

# Industry Matters

Weekly Updates

June 02, 2023



## Economy, Industry and Policy

**Manufacturing PMI hits 31-month high in May, helped by demand and output:** India's manufacturing activity in May increased to a 31-month high of 58.7 from 57.2 in April, driven by record expansion in input stocks and a strong increase in new orders and output. *[Business Standard]*

**India's FY24 GDP data - Spate of forecast hikes, but not all agree:** India's economic growth shot up by 6.1 per cent in Q4FY23 and 7.2 per cent in FY23, beating analysts' expectations, as the expansion in manufacturing and construction surprised on the upside, reflecting sustained strength in domestic demand amid a gloomy global outlook. *[Business Standard]*

**GST mop-up rises 12% to Rs 1.57 trillion in May despite external headwinds:** Goods and services tax (GST) collection in May rose 12 per cent over the same month last year to Rs 1.57 trillion, indicating that the economy is holding firm despite external headwinds. *[Business Standard]*

**No plan to let Chinese firms re-enter Indian telecom market - Govt:** The government has no plans of providing trusted source certificates to Chinese telecom equipment manufacturers such as Huawei and ZTE yet, thereby keeping them locked out of India's telecom sector. *[Business Standard]*

**Liquidity surplus crosses Rs 1.75 trillion-mark on higher govt spending:** Liquidity surplus in the banking system zoomed past Rs 1.75 trillion on the last day of May on the back of higher government spending, latest data released by Reserve Bank of India showed. *[Business Standard]*

**Textile Industry likely to get second tranche of PLI worth ₹4,307 crore:** The second edition of the production-linked incentive (PLI 2.0) scheme for textiles is likely to have an outlay of ₹4,307 crore and will cover manufacture of garments, made-ups and textiles accessories of all materials, natural or man-made. *[Business Line]*

**From mobile phones to chips, Indian manufacturing enters golden era:** According to data by ICEA, mobile phone exports made history by crossing the USD 10 billion thresholds for the first time in any fiscal year, reaching an estimated USD 11.12 billion in FY23. *[The New Indian Express]*

**Indian economy showed resilience, but recovery from Covid pandemic shock not complete - RBI:** The Indian economy exhibited robust resilience in the previous fiscal, emerging among the fastest-growing economies among major nations. *[The Economic Times]*

**Over 350 infrastructure projects encounter cost overruns totaling Rs 4.66 lakh crore in March quarter:** According to a quarterly report for January-March 2023 prepared by the ministry, 384 projects out of 1,566 projects have had cost overruns to the tune of Rs 4,66,874.46 crore which is 21.59 per cent of their sanctioned cost. *[Financial Express]*



## Foreign Investment

**India emerges as key source country for FDI into Dubai:** India has emerged as a key source country for Foreign Direct Investment (FDI) in Dubai, one of the wealthiest of the seven emirates in the United Arab Emirates, according to a report released on Monday. *[The Economic Times]*

**FDI equity inflows dip 22 pc to USD 46 bn in 2022-23 - DPIIT:** Foreign direct investment (FDI) into India declined by 22 per cent to USD 46 billion in 2022-23, dragged by lower inflows in computer hardware and software, and automobile industry. *[The Economic Times]*

**FPIs invest Rs 37,316 cr in May on strong domestic macro fundamentals:** This is the highest investment by FPIs in the last six months. Before this, they made a net investment of Rs 36,239 crore in equities in November 2022, data available with the depositories showed. *[Business Standard]*



## Trade Policy and Competitiveness

**Post-pandemic, a double-digit surge in India's exports to Germany:** The German recession dampener for trade comes even as India's exports to the country have been rising, led by a surge in the sale of telecom instruments to the European country. *[Business Standard]*

**India's export share in world trade in pharma, G&J, footwear dips in 2022 - GTRI:** Share of India's exports in the world trade in sectors such as pharma, gems and jewellery, leather, and footwear declined in 2022 as compared to 2015. *[The Economic Times]*

**55% rise in exports in 2 years has added jobs - Piyush Goyal:** Commerce and industry minister Piyush Goyal on Thursday said India's exports have gone from \$500 billion to \$776 billion, a 55% increase, in only two years and that the additional exports have added to jobs. *[The Economic Times]*

