

# Industry Matters

Weekly Updates

June 30, 2023



## Economy, Industry and Policy

**India is the investment destination of the decade - HSBC:** New growth drivers like digitalisation, rapid ascend of India's start-up ecosystem, high-tech exports, maturing reforms and the strength of the corporate balance sheets — altogether, enhance the growth prospects and investability of the Indian economy. *[Business Line]*

**India to account for 12% of global m-cap by 2075; GDP to surpass US:** Goldman Sachs has predicted the Indian economy and market will be among the top globally by 2050 and even surpass the US by 2075. *[Business Standard]*

**Centre plans to raise up to Rs 45,000 cr through road monetisation in FY24:** The Ministry of Road Transport and Highways, the highest contributor to the Rs 6 trillion National Monetisation Pipeline (NMP), is planning to raise up to Rs 45,000 crore through monetising national highways in 2023-24. *[Business Standard]*

**Centre to renew consultation with firms shortlisted under PLI scheme:** The Centre will re-initiate talks with companies that have been shortlisted under the production-linked incentive (PLI) scheme, to iron out the challenges being faced by them and come up with a prompt resolution. *[Business Standard]*

**States' financial profile better in FY23; debt stays high - RBI:** Tiding over the adversities brought in by the pandemic, the fiscal position of the states showed a sharp improvement in FY23. The consolidated gross fiscal deficit (GFD) of the states and Union Territories (UTs) declined from the peak of 4.1 per cent of gross domestic product (GDP) in FY21 to 2.8 per cent in FY22 and FY23. *[Business Standard]*

**Centre approves Rs 56,000 cr for 16 states for capital investment:** Centre on Monday approved Rs. 56,415 crore to 16 States for capital investment under 'Special Assistance to States for Capital Investment 2023-24' Scheme for giving timely boost to capital spending by States. *[Business Standard]*

**Centre plans to raise up to Rs 45,000 cr through road monetisation in FY24:** The Ministry of Road Transport and Highways, the highest contributor to the Rs 6 trillion National Monetisation Pipeline (NMP), is planning to raise up to Rs 45,000 crore through monetising national highways in 2023-24. *[Business Standard]*

**CCEA nod may not be needed for projects up to Rs 2,000 cr:** The Centre could do away with the requirement of Cabinet Committee of Economic Affairs (CCEA) nod for government projects costing up to Rs 2,000 crore, doubling the threshold from Rs 1,000 crore at present. *[The Economic Times]*

**Global steel production falls 5 percent in May; India's output rises 4 percent:** India has registered a 4.1 per cent growth in its crude steel production at 11.2 MT amid 5.1 per cent downfall in the global output at 161.6 MT in May 2023, according to the World Steel Association (worldsteel). *[The Economic Times]*

**At 23 pc spend, Andhra Pradesh leads laggards in state capex in FY23; Karnataka, Bihar cross 100 pc:** Most large states have fallen behind their budgeted capex targets by a wide margin in FY23, which was pegged at Rs 7.4 lakh crore but could spend only Rs 5.71 lakh crore or 76.2 per cent only. *[The Economic Times]*



## Foreign Investment

**Google, Amazon commit \$25 billion investments in India:** Google to invest \$10 billion in India's digitisation fund, open fintech operation centre; Amazon to invest \$15 billion, taking its total investment to \$26 billion.

*[Business Line]*

**Lulu Group to invest Rs 10k Cr in India over 3 years to complete ongoing projects:** UAE-based Lulu Group will be investing Rs 10,000 crore in India on various ongoing projects over the next three years and the UAE-based conglomerate has invested over Rs 20,000 crore in the country. *[Financial Express]*

**Epsilon set to invest \$650 mn in US unit - Mint:** Mumbai-based battery material firm, Epsilon Advanced Materials (EAM), said it will invest \$650 million to set up its first electric vehicle (EV) battery manufacturing plant in the US. *[Mint]*



## Trade Policy and Competitiveness

**ECGC sets Rs 10 trn target for exports risk cover in FY24:** ECGC, the state-run agency giving credit cover for exporters, has set an ambitious target to provide credit risk cover of Rs 10 trillion in the current financial year, up from Rs 6.68 trillion in 2022-23. *[Financial Express]*

