

Industry Matters

Weekly Updates

March 03, 2023



Economy, Industry and Policy

As recovery takes roots, January core sector growth hits 4-month peak of 7.8%: Growth in eight core infrastructure industries scaled a four-month peak of 7.8% on year in January, compared with 7% in the previous month and 4% a year earlier. *[The Economic Times]*

India's manufacturing PMI slips to lowest level in four months: India's S&P Global Manufacturing Purchasing Managers' Index remained largely unchanged at 55.3 last month from January's 55.4. It was well above the 50-mark separating expansion from contraction for a 20th straight month. *[The Economic Times]*

Factory activity down a tad in February: The seasonally adjusted Purchasing Managers Index (PMI) stood at 55.3 in February - a four-month low - marginally lower than 55.4 in January. *[The Economic Times]*

Tech industry revenue set to reach \$245 billion in FY2023E - Nasscom: Despite the global headwinds, the technology industry in India is set to witness a steady growth in FY2023E. Nasscom estimates the Indian tech industry revenue to grow by \$245 billion, in reported currency with a cross-currency impact of 2%. *[The Economic Times]*

Consumer goods makers expect overall margins to reach pre-Covid levels over next 2-3 quarters: After sequentially improving margins last quarter, leading consumer goods makers including fast moving consumer goods (FMCG) companies expect their overall margins will reach pre-Covid levels over the next 2-3 quarters with inflation abating and demand picking up. *[The Economic Times]*

All ministries, departments to be on E-bill platform by March 2024: The government will bring all the central ministries and departments on the e-Bill platform before March 2024 to help ensure timely clearance of bills submitted by their vendors and contractors and reduce the chance of corruption, finance secretary TV Somanathan said Wednesday. *[The Economic Times]*

Asset monetisation in FY23 may see ₹55,000-crore shortfall: The Centre is likely to miss its asset monetisation target of ₹1.62 lakh crore for this fiscal by a whopping ₹55,000 crore. *[The Economic Times]*

Many states to miss capex targets this fiscal - Icra: As many as 23 states are set to miss the budgeted capital spending by around Rs 1 lakh crore this fiscal, according to a report. In the first three quarters, the states' capex grew just 11.6 per cent, which is trailing by 30 per cent of the budgeted targets. *[The Economic Times]*

GST mop-up rises 12% to ₹1.5 lakh crore in Feb: India's goods and services tax (GST) collections rose 12% to ₹1.5 lakh crore in February from the year earlier, indicating that economic activity remained steady, according to official data released Wednesday. *[The Economic Times]*

Global companies and investors like India's consistency in tax policy in recent years - David Linke, KPMG International: David Linke, global head of tax and legal services at KPMG International, said that there has been a noticeable improvement in tax dispute mechanisms and consistency in tax policy in India over the past few years, leading to increased confidence from global companies and investors. *[The Economic Times]*

Fiscal deficit for April-January at 68% of revised estimates, Centre on course to meet target: The Centre's fiscal deficit touched 67.8% of the revised estimate (RE) in the first ten months of this fiscal, compared with 58.9% a year before, as the pace of spending, especially capex, remained strong, according to the official data released on Tuesday. *[The Economic Times]*



Foreign Investment

ABB to invest Rs 1,000 crore to expand manufacturing base in India: ABB India, a unit of Swedish-Swiss engineering and technology major ABB Ltd, plans to expand the number of manufacturing facilities in India and will invest around Rs 1,000 crore over the next five years on the same, Country Head and MD Sanjeev Sharma said. *[The Economic Times]*

Foxconn commits to new electronics manufacturing in India: Foxconn Technology Co. Ltd. signed an agreement to invest in India's southern Telangana state to manufacture electronics, as the Apple Inc. supplier looks to pivot beyond China. *[The Economic Times]*

High rates, chip crunch hit FDI; FY24 outlook strong: Elevated interest rates in key economies and a shortage of semiconductors in sectors such as automobiles and computers dragged down India's foreign direct investment (equity) inflows by 15% until December this fiscal year from a year before to \$36.75 billion. *[The Economic Times]*

From Ukraine war to inflation, global headwinds take a toll on FDI inflows: Multiple challenges triggered by the Russia-Ukraine conflict such as high inflation, expansionary monetary policy and recessionary trends in key developed economies are some factors that resulted in a drop in foreign direct investment (FDI) inflows into the country. *[Business Standard]*

