



February 17, 2022 – Thursday

### Key Developments

#### **Govt releases draft MSME policy; proposes 8 'action areas' to overhaul the sector**

The MSME Ministry has released the draft National Policy for Micro, Small and Medium Enterprises (MSMEs) in India, proposing multiple measures to promote competitiveness, technology upgradation, cluster and infrastructure development, procurement of MSME products and dedicated credit support. India doesn't have an MSME policy till date, however, efforts have been underway since around 2015 when the One Member Committee under the chairmanship of former Cabinet Secretary Dr Prabhat Kumar was constituted by the Ministry of MSME to help in formulating the policy. The committee had submitted its recommendations in January 2017. A draft consultation paper for the MSME policy was released before 2017 as well. With the new draft floated last week by the Office of the Development Commissioner (DC-MSME) seeking feedback and suggestions by February 28, 2021, the government has highlighted eight "specific action areas" to "build a vibrant ecosystem for the rapid growth of the MSME sector." These areas included:

<https://www.financialexpress.com/industry/sme/msme-eodb-govt-releases-draft-msme-policy-proposes-8-action-areas-to-overhaul-the-sector/2435761/>

### Economy

#### **India economy to grow at quickest pace among large nations: Finmin report**

The Indian economy is poised to grow at the quickest pace among the league of large nations on the back of various initiatives taken by the government in Budget 2022-23, said the Finance Ministry's Monthly Economic Review. "The current year may as well end with an economic reset manifest of a post-COVID-19 world...Manufacturing and Construction will be the 'growth drivers', triggered by the PLI schemes and public capex in infrastructure," the review report said. Agriculture, which continues to see a constant increase in net sown area and crop diversification, will strengthen food buffers while benefiting farmers through generous volumes of procurement at remunerative minimum support prices and income transfers through PM KISAN scheme, it added. Observing that the IMF in its January 2022 update has lowered its global growth estimate for 2022, it said India is yet the only large and major country listed by the IMF whose growth projection has been revised upwards in 2022-23.

[https://www.business-standard.com/article/economy-policy/india-economy-to-grow-at-quickest-pace-among-large-nations-finmin-report-122021600517\\_1.html](https://www.business-standard.com/article/economy-policy/india-economy-to-grow-at-quickest-pace-among-large-nations-finmin-report-122021600517_1.html)

#### **2022-23 Budget proposals, recent monetary policy set tone for broad-based economic revival: RBI**

The 2022-23 Budget proposals and the recent monetary policy announcements have set the tone for a durable and broad-based economic revival which has started gaining traction as the nation emerges from the third wave of the COVID-19 pandemic, according to an RBI article. The RBI article on the 'State of Economy' also emphasised that the domestic economic situation continues to improve, the unsettled global environment notwithstanding. "The Union Budget 2022-23 and the monetary policy announcement of February 10, 2022, have set the tone for a durable and broad-based revival," said the article published in RBI's February bulletin.

<https://economictimes.indiatimes.com/news/economy/policy/2022-23-budget-proposals-recent-monetary-policy-set-tone-for-broad-based-economic-revival-rbi/articleshow/89621433.cms>

### **With declining cases, Centre asks States/UTs to change or end Covid restrictions**

In view of declining daily Covid cases, the Centre has written to all the States/UTs to review, amend or completely do away with the additional restrictions, imposed at their point of entries. On Wednesday, the daily cases in the country were at 30,615 with 514 deaths in the last 24 hours till 8:00 AM, as per the Health Ministry data. The daily case positivity rate in the country has slid down to 2.45 per cent from Tuesday's rate of 3.63 per cent. Besides this, the weekly positivity rate stood at 3.32 per cent. According to the Government, the average daily cases during last week ending Tuesday were at 50,476.

"In earlier months in view of the high Covid case trajectory, certain States had imposed additional restrictions at their borders and at airports. While effectively managing the public health challenge of Covid 19 it is equally important that movement of people and economic activities should not be hampered by additional restrictions imposed at State level point of entries," Rajesh Bhushan, Health Secretary said in a letter.

<https://www.thehindubusinessline.com/news/national/with-declining-cases-centre-asks-statesuts-to-change-or-end-covid-restrictions/article65056643.ece>

## **Banking and Finance**

### **LIC seeks exemption from Sebi on deposit norm for upcoming IPO**

The Life Insurance Corp. of India (LIC) has sought exemption from the Securities and Exchange Board of India (Sebi) on deposits with exchanges for its upcoming public offering. Any company floating an initial public offering (IPO) has to deposit an amount equivalent to 1% of the issue size with stock exchanges. The security deposit, aimed at countering fraud, is returned to the issuer after the share sale. "Our corporation vide its letter dated February 13, 2022, has sought an exemption under Regulation 300(1) of the Sebi ICDR Regulations from depositing one per cent (1%) of the amount of securities offered for subscription to the public as security deposit," LIC said in its offer document filed last week.

