



April 01, 2022 – Friday

Key Developments

Finance Ministry bars ministries & departments from issuing 'Letters of Comfort'

The finance ministry has said ministries and departments can no longer issue a 'Letter of Comfort' to any entity, a measure that is aimed at bringing further transparency in fiscal matters and budgeting. The ministry had permitted ministries and departments to issue such 'Letters of Comfort' in 2017. A letter of comfort issued by a ministry essentially gives an assurance to the party it is issued saying that the underlying obligation would be met. Many infrastructure ministries such as the Railways had been using these letters even though the instrument itself does not have legal sanctity. "As a measure of fiscal transparency and accountable debt management it is essential to have one instrument and that instrument is government guarantees," a senior government official privy to the development, told ET.

<https://economictimes.indiatimes.com/news/economy/policy/finance-ministry-bars-ministries-departments-from-issuing-letters-of-comfort/articleshow/90578200.cms>

Govt extends stock limits on edible oils, oilseeds till December

The government on Thursday extended stock limits on edible oils and oilseeds till December this year in order to check the soaring prices of the commodities due to the current global geopolitical situation. The order in this regard will come into effect from April 1, an official statement said. In October 2021, the Ministry of Consumer Affairs had imposed stock limits till March 2022, and left the decision to states to decide whether the stock limits should be based on the availability and consumption pattern. According to the fresh order, the stock limit for edible oils will be 30 quintals for retailers, 500 quintals for wholesalers, 30 quintals for retail outlets of bulk consumers i.e. big chain retailers and shops and 1,000 quintals for its depots. Processors of edible oils can stock up to 90 days of their storage/production capacities.

https://www.business-standard.com/article/economy-policy/govt-extends-stock-limits-on-edible-oils-oilseeds-till-december-122033101054_1.html

Economy

Retail inflation for industrial workers eases to 5.04% in Feb

Retail inflation for industrial workers eased to 5.04 per cent in February from 5.84 per cent in January this year mainly due to lower prices of certain food items. Inflation based of the consumer price index for industrial workers (CPI-IW) was at 4.48 per cent in February 2021, a labour ministry statement said. Food inflation stood at 5.09 per cent in February 2022 against 6.22 per cent in the previous month and 4.64 per cent during the corresponding month a year ago. The All-India CPI-IW for February 2022 decreased by 0.1 points to 125 points from 125.1 points in January this year.

<https://economictimes.indiatimes.com/news/economy/indicators/retail-inflation-for-industrial-workers-eases-to-5-04-in-feb/articleshow/90575492.cms>

Infra sector output rises to 5.8% in Feb versus -3.3% in year-ago period

Production of eight infrastructure sectors expanded by 5.8 per cent in February against a contraction of 3.3 per cent in the same month last year on better show by coal, natural gas, refinery products and cement industries, according to official data released on Thursday. Production of crude oil and fertiliser declined in February this year. The core sector industries had grown by 4 per cent in January. The growth rate of the eight infrastructure sectors coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity stood at 11 per cent during April-February this fiscal, as against a negative growth rate of 8.1 per cent during the same period last fiscal.

https://www.business-standard.com/article/economy-policy/infra-sector-output-rises-to-5-8-in-feb-versus-3-3-in-year-ago-period-122033101074_1.html

India's fiscal deficit touched 82.7% of full-year target at end of Feb

The Centre's fiscal deficit at the end of February stood at 82.7 per cent of the full year budget target, mainly on account of higher expenditure, according to government data released on Thursday. In the last financial year, the fiscal deficit or gap between the expenditure and revenue was 76 per cent of the Revised Estimate (RE) of 2020-21. In actual terms, the deficit stood at Rs 13.16 trillion at the end of February this year, as per the data released by the Controller General of Accounts (CGA).

https://www.business-standard.com/article/economy-policy/india-s-april-feb-fiscal-deficit-at-82-7-of-full-year-target-122033100918_1.html