**CAD shrinks to just 0.2% of GDP in the March quarter as trade deficit narrows:** India's external sector performance improved as the current account - net of export and import of goods and services, ended in a modest deficit of 0.2 percent of GDP (\$1.3 billion) in the March quarter as trade deficit narrowed and services income surged along with higher remittances by the overseas Indians. *[The Economic Times]*

**India, US decide to end six trade disputes at WTO; Delhi to lift retaliatory tariffs:** India and the United States have agreed to end six trade disputes at the World Trade Organisation and New Delhi will also lift retaliatory customs duties on 28 American products. *[The Economic Times]*

**RBI in talks with leading global peers to promote digital rupee payments:** Barely months before unveiling the CBDC pilot in both retail and wholesale segments, the central bank allowed rupee settlement for international trade as a step towards internationalisation of the rupee. Banks from 18 countries have opened rupee vostro accounts since July last year, helping their importers settle payments in the rupee. *[The Economic Times]*

**Exporters with credit limit of up to Rs 50 cr set to get 90% insurance cover - ECGC:** Export promotion organisation Export Credit Guarantee Corporation of India (ECGC) on Friday announced the expansion of 90 per cent insurance cover for exporters with a credit limit of Rs 50 crore, a cover limited to those with a limit of Rs 20 crore earlier. *[The Economic Times]*

**Taiwan has "enormous appetite" to expand ties with India - Taiwanese Foreign Minister Wu:** Taiwan has an "enormous appetite" to expand ties with India and firming up the proposed free trade agreement between the two sides will be a "big encouragement" for Taiwanese companies to set up manufacturing bases in India. *[The Economic Times]*

**India-UAE sign pact for AEOs for faster customs clearances:** The AEO programme enables Customs administration to identify safe and compliant exporters and importers and to provide them better facilitation. *[The Economic Times]*

**India should consider free trade agreement with Egypt - Exporters:** India should consider negotiating a free trade agreement (FTA) with Egypt as the Mediterranean nation holds huge potential for the domestic industry in various sectors like agri products, steel items and light vehicles. *[The Economic Times]*

**India actively considering CEPAs, FTAs to boost textile exports:** Union Minister Piyush Goyal on Monday said India is actively considering entering into free trade pacts and comprehensive economic partnership agreements to tap new markets, increase exports and create opportunities for the domestic textile industry. *[The Economic Times]*



## Corporate Governance

**Infosys signs deal with Danske Bank worth \$454 million; will help in digital transformation, acquire its IT center in India:** Infosys on Monday announced that it has signed a strategic collaboration with Danske Bank to help accelerate the digital transformation of the bank with speed and scale. The deal value is \$454 million for a period of 5 years. *[Financial Express]*

**Apple explores fintech tie-ups with HDFC Bank:** Global tech-giant Apple and Indian private lender HDFC Bank are exploring multiple financial technology tie-ups including an UPI-integrated Apple Pay app. *[The Economic Times]*

**Tata Chemicals lays out Rs 8,000-cr capex plan:** Tata Chemicals has earmarked a capex of Rs 8,000 crore over the three years as the world's third-largest soda ash maker embarks on an expansion spree that includes scaling businesses sustainably. *[Financial Express]*

**NMDC plans \$61 million investment in first gold block:** NMDC is "on track" to secure a lease for the Chigargunta-Bisanatham gold block soon, having signed a letter of intent over the project with the state government late last year. *[The Economic Times]*



## MSMEs and Start-ups

**One out of five MSMEs to see increase in working capital requirement this fiscal - Crisil:** A fifth of the micro, small and medium enterprise (MSME) sector by value is likely to see a jump in working capital requirement this financial year in comparison to the pre-pandemic (FY20) level. *[Financial Express]*

**G20 startup group to push for \$1 trillion investment in global startup ecosystem:** Ahead of the Startup20 summit meeting of the startup group of G20 countries next week, the group will press for raising the annual investment in the global start-ups ecosystem to \$1 trillion by 2030 from \$700 billion last year. *[The Economic Times]*

