

# Industry Matters

Weekly Updates

April 21, 2023



## Economy, Industry and Policy

**Lessons from Hanoi - What India can learn from Vietnam's blueprint to replace China as a manufacturing hub:** The economic development of each country is unique. It is shaped by its circumstances, resource endowments, policy and governance framework, and, above all, the determination of its citizens to succeed, says Nagesh Kumar, Director of the Institute for Studies in Industrial Development (ISID). [*The Economic Times*]

**Q4 investments at all-time high of ₹14.6 lakh crore:** India's investments narrative closed last year with a bang, as the January-to-March quarter recorded the highest-ever total fresh investments of ₹14.6 lakh crore, led by private sector outlays that also hit an all-time high of ₹10.5 lakh crore. [*The Hindu*]

**India is going to have solid economic growth - Indermit Gill, World Bank's chief economist:** India is going to have solid economic growth, but it will not be nearly as solid as if global conditions were like in the early 2000s, said World Bank chief economist and senior vice president for development economics, Indermit Gill. [*The Economic Times*]

**In meeting with PM Modi, Tim Cook says Apple committed to India:** Apple chief executive Tim Cook met Prime Minister Narendra Modi Wednesday and underlined the US major's commitment to growing and investing across the country. [*The Economic Times*]

**PLI for smartphone manufacturing - Foxconn, Wistron, Dixon lead the pack:** It has been three years since the government launched the production-linked incentive (PLI) scheme to boost smartphone manufacturing in the country, and iPhone makers Foxconn and Wistron have become the first companies to register for claims as they have successfully met the incentive targets for FY23. [*Business Standard*]

**India's share in global computer services exports jumps to 11% in FY23:** With software exports hitting a record high of USD 320 billion in FY23, the country's share in global computer services exports has jumped to around 11 per cent in the year. [*The Economic Times*]

**Rural inflation higher in FY23. Here's the data:** Rural inflation was higher than urban inflation in FY23, first time in six years. While the average inflation in FY23 was 6.7%, prices in rural areas increased 6.8% from a year earlier. [*The Economic Times*]

**Wholesale inflation continues downtrend, moderates to 1.34% in March:** India's wholesale price index (WPI)-based inflation eased to 1.34 per cent in March on an annual basis from 3.85 per cent in February, stated provisional data from the Commerce Ministry on Monday. [*The Economic Times*]

**NITI Aayog mulls EV policy review to reduce dependence on China:** The NITI Aayog plans to review India's strong push to electric vehicles (EVs) running on lithium-ion batteries since about 75% of the lithium-ion imports come from China. [*The Economic Times*]

**RBI allows AU Small Finance Bank, Equitas Bank to deal with foreign exchange:** AU Small Finance Bank on Wednesday said it has received permission from Reserve Bank of India to deal in foreign exchange. Reserve Bank of India vide its letter dated April 19, 2023 has granted Licence to act as Authorized Dealer Category-I (AD-I) under section 10 of FEMA, 1999 to deal in foreign exchange, AU Small Finance Bank said in a regulatory filing. *[The Economic Times]*

**No proposal before govt for overhaul of capital gains tax, clarifies I-T dept:** The Income Tax Department of India stated on Tuesday that there is currently no proposal before the government regarding the capital gains tax. *[The Economic Times]*



## Foreign Investment

**Nike, Adidas shoe-maker has a Rs 2,000 crore plan to set up shop in India:** A subsidiary of the world's biggest maker of branded sports footwear Pou Chen will invest Rs 2,302 crore (\$280.86 million) to set up a manufacturing facility in Tamil Nadu. *[The Economic Times]*

**Michelin may soon produce passenger vehicle tyres in India:** The tyre maker, which has presence in 175 countries with 67 plants, currently sells only premium bigger size tyres in limited quantity especially for performance oriented models in India. *[The Economic Times]*

**Liquidity surplus at 9-mth peak on high govt spend, FPI inflows:** Liquidity surplus in the banking system, measured by funds that lenders park with the central bank, climbed to its highest level in 9 months on accelerated government expenditure and overseas inflows into local financial assets, helping drive down money market rates. *[The Economic Times]*

**India's NMDC explores lithium reserves for mining in Australia:** India has been exploring ways to secure supplies of lithium, an important raw material used to make electric vehicle batteries, from some of the world's top producers by acquiring overseas mines. *[The Economic Times]*

**Focus on manufacturing to ramp up FDI inflows:** Foreign Direct Investment (FDI) flows were subdued in most parts of the world after the first quarter of 2022. According to the United Nations Conference on Trade and Development (UNCTAD), this slack in FDI inflows will continue this year. *[The New Indian Express]*