**India's exports to Latin America increase by an impressive 19% in 2022-23:** India's exports to Latin America reached a record high of 22.41 billion dollars in 2022-23 (April-March), according to the Commerce Ministry of India. The exports have increased by an impressive 19% from 18.89 billion dollars in 2021-22, exceeding the 6.86% increase of India's global exports. *[Financial Express]*

**Data - Exports and imports shrink across many nations for most items in 2023:** India's exports and imports further weakened in April this year, in continuation of the declining trend that has been observed since June last year. Imports declined more than exports in April, narrowing the trade deficit. *[The Hindu]*

**Economic recession in Germany may impact certain export sectors from India - CII EXIM committee chairman:** Economic recession in Germany is likely to impact India's exports from various sectors like chemicals, machinery, apparel and electronics. *[The Economic Times]*

**Japan asks India to rescind plan to appeal ICT ruling at WTO:** Japan has asked India to rescind its decision to appeal a ruling by the dispute settlement body (DSB) of the World Trade Organization (WTO) that had disapproved New Delhi's imposition of tariffs on mobile phones and electronic components, among other information and communication technology (ICT) goods. *[The Economic Times]*

**India, Singapore agree to make knowledge, skill development key pillar of strategic partnership:** India and Singapore on Monday agreed to create opportunities for lifelong learning, building a future-ready workforce, and making knowledge and skill development a key pillar of strategic partnership. *[The Economic Times]*



## Corporate Governance

**India Inc's dividend payout rises 26% to Rs 3.26 trillion in 2022-23:** India Inc has recommended a dividend payout of Rs 3.26 trillion for 2022–2023 based on the expectation of a growing economy, increased earnings, and buoyant markets. *[Business Standard]*

**TCS, Reliance, Jio top best Indian brands 2023 ranking:** Technology giant TCS and India's most valuable company Reliance Industries have topped the list of the country's most valuable brands, according to Interbrand, the renowned global brand consultancy. *[The Economic Times]*

**Mitsubishi, Tesla, Ola Electric to bid for India's lithium reserves:** Mitsubishi, Tesla, and Ola Electric are among the top contenders who are seeking to win the bid on lithium found in the Jammu and Kashmir region of India. *[Business Standard]*

**Adani Enterprises scraps deal to buy Rs 3K-crore Macquarie road projects:** An agreement between Adani Roads — a subsidiary of Adani Enterprises — to acquire the road portfolio from Macquarie Asia Infrastructure Fund (MAIF) for Rs 3,110 crore was terminated by the Adani group. *[Business Standard]*

**NCLAT gives relief to Zee on Sony merger, sets aside tribunal order:** Providing major relief to Zee Entertainment Enterprises Ltd (ZEEL), the National Company Law Appellate Tribunal (NCLAT) Friday set aside the National Company Law Tribunal (NCLT) order that had directed the NSE and BSE to reconsider their approval for the Zee-Sony merger. *[The Indian Express]*

**Warburg Pincus acquires over 90% stake in Vistaar Finance:** Private equity firm Warburg Pincus has acquired a controlling stake in Vistaar Finance, an NBFC lending to micro, small and medium enterprises in India. *[Mint]*

**Bisleri expands portfolio of carbonated beverages:** Packaged drinking water company Bisleri International, on Tuesday said it has expanded its portfolio of carbonated beverages as rising temperatures across India drive up demand for cold drinks. *[Mint]*

**ONGC puts a date to start of KG gas, seeks \$12 price:** India's top oil and gas producer ONGC has finally put a date for the much-awaited start of production from its KG basin gas field as it sought USD 12 price for the fuel it plans to deliver from June 15. *[The Economic Times]*



## MSMEs and Start-ups

**Bank credit to MSMEs jump 14% YoY in Apr-Dec FY23; micro units major beneficiaries – RBI annual report:** Credit to micro, small and medium enterprises (MSMEs) by scheduled commercial banks increased by 14.2 per cent year-on-year (YoY) during the April-December period of the financial year 2022-23 from 11.7 per cent in the corresponding period of the previous year. *[Financial Express]*

