

Industry Matters

Weekly Updates

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Economy, Industry and Policy

India emerging as a trusted player in global value chain with world looking at India as an attractive destination for investment: India is emerging as a trusted player in the global value chain with the world looking at India as an attractive destination for investment. Transformative programmes like Make in India coupled with the National Policy on Electronics 2019 has created an enabling environment for the electronics manufacturing industry to become AtmaNirbhar and compete globally. *[News on Air]*

India's robust growth story amid global slowdown: India is among the fastest-growing countries in the world. India's exports of goods and services reached US\$766 billion in 2022. Merchandise exports were US\$453 billion, while services exports saw a 30% jump over 2021 to reach US\$313 billion in 2022. *[The New Indian Express]*

Rs 35,000-cr collected in FY23 - Windfall tax revenue seen falling in FY24 amid softer crude prices: The Centre collected close to Rs 35,000 crore from windfall taxes on petroleum products in FY23 and will continue with the special provision, as a safeguard against abnormal price movement in FY24. *[Financial Express]*

To boost tax revenue by Rs 5 trillion - Additional PLI investments at Rs 62,500 cr: The production-linked incentive (PLI) schemes, unveiled by the government since 2020 to boost domestic manufacturing in assorted areas, have resulted in additional (above-trend) investments of Rs 62,500 crore, the government said on Tuesday. These investments facilitated incremental production of Rs 6.75 trillion and exports of Rs 2.6 trillion till 2022-23. *[Financial Express]*

Shifting Global Supply Chains In India Due To Rise Of Mobile Exports Surge - BofA: India's mobile phone exports, growing at a rate of 2.2 times year-on-year and amounting to US\$1 billion per month, have made significant international headlines. Additionally, the export mix of locally produced mobile phones has expanded from 16 per cent to 25 per cent year-on-year. *[Businessworld]*

India seen as major beneficiary as supply chains migrate from China: More global companies are taking supply chain diversification seriously. Companies are increasingly highlighting the benefits of 'friend-shoring' their supply chains in order to better insulate from geopolitical challenges. *[Business Standard]*

India's retail inflation eases to more than 2-year low of 4.25% in May: India's retail inflation eased to a more than 2-year low of 4.25 per cent in May on an annual basis as against 4.70 per cent in April, showed data released by the ministry of statistics on Monday. *[The Economic Times]*

India's industrial production up 4.2% in April from 1.1% in March: The index of industrial production in India rose 4.2 per cent on an annual basis in the month of April from 1.1 per cent in March and 6.7 per cent in April 2022. *[The Economic Times]*

GDP likely to grow at 6.5-7.5% in FY24 - CEA V Anantha Nageswaran: Chief economic advisor V Anantha Nageswaran on Friday forecast India to grow between 6.5% and 7.5% in the current fiscal, citing strong growth momentum in investments and efficiency gains from the digital transformation in the economy. *[The Economic Times]*

Aggregate state GST collections growth to moderate to 12-14 per cent in FY24 - Crisil: Crisil predicts that the growth in the aggregate GST collection for states will decrease to 12-14% in FY24 from 20% in FY23. Despite the moderation, GST collections will remain the leading driver of revenue growth for states. *[The Economic Times]*

May WPI deflation hits near-8-year low of 3.5%: Wholesale deflation deepened further to a nearly eight-year low of 3.48% in May compared with a 0.92% fall in April, which could with a lag aid further decline in retail inflation. *[The Economic Times]*

US actively working to help India attract private capital to close its infrastructure gap – Yellen : The US is actively working to help India attract more private sector capital to close its infrastructure gap, Treasury Secretary Janet Yellen said and asserted that India-US innovations can help push down the cost curves of new technologies and accelerate the world's transition to a net-zero economy. *[The Economic Times]*

GST evasion of ₹30,000 crore unearthed: A nationwide crackdown by the Goods and Services Tax authorities uncovered tax evasion to the tune of ₹30,000 crore, allegedly carried out via stolen identities including as many as 18,000 Permanent Account Number (PAN) and Aadhaar cards. *[The Economic Times]*