**India's JSW Steel plans to sell specialty steel to Russia:** India's JSW Steel plans to sell specialty steel products to Russia this year, a senior company official told Reuters on Wednesday. *[The Economic Times]*



## Trade Policy and Competitiveness

**U.S. emerges as India's biggest trading partner in FY23 at \$128.55 billion; China at second position:** According to the provisional data of the Commerce Ministry, the bilateral trade between India and the U.S. has increased by 7.65% to \$128.55 billion in 2022-23 as against \$119.5 billion in 2021-22. It was \$80.51 billion in 2020-21. *[The Hindu]*

**Services exports may reach USD 400 bn during 2023-24 - SEPC:** Buoyed by a significant jump in exports during 2022-23, Services Export Promotion Council (SEPC) on Wednesday said the healthy growth trend will continue and shipments are expected to reach up to USD 400 billion this fiscal. *[The Economic Times]*

**Passenger vehicle exports from India rise 15 pc in FY23; Maruti Suzuki leads segment:** Passenger vehicle exports from India rose 15 per cent in FY23 with Maruti Suzuki India leading the segment with dispatches of over 2.5 lakh units, as per the latest data by industry body SIAM. *[The New Indian Express]*

**India's gems and jewellery exports grow 2.48% in FY23:** India's gems and jewellery exports grew 2.48% year-on-year in 2022-23 to Rs 3,00,462.52 crore, despite inflation in the United States, the Russia-Ukraine war and the lockdown in China for almost six months. *[The Economic Times]*

**India-Israel FTA should be as wide as possible - Israeli Minister:** The proposed free trade agreement (FTA) between Israel and India should be as wide as possible to enable more and more trade as it brings people together, Israel's Minister of Economy and Industry M K Nir Barkat said on Tuesday. *[The Economic Times]*

**'Make in India' should embrace Chinese market to help correct trade imbalance':** China's Consul General in the financial capital, Kong Xianhua, on Tuesday stressed that there is a need for increasing Indian exports into the northern country, emphasising that a big opportunity exists. *[The Economic Times]*

**Jaishankar-Manturov discuss measures to push trade turnover beyond 45 billion USD:** Indian Foreign Minister S Jaishankar and Russian Deputy PM Denis Manturov on Tuesday explored measures to push increase trade turnover which recorded unprecedented growth and touched 45 billion USD. *[The Economic Times]*

**DGFT lays out procedure for exporters to apply for amnesty scheme:** The government announced the new foreign trade policy (FTP) on March 31. It included an amnesty scheme for exporters for one-time settlement of default in export obligation by the holders of advance and EPCG (export promotion for capital goods) authorisations. *[The Economic Times]*

**India-EU trade pact to promote economic ties - CII:** Signing of free trade agreement between India and the European Union would help promote economic ties between the region and New Delhi. *[The Economic Times]*

**Edible oil import rises 8 pc to 11.35 lakh tonnes in March:** Edible oil imports rose 8 per cent year-on-year in March to 11.35 lakh tonnes, industry body SEA on Friday said and demanded that the duty difference between crude palm oil and refined palm oil should be increased to protect domestic refineries. *[The Economic Times]*

**WTO panel rules against India in IT tariffs dispute with EU, Japan and Taiwan:** India has violated global trading rules in a dispute with the European Union, Japan and Taiwan over import duties on IT products, a World Trade Organization panel said on Monday. *[The Economic Times]*



## Corporate Governance

**Retail, consumer sector saw 55% decline in deal volumes during January-March 2023 - Grant Thornton Bharat:** The retail and consumer sector saw a 55% decline in volumes and a 70% decline in deal values during January-March quarter over a year ago period, according to a latest report by Grant Thornton Bharat. *[The Economic Times]*

**Apple stores at BKC and Saket - An inflectional moment for Make in India:** It all truly began in 2013. After milking low production costs and banking on a mammoth consumer market in China for over two decades, western companies began realising that 'Made in China' may not be sustainable in the long run. *[The Economic Times]*

**Tata nears deal to buy Wistron's iPhone factory for Rs 5,000 crore:** The group is expediting investment worth Rs 6,300 crore in Tata Electronics' plant in Hosur in Tamil Nadu. The plant is expected to start production of Apple products by the end of June. *[Business Standard]*

**Wipro Consumer Care acquires spice mix, ready-to-cook brand Brahmins:** Wipro Consumer Care and Lighting has announced the acquisition of Brahmins — the Kerala-based traditional vegetarian, spice mix and ready-to-cook brand — thus, further consolidating its presence in the foods segment. *[Business Line]*

