

Industry Matters

Weekly Updates

February 24, 2023



Economy, Industry and Policy

China and India to contribute more than half of global growth this year - IMF: The International Monetary Fund on Tuesday said that India and China are expected to contribute more than half of global growth this year, with the rest of Asia contributing an additional quarter. *[The Economic Times]*

Unique factors at work to ensure India becomes 3rd-largest economy: Digital competitiveness, mega public investment in infra, a concerted effort to ensure development of a dominant manufacturing base, steps to reduce dependence on external energy supplies and political stability. *[The Economic Times]*

Emphasis on capital expenditure in India's budget could boost growth - RBI Bulletin: India's consumption-led economy would get a further boost from the government's emphasis on capital expenditure, which is expected to encourage private investment and generate jobs, the Reserve Bank of India said in its report on the state of the economy. *[The Economic Times]*

India can grow at 8%; the time is right to draw investment, says World Bank President: India faced challenges during the Covid-19 pandemic but has recovered "strongly" and can achieve 8% growth through a stronger private sector, land and agriculture reforms, and ensuring credit gets to small enterprises, among others, said David Malpass, president of the World Bank. *[The Economic Times]*

UP govt presents Rs 7 trn Budget for FY24 including various new schemes: The total receipt is estimated at Rs 6,83,292.74 crore, which includes revenue receipts of Rs 5,70,865.66 crore and capital receipts of Rs 11,247.08 crore, UP Finance Minister Suresh Kumar said. *[Business Standard]*

India-US ties key for strong world economy, outcompete China - Schumer: A strong India-US relationship is a must for democracy, advancement in technology and a robust world economy, a top American senator has said, emphasising that close bilateral ties will be a crucial counterweight to outcompete China. *[Business Standard]*

EV charging revenue likely to exceed \$300 billion globally by 2027: The global electric vehicle (EV) charging revenue is likely to exceed \$300 billion by 2027, up from \$66 billion in 2023. *[The Economic Times]*

Govt to auction 27 more coal mines starting February 27: The coal ministry on Wednesday said that 27 coal mines would be put on sale in the next round of commercial mines auction starting from February 27. *[Business Standard]*

Assets worth Rs 26,000 crore monetised in FY23 - NITI Aayog: The government has monetised assets worth ₹26,000 crore during FY23 against the target of ₹1.6 lakh crore for the current fiscal while proposal pipeline aggregating to ₹1.23 lakh crore is currently at various stages of processing, the NITI Aayog said. *[The Economic Times]*

US Chamber asks India to tweak IPR policy to improve global ranking: India moved up by just one place to the 42nd position at the International IP Index 2023, with no change to the 2022 index score of 38.64%, raising serious concerns about enforcement of IP rights in India and resolution of IP-related disputes, the US Chamber of Commerce said in a report released globally. *[The Economic Times]*

Indian economy expected to contribute more than 15% of global growth - IMF MD: The emerging markets and developing economies are expected to account for around 80 per cent of the global growth this year and the next. Of this, India alone is expected to contribute over 15 per cent, said the International Monetary Fund's Managing Director Kristalina Georgieva. *[The Economic Times]*



Foreign Investment

FPIs shift focus back on Indian market; invest Rs 7,600 cr in one week: India's consumption-led economy would get a further boost from the government's emphasis on capital expenditure, which is expected to encourage private investment and generate jobs, the Reserve Bank of India said in its report on the state of the economy. *[The New Indian Express]*

FDI equity inflow contracts 15% to \$36.7 billion in Apr-Dec - Govt data: Foreign direct investment (FDI) in equity during the first three quarters of this fiscal year declined 15 per cent year-on-year to \$36.75 billion, according to the data released by the Department for Promotion of Industry and Internal Trade (DPIIT). *[Business Standard]*

Volkswagen to revisit India amid China geopolitical uncertainty: Europe's largest carmaker is taking a closer look at India — again. Volkswagen AG wants to remain a strong player in Europe and China, but in the face of growing geopolitical tensions and an increasingly complex regulatory environment, the German carmaker is looking beyond the US for markets with growth potential, Chief Executive Officer Arno Antlitz said. *[The Economic Times]*



