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Economy

India's FY23 GDP growth estimated at 7.4%, RBI rate hike by year end: Ficci

India's GDP is estimated to grow at 7.4 per cent in the financial year 2022-23 with rising prices triggered by the Russia-Ukraine conflict posing as the biggest challenge to the global economic recovery, Ficci's Economic Outlook Survey said. According to the survey, the Reserve Bank of India (RBI) is likely to start a rate hike cycle in the second half of 2022, while a repo rate hike of 50-75 bps is expected by the end of the current fiscal.

The RBI is expected to continue supporting the ongoing economic recovery by keeping the repo rate unchanged in its April policy review, the survey said. "The latest round of Ficci's Economic Outlook Survey puts forth an annual median GDP growth forecast for 2022-23 at 7.4 per cent with a minimum and maximum growth estimate of 6 per cent and 7.8 per cent respectively," the industry body said.

https://www.business-standard.com/article/economy-policy/india-s-fy23-gdp-growth-estimated-at-7-4-ficci-survey-122040300687_1.html

India's jobless rate falls to 7.6% in March from 8.1% a month earlier: CMIE

Unemployment rate in the country is decreasing with the economy slowly returning to normal, according to CMIE data. The Centre for Monitoring Indian Economy's monthly time series data revealed that the overall unemployment rate in India was 8.10 per cent in February 2022, which fell to 7.6 per cent in March. On April 2, the ratio further dropped to 7.5 per cent, with urban unemployment rate at 8.5 per cent and rural at 7.1 per cent. Retired professor of economics at Indian Statistical Institute Abhirup Sarkar said that though the overall unemployment rate is falling, it is still high for a "poor" country like India.

https://www.business-standard.com/article/current-affairs/india-s-unemployment-rate-falls-to-7-6-in-march-from-8-10-in-feb-cmie-122040300533_1.html

India on cusp of major economic recovery; talks of stagflation 'overhyped': Niti Aayog VC

India is on the cusp of a major economic recovery and talks of possible stagflation are "overhyped" as a strong economic foundation is being laid with the reforms carried out by the government over the last seven years, Niti Aayog Vice Chairman Rajiv Kumar said. Notwithstanding economic uncertainties triggered by the Russia-Ukraine war that is also impacting global supply chains, Kumar asserted that it was quite clear from all accounts that India will remain the fastest growing economy in the world. "Given all the reforms that we have done in the last seven years, and given that we are seeing the end of the COVID-19 pandemic hopefully, and the 7.8 per cent rate of growth that we will get this year (2022-23), a very strong foundation is now being laid for further rapid increase in economic growth in the coming years," Kumar told PTI in an interview.

<https://www.financialexpress.com/economy/india-on-cusp-of-major-economic-recovery-talks-of-stagflation-overhyped-niti-aayog-vc/2480099/>

India's health budget still in need of improvement, shows data

The Department of Health Research (DHR) was created as a separate department under the Ministry of Health and Family Welfare in 2007. It became fully functional from November 2008 with the appointment of its first secretary. The aim of the DHR is to introduce modern health technologies to the people through research and innovations

related to diagnosis, treatment methods, and vaccines for preventions. The Indian Council of Medical Research (ICMR) comes under the overall ambit of the DHR. However, funding to this crucial department has been erratic. India's health research Budget is very small. The total health research Budget of the US is 2.2 per cent of the GDP. In UK, it is 1.7 per cent of the GDP. In India, it is only 0.02 per cent of the GDP, whereas it needs to be around 5 per cent of the health Budget, given the size of India's population and the challenges.

https://www.business-standard.com/article/economy-policy/india-s-health-budget-still-in-need-of-improvement-shows-data-122040300926_1.html

Banking and Finance

RBI likely to maintain status quo on rates to support growth, say analysts

The Reserve Bank is likely to maintain status quo on interest rates in its forthcoming monetary policy review but may change the stance in view of retail inflation piercing its upper tolerance limit, global uncertainties created by the ongoing Russia-Ukraine war, and the urgency to protect and boost growth, feel experts. The RBI Governor-headed rate setting panel -- Monetary Policy Committee (MPC) -- will be holding its first meeting of the 2022-23 fiscal from April 6 to 8. The outcome will be announced on April 8. Aditi Nayar, Chief Economist of ICRA Limited, said in the April 2022 policy review, the MPC is expected to revise up its Consumer Price Index-based inflation forecast, whereas the growth projections for 2022-23 would be pared.

https://www.business-standard.com/article/finance/rbi-likely-to-maintain-status-quo-on-rates-to-support-growth-say-analysts-122040300456_1.html