<https://economictimes.indiatimes.com/markets/ipos/fpos/lic-seeks-exemption-from-sebi-on-deposit-norm/articleshow/89604515.cms>

### **Govt to initiate investor outreach for IDBI Bank sale from Feb 25**

The government will start roadshows with investors for the strategic disinvestment of IDBI Bank from February 25 as the Centre and Life Insurance Corporation of India (LIC) look to sell their stake in the lender to a private buyer. The preliminary interest of investors will be gauged from the exercise as the government looks to undertake the first-ever strategic disinvestment of a public sector lender (although majorly owned by LIC). The roadshows will be held virtually as investors are not keen on physical meetings due to pandemic fears, officials in the know said. The roadshows will be managed by intermediaries appointed by Department of Investment and Public Asset Management (DIPAM), KPMG and Link Legal.

[https://www.business-standard.com/article/companies/govt-to-initiate-investor-outreach-for-idbi-bank-sale-from-feb-25-122021600421\\_1.html](https://www.business-standard.com/article/companies/govt-to-initiate-investor-outreach-for-idbi-bank-sale-from-feb-25-122021600421_1.html)

### **Gold auctions by lenders spike amid loan defaults**

Gold auction by non-banking gold loan companies surged manifold in the quarter ended December due to defaults by customers who had pawned their household gold jewellery to borrow money to restart their businesses after the first wave of Covid-19. Muthoot Finance, a leading private gold loan NBFC, for example, auctioned gold worth Rs 2,800 crore in the third quarter of 2021-22 against Rs 300-400 crore worth of yellow metal a year earlier.

<https://economictimes.indiatimes.com/industry/banking/finance/gold-auctions-by-lenders-spike-amid-loan-defaults/articleshow/89623510.cms>

## **Industry**

### **Demand recovery crucial to fill up cracks in cement sector**

The cement industry presents an intriguing picture. The Q3 (Oct-Dec 2021) saw disappointing results from most companies. This was due to a combination of several factors. Base effects are wearing off since Oct-Dec 2020 saw

some recovery. Operating costs escalated sharply especially because power / energy costs shot up. The Q4 (Jan-Mar 2022) may see some demand bounce and that would allow companies to raise prices and pass on costs to some extent. But inflation is significant and will also impact costs. More importantly, demand recovery next fiscal will be critical.

[https://www.business-standard.com/article/companies/demand-recovery-crucial-to-fill-up-cracks-in-cement-sector-122021601192\\_1.html](https://www.business-standard.com/article/companies/demand-recovery-crucial-to-fill-up-cracks-in-cement-sector-122021601192_1.html)

#### **SIDBI expands its MSME programme to Bihar; partners with state govt to support local small businesses**

Small Industries Development Bank of India (SIDBI) on Wednesday said it has partnered with the Bihar government to develop the state's MSME ecosystem. SIDBI, the principal financial institution for MSME development in the country signed two Memorandum of Understandings (MoU) with the Industries Department, Government of Bihar and Bihar Industrial Area Development Authority (BIADA). Under the first MoU with the Industry Department, SIDBI said in a statement that it will deploy Project Management Units (PMU) in making necessary interventions for facilitating the development of the MSME ecosystem. Under the second MoU, SIDBI said it will work with BIADA to benefit MSMEs who want to set up industrial units on the land or plot allotted by BIADA to promote industrialization in the state. "The MoU with SIDBI will prove to be a game-changer in the development of Micro, Small and Medium enterprises in Bihar, especially when the land of BIADA will be recognized by SIDBI as collateral for cheap and easy loans to MSMEs. This will greatly accelerate the industrial development of Bihar," Syed Shahnawaz Hussain, Minister of Industries, Government of Bihar.

<https://www.financialexpress.com/industry/sme/msme-fin-sidbi-expands-its-msme-programme-to-bihar-partners-with-state-govt-to-support-local-small-businesses/2436011/>

#### **Commercial vehicle makers count on pent-up demand, ageing fleet to drive recovery**

The commercial vehicles (CV) industry is counting on pent-up demand for fleet replacement as the existing vehicle park ages to bring in a growth cycle for trucks and the re-opening of schools and work-from-office to revive the demand for buses. The country's second-largest truck maker Ashok Leyland said there was pent-up demand for trucks in India as the average age of a truck in India today was 9.5 years, which is among the oldest ever, as fleet owners deferred purchase of new vehicles over the past couple of years, said Gopal Mahadevan, director and chief financial officer at Ashok Leyland.

