

# Industry Matters

Weekly Updates

April 14, 2023



## Economy, Industry and Policy

**India improves its ranking by 6 spots in global biz environment rankings:** India improved its ranking by six spots in the latest Business Environment Rankings (BER) globally, according to data released by the Economist Intelligence Unit (EIU) on Thursday. The upward shift is due to its improved score in parameters like technological readiness, political environment, and foreign investment among others. *[Business Standard]*

**India's economic growth projected to decelerate to 6% in 2023 from 6.6% in 2022 - UN:** The UN Trade and Development Conference (UNCTAD) in its latest Trade and Development Report Update released Wednesday expects global growth in 2023 to drop to 2.1%, compared to the 2.2% projected in September 2022. *[The Economic Times]*

**GSTN mandates businesses with over Rs 100 crore turnover to upload e-invoice on IRP within 7 days:** Businesses with turnover of Rs 100 crore and above will have to upload their electronic invoices on IRP within 7 days of the issue of such invoice with effect from May 1. *[The Economic Times]*

**"Very strong economy...," IMF division chief Daniel Leigh on India's growth trajectory:** International Monetary Fund division chief Daniel Leigh on Tuesday reposed faith in the Indian economy and said that it is a "very strong economy." He said that India is one of the bright spots in the global economy right now with a high growth rate. *[The Economic Times]*

**India's industrial production rises 5.6% in February vs 5.2% in January:** Factory output measured in terms of the Index of Industrial Production (IIP) grew 1.2 per cent in February 2022. The data released by the National Statistical Office (NSO) showed that the manufacturing sector's output increased 5.3 per cent in February 2023. *[Business Standard]*

**Core inflation falls in March but health inflation remains steady, elevated:** The crucial core inflation rate fell to a 10-month low of 6 per cent in March 2023, but health inflation remained steady at 6.59 per cent. This is significant in the time of rising Covid cases. *[Business Standard]*

**India's general govt fiscal deficit pegged at 8.9% in 2023 - IMF:** India's general government fiscal deficit is expected to improve to 8.9% of GDP in 2023 from an estimated 9.6% of GDP in 2022, according to the International Monetary Fund. It is projected to further ease to 8.3% of GDP in 2024. *[Financial Express]*

**Capex loans to start flowing to states:** The Centre will start releasing the interest-free capex loans to the state governments this month or at the latest in May to ensure the resultant investments by them are evenly spread out during the year to produce a large growth multiplier. *[Financial Express]*

**How NRI money is bolstering India's economy:** India's inward gross remittances touched an all-time high of \$107.5 billion during calendar year 2022, RBI Governor Shaktikanta Das announced yesterday. The remittances have overshoot the World Bank projection by \$7.5 billion. *[The Economic Times]*

**States set to trim FY24 spend on roads, bridges:** The combined capital expenditure of the 16 large states, which account for 80% of the country's gross domestic product (GDP), on roads and bridges will fall to 0.58% of the gross state domestic product, compared to 0.61% in the previous fiscal, according to their budgets. *[The Economic Times]*

**India's forex reserves snap 2-week rise, down \$380 million:** India's foreign exchange reserves retreated from more than eight-month highs to \$578.45 billion as of the week ended March 31, the Reserve Bank of India's (RBI) statistical supplement showed on Friday. *[The Economic Times]*

**India's pension scheme review must prioritise fiscal prudence, development spending, economists say:** Nearly 41% of the government's revenue receipts go towards interest payments and another 9% goes towards pensions, squeezing space available for other spending. Economists fear that a higher share of government revenues going towards salaries and pensions will compromise development expenditure. *[The Economic Times]*



## Foreign Investment

**Investment inflows in Indian realty rise 37%YoY in Q1 2023; Office continues to lead the rally:** The office sector continued to drive the investment inflows accounting for 55% of the total inflows during the quarter, followed by the residential sector at 22% share. Investment inflows in the office sector rose by 41% YoY at \$0.9 billion, led by select large deals. *[The Economic Times]*

**Vivo to invest Rs 1,100 crore more in India:** Smartphone maker vivo on Thursday said it will invest Rs 1,100 crore more by the end of 2023 to scale up its manufacturing capacity in the country, and that production in its upcoming unit at Greater Noida is expected to commence by early 2024. *[The Economic Times]*

**PE investments in India decline over 75% in Q1 of CY23, lowest since 2018:** India's private equity (PE) investment stood at \$2,172 million in the first quarter of calendar year 2023, down 75.4 per cent from \$8,830 million in Q1 of CY 2022. The investments declined 31.9 per cent sequentially. *[Business Standard]*



## Trade Policy and Competitiveness

**India to become leader in global mobile phone market - Ashwini Vaishnaw:** The doubling of smartphone exports to over \$11 billion in FY2023 shows India is well on its way to become a leader in the global mobile phone market. *[The Economic Times]*