India's current account deficit widens to 2.7% of GDP in Q3

India's current account deficit (CAD) widened to \$23 billion in the third quarter ended December 2021 (Q3FY22), forming 2.7 per cent of the country's gross domestic product (GDP) and reflecting a rise in overseas trade. The current account deficit was \$9.9 billion (1.3 per cent of GDP) in the second quarter ended September 2021(Q2FY22) and \$2.2 billion (0.3 per cent of GDP) a year ago (Q3FY21), said the Reserve Bank of India in a statement. RBI said the widening of CAD in Q3 was mainly on account of higher trade deficit. The trade deficit rose to \$60.4 billion in Q3FY22 up from \$34.6 billion in October-December 2020 (Q3FY21).

https://www.business-standard.com/article/economy-policy/india-s-current-account-deficit-widens-to-2-7-of-gdp-in-q3-122033101204_1.html

Govt to undertake a two-stage review to determine PLI scheme progress

The government will undertake a two-stage review of the production-linked incentive (PLI) scheme, where its progress and implementation across various sectors will be discussed. This will be followed by utilisation of unused funds and the possibility of reallocation to the government department and ministries, which need more amounts, will be assessed, people in know of the matter said. An empowered group of secretaries headed by Cabinet Secretary Rajiv Gauba is expected to meet next month to review the progress of the PLI schemes.

https://www.business-standard.com/article/economy-policy/govt-to-undertake-a-two-stage-review-to-determine-pli-scheme-progress-122033001612_1.html

Banking and Finance

RBI extends timelines for banks to use lockable cassettes in ATMs by a year

The Reserve Bank of India (RBI) has extended the timeline for banks to use lockable cassettes, which could be swapped at the time of cash replenishment, in their ATMs by a year to March 31, 2023. The RBI decided to extend the timeline after it received representations from various banks and Indian Banks' Association expressing difficulties in meeting the timeline. This is not the first time that the central bank has extended the timeline. The banks were supposed to start using lockable cassettes in a phased manner such that it covers at least one-third of the ATMs covered by the banks by March 31, 2021. However, the timeline was extended to March 31, 2022.

https://www.business-standard.com/article/finance/rbi-extends-timelines-for-banks-to-use-lockable-cassettes-in-atms-by-a-year-122033101184_1.html

Large corporates going back to banks for funds

Loan demand is getting broad-based with demand coming back from corporates as well. RBI to release data on the sectoral flow of bank credit in a year when government-supported schemes helped grow banks' loan books. Credit growth to industry rose 6.5 percent year-on-year (y-o-y) in February 2022 from 1.0 percent in February 2021. But a

distinct trend is that loan growth to large corporates turned positive, recording a marginal growth of 0.5 percent against a contraction of 0.6 percent during the same period, according to the data on sectoral deployment of bank credit released by the Reserve Bank of India. With yields on corporate paper rising, borrowers are finding raising funds from the market more expensive than from banks

https://economictimes.indiatimes.com/industry/banking/finance/banking/large-corporates-going-back-to-banks-for-funds/articleshow/90571977.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

Govt to borrow Rs 8.45 trn from market during Apr-Sep period of FY23

The Union government is looking to raise Rs 8.45 lakh crore through borrowing in the first half of 2022-23 to fund the revenue gap for reviving the economy, the Finance Ministry said on Thursday. Out of gross market borrowing of Rs 14.31 lakh crore estimated for FY2022-23, Rs 8.45 lakh crore is planned to be borrowed in the first half (H1), an official statement said. As per the Budget document, the gross market borrowing through dated securities for 2022-23 is Rs 14,95,000 crore. Taking into account the switch operations conducted on January 28, 2022, the gross market borrowing through dated securities for 2022-23 is expected at Rs 14,31,352 crore, it said.

https://www.business-standard.com/article/economy-policy/govt-to-borrow-rs-8-45-trn-from-market-during-apr-sep-period-of-fy23-122033101248_1.html

FinMin invites bids for FSNL privatisation

The finance ministry on Thursday invited bids to sell the entire government stake in Ferro Scrap Nigam Ltd (FSNL). The last date to submit an Expression of Interest (EOI) is May 5. "The Government of India is proposing to disinvest Ferro Scrap Nigam Limited (FSNL), a 100 per cent subsidiary of MSTC Ltd, through strategic sale along with transfer of management control," the Department of Investment and Public Asset Management (DIPAM) said. BDO India LLP is acting as the transaction advisor for the proposed transaction.