<https://economictimes.indiatimes.com/industry/auto/lcv-hcv/commercial-vehicle-makers-count-on-pent-up-demand-ageing-fleet-to-drive-recovery/articleshow/89624189.cms>

#### **FAITH releases India tourism vision document envisaging goals and benchmarks for tourism till 2035**

FAITH, the policy federation of all the national associations representing the complete tourism, travel and hospitality industry of India such as FHRAI, HAI and IATO has released an India tourism vision with a vision statement, goals and an execution path for the country commemorating the 75th year of Indian independence. Nakul Anand, chairman of FAITH said FAITH's vision statement for Indian tourism entails making Indian tourism preferred and loved by global and domestic tourists, creating economic and wealth creation opportunities for tourism, travel and hospitality entrepreneurs for India, positioning tourism rightly as a social economic job and infrastructure creator for India, and becoming a role model sector for sustainable and inclusive growth.

<https://economictimes.indiatimes.com/industry/services/travel/faith-releases-india-tourism-vision-document-envisaging-goals-and-benchmarks-for-tourism-till-2035/articleshow/89615911.cms>

#### **Companies reverting to pre-pandemic levels of incentives; average increment to be 9% this year: Survey**

After a brief dip in 2020, organisations are reverting to pre-pandemic levels of investment in incentives and the industry average for increment this year is expected to be 9 per cent, a survey said on Wednesday. According to Mercer's Total Remuneration Survey, which was conducted with 988 companies, around 5,700 job functions and over 14 lakh cumulative employee strength, sectors such as consumer, life sciences and technology have all forecasted increments to be higher than the industry average in 2022. "A key positive is that organisations across the board are reverting to pre-pandemic levels of investment in rewards, expected to be at about 9 per cent for all industries in 2022, compared to 7.7 per cent in 2020, signalling positive economic and business sentiment," said Mansee Singhal, Sr Principal, Rewards Consulting Leader India.

<https://www.financialexpress.com/industry/companies-reverting-to-pre-pandemic-levels-of-incentives-average-increment-to-be-9-this-year-survey/2435934/>

## Agriculture

### Agri Ministry estimates foodgrains output at record 316.06 million tonnes this year

India is set to harvest record foodgrains in the 2021-22 crop year (July-June), thanks to a new high in the output of rice, wheat, maize and pulses, the government said on Wednesday. The record production of foodgrains, which has been rising continuously every year since 2016-17, has helped India to be among the top 10 agricultural produce exporters in the world. At the same time, the food subsidy, too, has been rising every year with the surplus getting distributed among the poor people to ensure food security.

Total production of foodgrains is estimated to be 316.06 million tonnes (mt) this year, comprising 153.54 mt from the kharif season and 162.53 mt from the rabi season, the Agriculture Ministry said releasing the second advance estimates of crops output.

<https://www.thehindubusinessline.com/economy/agri-business/agri-ministry-estimates-foodgrain-output-at-record-31606-million-tonnes-this-year/article65056429.ece>

## Infrastructure

### Highway construction, hit by rains and cyclones, falls to a four-year low

Highway construction fell to a four-year low of 22.2 km per day during the April-January period of the current financial year, mainly because multiple cyclones and heavy rains affected construction in the southern states in recent months. India built highways at a pace of 30.4 km/day in the same period in the last financial year, despite the pandemic (see chart). The sector was like the silver lining on the cloud in FY21, when most other economic activities were crippled. Data from the ministry of road transport and highways (MoRTH) showed that barring during April and December, highway construction fell on year in all the other months in the April-January period of this fiscal year, with the sharpest fall in January. While 1,929 km of highway stretches were constructed in January 2021, construction stood at just 499 km in January 2022. ICRA's Rajeshwar Burla said, "Execution (of highway projects) have been hit by multiple cyclones and heavy rains."

