

Industry Matters

Weekly Updates

September 15, 2023



Economy, Industry and Policy

What difference will the India-Middle East-Europe Economic Corridor make?: Dr Nagesh Kumar, Director, ISID speaks about the launch of the India-Middle East-Europe economic corridor announced at the G20 Summit under India's presidency last week. The IMEC aims to enhance connectivity and trade, connecting India to Saudi Arabia and then onto Europe. *[The Hindu]*

Will support policies that enable trade, investment to serve as engine of growth - G20 Declaration: The G20 member countries on Saturday agreed to support policies that would enable trade and investment to serve as an engine of growth and prosperity for all. *[The Economic Times]*

G20 Declaration may drive India's ascent as global digital talent hub, AWS: India is poised to cement its position as a global digital talent hub, thanks in part to the recent G20 declaration focusing on closing skill gaps in the digital sector. *[Business Standard]*

Niti Aayog plans policy to push local production of assistive devices: The government is working on policy intervention to promote mass manufacturing of assistive devices in India by incentivising the private sector to undertake R&D for such technology and scale up production. *[The Economic Times]*

Inflation eases to 6.8% in August; industrial growth at a five-month high of 5.7% in July: An easing in vegetable prices, especially tomatoes, led to retail inflation falling more than expected to 6.8% in August from 7.4% in the previous month. *[The Economic Times]*

Wholesale inflation dips for fifth month to 0.5% in August: Wholesale inflation declined for the fifth consecutive month in August to 0.52% from 1.4% in July providing further comfort to the Reserve Bank of India to hold rates ahead of the RBI's Monetary Policy Committee in early October. *[The Economic Times]*

India becomes the 13th nation to issue OIML certificates: India has become the Internationally Accepted OIML (International Organization of Legal Metrology) Certificates Issuing Authority, Consumer Affairs Ministry announced on Thursday. India is the 13th country in the world that can issue the OIML approval certificates. *[Business Line]*

LIC pays ₹1,831.09 crore dividend to Centre: LIC Chairman Siddhartha Mohanty on Thursday presented a dividend cheque of ₹1,831.09 crore from LIC to the Union Finance and Corporate Affairs, Minister Nirmala Sitharaman. *[Business Line]*

India's external debt-service ratio at 5.3 pc within comfort zone - FM: India's external debt of USD 624.7 billion at March-end 2023 with a debt-service ratio of 5.3 per cent is within the comfort zone and modest from a cross-country perspective. *[The Economic Times]*

Capex loan released to states at Rs 50K crore so far in FY24: The Centre's liberal interest-free loan disbursement to state governments for asset-creating projects has reached Rs 0.5 trillion or 54% of the sanctioned amount so far in the current financial year, supporting the strategy to frontload capex to support economic growth. *[Financial Express]*

Apple to make India-made iPhone 15 available at launch for the first time; analysts say move shows Apple's confidence: Apple has refreshed its iPhone line-up with the launch of the iPhone 15 series, including the iPhone 15, iPhone 15 Plus, iPhone 15 Pro and iPhone 15 Pro Max. *[The Economic Times]*

Capex by large CPSEs touches 42.5% of budget target in April-August: Capital expenditure (capex) by 54 large central public sector enterprises (CPSEs) and five departmental arms with an annual capex target of Rs 100 crore and above has reached around 42.5 per cent of their annual target of about Rs 7.33 trillion in this financial year so far. *[Business Standard]*

7.5 million free LPG connections okayed under Ujjwala scheme: The Cabinet has approved the release of 7.5 million free cooking gas connections over three years under the Ujjwala scheme, which will have a financial implication of Rs 1,650 crore. *[The Economic Times]*



Foreign Investment

US alone accounted for 17 percent of FDI in FY'23: The United States was the largest source of foreign direct investment -FDI - in India in 2022-23, a census of foreign assets and liabilities of firms having both inward and outward liabilities conducted by the Reserve Bank of India showed. *[The Economic Times]*

To ease FDI rules in space sector - DPIIT Secretary: At present, FDI policy only allows up to 100% for establishment and operations of satellites with prior government approval. The review will enable the private sector to operate in other areas related to space and with foreign partners and investments. *[Financial Express]*

