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Economy

India has zero probability of slipping into recession, says survey

The risk of recession in a handful of Asian economies is rising as higher prices spur central banks to accelerate the pace of their interest rate hikes, according to the latest Bloomberg survey of economists. Sri Lanka, which is in the midst of its worst economic crisis ever, has an 85% probability of falling into recession in the next year, up from a 33% chance in the previous survey -- by far the highest increase in the region. Economists also raised their expectations for a chance of recession in New Zealand, Taiwan, Australia and the Philippines to 33%, 20%, 20% and 8%, respectively. Central banks in those places have been raising interest rates to tame inflation.

<https://economictimes.indiatimes.com/news/economy/indicators/india-has-zero-probability-of-slipping-into-recession-says-survey/articleshow/93120581.cms>

Banking and Finance

Companies face delays in transferring money abroad

Several mid-sized and small Indian companies with overseas units are facing delays in securing regulatory approvals for investments into foreign subsidiaries or payments to offshore investors, people familiar with the matter told ET. The situation, however, isn't as alarming as it was during the so-called Taper Tantrum in 2013 when capital flight from the emerging markets had caused the rupee to dive precipitously. Approvals from the Reserve Bank of India (RBI), several executives told ET, were hard to come by lately with the rupee declining about 7% against the US dollar since the start of the year amid the unidirectional global rush for assets denominated in the world's reserve currency.

<https://economictimes.indiatimes.com/industry/banking/finance/companies-face-delays-in-transferring-money-abroad/articleshow/93122407.cms>

CAG to assess impact of old pension scheme on finances

India's statutory auditor, the Comptroller & Auditor General of India, is taking a deep dive to ascertain the impact of the old pension scheme on finances after some state governments decided to revert to that. The CAG has also started work on a comprehensive account of natural resources in the country that will aid policymakers in planning their sustainable utilisation. "We are doing a modelling exercise to see how it will impact government finances," Comptroller and Auditor General GC Murmu told ET.

<https://economictimes.indiatimes.com/news/economy/finance/cag-to-assess-impact-of-old-pension-scheme-on-finances/articleshow/93120464.cms>

ESIC scheme adds 1.49 million new members in May, says NSO report

Around 14.93 lakh new members joined the ESIC-run social security scheme in May 2022, according to official data released on Monday. The latest data is part of a report -- Payroll Reporting in India: An Employment Perspective - May 2022 -- released by the National Statistical Office (NSO). It showed that the gross new enrolments with Employees' State Insurance Corporation (ESIC) rose to 1.49 crore in 2021-22, from 1.15 crore in 2020-21. It was 1.51 crore in 2019-20 and 1.49 crore in 2018-19. From September 2017 to March 2018, around 83.35 lakh new subscribers joined the ESIC scheme. The report said gross new enrolments with ESIC from September 2017 to May 2022 were

6.76 crore. The NSO report is based on the payroll data of new subscribers of various social security schemes run by ESIC, the Employees' Provident Fund Organisation (EPFO) and Pension Fund Regulatory and Development Authority (PFRDA).

https://www.business-standard.com/article/economy-policy/esic-scheme-adds-1-49-million-new-members-in-may-says-nso-report-122072500550_1.html

SIDBI's lending platform Online PSB Loans eyes 50% jump in disbursements to Rs 1 lakh cr

Digital lending platform Online PSB Loans (OPL), which operates SIDBI's 59-minute loan approval scheme, is expected to reach Rs 1 lakh crore loan disbursements by the end of current financial year 2022-23, an increase of 50 percent in the next eight months, its Managing Director and CEO Jinand Shah told Financial Express Online. According to the data from the MSME Ministry, 2,24,002 bank loans worth Rs 66,471 crore were disbursed till July 2022 through OPL since its launch in November 2018. From Rs 59,548 crore loans disbursed as of February 2021, the value has increased by 11.6 per cent till date. On the other hand, the number of loans disbursed in the last 12 months was 15,000. The loans were given across OPL's product portfolio that includes MSME loans (Mudra loan and term loan for up to Rs 5 crore), home loan, auto loan and personal loan. "The Rs 1-lakh-crore is a benchmark figure that has not been crossed by any other platform in the country. In fact, of all the products, 85-90 per cent of the loans processed by OPL are MSME loans as the platform was launched specifically for the sector and the retail products serve only as add-ons," said Shah.

