



May 25, 2022 – Wednesday

Key Developments

Govt allows duty-free import of 20 lakh tn per year of crude soyabean, sunflower oil

The government on Tuesday exempted customs duty and agriculture infrastructure development cess on 20 lakh metric tonnes yearly import of crude soyabean and sunflower oil, to ease domestic prices. The duty-free import of 20 lakh MT per year will be applicable for two FYs (2022-23, 2023-24) for crude soyabean oil and crude sunflower oil, the Finance Ministry said in a notification. The exemption will help cool domestic prices and control inflation. "This will provide significant relief to the consumers," the CBIC tweeted. Last week to control spiralling prices, the government had cut excise duty on petrol and diesel and also waived import duty on some raw materials used in steel and plastic industry. Besides, export duty was hiked on iron ore and iron pellets.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/customs-duty-agri-cess-cut-on-import-of-20-lakh-mt-of-crude-soybean-and-sunflower-oil/articleshow/91772213.cms>

Economy

Govt to launch Skills India Mission 2.0 to tap global opportunities

The government will impart skills training to the youth for overseas opportunities and for jobs in some sectors under its production-linked incentive scheme, according to a senior official, in what could be a move towards demand-driven and outcome-based approach to skilling. This will be part of the government's revamped skills programme, called Skills India Mission 2.0, which, according to the official, is expected to be unveiled in July, six years after the launch of the programme in 2015.

<https://economictimes.indiatimes.com/news/economy/policy/govt-to-launch-skills-india-mission-2-0-to-tap-global-opportunities/articleshow/91773702.cms>

853 FDI proposals disposed of in 5 years through FIFP

As many as 853 foreign direct investment proposals have been disposed of through the foreign investment facilitation portal in the last five years, the commerce and industry ministry said on Tuesday. The Foreign Investment Facilitation Portal (FIFP) was developed after the abolition of Foreign Investment Promotion Board (FIPB) in May 2017. After the abolition of FIPB, granting of government approval for overseas investment under the FDI (Foreign Direct Investment) policy and FEMA (Foreign Exchange Management Act) regulations was entrusted to the concerned ministries/departments, the commerce ministry said in a statement. It said, "853 FDI proposals have been disposed of through FIFP since abolishment of FIPB." FDI proposals are now required to be filed only on the portal which is managed by the DPIIT. Since the beginning of the new clearance process, not only the foreign investment has increased but also "the number of countries bringing in FDI into India", it added.

<https://www.financialexpress.com/economy/853-fdi-proposals-disposed-of-in-5-years-through-fifp/2536162/>

India on top for trust in domestic companies, followed by China, Canada, US and UK: Study

Indian companies have emerged as the most trusted by the domestic population, followed by China, Canada, the US and the UK, according to a new study. The Edelman Trust Barometer Special Report: The Geopolitical Business, which was released here on the sidelines of the World Economic Forum Annual Meeting, also showed that geopolitics is

now a litmus test for trust in business. In terms of domestic trust in companies headquartered in each market, India has topped the charts (89 per cent, with a gain of 4 per cent since January), followed by 82 per cent in China and 70-76 per cent in Canada, the US and the UK. On the overall trust index, taking into account trust in NGOs, business, government and media, India is now placed at the second place after China, as against third in January this year.

<https://www.financialexpress.com/industry/india-on-top-for-trust-in-domestic-companies-followed-by-china-canada-us-and-uk-study/2536103/>

India drops to 54th place on tourism development Index, top in South Asia

India was on Tuesday ranked at the 54th place in a global travel and tourism development index, down from 46th in 2019, but still remained on the top within South Asia. Japan has topped the global charts, followed by the US, Spain, France, Germany, Switzerland, Australia, UK, Singapore and Italy in the top ten. The World Economic Forum's biennial travel and tourism study also showed a recovering sector following pandemic lows, though the recovery has been uneven and challenges remain. While overall international tourism and business travel is still below pre-pandemic levels, the sector recovery has been bolstered by greater vaccination rates, return to more open travel, and growing demand for domestic and nature-based tourism.