High rates, chip crunch hit FDI; FY24 outlook strong: Elevated interest rates in key economies and a shortage of semiconductors in sectors such as automobiles and computers dragged down India's foreign direct investment (equity) inflows by 15% until December this fiscal year from a year before to \$36.75 billion. *[The Economic Times]*

Essar to invest 1.2 bln in India's green hydrogen, low carbon fuels; total \$3.6 bln outlay for UK, India: Essar Group will invest \$1.2 billion in India's green hydrogen and low carbon fuels, as a part of a total \$3.6 billion outlay for green energy for the UK and India. Essar will use the proposed India investment to develop a cost-efficient global supply hub for low carbon fuels, including green hydrogen and green ammonia. *[Financial Express]*

Germany to pursue \$5.2-billion deal with India to build 6 submarines: Germany will pursue a \$5.2 billion deal with India to jointly build six conventional submarines in the country during Chancellor Olaf Scholz's February 25-26 visit. *[Business Standard]*



Trade Policy and Competitiveness

Services exports to cross \$300 bn this fiscal; \$1 trillion achievable by 2030 - SEPC: Services exports are recording a healthy growth rate and going by this trend, the outbound shipments will cross USD 300 billion in 2022-23, and tapping global opportunities would help achieve USD one trillion target by 2030. *[The Economic Times]*

Top UK fashion brands on first-of-its-kind India trade mission: Some of the top UK fashion and beauty brands have embarked on a first-of-its-kind trade mission to India to capitalise on rapidly growing demand for such high-end products in the country against the backdrop of the bilateral free trade agreement (FTA) negotiations, the UK government said on Monday. *[The Economic Times]*

India, UK finance ministers agree to make further progress on FTA: India and the UK have agreed to make further progress on the ongoing negotiations for a free trade agreement (FTA) and also to swiftly organise the next bilateral Economic and Financial Dialogue soon. *[The Economic Times]*

European Union's carbon tax may hurt metal exports - GTRI: The European Union's (EU) Carbon Border Adjustment Mechanism (CBAM) will not only disrupt global trade but also have a negligible impact on climate, according to a report released by Global Trade Research Initiative (GTRI). *[Business Standard]*

Russian crude imports in February up 28% over January: India imported a record 1.6 million barrels per day of crude oil from Russia in February, which made up 35% of its total import and was more than the combined share of Iraq and Saudi Arabia, the second and third-largest suppliers. *[The Economic Times]*

India's fertiliser imports up 3.9pc to 19.04 lakh ton in January: The country's fertiliser imports rose by 3.9 per cent to 19.04 lakh tonnes in January this year compared to the year-ago period, according to the Fertiliser Ministry data. The country imported 18.33 lakh tonnes of fertilisers during January 2022. *[The Economic Times]*

Germany's Scholz committed for Free Trade deal between India, EU: For the EU, a free trade agreement with India would fit its strategy of increasing engagement with the Indo-Pacific region, where the bloc is targeting bilateral deals to take advantage of expected higher economic growth. The deal could also act as a counterbalance to China's growing influence in the region. *[The Economic Times]*

Korean auto giants Hyundai, Kia have cost India billions of dollars in trade deficit, says Piyush Goyal: "The Korean auto industry, specifically Hyundai and Kia, are clearly two of the laggards. They have enjoyed the benefits of our free-trade agreement with Korea and Japan and continue to import indiscriminately." "The Korean auto industry, specifically Hyundai and Kia, are clearly two of the laggards. They have enjoyed the benefits of our free-trade agreement with Korea and Japan and continue to import indiscriminately. *[The Economic Times]*



Corporate Governance

Axis Bank-Citibank deal likely to be completed by March 1: Private sector lender Axis Bank has informed the stock exchanges that the deal to acquire Citibank India's consumer business and NBFC business of Citicorp is expected to be completed by March 1. *[Business Standard]*

Tata Group's talks over \$1 billion Bisleri stake stall: For Tata Group, acquiring Bisleri could have expanded its portfolio of bottled water brands in India. One of the conglomerate's listed units, Tata Consumer Products Ltd. owns the Himalayan Natural Mineral Water and Tata Water Plus brands. *[The Economic Times]*