Cabinet approves foreign investment of up to Rs 9,589 cr in pharma company: Under the chairmanship of Prime Minister Narendra Modi, the Cabinet Committee on Economic Affairs (CCEA) approved the foreign direct investment (FDI) proposal of up to Rs 9,589 crore in Suven Pharmaceuticals Limited by Berhyanda Limited of Cyprus. *[Business Standard]*

Japan's Kishida seeks easier investment rules: PM Narendra Modi and his Japanese counterpart Fumio Kishida on Saturday held wide-ranging discussions on investment climate in India, status of Mumbai-Ahmedabad bullet train and India-Japan-Bangladesh trilateral as part of their bilateral Indo-Pacific partnership. *[The Economic Times]*



Trade Policy and Competitiveness

G20 Delhi Declaration - WTO reform, discouraging protectionism, mutually supportive trade and green policies: The G20 Summit on Saturday reiterated their commitment towards reform of the World Trade Organization (WTO), dispute settlement and that trade and environment policies should be mutually supportive consistent with global trade rules and multilateral environmental agreements. *[The Economic Times]*

India, US agree to resolve last outstanding WTO dispute: The US and India have agreed to resolve their last outstanding dispute -- related to poultry -- at the World Trade Organization, the US Trade Representative (USTR) said Friday. *[The Economic Times]*

India imposes anti dumping duty on flat based steel wheels from China: India has imposed anti dumping duty of \$613 per tonne on flat base steel wheels from China for five years. *[The Economic Times]*

Over two dozen MoUs signed between India-Saudi industries in Delhi: Over two dozen Memoranda of Understanding were signed between India and Saudi Arabia companies, ranging from Information Technology, agriculture, pharmaceuticals, petrochemicals, and human resources, among other sectors. *[The Economic Times]*

India, Saudi Arabia to double trade to \$100 billion - Piyush Goyal: India and Saudi Arabia can look at doubling bilateral trade to \$100 billion in the coming years from about \$52 billion at present while making it more balanced. *[The Economic Times]*

India-Russia mull speedy operations on new sea route: An official statement said the EMC is estimated to reduce the time required to transport cargo between Indian and Russian Ports of Far-East Region by up to 16 days. *[The Economic Times]*

India and Saudi Arabia bolster talks for game-changing GCC Free Trade Agreement: During a meeting between Prime Minister Narendra Modi and Crown Prince Mohammed bin Salman of Saudi Arabia, both leaders agreed to resume talks on this vital FTA. *[Financial Express]*

India, US to set up mechanism to enable steel exports at concessional rates: India and the United States (US) will set up a joint monitoring mechanism to enable exports of at least 336,000 tonnes of certain steel and aluminium products in a year to Washington without paying additional levies. *[Business Standard]*

Govt breather on IT imports - Festival cheer comes early for PC makers: Original equipment manufacturers (OEMs) like HP, Dell, Lenovo and Apple heaved a sigh of relief on Tuesday after the government said it is considering a new registration mechanism for the import of personal computers, without quota and licensing requirements. *[Business Standard]*

JCB to export 45% construction equipment machinery from India in 2023: JC Bamford (JCB) Excavators, the world's largest manufacturer of backhoe loaders and telescopic handlers—the construction machines used for excavating and heavy material lifting jobs, among other equipment, plans to export 45% construction equipment machines it produces in India. *[The Economic Times]*

India-West Asia-Europe corridor deal offers an alternative to China's BRI: In a multi-continental effort that could provide a credible alternative to China-led Belt and Road Initiative (BRI), which has pushed many countries into a debt trap besides losing control over their assets. *[The Economic Times]*



Corporate Governance

Infosys signs multi-year deal with Europe's STARK: Infosys on Tuesday signed a strategic multi-year partnership deal with Nordic based STARK group, Europe's largest retailer and distributor of building materials, to power its digital transformation journey. *[Financial Express]*

Vedanta Resources looks to merge Zambian copper mine with Indian unit: London-headquartered Vedanta Resources (VRL) would look at moving Konkola Copper Mines (KCM) into Indian mining major Vedanta (VEDL) at the "right valuation", even as it embarks on a plan to integrate all its copper businesses. *[Financial Express]*

Towards 'Bharat' now - Blue Dart announces rebranding of Dart Plus service to 'Bharat Dart': Blue Dart Express Limited on Wednesday unveiled its newly revamped service, formerly known as Dart Plus, as Bharat Dart. *[Financial Express]*

