

Industry Matters

Weekly Updates

July 21, 2023



Economy, Industry and Policy

Manufacturing sentiments positive in Q1FY24- FICCI survey: The survey data showed that 57 per cent of respondents expect higher production levels in the June 2023 quarter, while 58 per cent reported an increase in the number of orders. The average capacity utilisation in manufacturing sector remained around 75 per cent, reflecting sustained economic activity. *[Economic Times]*

India needs to grow at 7.6% per annum to be developed economy by 2047- RBI: India's per capita GDP needs to rise by 8.8 times from the current level of USD 2,500 to USD 22,000 for it to become a developed country by 2047. *[Economic Times]*

Disbursement of capex loans to states to exceed Rs.500 billion by July: The central government is expected to sanction the entire untied component of Rs.1 trillion capital expenditure loans to states, with disbursements exceeding Rs.500 billion by the end of July 2023. *[Financial Express]*

135 million Indians lifted out of poverty between 2015-16 & 2019-21: India has experienced a substantial reduction in poverty over the past five years, with 135 million individuals emerging from multidimensional poverty between 2015-16 and 2019-21, according to the National Multidimensional Poverty Index (MPI) released by the NITI Aayog. *[PIB]*

RBI bulletin highlights inflation concerns amidst food price spikes: Food prices have surged due to the monsoon season, resulting in retail inflation rising to 4.8 per cent in June 2023 from 4.3 per cent in May 2023. *[Business Standard]*

Centre initiates exercise to revise base year for CPI: Currently, the base year for calculations of CPI is 2011-12. The revamp includes identifying markets, key shops and items for accurate data collection. *[Economic Times]*

Centre launches sale of subsidised chana dal under brand 'Bharat Dal': The Indian government has launched the sale of subsidised chana dal under the brand name 'Bharat Dal', according to the Minister of Commerce & Industry, Piyush Goyal. *[The Indian Express]*

AiMed urges government to recall draft new drugs bill: In the monsoon session of the Parliament, which begins this week, the government is prepared to introduce a draft of the New Drugs, Medical Devices and Cosmetics Bill, which would repeal the 83-year-old Drugs and Cosmetics Act. *[Economic Times]*

Centre to re-auction PLI for 20 GW ACC battery manufacturing soon: The central government is planning to re-auction performance-linked incentives (PLI) for 20 GW advanced chemistry cell (ACC) battery manufacturing soon, a government official informed. *[Economic Times]*

Standing Committee on Economic Statistics reconstituted: The government has renamed and expanded the scope of the Standing Committee on Economic Statistics (SCES) to the Standing Committee on Statistics (SCoS). *[Business Standard]*

Third G20 FMCBG meeting concludes: During the recently concluded third G20 finance, ministers and central bank governors (FMCBG) meeting, several points were discussed including strengthening multilateral development banks (MDBs). During the meeting, India presented an input paper outlining three principles for a global framework on crypto assets. *[PIB]*

Faster Visas for Chinese Experts in Electronics Sector on the Cards: The Indian government is putting in place a mechanism to speed up visas for Chinese nationals required mainly for installation, expansion and repair work in the electronics-manufacturing sector, especially for companies approved under the production-linked scheme (PLI). *[Economic Times]*

Centre plans to introduce second phase of DLI-scheme: The Central government is planning to introduce a second phase of its design-linked incentive (DLI) scheme to help domestic semiconductor chip design companies. *[Business Standard]*

Panasonic plans battery plant in India under PLI: Panasonic, the biggest supplier of batteries for Tesla, is planning to set up a battery manufacturing plant in India under the government's advanced chemistry cell (ACC) battery storage scheme. A high-level battery manufacturing plant in India under the government's advanced chemistry cell (ACC) battery storage scheme. *[Economic Times]*

New stainless steel policy aims to increase capacity to 30 million tonnes by 2047: The main aim of the policy is to raise domestic capacity by nearly fivefold by 2047, from the current 6.6 million tonnes to 30 million tonnes. The policy is targeted to reduce dependence on China for nickel, silicon and chromium, which are used to make stainless steel. *[Mint]*



Foreign Investment

Celesta Capital plans to invest in 10-15 Indian semiconductor startups: Celesta Capital, a US-based company, is planning to invest in 10-15 Indian semiconductor start-ups in the next three years. The company aims to invest an average ticket size of USD 7-15 million in these start-ups. *[Financial Express]*

Foreign investment inflows rise to USD 8.2 billion in May 2023: India witnessed net foreign investment inflows of USD 8.2 billion in May 2023, as compared to USD 4.8 billion in the preceding month. Net inflows of foreign direct investment (FDI) inched down to USD 2.7 billion from USD 2.8 billion in April 2023. *[RBI Bulletin]*