Trade Policy and Competitiveness

Trade in local currency: India may ink pacts with UAE, Nigeria, Malaysia: India may ink pacts with the United Arab Emirates (UAE), Malaysia, and Nigeria to facilitate settlement of international trade in local currencies as early as next month. *[Business Standard]*

More Asian countries interested in Rupee trade: Central bank executive: More Asian countries, such as Indonesia and the United Arab Emirates, are showing interest in using the Rupee as a trading unit, potentially reducing dependence on the world's reserve currency for cross-border exchange of goods and services. *[The Economic Times]*

A year after signing India-UAE Comprehensive Economic Partnership Agreement, bilateral trade grew by 27.5%: The historical India-UAE Comprehensive Economic Partnership Agreement (CEPA) was signed on February 18, 2022 during the virtual summit attended by Indian Prime Minister Narendra Modi and President of the UAE Sheikh Mohamed bin Zayed Al Nahyan. *[The Economic Times]*

Indian leather shines abroad, witnesses' exports boom: As international footwear brands look to source their production needs, and with many also looking to diversify outside of China, the world's current largest producer and exporter of leather, experts believe that Agra would fit the bill. *[The Economic Times]*

India-UAE Business Council launched to boost bilateral trade and investment: Marking the first anniversary of the India-UAE Comprehensive Economic Partnership Agreement (CEPA), the two sides have launched the UAE chapter of their joint business chamber to bolster economic ties and facilitate enhancing bilateral trade and investment. *[The Economic Times]*

Calibrated trade policy generating export-led eco growth and create jobs imperative for India - Experts: A carefully calibrated trade policy which can generate export-led economic growth and create jobs will be an integral part of a future-oriented economic policy for India. *[The Economic Times]*

We should target 1 billion USD organic product export by 2030 - Piyush Goyal: Apart from announcing the setting up of the laboratory, this enabling farm-to-lab traceability check, the Union minister also insisted on using the existing infrastructure in the state for upscaling economic activities. *[The Economic Times]*

India's exports may rise by 3-5 pc this fiscal - FIEO: India's exports are expected to grow by 3-5 per cent to USD 435-445 billion in this fiscal, exporters' body FIEO said on Friday. In 2021-22, the country's exports touched an all-time high of USD 422 billion. *[The Economic Times]*

India, Iraq explore ways to diversify trade from oil to non-oil sectors: India and Iraq on Monday discussed ways to further increase and diversify trade from oil to non-oil sectors, while stressing the importance of expanding economic partnership and technology engagement. *[The Economic Times]*

India, Israel keen on finalising FTA: Israel's handing over of the strategic port of Haifa to the Adani Group is a reflection of the trust that the country has on India, Israeli ambassador Naor Gilon said. *[The Economic Times]*



Corporate Governance

Tata Motors in talks to raise \$1 bn via stake sale in EV business: Indian carmaker Tata Motors has begun talks with sovereign wealth funds and private equity investors to raise up to \$1 billion via a stake sale in its electric vehicle (EV) business. *[Business Standard]*

Vedanta-Foxconn JV selects Dholera SIR for first semiconductor facility in India: A joint venture of Indian conglomerate Vedanta and electronics manufacturing giant Foxconn has finalised the Dholera Special Investment Region near Ahmedabad city of Gujarat for setting up their semiconductor and display manufacturing facility. *[The Economic Times]*

HUL to sell Annapurna and Captain Cook to Reactivate Brands International for Rs 60 crore: Hindustan Unilever said it is selling its non core atta and salt business under the brands Annapurna and Captain Cook to Reactivate Brands International, a Singapore-headquartered company for Rs 60.4 crore. *[The Economic Times]*

Samvardhana Motherson Automotive signs pact to buy German firm for EUR 540 mn: Samvardhana Motherson Automotive Systems Group BV (SMRPBV) on Sunday said it has inked a pact to acquire Germany-based SAS Autosystemtechnik GmbH at an enterprise value of 540 million euros (around Rs 4,789 crore). *[The Economic Times]*

Daikin eyes \$2 billion turnover in India in FY25: Daikin Airconditioning, India, is eyeing a turnover of at least \$2 billion during the financial year 2024-25, backed by an exponential growth of domestic market, greater export opportunities and the government's supports under Aatma Nirbhar Bharat and the PLI scheme. *[Financial Express]*