https://www.business-standard.com/article/economy-policy/india-drops-to-54th-place-on-tourism-development-index-top-in-south-asia-122052400739_1.html

Banking and Finance

IBBI seven circulars after review exercise

Insolvency revokes regulator IBBI has revoked as many as seven circulars after undertaking a review of the circulars issued by it since the enactment of the Insolvency and Bankruptcy Code (IBC) in 2016. It was observed that certain circulars are no longer required on account of already being provided in the Corporate Insolvency Resolution Process (CIRP) regulations, or in the insolvency professional regulations, the Insolvency and Bankruptcy Board of India (IBBI) said in a circular. The circulars that have now been revoked include those related to confidentiality of information relating to processes under IBC; appointment of authorised representative for classes of creditors; notice for meetings of committee of creditors; voting in the committee of creditors; and retention of records relating to CIRP.

<https://www.thehindubusinessline.com/economy/ibbi-revokes-seven-circulars-after-review-exercise/article65457599.ece>

Credit card spending online Rs 30k cr higher than swipes in March: RBI data

Credit card spending online was nearly Rs 30,000 crore more than the spending done through swipes at points of sale in March, indicating an increased preference among people for e-commerce purchases. Latest data from the Reserve Bank of India (RBI) showed that 7.3 crore credit card holders spent about Rs 68,327 crore for buying online while the amount spent through swipes at Point of Sale (PoS) machines stood at Rs 38,377 crore in March. For the first time, the RBI has provided separate data on spending through online versus PoS payments. In terms of the number of transactions, credit card transactions were marginally lower online at 11 crore as against 11.1 crore offline or at PoS machines. The trend also indicates that cardholders are making higher value transactions online on an average than through offline means. Overall, spending through credit cards was over Rs 1 lakh crore in March. In value terms, the cardholders spent Rs 1,07,100 crore through online and PoS spending.

https://www.business-standard.com/article/finance/credit-card-spending-online-rs-30k-cr-higher-than-swipes-in-march-rbi-data-122052401525_1.html

Industry

Sponge iron mills eye operations restart as iron ore prices set to cool off

Indian sponge iron mills — a steel making feedstock which had cut back production by 20-30 per cent or shut shop in some states following coal shortages and iron ore price spike — are looking to renew operations. The move comes days after the Centre imposed an export duty in the range of 30-50 per cent on iron ore (pellets, lumps, ore and concentrate) and also announced a withdrawal of import duty on coal (coking and pulverised) in a bid to cool prices and reduce inflationary pressures. Mills said they are waiting for the reduction in iron-ore prices to play out — over

the next seven-odd days – before some of them restore production. Contracts for at least two weeks are reportedly booked and it is very unlikely that there will be a change in those prices.

<https://www.thehindubusinessline.com/companies/indian-sponge-iron-mills-eye-operations-restart-as-iron-ore-prices-set-to-cool-off/article65456567.ece>

Covid subdued, retail majors go big on new store openings

Top listed retailers and quick-service restaurant chains opened over 3,000 doors or about nine new stores every day on an average in FY22, doubling the expansion rate from a year ago to overcompensate for the delay in new outlets due to Covid restrictions and cash in on lower rentals. In the last fiscal, the top nine companies including Reliance Retail, Aditya Birla Fashion and Retail (ABFRL), DMart, Tata's Trent and Starbucks added 3,206 outlets to reach a combined store network of 22,803, according to data sourced from their latest investor presentations. In FY21, their overall store strength was 19,597. While companies accelerated store launches to take advantage of lower rates as rent at marquee properties, retailers and mall operators said new store openings could go up even further.