**India remains top destination for Russian Urals oil in April:** India remains the main destination for Russia's seaborne Urals oil, with about 70% of such exports heading to the country. *[The Economic Times]*

**Trade India in the works to replace minions and march towards \$2 trillion export aim:** The government will soon finalise structure of a single trade body to promote India's exports, with focus on specific products and markets in order to achieve exports of \$2 trillion by 2030. *[The Economic Times]*

**UAE emerges as alternative to rupee trade with Russia:** With the provision of rupee-settled trades gaining acceptance at a slow pace, India and Russia are increasingly opting to route goods operations through third countries such as the United Arab Emirates (UAE), thereby facilitating transactions in currencies other than rupees, roubles and dollars. *[The Economic Times]*

**Rupee trade arrangement to help cut transactions cost - Piyush Goyal:** International trade in the domestic currency will help reduce transaction cost for the industry and several countries are in discussion with the RBI on this. *[The Economic Times]*

**Exports, trade gap hit record high in FY23:** India's merchandise exports rose 6% to \$447 billion during 2022-23, buoyed by outbound shipments of petroleum, pharma, chemicals and marine goods, official data released Thursday showed. *[The Economic Times]*

**Bumper Apple harvest - iPhone FY23 exports jump 4x to top \$5 billion:** Apple's iPhone exports from India surged nearly four times on year to cross \$5 billion (more than Rs 40,000 crore) in FY23, as the suppliers of the Cupertino-based company ramped up local production of its premium devices amid a growing focus on making the country a manufacturing hub. *[The Economic Times]*

**Steel exports rise in March quarter, but lag year-ago levels:** Exports of finished steel products rose to 1.98 million tonnes in the March quarter, up nearly 73% from 1.14 million tonnes in the December quarter, data from the Joint Plant Committee (JPC) showed. *[The Economic Times]*

**India's coal imports rise 32 pc to 149 MT in Apr-Feb:** India's coal imports increased by 32 per cent to 148.58 million tonne (MT) in April-February FY23 against 112.38 MT in the year-ago period, according to a report. The import of coking coal rose 7.69 per cent to 50.50 MT during April-February FY23 compared to 46.89 MT a year ago. *[The Economic Times]*

**Tax refund scheme for exports may be extended beyond September:** The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme was expanded in December last year to include pharmaceuticals, chemicals and select steel products. *[The Economic Times]*

**Trade India in the works to replace minions and march towards \$2 trillion export aim:** The government will soon finalise structure of a single trade body to promote India's exports, with focus on specific products and markets in order to achieve exports of \$2 trillion by 2030. *[The Economic Times]*

**DGTR reviews need to continue anti-dumping duty on imported Chinese flax yarn:** The commerce ministry's investigation arm DGTR has initiated a probe to review the need to continue the anti-dumping duty on flax yarn imported from China, following complaints from the domestic industry. *[The Economic Times]*



## Corporate Governance

**Singapore's Temasek buys majority stake in Manipal Hospitals for \$2 billion:** Singapore government owned fund Temasek Holdings has acquired India's leading hospital chain Manipal Health Enterprises by owning about 59% stake. *[The Economic Times]*

**Indian companies will face higher interest burden in FY24 - India Ratings:** The rating agency expects interest burden on corporates to surpass pre-covid levels in terms of value, increasing 30% in FY24 compared to FY22, with the cost of debt is likely to increase across all categories irrespective of size of the corporate. *[The Economic Times]*

**Viacom18 completes merger with RIL; allots shares to Bodhi Tree, Paramount:** Viacom18 on Thursday announced that the merger between Reliance Storage Limited has become effective, following the sanction by the National Company Law Tribunal (NCLT), Mumbai. *[Business Standard]*



## MSMEs and Start-ups

**Financial inclusion push - Rs 23 lakh cr PMMY loans OKed in eight years:** Banks and financial institutions have sanctioned ₹23.2 lakh crore to about 408.2 million beneficiaries under the Pradhan Mantri Mudra Yojana (PMMY), which was launched eight years ago. *[The Economic Times]*

**India ranks 5th in countries with most AI investment:** India ranked fifth in terms of investments received by startups offering artificial intelligence (AI)-based products and services last year, according to Stanford University's annual AI Index report. *[Mint]*

**Defence ministry nearly doubles its purchases worth crores from MSMEs in FY23:** The ministry made purchases worth Rs 28,732.9 crore in FY23, up by 90.4 per cent from Rs 15,090.8 crore worth of goods and services bought in FY22, according to GeM. *[Financial Express]*