MCA extends deadline until March 31 for filing certain forms: The corporate affairs ministry on Wednesday extended the deadline till March 31 for filing of 45 forms without paying additional fees. Further, form PAS-03 (for the purpose of allotment of share capital) can also be filed without payment of additional fees until March 31. *[The Economic Times]*



MSMEs and Start-ups

Finmin to meet heads of banks on Feb 22; to review progress ECLGS for MSMEs: The finance ministry has called a meeting of heads of public sector banks and top four private sector lenders to review the progress of the emergency credit line guarantee scheme (ECLGS) to help businesses affected by COVID-19. *[The Economic Times]*

Direct Benefit Transfer - Funds transferred under MSME min's DBT schemes jump 18% till Dec in FY23: Ease of doing business for MSMEs: The highest amount of Rs 1,505.61 crore was transferred under the Prime Ministers Employment Generation Programme (PMEGP) between April-December in the current fiscal vis-a-vis Rs 1,601.92 crore transferred during April-December FY22. *[Financial Express]*

Banks deploy Rs 7.68 lakh cr to retail, wholesale trade in Dec 2022 - RBI data: Bank credit deployed to the retail and wholesale trade in December 2022 increased by 13.7 per cent year-on-year (YoY) to Rs 7.68 lakh crore from 14.7 per cent during December 2021 at Rs 6.75 lakh crore. *[Financial Express]*

Over 97% of ECLGS borrowers micro and small enterprises - Govt data: 8.9 lakh ECLGS guarantees involving Rs 13,683 crore issued were up to Rs 1 lakh while only two guarantees were over Rs 100 crore. *[Financial Express]*



Employment and Industrial Relations

Employees with advanced digital skills contribute \$508 bn to India's GDP: Employees in India who use advanced digital skills, including cloud architecture or software development, contribute an estimated \$507.9 billion to India's annual gross domestic product (GDP), according to a report by Amazon Web Services (AWS). *[Business Line]*

Share of youth employment at 5-year high in 2022, shows EPFO data: In the jobs created in 2022, the share of those in the age group 18-25 increased to at least a five-year high of 56 per cent. *[Business Standard]*

Government launches portal to serve 38 crore workers in unorganised sector: The Union Minister for Labour and Employment Bhupender Yadav launched a portal to serve as a national database of about 38 crore unorganised sector workers and enable providing them access to social security benefits. *[Business line]*

PwC will hire around 30,000 people in India in couple of years - Chairman: He said India can be a supplier of that talent to the world, thanks to its technology advancements and the use of AI (artificial intelligence), which the rest of the world doesn't have that skill set. *[Business Standard]*

EPFO circular on higher pension under EPS The Employees' Provident Fund Organisation (EPFO) has opened a window for eligible employees who could not opt for the higher pension under Employees Pension Scheme (EPS) earlier. *[The Economic Times]*

Labour ministry extends unemployment benefits under ESIC for another two years: The labour ministry, on Monday, extended the unemployment benefits under the Employees' State Insurance Corporation for another two years while extending medical care facilities to the general public from one ESIC hospital, each in Rajasthan and Bihar. *[The Economic Times]*



Industrial Finance

ADB pledges \$25 billion for India's infra, social and green needs: The Asian Development Bank (ADB) Tuesday committed up to \$25 billion for the next five years to fund India's infrastructure creation under the PM Gati Shakti initiative as well as social development and climate action to help the country meet its priority development needs. *[The Economic Times]*

Surge in personal guarantor cases under IBC in FY23: In the first three quarters of the ongoing fiscal 2023, National Company Law Tribunals (NCLTs) have admitted 117 such cases against personal guarantors, compared with 28 in the entire FY22 and nine in the previous year, data compiled by the Insolvency and Bankruptcy Board of India showed. *[The Economic Times]*

Bank of Maharashtra tops list of public sector lenders in loan growth, asset quality: Bank of Maharashtra (BoM) has emerged as the top performer among state-owned lenders in terms of loan growth percentage during the third quarter of 2022-23, an analysis of the latest financial results of public sector banks showed. *[The Economic Times]*

Bankruptcy cases rise 25 per cent in Q3; recovery lowest at 23.45 per cent - Care Ratings: The number of insolvency cases increased 25 per cent in the December 2022 quarter, while recovery of debt through the process remained the lowest at 23.45 per cent during the period, an analysis showed. *[The Economic Times]*

