

Industry Matters

Weekly Updates

May 19, 2023



Economy, Industry and Policy

India to contribute 16% to global GDP growth over 2023-24 - Morgan Stanley: With the Indian economy being a key contributor for Asian economic growth outperformance, the broad-based recovery in demand runs counter to the weakness seen outside Asia. *[Business Standard]*

CPI inflation dips to 18-month low of 4.7% in April; IIP slows to 1.1%: India's retail inflation rate in April fell to an 18-month low on the back of a high base and easing price pressures across categories, giving the central bank elbow room to maintain an extended pause on policy rates. *[Business Standard]*

Financial bids for Shipping Corporation of India soon; land and assets unit likely to be listed in a month: The government intends to invite financial bids for its entire 63.75% stake in Shipping Corporation of India (SCI) soon after the demerged entity, SCILAL, is listed. *[The Economic Times]*

Capex by large state-run firms jump 121% to Rs 53,000 crore in April: Capital expenditure (capex) by large central public sector enterprises (CPSEs) with a target of Rs 100 crore or more has grown by 121 per cent year-on-year (YoY) to Rs 53,000 crore in April. *[Business Standard]*

PLI schemes for labour-intensive toys, leather sector on the cards: The government intends to roll out production linked incentive (PLI) scheme for more labour-intensive sectors such as toys, leather and footwear. *[The Economic Times]*

Cabinet clears ₹17,000 cr-IT Hardware PLI Scheme 2.0: The Cabinet, chaired by Prime Minister Narendra Modi, on May 17 approved the Production Linked Incentive Scheme 2.0 for IT Hardware with a budgetary outlay of ₹17,000 crore. *[The Hindu]*

PLI investments cross Rs 51k cr; mobile phones, pharma lead: However, incentives worth only Rs 2,400 crore have been released by the government under all the PLI schemes so far, which is just 1.2% of the Rs 1.97 trillion envisaged over five to seven years. *[Financial Express]*

DPIIT seeks GST rate reduction for certain segments of leather sector: The leather industry has been demanding that GST be reduced to 5 per cent from the current rate of 12 per cent. Leather products exporters have also expressed resentment over the hike in GST from 5 per cent to 12 per cent on finished leather. *[Business Standard]*

India to have over 7,000 more ultra-rich individuals by 2027 - Knight Frank: The report added that India's billionaire population is expected to increase from 161 individuals in 2022 to 195 individuals in 2027. Moreover, the Indian high-net-worth-individual (HNI) population, with assets of \$1 million and more, will rise 107 per cent from 797,714 persons in 2022 to 1.65 million in 2027. *[Business Standard]*

Direct cash transfer for fertiliser: The Union government is unlikely to roll out direct benefit transfer scheme for fertiliser subsidies this fiscal due to reluctance shown by states. *[Financial Express]*



Foreign Investment

Foreign VC investors cut telecom allocations by 97% since 2018-19: Foreign Venture Capital (VC) investors cut their exposure to the beleaguered telecommunication sector by 97 per cent during the Covid-19 pandemic, marking one of their biggest cuts among large sectors. *[Business Standard]*

FPIs invest ₹23,152-crore in Indian equities in May so far: Foreign portfolio investors' (FPIs) net investments in Indian equities have touched a six-month high in May so far, with analysts saying the momentum is expected to continue on the back of increased favour for Indian securities. *[Business Line]*

India-focused offshore fund, ETFs record \$803 mn net inflow in Q4: After 17 quarters of net outflows in a row, India-focused offshore funds and exchange traded funds (ETFs) have received net inflows for three consecutive quarters now, signalling a shift in stance of foreign investors with respect to the Indian market. *[Business Standard]*

India's real estate sector attracts \$26.6 bn in foreign investment over 5 years: India's real estate sector has seen a three-fold increase in foreign institutional inflows, amounting to \$26.6 billion between 2017 and 2022, according to a report by real estate services firm Colliers. *[Mint]*



Trade Policy and Competitiveness

Netherlands emerges as India's 3rd largest export destination: The Netherlands has emerged as India's third largest exports destination after the US and UAE during 2022-23, showed commerce ministry's data on Sunday. *[The Economic Times]*

With 6.9% year-on-year growth, goods exports rise to \$451 billion in 2022-23: India's goods exports for 2022-23 scaled up significantly from earlier estimates to almost \$451 billion, indicating a 6.9% year-on-year growth, with exports for March upgraded sharply to a nine-month high of \$41.9 billion, as per Commerce Ministry data. *[The Hindu]*

India's exports fall 12.7% to \$34.66 billion in April: India's exports dipped by 12.7 per cent year on year to \$34.66 billion in April this year, the government data showed on Monday. This is against \$39.7 billion in same month last year. *[Mint]*

