

Industry Matters

Weekly Updates

July 28, 2023



Economy, Industry and Policy

PM Modi set to inaugurate 'Semicon India 2023' event on 28 July 2023: Prime Minister, Narendra Modi is set to inaugurate the 'Semicon India 2023' event at Gandhinagar on 28 July 2023. Companies like Micron, Foxconn, AMD, IBM, Marvell, Vedanta, LAM Research, STMicroelectronics and NXP Semiconductors are expected to participate in this event. *[Economic Times]*

Textiles ministry reopens PLI portal for MMF sector: The Ministry of Textiles has re-opened the performance-linked incentive scheme portal for the man-made fibres (MMF) sector till 31 August 2023. It has invited applications from companies interested in investing in MMF apparel, MMF fabrics and technical textile sectors. *[The Hindu]*

PLI scheme incentive outgo may not exceed Rs.400 billion by FY25: According to the central government's internal estimates, the total incentive outgo under the production-linked incentive (PLI) scheme is projected to be less than Rs.400 billion by 2024-25, representing only a fifth of the allocated Rs.1.97 trillion. *[Business Standard]*

IMF projects India's GDP to grow by 6.1% in FY24: The International Monetary Fund (IMF) has revised India's real GDP growth forecast for 2023-24 upwards to 6.1 per cent from 5.9 per cent. In April 2023, the IMF had cut its projection for India for 2023-24 by 20 basis points to 5.9 per cent. *[Financial Express]*

Reuters' poll predicts 6.1% GDP growth for FY24: India's real GDP is likely to grow by 6.1 per cent in 2023-24, as per a poll of 53 economists conducted by Reuters during 1-21 July 2023. Forecast for 2024-25 is pegged at 6.5 per cent. *[Reuters]*

RBI to maintain status quo until mid-2024- Traders: The recent surge in inflation has led traders to predict that the Reserve Bank of India (RBI) would maintain status quo until at least mid-2024. *[Economic Times]*

Multidimensional poverty declines in aspirational districts to 26%: As per the latest Multidimensional Poverty Index by NITI Aayog, aspirational districts have shown significant progress in poverty alleviation between National Family Health Survey (NFHS)-4 conducted during 2015-16 and NFHS-5 conducted during 2019-21. *[Economic Times]*

Expenditure under centrally sponsored scheme declines: The expenditure in centrally sponsored schemes (CSS) witnessed a nine per cent decline, reaching Rs.4.1 trillion in 2022-23 compared to Rs.4.5 trillion in 2021-22. *[Financial Express]*

Co-ordinated efforts needed to mitigate climate-related economic shocks- RBI: The Reserve Bank of India (RBI) warns that climate shocks pose challenges for measuring and managing inflation and anchoring inflation expectations. RBI's deputy governor M Rajeshwar Rao advocates for a collaborative approach among stakeholders to safeguard the economy from these shocks. *[Economic Times]*

India's population estimated at 1.39 billion as on 1 July 2023- Centre: As of 1 July 2023, the estimated population of India stood at 1.39 billion, Minister of State for Home Nityanand Rai informed the Lok Sabha. *[Economic Times]*

GST Council Meets Next Week on e-Gaming Levy: The Goods and Services Tax (GST) Council will meet virtually on August 2 to consider legal amendments necessary for the 28% levy on online gaming, casinos and horseracing. *[Economic Times]*

Foreign exchange earnings grew three times between January-April 2023: India's foreign exchange earnings were three times higher between January-April 2023 as compared to the corresponding year-ago period, according to G Kishan Reddy, the tourism minister. Foreign exchange earnings between during the first four months of 2023 were Rs.712.4 billion as compared to Rs.235.8 billion between January-April 2022. *[Mint]*

Battery PLI aspirants divided over capacity to be offered for bids: Companies that seek to apply for manufacturing Advanced Chemistry Cell (ACC) batteries with support from the performance-linked incentive (PLI) scheme are divided over the demands from the centre. *[Economic Times]*



Foreign Investment

First Solar to make solar panels in India-US energy secretary: First Solar, a US-based company, will invest billions of dollars for solar panel production in India, said the US energy secretary, Jennifer Granholm. She added that the company will make solar panels in the country without sourcing its materials from China. *[Economic Times]*

ACME secures Rs.40 bln funding from REC for its green hydrogen project: ACME Group has secured funding of Rs.40 billion from REC to finance its green hydrogen project in Oman. The amount will be invested in setting up the phase-I of the project, which will initially produce about 100 thousand tonnes of ammonia per annum. *[Economic Times]*