India's retail industry is projected to expand to \$4.5 trillion by end of the decade: India's retail industry is projected to expand to \$4.5 trillion by the end of the decade, according to Deloitte India and the Shopping Centre Association of India (SCAI). *[Business Line]*

Sun Pharma inks agreement with US-based Pharmazz on cerebral ischemic stroke drug: Sun Pharmaceutical has entered into a licence agreement with US-based Pharmazz Inc to commercialise Tyvalzi (Sovateltide), in India. *[Business Line]*

'Birla Opus': Aditya Birla Group's Grasim to launch its paints business in Q4FY24: Grasim Industries Limited, a flagship company of the Aditya Birla Group, today unveiled the brand name of its paints business, 'Birla Opus'. The market launch of Birla Opus is scheduled for Q4FY24. *[Mint]*



MSMEs and Start-ups

SIDBI to take stake in unrated NBFCs that lend to small, micro and nano enterprises: The Small Industries Development Bank of India (SIDBI) is planning to both lend to and invest in smaller, lower rated/ unrated non-banking finance companies (NBFCs), so that they grow to a scale to support micro and small enterprises (MSEs) across the country. *[Business Line]*

G20 Summit - Startups hope Delhi Declaration to help ease capital access: The Indian startup ecosystem has lauded the inclusion of startups in the New Delhi Leaders' Declaration for the first time ever in the history of G20. Industry stakeholders say that the move will lead to easier access to capital, reduce regulatory hurdles, and may revive funding activity. *[Business Standard]*

Uttar Pradesh International Trade Show - Over 2,000 MSMEs, startups, craftsmen to exhibit in September: More than 2,000 exhibitors comprising startups, MSMEs, and local craftsmen will participate in the Uttar Pradesh International Trade Show 2023 to be organised by the Uttar Pradesh government from September 21 to 25 in Greater Noida. *[Financial Express]*



Employment and Industrial Relations

EPFO to generate 16 mn net payrolls in FY24 - SBI Ecowrap: EPFO generated 4.4 million net new payrolls in the first quarter (April-June) of FY24, of which fresh payrolls stood at 1.92 million. *[Business Standard]*

BFSI sector saw highest rise in data science, analytics jobs in 2023 - Study: The adoption of emerging technologies like artificial intelligence, machine learning, and big data analytics has propelled this growth, particularly in areas such as risk management, fraud detection, and customer service. *[Business Standard]*

Services could be India's growth driver, help generate 70mn jobs over next decade - HSBC Global Research: The spillover of India's services to other "old India" sectors, like manufacturing and agriculture, along with policy reforms, could be a significant driver of growth and job creation over the medium term. *[The Economic Times]*

Indian economy adds 5.2 crore new formal jobs in FY20-23: The country's economy has added nearly 5.2 crore new formal jobs between FY20 and FY23, according to a report based on an analysis of the EPFO, NPS and ESIC data. The net employee addition during this period was 2.7 crore. *[The New Indian Express]*



Industrial Finance

India Inc faces costlier borrowing as corporate-govt yield gap widens: Indian companies are staring at an increase in their cost of borrowing this festival season, with the spread between yields on corporate and government bonds beginning to widen. *[Business Standard]*

Banks have to return property documents within 30 days of loan repayment - RBI: The Reserve Bank of India (RBI) has ordered banks and NBFCs to release all original property documents which have been kept as collateral within 30 days of full payment of loans failing which the bank will face financial penalty. *[The Economic Times]*

Asian Development Bank - ADB commits concessional loan to India under Green Financing facility: The Asian Development Bank (ADB) on Sunday assured India to provide concessional loans under the Green Financing facility to help in achieving its vision. *[The Economic Times]*

Bank of India raises Rs 2,000 crore: The bank said it received 83 bids worth Rs 3,770 crore against the Rs 2,000 crore offer. The money will be used to augment the overall capital of the lender and enhance the long-term resources in accordance with the Reserve Bank of India guidelines. *[Financial Express]*



Technology and Innovation

Proposals worth ₹4k cr under IT hardware PLI likely to be cleared: India may clear investment proposals worth ₹4,000 crore under the Centre's revised IT hardware Production Linked Incentive (PLI) scheme. *[The Economic Times]*

