

Industry Matters

Weekly Updates

July 14, 2023



Economy, Industry and Policy

India's industrial output up 5.2% in May from 4.5% in April: India's industrial production rose to 5.2 per cent in May from 4.5 per cent in April 2023, mainly due to good performance by the manufacturing and mining sectors. *[The Economic Times]*

Net direct tax collection rises 16% to Rs 4.75 lakh cr so far this fiscal: The government's net direct tax collections have risen 16% to ₹4.75 lakh crore so far this fiscal, on the back of improved economic activity and compliance. *[The Economic Times]*

Strategic investment targets initiative: DPIIT identifies 106 companies across sectors from 30 countries: The Department for Promotion of Industry and Internal Trade (DPIIT) has identified as many as 106 companies across sectors from 30 countries under its strategic investment targets initiative, an official said. The initiative is aimed at promoting investments in the country. *[The Economic Times]*

India overtakes China as most attractive emerging market for investing: India has overtaken China as the most attractive emerging market for investing, according to 85 sovereign wealth funds and 57 central banks representing USD 21 trillion in assets. *[The Indian Express]*

28% GST on online gaming to yield Rs 20,000 cr annually - Revenue Secretary: The exchequer would get an estimated additional revenue of Rs 20,000 crore annually following the decision of the GST Council to levy 28 per cent tax on full bet value on online gaming. *[The Economic Times]*

Business confidence index soars in Q1 amid robust growth: The CII Business Confidence Index (CII-BCI) jumped to 66.1 in April-June from 64.0 in the previous quarter, reaffirming the positive momentum seen in high frequency indicators such as goods and services tax collections, air and rail passenger traffic, and Purchasing Managers' Index. *[The Economic Times]*

India's retail inflation surges to 4.81% in June: India's retail inflation surged to 4.81 per cent in June after hitting a 25-month low of 4.25 per cent in May on an annual basis, showed data released by the ministry of statistics on Wednesday. *[The Economic Times]*

Production rises 5.2%, led by infrastructure and construction goods, even as 12 of 23 manufacturing sectors report contraction: India's industrial output picked up some pace in May to grow at a three-month high rate of 5.2% compared to 4.46% in April, with electricity generation growing 0.9% after two months of contraction. *[The Hindu]*

Capex pace strong, Centre spends a quarter of Rs 10 trn annual target in Q1: The Centre's drive to accelerate capital expenditure has begun to yield results with the asset-creating spending reaching around 25% of the annual target of Rs 10 trillion in the first quarter of the current financial year. *[Financial Express]*

Centre approves release of ₹7,532 crore to 22 states under Disaster Response Fund: The Centre on Wednesday approved release of ₹7,532 crore to 22 state governments under the State Disaster Response Fund (SDRF). *[Mint]*

Indian economy's growth sustained by conducive domestic policy, healthy macro indicators - CII survey: The CII Business Confidence Index (CII- BCI) improved to a reading of 66.1 in Q1 (Apr-Jun FY24) as compared to 64.0 in the previous quarter showing a positive momentum in indicators such as GST collection and air & rail passenger traffic. *[The Economic Times]*



Foreign Investment

HCLTech to acquire German automotive engineering firm ASAP Group for €251.1 million: HCLTech has signed a definitive agreement to acquire a 100% equity stake in ASAP Group, an automotive engineering services provider, headquartered in Ingolstadt, Germany, for a total enterprise valuation of €251.1 million (around ₹2,300 crore). *[The Hindu]*

India could become a magnet for foreign direct investment - Martin Wolf: India's unique position in the world can also allow it to take the lead and mobilise other countries, especially in the Global South, to hunt for solutions to the climate, political, and economic challenges leading to the polycrisis in the world. *[Business Standard]*

Influx of inquiries from European companies on renewed interest in India - World Trade Center: The World Trade Center (Pune) is receiving 10-15 inquiries every week from European companies who are keen to manufacture or distribute from India. *[The Economic Times]*



Trade Policy and Competitiveness

India is at forefront of global trade facilitation efforts - UNESCAP survey: India is at the forefront of global trade facilitation efforts, with an impressive score of 93.55 per cent in 2023 vis a vis 90.32 per cent in 2021, as per the recently released United Nations Economic and Social Commission for Asia Pacific's (UNESCAP) Global Survey on Digital and Sustainable Trade Facilitation. *[The Economic Times]*