SIAM says zero duty 'acceptable' on imported cars from UK 'if the need arises': Leading auto makers body in India has agreed to eliminate import tax on a limited number of vehicles in a trade deal with Britain "if the need arises." *[Mint]*

Import of laptops, PCs, medical devices, solar cells from China fall in FY23 - GTRI: India's imports of electronic goods such as laptops, personal computers (PCs), integrated circuits and solar cells from China declined during 2022-23, according to a report by economic think tank GTRI. *[The Economic Times]*

Govt imposes import ban on 928 defence items in self-reliance push: With the aim of promoting *aatmanirbharta* (self-reliance) in weaponry and defence equipment and minimise imports by defence public sector undertakings (DPSUs), the Ministry of Defence (MoD) on Sunday promulgated a list of 928 strategically important spares and components that would face curbs on their import. *[Business Standard]*

India's exports to EU worth USD 1.3 bn to be impacted by EU's deforestation regulation - GTRI: India's exports of products like coffee, leather hides and paperboard worth USD 1.3 billion annually to the European Union will get impacted due to the deforestation regulation adopted by the EU earlier this week. *[The Economic Times]*

India E-tailing reached \$60 billion GMV in FY2023 with a steady 22% annual growth - Redseer: India's E-tailing has reached \$60 billion GMV in FY2023 with a steady 22% annual growth showing strong performance on most metrics, said Redseer Strategy Consultants on May 18. *[The Hindu]*

Centre to reduce dependence on high-capacity mining equipment imports to ramp up domestic production: In an effort to boost domestic production of high-capacity mining equipment, the central government is planning to curb its import. *[knnindia]*



Corporate Governance

Merely 27% of Indian businesses confident about ESG preparedness - Deloitte: Merely 27% Indian organisations feel adequately equipped to meet their ESG (Environmental, Social and Governance) strategy and compliance requirements and only 15% believe their suppliers to be prepared to comply with the organisations' ESG requirements. *[The Economic Times]*

Partial sale of companies won't be default under Insolvency and Bankruptcy Code: The government could allow part-sale of a corporate debtor under the bankruptcy law only if the stressed entity fails to attract a rescue plan for itself in entirety. *[The Economic Times]*

Bandhan Group, IIFL in race to acquire Aegon Life Insurance: Bandhan Group and Mumbai-based financial services major IIFL are in the race to acquire Aegon Life Insurance from the Netherlands-based Aegon NV and Bennett, Coleman & Co. *[Business Standard]*

Consumers will get the benefit of falling prices - FMCG CEOs: Chief executives of several listed consumer goods companies said in their recent earning calls that they would continue to drop prices of products or increase pack weights to pass on the benefits of lower raw material prices wherever possible. *[The Economic Times]*

Paytm partners with NPCI to launch Paytm SBI Card on the RuPay network: One97 Communications Limited (OCL)-owned Paytm has partnered with NPCI and SBI Card to launch Paytm SBI Card on the RuPay network. *[The Economic Times]*

Infosys wins \$1.5 billion deal from BP: Infosys has won a deal from global energy company BP (formerly British Petroleum) that is estimated at about \$1.5 billion. Infosys will be BP's primary application services partner. *[The Times of India]*

MRF to acquire 19.10% in First Energy for ₹13 crore, to buy solar power: MRF has announced that it will pick up up to 19.10 per cent stake in First Energy 4 Pvt Ltd, which is engaged in the business of development, construction, operating, and maintaining renewable energy-based power plants in India, for an estimated sum of ₹13.09 crore. *[Business Line]*

Vedanta-Foxconn JV set to get govt approval for its chip-making plant: The centre is ready to approve the plans of the Vedanta-Foxconn joint venture to make semiconductor chips, a report in *The Economic Times (ET)* said. Senior government officials told the newspaper that this would be done under the aegis of the \$10-billion India Semiconductor Mission (ISM). *[Business Standard]*

Reliance Retail, Adani Group no longer bidding for Future Retail: Reliance Retail and the Adani Group have opted out from the final round of bidding for Future Retail (FRL), *ET Now* reported on Wednesday citing sources. It stated that six final bids have been received for Future Retail. *[Business Standard]*

Lytus Technologies expands footprint in India with acquisition of Sri Sai Cable and Broadband: Lytus Technologies Holdings PTV Ltd., a Nasdaq-listed firm, has acquired Sri Sai Cable and Broadband Private Ltd., a leading regional Multi Service Operator (MSO) based in Telangana. *[Business Line]*



