

Industry Matters

Weekly Updates

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Economy, Industry and Policy

India winning global manufacturing battle, BCG report shows impact of supply chains shifting away from China: India has emerged as one of the winners in global manufacturing over the past five years, with its exports to the US surging by \$23 billion, a 44% increase from 2018 to 2022, while China experienced a 10% decline in exports to the US during this period. *[The Economic Times]*

Govt to offer \$2.2 billion incentive to boost local manufacturing, include six new sector in PLI scheme: In a bid to boost local manufacturing sector, the central government is planning to offer incentives of up to 180 billion rupees. The investment will be pumped in six new sectors including chemicals, shipping containers and inputs for vaccines. *[Mint]*

Govt may soon tweak PLI schemes for pharma, textiles, drones: The government may soon tweak the production-linked incentive scheme for pharmaceuticals, drones and textiles sectors to encourage investment and boost manufacturing. *[The Economic Times]*

Upward revision - OECD raises India's FY24 GDP growth projection to 6.3%: The Organisation for Economic Cooperation and Development (OECD) has raised India's gross domestic product (GDP) growth projection for financial year 2024 to 6.3 per cent, up from the previous estimate of 6 percent. *[Business Standard]*

Advance tax collections rise 20%; Rs 3.54 lakh crore in kitty till September 15: Advance tax collections in the first half of the fiscal year 2023-24 have increased by 20% compared to the previous year, reaching ₹3.54 lakh crore. These collections are expected to further increase as more information is received from banks. *[The Economic Times]*

India's net direct tax collections rise 23.5% YoY to Rs 8.65 lakh crore in FY24 so far: India's net direct tax collection between April 1 and September 16, 2023, stood at Rs 8.65 lakh crore, up 23.5 per cent on an annualised basis. *[The Economic Times]*



Foreign Investment

US furniture maker Haworth to expand its presence and manufacturing footprint in India: Haworth, a \$2.5-billion US-based global furniture maker, will expand and strengthen its footprint in India to tap the fast-growing domestic market. *[Business Line]*

Capital goods, BFSI and IT top draws for foreign funds: Foreign portfolio investors sold shares worth Rs 20,000 crore across 13 sectors between September 1 and 15, according to data from the National Securities Depository. Mining, metals, power, oil and gas, telecom, and construction materials are among the sectors that saw foreign investors booking profits. *[The Economic Times]*

PE-VC investments increase to USD 5.2 billion in August as large deals shoot up: The investments are more than double of the USD 2.3 billion witnessed in August 2022, even though the number of transactions has declined from 32 in the year-ago period. *[The Economic Times]*

Casio to start local manufacturing of watches in India by the end of 2023: Leading Japanese consumer electronics maker Casio would start local manufacturing of watches by the end of this year in India, which is a priority market for the company. *[The Economic Times]*

LVMH, Gucci to expand in India with new outlets in Reliance's luxury mall: Global luxury brands such as Gucci, Cartier, and Louis Vuitton, among others, have signed leases for retail spaces in a new Mumbai mall developed by Asia's richest Mukesh Ambani. *[The Economic Times]*

Tata Steel to get £500 million from UK for Port Talbot: Tata Steel announced a revival plan for its UK unit, securing a £500 million grant from the Rishi Sunak government to help fund the transition of the Port Talbot plant to more sustainable technologies. *[The Economic Times]*

France's Total Energies to invest \$300 mn to form JV with Adani Green: Adani Green Energy, part of the Gautam Adani-led group, on Wednesday announced a new joint venture (JV) with France's TotalEnergies to house a 1,050-megawatt (Mw) green portfolio. The French energy giant would invest \$300 million in this 50:50 JV. *[Business Standard]*

Equity FDI into India declines sharply to \$5.7 bn in April-July period: Showing the effect of the slowdown in global economic activity, the equity foreign direct investment (FDI) into India declined sharply to \$13.9 billion in April-July 2023 from \$22.04 billion a year ago. *[Business Standard]*

Foreign flows into Indian equities to take a breather, suggest analysts: Foreign flows into Indian equities are expected to pause in the short to medium term, say analysts. The outlook is influenced by multiple factors, including rising oil prices, actions from global central banks, climbing bond yields, and the dollar index gaining prominence. *[Business Standard]*



Trade Policy and Competitiveness

EU carbon tax and other laws to impact \$37 billion of India's exports: The Council on Energy, Environment and Water has said that India's exports of around \$37 billion, which is approximately 43% of the country's exports to the EU as of 2022, are likely to be impacted due to the bloc's various non-tariff measures (NTM) including the Carbon Border Adjustment Mechanism (CBAM). *[The Economic Times]*

