



March 14, 2022 – Monday

Economy

India GDP growth forecast cut to 7.9 pc: Morgan Stanley

As higher oil prices torpedo economic recovery worldwide, Morgan Stanley has cut India's GDP forecast for the fiscal year beginning April 1 by 50 basis points to 7.9 per cent, raised retail inflation projection to 6 per cent and expects current account deficit to widen to 3 per cent of GDP.

<https://economictimes.indiatimes.com/news/economy/indicators/india-gdp-growth-forecast-cut-to-7-9-pc-morgan-stanley/articleshow/90181404.cms>

Govt plans to publicise its social welfare schemes, benefits

The central government plans to spread the message on the way various social welfare schemes have benefitted the masses, including women, and people from SC and ST communities. A decision was taken last week to ask the various central ministries to collate the various welfare schemes launched by them in the past seven-and-a-half years and the number of people they have benefitted.

<https://economictimes.indiatimes.com/news/economy/policy/govt-plans-to-publicise-its-social-welfare-schemes-benefits/articleshow/90184657.cms>

India's post-pandemic eco recovery progressing well; high oil prices pose risks: Ashima Goyal

India's economic recovery from COVID-19 is progressing well, with better than expected growth rates, and the trajectory will continue but persistently high oil prices can play spoilsport, eminent economist Ashima Goyal said.

<https://economictimes.indiatimes.com/news/economy/finance/indias-post-pandemic-eco-recovery-progressing-well-high-oil-prices-pose-risks-ashima-goyal/articleshow/90182444.cms>

Budget session of Parliament resumes from Monday

The second part of the Parliament's Budget session begins on Monday with the Opposition set to corner the government on a range of issues, including rising unemployment, a reduction in the interest rate on employees' provident fund and the evacuation of Indians stranded in war-hit Ukraine. Top on the government's agenda would be getting Parliament's approval to the budgetary proposals and presentation of the budget for the Union Territory of Jammu and Kashmir.

<https://economictimes.indiatimes.com/news/india/budget-session-of-parliament-resumes-from-monday/articleshow/90184762.cms>

Current WPI series to be scrapped, new one with 2017-18 as base yr on cards

The government is at an advanced stage of finalising the new Wholesale Price Index (WPI) series that aims to capture the structural changes taking place in the economy over time. The new base year will be 2017-18, government officials said. Wholesale inflation rate, measured by WPI, is a crucial measure to capture the dynamic price movements in commodities for bulk buy by traders. The current series of WPI — with base year of 2011-12 — was the seventh revision of WPI and implemented from 2017 onwards.

https://www.business-standard.com/article/economy-policy/current-wpi-series-to-be-scrapped-new-one-with-2017-18-as-base-yr-on-cards-122031400062_1.html

Banking and Finance

IRFC to raise \$1.10 bn via yen-denominated offshore loan ahead of Japanese PM visit

Indian Railways Finance Corp (IRFC) is set to raise \$1.1 billion (about 130 billion yen, or Rs 8,440 crore) through a yen-denominated syndicated offshore loan.

Japanese lenders Mizuho Bank, MUFG and Sumitomo Mitsui Banking Corp (SMBC) are likely to sign an agreement for the loan around Japanese Prime Minister Fumio Kishida's India visit this week.

<https://economictimes.indiatimes.com/industry/banking/finance/irfc-to-raise-1-10-bn-via-yen-denominated-offshore-loan-ahead-of-japanese-pm-visit/articleshow/90187500.cms>

Banks may miss March-end target for moving 15 stressed assets to NARCL

Banks' plan to transfer 15 stressed assets aggregating about ₹50,000 crore to the National Asset Reconstruction Company Ltd (NARCL) by this month end may face delays due to teething problems at the transferee's end.

<https://www.thehindubusinessline.com/money-and-banking/banks-may-miss-march-end-target-for-moving-15-stressed-assets-to-narcl/article65219996.ece>

FPI selling continues for 6th consecutive month; net outflows at ₹45,608 crore in March so far

Continuing their selling spree for the sixth straight month, overseas investors have pulled out a net ₹45,608 crore from the Indian markets in March so far.