**BIS to include more sectors under green standards, seeks suggestions:** India has set green standards for construction, agriculture, waste management and electric vehicles to make the sectors environmentally sustainable, said the government's quality regulator on Wednesday. *[Business Standard]*

**Vedanta signs MoUs with 20 Korean companies:** Vedanta Group on Monday said it has signed MoUs with 20 Korean display glass companies for the development of an electronics manufacturing hub in India. *[Financial Express]*

**Tatas approach CCI to merge Air India and Vistara:** Tata Sons owned Air India has approached anti-trust regulator Competition Commission of India for a merger of full service airline Vistara. While Tata Sons holds 51% in Vistara, the remaining 49% is owned by Singapore Airlines (SIA). *[The Economic Times]*



## MSMEs and Start-ups

**India retains third spot as a unicorn hub, shows Hurun report:** India has retained its 3rd spot as the country with the highest number of unicorns worldwide after the US and China. With 68 new unicorns, India lags behind the US and China, which have 666 and 316 unicorns, respectively. *[Business Standard]*

**Public procurement - Govt purchases from MSMEs hit all-time high of nearly Rs 60,000 crore in FY23:** According to the official data, procurement worth Rs 58,429 crore was made by central public sector enterprises (CPSEs) from 2.16 lakh MSEs during FY23, growing by 9.3 per cent from Rs 53,423 crore worth purchases made from 2.25 lakh MSEs in FY22. *[Financial Express]*

**Parliamentary panel suggests separate division for micro enterprises in MSME ministry; here's why:** A parliamentary panel has suggested a separate division for micro enterprises in the MSME ministry for focused initiatives on micro units "as the problems faced by the micro enterprises are different from the problems faced by the small and medium enterprises. *[Financial Express]*

**B2B kirana supply startup Sorted wants to disrupt the industry through franchise model:** This market, which is worth \$600 billion and is dominated by approximately 15-20 million kirana and small mom-and-pop stores, accounts for more than 80% of the entire retail industry, according to a BofA Securities brokerage report on the B2B retail market published last year. *[Financial Express]*



## Employment and Industrial Relations

**Better pay hikes in the offing for manufacturing sector:** Riding on the back of a strong recovery and the first normal year for manufacturing since the Covid-19 outbreak, employees can expect better salary hikes this year, according to industry executives and a survey. *[The Economic Times]*

**ESIC adds 16.03 lakh new subscribers in February:** The formal workforce added under the Employees' State Insurance Corporation stood at 1.60 million in February, a tad lower than 1.63 million added in January, as per the provisional payroll data. *[The Economic Times]*

**Top tech skills continue to be in demand in non-tech industries, GCCs:** Demand for specific technology skills is consistently rising across non-tech industries as well as the global captives of multinational companies in India even as traditional tech hiring in tech services and products has tapered down, according to a skills report by leading staffing firm Qness. *[The Economic Times]*

**As India's population soars above all, fewer women have jobs:** India is on the cusp of surpassing China to become the world's most populous country, and its economy is among the fastest-growing in the world. But the number of Indian women in the workforce, already among the 20 lowest in the world, has been shrinking for years. *[The Economic Times]*

**Work demand under MGNREGS expected to decline 27% in FY24:** The government has budgeted ₹60,000 crore under the scheme for FY24, lower than the budget estimate of ₹73,000 crore and revised estimate of ₹89,400 crore for FY23. However, finance minister Nirmala Sitharaman has stated that more funds would be allocated for the scheme if required. *[The Economic Times]*

**Meta prepares more layoffs across Facebook, WhatsApp, Instagram:** Meta already cut about 13% of its workforce, or about 11,000 jobs, in November. It also extended a hiring freeze through the first quarter, which has been punctuated by job and cost cuts by other Silicon Valley businesses. *[Financial Express]*



## Industrial Finance

**Fintech funding hits \$1.2 bn in Q1 2023, shows early signs of recovery:** Fintech startups in the country attracted investments worth \$1.2 billion in Q1 2023, a sharp jump of 126% compared with \$523 million raised in Q4 of 2022, according to a report compiled by market intelligence platform Tracxn. *[Financial Express]*

**IndusInd Bank signs \$100-million loan pact with JBIC:** IndusInd Bank on Wednesday said it has entered into a long-term loan agreement of \$100 million with Japan Bank for International Cooperation (JBIC) through its Gujarat-based GIFT City branch to fund Japanese construction equipment companies in India. *[Financial Express]*

**Tata Steel in talks to raise up to \$400m in offshore green loan:** India's Tata Steel Ltd. is in talks to raise as much as \$400 million, according to people familiar with the matter, in what could become the company's first green loan. *[The Economic Times]*