India begins anti-dumping probe on drawer sliders, sulphur black imports from China: India has initiated a probe into the alleged dumping of drawer sliders by Chinese firms in the country. It has also initiated an anti-dumping probe on sulphur black imports from China. *[The Economic Times]*

India's trade deficit widens to 10-month high in August, exports rise to a three-month high: India's trade deficit widened to a 10-month high of \$24.16 billion in August, down 2.8 per cent year-on-year, government data showed on Friday. Owing to falling imports and exports, India's trade deficit in July had narrowed to \$20.67 billion. *[The Economic Times]*

Indian exporters fear Canada row could disrupt shipments: With India and Canada enmeshed in a diplomatic row, engineering and apparel exporters fear that their shipments to this growing market could be disrupted. *[The Economic Times]*

India plans graded customs duties on telecom components to boost domestic manufacturing: India plans to levy customs duties in a graded manner on telecom components to discourage imports and build a robust domestic supply chain as it aims to transform the country into a fully integrated global telecom gear manufacturing hub. *[The Economic Times]*

Imports from Russia doubles to \$25.69 billion in April-August: The country's imports from Russia almost doubled to USD 25.69 billion during the April-August period this fiscal due to increasing inbound shipments of crude oil and fertiliser. *[The Economic Times]*



Corporate Governance

Tata Consumer leads race for maker of Ching's Secret, values co at Rs 5,500 cr: Tata Consumer Products Ltd (TCPL) has emerged as the frontrunner to acquire Capital Foods Pvt Ltd, the maker of condiments, food products and ingredients under the Ching's Secret and Smith & Jones brands, ending weeks of protracted negotiations. *[The Economic Times]*

Record 102,611 companies, LLPs incorporated till August: A record 102,611 companies and limited liability partnership (LLP) firms were incorporated between April and August, up 11.5% from a year before, showed the latest data compiled by the Ministry of Corporate Affairs (MCA). *[The Economic Times]*

Manipal acquires majority stake in AMRI Hospitals for Rs 2,300 cr: India's second-largest hospital chain Manipal Hospitals has acquired a majority stake -- 84 per cent -- in Kolkata-based AMRI Hospitals, which is part of Emami Group, for an undisclosed amount in a bid to strengthen its presence in the country's eastern region. The region witnesses an influx of patients from a few neighbouring countries, too. *[Business Standard]*

GIC close to buying majority stake in ESR India for \$400 million: Singapore's sovereign wealth fund GIC is close to picking up a majority stake in Hong Kong-listed logistics real estate platform ESR's logistics and warehousing assets in India in a deal valued at around \$400 million. *[Business Line]*

Disney said to be in talks with RIL over future of its India business: The Walt Disney Co is believed to have held talks with Reliance Industries (RIL), which also owns a majority stake in Viacom18, at a time when the American media conglomerate is looking at various strategic options for its India business. *[The Economic Times]*

Burger King may end Pepsi tie-up, sign with rival Coke: Burger King, the second largest burger chain in India, is in advanced negotiations to sign a deal with Coca-Cola as its exclusive beverages partner, breaking off its near 10-year relationship with rival PepsiCo. *[The Economic Times]*

M&A Frenzy soars to \$22.5 billion in August, a 16-month peak - Refinitiv: India-targeted Mergers & Acquisitions (M&A) deal activity hit a 16-month high of \$22.5 billion in August 2023, substantially higher than the deal value of \$ 7.9 billion reported in same month last year, showed latest data from Refinitiv, an LSEG business. *[Business Line]*

Dabur aims for Rs 7,000 crore in revenues in home and personal care segment: FMCG major Dabur India said on Friday that it is planning to grow its Home and Personal Care (HPC) segment in double digits and targeting revenue of Rs 7,000 crore in the medium term. The company is also targeting Rs 5,000 crore in sales from its healthcare segment. *[Business Standard]*



MSMEs and Start-ups

PM Narendra Modi launches Rs 13,000-crore 'PM Vishwakarma scheme': The scheme, with an initial outlay of Rs 13,000 crore, will provide a global market for traditional crafts and products, and will enable local artisans to become part of the global supply chain. *[Business Standard]*

FinMin says govt will provide up to 8% interest subsidy for Vishwakarma Yojana: According to Finance Minister Nirmala Sitharaman, the government will provide a subsidy of up to 8 per cent for loans made to craftsmen as part of the Vishwakarma Yojana, which Prime Minister Narendra Modi unveiled on Sunday. *[The Economic Times]*

