

# Industry Matters

Weekly Updates

February 10, 2023



## Economy, Industry and Policy

**RBI MPC meet highlights - Das & Co's tweaks in repo rate, GDP and inflation forecasts and more:** The Reserve Bank of India's (RBI) rate-setting panel with a 4:2 majority has opted to increase the repo rate by 25 bps, Governor Shaktikanta Das announced on Wednesday. The retail inflation outlook for the ongoing fiscal has is at 6.5% while GDP growth for FY24 is seen at 6.4%. *[The Economic Times]*

**Speed up capex to get loan, states told:** To ensure states don't cut back on their capital expenditure, the Centre has linked a third of the 'untied' part of the capex loan to them in FY24, to achievement of their individual capex targets in the year. *[Financial Express]*

**India's budget to sustain demand for corporates - Fitch Ratings:** The higher spending, tax cuts and supportive policies announced in India's budget 2023 will support sustained demand growth and improve the longer-term prospects for a number of corporate sectors. *[Mint]*

**Shoppers return to pre-Covid buying habits** Indian consumer behaviour has completely reset back to pre-pandemic consumption levels, belying all expectations and projections that some of the consumption changes during Covid would continue thereafter. *[The Economic Times]*

**UP gets Rs 21 trn investment proposals; PM to inaugurate GIS on Friday:** Uttar Pradesh has received investment proposals to the tune of Rs 21 trillion in the run-up to the UP Global Investors Summit (GIS) later this week. *[Business Standard]*

**Centre plans to roll out research-linked incentive scheme for pharma sector:** To create a research-driven pharmaceutical (pharma) and lifesciences ecosystem, and move up the value chain in the global pharma scene, the Centre is working actively on rolling out a research-linked incentive (RLI) scheme for the sector. *[Business Standard]*

**'I'm very bullish on India' - Apple CEO Tim Cook:** Apple CEO Tim Cook said he was very bullish on India and that was the reason why Apple was investing in retail and online stores in the country and putting out a significant amount of energy here. *[The Hindu]*

**Capex Challenge - 33-35% hike propels economy through government spending; nudges India Inc to invest:** Finance Minister Nirmala Sitharaman again bets on capital expenditure to steer a turbulent economy. The test lies in converting the `10 lakh crore outlay into workable contracts as well as in nudging India Inc to invest. *[The Economic Times]*

**Critical minerals policy soon to reduce dependence on China:** Faced with a high dependence on China, India plans to bring out a policy framework and time-bound action plan for exploration, processing, use, and recycling of critical minerals in the country - an essential step towards self-sufficiency across several sectors and energy transition. *[The Economic Times]*

**DIPAM confident of meeting Rs 51,000 crore selloff target for FY24:** The government is confident of meeting the target of ₹51,000 crore for the next financial year, as it expects many divestment processes initiated in the current fiscal to be closed by the next fiscal year, including IDBI, Shipping Corporation of India and NMDC Steel Ltd. *[The Economic Times]*

**PLI scheme attracted Rs 45,000 cr investment, created 3 lakh jobs - NITI Aayog CEO:** India's production-linked incentive (PLI) scheme has attracted investment worth over Rs 45,000 crore and has also created three lakh jobs, according to NITI Aayog CEO Parameswaran Iyer. *[The Economic Times]*

**Centre working on implementing new Foreign Trade Policy from April 1:** The Commerce and Industry Ministry is working on implementing the new Foreign Trade Policy (FTP) on April 1, with officials giving the draft a final go-through. *[Business Line]*



## Foreign Investment

**World Bank keen on Rs 2,500-cr green resilient programme for Himachal - CM:** The World Bank indicated keenness in taking forward the Green Resilient Integrated Development programme for the state with Basin approach, at an estimated cost of Rs 2,500 crore (\$300 million), which may be enhanced further, depending on the technical analysis. *[Business Standard]*

**FPIs register steepest outflow in 7 months at ₹28,852 crore in January:** Foreign investors pulled out ₹28,852 crore from Indian equities in January, making it the worst outflow in the last seven months, primarily due to attractiveness of the Chinese markets. *[The Hindu]*

**New York Life Insurance to invest Rs 290 crore in Max Estates' SPV in Gurgaon:** New York Life Insurance Co, a US based mutual life insurance company, has proposed to invest Rs 290 crore for a 49% equity stake in a commercial project of Max Estates' SPV in Gurgaon. *[The Economic Times]*