**MSME loan defaults - Micro units turn NPAs under govt's ECLGS scheme:** The micro-enterprise segment in the country is facing significant distress, as indicated by the fact that 17.27 lakh units, which had availed credit under the Emergency Credit Line Guarantee Scheme (ECLGS), have turned into non-performing assets (NPAs) as of March 24, 2023. *[Mint]*



## Employment and Industrial Relations

**Centre to generate 20 lakh jobs via 7 mega textile plants in these states:** The Central government has announced plans to set up seven mega textile parks in the country. Announced under the PM Mega Integrated Textile Regions and Apparel (PM MITRA) scheme, the seven plants will be set up in Tamil Nadu, Telangana, Karnataka, Maharashtra, Gujarat, Madhya Pradesh and Uttar Pradesh. *[Mint]*

**Finance Ministry names panel to improve pension benefits for govt staff:** As per its terms of reference, the committee will suggest whether any changes are warranted given the existing framework and structure of the National Pension System (NPS), also called the new pension scheme, as applicable to government employees. *[The Economic Times]*

**India employment rate increases to 36.9% in March quarter, up from 36.6% in December - CMIE:** India's labour market has seen an upward trend in employment since July last year with 15 million people entering the workforce in the last three quarters out of which more than 75% or 11.2 million gained employment. *[The Economic Times]*

**Skill ministry launches digital version of employability skills curriculum:** The Union Minister of Education and Skill Development Dharmendra Pradhan unveiled the digital version of the Employability Skills curriculum for students enrolled in India's Industrial Training Institutes (ITIs) at the Future Skills Forum on Tuesday. *[Business Standard]*

**Demand for white-collar gig roles rises 11% YoY in March 2023 - Foundit.in:** The month saw white-collar hiring in India rise 2 per cent in terms of job posting activity compared to the same period the previous year, according to the report by staffing portal foundit.in (formerly Monster APAC and ME). Sectors such as retail, telecom, and Travel and Tourism saw the biggest growth in demand on an annual basis. *[Business Standard]*



## Industrial Finance

**Jio Financial Services' entry could disrupt NBFC sector:** Mukesh Ambani-led Reliance Industries' (RIL) move to demerge its financial services business into Reliance Strategic Investments (RSIL) and rebranding it as Jio Financial Services (JFSL) is likely to shake up the financial sector significantly. *[Financial Express]*

**Central banks warming up to rupee - Deputy Governor:** Steps taken by the Reserve Bank of India (RBI) since July 2022 to further internationalise the rupee have not yet resulted in large trading volumes but interest from global central banks has picked up significantly while lenders worldwide are increasingly opting for trade in the domestic currency. *[The Economic Times]*

**NARCL to step up acquisitions of distressed assets in FY24:** The government-promoted National Asset Reconstruction Co Ltd (NARCL) will step up the pace on the acquisition of distressed assets this fiscal year even though it missed a self-imposed target of buying loans worth ₹50,000 crore in FY23, said people aware of the development. *[The Economic Times]*

**Retail loan securitisation rises 56% to Rs 1.76 lakh cr in FY23:** Retail loan securitisations jumped a robust 56 per cent to Rs 1.76 lakh crore in the just concluded fiscal 2023, while that of wholesale rose to around Rs 6,600 crore, coming out of the pandemic blues finally. *[The Economic Times]*

**Unsecured personal loans top growth driver for banks, beat wholesale segment:** In absolute terms, unsecured loans were at ₹2.2 lakh crore between February 2022 and February 2023. This is almost double the amount banks lent to large corporates in the same period at ₹1.18 lakh crore (or 5% year-on-year) and inching closer to ₹2.49 lakh crore worth of home loans extended by commercial banks. *[The Economic Times]*

**HDFC Bank ties up with Export Import Bank of Korea for \$300 mn credit line:** HDFC Bank on Wednesday announced that it has signed a "Master Inter Bank Credit Agreement" with Export Import Bank of Korea for a USD 300 million line of credit. *[Business Standard]*



## Technology and Innovation

**Debit card usage declines 20% YoY as UPI becomes the first preference:** The utility of debit cards is expected to take a hit as more and more people across the country prefer the Unified Payments Interface (UPI) platform. *[Business Standard]*

**Tech and telecom equipment companies seek 6 GHz band delicensing:** The Broadband India Forum (BIF), which represents tech majors like Google, Meta and Microsoft, and telecom equipment makers such as Ericsson, Cisco and Huawei, has pushed for the 6 GHz mid band to be delicensed, thereby opening it up for Wi-Fi in India. *[Business Standard]*

**Govt extends sops for chip, electronics gear by a year:** The Ministry of Electronics & Information Technology has extended the scheme for the promotion of electronics components and semiconductor (SPECS) by a year. *[The Economic Times]*