Foreign Investment

UAE emerges as fourth largest investor in India during FY23 as FDI jumps three-folds to \$3.35 billion The United Arab Emirates (UAE), with which India implemented a comprehensive free trade agreement in May last year, has emerged as the fourth largest investor in India during 2022-23, according to government data. *[Mint]*

Foreign investors bet big on India banking on resilience and PM Modi's return to power: Most foreign institutional investors from the key US and Europe region have grown optimistic about India, which is reflected in the swinging fortunes of equity flows to the Asian country. *[The Economic Times]*

FPI investors from UAE on the rise despite grey list tag: The number of foreign portfolio investors investing in India through the UAE has seen a 20% rise in little over a year despite the middle-eastern country facing global scrutiny after it was added to the FATF grey list. *[Financial Express]*

DFC aims to promote inclusive financing for EV adoption in India with \$5 mn investment in Revfin: Revfin Services Private Limited, a company in Indian EV Financing space, has secured \$5 million from the United States International Development Finance Corporation (DFC). The investment is part of DFC's Portfolio for Impact and Innovation and seeks to promote inclusive financing for EV adoption in India. *[The Economic Times]*

Only USD 102 million FDI from GIFT City so far: Investors or funds at GIFT City in Gandhinagar, Gujarat, have brought in \$102 million in foreign direct investment (FDI) to the country so far, data from the Department for Promotion of Industry and Internal Trade (DPIIT) shows. *[The New Indian Express]*



Trade Policy and Competitiveness

Exim Bank projects merchandise exports to fall to \$111.7 billion: The Export Import (Exim) Bank India on Monday said the country's merchandise exports are set to fall to USD 111.7 billion for the April-June period amid continuing global volatilities. *[The Economic Times]*

India, UAE aim to double non-oil trade to \$100 billion: India and the UAE Monday more than doubled their non-petroleum trade target to \$100 billion by 2030, enthused by the growth in bilateral trade in the first 12 months of inking the Comprehensive Economic Partnership Agreement (CEPA). *[The Economic Times]*

India's forex reserves up \$5.9 billion to \$595.1 billion as on June 2: Snapping a two-week falling streak, India's foreign exchange reserves saw a rise of \$5.929 billion and stood at \$595.067 billion as on June 2, 2023, as per Reserve Bank of India data updated Friday. *[The Economic Times]*

India's exports fall 10.3 per cent to \$34.98 billion in May: India's exports declined 10.3 per cent year-on-year to USD 34.98 billion in May this year, the government data showed on Thursday. Imports also declined 6.6 per cent to USD 57.1 billion against USD 61.13 billion recorded in the same month last year, the data showed. *[Financial Express]*

Smartphones break into top-5 club in exports; value nearly doubled in FY23 Smartphones catapulted into the league of five most exported commodities by value, based on their harmonised system (HS) codes in FY23, up from the ninth rank in the pecking order in FY22. *[Business Standard]*

India open to FTA negotiations bilaterally or individually with Africa - Piyush Goyal: India's Union Minister for Commerce and Industry, Piyush Goyal, hosted 15 ambassadors from African countries to discuss strengthening trade and investment ties. India plans to prioritize trade with Africa and is open to Free Trade Agreements (FTA) with African countries. *[The Economic Times]*

US-India bilateral trade plays key role in addressing shared challenges in global economy - Ambassador Eric Garcetti: The US-India trade relationship is crucial and bilateral trade plays a key role in addressing shared challenges in the global economy. *[The Economic Times]*

Myanmar wants Rupee-Kyat trade arrangement by June-end: Myanmar Commerce Minister U Aung Naing Oo on Monday expressed hope that a Rupee-Kyat trade arrangement between the two nations is finalised by June-end. *[The Economic Times]*



Corporate Governance

VLCC to acquire D2C men's grooming brand Ustraa through strategic merger: Beauty and skincare company VLCC is acquiring direct-to-consumer men's grooming brand Ustraa through a combination of secondary buy-out and share swap. *[The Economic Times]*