**MSME Sector's Revenue Lileky To Exceed Pre-Covid Level In 2022-23 By 25% - RBI:** The revenue for the micro, small and medium enterprise (MSME) sector is projected to exceed the pre-Covid level in 2022-23 by 25 per cent. *[Businessworld]*

**Angel tax impact - More startups to set up shop in GIFT City:** The government has, however, exempted foreign funding from 21 countries, including the US, UK and France from the tax levy. *[Financial Express]*

**Fast-tracking SME's digital transformation:** Small and Medium Enterprises (SMEs) play an important role in driving employment and fostering growth in emerging markets, including India. *[Financial Express]*



## Employment and Industrial Relations

**Global unemployment to fall 5.3%; low-income nations lag in recovery - ILO:** The International Labour Organisation (ILO) on Wednesday said global unemployment is likely to fall below the pre-pandemic levels to 5.3 per cent or 191 million in 2023. *[Business Standard]*

**Unemployment rate declines to 6.8% in January-March 2023 - NSO survey:** India's unemployment rate declined to 6.8 per cent in January-March 2023 (Q4FY23) from 7.2 per cent in the previous quarter of the same year. *[Business Standard]*

**Tata Technologies to hire 1,000 women engineers to promote gender diversity:** Global engineering and product development digital services firm Tata Technologies Ltd on Tuesday said it aims to hire over 1,000 women engineers in 2023-24 as part of its move to promote gender diversity across its workforce. *[The Economic Times]*

**Microsoft joins Indian govt to train 6K students, 200 educators in cybersecurity skills:** Microsoft on Thursday signed a memorandum of understanding (MoU) with the Directorate General of Training (DGT) under the Ministry of Skills Development and Entrepreneurship (MSDE) to train 6,000 students and 200 educators in digital and cyber-security skills in the country. *[The New Indian Express]*

**Demand for green jobs to rise 15-20% every year in next decade:** Green jobs in India are all set to rise by 15 to 20 per cent, an NLB study has found. This demand is being driven by India's aim to achieve net zero by 2070. *[Business Standard]*

**68% freelancers in India depend on social media to find work:** As the nature of work is changing all over the world, freelancing is quickly becoming a viable option for a wide range of professionals across disciplines and levels of expertise, with social media being the most popular place to find work. *[Business Standard]*



## Industrial Finance

**Microfinance loans grow 21.3% YoY to Rs 3.5 trn in FY23:** Microfinance loans in India increased 21.3 per cent year-on-year (YoY) at Rs 3.5 trillion in Financial Year 2022-23 (FY23), backed by revised regulatory norms and higher demand. *[Business Standard]*

**Microfinance sector's bad loan stockpile declines to Rs 36,600 crore by March:** Sales of non-performing assets (NPA) to asset reconstruction companies and technical write-offs of extremely sticky ones helped the microfinance sector reduce its bad-loan stockpile by around a seventh to Rs 36,600 crore at the end of March. *[The Economic Times]*

**Card and internet fraud cases up 257% since Covid-19 pandemic began:** There has been a 257 per cent increase in the number of such cases, with 6,659 instances recorded in 2022-23, shows data from the Reserve Bank of India's (RBI's) annual report. This is the highest since at least 2011-12. *[Business Standard]*

**Banks report lowest bad loan provisioning in Q4 since the pandemic amid improving asset quality:** The loan loss provisioning for banks in the March quarter continued to fall for the fifth consecutive period amid sustained collection efficiency and improving asset quality. *[The Economic Times]*



## Technology and Innovation

**UPI transactions at record high of Rs 14.3 trn in May, spike in 10 days:** Unified Payment Interface (UPI) transactions in May scaled a new high of Rs 14.3 trillion in terms of value and 9.41 billion in volume. It is a 2 per cent rise in value (Rs 14.07 trillion) and 6 per cent in volume (8.89 billion) compared to April. *[Business Standard]*

**Govt in talks with US-based Micron Technology for semiconductor fab factory:** The government has started discussions with US-based Micron Technology to go beyond setting up an Assembly Testing Marking and Packaging (ATMP) facility in India to include a fabrication, or fab, plant. *[Business Standard]*

**ChatGPT maker OpenAI nears record 1 bn unique users monthly:** OpenAI is becoming the fastest-growing website among the top 50 most visited sites on the planet. ChatGPT is an AI-powered conversational chatbot. *[Business Standard]*