**Piyush Goyal asks banks to ensure enhanced, affordable credit to MSMEs:** Commerce and industry minister Piyush Goyal has asked banks to ensure enhanced and affordable credit to MSME exporters with a view to boosting the country's outbound shipments. *[The Economic Times]*



## Employment and Industrial Relations

**Goldman Sachs to layoff employees, including managing directors globally amid deals slump** Goldman Sachs Group has started to cut down jobs as it is looking to let go of managing directors across the globe as the firm reduces its headcount amid deal slumps. *[Mint]*

**1.6 million additional jobs will be created in tourism in India in 2023 - WTTC study:** The World Travel & Tourism Council (WTTC) latest Economic Impact Research (EIR) report released recently in Goa says that the tourism sector in India will create 1.6 million additional jobs this year. *[The Economic Times]*

**India adds over 4 million jobs in a year; hotel and tourism industry lead:** According to CMIE, the total workforce in India in May 2023 stood at 408 million compared to 403.9 million, an addition of around 4.1 million jobs in the last one year. *[The Economic Times]*

**EPFO extends the deadline to opt for higher pension under EPS to 11 July:** The Employees' Provident Fund Organisation (EPFO) extended the deadline to opt for a higher pension to July 11, 2023. The EPFO has extended the deadline again to apply for higher pension for Employees' Pension Scheme (EPS) subscribers. *[BusinessToday]*

**Construction workers may get pan-India card, pension:** The government could introduce a pan-India card for construction workers and revamp the building and other construction workers (BOCW) scheme to enhance its coverage and use its funds for wider social security coverage including a pension scheme. *[The Economic Times]*



## Industrial Finance

**Banks may finance Go First's request for Rs 400 crore interim funding:** Go First temporarily halted operations on May 2 and was admitted under the insolvency process on May 10. On Wednesday, the airline's resolution professional Shailendra Ajmera submitted a business plan and a request for over Rs 400 crore to the airline's committee of creditors (CoC). *[Business Standard]*

**Bad loans come down further, gross NPAs at 3.6% by next March - RBI:** THE GROSS non-performing assets (GNPA) of the country's scheduled commercial banks, which declined to a 10-year low of 3.9 per cent in March 2023, is expected to fall further to 3.6 per cent by March 2024. *[The Indian Express]*

**12 states can borrow ₹66,000 cr more after power sector reforms:** The Finance Ministry on Wednesday granted permission to borrow over Rs 66,000 crore on account of power sector reforms. *[Business Line]*

**Ambani's Jio in talks to raise about \$1.6 billion for equipment from Nokia Oyj:** India's Reliance Jio Infocomm Ltd. is in talks to raise a loan for about \$1.6 billion to fund the purchase of equipment from Nokia Oyj. Banks involved in the discussions with billionaire Mukesh Ambani's telecoms company include Citigroup Inc., HSBC Holdings Plc. and JPMorgan Chase & Co. *[The Economic Times]*



## Technology and Innovation

**Google launches ONDC accelerator programme to revolutionise e-commerce in India:** Google Cloud is launching an accelerator programme for the government-backed Open Network for Digital Commerce (ONDC) to help digital sellers build and scale their digital commerce operations. *[The New Indian Express]*

**Amazon aims to digitise 10 million sellers by 2025, simplifies seller registration process:** Amazon India has introduced a streamlined registration process that simplifies the onboarding experience for businesses in India and offers intelligent suggestions to complete onboarding. With this, Amazon aims to digitise 10 million sellers by 2025. *[Business Line]*

**In talks with more than half a dozen chip companies - Ashwini Vaishnaw:** The Indian government is in talks with nearly half a dozen more semiconductor fabrication, packaging and testing companies that are likely to plan significant investments in the country over the next 12 months. *[The Economic Times]*

**UPI to account for 90% of retail transactions in 5 years - RBI bulletin:** Unified Payments Interface (UPI) transactions will likely account for 90% of overall retail digital transaction volumes in the next five years, up from 75.6% as of March end. *[Financial Express]*