https://economictimes.indiatimes.com/news/economy/policy/finmin-invites-bids-for-fsnl-privatisation/articleshow/90565025.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

Sebi extends deadline for compliance with certain directions to July 1

Providing more time to fund houses, Sebi on Thursday extended the deadline for implementing certain directions for mutual funds, including those pertaining to usage of pool accounts for transactions, to July 1. In October 2021, Sebi had said that stock brokers and clearing members should not accept payment through one-time mandate or issuance of mandates or instruments in their name for mutual fund transactions. Earlier this month, the regulator said one-time mandates in favour of Sebi-recognised clearing corporations could be accepted from April 1 and now, that deadline has been extended.

https://www.business-standard.com/article/markets/mfs-sebi-extends-deadline-for-compliance-with-certain-directions-to-july-1-122033101251_1.html

UPI processes 5 bn transactions in March, gets set for new record

India's Unified Payments Interface (UPI) crossed 5 billion transactions in a month for the first time in March, marking a landmark for the flagship digital payments platform. UPI had till March 29 processed 5.04 billion transactions, amounting to Rs 8.88 trillion, data released by National Payments Corporation of India (NPCI) showed. This was 11.5 per cent higher than the volume of transactions processed in February and 7.5 per cent higher in terms of value of transactions processed. In March 2021, UPI processed 2.73 billion transactions, amounting to Rs 5.04 trillion. So far in FY22, the payments platform has processed over 45 billion transactions, amounting to over Rs 83 trillion, thus breaching the \$1 trillion mark. In FY21, it had processed 22.28 billion transactions, amounting to Rs 41.03 trillion. So, both volume and value of transactions doubled in a year's time, indicating the meteoric rise seen in the adoption of digital payments, especially UPI, in the country.

https://www.business-standard.com/article/finance/upi-processes-5-bn-transactions-in-march-gets-set-for-new-record-122033100529_1.html

Govt keeps interest rate of small savings schemes unchanged for Q1FY23

In relief to the middle class and small savers, the finance ministry on Thursday left interest rates on government backed saving instruments unchanged for the first quarter (April-June) of FY23. The decision came days after the interest rate on employees' provident fund organisation (EPFO) deposits was cut to a four-decade low of 8.1 per cent for FY22 from 8.5 per cent in the previous year. Rising inflation rate and increasing chances of the Reserve Bank of India reversing its accommodative policy stance, which may lead to increase in interest rates, may have prevented the government from cutting small savings rates.

https://www.business-standard.com/article/economy-policy/govt-keeps-interest-rate-of-small-savings-schemes-unchanged-for-q1fy23-122033101194_1.html

FY22 private placements growth may have hit record low, shows data

The financial year 2021-22 (FY22) may end with the sharpest year-on-year drop in private placements seen on record. The total amount raised is Rs 5.5 trillion as of March 25th according to tracker Prime Database. This would mark a 27 per cent decline over FY21's Rs 7.5 trillion. This would be the sharpest year-on-year decline since comparable records are available dating back to FY01. Companies are going slow on expansions after the Covid-19 pandemic and there has been a general trend where they have been looking to now reduce debt, according to those tracking the situation.

https://www.business-standard.com/article/economy-policy/fy22-private-placements-growth-may-have-hit-record-low-shows-data-122033100926_1.html

Industry

All states and UTs will develop Strategic Investment Plan for MSMEs in two years

All states and Union Territories (UTs) of the country will have to develop a strategic investment plan (SIP) for Micro, Small, and Medium enterprises (MSMEs) by 2023-24. This has been stipulated as one of the targets of World Bank assisted programme on Raising and Accelerating MSME Performance (RAMP), Ateesh Kumar Singh, Joint Secretary at the MSME Ministry told ET. "The programme aims at improving access to market and credit, strengthening institutions and governance at the Centre and State, improving Centre-State linkages and partnerships, addressing issues of delayed payments and greening of MSMEs," Singh said.