FPIs withdraw Rs 41,000 cr in March on Fed rate hike anticipation

Continuing their selling spree for the sixth consecutive month, foreign investors pulled out a massive ₹41,000 crore from the Indian equity market in March on anticipation of rate hikes by the US Federal Reserve and the deteriorating geopolitical environment amid the Russia-Ukraine war. Further, flows from foreign portfolio investors (FPIs) are expected to remain volatile in the near term given the headwinds in terms of elevated crude prices and inflation, experts said. According to data available with the depositories, FPIs were net sellers to the tune of ₹41,123 crore in the equity market last month. This was way higher than net withdrawals of ₹35,592 crore in February and ₹33,303 crore in January.

https://www.business-standard.com/article/markets/fpis-withdraw-%E2%82%B941-000-cr-in-march-on-fed-rate-hike-anticipation-122040300422_1.html

Industry

Govt mulls modifications in PLI Scheme for speciality steel; extends last date for application till Apr 30'

The government is planning certain modifications in the PLI Scheme for speciality steel and has extended the last day to submit the applications by about a month till April 30, a senior government official has said. On July 22 last year, the Union Cabinet chaired by Prime Minister Narendra Modi had approved a Rs 6,322-crore PLI scheme to boost the production of speciality steel in India. The move is expected to attract an additional investment of about Rs 40,000 crore and generate 5.25 lakh job opportunities. March 29, 2022, was the last date to submit the applications for investors looking to invest under the scheme, which has been extended to April 30, the official in the Ministry of Steel told PTI. There will be certain additions in the modified scheme, which are underway, he said.

<https://www.financialexpress.com/industry/govt-mulls-modifications-in-pli-scheme-for-speciality-steel-extends-last-date-for-application-till-apr-30/2480119/>

CAIT looks to get 75 lakh traders to register as MSMEs under new definition

Traders' body Confederation of All India Traders (CAIT) said it will make attempts to get 75 lakh traders on the Udyam Registration portal and bring them into the MSME fold. CAIT Secretary General Praveen Khandelwal in a statement said the confederation will campaign from April 10 to reach out to the traders in 75 prominent cities in association with local trade bodies to apprise them about the benefits of registering on the Udyam portal including priority sector lending. CAIT said in a recent meeting with Commerce Minister Piyush Goyal, the latter had urged trade leaders to motivate more and more traders across the country to onboard the Udyam portal. The registered traders "will be competent to obtain financial loans from banks under priority sector lending at lower interest rates. It is

certainly a big relief for the fund-starved business community that has gone through a very tough time in the past two years due to Covid,” Khandelwal and CAIT President BC Bhartia said in a joint statement.

<https://www.financialexpress.com/industry/sme/msme-eodb-cait-looks-to-get-75-lakh-traders-register-online-as-msmes-under-new-definition/2480266/>

Infrastructure build pushes demand for construction equipment

The Centre’s focus on improving infrastructure has led to a notable growth in demand for construction equipment and other infrastructure building machines surpassing pre-Covid level demand thereby forcing companies to dial up investments and add more product lines. Companies engaged in production and supply of machines such as excavators, backhoe loaders, compactors, pilling and mining machinery have seen a robust jump in demand over the last three months, especially after the Union Budget, say officials.

<https://www.thehindubusinessline.com/news/national/infrastructure-build-pushes-demand-for-construction-equipment/article65286891.ece>

Infrastructure

Railways mulling 1,00,000 more wagons amid rising freight, coal demand

Amid rising demand for coal freight and an aggressive push towards diversifying its freight basket, Indian Railways is planning to buy 1,00,000 more wagons over the next three financial years. The procurement plan will majorly consist of BOX N wagons, which are used to transport coal, a senior ministry of railways official said. Notably, the railways recently floated a sizable tender worth Rs 35,000 crore of wagons, which had been in the pipeline since 2018. “Our budget estimates for freight increase were conservative. With the encouraging freight numbers in this financial year, we want to attain higher numbers both in this year and in the medium-term,” the official added.

https://www.business-standard.com/article/indian-railways/railways-mulling-1-00-000-more-wagons-amid-rising-freight-coal-demand-122040300509_1.html

Telecom

Rising smartphone prices hit user migration from 2G to 4G: TRAI

The increase in smartphone pricing due to the ongoing component shortages might be slowing down 2G mobile subscribers from transitioning to 4G mobile plans. According to the subscription data released by the Telecom Regulatory Authority of India monthly growth rate in broadband users was minus 1.16 per cent in January 2022 compared to a 1.35 per cent monthly growth in the same month last year. The slowdown in growth appears to start from August 2021. Experts who track mobile handset prices believe that there has been a 10-15 per cent increase in the entry-level smartphone price range compared to their prices in 2019. Navkendar Singh, is a Research Director with IDC India, told BusinessLine, “Due to component shortages, prices of smartphones have increased across all price ranges. Entry-level users would have faced the highest proportion of increase, compared to their lower base price. Demand for entry-level smartphones has certainly been impacted.”