<https://economictimes.indiatimes.com/industry/services/retail/covid-subdued-retail-majors-go-big-on-new-store-openings/articleshow/91774472.cms>

Indian companies show resilience despite short-term disruption due to COVID: EY India CEO Survey 2022

As many as 50 per cent of Indian CEOs acknowledge that COVID pandemic has caused short-term disruption to their industry, but Indian companies have continued to demonstrate resilience as economy rebounds, a survey said on Tuesday. The EY India CEO Survey 2022 has found that merger and acquisitions (M&A) is a key strategic lever for Indian CEOs as they look to buy versus build to achieve their transformation ambitions. "Today, amidst challenges of inflationary pressures, supply chain issues, and increasing geopolitical conflicts, CEOs in India are resetting their risk radar and reframing their investment strategy for reshaped future, with transformation and sustainability increasingly driving the M&A agenda," the survey said. As many as 80 per cent of Indian CEOs also acknowledge making adjustments to their global operations and supply chains. For 63 per cent, the purpose has been to reduce logistics costs and increase resilience.

<https://www.financialexpress.com/industry/indian-companies-show-resilience-despite-short-term-disruption-due-to-covid-ey-india-ceo-survey-2022/2536241/>

Indian public cloud services market to grow at 24% CAGR for 2021-26: IDC

The Indian Public Cloud Services (PCS) market is expected to reach \$13.5 billion by 2026, growing at a Compound Annual Growth Rate (CAGR) of 24 per cent for 2021-26, according to research firm, International Data Corporation (IDC). The PCS market, including infrastructure-as-a-service (IaaS), platform-as-a-service (PaaS) solutions, and software-as-a-service (SaaS), revenue totalled \$4.6 billion, said the report. India continues to be among the fastest growing market for PCS providers due to the robust demand from large enterprises, small and medium businesses and digital natives.

<https://www.thehindubusinessline.com/info-tech/indian-public-cloud-services-market-to-grow-at-24-cagr-for-2021-26-idc/article65456797.ece>

Agriculture

Government's wheat procurement down by 53% to 182 lakh tonnes in 2022-23

The government's wheat procurement fell by 53 per cent to 182 lakh tonnes so far in the current 2022-23 marketing year compared to the year-ago period on aggressive buying by private players for export purposes, according to official sources. The rabi marketing year runs from April to March but the bulk of procurement ends by June. An all-time high of 433.44 lakh tonnes of wheat was procured in the previous marketing year. State-owned Food Corporation of India (FCI) and state agencies undertake procurement at the minimum support price to meet the requirement under the public distribution system (PDS) and other welfare schemes. The wheat procurement target has been revised downward to 195 lakh tonnes for the current year from the earlier 444 lakh tonnes due to a fall in wheat output and increased exports.

<https://economictimes.indiatimes.com/news/economy/agriculture/governments-wheat-procurement-down-by-53-to-182-lakh-tonnes-in-2022-23/articleshow/91770280.cms>

Edible oil prices to fall as Indonesia ships 200,000 tonnes crude palm oil

Availability of edible oils in the country will improve and their prices may come down in the coming weeks as Indonesia has shipped 200,000 tonnes of crude palm oil to India, oil traders have said. The consignment, shipped on Monday after Indonesia lifted an export ban on the commodity, will reach India by the end of this week and will be available at the retail end by June 15, said Sandeep Bajoria, chief executive of edible oil importing firm Sunvin Group. Lower palm oil prices will reduce raw material cost of soaps, margarine, shampoos, biscuits and chocolates where palm oil and its derivatives are used, experts said.