IndiGrid completes acquisition of Khargone Transmission Ltd: India Grid Trust (IndiGrid) on Thursday announced completing acquisition of 100 per cent "shareholding and economic interest" in Khargone Transmission Ltd from Sterlite Power Transmission Ltd (SPTL). *[The Economic Times]*



MSMEs and Start-ups

MSME Minister Narayan Rane launches FIRST to support MSME digitisation in India: Union MSME Minister Narayan Rane on Monday announced the launch of FIRST, the Forum for Internet Retailers, Sellers, and Traders in the presence of over 400 retailers and seller organizations. *[The Economic Times]*

Steps by Centre to increase exports by MSME sector: The Centre has taken steps to enhance exports by micro, small and medium enterprises (MSME) sector by setting up facilitation centers across the country, an official said on Thursday. *[The Economic Times]*



Employment and Industrial Relations

More than 8 lakh projects approved under PMEGP scheme - KVIC chairman: More than 8 lakh projects have so far been approved under the government's flagship PMEGP scheme, which provided employment opportunities to over 68 lakh people, Khadi and Village Industries Commission Chairman Manoj Kumar said on Sunday. *[Financial Express]*

Urban unemployment at 7.2% in Q3; labour force participation up 48.2%: The urban unemployment rate for those aged 15 years and above was stagnant in October-December 2022 at 7.2% as compared with the previous quarter, the periodic labour force survey (PLFS) by the National Statistical office (NSO) showed. *[The New Indian Express]*

India's unemployment rate rises to 7.45% in January, rural areas take a hit - CMIE data: The urban unemployment rate declined to 7.93% in February from 8.55% in the previous month, while the rural unemployment rate rose to 7.23% from 6.48%, the data showed. *[The Economic Times]*

EV industry in India battles high attrition amid demand for talent: Electric vehicle (EV) and associated companies in India are facing an alarmingly high attrition rate, as a major talent war has erupted between companies who are going all out to poach talent from one another. *[The Economic Times]*

Hiring resumes in Indian IT sector after months-long slowdown amid layoffs: The demand for specialist roles such as analytics managers, big data engineers, Cloud system administrators, and augmented reality QA Testers, increased by 29 per cent, 25 per cent, 21 per cent and 20 per cent, respectively. *[Business Standard]*



Industrial Finance

Microfinance industry grows 26% year-on-year to Rs 3.24 lakh crore by December end: Banks engaged in microfinance through lending to joint liability group members have seen a rather modest 9.2% year-on-year growth. Small finance banks saw 19.6% growth while NBFCs saw the highest traction at 59% albeit over a smaller base. *[The Economic Times]*

Loans to home, vehicle and large firms drive credit growth: Credit to industry rose 8.7 per cent (y-o-y) in January 2023 as compared with 5.9 per cent in January 2022. Loans to large industries grew by 6.5 per cent as compared with 0.2 per cent a year ago. *[The Economic Times]*

More pain for microfinance sector, sticky loans jump to all time high of Rs 42,300 cr: Despite a sizeable sheet cleansing by large microfinance institutions (NBFC-MFIs) and small finance banks in the third quarter of this fiscal year through write-offs, the amount of sectoral non-performing assets jumped to about Rs 42,300 crore as of end-December. *[The Economic Times]*



Technology and Innovation

Bill Gates praises India's digital public networks, payment systems: India's sprawling digital public infrastructure received a glowing endorsement from billionaire philanthropist Bill Gates on Wednesday as he praised the country's "great" digital network, reliable and low-cost connectivity, and said this will be the cheapest 5G market. *[Business Standard]*

Government to approve up to two chip manufacturing units this year - Rajeev Chandrasekhar: "The year 2023 will be an important milestone. We will cross Rs 1 lakh crore in mobile phone exports this year. We will be certainly announcing one to two fabs in India to be commencing construction," Chandrasekhar said. *[The Economic Times]*

Amazon commits to joining ONDC with its Logistics & SmartCommerce offerings: Amazon on Friday announced that it will integrate its logistics network (from pickup to delivery) and SmartCommerce services with the Open Network for Digital Commerce (ONDC), a private non-profit company established by the Department for Promotion of Industry and Internal Trade of Government of India. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