Formulate new policy or amend existing one to encourage more FDIs in UP: The Uttar Pradesh infrastructure and industrial development department has been asked to work out a new policy or amend the existing one to encourage more foreign direct investments (FDIs) in the state. The policy should provide concessional lands to industries, said Chief Minister (CM) Yogi Adityanath. *[The Hindu]*

BYD-Megha Submits \$1 Billion Proposal to Make EVs in India: China's BYD and Hyderabad-based Megha Engineering and Infrastructures Limited (MEIL) have submitted a joint proposal for setting up a 10,000-15,000 unit four-wheeler making factory in Hyderabad. *[Economic Times]*



Trade Policy and Competitiveness

Norms for exporters simplified: The government has simplified the norms for exporters to benefit from the advance authorisation scheme, allowing free imports of input materials. The Directorate General of Foreign

Trade (DGFT) has developed a searchable database of ad-hoc norms on its website, eliminating the need to approach norms committees. *[Economic Times]*

Centre to enhance negotiating capacity for bilateral FTAs: The Ministry of Commerce & Industry is actively working to strengthen its capacity for negotiating bilateral free trade agreements (FTAs) as several countries express interest in enhancing economic ties. *[Financial Express]*

India-Indonesia Economic and Financial Dialogue launched: India and Indonesia have launched an Economic and Financial Dialogue aimed at enhancing bilateral trade, investment, financial services and infrastructure development. The dialogue seeks to address global development challenges while strengthening cooperation between the two countries. *[Financial Express]*

India, UAE to start trade settlement in local currencies: India and the United Arab Emirates (UAE) have agreed to start trade settlement in local currencies. A Memorandum of Understanding (MoU) was signed between the Reserve Bank of India (RBI) and the Central Bank of UAE. *[Money Control]*

India and France extend partnership to develop jet and helicopter engines: India and France have decided to extend their defence cooperation in advanced aeronautical technologies by jointly working on combat aircraft engines. *[Business Line]*

Japan, India to join hands to develop semiconductors: Japan and India plans to form a partnership to develop semiconductors. The two countries are expected to start a policy dialogue to promote cooperation in semiconductor space. *[The Indian Express]*

Indian Oil signs long term LNG import deals with ADNOC LNG, TotalEnergies: Indian Oil has signed long term deals for the import of liquefied natural gas with UAE's ADNOC and France's TotalEnergies. Supplies would commence from 2026. Up to up to 1.2 million metric tonnes per year (tpy) of LNG will be supplied by ADNOC for 14 years. *[Economic Times]*

India-US resolve 6 trade disputes at WTO: India and the United States (US) have mutually resolved all six-trade disputes pending at the World Trade Organization (WTO), as per media reports. The resolution of these disputes aligns with the commitment made by both countries during Prime Minister Narendra Modi's visit to the US. *[Economic Times]*

Centre considers range based exports target for FY24: Amid global uncertainties, the central government plans to set export targets for 2023-24 in a range instead of a single number. The official further stated that the targets would be based on a detailed analysis of trends and parameters for 200 countries and 31 commodity groups. *[Financial Express]*

AEPC says Japan has immense opportunities for Indian apparel exporters: A decline in Chinese apparel exports to Japan provides an immense opportunity for Indian apparel manufacturers to boost exports to Japan, according to the Apparel Export Promotion Council. *[Economic Times]*

Government issues QCOs for insulated flasks, bottles: The Central government issued quality control orders (QCOs) for insulated flasks, bottles and containers. The QCO will help prevent imports of sub-standard products and drive up domestic manufacturing. *[Business Standard]*



Corporate Governance

NLCIL to invest Rs.750 bln on capex by 2030: NLC India (NLCIL) is planning to invest Rs.750 billion by 2030 across mining, power generation, and new energy businesses. The company aims to commission its Ghatampur thermal power project (3 X 660 MW) before March 2024. *[Economic Times]*

Multiple login IDs on MCA21 portal for professionals to be deactivated: The government is taking steps to deactivate multiple login IDs registered in the name of a single company secretary, chartered accountant or cost accountant on the MCA21 portal. *[Economic Times]*

Global Rules Proposed for Crypto Asset Firms: The Financial Stability Board Monday proposed global rules for crypto firms mandating introduction of safeguards to prevent casualties such as exchange collapse. *[Economic Times]*



MSMEs and Start-ups

Indian businesses bullish on growth and investment: S&P survey: Indian businesses are expected to experience increased business activity and capital expenditure in the next 12 months driven by favourable demand conditions, according to S&P's Global Business Outlook Survey for June 2023. *[Economic Times]*

Investment for Udyam registered MSMEs show upward trend: The total investment and turnover figures for Udyam registered micro, small & medium enterprises (MSMEs) have shown a consistent upward trend over the years. In 2020-21, the total investment stood at Rs.4 trillion, with a total turnover of Rs.4.8 trillion. *[PIB]*