<https://www.financialexpress.com/infrastructure/highway-construction-hit-by-rains-and-cyclones-falls-to-a-four-year-low/2435159/>

## Energy

### Green hydrogen policy to offer open access, free storage/transmission

The government will notify first part of the National Hydrogen Policy this week to promote manufacturing of green hydrogen, under which any entity can set up a renewable energy (RE) capacity anywhere in the country and the government will provide the open access, free storage for 30 days and free transmission if the facility is set up before 2025. "The first part of Green Hydrogen Policy will come out tomorrow (Thursday) or day after. For manufacturing green hydrogen, we will give the liberty to the entities that they can set up RE capacity anywhere in India by themselves or through a developer. The government will provide them open access, banking (energy storage with Discom) for 30 days, and free transmission if that capacity is set up before 2025. They can produce green hydrogen or green ammonia," Power and New & renewable Energy Minister RK Singh told reporters here.

<https://www.thehindubusinessline.com/economy/govt-to-unveil-national-hydrogen-policy-this-week-power-minister/article65056394.ece>

### India's mineral production up 3% in December

India's mineral production rose 2.6 per cent in December 2021 over the same month a year ago, the mines ministry said on Wednesday. The index of mineral production of mining and quarrying sector at 120.3 was 2.6 per cent higher in the month under review as compared to the level in the same period of 2020, the ministry said in a statement.

As per the provisional statistics of Indian Bureau of Mines (IBM), there was a cumulative growth of 16 per cent during April-December period of 2021-22 over the year-ago period, it said. The production level of important minerals in

December 2021 includes coal 748 lakh tonne, lignite 39 lakh tonne, natural gas (utilized) 2,814 million cu m and petroleum (crude) 25 lakh tonne.

[https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/indias-mineral-production-up-3-in-december/articleshow/89613798.cms?utm\\_source=ETTopNews&utm\\_medium=HPTN&utm\\_campaign=AL1&utm\\_content=23](https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/indias-mineral-production-up-3-in-december/articleshow/89613798.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23)

### **Aviation turbine fuel prices climb to record high after 5.2% hike**

Jet fuel prices on Wednesday soared to record high levels across the country after rates were increased by 5.2 per cent in line with a rise in international oil prices. This is the fourth hike in jet fuel or Aviation Turbine Fuel (ATF) prices in less than two months following a spike in global oil prices but petrol and diesel prices remained unchanged for a record 103rd day in a row, coinciding with electioneering to elect new governments in states like Uttar Pradesh and Punjab. ATF price was hiked by Rs 4,481.63 per kilolitre or 5.2 per cent to Rs 90,519.79 per kl in the national capital, according to a price notification of state-owned fuel retailers. This is the highest ever price touched by ATF. The rate is higher than Rs 71,028.26 per kl reached in August 2008 when international crude oil prices touched USD 147 per barrel. Brent crude oil on Tuesday was trading at USD 93.87 per barrel.

[https://www.business-standard.com/article/economy-policy/aviation-turbine-fuel-prices-climb-to-record-high-after-5-2-hike-122021600641\\_1.html](https://www.business-standard.com/article/economy-policy/aviation-turbine-fuel-prices-climb-to-record-high-after-5-2-hike-122021600641_1.html)

## **States**

### **Maharashtra mulls setting up 300-acre electronics cluster in Pune**

The Maharashtra Industrial Development Corporation (MIDC) is working on developing 300-acre electronic manufacturing cluster at Ranjangaon in Pune. Consumer durables company IFB Refrigeration will be the anchor unit. According to the MIDC officials, the cluster will come up as part of the Centre's Modified Electronics Manufacturing Clusters (EMC2.0) Scheme for the development of world-class infrastructure along with common facilities and amenities through Electronics Manufacturing Clusters (EMCs).

<https://www.thehindubusinessline.com/news/national/maharashtra-mulls-setting-up-300-acre-electronics-cluster-in-pune/article65056259.ece>

### **Goa achieves 100% Covid 19 vaccination target**

Goa has achieved the target of administering both the doses of anti-coronavirus vaccines to its entire 11.66 lakh eligible population above 18 years of age, a health official said on Wednesday. After achieving the target, the state Directorate of Health Services has decided to close down all its COVID-19 vaccination centres and integrate them into the normal immunisation programme, the official said. "The state has registered 100 per cent vaccination of the second dose of anti-coronavirus vaccines. As the process has completed, the COVID-19 vaccination centres in the state will be shut and the exercise will be integrated into the normal immunisation programme," Dr Ira Almeida, director of Health Services, Goa, told reporters here.