India open to investment from Chinese firms-Centre: India is open to investments from China despite border tensions, according to Minister of State for Electronics and Information Technology Rajeev Chandrasekhar. *[Mint]*

QIA Closing in on Investing up to \$1 B in Rel Retail Ventures: Qatar Investment Authority is in advanced negotiations with Reliance Retail Ventures Ltd (RRVL) to invest \$950 million to \$1 billion. *[Economic Times]*



Trade Policy and Competitiveness

India plans to trade electricity with Southeast Asian countries: India is looking to trade electricity with Southeast Asian countries through Myanmar and Thailand, according to sources in the media report. The grid linkage could take at least up to four years to complete, sources say. *[Economic Times]*

No loss from removal of retaliatory customs duties on US items: Removing retaliatory customs duties on eight American products including apples, walnuts and lentils would not cause any loss to India. These duties were initially imposed as a response to the United States (US) increasing import duty on certain steel and aluminium goods. *[Economic Times]*

Engineering goods exports register 11% decline in Jun 2023- EEPC: India's engineering exports declined for the third straight month in June 2023, falling 11 per cent year-on-year to USD 8.5 billion, as per the Engineering Exports Promotion Council of India (EEPC). *[Economic Times]*

India, Germany in talks to boost bilateral trade: Germany's Vice Chancellor and Minister of Economic Affairs and Climate Action Robert Habeck has stated that India and Germany are looking to strengthen bilateral cooperation and increase investments and collaboration. *[Financial Express]*

India, UK conclude 11th round of FTA talks: India and the United Kingdom (UK) have concluded the 11th round of negotiations for a proposed free trade agreement (FTA). Technical discussions were held across nine policy areas over 42 separate sessions. *[PIB]*

Indian pharma exports set to grow in spite of deaths linked to cough syrups-Trade body: India's pharmaceutical exports are expected to grow around twice as fast as last year in 2023-24 to reach sales of USD 27 billion, according to a government-backed trade body. *[Economic Times]*

Electronics export from India up by 56% in June 2023 quarter: Electronics exports from India increased by more than 56 per cent to Rs.572.2 billion in the first quarter of 2023-24, according to the data released by the Ministry of Commerce and Industry. *[Business Standard]*

India Readies for Talks with EU on Refurbished Items: India has begun thrashing out its plan of action on the issue of import of remanufactured goods such as cars, electronics and plastics as part of its free trade agreement (FTA) negotiations with the European Union. *[Economic Times]*

India-Lanka to Focus on Petro Line to Boost Ties: India and Sri Lanka will conduct feasibility studies on petroleum line and land bridge connectivity between the countries in what could boost sub-regional integration in the Indian Ocean Region. *[Economic Times]*

Policy impetus adds lustre to lab-grown diamonds: Recognising the high employment potential of the technology-driven industry, the Union Budget FY24 had extended Customs duty relief to LGD seeds. *[Financial Express]*

Quality Norms Issued for Nuts and Bolts: The government on Monday said it has issued mandatory quality norms for nuts, bolts and fasteners to curb the import of sub-standard goods and boost domestic manufacturing of these products. *[Economic Times]*



Corporate Governance

100,000 tax notices to be disposed of by Mar 2024- FM: According to data presented by the Ministry of Finance, more than two-thirds of income tax return (ITR) filers have no tax liability. It also showed that the number of ITR filers has risen to 74 million at the end of 2022-23 from 64.7 million in 2019-20. *[Business Standard]*

Validity of industrial licenses issued under IDR Act extended to 15 years: The move comes as part of an effort to promote ease of doing business in the country. As per DPIIT, the extension of the license's validity can be granted for an additional three years by the concerned ministry under certain conditions. *[Economic Times]*



MSMEs and Start-ups

MSME shutdowns surge in FY23: Over the past three years, nearly 25,000 micro, small and medium enterprises (MSMEs) in India have closed down, with 2022-23 witnessing the highest number of shutdowns at 13,290 Udyam-registered units. *[Business Line]*

Mizoram created 30,000 job opportunities in five years- MSME study: The study titled “Progressive Mizoram presents new vistas of opportunities” covering the fiscals from 2018-19 to 2022-23 was conducted. *[The Hindu]*

Maharashtra, UP, Delhi top start up hubs, see highest registrations-Government data: According to the Startup India data, India had 99,380 recognised startups so far including 3,579 startups funded through SIDBI Funds of Funds. *[Financial Express]*



