

Industry Matters

Weekly Updates

May 12, 2023



Economy, Industry and Policy

India's economic growth prospects have brightened - Fitch Ratings: Global ratings agency Fitch reiterated its BBB- rating with a stable outlook on India's long-term sovereign debt, saying that growth prospects have brightened as the private sector appears poised for stronger investment growth. *[Business Standard]*

India on path to become third largest economy, says MSME minister; urges industry to keep on investing: Union MSME minister Narayan Rane on Wednesday urged the global and domestic industries to continue to invest in India, which is on its path to become the third largest economy. *[The Economic Times]*

Enhanced competitiveness of India's economy will attract more investments - PHDCCI: Industry body PHDCCI on Wednesday said enhanced competitiveness of the Indian economy will attract more investments and create new employment opportunities for the growing young population in the country. *[The Economic Times]*

E-invoices must for businesses with 5 crore turnover a year: The centre on Thursday announced it will be mandatory for all businesses with annual turnover of over Rs 5 crore to move to e-invoicing for business to business transaction under goods and services tax (GST) from August 1 this year. *[The Economic Times]*

664,000 families got Rs 13,290 crore under PM Jeevan Jyoti Bima Yojana - Nirmala Sitharaman: Finance minister Nirmala Sitharaman said on Tuesday that the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) has provided crucial support to around 664,000 families, who have received ₹13,290 crore against their claims. *[The Economic Times]*

Commerce ministry recommends anti-dumping duty on optical fibre imported from China, Korea, Indonesia: The commerce ministry's arm DGTR has recommended imposition of anti-dumping duty on imports of a certain type of optical fibres from China, Korea and Indonesia to protect the domestic industry from cheap inbound shipments. *[The Economic Times]*



Foreign Investment

Financials see highest FPI flows despite turmoil in US banking sector Foreign portfolio investors (FPI) were high on financial stocks, mainly banks, in the second half of April, despite the turmoil in the banking sector in the US. Information technology (IT), on the other hand, saw the maximum pullback due to growth uncertainty. *[Business Standard]*

Cisco to start manufacturing in India, eyes \$1 billion production capacity: Digital communications and technology conglomerate Cisco on Wednesday said it will start manufacturing in India, creating a "core" base. It is targeting to generate output worth \$1 billion in exports as well as domestic production capacity. *[Business Standard]*

General Atlantic to deploy up to \$1 billion a year in India: Growth-equity investor General Atlantic expects to deploy up to \$1 billion in new investments in India annually for the next few years, betting on businesses built around Prime Minister Narendra Modi's push to expand financial inclusion and increase technology usage. *[The Economic Times]*

India's nuclear power industry may be opened to foreign investments: India is considering overturning a ban on foreign investment in its nuclear power industry and allowing greater participation by domestic private firms, two government sources told Reuters, as part of a push for cleaner energy. *[The Economic Times]*

163 Indian firms invest \$40 billion in US, employ over 4,25,000: Indian companies have invested over \$40 billion in the U.S. and employ more than 4,25,000 people across 40 U.S. states where they have tangible investments, plus the District of Columbia and Puerto Rico, states the seventh edition of the Confederation of Indian Industry (CII)'s survey report. *[FortuneIndia]*

India's imports from OPEC at all-time low as Russian oil buy peaks: India's oil imports from oil producers cartel OPEC's share fell to an all-time low of 46% in April as purchases of cheaper Russian oil peaked, recently released industry data has shown. *[The Economic Times]*



Trade Policy and Competitiveness

India-US bilateral trade highest in past few years, will help India's \$2 tn exports target by 2030 - Piyush Goyal: Commerce & Industry Minister Piyush Goyal said that India-US partnership is at a 'defining stage' and the two countries will continue to work towards diversifying and deepening trade and investment ties for mutual growth and prosperity. *[Financial Express]*

India's forex reserves at comfortable level due to RBI, dollar - Economists: India's foreign exchange reserves are at a comfortable level currently, benefiting from the Reserve Bank of India's persistent intervention and the likelihood of less volatile revaluation changes. *[The Economic Times]*