<https://economictimes.indiatimes.com/news/india/goa-achieves-100-covid-19-vaccination-target/articleshow/89621966.cms>

## **Healthcare**

### **Medical Tourism struggles to recuperate from Covid pandemic losses**

Despite India being an attractive destination for people undertaking medical tourism from many countries, including Bangladesh, Sri Lanka, West Asia, Maldives and Africa among others, this segment was severely impacted after Covid pandemic. This hospital sector is now trying to recuperate from the losses it incurred. According to experts, corporate hospitals earn 10-15 per cent of the total revenue from medical tourism in the pre-Covid period. Patients generally prefer India for elective surgeries like organ transplant, oncology, joint transplant, heart surgeries, along with complex surgeries too in some cases. "In pre-Covid times, 10-12 per cent of our total revenue came from medical tourism. During the first wave, revenue came to nearly zero because the air traffic had come to a halt. Subsequently we revived a little bit. Talking about the last quarter we were at 50-60 per cent of the pre-Covid levels.

Patients were coming to us through an air-bubble arrangement. Most of the recovery is from Bangladesh,” Dilip Jose, Managing Director and Chief Executive Officer of the Manipal Hospitals told BusinessLine.

<https://www.thehindubusinessline.com/news/variety/medical-tourism-struggles-to-recuperate-from-covid-pandemic-losses/article65056369.ece>

### **Third wave reorders India's pharma sweepstakes, antibiotic Azithral becomes top-selling drug**

Indian pharma industry recently witnessed a notable rejig in terms of the pecking order in top-selling products. In January 2022, Azithral became the largest-selling pharma brand for the first time. The antibiotic medicine, marketed by Alembic Pharma, beat Human Mixtard, the market leader anti-diabetic therapy. Usually, the sales pecking order in India is topped by lifestyle disease medicines — such as diabetes including Human Mixtard (Novo Nordisk), Glycomet-GP (USV) and Lantus (Sanofi) — in normal years.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/third-wave-reorders-indias-pharma-sweepstakes-antibiotic-azithral-becomes-top-selling-drug/articleshow/89607437.cms>

### **External**

### **Gems and jewellery exports up 6.5 pc to USD 32.37 bn during April-Jan: GJEPC**

Gems and jewellery exports rose by 6.5 per cent to USD 32.37 billion during April-January this fiscal, industry body GJEPC said on Wednesday. The exports stood at USD 30.40 billion in the same period of the previous year. The top 10 export destinations include the UAE (41.50 per cent), Belgium (15.81 per cent), Japan (12.20 per cent) and Hong Kong (3.06 per cent) during the 10 months period of this fiscal, Gem and Jewellery Export Promotion Council (GJEPC) said in a statement. It added that the free trade agreement (FTA) with the UAE, when implemented, would help to further push exports of plain gold and gold studded jewellery. The council has urged the government to seek abolition of import duty of 5 per cent in the UAE on the exports of gold, silver, and platinum jewellery from India. “UAE accounts for 80 per cent of India’s plain gold jewellery exports and 20 per cent of studded jewellery exports. The FTA between India and UAE has come at an opportune time...UAE is a gateway to the entire Middle East region,” it added.

<https://www.financialexpress.com/economy/gems-and-jewellery-exports-up-6-5-pc-to-usd-32-37-bn-during-april-jan-gjepc/2435997/>

### **India Jan oilmeal export dips 65% to 1.76 lakh tonnes: SEA**

The country's oilmeal export declined by 65 per cent year-on-year to 1.76 lakh tonnes in January this year, mainly due to fall in shipments of soyabean and rapeseed meal, industry body SEA said on Wednesday. In January 2021, the country's oilmeal export stood at 5.01 lakh tonnes. During the April-January period of the current fiscal, overall export of oilmeal fell 35 per cent to 19.43 lakh tonnes, when compared with 29.69 lakh tonnes in the year-ago period. Oilmeal is used as animal feed in poultry and other sectors. According to the latest data released by the Solvent Extractors Association of India (SEA), export of soyabean extraction declined sharply to 52,771 tonnes in January of this year, from 2.83 lakh tonnes in the same month of the previous year.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-jan-oilmeal-export-dips-65-to-1-76-lakh-tonnes-sea/articleshow/89613162.cms>

### **India-UAE FTA likely to help gem and jewellery industry increase exports to Gulf country**

The India-UAE Free Trade Agreement (FTA), which is likely to be signed shortly, is expected to help the gem and jewellery industry to increase exports of plain gold and gold studded jewellery to UAE. The exports of these items have been badly hit during the pandemic. Among the top 10 gem and jewellery export destinations, UAE has witnessed the highest fall of 41.50% followed by Belgium 15.81%, Japan 12.20%, and Hong Kong 3.06% during April 2021 – January 2022 as compared to April 2019 – January 2020.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/india-uae-fta-likely-to-help-gem-and-jewellery-industry-increase-exports-to-gulf-country/articleshow/89611093.cms>