Government turns focus on skilling for small businesses: The skill development and entrepreneurship ministry has turned its focus on enhancing employability and productivity of small, informal enterprises by incentivising skills training for micro, small and medium enterprises (MSMEs) and providing tailor-made courses to meet the demand for skilled workers from small enterprises. *[The Economic Times]*

NBFCs anticipate 40-50% jump in MSME loan sanctions for festival season: NBFCs are anticipating 40-50 per cent jump in MSME loan sanctions and disbursements ahead of the festival season on the back of an over 50 per cent expected rise in sales volumes. *[Business Line]*

Space technology startups want Centre to share insurance liability: Indian space companies, under the aegis of the Indian Space Association (ISpA), are in discussions with the government on a "shared liability" model for third-party liability insurance for domestic satellite and rocket companies. *[Business Standard]*

MSMEs not integrated with e-commerce platforms face survival threat - ICRIER: The micro, small and medium enterprises (MSMEs) that are unable to integrate with e-commerce platforms may find it increasingly difficult to access the market as the technology represents a 'survival threat' to them, says a latest study by the Indian Council for Research on International Economic Relations (ICRIER). *[Business Standard]*



Employment and Industrial Relations

86% GCCs keeping service expansion as top priority over the next 1 year - EY: Eighty-six per cent of Global Capability Centres (GCCs) in India are looking at service expansion as their top priority over the next 12 months, a report released by consultancy EY said on Wednesday. It added that 56 per cent of GCCs are developing customer-facing products. *[Business Standard]*

Formal job creation under EPFO highest in July since 2018 - Labour Ministry: Formal job creation under the Employees' Provident Fund Organisation surged to an all time high, since the computation of data in 2018, with the addition of 1.87 million net subscribers in July compared to 1.01 million net new subscribers added in June or 1.82 million subscribers added in July 2022. *[The Economic Times]*

Labour market shows progress in key areas but challenges remain: India's labour market has shown considerable progress in key areas such as regular wages, intergenerational mobility, and reductions in both caste-based segregation and gender disparities since the 1980s. *[Business Standard]*

Employment jumped post-Covid but 2 in 5 young graduates still have no jobs: The unemployment rate in India has gone down since the Covid-19 pandemic but the young graduates, fresh out of college and below the age of 25, are finding it the most difficult to get jobs. *[Business Standard]*



Industrial Finance

US International Development Finance Corporation sanctions \$20 million loan for Ummeed Housing Finance: The US International Development Finance Corporation (DFC) has sanctioned a \$20 million long term loan for Gurgaon-based Ummeed Housing Finance to fund housing needs of the economically weaker and middle-income groups. *[The Economic Times]*

IRDAI to roll out nationwide cashless medical-insurance settlement soon: Insurance regulator IRDAI has mandated the Committee on Common Empanelment Process of Hospitals and 100% Cashless to submit a report on implementing fully cashless medical-insurance settlement in hospitals across the country. *[The Economic Times]*

Sidbi to raise Rs 10,000 crore from rights issue next fiscal: Small Industries Development Bank of India (Sidbi), which refinances SME loans, plans to float a Rs 10,000-crore rights issue next fiscal to expand its equity capital as it expects to grow assets to Rs 5 lakh crore by March 2024 from about Rs 4 lakh crore in March 2023. *[The Economic Times]*

Solar panel makers may get priority sector lending tag: The Reserve Bank is examining a recommendation from banks to include loans to solar panel manufacturers within the priority sector lending bracket and is expected to take a decision in the next two-three months. *[The Economic Times]*

PFC signs MoU worth Rs 1.18 trn with SJVN for renewable energy projects: Power Finance Corporation (PFC) has inked a memorandum of understanding (MoU) with state-owned hydro power firm SJVN Ltd, committing to finance the latter's renewable energy and thermal power projects. *[Business Standard]*

With no counter bids, NARCL emerges as a successful bidder to acquire Dharani Sugars: The government-owned bad debt aggregator NARCL (National Asset Reconstruction Company Ltd) has emerged as a successful bidder for Dharani Sugars & Chemicals Ltd, indicating the prospects of revival for the Chennai-headquartered company. *[Business Line]*



Technology and Innovation

Rs 90,000 crore demand in online sales, 15% more jobs expected in upcoming festive season: The upcoming festive season is expected to generate a demand of Rs 90,000 crore in the online retail sector, implying a growth of 18-20% compared to the last year. *[The Economic Times]*