**ONDC aims for one lakh daily transactions, explores export enablement:** Open Network Digital Commerce (ONDC) aims to cross the 100,000 transactions milestone by the end of the year in terms of groceries and retail. It is also in the conversation for enablement of exports through the network. *[Business Line]*

**Addverb launches mobile robot manufacturing facility, to generate 3k jobs:** Addverb, a global robotics and automation company, on Sunday launched its second greenfield robot manufacturing factory known as Bot-Verse, spread over 15 acres in Greater Noida, Uttar Pradesh. *[Business Standard]*



## Industrial Infrastructure, Clusters and SEZs

**US chipmaker Micron, Gujarat govt ink deal for semiconductor plant, Ashwini Vaishnaw says, 'historic day for India'** An MoU has been signed between the Gujarat government and Micron Technology, America's largest semiconductor memory IDM on Wednesday. *[Mint]*

**PM Modi chairs PRAGATI interaction, reviews projects worth Rs 1,21,300 cr:** These projects have a cumulative cost of over Rs. 1,21,300 crore and relate to 10 states viz., Chhattisgarh, Bihar, Rajasthan, Madhya Pradesh, Gujarat, Maharashtra, Telangana, Tamil Nadu, Odisha and Haryana and two Union Territories viz. Jammu and Kashmir and Dadra and Nagar Haveli. *[Business Standard]*

**P&G to invest Rs 2,000 crore to set up an export manufacturing hub in Gujarat:** Procter & Gamble Co (P&G), the world's second-biggest consumer goods maker plans to invest Rs 2,000 crore in Gujarat to set up an export hub in India that will make healthcare products, especially digestives. *[The Economic Times]*

**India's road network grew 59% in 9 years, now second largest after US - Nitin Gadkari:** India's road network grew 59 per cent in the last 9 years to become the second largest in the world after US. Gadkari said that the country's road infrastructure now stands at 1,45,240 km compared to 91,287 km in 2013-14. *[The Times of India]*



**Ministries of road, rail lead in capex spend:** The government's capex plan in the transport sector - the key driver of the public expenditure push - has seen Indian railways and the roads ministry rush ahead with the spending. *[The Times of India]*

**NHAI plans to raise Rs 60,000 crore from securitisation of 4 projects:** The National Highways Authority of India (NHAI) is seeking to raise ₹60,000 crore through securitisation of four under-construction road projects over the next three-five years. *[The Economic Times]*



## Sustainable Industrialisation

**India ranked 67th on Energy Transition Index, makes significant improvement: WEF report:** The World Economic Forum on Wednesday ranked India at 67th place globally on its Energy Transition Index and said it is the only major economy with energy transition momentum accelerating across all dimensions. *[The New Indian Express]*

**Govt plans Rs 17,000 cr incentive scheme for electrolyzers, green hydrogen production - MNRE Secy Bhupinder Bhalla:** The government has planned over Rs 17,000 crore in incentives to promote the manufacturing of electrolyzers and green hydrogen in the country. *[The Economic Times]*

**World Bank approves \$200 million loan to Himachal Pradesh for undertaking reforms:** The World Bank on Tuesday approved a loan of \$200 million for the Himachal Pradesh government to help the state undertake power sector reforms. *[The Economic Times]*



## Sectoral News

**Car sales to race past two-million milestone in 2023 first half:** Sales of passenger cars in India are set to cross the two-million mark in the first half of the calendar year for the first time, buttressed by incremental volumes from newly introduced models. *[The Economic Times]*

**India saves 249 BU units energy in FY22 - BEE:** India conserved 249 billion units (BUs) of electricity to save Rs 1.60 lakh crore in bills for the 2021-22 financial year. *[The Economic Times]*

**Registration of e-scooters skids to 16-month low:** Registration of electric two-wheelers has nosedived in June 2023 as restrained their purchase following a 15-18% price hike after the union government lowered subsidy. The volume dropped to the lowest in 16 months at 35,461 units till June 27. *[The Economic Times]*

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