Employment and Industrial Relations

West Bengal government plans to introduce 100-day job scheme: The West Bengal government is planning to introduce a 100-day job scheme, named ‘Khela Hobe’, for providing work to the poor. The scheme will be in line with the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). *[India Today]*

Rajasthan Assembly passes Minimum Income Guarantee Bill: On 21 July 2023, the Rajasthan Assembly passed the Minimum Income Guarantee Bill. The legislation guarantees 125 days of work per year for all families in the state. It also has a provision of a minimum pension of Rs.1,000 per month for the elderly, specially-abled, widows and single women, which will increase by 15 per cent every year. *[The Indian Express]*

Demand for work under MGNREGS improved in Q1FY24: Demand for work from households under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) improved to 89.5 million during April-June 2023 from 85.8 million in the corresponding period a year ago. *[Economic Outlook]*

Centre okays 8.15% interest rate on EPF for FY23: The central government has approved the 8.15 per cent interest rate on deposits under the Employees’ Provident Fund Organisation (EPFO) for 2022-23. *[Business Today]*

Centre may have to increase outlay for MGNREGS in FY24: The Centre may have to sharply increase the outlay for its flagship rural job guarantee scheme, with 58% of the budgeted Rs 60,000 crore for 2023-24 used up in the first quarter itself, an official indicated. *[Economic Times]*

MoSPI releases employment outlook report for Sep 2017-May 2023: The data shows that around 1.5 million new subscribers were added to the ESIC during May 2023. During the same period, on a net basis around 1.6 million new enrolments with the EPFO were recorded. *[PIB]*

IT firms ask employees to WFO more often: Indian information technology firms are asking employees to work from office on more days of the week in a bid to focus on higher productivity and employee retention, according to the media report. *[Economic Times]*

Attrition spurs banks to allocate ESOPs to employees: Surging attrition is driving banks including ICICI Bank, HDFC Bank, Axis Bank, Kotak Mahindra Bank, and some small finance banks to allocate ESOPs or employee stock options plans in 2023-24. *[Economic Times]*



Industrial Finance

Green companies get funding worth Rs.5 tln from PFC, REC: Power Finance Corporation (PFC) and REC have inked pacts worth Rs.5 trillion with clean energy companies like Adani, Greenko, ReNew, ACME, Continuum, Avaada, JBM Auto, among others. *[Economic Times]*

Fintech funding drops 67%: Funding of fintechs has dropped by 67 per cent in the first half of 2023, according to a report by 'market intelligence platform' Trancxn. Fintechs raised USD 1.4 billion in the first half of 2023. *[Economic Times]*

Sebi penalises 8 entities for manipulating stock price of Mangalam Industrial Fin: The order came after Sebi conducted an investigation in respect of alleged manipulation in the scrip of MIFL from March 2014 to August 2016. *[Economic Times]*



Technology and Innovation

IT deal momentum further slows down in June 2023 quarter: Top information technology firms like Tata Consultancy Services, Wipro, HCLTech and Infosys saw deal momentum slowing down in the June 2023 quarter, particularly in the large and the smallest deal segments. *[Business Line]*

Use of AI will help increase range of B2B networking: Indiamart CEO: Indiamart's matchmaking ratio on its online platform has reportedly improved with the use of AI for voice search and interpretation of mixed language and misspelt words. *[Economic Times]*

Quantum boost for global supply chains: Quantum computing provides an opportunity businesses to solve complex problems by boosting data-driven decision-making. *[Economic Times]*



Industrial Infrastructure, Clusters and SEZs

Centre accords in-principle approval for 21 new Greenfield Airports: The Centre has accorded in-principle approval for setting up 21 new Greenfield Airports. These airports will boost regional connectivity and enhance air travel accessibility. *[Economic Times]*

Aviation minister unveils UDAN 5.2, says aviation sector fleet size expanded 75% since 2013: the aviation sector has seen an exponential growth in the last few years with the fleet size expanding from 400 aircraft in 2013 to 700 now. *[Economic Times]*

Jharkhand CM inaugurates, lays foundation for 188 projects: Jharkhand Chief Minister Hemant Soren inaugurated and laid the foundation stone for 188 projects worth a total of Rs 800 crore. Soren inaugurated 28 projects worth Rs 68.21 crore, and laid the foundation stone for 160 projects worth 725.59 crore. *[Business Standard]*

Uttar Pradesh government launches portal for claiming subsidy on EVs: The Uttar Pradesh government has launched a portal for those who want to claim electric vehicle (EV) subsidies. The move is part of the Uttar Pradesh Electric Vehicle Manufacturing and Mobility Policy. *[The Indian Express]*