Bank mergers helped improve efficiency - RBI Researchers: Bank mergers have benefitted both the banks which have been acquired as well as the acquiring bank, finds a research by RBI researchers. While it has helped improve acquirer efficiency, it has added to shareholder value of acquiree banks. *[The Economic Times]*



Technology and Innovation

India's R&D estimates are an incomplete picture: India's research and development (R&D) expenditure-GDP ratio of 0.7% is very low when compared to major economies and is much below the world average of 1.8%. The main reason is the low investment in R&D by the corporate sector. *[The Hindu]*

Semiconductor manufacturing to start very soon in India - IT secretary: India will be one of those top 6-7 partners which will have semiconductor manufacturing. It will happen very soon. *[Business Standard]*

SMEs in Singapore urged to use PayNow-UPI scheme for biz deals with India: The Singapore Indian Chamber of Commerce and Industry (SICCI) has urged Small and Medium Enterprises (SMEs) in the city-state to use the PayNow-UPI linkage for business dealings with India for ease of payment. *[Business Standard]*

Investments worth Rs 1.5 trn likely on data centres in next six years - Icra: Credit rating agency Icra on Tuesday said Indian and foreign corporations may invest over Rs 1.5 trillion in the next six years on expanding their data centre capacities in India, marking a six-fold growth. *[Business Standard]*

India to record highest number of cashless transactions in world - Jaishankar at Raisina@Sydney: If you look at our cashless transactions, the UPI, I think we record the largest number of cashless transactions in the world. So there's been a kind of a technology leapfrogging in the psyche of people, and that's been actually a very big difference. *[The Economic Times]*

UPI-PayNow launched - Who can use, daily limit, how it will benefit you: To enable faster remittances between India and Singapore, India's retail payment system Unified Payments Interface (UPI), and its equivalent network in Singapore called PayNow were integrated on February 21, 2023. *[The Economic Times]*

Ericsson looks to support Indian IoT, wearable companies: Swedish telecom gear maker Ericsson said it is considering supporting companies entering India's Internet of Things (IoT) and wearables space by way of licensing, as it looks to avoid intellectual property rights (IPR) infringement issues with Indian companies. *[The Economic Times]*

Network partners all set to take ONDC to the last mile: Open Network for Digital Commerce (ONDC), the government's initiative to democratise e-commerce in India and enable millions of small traders take advantage of opportunities in the e-commerce space, has been increasingly onboarding multiple partners, who are now all set to take ONDC to the last mile. *[Financial Express]*



Industrial Infrastructure, Clusters and SEZs

India has set new model of infra development - PM Narendra Modi: Prime Minister Narendra Modi on Friday said India has set a new model for physical and social sector infrastructure development for the world and that India's prosperity will lead to global prosperity. *[Business Standard]*

Railways on fast track to achieve its 100% electrification target by 2024: India is now much ahead of other large railway networks in the world in terms of electrification - with the US at just 1 per cent, China at 72 per cent and Europe at 60 per cent. *[Business Standard]*

Ola to invest \$920 million in Tamil Nadu on electric cars, batteries plant: The state government has signed an MoU with the company for the production of four-wheeler electric vehicles and the establishment of 20 GW battery manufacturing capacity at an investment of Rs 7,614 crore. *[The Economic Times]*

Nearly 60% large infra projects facing cost overruns, says Ministry of Statistics: According to the January data, anticipated costs in these projects is 21.67%, or Rs 4.46 lakh crore, higher than original costs. While the original value of projects was Rs 20.59 lakh crore, the anticipated cost of completion is Rs 25.05 lakh crore. *[The Economic Times]*

Centre to spend Rs 44,950 crore in Bihar under Bharatmala road project - Ravi Shankar Prasad: Senior BJP leader Ravi Shankar Prasad on Wednesday said the Centre would spend Rs 44,950 crore in 2023-24 in Bihar under Bharatmala, a centrally funded project which aims to build a network of roads, highways and expressways across India. *[The Economic Times]*

Gujarat govt signs 18 MoUs worth Rs 9,852 crore to boost investment: The Gujarat government on Monday signed 18 memoranda of understanding (MoU) worth Rs 9,852 crore under the state government's 'Aatmanirbhar Gujarat Schemes for Assistance to Industries', which was announced last year to boost new investment. *[Business Standard]*