<https://www.financialexpress.com/industry/sme/msme-fin-sidbis-lending-platform-online-psb-loans-eyes-50-jump-in-disbursements-to-rs-1-lakh-cr/2604927/>

PSU debt serviced by a state to be brought under its FRBM limit: Govt

The Centre has informed the states that if any of their state-owned companies, special purpose vehicles or agencies borrow from the markets, and that debt is serviced by the state government, then the borrowing will be considered under the states' fiscal responsibility and budget management (FRBM) limit. This was revealed by Finance Minister Nirmala Sitharaman in a written reply tabled in Lok Sabha on Monday. Instances of borrowings by certain state PSUs, SPVs and other equivalent instruments, where principal and/or interest are to be serviced out of the state budgets, had come to the notice of the Ministry of Finance, she said in the reply. "Considering the effect of bypassing the net borrowing ceiling of the states by such borrowings, it was decided and communicated to the States in March 2022 that such borrowings shall be considered as borrowings made by the State itself for the purpose of issuing the consent under Article 293(3) of the Constitution of India," she said.

https://www.business-standard.com/article/economy-policy/psu-debt-serviced-by-a-state-to-be-brought-under-its-frbm-limit-govt-122072501176_1.html

Industry

Over 10,000 MSMEs shut during 2016-2022 period; 96% in past 3 years, shows govt data

The government has come out with consolidated data on the number of MSMEs closed over the past six years including the Covid period in the country. According to the combined data from the Udyam registration portal and the erstwhile Udyog Aadhaar Memorandum (UAM), 10,067 MSMEs were shut from 2016 to 2022. Sharing data in the Rajya Sabha on Monday in a written reply to a question on the closure of units, Minister of State for MSMEs Bhanu Pratap Singh Verma noted that 400 MSMEs (4 per cent of total closures) were shut during the 2016-2019 period as per the UAM data. On the other hand, the majority 96 per cent units — 9,667 were shut between 2019 and 2022, according to the UAM and Udyam portal data. In reply to a separate question on the Covid impact on MSMEs, Verma shared that 2,870 MSMEs registered on the Udyam portal were shut between April 1, 2022, and July 20, 2022, along with employment loss for 19,862 people. Likewise, 6,222 Udyam-registered MSMEs were shut in FY22 with 42,662 people losing jobs. Between July 1, 2020, and March 31, 2021, 175 Udyam units were closed and 724 jobs were lost.

<https://www.financialexpress.com/industry/sme/msme-eodb-over-10000-msmes-shut-during-2016-2022-period-96-in-past-3-years-shows-govt-data/2605518/>

Indian diamond industry's revenue set to fall 15-20% this fiscal year, Crisil says

The Indian diamond industry's revenue is set to drop 15-20% to \$19-20 billion this fiscal, as compared with a decadal high in the last fiscal, following a double blow from falling demand and rising prices of roughs across the globe, according to Crisil Ratings. Among the demand dampeners, a surge in Covid-19 cases has led to lockdowns in several regions in China, which is one of the largest consumers of Indian polished diamonds. Additionally, inflation and opening up of other avenues of discretionary spending, such as travel and hospitality, will dampen demand growth in the US and Europe in the near term. As for prices, the US sanctions on Russian diamond mining company Alrosa, following the invasion of Ukraine, has cut supplies of rough diamonds by almost 30%. The state-owned company is the largest diamond producer in the world and the supply constraint will continue amid sanctions on Russia. Also, key buyers in the US and EU have been insisting on certificates of origin.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/indian-diamond-industrys-revenue-set-to-fall-15-20-this-fiscal-year-crisil-says/articleshow/93106015.cms>