<https://www.thehindubusinessline.com/info-tech/component-shortage-rising-smartphone-prices-slows-down-user-migration-from-2g-to-4g-services/article65286736.ece>

Energy

Petrol, diesel rates up by 80 paise per litre again, 11th hike in 13 days

The rates of petrol and diesel in Delhi increased by 80 paise a litre. In Mumbai, petrol and diesel are selling at Rs 118.41 (increased by 84 paise) and Rs 102.64 (increased by 85 paise). This is the eleventh hike in fuel rates in 13 days, the total hike now amounts to Rs 8. Petrol is now selling at Rs 103.41 per litre in Delhi and diesel is trading at Rs 94.67 per litre.

https://www.business-standard.com/article/economy-policy/petrol-diesel-rates-up-by-80-paise-per-litre-again-11th-hike-in-13-days-122040300078_1.html

Regulator asks power exchanges to cap bid prices as demand surges

The Central Electricity Regulatory Commission (CERC) has asked the power exchanges to cap the bid price range to Rs 12 per kWh for the 'Day Ahead Market' (DAM) and 'Real Time Market' (RTM) segments. The CERC has directed the power exchanges to re-design the bidding software to allow bids in the price range of Rs 0-12 per kWh. As per the Commission, power exchanges have designed the bidding software in such a way that members can submit their bids in the price range of Rs 0-20 per kWh. "The Commission in exercise of powers under Regulation 51 (1) of PMR 2021 directs the power exchanges until further orders to re-design, with immediate effect, the bidding software in such a way that members can submit their bids in the price range of Rs 0 per kWh to Rs 12 per kWh for DAM and RTM," CERC said in an order dated April 1.

https://www.business-standard.com/article/economy-policy/regulator-asks-power-exchanges-to-cap-bid-prices-as-demand-surges-122040200903_1.html

Peak power demand up 12 pc at 198.47 GW, may cross 200 GW-mark in April

Peak power demand met or the highest supply in a day rose by 12 per cent to 198.47 GW on April 1 compared to the year-ago same day, showing impact of early onset of summer and improvement in commercial and industrial consumption after easing of lockdown curbs by states. According to the power ministry data, the peak power demand met was 177.20 GW on April 1, 2021. The data shows that during the entire month of April in 2021, the peak power demand was recorded at 182.37 GW. It was 132.73 GW in April 2020, a tad lower than 176.81 GW in April 2019. Experts are of the view that the quantum jump in peak power demand met shows recovery of economic activities through rising commercial and industrial demand of electricity especially after easing of lockdown restrictions by states for curbing coronavirus infections.

<https://www.financialexpress.com/industry/peak-power-demand-up-12-pc-at-198-47-gw-may-cross-200-gw-mark-in-april/2480045/>

States

Odisha records 49% growth in GST collection for fiscal year 2021-22

The Gross GST collection of Odisha during the financial year 2021-22 has been recorded at Rs 44334.67 crore against Rs 29852.76 crore for the year 2020-21 with a growth of 49 per cent. The corresponding collection for 2019-20 was Rs 29686.32 crore, informed Commissionerate of Central Taxes (CT) and GST, Odisha. A statement issued by the Commissionerate of CT and GST read, "The Gross GST collection of the state during March '22 has been recorded at Rs 4124.66 crore as against Rs 3285.29 crore during March '21 registering a growth of 26 per cent which is the highest growth rate amongst all the major states in the country."

https://www.business-standard.com/article/economy-policy/odisha-records-49-growth-in-gst-collection-for-fiscal-year-2021-22-122040300135_1.html

Tamil Nadu government withdraws order on compulsory COVID-19 vaccination to visit public places

The Tamil Nadu government withdrew its order mandating inoculation against COVID-19 for all the eligible population in the state, in view of decline in new infections. According to department of public health and preventive medicine, though the compulsory vaccination notification has been withdrawn, other Covid-19 protocols would continue to be in place.