State-owned ITI develops micro PC, laptop Smaash: Days after India made it mandatory to seek a licence for the import of laptops and personal computers (PC), state-owned ITI Limited has claimed it has developed its own brand of laptop and micro PC for the domestic market. *[The New Indian Express]*

India has used digital public Infrastructure to achieve 80% financial inclusion in 6 years - World Bank: The World Bank, in a report it has prepared for G-20 ahead of the Leaders' Summit, has praised India's use of Digital Public Infrastructure to enhance financial inclusion and delivery of public goods and services. *[Deccan Herald]*

Sahasra Electronic set to launch first Made-In-India desktop motherboard: Noida-based Sahasra Electronic Solutions, a part of Sahasra Group, plans to bring its first Made-in-India computer motherboard to the market in November. *[Financial Express]*

RBI, banks plan new features to boost digital currency transactions: The Reserve Bank of India (RBI) is working with lenders to introduce new features to popularise the central bank digital currency (CBDC), the so-called e-rupee. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

Coal India to invest Rs 24k cr in 61 projects: State-run miner Coal India has planned capital investment of around Rs 24,750 crore in the next few years into 61 first-mile connectivity (FMC) projects in a push towards eco-friendly coal transportation. *[Financial Express]*

Odisha govt expects ₹10,000 crore investment in Jindal Industrial Park: Odisha government expects ₹10,000 crore investment over 5-10 years in the stainless park being developed by Jindal Stainless on 300 acres for the downstream industry. *[Business Line]*

Oil India to invest ₹8,000 crore in ethanol: Amid India's push for biofuels and the recent launch of the Global Biofuels Alliance, state-run Oil India is looking to invest around ₹8,000 crore in the 2G (second generation) ethanol space. *[Mint]*

Panasonic to invest another Rs 300 cr in Andhra facility by 2026, aims higher exports from India: Panasonic Electric Works India (PEWIN) will invest another Rs 300 crore to increase capacity at its unit in Sri City, Andhra Pradesh. *[The Economic Times]*



Sustainable Industrialisation

G20 Declaration - Countries agree to accelerate energy transition through collective pathways: G20 leaders on Saturday agreed to accelerate energy transitions through collective pathways that would enable the bloc to achieve climate objectives. *[The Economic Times]*

G20 leaders for inclusive growth, flag \$4 trillion a year needed for clean energy tech: G20 leaders on Saturday called for a strong, sustainable, and inclusive growth as an answer to the uneven recovery the world has seen from the pandemic-infused plunder, and flagged trillions of dollar that countries would need to meet their climate goals and clean energy technologies. *[The Economic Times]*

Biofuel alliance can generate opportunities worth \$500 bn in next 3 yrs - Indian Biogas Association: Biofuel alliance can generate opportunities worth USD 500 billion in the next three years for G20 countries, according to Indian Biogas Association (IBA). *[The Economic Times]*

The EV Revolution - India Plans To Reduce Import Taxes on Electric Vehicles to Accelerate Adoption and Drive Sustainability: In India's burgeoning automobile market, electric vehicles (EVs) offer a promising path to improve air quality, bolster energy security, and enhance economic prospects. *[Financial Express]*



Sectoral News

Grasim Textiles plans to open nearly 120 retail stores over next two years: The textile division of Grasim Industries is planning to expand its footprint in smaller cities and towns by opening around 100-120 retail stores over the next couple of years. *[The Economic Times]*

\$5 bn opportunity for auto parts industry in material circularity: India's automobile parts industry could have a market opportunity of \$3.8-5 billion by Financial Year 2029-30 (FY30) in component circularity, said a McKinsey report on Wednesday, referring to a practice that reuses or recycles materials. *[Business Standard]*

Govt may bring incentive scheme to push R&D in auto component sector: The government is contemplating an incentive scheme to encourage research and development (R&D) in the auto components sector, particularly for electric vehicles (EVs). *[Business Standard]*

Growth fundamentals of Indian aviation sector strong, no slowdown seen - Boeing India chief: Asserting that the Indian aviation sector's growth fundamentals are strong, aircraft maker Boeing has said that significant skilling of people to meet demand, rationalisation of fuel taxes and continued infrastructure investments will keep the growth going. *[The Economic Times]*

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