**Foreign portfolio investors in India to pay higher tax on debt securities:** Foreign portfolio investors have been enjoying a lower 5% tax on interest earned on bonds since 2013, making investments in the country more attractive. Ending this treatment would require them to pay a 20% tax on interest income from July 1. *[The Economic Times]*



## Trade Policy and Competitiveness

**US emerges as India's top destination for goods exports during April-Dec 2022:** The US has emerged as India's top destination for merchandise exports during April-December this fiscal at USD 59.7 billion, Parliament was informed on Friday. *[The Economic Times]*

**India's focus should be on reducing dependence on China for certain critical inputs - NITI Aayog's Suman Bery:** NITI Aayog vice chairman Suman Bery on February 5 said that India's focus should not be on the overall trade deficit with China, but instead on reducing New Delhi's dependence on Beijing for certain critical inputs. *[The Hindu]*

**Agri, processed food exports rose 13% to USD 19.69 billion between Apr-Dec:** India's agricultural and processed food exports increased by 13% to USD 19.69 billion from April through December of this fiscal year. *[The Economic Times]*

**India's finished steel exports slump 52% during April-January:** The country's steel exports fell 52.2% to 5.33 million tonnes between April and January, with the removal of an export tax in November failing to revive exports. *[The Economic Times]*

**India, Qatar discuss ways to strengthen maritime cooperation:** India's bilateral trade with Qatar in 2021-22 was USD 15.03 billion. India's export to Qatar during 2021-22 was USD 1.83 billion and India's import from Qatar was USD 13.19 billion. *[The Economic Times]*

**India, EU set up bilateral 'Trade and Technology Council':** India and the EU have set up a new Trade and Technology Council (TTC), with a focus on trade, investment & value chains, digital economy and clean technology. *[Business Line]*

**India-Pakistan trade stood at USD 1.35 billion during April-December 2022:** The bilateral trade between India and Pakistan has increased to USD 1.35 billion during April-December 2022 as against USD 516.36 million in the whole 2021-22, Parliament was informed on Wednesday. Similarly, the country's trade with China has aggregated at about USD 87 billion during the nine-month period of this fiscal. *[The Economic Times]*



## Corporate Governance

**Competition Bill may propose levying penalty on firms' global turnover:** The government will likely tweak the Competition Amendment Bill 2022 to propose that penalties on companies be calculated as a percentage of their global turnover instead of the current practice of levying it on their turnover within the country. *[Business Standard]*

**Govt planning to oppose Hindustan Zinc's proposal to buy Vedanta assets:** The government is planning to oppose Hindustan Zinc Ltd.'s proposal to buy global zinc assets of Vedanta Ltd. for \$2.98 billion. *[Business Standard]*

**Foxconn, Vedanta plan tech tie-up with STM for semiconductor manufacturing unit in India:** Foxconn and Vedanta are close to inducting European chipmaker STMicroelectronics as the technology partner in their proposed semiconductor chip manufacturing unit in India. *[The Economic Times]*

**Tata Motors aims to operationalise Ford's Sanand plant in 12-18 months:** Tata Motors is looking to commence operations at the Gujarat-based manufacturing plant it acquired from Ford, over the next 12-18 months to scale up its production capacity. *[The Economic Times]*

**VIL joins hands with Motorola to drive 5G connectivity across 5G smartphone portfolio:** The announcement comes within days of Vodafone Idea getting a shot in the arm, with Centre on Friday clearing conversion of the troubled telco's accumulated interest dues worth Rs 16,000 crore into equity. *[The Economic Times]*

**Carlsberg's India & Nepal partner to sell entire 33% stake at ₹6,155 cr to brewer:** Danish brewer Carlsberg has said the Khetan Group — which owns 33 per cent shares in the holding company which manages businesses in India and Nepal — has put a formal notice to sell its entire stake to the brewer for \$744 million (₹6,155 crore). *[Business Line]*



## MSMEs and Start-ups

**India ranks third in world 'start-up' ecosystem: Union minister Anurag Thakur:** Union Minister Anurag Singh Thakur on Saturday said India is now the hub of 'Start-up' ecosystem in the world, ranking third with 90,000 'Start-Ups' and 107 unicorn companies worth 30 billion dollars. *[The Economic Times]*

**Over 10,000 MSMEs shut down in 2022-23, highest in past four years:** A total of 10,655 micro, small and medium enterprises (MSMEs) shut down in 2022-23; the highest in the last four years. *[Business Standard]*