**RBI plans new payment system to safeguard essential payments against digital attack, natural calamities:** The Reserve Bank of India (RBI) has conceptualised a lightweight payment and settlement system (LPSS) that can be operated from anywhere by a bare minimum staff in the event of natural calamities and war. *[The Economic Times]*

**UPI to account for 90 per cent of retail digital payments by 2026-27 – PwC India:** Unified Payments Interface (UPI), which is driving the digital payments revolution, accounted for about 75 per cent of the total transaction volume in the retail segment during 2022-23. *[The New Indian Express]*

**Twitter Bans Over 25 Lakh Accounts In India For Violating Guidelines:** Twitter has revealed that it had banned an unprecedented number of accounts in India. Between March 26 and April 25, the social media platform took down a staggering 25,53,881 accounts in the country for their involvement in promoting child sexual exploitation, non-consensual nudity and terrorism. *[Businessworld]*



## Industrial Infrastructure, Clusters and SEZs

**Finance Minister Sitharaman reviews progress of NICDIT projects:** NICDIT seeks to create greenfield smart industrial cities with sustainable 'plug & play' information and communications technology-enabled utilities. *[The Economic Times]*

**Union Cabinet approves CITIIS 2.0, under the Smart Cities mission:** The government on Wednesday approved the City Investments to Innovate, Integrate and Sustain (CITIIS) 2.0 that seeks to support projects promoting a circular economy with focus on integrated urban management. *[The Economic Times]*

**ONGC plans to invest up to Rs 1 trillion in energy transition by 2030:** India's top oil and gas producer, ONGC, will invest up to Rs 1 trillion by 2030 on energy transition goals as part of its target to go carbon neutral by 2038. *[Business Standard]*

**Omron to open first Indian medical devices plant in Tamil Nadu:** Japan's Omron will open its first medical device factory in India in the southern state of Tamil Nadu, two local government sources with direct knowledge said on Monday, the latest foreign manufacturer to set up operations in the region. *[The Economic Times]*



## Sustainable Industrialisation

**Game-changing moves in green economy:** Of the \$2.8 trillion expected to be invested globally in energy this year, clean technologies will likely absorb more than \$1.7 trillion. This includes renewables, electric vehicles, nuclear power, grids, storage, low-emissions fuels, efficiency improvements, and heat pumps. Slightly more than \$1 trillion will flow to coal, gas, and oil. *[Business Standard]*

**L&T to build energy infra for world's largest green hydrogen plant at NEOM:** L&T will engineer, procure, and construct a 2.2 GWac PV solar plant, 1.65 GW wind generation balance of plant and a 400 MWh battery energy storage system at Oxagon in Saudi Arabia's region of NEOM. *[Business Standard]*

**Solar capacity installations down by 48% during Jan-Mar - Marcom:** The addition of solar capacity in India experienced a significant decline of 48 per cent year-on-year in the January-March period of 2023, reaching 1.9 gigawatts (GW). *[Business Standard]*

**Centre to support setting up of pilot projects using Green Hydrogen for steel making:** The centre will aid research and development (R&D) projects to set up pilot plants for production and utilisation of green hydrogen in the iron and steel making processes. *[The Economic Times]*



## Sectoral News

**India to be world's most significant new aircraft mkt - Barclays:** With one of the highest traffic growth rates in the world, India is the focal market for the global aerospace and defence industry and the world's most significant new aircraft market. *[The Economic Times]*

**Govt reopens semiconductor incentive scheme; Vedanta-Foxconn can reapply:** The government on Wednesday invited fresh applications for setting up Semiconductor Fabs and Display Fabs units in the country from June 1, 2023. *[The New Indian Express]*

**India's flexible office segment to grow 10-12% in 2023:** The flexible office segment in India is poised for significant growth in 2023, with estimates pointing towards a growth of 10-12%, according to a report by Colliers. *[Financial Express]*

**India's Coal Production Rises 7.10 % To Over 76 MT In May:** The cumulative coal production has seen quantum jump of 149.41 MT in FY23 as compared to 138.41 MT in FY22, registering with a 7.94 per cent growth. *[Businessworld]*

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