4-lane section from Phagwara to Rupnagar on NH-344A being executed at Rs 1,367 cr - Nitin Gadkari: Union Minister Nitin Gadkari on Tuesday said the four-lane wide section from Phagwara to Rupnagar on NH-344A is being executed in hybrid annuity mode at a cost of Rs 1,367 crore. *[The Economic Times]*

Odisha fast emerging major manufacturing hub - CM: Odisha is fast emerging as a major manufacturing hub in the country for sectors ranging from metal and minerals to chemical, petrochemicals and food processing, among others. *[The Statesman]*



Sustainable Industrialisation

Govt committed to sustainable development in the field of green energy - PM Narendra Modi: Modi was responding to a tweet by Union Minister for Heavy Industries, Mahendra Nath Pandey which said that electric vehicles under the FAME II scheme have saved 22.9 crore litres of fuel as well as reduced 33.9 crore kilogram of CO₂. *[Business line]*

India needs Rs 33,750 cr to set up Li-ion cell, battery mfg plants - CEEW: India needs investments to the tune of Rs 33,750 crore to achieve the government PLI target of setting up 50 GWh of lithium-ion cell and battery manufacturing plants. *[Business Standard]*

ESG reporting by Indian corporates on rise: A study conducted by Care Edge Research has found that Environmental, Social and Governance (ESG) reporting by Indian corporates has improved by 160 per cent. The research is an analysis of reports from top 1,000 listed entities over the past three fiscals. *[Business line]*

Vertex Hydrogen to supply over 1,000 MW low-carbon hydrogen to companies in UK: Vertex Hydrogen, a joint venture between Essar and the UK's Progressive Energy, has signed agreements to supply over 1,000 mw of low-carbon hydrogen to leading industries in the region. *[The Economic Times]*

Domestic solar capacity addition grows 27 per cent in 2022 - Mercom: Solar capacity installations in India increased by 27 per cent to 13 gigawatts (GW) during the calendar year 2022. *[The Economic Times]*

India can attract over USD 20 billion investment in renewables in 2023 - Industry estimates: India has the potential to attract an investment of over USD 20 billion in renewables in 2023 and requires a strong framework for sustainable power, say industry experts at the renewable energy conference REConIndia 2023 on Friday. *[The Economic Times]*



Sectoral News

Union Budget 2023 - Redefining the growth of India's automotive sector: The automotive sector in India is shifting towards 'sustainable mobility', as we speak. The recent Union Budget announcements specific to the automotive sector have the potential to ensure that the change is fast and tectonic. *[Financial Express]*

Mines ministry in process of identifying mineral blocks in sea - Secretary: The government is in the process of identifying mineral blocks like nickel in the sea and would gradually put them on sale. *[The Economic Times]*

Renewables to dominate growth of global electricity supply: Renewable sources are expected to dominate the growth of the global electricity supply over the next three years as together with nuclear power they meet the vast majority of the increase in global demand. *[The New Indian Express]*

Zero coal import remains elusive as Centre leans on foreign supplies again: The latest directive from the Union Ministry of Power to generation units running on imported coal, to mandatorily keep their plants functional, comes at a time when coal prices have jumped in the range of 50-80 per cent in the global market. *[Business Standard]*

Natural gas consumption up in January for first time since May: India consumed 5.18 billion cubic meters (BCM) of natural gas in January, up 6.4% from a year earlier, according to the oil ministry data. Imports of LNG rose 7.9% to 2.27 BCM. A 4% year-on-year rise in the local production of natural gas in January also helped boost consumption. *[The Economic Times]*

ONGC to invest USD 2 billion in Mumbai offshore to raise oil, gas output: India's top oil and gas producer ONGC will invest over USD 2 billion in drilling a record 103 wells on its main gas-bearing asset in the Arabia Sea as it pivots a turnaround plan that will add 100 million tonnes to production, a company official said. *[The Economic Times]*

Apparel sector to contribute significantly in taking exports to USD 1 trn by 2030 - AEPC: The Apparel Export Promotion Council (AEPC) said that the incentives in the Budget would help the apparel industry focus on market and product diversification. *[The Economic Times]*

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