Jio Fin Services could be a major competitor for fintech startups: Jio Financial Services could be a major competitor for fintech start-ups as it looks to enter the fintech space. The company will reportedly try to provide its services to the masses. *[Economic Times]*



Employment and Industrial Relations

Over 2 million new employees added under ESI scheme in May 2023: More than two million new employees were added to the Employees' State Insurance (ESI) Scheme in May 2023, according to the provisional payroll data released by the Employees' State Insurance Corporation (ESIC). *[PIB]*

Demand for work under MGNREGS surges to 23-month high in Jun 2023: Demand for work from households under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) rose to 33.7 million in June 2023 from 31.7 million in May 2023, according to the data. *[Business Standard]*

IT hiring to be subdued in 2023-24: Hiring by the information technology sector is expected to be subdued in the current financial year 2023-24, according to human resource experts. This will be because of macro uncertainties affecting the sector's demand environment. *[Business Standard]*

EPFO adds 1.63 million subscribers in May 2023: The Employees' Provident Fund Organisation (EPFO) added 1.63 million new subscribers on a net basis in May 2023. During the month, 883,176 new subscribers joined the EPF scheme, while 394,221 exited the scheme. *[EPF India]*

93% Informal Workers Seek Social and Health Benefits over Higher Pay-Study: The New Collar Generation report by India's largest staffing firm Quess Corp found that over 93% of 4,179 respondents across ages in the informal sector preferred a job with health benefits and a formal agreement over one that offered a higher salary without a contract. *[Economic Times]*

MoU signed to upskill 10,000 college students in Telangana: The Telangana government has signed an MoU with Hindustan Coca-Cola Beverages (HCCB) to upskill 10,000 college students by 2023-24. The programme, also known as Campus to Corporate, aims to make college students industry ready. *[The Hindu]*



Industrial Finance

Regional Rural Bank Mergers Exempted from CCI Approval: The government has decided to exempt mergers of regional rural banks (RRBs) ordered by it from the requirement of the Competition Commission of India's (CCI's) clearance. *[Economic Times]*

Surge in ECB in Q1FY24 signals revival of private capex: The Reserve Bank of India (RBI), in its June 2023 bulletin, stated that the surge in ECB registrations during the first quarter of 2023-24 reflects the momentum in import demand for capital goods, indicating a potential revival of the private capital expenditure cycle in the economy. *[Financial Express]*

PFRDA to allow pension funds' investment in sovereign green bonds: PFRDA chairperson Deepak Mohanty has stated that pension funds would be allowed to invest in sovereign green bonds when they are issued. The government is planning to issue these green bonds in the second half of 2023-24 as part of its market-borrowing program. *[Business Standard]*

SEBI Introduces Six New MF Strategies under ESG: India's market regulator vastly expanded the scope of drawing pooled money into green projects that would help achieve the country's broader climate change goals, allowing asset managers to launch subscription funds under six new environment, social and governance (ESG) strategies. *[Economic Times]*



Technology and Innovation

TCS BaNCS implemented by Banque Saudi Fransi: Banque Saudi Fransi, a Saudi Arabia bank, has implemented TCS BaNCS for payments, provided by Tata Consultancy Services (TCS). TCS BaNCS has centralised and standardised the bank's domestic and international payments operations. *[Business Line]*

Demand for global managed services hits new high: The global demand for managed services hit a new high in the June 2023 quarter. It grew by six per cent on a year-on-year basis to reach a quarterly high of USD 10 billion. *[Business Line]*

NITI Aayog releases TCRM Matrix framework: NITI Aayog has introduced an assessment tool, Techno-Commercial Readiness and Market Maturity Matrix (TCRM Matrix). Start-ups would be able to use the tool for internal project planning and decision making on technology transfer or acquisition. *[Economic Times]*

Tata Motors launches new range of gensets in India: Tata Motors has rolled out a new-generation line of gensets in the Indian market. These gensets are backed by Tata Motors' engines, which comply with the technologically advanced Central Pollution Control Board (CPCB) IV+. *[Financial Express]*



Industrial Infrastructure, Clusters and SEZs

Tamil Nadu tops NITI Aayog's Export Preparedness Index for 2022: Tamil Nadu has topped NITI Aayog's Export Preparedness Index (EPI) for 2022. The state's best exporting districts are Kanchipuram, Chennai and Tiruppur. *[Economic Times]*

PM Mitra Park launched in Amravati: The Maharashtra Industrial Development Corporation (MIDC), the Maharashtra government, and the Indian Ministry of Textiles have signed a memorandum of understanding to launch the PM Mega Integrated Textile Regions and Apparel Park in Amravati, Maharashtra. *[The Indian Express]*