India's iron ore exports drop MoM in April on slower Chinese orders: India's iron ore exports dropped 13 per cent in April against March at 3.8 million tonnes (mt), primarily on account of slower orders from China and lower steel demand overseas. However, exports were up year-on-year by 25 per cent. *[Business Line]*

Initial gains from India-UAE trade pact start accruing - DPIIT secretary: The initial gains from the India-UAE Comprehensive Economic Partnership Agreement (CEPA) have already started accruing with bilateral trade growing around 20% and touching an all-time high of around \$84 billion in FY23. *[The Economic Times]*

Moratorium on customs duties on e-com trade, agri issues may come up at WTO: Issues such as ending moratorium on customs duties on e-commerce trade and matters pertaining to the agriculture sector are likely to come up in the forthcoming mini-ministerial meet of the WTO in Paris on June 7. *[Business Standard]*

India coal imports surge to 162 MT in FY23; inbound coking coal shipment grows to 54 MT: India's coal imports increased by 30 per cent to 162.46 million tonnes in the 2022-23 financial year against 124.99 MT in the year-ago period. *[The Economic Times]*



Corporate Governance

Daikin India becomes billion-dollar company, expect to double business in next 3 years: The Air conditioner maker, which had crossed the milestone of USD 1 billion in FY23, has a turnover of Rs 8,860 crore for the financial year ended on March 31, 2023. *[The Economic Times]*

Sanofi consumer brands get a shot in the arm on demerger decision Sanofi India (SIL) is set to demerge its consumer healthcare business into a new wholly owned subsidiary to 'unlock and maximize' its business potential in pharmaceuticals and consumer healthcare. *[Business Standard]*

FMCG volume growth returns in January-March quarter - NIQ data: Fast-moving consumer goods (FMCG) in India have witnessed a recovery in volume after six quarters and the growth rate is now at 3.1 per cent in January-March, according to the data by NIQ, formerly known as NielsenIQ. *[Business Standard]*

Lupin to acquire French pharma company Medisol for around Rs 160 crore: The company has entered into a definitive agreement to acquire the entire share capital of Medisol, subject to approval from the French Ministry of Economy and Finance. *[Business Standard]*

Indian malls' FY24 consumption likely to be \$11 billion, high streets to score on efficiency: Indian shopping malls are expected to attract higher consumption owing to socio-demographic factors including rising urbanisation and income levels. *[The Economic Times]*

From Apple to Crocs, India is driving numbers for large consumer MNCs: CEOs of global consumer-facing companies like Apple, Coca-Cola, Unilever, Mondelez, Yum! Brands, Mastercard, Pernod Ricard, Crocs, Skechers, and Whirlpool have reported strong resilience and growth in their India businesses. *[The Economic Times]*

Electric vehicle-related incentives are the newest employee perk: Electric vehicle (EV) incentives are catching on as a new perk at companies such as Vedanta, Larsen & Toubro and MakeMyTrip. They have drafted fresh policies providing incentives for the purchase of EVs and are setting up charging stations on campus. *[The Economic Times]*

Global tech service sector records M&A, PE deals worth \$57 b: The first quarter of CY23 saw the global technology service sector witnessing a surge in M&A and private equity deals, reaching a total of more than \$57 billion, more than double the amount in 2020 (more than \$27 billion). *[Business Line]*

Dalmia Cement signs MoU to invest Rs 4,600 crore in Assam: Dalmia Cement Bharat has entered into a Memorandum of Understanding (MoU) with the Assam government to support the creation of 2500 jobs and invest close to Rs 4600 crore in the state. *[The Economic Times]*



MSMEs and Start-ups

After life in unicorn-decacorn club, start-ups stare at down rounds: Large Indian start-ups are likely to face down rounds as foreign investors slash valuations of bloated start-ups. Valuation multiples, observe analysts and investors, have dipped by as much as 60 per cent. *[Business Standard]*

Max Life partners with Indian Industries Association to offer life insurance access to 11L MSMEs in UP: Max Life Insurance Company Ltd, on Monday, announced a strategic partnership with the Indian Industries Association (IIA) to provide life insurance plans to the Micro, Small, and Medium Enterprises (MSME) sector's workforce in Uttar Pradesh (UP). *[The Economic Times]*