**India's data centre industry to drive 9.1 million sq ft realty demand by 2025:** The rising use of digital technology, the migration of IT infrastructure to third-party providers, and the growing usage of data from new and existing channels will result in the addition of 678 MW to the digital transformation industry between 2023 and 2025. *[The Economic Times]*





## Industrial Infrastructure, Clusters and SEZs

**Construction of national highways at 10,993 kms in 2022-23 - MoRTH:** The construction of national highways in 2022-23 was 10,993 kilometres, falling 13.70 per cent short of the government's target of 12,500 km, according to the Ministry of Road Transport and Highways (MoRTH) latest data. *[The Economic Times]*

**Reliance Industries Ltd readies \$2.4-3 billion InvIT for retail warehousing assets:** Mukesh Ambani-led Reliance Industries Ltd (RIL) has initiated a process that could see the group unlock value in the backend warehousing and related logistics assets of its retail business, through an infrastructure investment trust (InvIT). *[The Economic Times]*

**Network Planning Group under PM Gati Shakti approves 4 infra projects:** All logistics and connectivity infrastructure projects, entailing an investment of over Rs 500 crore, are routed through NPG. *[The Economic Times]*

**TATA group company to operate Cochin Airport's hotel project with Rs 100 crore investment:** TATA group's Indian Hotels Company Limited (IHCL), which owns the luxury hotel brand 'Taj', will operate Cochin International Airport Limited's (CIAL) five-star hotel at the airport premises with an estimated investment of Rs 100 crore. *[The Economic Times]*

**Titagarh Wagons-Bhel consortium to build 80 sleeper Vande Bharat trains:** A consortium of Bharat Heavy Electricals Ltd (BHEL) and Titagarh Wagons has been awarded the contract to build 80 sleeper Vande Bharat trains, the former said in an exchange filing on Tuesday. *[Business Standard]*

**Apple supplier Foxconn to start construction of its Karnataka plant in May:** The Rs 8,000-crore greenfield plant will be set up near Bengaluru International Airport and has already received a thumbs-up from the State High-Level Clearance Committee (SHLC). *[Business Standard]*



## Sustainable Industrialisation

**Solar capacity installations drop 8 per cent in FY23, wind jumps 105%:** In terms of cumulative installations, according to the data released by Ministry of New and Renewable Energy (MNRE) till March 2023, India's RE installation capacity reached 125.2 GW. Solar energy contributes for approximately 53% share in the total RE segment, followed by wind energy (34%), Bio Power (9%) and Small Hydro (4%). *[The Economic Times]*

**Govt incentives to drive EV penetration in India, charging infrastructure key - Moody's:** The pace of increase in EV sales and towards the government's target of 30 per cent by 2030 will also depend on the country's charging infrastructure, and consumers' readiness to switch to EVs from traditional ICE vehicles. *[The Economic Times]*

**UP govt plans to build EV charging stations on a large scale in UP:** The Uttar Pradesh government has set out to make the state a leader in the field of electric vehicles (EVs) in the country. Under the EV policy, the Yogi Adityanath government is not just focusing on encouraging the manufacturing of EVs, but also making serious efforts to provide proper charging facilities to the citizens. *[The Economic Times]*

**Going green - Electric vehicle sales cross the 1 million mark in FY23:** India's electric vehicle (EV) industry has touched the milestone of one million unit sales in the financial year 2023 (FY23), with the two-wheeler segment leading the way, according to the industry body Society of Manufacturers of Electric Vehicles (SMEV). *[Business Standard]*



## Sectoral News

**Centre steps to push affordable generic drugs help Jan Aushadhi stores cross sales target:** The Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) that sells affordable generic medicines through Jan Aushadhi Kendras (retail outlets) said it has achieved sales of ₹1,236 crore in FY23, growing 38% year-on-year. *[The Economic Times]*

**Brand Finance rates MRF as second-strongest tyre brand in world:** Tamil Nadu-headquartered MRF Limited has emerged as the second strongest tyre brand in the world, according to the latest report by Brand Finance on the most valuable and strongest tyre brands in the world. *[The Economic Times]*

**Three years on, Indian Railways' passenger traffic remains below pre-pandemic numbers:** India's rail network has seen 58,580 lakh passengers in 2022-23, but has fallen short of the traffic measured during 2019-20, before the COVID-19 pandemic, by 24%. *[The Economic Times]*

**Market share of PSU general insurers shrinks 800 bps in 5 years - Irdai:** The four public sector general insurance companies -- New India Assurance, United India Insurance, Oriental Insurance, and National Insurance Company -- have lost 800 basis points (bps) in market share in last five years to their private counterparts. *[Business Standard]*

**Indian Oil may offer domestic airlines a stake in its green fuel plant:** Indian Oil (IOC) might offer minority equity stakes to domestic airlines in its proposed sustainable aviation fuel (SAF) production plant in Panipat, Haryana. *[Business Standard]*

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