<https://economictimes.indiatimes.com/news/economy/agriculture/edible-oil-prices-to-fall-as-indonesia-ships-200000-tonnes-crude-palm-oil/articleshow/91778343.cms>

Energy

Consumers compelled to buy coal at high prices to keep plants running: CCAI

Expressing concerns over consumers being compelled to buy coal at high prices just to keep their plants running, Coal Consumers' Association of India (CCAI) has sought the government's intervention to provide ailing industries a new lease of life. "The average bid price of coal in a recently conducted spot e-auction by MCL (Mahanadi Coalfields Ltd) rose as high as 800 per cent above the notified price. "It is evident that some of MCL's valuable customers are compelled to procure coal as such abysmally high premiums only for sustenance of their respective plants while many industries had to take a decision to be out of league in this auction due to soaring bid prices," CCAI said in a recent letter to coal minister Pralhad Joshi. While the allocated quantity as per the fuel supply pact is not being supplied to the industries, the coal companies are successfully conducting spot e-auctions where the spot prices have scaled up to unprecedented high levels since March, making it unviable for many non-regulated sector (NRS) consumers to book their required quantity, the CCAI said.

<https://www.financialexpress.com/industry/consumers-compelled-to-buy-coal-at-high-prices-to-keep-plants-running-ccai/2535600/>

India's crude oil production falls 1% in April

India's crude oil production fell 1 per cent in April after lower output from fields operated by the private sector wiped away gains by state-owned firms such as ONGC, official data showed Tuesday. India produced 2.47 million tonnes of crude oil in April, down from 2.5 million tonnes in the same month last year, according to data released by the Ministry of Petroleum and Natural Gas. Oil and Natural Gas Corporation (ONGC) produced 1.65 million tonnes of crude oil in April, which was nearly 5 per cent more than the target set for it and 0.86 per cent high than the 1.63 million tonnes produced last year. Oil India Ltd (OIL) produced 3.6 per cent more crude at 2,51,460 tonnes but fields operated by the private sector produced 7.5 per cent less crude oil at 5,67,570 tonnes. The government has been focused on raising domestic production of oil and gas to cut reliance on imports. India imports 85 per cent of its oil needs and about half of its natural gas requirement.

<https://www.financialexpress.com/market/commodities/indias-crude-oil-production-falls-1-in-april/2536233/>

India cuts June domestic coal supply targets to utilities by 11.1%

India has slashed domestic miners' coal supply targets to power plants for June by 11.1%, according to a ministry sources. The power ministry asked power plants which have not yet begun blending imported coal with local supplies to ship in 15% of their requirements until October, according to the letter dated 24 May. India had earlier asked utilities to import 10% of its total needs.

https://economictimes.indiatimes.com/industry/energy/power/india-cuts-june-domestic-coal-supply-targets-to-utilities-by-11-1/articleshow/91771646.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

New round of solar PLI to have 3 schemes for different product categories

The new round of the production-linked incentive (PLI) programme for solar manufacturing will have three schemes for different product categories. The total corpus allocated to the second tranche of the PLI scheme is Rs 19,500 crore and of that the highest share of Rs 12,000 crore will go to end-to-end manufacturing of "polysilicon-wafers-

cells-modules" (raw material to finished product). For "wafer-cells-modules", the government will allocate Rs 4,500 crore and for "cells-modules" manufacturing, Rs 3,500 crore has been allocated.

https://www.business-standard.com/article/economy-policy/new-round-of-solar-pli-to-have-3-schemes-for-different-product-categories-122052400058_1.html

Rising fuel costs, expensive EVs making CNG a welcome relief, alternate fuel for mobility: Report

Rising fuel costs and prohibitively expensive electric vehicles are making compressed natural gas (CNG) "a welcome relief and alternate fuel" for mobility for Indian consumers, according to a report by NRI (Nomura Research Institute) Consulting & Solutions. CNG vehicle sales continued to grow in FY22, rising by 55 per cent to 2,65,383 units in FY22 compared to 1,71,288 units in FY21, as per NRI's report titled 'Path to clean mobility: Increasing penetration of NGVs in India'. "With increased differential TCO (total cost of ownership) benefits compared to other fuels, CNG is gaining more prominence among consumer preference post-BS-VI. The technology is now well established in India with major OEMs concentrating to bring in a range of cost-efficient and fuel-efficient CNG variants," NRI said in a statement.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/rising-fuel-costs-expensive-evs-making-cng-a-welcome-relief-alternate-fuel-for-mobility-report/articleshow/91765325.cms>