Sterling Accuris Diagnostics acquires Ahmedabad-based VIP Labs: Pathology laboratory chain Sterling Accuris Diagnostics on Wednesday announced the acquisition of Ahmedabad-based pathology services provider VIP Labs. *[Business Line]*



MSMEs and Start-ups

Startup funding dips 71% in 2023; consumer, environment tech sectors shine: Indian start-ups, across sectors, have raised a total of \$5 billion in funding across 461 deals so far this year (Jan 1-May 31), according to data from Tracxn - a market intelligence platform. *[Business Standard]*

Niti Aayog working to integrate MSMEs with supply chains: The government plans to introduce a comprehensive policy for micro, small and medium enterprises (MSMEs) that will provide for easier credit, including collateral free loans and reduced documentation, to help them integrate with the large supply chains. *[The Economic Times]*

MSMEs riding an e-commerce wave generate export optimism: The global economy is going through an economic slowdown following a series of interconnected events like the covid pandemic, Russia's invasion of Ukraine, high inflation, geopolitical tension and disruption of supply chains. Growth in global goods trade is seen slowing to 1.7% in 2023 from 2.7% in 2022. *[Mint]*

176 MSMEs among PLI beneficiaries in bulk drugs, telecom, textiles, other sectors so far: The production-linked incentive (PLI) scheme, launched by the government to push its Make in India objective, has approved 733 applications from manufacturers across 14 sectors as on date including 176 MSME beneficiaries in sectors such as bulk drugs, medical devices, pharma, telecom, white goods, food processing, textiles and drones. *[Financial Express]*

Funding in Indian fintech down by 40% in 2022, will show improvement in 2023, says IIFL Fintech: According to the data released by IIFL Fintech, India ranked third in terms of the number of fintech firms with a total of 9646 fintech companies, after the US with 31,950 companies and the UK with 12,787 firms. *[Financial Express]*



Employment and Industrial Relations

Unemployment rate falls to 7.7% in May on decline in labour participation - CMIE: The unemployment rate in India fell to 7.7 per cent in May due to a decline in the labour participation at 441.9 million, according to a data released by private economic think tank CMIE. *[The Economic Times]*

Led by IT sector, 84% Indian firms want to hire people with green skills: At least 84 per cent of companies in India Inc are looking to hire people with green skills, findings of a survey released on Tuesday showed. Among all the sectors, demand for these skills is highest in information technology (IT) companies with 89 per cent of companies wanting to hire such people. *[Business Standard]*

Hiring appetite positive for Jul-Sep quarter amidst layoffs, global economic slowdown, indicates survey: The hiring trend is expected to continue at a steady pace in the July-September quarter of the current fiscal, stated a ManpowerGroup Employment Outlook Survey of nearly 3,020 employers on Tuesday. *[The Economic Times]*



Industrial Finance

Reliance in talks for \$2 billion loan to fuel expansion: Reliance Industries Ltd. is in talks with lenders for a foreign-currency loan of up to \$2 billion to fuel the ongoing expansion of its oil-to-telecoms business. *[The Economic Times]*

Digital lending volumes rise 131% in FY23: Digital lending volumes rose 131% year-on-year to nearly 73 million in FY23, a report by the Fintech Association for Consumer Empowerment showed on Monday. *[Financial Express]*

IBBI to form 'common panel' of insolvency professionals: The bankruptcy regulator will prepare a "common panel" of insolvency professionals (IPs) from those registered with it and share the list in advance with the adjudicating authority to choose from to oversee various cases of resolution or liquidation from July 1. *[The Economic Times]*

NHPC seeks \$600 million from Japanese banks for expansion into solar power - Director: NHPC wants to borrow as much as 50 billion rupees (\$609 million) in yen-denominated loans and is in talks with Mitsubishi UFJ Financial Group Inc., Sumitomo Mitsui Financial Group Inc. and the Japan Bank for International Cooperation, finance. *[Financial Express]*