## Technology and Innovation

**India no. 1 in digital payments, rural economy is transforming - PM Modi:** Prime Minister Narendra Modi on Friday said that India is number one in digital payments and the country's rural economy is transforming. *[Business Standard]*

**3 ways ChatGPT will impact the edtech industry:** ChatGPT is a cutting-edge artificial intelligence technology that has the potential to revolutionise the education industry or edtech. ChatGPT is a language model trained on text data capable of generating human-like responses to various questions and topics. *[India Today]*

**Cyber security, accidents among top threats for industry - Ficci report:** Intellectual property theft, information, cyber security threats, and accidents are the top threats faced by industries in India, found the Federation of Indian Chambers of Commerce and Industry (Ficci) in a survey. *[Business Standard]*



## Industrial Infrastructure, Clusters and SEZs

**76 big infra projects worth Rs 5.14 lakh cr evaluated under PM Gati Shakti in past 1 year:** These projects include Gurdaspur-Jammu-Srinagar natural gas pipeline worth Rs 6,931 crore; the Chennai-Trichy-Tuticorin Exp project worth Rs 30,502 crore, and Indo-Nepal Border - Haldia Corridor (Rs 30,233 crore). *[The Economic Times]*

**Govt plans to develop more than 250 projects in 5 yrs under Parvatmala Pariyojana - Nitin Gadkari:** The government is planning to develop more than 250 projects with a ropeway length of over 1,200 km in five years under Parvatmala Pariyojana, Union minister Nitin Gadkari said on Wednesday. *[The Economic Times]*

**Airports Authority of India plans to spend Rs 4,000 crore in FY24:** The Airports Authority of India (AAI) plans to spend Rs 4,000 crore in 2023-24 (FY24) to build two greenfield airports and upgrade 23 existing ones. *[Business Standard]*



## Sustainable Industrialisation

**Corporate funding in global solar sector grows 11 per cent to \$8.4 billion in Jan-Mar - Mercom:** Total corporate funding into the solar sector in the first quarter of 2023 calendar year came to USD 8.4 billion compared to USD 5.4 billion in the fourth quarter of 2022. *[Financial Express]*

**UP on its way to become first state to have 100 pc electric vehicles in govt departments:** In a major push to promote sales and usage of electric vehicles (EVs) in the state of Uttar Pradesh, Chief Minister Yogi Adityanath's government has set a target and has flung into action to convert vehicles used in all government departments into EVs in a phased manner by 2030. *[The Economic Times]*



## Sectoral News

**India not to import butter, other dairy products; to tap domestic sector to improve supplies - Parshottam Rupala:** Milk output in the country stood at 221 million tonne in 2021-22, up 6.25 per cent from 208 million tonne in the previous year, as per the official data. *[The Economic Times]*

**Investments, innovation, integration with value chains to help apparel sector register healthy growth - APEC:** According to the council, the all-time high exports of USD 447 billion in 2022-23 is an indication that the Indian export sector is getting more and more resilient and is capable of withstanding challenges posed by an adverse global economic environment. *[The Economic Times]*

**Indian Railways posts 25 pc growth in revenues for FY23:** Indian Railways (IR) on Monday posted a 25 per cent growth in its revenues to Rs 2.40 lakh crore for the financial year 2022-23 (FY23). This jump in revenues is nearly Rs 49,000 crore more than the previous year. *[The Economic Times]*

**Cement demand seen rising 8-9 pc in FY24 over 9 pc growth in FY23:** Continued government push to build infrastructure will drive cement demand further this fiscal by 8-9 per cent on top of a 9 per cent growth in FY22, which will help the sector see some recovery in profitability. *[The Economic Times]*

**We have advanced our target to achieve 20% ethanol blending in petrol from 2030 to 2025-26 - Petroleum Minister Hardeep Singh Puri:** Production of indigenous biofuels will play a pivotal role in achieving the targets of net zero and import reduction. We have increased the ethanol blending in petrol from 1.53 per cent in 2013-14 to 10.17 per cent in July 2022. *[The Economic Times]*

**Paint companies to log 10-12 pc growth in revenue this fiscal:** Continuing healthy demand from construction, real estate and automobile sectors will help the paint sector register a 10-12 per cent revenue growth this fiscal against an 18 per cent estimated rise in the just-concluded fiscal. *[The Economic Times]*

**Fortis to acquire Gurugram-based Medeor Hospital for ₹225 cr:** Fortis Healthcare Ltd, on Thursday, said it has signed definitive agreements with the VPS Group for the acquisition of its Medeor Hospital in Manesar, Gurugram, Haryana, at a cost of ₹225 crore. *[Business Line]*

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