India seeks exemptions for MSMEs from EU's carbon tax: India is pressing the European Union for a mutual recognition agreement for its carbon certificates and exempt MSMEs in certain sectors to insulate the domestic industry from the burden of the EU's carbon tax. *[The Economic Times]*



Employment and Industrial Relations

Demand for specialised gig workers increase 21%: Despite a 36.45 per cent drop in the rate of hiring in the past six months, the demand for gig workers earning more than ₹15,000 per month increased by 21.38 per cent. *[Business Line]*

Over 5.25 crore subscribers enrolled in Atal Pension Yojana: Over 5.25 crore subscribers have enrolled in Atal Pension Yojana (APY), the government's flagship social security programme launched eight years ago, the finance ministry said in a statement. *[The Economic Times]*

Job postings by start-ups see growth in past 3 months: The hiring activity among start-ups has witnessed growth in the past three months. While there has been a 6% decline in e-recruitment for white-collar compared to the same period last year. *[The New Indian Express]*

Hiring activity dips 4% in April vs a month ago: foundit Insights Tracker: Hiring activity dipped by 4% in April compared to a month ago, indicating cautious sentiment among Indian recruiters, according to foundit Insights Tracker (fIT). *[The Economic Times]*

White-collar job vacancies at Indian IT companies lowest in 28 months: Demand for white-collar employment in the Indian IT services industry, the biggest contributor to jobs in the technology sector cohort, hit its lowest volume in the past 28 months in April, according to data collated from top job boards and LinkedIn. *[The Economic Times]*



Industrial Finance

NBFCs step up used car funding as EVs catch on: Non-banking financial companies (NBFCs) are stepping up the funding of used cars, seeing it as a growth driver over the next two-three years, especially with electric vehicles (EVs) gaining traction in the Indian market. *[The Economic Times]*

RBI imposes over Rs 1.73-cr fine on HSBC for wrong credit card data: The Reserve Bank of India (RBI) has imposed a penalty of Rs 1,73,75,000 on The Hongkong and Shanghai Banking Corporation Limited (HSBC Ltd) for the contravention of certain rules under Credit Information Companies Rules, 2006 (CIC Rules). *[The Economic Times]*

Rs 35,000 crore unclaimed deposits - Check out, your money could be lying here: You or someone close to you could be one of the 10.24 crore people whose money is lying with the government, forgotten and unclaimed. Watch out for a special drive the government is about to launch to find such people and give their money back to them. *[The Economic Times]*

ED searches Deloitte, BSR offices in IL&FS money laundering probe: The Enforcement Directorate (ED) on Wednesday carried out searches at Mumbai offices of two audit companies — Deloitte Haskins and Sells and KPMG-affiliated firm BSR & Associates — in connection with a money-laundering probe into alleged financial irregularities at IL&FS. *[Business Standard]*

I-T dept raids Mankind Pharma premises in Delhi over tax evasion allegation: A few days after making a stellar debut on the stock market, Mankind Pharma came under the scanner of the Income Tax department. Taxmen conducted raids on the premises of Delhi-based Mankind Pharma over allegations of tax evasion. *[The New Indian Express]*



Technology and Innovation

India's semiconductor market to touch \$64 bn by 2026 - Counterpoint-IESA: India's semiconductor market will touch \$64 billion by 2026, almost three times its 2019 size of \$22.7 billion, a report released on Tuesday said. The country's telecom stack and industrial applications will account for two-thirds of the total market share. *[Business Standard]*

Microsoft invests in India's Builder.ai, marking another tie-up for AI: US technology giant Microsoft has invested an undisclosed sum in Builder.ai, an Indian start-up that helps companies develop applications without needing any coding experience. *[Business Standard]*

Electronic wearables production in India reaches Rs 8,000 crore in FY23: India manufactured wearables such as earphones and smartwatches worth Rs 8,000 crore in 2022-23, up from negligible levels in FY22, boosted by the implementation of a phased manufacturing plan (PMP). *[The Economic Times]*