**RBI proposes to expand scope of TReDS to improve cash flows for MSMEs:** Delivering the Monetary Policy Committee report on Wednesday, the Reserve Bank of India (RBI) Governor Shaktikanta Das said the central bank would expand the scope of the Trade Receivables Discounting System (TReDS) to improve the cash flows for MSMEs. *[The Economic Times]*

**Union Budget 2023 - FinMin notifies refund of security deposits to MSMEs:** The Finance Ministry on Monday notified the FY24 Budget announcement, asking departments and public sector units to refund securities deposited by micro, small and medium enterprises (MSMEs) during the Covid-19 pandemic. *[Business Standard]*

**Cut in customs duty, support to MSMEs in Budget to help boost manufacturing, exports - Exporters:** The announcements for tweaking customs duties in certain sectors and measures to support MSMEs will help in boosting domestic manufacturing and the country's outbound shipments. *[The Economic Times]*



## Employment and Industrial Relations

**Zoom to lay off around 1,300 employees, CEO Eric Yuan taking 98% pay cut:** Zoom on Tuesday announced that it will lay off about 1,300 employees, or approximately 15 per cent of its staff, becoming the latest tech company to announce significant job cuts. *[Business Standard]*

**Boeing plans to cut about 2,000 finance and HR jobs in 2023:** Boeing plans to make staffing cuts in the aerospace company's finance and human resources departments in 2023, with a loss of around 2,000 jobs. *[Business Standard]*

**20.7 mn households seek MGNREGA work in Jan, 2.26% less than in December:** Around 20.7 million households have sought work under the flagship MGNREGS in January 2023, which is about 9.69 per cent more than the pre-pandemic month of January 2020, but almost 11.38 per cent lower than the work demand of January 2021 and 21.41 per cent lower than that of January 2022. *[Business Standard]*



## Industrial Finance

**Companies get bank loans based on fundamentals, not m-cap - RBI Governor Das:** Indian banks lend money to business houses not based on their market capitalisation (m-cap) but on parameters that depict the fundamentals of the business. *[Business Standard]*

**Q3 results - PSBs' net profit jumps 66% on healthy interest margins:** Eleven public-sector banks (PSBs) reported an average of 65.7 per cent year-on-year (YoY) growth in net profit at Rs 28,620 crore in the third quarter ended December 2022 (Q3FY23). *[Business Standard]*

**Introduction of Insolvency and Bankruptcy Code helped improve 'ease of doing business' ranking - Justice Kaul:** India's rank has gone from 142 in 2014 to finally 63 in 2022 — due credit for which should be given to the IBC. In my opinion, IBC has also had a big role to play in India's new 'startup' culture, by creating a conducive environment for budding entrepreneurs. *[The Hindu]*



## Technology and Innovation

**Public procurement via GeM expected to cross Rs 2 trillion-mark in FY23:** The Government e-Marketplace (GeM) portal is expected to almost double its gross merchandise value (GMV) to Rs 2 trillion in FY23, having already surpassed the Rs 1.5 trillion mark last week. In FY22, the GMV of GeM was Rs 1.06 trillion. *[Business Standard]*

**All states, UTs, govt departments to integrate with national single window system by Dec - DPIIT Secy:** All the states, union territories and 32 central government departments will integrate with the National Single Window System (NSWS) by December this year, through which companies can seek all approvals and clearances for their businesses. *[The Economic Times]*

**RBI to launch QR code based coin vending machine:** The Reserve Bank of India (RBI) is preparing a pilot project on QR code-based coin vending machine (QCVM). This project will be introduced in 12 cities. *[Business Line]*

**Travellers to India from G20 nations can use UPI for merchant payments - RBI:** The Reserve Bank of India (RBI) intends to provide travellers to India access to the Unified Payments Interface (UPI) to make merchant payments while they are in the country. *[Business Standard]*



## Industrial Infrastructure, Clusters and SEZs

**Large Budget allocation to infrastructure makes theme attractive:** Investments in railways, airports, and roads have received a big boost. The enhanced focus on green energy and urban infrastructure will also benefit several infrastructure players. *[Business Standard]*

**India developing border infra, connectivity with friendly neighbours due to China concerns - Jaishankar:** India's connectivity projects with Bhutan, Bangladesh, Nepal and Myanmar have been accelerated due to its "obvious" concerns about the frontier with China. *[The Hindu]*