Telecom

BSNL to migrate 30,000 wifi hotspots to PM-WANI framework by June: DoT official

State-owned Bharat Sanchar Nigam will migrate 30,000 of its wifi hotspots to the PM-WANI framework by June, a senior telecom department official on Tuesday said, adding Railways too has an ambitious blueprint for all its future hotspots to be under the framework. In a bid to fuel broadband internet proliferation across the country, the government, in December 2020, approved the setting up of public wifi networks and access points by local Kirana and neighbourhood shops through public data offices that will not involve any licence, fee or registration. In a bid to fuel broadband internet proliferation across the country, the government, in December 2020, approved the setting up of public wifi networks and access points by local Kirana and neighbourhood shops through public data offices that will not involve any licence, fee or registration.

<https://www.financialexpress.com/industry/technology/bsnl-to-migrate-30000-wifi-hotspots-to-pm-wani-framework-by-june-dot-official/2536206/>

Telecom operators seek a reduction in fees to use street infrastructure

Telecom operators — including Reliance Jio and Airtel — have urged the Telecom Regulatory Authority of India to reduce application fees levied on using street furniture to deploy small cells for telecommunication services. While Vodafone Idea and Airtel want the ₹1,000 per street furniture fee to be removed entirely or at least significantly reduced, Reliance Jio said, "Street furniture rental should be made onetime till license period. Being an essential service, no recurring fee of any kind should be charged by the appropriate authority."

<https://www.thehindubusinessline.com/info-tech/telecom-operators-seek-a-reduction-in-fees-to-use-street-infrastructure/article65457000.ece>

Indian data centres may get up to Rs 1.2 lakh cr investment in five years: Report

Data centres capacity expansion in India by both foreign and local firms is expected to add investments to the tune of Rs 1.05 lakh to 1.2 lakh crore over the period of next five years, credit rating agency ICRA said on Tuesday. The Indian data centres market is witnessing a healthy growth primarily driven by large hyper-scalers like Amazon web services, Google, Microsoft, Facebook, IBM, Uber, Dropbox etc who are outsourcing their storage needs to third party data centre providers, ICRA said. Indian corporates like the Hiranandani Group, Adani Group, foreign investors which include Amazon, EdgeConnex, Microsoft, Capitaland, Mantra Group have started investing in Indian data centres. "Along with them, existing players like NTT, CtrlS, Nxtra, STT India are also expanding their capacities. Overall, 3900-4100 MW of capacity involving investments of Rs 1.05 – 1.20 lakh crore are likely to get added in the next five years," ICRA said.

<https://www.financialexpress.com/industry/indian-data-centres-may-get-up-to-rs-1-2-lakh-cr-investment-in-five-years-report/2535603/>

States

Maharashtra signs up investments totalling ₹30,379 crore at Davos

A number of companies committed to invest over ₹ 30,379 crore in Maharashtra, at the World Economic Forum in Davos. State Industry Minister Subhash Desai said that these investments, for which 23 MoUs have been signed, will potentially generate 66,000 job opportunities. Of the total investments that are coming to the State 55 per cent are from Singapore, Indonesia, the United States of America and Japan. According to reports, Microsoft is going to set up a data center in Pune city investing ₹3,200 crore. In addition, companies that are going to invest in Maharashtra include those in pharma, textile, information technology, data centres, and logistics. Textile players have shown interest in investing in Nagpur and Kolhapur. An Indonesian company in pulp and paper plans to start a plant at Raigad. Food processing industries have shown interest in starting plants in Pune.