India and Tanzania started trade settlements in local currencies - S Jaishankar: External Affairs Minister S Jaishankar on Saturday said that India and Tanzania have started trade settlements in local currencies and this new initiative will help in promoting commerce between the two countries. *[The Economic Times]*

Govt restricts imports of some gold jewellery, articles: Restrictions mean that a license will be required from the government to import these goods though no such permission is required for imports under the India-UAE Comprehensive Economic Partnership Agreement (CEPA) tariff rate quota. *[The Economic Times]*

Bangladeshi banks plan India rupee transactions as reserves fall: Two Bangladeshi banks are planning to introduce trade transactions denominated in Indian rupees as the South Asian nation looks to shore up forex reserves and reduce reliance on dollars. *[The Economic Times]*

ONDC to enable exports by Sept-Oct this year: State-backed Open Network for Digital Commerce (ONDC), which aims to democratise e-commerce, is planning to enable exports by September-October this year. *[The Economic Times]*

Advance cargo info system in works: India is working on an advance cargo information system on the lines of the advance passenger information system put in place by the US after 9/11 that will allow immediate customs clearance of imports with scrutiny limited to a risk-based assessment of shipments. *[The Economic Times]*

Bangladesh, India launch trade transactions in rupees: Bangladesh and India on Tuesday launched a much-anticipated trade transaction in rupees, a move aimed at reducing dependence on the US dollar and strengthening regional currency and trade. *[The Economic Times]*

India-EU leaders discuss zero duty policy, standardisation for textile cooperation, proposed FTA: Gathered at the annual EU-India Leaders Conference 2023 in Brussels, government representatives, industry heads, and business leaders discussed new avenues of collaboration, especially under textile cooperation and the proposed EU-India Free Trade Agreement (FTA). *[The Economic Times]*



Corporate Governance

Deal values plummet 78 pc between January -June due to economic challenges: There were only 676 deals with an underlying value of USD 23 billion in the January-June 2023 period, 78 per cent down in value terms and a fall of 42 per cent in terms of volume, consultancy firm Grant Thornton Bharat said. *[The Economic Times]*

Vedanta Group to acquire semiconductor and display units from sister concern Twin Star: Anil Agarwal-led Vedanta Group will acquire 100 per cent stake in semiconductor and display units from sister concern Twin Star Technologies. *[The Economic Times]*

PwC India ties up with Zoho to drive digital transformation of firms: Consultancy firm PwC India on Wednesday announced the firm has entered into a strategic partnership with Chennai-headquartered tech firm Zoho to accelerate the digital transformation of firms across the technology ecosystem. *[Business Standard]*

CarTrade to acquire OLX's auto business: Used cars platform Cartrade Tech has announced acquiring online marketplace OLX India's auto business for Rs 537 crore. *[The New Indian Express]*

Tata Group to acquire Wistron's Karnataka plant: Tata Group will become the first Indian company to assemble iPhones in India as the company is set to acquire Taiwan-based Wistron Corp, one of the contract manufacturers of Apple in India. *[The New Indian Express]*

Foxconn dumps USD 19.5 billion Vedanta chip plan in blow to India: Taiwan's Foxconn has withdrawn from a USD 19.5 billion semiconductor joint venture with Indian metals-to-oil conglomerate Vedanta. *[The Economic Times]*



MSMEs and Start-ups

Industry welcomes GST exemption for startups into satellite launch services: A day after the government announced a major boost for the Indian spacetech sector, exempting startups offering satellite launch services from goods and services tax (GST), the industry on Wednesday welcomed the move. *[Business Standard]*

Zepto 'in talks' to raise funding, may become India's 1st unicorn this year: India may get its first unicorn this year as Zepto, which promises 10-minute deliveries, is in talks to get fresh funding that would take the start-up's valuation past \$1 billion. *[Business Standard]*

Uttar Pradesh govt looking to invest about Rs 3,800 cr in agri start-ups: The Uttar Pradesh government is looking to boost the state's agricultural value by investing about Rs 3,800 crore in agri start-ups during the financial year 2023-24 (FY24). *[Business Standard]*

Investment in Indian startups in H1 2023 lowest in last four years - PwC India: Funding in Indian startups fell by 36 per cent in January-June to USD 3.8 billion, the lowest half-yearly number in the last four years, as investors are taking longer time in due diligence of every aspect of business. *[The Economic Times]*