<https://economictimes.indiatimes.com/news/india/tamil-nadu-government-withdraws-order-on-compulsory-covid-19-vaccination-to-visit-public-places/articleshow/90627828.cms>

Healthcare

No issue with Covaxin certificate: Bharat Biotech on WHO suspending vaccine

Bharat Biotech said there were no issues with its Covid-19 vaccine or its certification, reacting after the World Health Organization (WHO) suspended supplies of Covaxin through United Nations agencies. Covaxin certificates issued remain valid, as there is no impact on efficacy and safety of the vaccine, it said. Sources close to the development said the company had no further supply commitments to the WHO, and therefore, there was no suspension of any upcoming orders. The WHO, however, asked Bharat Biotech to upgrade its production facilities, which the company will undertake now.

https://www.business-standard.com/article/current-affairs/no-issue-with-covaxin-certificate-bharat-biotech-on-who-suspending-vaccine-122040300301_1.html

NTAGI recommends Covovax in Covid vaccination drive for 12 years and above

The COVID-19 Working Group of the NTAGI has recommended inclusion of the Serum Institute's Covovax in the national vaccination programme for those aged 12 years and above, official sources said. India's drug regulator had approved Covovax for restricted use in emergency situations in adults on December 28 and in the 12-17 age group, subject to certain conditions, on March 9. The COVID-19 Working Group has now recommended to the Standing Technical Sub-Committee of the National Technical Advisory Group on Immunisation (NTAGI) that Covovax be included in the national vaccination programme for those aged 12 years and above, sources said. Serum Institute of India (SII) Director for Government and Regulatory Affairs Prakash Kumar Singh had written to the Union Health Ministry recently, requesting for Covovax's inclusion in the immunisation drive.

https://www.business-standard.com/article/current-affairs/ntagi-recommends-covovax-in-covid-vaccination-drive-for-12-years-and-above-122040300557_1.html

External

Exports rise 40% to touch \$418 bn in FY22, surpass govt target by 5%

The value of goods exported from India witnessed 40 per cent growth during the financial year 2021-22, hitting a record \$417.8 billion and surpassing the target set by the government by 5 per cent, according to the commerce and industry ministry. During the month of March, exports touched \$40.38 billion, as compared to \$34 billion during the same period a year earlier. The growth was driven by higher demand for items in the petroleum, gems and jewellery, engineering products. "India has exported \$418 billion, for the first time in its history. This is more than the set target. Exceed \$40 billion in exports in March alone which is the history of highest export in a single month," commerce and industry minister Piyush Goyal told reporters.

https://www.business-standard.com/article/economy-policy/exports-rise-40-to-touch-418-bn-in-fy22-surpass-govt-target-by-5-122040300599_1.html

India, Australia set up committee to start negotiations for expanding interim pact into CECA

After the signing of the interim trade agreement between India and Australia, a committee formed the two nations will start talks within two-and-a-half months for transforming the early pact into a full-fledged comprehensive economic cooperation agreement (CECA), according to official documents. The interim pact or India-Australia Economic Cooperation and Trade Agreement (ECTA) was inked by Commerce and Industry Minister Piyush Goyal and Australian Minister for Trade, Tourism and Investment Dan Tehan on April 2. According to the text of ECTA, both the countries have established a negotiation sub-committee which shall be composed of government representatives of both the sides.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-australia-set-up-committee-to-start-negotiations-for-expanding-interim-pact-into-ceca/articleshow/90626218.cms>

Ind, Aus trade pact to ensure full capacity utilisation of Indian apparel

Apparel Export Promotion Council (AEPC) said duty-free access for the sector to Australia under the trade pact will bring domestic exporters at par with global competitors and make local products competitive. Australia is majorly dependent on China for its apparel imports, however, India has been able to retain its share of around 3 per cent of total apparel imports in Australia despite shrinkage in import orders from across the globe, AEPC Chairman Narendra Goenka said in a statement. Australia is the largest apparel importer in the southern hemisphere. Indian apparels currently face an average tariff of 4.8 per cent in Australia as against zero duty for apparels from China and Bangladesh. Duty free access to Indian apparels will bring us at par with global competitors and make our products competitive," Goenka said.

https://www.business-standard.com/article/economy-policy/ind-aus-pact-to-ensure-full-capacity-utilization-of-indian-apparel-aepc-122040300852_1.html

Engineering exports may sustain growth momentum despite challenges: EEPC

Engineering Exports Promotion Council said shipments are expected to sustain the growth momentum in the current financial year despite challenges of cost pressure and emerging geopolitical tension due to the Russia-Ukraine crisis. "Engineering goods exports topped USD 111 billion in FY'22 and are expected to sustain the growth momentum in the current fiscal too despite challenges emerging out of global geopolitical tensions," EEPC chairman Mahesh Desai said. He also stated that volatility in commodity prices, supply chain disruptions and a possible change in world political order would certainly have an impact on trade and the economy.

https://www.business-standard.com/article/economy-policy/engineering-exports-may-sustain-growth-momentum-despite-challenges-eeec-122040300776_1.html