MSMEs and Start-ups

145 million SMBs worldwide to spend \$1.45 trillion on technology this year, up 6.3% over 2022: 145 million small and medium businesses (SMBs) globally are likely to spend \$1.45 trillion on information technology in 2023, driven by the post-pandemic trend towards digital transformation, said a report by global management consultancy Analysys Mason. *[Financial Express]*

MSME credit demand robust, but maintaining 46% growth a challenge - ABCL CEO: Despite robust growth in its MSME loan book, Aditya Birla Capital Ltd (ABCL) said on Wednesday that sustaining 46 per cent growth in advances at its non-banking finance subsidiary Aditya Birla Finance will be difficult. However, the NBFC has all the building blocks in place to scale up its business. *[Business Standard]*



Employment and Industrial Relations

77 pc companies predict 2023-24 to have both replacements, new position hirings; These regions likely to see max hiring ratio: 77 per cent of companies interviewed across India, maybe listed under the ones who expect hiring to be inclusive of both replacements along with admission to new positions in the year 2023-24. *[Financial Express]*

Amazon implements India layoffs to reduce workforce globally: Amazon is reportedly laying off employees in India across different functions and businesses including human resources, support functions and Amazon Web Services (AWS). According to a media report, the firm has laid off about 500 employees. *[Business Standard]*

Google Layoffs - Search giant reduces workforce of contract workers that support YouTube: Google is reducing its contract workforce that supports various services of YouTube. This decision comes shortly after a contractor team achieved a victory in their unionization efforts. The workers who will be affected primarily provide support for YouTube TV and handle tasks related to YouTube's social media accounts. *[BusinessToday]*



Industrial Finance

24 big importers found evading Rs 11,000 crore IGST: The Directorate General of GST Intelligence (DGGI) and Directorate of Revenue Intelligence (DRI) have detected alleged Integrated GST evasion to the tune of ₹11,000 crore by 24 large importers. *[The Economic Times]*

Exim Bank to raise up to \$4 billion this year: Exim Bank intends to raise around \$3.5 billion to \$4 billion this year to fund its government-backed business, said Harsha Bangari, MD. The bank's net profit for FY23 soared 110% to INR 1,556 crore (\$209 million). It raised resources worth INR 52,156 crore, coupled with a foreign currency of \$3.47 billion. *[The Economic Times]*

Vedanta Resources Ltd taps global banks for \$500-600 million loan: Anil Agarwal-promoted Vedanta Resources Ltd (VRL) is in discussions with Deutsche Bank and other global lenders including JPMorgan and Barclays to raise a \$500-600 million loan to meet debt repayments later this month. *[The Economic Times]*



Technology and Innovation

UPI-related scams account for 55% of total digital payments frauds in India: Out of all the reported digital payment frauds in India, over half (55 per cent) were United Payments Interface (UPI)-related, a new report released on Tuesday revealed. Another 18 per cent are card related, 12 per cent are related to internet banking and nine per cent are from phishing calls. *[Business Standard]*

India, Israel to jointly develop Center of Water Technology at IIT Madras: Indian Institute of Technology (IIT) Madras has signed a Letter of Intent (LoI) with Israel to build an 'India-Israel Center of Water Technology' (CoWT) in Water Resources Management and Water Technologies. *[Business Standard]*

AWS to make a fresh investment of 12.7 billion in India by 2030 Amazon Web Services (AWS) said it would have invested \$ 16.4 billion in India by 2030 to meet the fast-growing customer demand for cloud services in the country. *[The Hindu]*

NPCI plans more tie-ups to strengthen global acceptability of RuPay debit cards: National Payments Corporation of India (NPCI) is exploring options for further tie-ups to strengthen the global acceptability of RuPay debit cards. Currently, RuPay cards are accepted at the points of sale (PoS) machine powered by Discover of the US, Diners Club, JCB of Japan, Pulse and Union Pay of China. *[The New Indian Express]*

SCO members adopt India's proposal for digital public infra: The Shanghai Cooperation Organisation (SCO) on Saturday adopted India's proposal to support the development and adoption of the country's digital public infrastructure (DPI). The proposal includes platforms such as Aadhaar, United Payments Interface (UPI), and DigiLocker. *[Financial Express]*

Centre to roll out pan-India mobile tracking system to aid finding lost devices: The Centre for Department of Telematics (CDoT) has been running a pilot of the CEIR system in multiple telecom circles, including Delhi, Maharashtra, Karnataka, and the North East region. *[The Economic Times]*

Magicpin reports 100% growth in daily orders on ONDC: Hyperlocal startup magicpin clocked in 100% growth in daily orders on the Open Network for Digital Commerce (ONDC) network during the week ended May 7. In a week, magicpin claimed to have doubled its orders to touch 20,000 a day. *[Financial Express]*