PM GatiShakti recommends 66 big-ticket projects worth Rs 5 trillion: Over the past eight months, an inter-ministerial panel spearheaded by the industry department has evaluated 66 big-ticket projects with a cost of more than Rs 500 crore. The total cost of these projects would be Rs 5 trillion. *[Business Standard]*

DPIIT starting exercise to prepare logistics cost framework: The government has rolled out a national logistics policy and PM Gati Shakti initiative to boost competitiveness of industry and cut the logistics cost. *[Business Standard]*

100 industrial clusters identified for infrastructure development: The Centre has zeroed in on about 100 industrial clusters for all-round development of infrastructure in close coordination with states. *[The Economic Times]*

Rs 55,000 crore for metro rail, road and expressway in Uttar Pradesh: The Uttar Pradesh (UP) government has earmarked Rs 55,000 crore for investments in roads, expressways, and metro rail projects in the fiscal year (FY) 2023-24. *[Business Standard]*



Sustainable Industrialisation

After Jammu, Karnataka next in turn for good news on lithium in Mandya: After the news came that the central government is all set for commercial exploration of rare mineral lithium in Jammu and Kashmir, Karnataka is also eagerly looking forward to good news from Atomic Minerals Directorate for Exploration and Research (AMD) regarding its lithium reserves in Mandya district. *[The Economic Times]*

How lithium reserves can speed up India's electric vehicle dream: As India gears up to boost electric vehicle (EV) adoption, the massive find of lithium reserves in the country has brightened up the prospects for the country in the field of EV battery cell manufacturing. *[The Economic Times]*

Local lithium could cut EV production cost by 8-15% - Bharat New-Energy CE: The mining and supply of domestic lithium to Indian electric vehicle (EV) makers will result in reduction in production cost of lithium cells and in end vehicle production cost, said Anirudh Ravi Narayanan, CEO & Co-Founder, Bharat New-Energy. *[The Economic Times]*

India approves \$3.9 billion hydropower project near China border: India approved its largest ever hydropower project in the mountainous northeastern region bordering China as the country seeks to build renewable generation to meet rising power demand. *[The Economic Times]*

NHPC gets Cabinet approval for Rs 1600-crore investment in India's largest hydro project: NHPC Ltd on Monday said the Cabinet Committee on Economic Affairs has approved an investment of Rs 1,600 crores for "pre-investment activities" for its 2,880 MW Dibang multipurpose project in Arunachal Pradesh. *[The Economic Times]*

IOC to set up green hydrogen plants at all refineries; lines up Rs 2 lakh cr for net zero by 2046: Being set-up by entrepreneurs Pankaj Gogoi and Rakesh Doley under the banner of Redlemon Technologies, the plant, proposed to be operational from November 2023, will have a production capacity of 5 tonne-per-day of compressed biogas that would be produced from raw materials such as cattle-dung, municipal solid wastes, etc. *[The Economic Times]*



Sectoral News

Coal production increases by 15% to 784 mn tonnes during Apr-Feb 2022-23: Coal India Ltd (CIL) reported production of 619.70 million tonnes up to February 2023 as compared to 542.38 million tonnes during the same period of the last fiscal, an increase of 14.26 per cent. *[Business Standard]*

Petrol, diesel sales up 12-13% in February: Petrol and diesel sales in February were 20% and 8% higher respectively than in the same month of 2020 ahead of the Covid lockdowns, according to the preliminary sales data from state-run oil companies. *[The Economic Times]*

Power consumption up 9% to 118 billion units in February: India's power consumption logged a year-on-year growth of over 9% to 117.84 billion units in February this year, according to government data. The robust growth of power consumption indicates sustained momentum of economic activities in February. [*The Economic Times*]

PV sales grow in double-digits amid sustained consumer demand, improved supplies: Industry estimates as many as 335,269 cars, sedans and utility vehicles were sold in the local market last month, which is an increase of 10.6% over 303, 213 units sold in the same period last year. This is the highest sales volume recorded in the industry for the month of February. [*The Economic Times*]

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



Disclaimer: *Industry Matters* is a weekly news update on Indian economy, industry, and policy compiled at ISID from various newspapers and e-resources. ISID does not guarantee the truthfulness, accuracy, or validity of the news items linked in the above message. It is shared for informational and educational purposes to facilitate and support research and information on Indian industry. It is not a commercial product and all copyrights remain with those of the respective copyright holders. Images are sourced from the web.

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

To unsubscribe please click [here](#)