Arunachal Pradesh government to transfer large hydropower projects to CPSUs: The Arunachal Pradesh government has identified four central public sector undertakings (CPSU) to take over large hydropower projects in the state. These include the North Eastern Electric Power Corporation (NEEPCO), NHPC, SJVN and THDC India. *[Economic Times]*

Visakhapatnam Port plans to become green port with green tugs, shore to ship projects: The chairperson of Visakhapatnam Port Authority, M Angamuthu, said that the Visakhapatnam Port plans to become an eco-friendly port through the augmentation of 15 MW solar power projects and introduction of shore to ship project and green tugs. *[Economic Times]*

Mondelez to invest Rs.16 billion to build additional unit in Andhra Pradesh: Mondelez India Foods, a subsidiary of Mondelez International, is planning to invest Rs.16 billion to set up an additional unit at Sri City in Andhra Pradesh. *[Financial Express]*



Sustainable Industrialisation

India-Japan discuss decarbonisation in steel sector: India and Japan have held bilateral talks for cooperation in the steel sector and to address decarbonisation issues. The Japanese sought India's cooperation in steel decarbonisation. Japanese expertise in safety training for Indian steel plants is sought by India. *[Economic Times]*

11 solar parks commissioned under central government scheme: The government has sanctioned 50 solar parks with an aggregate capacity of 37,990 MW under the scheme 'Development of Solar Parks and Ultra Mega Power Projects'. *[Economic Times]*

HPCL plans green hydrogen plant at Visakh refinery: The plant will be a 370-tonne-per-annum electrolyzer-based green hydrogen plant. HPCL has already spent Rs.0.11 billion of the fund allocation of Rs.0.33 billion for the project. *[Economic Times]*

Avaada inks MoU with REC: Avaada Group has signed a memorandum of understanding (MoU) with REC under which the State-run company will invest ₹20,000 crore in the renewable energy solutions company over the next five years. *[Business Line]*

India will need 1.32 million EV chargers by 2030, as per CII report: India will need to install over 400,000 EV chargers annually to meet the anticipated demand of around 1.32 million chargers by 2030, as per a report by the Confederation of Indian Industry (CII). *[Economic Times]*

4,090 LoIs issued under SATAT: About 4,090 LoIs have been issued until now while only 46 plants have been commissioned either fully or partially under the Sustainable Alternative Towards Affordable Transportation (SATAT) scheme initiated in 2018. *[Economic Times]*

Kerala tourism to use game, AI to promote tourism: Kerala tourism introduced a new auction game, Holiday Heist, on its Whatsapp AI-powered chatbot 'Maya', according to media reports. *[Economic Times]*



Sectoral News

FMCG companies to beef up presence in branded spices and condiments market: Top FMCG companies in India are planning to scale up their presence in the Rs.250 billion branded spices and condiments market. *[Financial Express]*

Government yet to finalise modalities of Ayush visa: Union minister: The government is yet to finalise the processes and rules for Ayush visa, for foreigners seeking alternative medicine treatments like Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy (AYUSH). *[Economic Times]*

Rajasthan government to develop Ayurveda wellness tourism: The Rajasthan government is planning to develop Ayurveda wellness tourism, according to media reports. The government plans to open another centre of excellence (CoE) in Chaksu, Jaipur with an investment of Rs.50 million. It recently opened a CoE in Jodhpur. *[Business Standard]*

India has most number of registered two wheelers: India has most number of registered two wheelers across the world, as per the latest Road Transport Year Book. As per the report, India had 326.3 million vehicles in 2020 and nearly 75 per cent of these were two wheelers. *[Economic Times]*

OREDA suggests installation of solar energy systems at monuments in Odisha's Bhubaneswar: The Odisha Renewable Energy Development Agency (OREDA) has recommended the Archaeological Survey of India (ASI) that solar energy systems should be installed at significant monuments of Bhubaneswar. *[The Times of India]*

Mass consumers driving Indian e-commerce-Redseer: According to a survey conducted by Redseer, mass consumers with an annual income in the range of Rs.250,000-Rs.1 million are the driving force behind the growth of e-commerce in India. *[Business Line]*

India's real estate market robust amidst global crisis, as per joint report by Knight Frank-Naredco: India's real estate sector is in a sweet spot as industry stakeholders including developers, financiers and institutional investors continue to be optimistic about the business environment over the next six months, showed Knight Frank-Naredco Real Estate Sentiment Index for April-June 2023. *[Economic Times]*

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