RBI slaps Rs 2.92-cr penalty on Canara Bank for violating norms: The Reserve Bank of India (RBI) on Friday imposed a monetary penalty of Rs 2.92 crore on Canara Bank for violation of various norms, the central bank said in a release. *[Financial Express]*

With ONDC's growing user base, it can start a price-war in ecomm market: The non-profit e-commerce platform, Open Network for Digital Commerce (ONDC) has garnered a lot of traction in the recent past. The platform can trigger a price war in India, a recent report from GlobalData suggests. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

PM flags off Odisha's first Vande Bharat, launches railway projects worth Rs 8,200 crore: Prime Minister Narendra Modi launched railway projects worth Rs 8,200 crore in Odisha on Thursday and flagged off the state's first Vande Bharat Express that will connect Puri to West Bengal's Howrah. *[The Economic Times]*

PM Modi launches projects worth Rs 4,400 crore in Gujarat's Gandhinagar: Prime Minister Narendra Modi inaugurated and laid the foundation stone for projects worth Rs 4,400 crore in Gujarat's Gandhinagar on Friday. *[Business Standard]*

Govt to spend \$1.2 billion on modernising semiconductor lab in Mohali: The government will spend around \$1.2 billion to modernise the Semi-conductor Laboratory (SCL) in Mohali, a 30-year-old facility currently capable of producing 8-inch CMOS microchip wafers mostly used for the country's strategic needs such as the space programme. *[Business Standard]*

Arunachal to ink pacts with four PSUs for 13 hydro projects: Arunachal Pradesh is likely to sign pacts with four state-owned power companies, towards the end of the month, for the development of 13 hydro power projects with a total capacity of around 12,000 MW. *[The Economic Times]*



Sustainable Industrialisation

Long way to go before public EV charging stations reach millions: India is making progress in building its electric vehicle (EV) charging infrastructure in order to phase out diesel vehicles in a stipulated time frame but there is still a long way to go. Currently, the ratio of EVs to charging stations is nearly 9:1, while the ideal ratio should be 4:1, meaning four cars per charging point. *[The New Indian Express]*

Utilising Coal Bed Methane can cut India's energy import bill by USD 2 billion: India can cut its energy imports bill by USD 2 billion if the nation harnesses 10 per cent of the coal bed methane reserves of 2,600 billion cubic meters. *[The New Indian Express]*

UNEP suggests measures to reduce 80% of world's plastic pollution by 2040: Plastic pollution across the world can see a reduction of up to 80 per cent by 2040 if companies and countries make policy and market shifts using existing technologies, said United Nations Environment Programme (UNEP) on Tuesday. *[Business Standard]*



Sectoral News

Automobile dealership industry revenues to grow by 11-13% in FY24 - Icra: The revenue growth this fiscal will be aided by expected 6-9 per cent volume growth and an increase in vehicle prices during the current financial year. *[The Economic Times]*

Housing sales in FY23 up 48% to Rs 3.47 lakh crore driven by higher volumes and prices: Housing sales rose 48 per cent year-on-year to Rs 3.47 lakh crore during the last fiscal across seven major cities on higher volumes and better price realisation, according to Anarock. *[The Economic Times]*

PV dispatches highest ever in April, grow 13% YoY, shows SIAM data: Passenger vehicle sales continued to be on a double-digit growth trajectory even as the country transitioned to BS VI phase II emission norms from April. In fact, domestic sales (wholesales) of passenger vehicles this April was the highest recorded in any April. *[Business Standard]*

Indian steelmakers look for government support to go the green way: Green steel, or low-carbon emissions steel, is at a nascent stage globally, with companies undertaking pilot projects. Large-scale investments are required for the transition but with demand and "green premium" in question in the domestic market, steel firms are looking for government support. *[Business Standard]*

Diamond trade bleeding as demand from US, China plummets: Rough diamond auction houses in Belgium and Dubai have cancelled auctions and mining major De Beers has postponed its auctions because leading Indian diamond companies are reluctant to participate amid a steep fall in demand for polished diamonds from the US and China. *[The Economic Times]*

India's coal production grows 8.5 pc to 73 MT in April; despatch rise 11.66 pc to 80.35 MT: India's coal production rose by 8.5 per cent to 73.14 million tonnes (MT) during April 2023, according to the ministry of coal. In April 2022, the country's overall coal production was at 67.20 MT, as per the ministry data. *[The Economic Times]*

Investments into Indian hospitality to exceed USD 2.3 billion over the next 2-5 years - CBRE: CBRE South Asia Pvt. Ltd, an Indian real estate consulting firm, has announced the findings of its first-ever hospitality report, 'Indian Hospitality Sector: On a Comeback Trail'. The report highlights the occupancy trends and growth in in the hospitality sector in India. *[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



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

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