulatory & Development Authority (PFRDA) on Monday said more than 5 crore people have enrolled under Atal Pension Yojana (APY), the flagship social security scheme of the central government. *[Business Standard]*

MGNREGS work demand back to pre-pandemic level - Economic Survey: The number of persons demanding work under MGNREGS was seen to be trending around pre-pandemic levels from July to November 2022. This could be attributed to the normalisation of the rural economy due to strong agricultural growth and a swift recovery from Covid induced slowdown. *[The Economic Times]*



Industrial Finance

Bank credit growth rises to 16.5% to Rs 132.81 trillion in Jan 13 fortnight: Bank credit growth picked up in the fortnight ended January 13, 2023, with 16.5 per cent YoY growth to Rs 132.81 trillion, latest data released by Reserve Bank of India (RBI) showed. *[Business Standard]*

Govt expects dividend of Rs 48,000 cr from RBI, PSU banks in FY24: The government expects 17 per cent higher dividend at Rs 48,000 crore from the Reserve Bank of India (RBI), public sector banks and financial institutions in 2023-24. *[The Economic Times]*

A push to new tax regime likely to affect life insurance business: The budget was a mixed bag for the BFSI sector. An impetus to capital investment and higher disposable income in the hands of consumers under the new income tax regime augurs well for credit and consumption demand in the economy thereby helping the banks and non-banking finance companies (NBFCs). *[The Economic Times]*



Technology and Innovation

Budget 2023 - Govt allocates Rs 16,549 crore to IT ministry, 40% higher on year: The budget for 2023-24 has allocated Rs 16,549 crore for the Ministry of Electronics and Information Technology, which is nearly 40% higher on year. The budget for FY2023 had allocated Rs 14,300 crore for the IT ministry. *[The Economic Times]*

Building resilient semiconductor supply chains key focus area of US-India iCET partnership: Supporting the development of a semiconductor design, manufacturing, and fabrication ecosystem in India is one of the key factors stated as part of the vision for building resilient semiconductor supply chains to elevate and expand strategic technology partnership and defence industrial cooperation between the governments. *[The Economic Times]*

Digital payments record 24% annual growth at end of Sept 2022 - RBI: Digital payments across the country registered a growth of 24.13 per cent in a year through September 2022, as per RBI's index that measures the adoption of online transactions. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

Gati Shakti push - 18 road projects headed for the fast lane in FY24: In line with the thrust on the Prime Minister Gati Shakti-National Master Plan, the government will prioritise and fast-track as many as 18 critical road infrastructure projects in the financial year 2023-24. *[Business Standard]*

FM increases allocation to NHAI to Rs 1.62 lakh crore for FY24: With the government betting big on infrastructure, finance minister Nirmala Sitharaman on Wednesday increased allocation to state-owned National Highways Authority of India (NHAI) to Rs 1.62 lakh crore for 2023-24 from last year's revised allocation of Rs 1.42 lakh crore. *[The Economic Times]*

Shipping Ministry launches marine logistics portal to smoothen sea trade: The single-window platform aims to bring all trade stakeholders together and reduce logistics cost with real-time mapping and provisioning. *[Business Standard]*

Key infrastructure-gap projects to get big Budget push: The Centre will give a big push to critical infrastructure-gap projects that have been identified using the PM Gati Shakti National Master Plan in the upcoming budget. It may also provide additional funding support to states for executing these. *[The Economic Times]*

Govt set to invite EoIs for Rs 41k-cr Great Nicobar Port on Saturday: The Centre on Saturday will invite expressions of interest (EoI) for the development of an international container transshipment port at Galathea Bay of Great Nicobar in the Bay of Bengal, the ministry of ports, shipping and waterways. *[Business Standard]*



Sustainable Industrialisation

Budget 2023 - Rs 35,000 crore for net-zero carbon emission target: One of the major highlights of Budget 2023-24 was the focus on green energy. Reiterating India's commitment to meet the target of achieving net-zero carbon emission by 2070. *[The New Indian Express]*

Green hydrogen critical for India's economic development, energy security - Economic Survey: Green hydrogen will be crucial for achieving decarbonisation of harder-to-abate sectors such as fertilisers, refining, methanol, maritime shipping, iron & steel and long-haul transport. *[The Economic Times]*

India's solar module manufacturing capacity to reach 95 GW by 2025: India's solar module manufacturing capacity is expected to reach approximately 95 GW by the end of 2025, according to Mercom Capital. *[Business Standard]*

Luminous to build India's first green solar panel factory in Uttarakhand: Luminous Power Technologies on Friday announced its plan to build the country's first green energy-based solar panel manufacturing facility in Uttarakhand. *[The Economic Times]*

EV sales to touch 1 crore units by 2030 - Economic Survey: The domestic electric vehicles (EV) market is expected to touch one crore units in annual sales by 2030 and would create 5 crore direct and indirect jobs, according to the Economic Survey 2022-23. *[The Hindu]*



Sectoral News

Union Budget 2023 gives EVs a big charge; boosts vehicle scrappage: Sitharaman extended Customs duty exemption for the manufacture of lithium-ion batteries and introduced more sops to boost vehicle scrappage. *[Business Standard]*

Budget 2023 - India's defence sector gets Rs 5.94 lakh crore for 2023-24: The government, in the last few years, has encouraged domestic manufacturing while reducing exports under the defence ecosystem of India. The exports in the sector surged nearly eight times to Rs 12,815 crore in 2021-22 from Rs 1,521 crore in 2016-17. *[The Economic Times]*

Domestic pharmaceutical market to reach \$130 bn by 2030 - Eco Survey: India's domestic pharmaceutical market is estimated to reach USD 130 billion by 2030 and the pharma industry has sustained its growth momentum after the pandemic, according to the Economic Survey 2022-23. *[The Economic Times]*

Budget - Govt to infuse ₹52,937 crore into BSNL in FY24: The government will infuse ₹52,937 crore in state-run telecom carrier Bharat Sanchar Nigam Limited (BSNL) in FY24, higher than ₹44, 720 crore budgeted in FY23, primarily for 4G spectrum, technology upgrading and restructuring in the fourth largest carrier. *[Mint]*

India's electricity consumption grows nearly 13% to 126.16 bn units in Jan: India's power consumption logged a double-digit year-on-year growth of nearly 13 per cent to 126.16 billion units in January 2023, according to government data. *[Business Standard]*

Enhanced domestic coal production to replace imports - Eco Survey: India's coal sector is likely to grow at 6-7 per cent per year to reach production level of 1.5 billion tonne by 2030 and this rise in output is expected to replace imports and increase exports. *[The Economic Times]*

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