<https://www.thehindubusinessline.com/news/maharashtra-signs-up-investments-totalling-worth-30379-crore-at-davos/article65456807.ece>

Healthcare

NHA launches revamped Ayushman Bharat Health Account mobile app

The National Health Authority (NHA) under its flagship Ayushman Bharat Digital Mission scheme has launched a revamped Ayushman Bharat Health Account mobile application, according to a statement issued on Tuesday. The Ayushman Bharat Health Account (ABHA) app, previously known as NDHM Health Records app, which is available on Google Play Store, already has over 4 lakh downloads, it said. The ABHA mobile application enables an individual to create an easy to remember username that can be linked with the 14-digit randomly generated ABHA number. It also enables the users to link their health records created at Ayushman Bharat Digital Mission (ABDM) compliant health facility and view them on their smartphones, the statement said.

https://economictimes.indiatimes.com/news/india/nha-launches-revamped-ayushman-bharat-health-account-mobile-app/articleshow/91759841.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

External

Exports rises 21% to USD 23.7 bn during May 1-21

The country's exports rose by 21.1 per cent to USD 23.7 billion during May 1-21, on account of healthy growth in various sectors, such as petroleum products, engineering, and electronic goods, an official said. During the second week of this month (May 15-21), the exports grew by about 24 per cent to USD 8.03 billion, the official added. Petroleum products, engineering, and electronic goods' exports during May 1-21 expanded by 81.1 per cent, about 17 per cent and about 44 per cent, respectively. The total figure for May is likely to be realised by the commerce ministry in June. In April, the exports rose by 30.7 per cent to USD 40.19 billion. Imports during the month grew by 30.97 per cent to USD 60.3 billion.

https://economictimes.indiatimes.com/news/economy/foreign-trade/exports-rises-21-to-usd-23-7-bn-during-may-1-21/articleshow/91761750.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

India imposes restrictions on sugar exports from June 1

In a significant move, the government placed restrictions on sugar exports today to prevent a surge in local prices. According to reports, the govt has told traders to secure permission for overseas sale of sugar from June 1 to October 31. The move primarily seeks to improve availability of the sweetener in the domestic market and check price rise. "Export of sugar (raw, refined and white sugar) is placed under restricted category from June 1, 2022 onwards," the Directorate General of Foreign Trade (DGFT) said in a notification.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-imposes-restrictions-on-sugar-exports-from-june-1/articleshow/91773814.cms>

Quad's \$50-billion, 5-year infra booster for Indo-Pacific

India, the US, Japan and Australia have resolved to invest \$50 billion on infrastructure development in the Indo-Pacific region over the next five years as part of a series of measures announced under the Quad initiative to bring "tangible benefits to the region". In particular, the four nations have mapped out vulnerabilities in global semiconductor supply chains and have resolved to work together to create a "diverse and competitive" market by leveraging their respective strengths. The Quad also launched a Common Statement of Principles on Critical Technology Supply Chains to mitigate risks in the region and advance cooperation in semiconductors and other critical technology. The nations have also agreed to expand cooperation in 5G technology through the signing of a new memorandum of understanding (MoU) on supplier diversification and defining standards for interoperability.

<https://economictimes.indiatimes.com/news/india/quads-50-billion-5-year-infra-booster-for-indo-pacific/articleshow/91776640.cms>

In bid to boost investment, PM Narendra Modi proposes 'Japan Week'

Seeking greater investments in India, Prime Minister Narendra Modi on Monday proposed celebrating Japan's contribution to the country's development journey in the form of a Japan Week'. Modi chaired a roundtable with Japanese business leaders here in which top executives and CEOs of 34 Japanese companies participated. The majority of these companies have investments and operations in India. The companies represented diverse sectors, including automobiles, electronics, semiconductors, steel, technology, trading and banking and finance, an official statement said. Stressing that India and Japan are natural partners, the Prime Minister lauded the business community as brand ambassadors of the immense potential of India-Japan ties. The Prime Minister recalled that during the visit of Japanese Prime Minister Kishida to India in March 2022, both countries had set an ambitious target of investment of Japanese Yen 5 trillion over the next five years.

https://www.business-standard.com/article/economy-policy/in-bid-to-boost-investment-pm-narendra-modi-proposes-japan-week-122052400027_1.html