Technology and Innovation

Bharti group-backed OneWeb could begin satellite broadband services by Sept: The Bharti group-backed company has been given all in-principle approvals by DoT to deploy satellite ground infrastructure, including the two gateway earth stations in India in the run-up to launching satellite broadband services later this year. *[Business Standard]*

India for a league of nations to build digital public infrastructure: India has mooted the concept of a partnership between like-minded countries to work together on digital public infrastructure (DPI) that can be used by everyone. *[The Economic Times]*

Targeting 1 million CBDC users by June end - RBI: While it has no specific date in mind for a full-fledged launch of the CBDC, the central bank will take a measured approach, it said. The RBI also has plans to make the united payments interface (UPI) platform fully interoperable with the CBDC. *[The Economic Times]*

India tops digital payments rankings globally, shows MyGovIndia data: During the year under review, there were 89.5 million digital transactions in the country. India accounted for 46 per cent of the global real-time payments in 2022, which was more than the combined digital payments the next four top countries. *[The Economic Times]*

Users traced over 2.5 lakh missing phones using DoT's AI portal CEIR: Mobile phone users managed to block 541,428 mobile phones and trace 255,882 lost devices using the Central Equipment Identity Register (CEIR) in less than a month since its launch. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

Nitin Gadkari lays foundation stone for 10 NH projects worth over Rs 8,000 crore in UP: Union Minister Nitin Gadkari on Monday laid the foundation stone for 5 NH projects worth Rs 2,200 crore in the Pratapgarh region and 5 NH projects at a valuation of Rs 6,215 crore in the Deoria district of Uttar Pradesh. *[The Economic Times]*

World Bank commits significant investment in Kerala's basic infrastructure sectors: The Kerala government received a reassuring commitment from the World Bank, as they expressed their intention to invest in the state's basic infrastructure sectors. *[knnindia]*



Sustainable Industrialisation

IEA bets on India to end green funding deadlock: International Energy Agency (IEA) executive director Fatih Birol is relying on India to break the deadlock on creating a financial mechanism to boost clean energy investments in developing countries as he sees the country as "the leader of global south". *[The Economic Times]*

BrightNight to invest \$1 bn on green energy in 5 years: Renewable power producer BrightNight plans to develop 2 giga watt (GW) of renewable energy capacity in India in the next 4-5 years that will require a total investment of \$1 billion. *[Financial Express]*

SJVN, Mahagenco sign pact to develop 5,000 MW green energy projects in Maharashtra: Under the pact, the companies will explore the feasibility of setting up various renewable projects in Maharashtra, including hydro, pumped storage projects, wind, solar, hybrid and green hydrogen projects. *[The Economic Times]*



Sectoral News

Passenger vehicle wholesales surge 13.54% in May to 3,34,247 units - SIAM: Domestic passenger vehicle wholesales grew by 13.54% on a Y-o-Y basis in May to 3,34,247 units the Society of Indian Automobile Manufacturers (SIAM) said on June 13. *[The Hindu]*

India needs sectoral strategies to enhance export competitiveness for electronics, pharma, high-tech products - IIPMB Director: There is a need to develop sectoral strategies for enhancing export competitiveness, especially for electronics, engineering, pharmaceutical, and high-tech industries with a view to increase India's outbound shipments to \$2 trillion by 2030. *[The Economic Times]*

India becomes destination for auto OEMs to secure their digital content needs: As the software content in vehicles is growing, with systems like smart cockpits becoming an integral part of the auto ecosystem, India has become the go-to place to source digital engineering and talent. *[The Economic Times]*

SECL in expansion mode; to make Gevra world's largest coal mine - CMD Prem Mishra: South Eastern Coalfields Ltd (SECL) is aiming to scale up the capacity of its Gevra mine to 70 MTPA to make it the world's largest coal producing site by the end of ongoing fiscal. *[The Economic Times]*

Peak power demand met touches all-time high of 223.23 GW on June 9: Peak power demand met or the highest supply of electricity touched an all-time high of 223.23 GW on June 9, showing the waning impact of unseasonal rains on consumption, government data showed. *[The Economic Times]*

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