As per depositories data, FPIs pulled out ₹41,168 crore from equities, ₹4,431 crore from the debt segment and ₹9 crore from hybrid instruments, taking the total net outflow between March 2-11 to ₹45,608 crore.

<https://www.thehindubusinessline.com/markets/fpi-selling-continues-for-6th-consecutive-month-net-outflows-at-45608-crore-in-march-so-far/article65219858.ece>

Industry

Pent up demand for trucks at half a million, opportunity of \$10 billion up for grabs

The need to replace an ageing fleet and a revival in the economy may generate demand for close to half a million light-medium and heavy-duty trucks worth \$10 billion over the next 12-18 months, say industry players.

Sales of trucks in the 5-55-tonnage range have already returned to pre-Covid levels this fiscal year, they said. The market had shrunk the previous two years, hurt by an economic slowdown and then due to the impact of the pandemic.

<https://economictimes.indiatimes.com/industry/auto/lcv-hcv/pent-up-demand-for-trucks-at-half-a-million-opportunity-of-10-billion-up-for-grabs/articleshow/90187922.cms>

Covid-linked products: Extraordinarily active patent-filing activity seen during pandemic: WIPO report

The pandemic has not dampened patenting activities across the globe, according to a recent report from the World Intellectual Property Organisation (WIPO).

"Universities and research organisations have filed nearly as many patent applications as corporations for Covid vaccines during the early months of the global pandemic," points out the WIPO's recently released Patent Landscape Report on Covid-related vaccines and therapeutics.

<https://www.thehindubusinessline.com/companies/covid-products-extraordinarily-active-patent-filing-activity-seen-during-pandemic-wipo-report/article65221720.ece>

Traders' body seeks exemption from GST registration for small businesses selling online

The Confederation of All India Traders (CAIT) on Sunday wrote to the Finance Minister Nirmala Sitharaman urging the government to amend Sections 24 and 52 of the Central Goods & Services Tax (GST) Act in the next GST Council meeting.

<https://www.thehindubusinessline.com/info-tech/traders-body-seeks-exemption-from-gst-registration-for-small-businesses-selling-online/article65221704.ece>

Finance ministry working on consultation paper to deal with cryptoassets

The finance ministry is working on a consultation paper to devise a domestic regulatory framework on how to deal with cryptoassets and may invite public comments on it in six months' time. "At present, we are engaged in consultation with institutions like the International Monetary Fund (IMF), World Bank, and the Financial Stability Board (FSB). While a global consensus on the issue may take time, we are working on a consultation paper on cryptoassets to formulate our own views on the matter. We will release it for public consultation in about six months' time,"

https://www.business-standard.com/article/markets/finance-ministry-working-on-consultation-paper-to-deal-with-cryptoassets-122031300845_1.html

Agriculture

Credit a key challenge before Farmer Producer Organisations: G R Chintala, chairman, Nabard

The key challenge being faced by Farmer Producer Organisations (FPOs) is inadequate access to institutional credit due to low capital base, absence of credit history and non-availability of collateral.

<https://www.financialexpress.com/economy/credit-a-key-challenge-before-farmer-producer-organisations-g-r-chintala-chairman-nabard/2459571/>

Cooperative sector to contribute hugely in \$5 trillion economy goal: Union Minister Amit Shah

Union Minister Amit Shah on Sunday said the cooperative sector is going to make the largest contribution to Prime Minister Narendra Modi's dream of making India a USD five trillion economy, in the process benefiting several crore people associated with it. Addressing a gathering of milk producers of the Surat District Co-Operative Milk Producers' Union Ltd. (Sumul) here, the Union Home and Cooperation Minister said a strong cooperative sector will help realise the dream of Atmanirbhar Bharat.

<https://www.financialexpress.com/economy/cooperative-sector-to-contribute-hugely-in-5-trillion-economy-goal-union-minister-amit-shah/2459604/>

Fertiliser subsidy may exceed RE by Rs 10K crore; fiscal deficit to remain close to 6.9% in FY22

The government's fertiliser subsidy bill in the current fiscal year may go up by about Rs 10,000 crore due to the Russia-Ukraine war, but higher tax revenues will help keep fiscal deficit close to the estimated 6.9 per cent level, an official said. The official further said the oil prices are expected to cool in the next 2-3 months on higher production from the US and OPEC member countries.