<https://economictimes.indiatimes.com/news/economy/policy/all-states-and-uts-will-develop-strategic-investment-plan-for-msmes-in-two-years/articleshow/90571492.cms>

Steel, fuel rates to hit domestic steel demand in coming qtrs: SteelMint

The domestic steel demand is expected to take a hit in the coming quarters due to "very high steel prices" and continuously rising fuel prices, according to industry consultancy SteelMint India. Steel prices in India are trading at an all-time high. While hot-rolled coil (HRC) is quoting in the range of Rs 76,000-77,000 per tonne, cold-rolled coil (CRC) is costing between Rs 85,000-86,000 per tonne. Rebar price stands at Rs 72,000-73,000 a tonne, SteelMint India said on Thursday. In the domestic market, prices of HRC in the first week of March were in the range of Rs 68,000-69,000 a tonne, while CRC was at Rs 73,000-74,000 per tonne. Rebar was costing about Rs 67,500-68,500 a tonne. SteelMint said it "expects demand to be negative in coming quarters on rising steel prices and higher fuel prices, which may defer buying activities".

https://www.business-standard.com/article/economy-policy/steel-fuel-rates-to-hit-domestic-steel-demand-in-coming-qtrs-steelmint-122033100250_1.html

Air conditioner, refrigerator makers increase production to full capacity

Manufacturers of air conditioners and refrigerators have increased production to full capacity from 60-70% till two weeks ago amid a surge in demand triggered by the heatwave in several parts of the country and pent-up demand of the last two summers, which were impacted by the Covid-19-induced lockdowns. Companies such as Voltas, Haier, Godrej Appliances and Lloyd said sales of cooling appliances grew up to 15% in March as compared to 2019, surpassing industry expectations and necessitating an increase in production. "There has been a spurt in demand in the last ten days after two washed out summers. We are ramping up our production due to the sudden surge," said Voltas managing director Pradeep Bakshi.

<https://economictimes.indiatimes.com/industry/cons-products/durables/air-conditioner-refrigerator-makers-increase-production-to-full-capacity/articleshow/90574384.cms>

Creeping rise in fuel prices set to stoke inflation further: Transporters

The recurrent increase in the fuel prices over the last 10 days is singing into the margins of small and large transporters and will force them to pass on the hike to their customers. This in turn is set to make the prices of daily consumables and other goods dearer, impact consumption and slow the economic growth, said transporters and analysts. Freight rates on grand trunk routes have already shot up by an average 3-4 per cent month-on-month in the last few days, according to Indian Foundation of Transport Research & Training.

https://www.business-standard.com/article/economy-policy/creeping-rise-in-fuel-prices-set-to-stoke-inflation-further-transporters-122033101164_1.html

Auto component industry likely to clock 8-10% growth in FY23: Report

The Indian auto component industry is expected to clock 8-10 per cent growth in FY23, supported by the easing of supply-chain issues and commodity inflation in the second half of the year, according to rating agency Icria. For 2021-22, the revenue growth of the industry is pegged at 13-15 per cent, driven by domestic OEM, replacement, export volumes and pass-through of commodity prices. The healthy volume growth will, however, come on a low base of FY2021, the agency said in a statement. "Demand for auto components stems from domestic OEMs, replacement and exports. Domestic OEM demand has remained a mixed bag across segments in FY2022, with a slowdown in two-wheelers (2Ws) and semiconductor shortage dragging down overall production volumes," Icria Ltd Assistant Vice President & Sector Head Corporate Ratings - Vinutaa S said.

https://www.business-standard.com/article/companies/auto-component-industry-likely-to-clock-8-10-growth-in-fy23-report-122033100436_1.html

Agriculture

Centre to launch separate programme for raising sunflower acreage

Taking heed of the industry's suggestion, Union Agriculture Minister Narendra Singh Tomar has directed officials to prepare a target-oriented detailed action plan on raising sunflower acreage at the earliest. This to help launch some pilot projects in the ensuing kharif season as sowing is scheduled to commence after two months. Chairing a meeting on promoting area and production of sunflower in the country on Thursday, Tomar said the way pulses, oilseeds and National Oil Palm missions have been launched in the country, sunflower will also be promoted in a planned manner. He held detailed discussions with State officials from Uttar Pradesh, Karnataka, Andhra Pradesh, Maharashtra, Haryana, Punjab and Tamil Nadu, who evinced interest in implementing any such Central scheme when it is launched.