Easy documentation, increasing awareness, role of post offices to help boost e-commerce exports - FISME: Over 90 per cent of e-commerce exporters in India are MSMEs (most of them micro and small enterprises) and, therefore, a strategy for e-commerce exports must focus on MSMEs spread across the nation to sell their products to global markets. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

Amara Raja lays foundation stone for Rs 9.5k cr Lithium Cell facility in Telangana: Amara Raja Batteries Ltd on Saturday held a grand groundbreaking ceremony for Telangana's first gigafactory in Mahbubnagar district to produce Lithium Cell and Battery Packs, with an ultimate capacity of upto 16 GWh and 5 GWh respectively. *[The Economic Times]*

AMNS India to invest \$7.4 billion on capacity expansion, value addition: AMNS India plans to spend \$7.4 billion on expanding capacity and increasing its value-added capabilities, which includes investments in both its upstream and downstream capacities and enhancing its iron ore capabilities. *[The Economic Times]*

Assam government inked MoUs for investments to the tune of Rs. 8201.29 crore: Assam witnessed major private investment initiatives, as State government inked nine Memorandum of Understandings (MoUs) with nine companies at a function in Guwahati. *[The Economic Times]*

In talks with industry players for development of economically viable electric highways - Nitin Gadkari: The minister for road transport and highways highlighted the need to develop "import substitute cost-effective, pollution-free and indigenous technology", asserting that sustainable development is the ultimate goal. *[The Economic Times]*

Hyundai to announce over Rs 15,000 cr investment programme in Tamil Nadu: So far, HMIL has invested over \$4 billion in the nation. As the second-largest factory outside of Korea, the Hyundai Group's factory in Sriperumbudur, near Chennai, can produce 7,40,000 cars annually and is the company's first fully integrated production facility. Additionally, it is India's top exporter of passenger vehicles. *[Business Standard]*

Mitsubishi Electric India to set up air-conditioner and compressor factory in TN at Rs 1,891 cr: Electronic equipment manufacturer Mitsubishi Electric India has decided to set up a new manufacturing unit in Tamil Nadu at an investment of about Rs 1,891 crore. *[The Economic Times]*



Sustainable Industrialisation

Lithium reserves found in Rajasthan's Nagaur, higher capacity than J&K reserves: GSI and mining officials have claimed that the amount of Lithium present in these reserves can satisfy 80 percent of India's total demand. The discovery of these reserves may help in reducing the dependency of India on China for Lithium.

[The Economic Times]

Govt plans green fuel port usage, bunkering in net-zero target push: The ministry of ports, shipping, and waterways (MoPSW) on Wednesday launched green port guidelines for India's 12 major ports in another push to decarbonise the transport sector, a major contributor to the country's carbon emissions. *[Business Standard]*



Sectoral News

Temasek considers investing \$100 mn in Indian jeweller BlueStone: Singapore state investor Temasek Holdings is considering investing \$100 million in Indian jeweller BlueStone for a stake of about 20%. *[The Economic Times]*

India emerging as a top destination for clinical trials: India is emerging as a favourable destination for conducting clinical trials, according to a joint report by PwC India and US-India Chamber of Commerce (USAIC). *[The Economic Times]*

India's commercial property sector is strong and stable: In India, overall occupier demand remained strong and stable with a net balance of +52, with this positivity is broadly equal throughout each commercial sector (office, retail and industrial). *[The Economic Times]*

India's April fuel demand drops over 10% from March'23: India's fuel consumption, a proxy for oil demand, was down around 0.3% year on year in April, but fell over 10% from March this year, data from the Petroleum Planning and Analysis Cell (PPAC) of the oil ministry showed on Monday. *[The Economic Times]*

'No decision yet on diesel-run vehicle ban in major cities': The petroleum ministry on Tuesday clarified that it had not taken any decision on the recommendations of a government committee on diesel car ban in the cities with population of over 10 lakh by 2027. *[The New Indian Express]*

Sugar production declines 9% in 2022-23 season due to low recovery: Sugar production in the 2022-23 season that started from October is now expected to be around 9 per cent less than last season due to a drop in recovery and cane output particularly in Maharashtra, which is one of the biggest growing states. *[Business Standard]*

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