<https://www.financialexpress.com/economy/fertiliser-subsidy-may-exceed-re-by-rs-10k-cr-fiscal-deficit-to-remain-close-to-6-9-in-fy22/2459487/>

Tea industry seeks special financial package from Centre

Representative bodies of the tea industry have sought a special financial package from the Centre for retaining its viability which is now under serious threat, an official of the Indian Tea Association (ITA) said. The tea industry bodies recently met the Parliamentary Standing Committee on Commerce and submitted a representation on the challenges faced by the sector.

<https://economictimes.indiatimes.com/industry/cons-products/food/tea-industry-seeks-special-financial-package-from-centre/articleshow/90180394.cms>

Infrastructure

Indian Railways to map coal, mineral mines and ports to bridge connectivity

The Indian Railways is planning to map coal, mineral mines, and ports across the country which have zero or inadequate connectivity and make them part of its flagship mission — Hungry for Cargo. The Railways will build new lines and boost the existing network from these areas to the main rail grid. "We are mapping and surveying 48 coal and mineral mines and 29 ports for this project. We have identified approximately 100 million tonne (mt) of minerals," said a senior Ministry of Railways official.

https://www.business-standard.com/article/economy-policy/indian-railways-to-map-coal-mineral-mines-and-ports-to-bridge-connectivity-122031300852_1.html

Energy

No excise duty cut on petrol-diesel, for now

The government has ruled out cutting Central Excise Duty on petrol and diesel. In the meantime, the government is looking to Russian window for supply of crude which is expected to cool down the impact of surging prices of Indian basket of crude

<https://www.thehindubusinessline.com/economy/no-excise-duty-cut-on-petrol-diesel-for-now/article65221637.ece>

Import tariffs to make solar panels costlier, slow down projects

The pace of capacity-building in the solar power sector may slow down, as cost of key capital equipment is set to rise with an import tariff to be effective from the next financial year. Prices of domestically manufactured solar panels have jumped 20% in the last two months to Rs 26-27 per watt peak as many developers expedited their projects, ahead of the basic customs duties (BCD) of 40% and 25% to take effect from April 2 on panels and cells respectively. What will slow the pace of projects is also the fact that the domestic market for panels is set to be out of bounds for Chinese suppliers because none of them are on the approved list of models and manufacturers (ALMM) which is to be effective from April 1.

<https://www.financialexpress.com/economy/import-tariffs-to-make-solar-panels-costlier-slow-down-projects/2459580/>

Telecom

Trai order: Telcos to seek more time for implementation

Telecom operators are planning to seek more time from the Telecom Regulatory Authority of India (Trai) for implementing the directive of having at least one pre-paid tariff plan with validity of 30 days, as they need to upgrade their billing software. In a tariff order issued on January 27, Trai had directed all the telecom operators to offer pre-paid subscribers at least one plan voucher, one special tariff voucher and one combo voucher, which shall be renewable on the same date of every month. Apart from this, operators have to offer at least one plan voucher, one special tariff voucher and one combo voucher having a validity of 30 days. Trai had given 60 days to operators to implement the order, during which the required modifications in their billing systems can be done.

<https://www.financialexpress.com/industry/trai-order-telcos-to-seek-more-time-for-implementation/2459728/>

Aviation

Policy on cards to expand air connectivity to far-flung areas, says Aviation Minister Scindia

Union Civil Aviation Minister Jyotiraditya Scindia on Sunday said his ministry is working on a policy on the use of small planes and helicopters for expanding regional connectivity.