<https://www.thehindubusinessline.com/economy/agri-business/centre-to-launch-separate-programme-for-raising-sunflower-acreage/article65278440.ece>

Infrastructure

Housing sales rise 7% in Jan-Mar across 8 cities; new supply up 50%: Report

Housing sales increased by 7 per cent year-on-year to 70,623 units during January-March across eight major cities on better demand driven by very low-interest rates on home loans, while prices appreciated by an average of 7 per cent, according to real estate consultancy firm PropTiger. Sales stood at 66,176 units in the January-March quarter of last year. While housing sales went up in Mumbai-Metropolitan Region (MMR), Pune, Ahmedabad and Bengaluru, the sales fell in Delhi-NCR, Chennai, Hyderabad and Kolkata. In its report 'Real Insight Residential - January-March 2022', PropTiger.com said the new supply increased 50 per cent to 79,532 units during January-March 2022 compared to 53,037 units in the year-ago period.

https://www.business-standard.com/article/economy-policy/housing-sales-rise-7-in-jan-mar-across-8-cities-new-supply-up-50-report-122033100779_1.html

Net leasing of office space in January-March jumps over two-fold to 11.55 million sq ft on improved demand

The net office leasing in January-March 2022 jumped over two-fold to 11.55 million square feet across seven cities on better demand from corporates and co-working operators amid significant reduction in COVID-19 infections, according to real estate consultant JLL India. Net absorption of office space stood at 5.43 million square feet in the

year-ago period. Net office leasing, however, remained flat compared to the previous quarter. According to the data, net absorption of office space grew in all seven cities, barring Bengaluru that saw 30 per cent decline in the leasing numbers. JLL India on Thursday released its quarterly leasing and supply data of the India's top seven markets. Net absorption is calculated as the new floor space occupied less floor space vacated. Floor space that is pre-committed is not considered to be absorbed until it is physically occupied.

<https://www.financialexpress.com/money/net-leasing-of-office-space-in-january-march-jumps-over-two-fold-to-11-55-million-sq-ft-on-improved-demand/2477792/>

Telecom

TRAI amends monthly tariff pack order

The Telecom Regulatory Authority of India (TRAI) on Thursday has ordered that every telecom service provider (TSP) offering at least one 'Plan Voucher', one 'Special Tariff Voucher (STV)' and one 'Combo Voucher' renewable on the same date of every month. If the date of such renewal is not available in a month, the renewal shall be the last date of that month. After due consideration, the Authority has decided to issue the "Telecom Tariff (67th Amendment) Order, 2022 (02 of 2022)," after 60 days from the date of commencement of this Order. In January, the TRAI had ordered this directive and had given 60 days for operators to implement the order, and modify their billing system. Reliance Jio is the only operator which had commenced such tariff plans, (30-day plan and calendar month validity) recently.

<https://www.thehindubusinessline.com/info-tech/trai-amends-monthly-tariff-pack-order/article65278558.ece>

Energy

ATF hiked by 2% to all-time high amid surge in global energy prices

Jet fuel prices on Friday were hiked by 2 per cent - the seventh straight increase this year - to an all-time high, reflecting a surge in global energy prices. Aviation turbine fuel (ATF) - the fuel that helps aeroplanes fly - was hiked by Rs 2,258.54 per kilolitre, or 2 per cent, to Rs 1,12,924.83 per kl in the national capital, according to a price notification by state-owned fuel retailers. There was, however, no change in the price of petrol and diesel on Friday. Prior to the second pause in 11 days, auto fuel rates had gone up by Rs 6.40 per litre. The increase in ATF price comes on back of the steepest ever hike 18.3 per cent (Rs 17,135.63 per kl) effected on March 16.

https://www.business-standard.com/article/economy-policy/atf-hiked-by-2-to-all-time-high-amid-surge-in-global-energy-prices-122040100127_1.html