Khattar dedicates development projects worth ₹2,741 crore for Haryana: Haryana Chief Minister (CM) Manohar Lal Khattar inaugurated and laid foundation stones for 347 projects worth Rs. 27.4 billion in various districts. Of the total, the inauguration was held for 157 projects and foundation was laid for other 190 projects. *[The Hindu]*

FM calls for private sector investment in urban infrastructure: Finance Minister (FM) Nirmala Sitharaman emphasised on the importance of partnerships with private sector for building future cities during G20 Infrastructure Investment Dialogue held on 16 July 2023. *[Financial Express]*

Gold jewels' import restrictions not applicable to SEZ units: The import restrictions on certain gold jewellery and articles are not applicable for units in the special economic zones (SEZs), according to the government. The Directorate General of Foreign Trade (DGFT) stated that it has got representations from SEZs units citing the problems faced by them due to these restrictions. *[Economic Times]*



Sustainable Industrialisation

Suzlon Energy secures contract to supply 100.8 MW wind turbines: Suzlon Energy secured a contract for the supply of 100.8 MW of wind power project from Everrenew Energy. Suzlon will supply wind turbines and supervise the execution and commissioning of the project in Tamil Nadu. *[Economic Times]*

EV companies to return FAME-II incentives: Electric vehicle (EV) manufacturers who have been wrongfully claiming incentives under the Faster Adoption and Manufacturing of Electric Vehicles (FAME) II scheme will have to refund the incentives or face legal action by the Centre. *[Economic Times]*

ITC's paper business ramping up sustainable products portfolio: ITC's paperboards and specialty papers business is ramping up the sustainable products portfolio. It is also stepping up investments in the fast-evolving space, which holds "immense growth potential". The company has set up ITC Fibre Innovations, a wholly owned subsidiary. *[Business Line]*

Gail to invest in carbon capture projects: Gail plans to invest in carbon capture projects. It is collaborating with US-based Lanzatech. It is exploring setting up a pilot-scale carbon capture and conversion project. *[Economic Times]*



Sectoral News

Demand for FMCG increases in June 2023 quarter: In the June 2023 quarter, demand for fast-moving consumer goods (FMCG) increased as inflation eased. However, revenue could moderate sequentially as firms reduced the intensity of price hikes and made direct price cuts. *[Mint]*

TransUnion CIBIL says slump in home loans: There has been a slump in home loans in 2022-23, particularly in affordable housing, according to TransUnion CIBIL. Loan volumes declined by 16 per cent where sanction amounts were less than Rs.2.5 million. *[The Economic Times]*

Textile industry struggling with financial crisis: The textiles and clothing industry is reportedly struggling with an unprecedented financial crisis. This is mainly because of the prolonged Russia-Ukraine war that affected the EU and the US markets, 11 per cent import duty levied on cotton. *[Times of India]*

Automobile exports fall 28% in June 2023 quarter: India's automobile exports fell by 28 per cent in the June 2023 quarter impacted by the monetary crisis in Africa and various other developing countries, as per data from the Society of Indian Automobile Manufacturers (SIAM) *[The Economic Times]*

Bhubaneswar taking over Vizag's MICE tourism market: Bhubaneswar has captured Vishakhapatnam's MICE tourism market, according to K Vijay Mohan, president of Tours and Travel Association (TTA). Vishakhapatnam would previously host at least 100 MICE events during the months of July, August and December. *[The Economic Times]*

Improved US performance to pep up Indian pharma Q1 show: Strong performance in the United States (US) will support the Indian pharmaceutical market (IPM) even as the domestic growth remains slow in the June 2023 quarter. Analysts at Jefferies India expect strong US growth but moderate India growth for the pharmaceutical firms during the June 2023 quarter. *[Mint]*

Sharp fall in e-commerce companies' warehousing space: E-commerce companies' warehousing space declined sharply from over 20 per cent in 2020 to three per cent in the first half of 2023, according to media reports. *[The Economic Times]*

Banks asked to issue mobility-enabled cards: Banks have reportedly been asked by the government to ensure that all new cards and reissues of old cards have the National Common Mobility Card (NCMC) as a default option with contactless or near-field functional facilities. *[Economic Times]*

DoT prefers auction for spectrum allocation for satellite communication: The Department of Telecommunications (DoT) has backed auction as the preferred mode of spectrum auction for satellite communication (satcom) services amid the escalating fight over the issue, supporting Reliance Jio and Vodafone Idea (Vi) against satellite service. *[Economic Times]*

Karnataka's BMTC to run 921 more e-buses: Karnataka's Bengaluru Metropolitan Transport Corporation (BMTC) has decided to induct 921 more non-air-conditioned (AC) electric buses (e-buses) into its fleet. These e-buses will be leased under the Faster Adoption and Manufacturing of Electric Vehicles (FAME)-II scheme. *[The Hindu]*

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