"We want that with our policy regional air connectivity should bolster and reach far-flung areas. And for this, a policy for the use of small planes and helicopters is being tailored," Scindia said.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/policy-on-cards-to-expand-air-connectivity-to-far-flung-areas-says-aviation-minister-scindia/articleshow/90184784.cms>

States

How Tamil Nadu powered up the EV-making ecosystem

There's an electric buzz around the north-western districts of Tamil Nadu. The sizzle is caused by the number of new-age EV companies such as Ola Electric, Simple Energy and Ather Energy, among others, which have set up electric vehicle manufacturing plants in and around the Hosur, Dharmapuri and Krishnagiri (HDK) belt, just across the Karnataka border from Bengaluru.

<https://www.thehindubusinessline.com/specials/corporate-file/how-tamil-nadu-powered-up-the-ev-making-ecosystem/article65218136.ece>

Kerala Labour Minister asks Centre to maintain EPF interest rate at 8.5 per cent

Kerala Labour Minister V Sivankutty on Sunday asked the central government to maintain the interest rate on employees' provident fund (EPF) deposits at 8.5 per cent and not to slash it to 8.1 per cent as recommended by the Central Board of Trustees (CBT). The minister has made the request in a letter to Union Labour Minister Bhupender Yadav.

<https://economictimes.indiatimes.com/news/india/kerala-labour-minister-asks-centre-to-maintain-epf-interest-rate-at-8-5-per-cent/articleshow/90185276.cms>

Massive demand, supply, price upcycle await Mumbai's real estate: Report

The Mumbai property market that accounts for 10 per cent of national volumes, 23 per cent of sales and a third of the margins, is on the cusp of a historic upcycle on all fronts, having already hit a decadal high of new or primary sales in 2021 selling 38,000 units despite the pandemic-induced disruptions, says a report. This also has the city civic body BMC netting around a whopping Rs 14,200 crore in 2021 as building permission charges, up 5x from the previous year, as developers have been making a beeline to make it big in the country's most profitable market, UBS Securities India said in a weekend report.

https://www.business-standard.com/article/economy-policy/massive-demand-supply-price-upcycle-await-nation-s-most-profitable-property-market-report-122031300541_1.html

External

Gold imports surge to \$45 billion in April-February this fiscal

India's gold imports, which have a bearing on the country's current account deficit (CAD), surged by about 73 per cent to \$45.1 billion during April-February this fiscal on account of higher demand, according to official data. The imports stood at \$26.11 billion in April-February 2021.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/gold-imports-surge-to-45-billion-in-april-feb-this-fiscal/articleshow/90181979.cms>

Fed to start rate hikes with licence to turn aggressive later

The Federal Reserve will this week begin a multi-month campaign to conquer inflation that could see Chair Jerome Powell moving even more aggressively after Russia's war on Ukraine fanned prices further.

<https://economictimes.indiatimes.com/markets/stocks/news/fed-to-start-rate-hikes-with-licence-to-turn-aggressive-later/articleshow/90187666.cms>

G7 warns against unjustified export restrictions in wake of Ukraine war

On the one hand, G7, EU and other organisations are calling for guarding against export restrictions in wake of the Ukraine-Russia war for stabilising food prices and on the other hand, environmental activists view the situation as an opportunity to reduce or end commercial agriculture for export that can harm environment and hardly adds to food security. The G7 countries and the Commissioner for Agriculture, EU have called on all countries to "keep their food and agricultural markets open" and to guard against any "unjustified restrictive measures on their exports" in wake of the Ukraine-Russia war.

https://www.business-standard.com/article/international/g7-warns-against-unjustified-export-restrictions-in-wake-of-ukraine-war-122031300031_1.html

How Russia's invasion of Ukraine is tearing apart the global food system

The global food system is under threat as Russia's invasion of Ukraine puts one of the world's major breadbaskets in jeopardy.

Food inflation

The Ukraine war threatens staple crops from Europe's key grain-growing regions, which means escalating food prices that have already been plaguing consumers around the world could get worse, raising the threat of a full-blown hunger crisis.

Food protectionism

Governments are taking steps to keep food supplies closer to home. Hungary, Indonesia and Argentina have imposed trade barriers on agricultural exports.

https://www.business-standard.com/article/international/how-russia-s-invasion-of-ukraine-is-tearing-apart-the-global-food-system-122031400068_1.html