30,000 MSMEs in Goa may benefit from RAMP scheme: The Raising and Accelerating MSME Performance (RAMP) scheme, whose implementation began in Goa on Thursday is set to benefit around 30,000 MSME units in the state. *[knnIndia]*

4,225 MSME units set up in Anantapur; provides employment opportunities to more than 13,000: In a giant leap in the Micro, Small and Medium Enterprises (MSME) sector, the highest of 4,225 MSME units in the State with a record investment of Rs 332.64 crore have been opened in the Anantapur district, providing employment opportunities to around 13,208 people in the 2022-23 financial year. *[The New Indian Express]*

Fuel delivery startup FuelBuddy introduces BNPL service: FuelBuddy, a startup specialising in doorstep fuel delivery, has introduced a buy now pay later (BNPL) service that allows customers to buy diesel on credit with zero interest and a 22-day repayment in collaboration with a bank. *[Business Line]*



Employment and Industrial Relations

415 million out of poverty in 15 years: India's population living in poverty declined 64.26% in the last 15 years with 415 million people exiting poverty between 2005-06 and 2019-21, according to a report on Tuesday by United Nations Development Programme (UNDP) and the Oxford Poverty and Human Development Initiative (OPHI) at the University of Oxford. *[Financial Express]*

PFRDA head says aiming for 13 lakh non-govt NPS enrollments in FY24: Pension Fund Regulatory and Development Authority (PFRDA) is looking to enroll 13 lakh new non-government individuals under the Nation Pension System (NPS) in FY24. *[Business Line]*

After a lull, IT hiring mandates are up 10% in July: There has been a 10% increase in the overall hiring requirements in July compared to last month, they added, signalling good news for the IT sector and some pick-up in demand in the coming quarter after a long lull. *[The Economic Times]*



Industrial Finance

Bank borrowings jump to 8-month high in mid-June: Bank borrowings shot up to their highest level in eight months in the fortnight ended June 16 as outflows on account of quarterly advance tax payments sent lenders flocking to the money market for funds. *[The Economic Times]*

Vehicle loans outstanding rose 22% in May despite high interest rates: As per the latest RBI data, the total vehicle loan outstanding climbed from ₹3.65 lakh crore in May 2021 to ₹4.16 lakh crore in May 2022, and further to ₹5.09 lakh crore as of May 19, 2023. *[The Hindu]*

Unsecured loans jump 47% in two years till March led by small-ticket lending: Unsecured retail loans grew at a CAGR (compounded annual growth rate) of 47 per cent from March 2021 to March 2023 led by digital and information-oriented small ticket lending, according to TransUnion CIBIL's Credit Market Indicator (CMI) report. *[Business Line]*

Non-performing advances of public sector banks at multi-year lows: The non-performing advances (NPAs) of banks are at multi-year lows, supported by substantial write-offs, especially for state-owned banks. *[Business Standard]*



Technology and Innovation

Odisha Television introduces Lisa, India's first AI news presenter: Odisha Television Limited (OTV) has introduced the state's first artificial intelligence (AI) news anchor named Lisa. The introduction of Lisa, the AI news anchor, took place at a ceremony held in Bhubaneswar on Sunday. *[Business Standard]*

France may adopt UPI, announcement likely during PM Modi's visit: In 2022, the National Payments Corporation Of India (NPCI), the umbrella organisation that offers UPI services, signed an MoU with France's own fast and secure online payment system, called Lyra. If an arrangement between Lyra and UPI is announced during PM Modi's France visit, it will be the first such arrangement for an European country. *[The Economic Times]*

Ecommerce logs 24% Q2 growth as premium products click; slowdown hits low-priced items: Data from Unicommerce showed that health and pharma, eyewear, and fashion and accessories grew by over 47%, 30%, and 24%, respectively, during the June quarter. *[The Economic Times]*

Chandrayaan-3 - ISRO commences 25.30-hour launch countdown for mission to moon: The Indian Space Research Organisation (ISRO) announced the commencement of the 25.30-hour countdown for Chandrayaan-3, the country's third moon mission. This lunar expedition, scheduled for Friday (July 14), aims to achieve a soft landing on the moon's surface. *[Financial Express]*



Industrial Infrastructure, Clusters and SEZs

85 big infra projects worth Rs 5.4 lakh crore recommended for approval under PM GatiShakti: These projects have been recommended by the Network Planning Group (NPG) constituted under the PM GatiShakti initiative launched in October last year. *[The Economic Times]*