Govt doubles gas price to record levels for 6 months; CNG rates may go up

The government on Thursday more than doubled the price of natural gas that is used to produce electricity, make fertilisers, turned into CNG and piped to household kitchens for cooking, on the back of a spike in global energy prices. The price of gas produced from old regulated fields, such as the nation's largest gas field of Bassein of ONGC, will rise to a record high of USD 6.10 per million British thermal unit (mmBtu) from the current USD 2.90 per mmBtu, according to the oil ministry's Petroleum Planning and Analysis Cell (PPAC). The new price, which is likely to result in a hike in CNG and piped cooking gas rates, will be for six months beginning April 1. Petrol and diesel prices have been raised nine times in the last 10 days, totalling Rs 6.4 per litre while cooking gas LPG rates too have gone up by Rs 50 per cylinder. The latest gas price hike will further fuel inflation.

https://www.business-standard.com/article/economy-policy/govt-more-than-doubles-natural-gas-price-ongc-ril-to-get-record-rates-122033101050_1.html

India's March electricity shortage is the worst since coal crisis in Oct

India's electricity shortage from March 1 to March 30 was its worst since October 2021, a Reuters analysis of government data showed, driven by a surge in demand. As generators strive to meet requirements, a fall in the national coal inventory is forcing the government to withhold supply to other sectors and suspend fuel auctions by companies that do not have contracted supply. Many northern states suffered hours-long power outages in October, when a crippling coal shortage caused the worst electricity deficit in nearly five years. The deficit in March was 574 million kilowatt-hours, a measure that multiplies power level by duration, a Reuters analysis of data from federal grid regulator POSOCO showed.

https://www.business-standard.com/article/economy-policy/india-s-march-electricity-shortage-is-the-worst-since-coal-crisis-in-oct-122033100572_1.html

States

Gujarat recorded lowest GSDP growth in five years during 2020-21: CAG

Gujarat recorded its lowest Gross State Domestic Product (GSDP) growth in five years in financial year 2020-21 -- when the coronavirus pandemic began -- the Comptroller and Auditor General of India (CAG) has noted in its report. This period saw lockdowns and various restrictions being imposed on account of the pandemic. The 'State Finances Audit Report of the CAG for the year ended March 31, 2021' was tabled in the Gujarat Assembly on Thursday, the last day of the month-long Budget session. Gujarat's GSDP "grew at a higher rate during the period 2016-17 to 2020-21 compared to the national growth rate," the report said.

<https://economictimes.indiatimes.com/news/economy/indicators/gujarat-recorded-lowest-gsdp-growth-in-five-years-during-2020-21-cag/articleshow/90574644.cms>

Maha to lift all Covid-19 restrictions from Apr 2, mask won't be compulsory

After more than two years, all pandemic-related restrictions including the mandatory wearing of masks will be lifted in Maharashtra from April 2, the Maharashtra government announced on Thursday. 'Gudhi Padwa', the Marathi New Year, falls on April 2 this year. The decision to lift all the restrictions was taken at a cabinet meeting chaired by Chief Minister Uddhav Thackeray, Health Minister Rajesh Tope told reporters here. From Gudhi Padwa, all COVID-19 related restrictions under the Epidemic Diseases Act and Disaster Management Act will be withdrawn, Tope said, adding that wearing masks would be voluntary.

https://www.business-standard.com/article/current-affairs/maha-to-lift-all-covid-19-restrictions-from-apr-2-mask-won-t-be-compulsory-122033101051_1.html

AP to deploy drones for comprehensive land survey

Andhra Pradesh Government will be deploying 154 drones for conducting a comprehensive land survey in the State. This was disclosed at a review meeting on YSR Jagananna Saswatha Bhu Hakku – Bhu Raksha Scheme presided over by the Chief Minister Y S Jagan Mohan Reddy in Amaravati on Thursday. To begin with, 51 advanced drones will be operational for survey by April 5 and said another 20 are being procured to expedite the process. A total of 154 drones will be used for the land survey.