Infosys teams up with Nvidia to build GenAI, to train 50,000 employees: Earlier this month, Reliance Jio Infocomm and chip manufacturer Nvidia revealed their plan to create a large language model specifically designed for India, focusing on its diverse languages and optimised for generative artificial intelligence (GenAI) applications (apps) within the country. *[Business Standard]*

CDIL Semiconductors to add new assembly lines, boost capacity by 100 million units: CDIL Semiconductors (Continental Device India) has said it will be adding new semiconductor packaging lines via the IT ministry's SPECS scheme, as the semiconductor chips and components manufacturer looks to bolster annual capacity by 100 million units with the new lines. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

Cost overruns of central government projects decline in August to 19.08%: Cost overruns of central government projects worth Rs 150 crore and above declined for a fourth consecutive month to 19.1% in August compared with 19.5% in the previous month. *[The Economic Times]*

Hope builds up for the world's biggest oil refinery coming up in India: There's hope for the world's biggest oil refinery India proposes to build in Maharashtra which has been stuck in politics and protest for the past few years. *[The Economic Times]*

Micron set to break ground for Sanand semiconductor plant on Saturday: Micron Technology is set to break ground for its semiconductor plant in Gujarat's Sanand on Saturday, September 23, The Economic Times (ET) reported on Wednesday. This comes three months after the chipmaker announced its plans to set up a unit in India. The plant is likely to be operational by late 2024. *[Business Standard]*

MG Motor mulls options for setting up a second India plant: MG Motor began operations in India in 2019. At present, the company has five models being sold here and their sales number around 5,000 units per month. Two of these five models are electric vehicles (EV). Currently, 25 per cent to 30 per cent of the company's India sales are coming from the EVs. *[The Economic Times]*

Spanish firm Travipos SA to set up ethanol plant, concrete sleeper factory in North Bengal: Spanish building materials manufacturer Travipos SA will set up an ethanol plant in West Bengal's Siliguri and a modern concrete sleeper manufacturing plant in New Jalpaiguri. *[Business Line]*



Sustainable Industrialisation

JSW, Tata, Adani make a beeline to meet industrial green energy needs: Energy companies from three major conglomerates—JSW, Adani, and Tata—are intensifying efforts to meet green energy needs in the commercial and industrial (C&I) sector. *[Business Standard]*

Ashok Leyland to invest Rs 1000 crore in a greenfield plant in UP for making e-buses: Ashok Leyland has signed an agreement with the Uttar Pradesh Government for setting up a greenfield plant that will make electric buses. *[The Economic Times]*

REC sanctions Rs 6,075 crore loan to Greenko, Rs 3,081 crore debt to Serentica Renewables: State-run REC Ltd has sanctioned a Rs 6,075-crore loan to renewable energy company Greenko for setting up a 1,440-MW standalone pumped storage project. *[The Economic Times]*



Sectoral News

Vodafone Idea pays Rs 1701 crore to DoT for spectrum auction instalment: Vodafone Idea has made a requisite payment of Rs 1,701 crore to the Department of Telecommunications telecom department towards 2022 Spectrum Auction Instalment. *[The Economic Times]*

Centre plans to optimise movement of iron ore and steel: India wants to optimise movement of iron ore and steel under a plan for efficient logistics prepared by the Ministry of Steel. *[The Economic Times]*

Telcos may seek DoT's help as Trai refuses to discontinue bank guarantees: India's top private telecom operators may raise the issue around abolishment of bank guarantees with the Department of Telecommunications (DoT) after the sectoral regulator rejected their demands and proposed to continue with the practice of submitting the financial instrument for securing statutory payments. *[The Economic Times]*

FAME II may need more fuel as EV sales rev up, heavy industries ministry seeks additional INR 1,700 cr: The ministry of heavy industries is expected to ask the finance ministry for an additional INR 1,500-1,700 crore under the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles (FAME) scheme. *[The Economic Times]*

India's natural gas consumption to grow 6-7% Y-o-Y this fiscal: India's natural gas consumption is expected to grow 6-7 per cent Y-o-Y in the current financial year aided by higher domestic gas availability and softening international spot liquefied natural gas (LNG) prices. *[Business Line]*

Indians spend \$5.5 billion in overseas travel between April and July: Indian's penchant for overseas travel shows no signs of slowing down. Even after two years since the unlocking of international borders, overseas travel and spending by Indians continue to witness robust growth month after month. *[Business Line]*

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