Glida plans to set up 3,000 EV charging points pan-India by March 2025: Glida, previously known as Fortum Charge & Drive India, is planning to set up 3,000 e-passenger vehicle (EV) charging points across India by March 2025. *[Business Standard]*

Tata Technologies to set up 3 Common Engineering Facility Centres in Karnataka: The proposal was to set up the centres through the PPP model where Tata Technologies would have a 70% stake while the State government would have a 30% stake in the venture. *[The Hindu]*

Rajasthan govt to spend Rs 200 crore to ramp up infra in industrial hubs: The state government's aim is to bring more investment to the state. This can be done by developing world-class infrastructure facilities in industrial hubs and also by announcing investor-friendly policies. *[Business Standard]*

UP govt approves two thermal power projects worth Rs 18,000 crore in Sonbhadra's Obra: The Uttar Pradesh government on Tuesday approved two 'Obra D' thermal power projects of 800 MW each to be built at the cost of Rs 18,000 crore in Sonbhadra's Obra, a move aimed at providing cheaper electricity to the people of state. *[The Economic Times]*

Railways plans ₹1 tn signal system recast: Signalling systems along India's sprawling rail network will turn fully electronic over the next six years as part of a ₹1 trillion plan to avert the kind of errors that led to the Balasore rail tragedy in June. *[Mint]*

Government proposes scheme for hydropower projects with ₹16,000-crore outlay: The financial support will envisage enabling infrastructure and grant for the north-eastern states to pick stakes in such projects. *[The Economic Times]*

Wipro to invest \$1 billion in 3 years to advance AI capabilities: Wipro, a Bengaluru-based technology services and consulting firm, on Wednesday (July 12) said it would invest \$1 billion to advance its AI capabilities over the next three years. *[The Hindu]*



Sustainable Industrialisation

Indian cabinet allows lithium's commercial mining to charge up EV ambitions: The Cabinet approved amendments to the Mines and Minerals (Development and Regulation) Act, 1957, on July 12, allowing for mining of lithium and other minerals. *[The Economic Times]*

India to have its first fully recycled bottle used in carbonated beverages with PepsiCo's Pepsi Black: PepsiCo India has recently announced on Monday that it will be introducing India's first 100 per cent rPET (recycled plastic) bottles in the Carbonated Beverage category with its product, Pepsi Black. *[The Economic Times]*

Green hydrogen bid - Indian consortiums enter Germany's \$985 m tender: Two consortiums from India—IoC-ReNew-L&T and HPCL-ACME—are among the bidders for Germany's around \$985 million green hydrogen import tender. *[Business Line]*



Sectoral News

Domestic sales of PVs, three-wheelers & two-wheelers up in June - SIAM: Sales of passenger vehicles, three-wheelers and two-wheelers in the local market went up last month amid an increase in economic activity and sustained consumer. *[The Economic Times]*

Power generation increases 2% in June amid growing demand: Data from the Central Electricity Authority (CEA) showed power generation rose to 127.16 billion units or 127167.28 Gigawatt hour (Gwh) last month from 124.42 billion units a year earlier. *[Mint]*

Sale of luxury vehicles sees 38% jump YoY in June, much ahead of overall automobile sales growth: Sales of luxury vehicles in India grew in the strong double-digits in the first six months of the year, outpacing the overall automotive industry and reaffirming India's credentials as the fastest growing major economy in the world. *[The Economic Times]*

Tyre demand in India to grow by 6-8% in FY24 - Icra: India's tyre demand is expected to grow 6-8 percent in Financial Year 2023-24 (FY24) due to replacement and the needs of original equipment manufacturers (OEM).
[Business Standard]

MakeMyTrip Emerges as Dominant Player in Indian: MakeMyTrip (MMT), online travel agency (OTA), now commands a substantial 53.8 per cent share of the Indian online travel market, according to a recent report by travel consultancy firm Videc. This places MMT in a position of significant dominance, solidifying its status as a catalyst for growth within the Indian travel industry. [Business Line]

Govt discusses opportunities in toy sectors with industry, global players: The meeting brought together prominent global and domestic toy manufacturers, retailers, associations, and government officials to discuss the burgeoning opportunities in the domestic toy sector. [Financial Express]

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