<https://www.thehindubusinessline.com/news/national/ap-to-deploy-drones-for-comprehensive-land-survey/article65277616.ece>

Healthcare

Decision on mixing of Covid vaccines may take more time

India may take some more time to decide on allowing mixing of Covid vaccines. The CMC Vellore, which presented its data before National Technical Advisory Group on Immunisation (NTAGI) this month, has been asked to conduct neutralising antibody tests to help them get better clarity on whether the same dose when given as booster works better or mixing of vaccines will yield better results. Winsley Rose, the principal investigator of CMC Vellore study, said by next month they will know which booster dose and combination works better. "We have already presented our data before NTAGI and they have asked us to come up with some more results. We are waiting for those results," he said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/decision-on-mixing-of-covid-vaccines-may-take-more-time/articleshow/90551796.cms>

External

India crosses crucial \$1-trillion goods trade milestone in FY22 for the first time

India's annual merchandise trade has breached the crucial \$1-trillion mark for the first time even before the fiscal is set to end, a senior government official told FE, as both exports and imports have scaled fresh peaks. It has surpassed

the earlier record of \$844 billion, achieved in FY19, by a wide margin. After a Covid-induced slide in FY21, India's goods trade got a fresh lease of life this fiscal amid a resurgence of industrial demand in advanced economies and improved domestic consumption with the easing of localised pandemic-related curbs. Global bid to spur economic growth, backed by both liberal fiscal and ultra loose monetary policies, led to a rise in international demand for merchandise that drove up commodity prices and brightened India's trade prospects as well.

<https://www.financialexpress.com/economy/india-crosses-crucial-1-trillion-goods-trade-milestone-in-fy22-for-the-first-time/2476874/>

India's external debt rose to \$614.9 bn at end of December 2021

India's external debt rose by USD 11.5 billion to USD 614.9 billion in the three months ended December 2021, the finance ministry said on Thursday. The external debt to GDP ratio fell marginally to 20 per cent at the end of December last year from 20.3 per cent at the end of September 2021. According to India's Quarterly External Debt Report for quarter ended December 2021, the country's external debt was placed at USD 614.9 billion, recording an increase of USD 11.5 billion over its level at the end of September 2021. "India's external debt continues to be sustainable and prudently managed," it said.

https://www.business-standard.com/article/economy-policy/india-s-external-debt-rose-to-usd-614-9-bn-at-end-of-december-2021-122033100854_1.html

Net claims of non-residents on India up by USD 21.1 bn in Sep-Dec quarter

Net claims of non-residents in India increased by USD 21.1 billion during the December quarter due to an increase in foreign-owned assets combined with a decline in Indian residents' overseas financial assets, according to the RBI data. Higher inward direct investment, trade credit, and loans contributed to the increase in non-residents' claims on India even as foreign portfolio investment in India reduced during the quarter, said India's International Investment Position (IIP), December 2021. "Net claims of non-residents on India increased by USD 21.1 billion during October-December 2021 due to an increase of USD 16.2 billion in foreign-owned assets in India combined with a decline of USD 4.9 billion in Indian residents' overseas financial assets," it said. Indian residents' overseas financial assets declined during the quarter, mainly due to reduction in currency and deposits.

<https://economictimes.indiatimes.com/nri/invest/net-claims-of-non-residents-on-india-up-by-usd-21-1-bn-in-sep-dec-quarter/articleshow/90574920.cms>

Solar cells import jumps to \$3,447 mn in Apr-Jan; most shipment from China

Solar cells import rose to USD 3,447 million (around Rs 26,000 crore) during April-January 2021-22 as compared to USD 572 million in the previous financial year, Parliament was informed on Thursday. The imports were worth USD 1,684 million in 2019-20 and USD 2,160 million in 2018-19, New & Renewable Energy Minister R K Singh said in a written reply to the Lok Sabha. During April-January 2021-22, the maximum import was from China at USD 3,117.78 million. In another reply, the minister stated that the government has set a target of installing 100 GW solar power capacity by December 2022 in the country.

https://www.business-standard.com/article/economy-policy/solar-cells-import-jumps-to-3-447-mn-in-apr-jan-most-shipment-from-china-122033101203_1.html