**Centre plans to develop 100 airports by 2024 under UDAN infra scheme:** The government has planned to develop 100 airports by 2024 under the Regional Connectivity scheme (RCS)-Ude Desh ka Aam Nagrik (UDAN) infrastructure scheme. *[Business Standard]*

**India's new infrastructure lender plans debut \$610 million bond:** NaBFID, as the infrastructure-focused lender is called, plans to leverage the Government's equity capital to the extent of ₹3-4 lakh crore through the issuance of Tier-1 and Tier-2 bonds. *[Business Line]*





## Sustainable Industrialisation

**India Energy Week - PM Modi pitches for global investments in energy sector:** Modi said that India's strategy for the energy sector is centred around four major verticals—increase in domestic exploration and production of oil and gas, diversification of energy supplies, expansion of alternative sources of energy like biofuels, ethanol, compressed biogas, and solar energy. *[Indian Express]*

**Renewables, hydrogen to make India world's third largest economy - PM Modi:** Prime Minister Narendra Modi on Monday laid out his vision of making India the world's third-largest economy with a focus on renewable energy, biofuels and hydrogen as he pivots a roadmap to cut reliance on imported oil and gas. *[Business Standard]*

**India's green energy focus in sync with ongoing G20 Presidency:** The government announced a slew of measures for the initiatives related to green fuel, green farming, green mobility, green buildings, and green equipment. *[The Economic Times]*

**India's first hydrogen combustion engine tech for heavy-duty trucks unveiled by RIL:** RIL and its vehicle partner Ashok Leyland, along with a few other partners, together developed the technology under its Net carbon Zero vision. The first engines run with this tech was tested in early 2022. *[The Economic Times]*

**Indian Oil to sign MOU with LanzaJet for sustainable aviation fuel:** Indian Oil Corp will sign a memorandum of understanding with sustainable fuel tech provider LanzaJet to produce sustainable aviation fuel at its Panipat refinery in northern India. *[The Economic Times]*



## Sectoral News

**Auto retail sales rise 14% in January - FADA:** Automobile retail sales in India rose 14% in January owing to robust registrations across passenger vehicles, two-wheelers and tractors, dealers' body Federation of Automobile Dealers Associations said on Monday. *[The Economic Times]*

**Indian airlines likely to order up to 1,700 planes in next 2 yrs - CAPA:** Indian carriers are likely to place orders for 1,500 to 1,700 planes in the next one to two years and Air India is expected to make the first move with a potential order for 500 aircraft. *[Business Standard]*

**E20 - Petrol doped with 20 pc ethanol starts retailing in 11 states/UTs:** Petrol doped with 20 per cent ethanol was rolled out on Monday at select petrol pumps in 11 states and union territories as part of a programme to increase use of biofuels to cut emissions as well as dependence on foreign exchange-draining imports. *[The Economic Times]*

**India's coal production grows 13% in January:** India's coal production increased by 12.94% in January to almost 89.96 million tonne (MT) from 79.65 MT a year earlier, the Ministry of Coal said in a statement. *[Mint]*

**Import expenses 12 times of export earning in space-technology sector:** There's a wide chasm between expenses on imports and earnings from exports in the space technology industry, suggests data made public as part of a response by Space Minister (in-charge) Jitendra Singh. *[The Hindu]*

**India's domestic air traffic reaches 86 per cent of pre-Covid level in 2022 - IATA:** India's domestic traffic reached 85.7 per cent of the level of 2019 -- pre-Covid year -- in 2022 even as the recovery in air travel continued in December last year, global aviation body IATA said on Monday. *[The Economic Times]*

**No BIS license granted to any toy manufacturing unit in China - Consumer Affairs Minister:** "No licence has been granted to any unit in China," Choubey said. As per the data shared, the toy manufacturing units who have got BIS licenses are located in Vietnam, Malaysia, Indonesia, Thailand, Sri Lanka, Hungary and Czech Republic. *[Business Line]*

**Indian milk production goes up by 51% in 8 years:** India, which has emerged as the highest milk producer in the world, has seen a 51 per cent increase in milk production during the last eight years. *[Business Line]*

**India's technical textile exports grew 28.4% in 2021-22 - Govt to Lok Sabha:** India's exports of 207 technical textile products have grown from USD 2.21 billion in 2020-21 to USD 2.85 billion in 2021-22, registering a growth rate of 28.4 per cent. *[Business Standard]*

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