Agriculture

Govt plans to scrap 80-year-old Coffee Act, bring Bill to promote industry

The Centre plans to repeal the existing 80-year old Coffee Act and has proposed a new "Coffee (Promotion and Development Bill), 2022" to promote development of the Indian coffee industry. Through a new law, the government aims to modernise the functioning of the Coffee Board of India that is responsible for boosting production and the quality of Indian coffee, push exports and support the development of the domestic market. The Bill is likely to be introduced in the ongoing session of the Parliament. Government officials aware of the matter said the existing law was enacted in 1942, with provisions relevant to that time. Currently, many rules and regulations, especially those pertaining to the marketing of coffee, are redundant. Besides, over the past 10 years, there has been a paradigm shift in the way coffee is grown, marketed and consumed. "The new bill addresses several functional areas of the Coffee Board, such as support for production, research, extension, and quality improvement, promotion of coffee and skill development of growers. Many such activities were originally not included in the mandate of the Coffee Board but now need to be incorporated into its functions and powers," the official said.

https://www.business-standard.com/article/economy-policy/govt-to-scrap-80-year-old-coffee-act-bring-bill-to-promote-the-industry-122072501151_1.html

Infrastructure

Railway formalises RORO charges; to be on par with road tariffs

Indian Railways has formalised the charges for the roll-on, roll-off (RORO) service it offers to transporters. The rates are comparable to road tariff, according to people in the know. These freight rates will be applicable for RORO services to be operated over Indian Railway network, including the dedicated freight corridor (DFC). This service was extensively used during the Covid-19 pandemic to ferry trucks carrying oxygen containers to hospitals. At present, RORO services are running on DFC and Konkan Railways. This freight circular ensures pan-Indian uniform charging for RORO, which was till now done on a case-to-case basis.

<https://economictimes.indiatimes.com/industry/transportation/railways/railway-formalises-ro-ro-charges-to-be-on-par-with-road-tariffs/articleshow/93120397.cms>

Road transport and highways sector has maximum number of delayed projects: Govt

Road transport and highways sector has the maximum number of delayed projects at 301 followed by railways segment at 127 and petroleum sector at 91, the government said on Monday. "The top 3 sectors with the maximum delayed projects are road transport and highways- out of 843 projects 301 projects are delayed, railways- out of 211 projects 127 projects are delayed and petroleum- out of 139 projects 91 projects are delayed," Minister of State for Statistics Rao Inderjit Singh in a written reply to the Rajya Sabha. The Infrastructure and Project Monitoring Division (IPMD) is mandated to monitor central sector infrastructure projects costing Rs 150 crore and above based on the information provided on Online Computerised Monitoring System (OCMS) by the project implementing agencies.

<https://economictimes.indiatimes.com/industry/transportation/roadways/road-transport-and-highways-sector-has-maximum-number-of-delayed-projects-govt/articleshow/93118546.cms>

Energy

Natural gas demand dips as power companies, refiners switch to alternative fuels

India's natural gas consumption is shrinking as refiners, power producers and petrochemical plants are using less of the pricey fuel. Domestic consumption fell 2.5% year-on-year in the first quarter of FY23 while gas imports declined 10%, oil ministry data showed. In June, consumption fell 4% over the year. A part of the decline in imports has been offset by rising domestic output, which expanded 5% over the year in April-June. This has also resulted in lower capacity utilization at gas import terminals. The decline in demand is mainly due to industries switching to alternative fuels, an industry executive said. Refiners switched to liquid fuels while generators have been less inclined to use expensive gas to produce power, he added.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/natural-gas-demand-dips-as-power-companies-refiners-switch-to-alternative-fuels/articleshow/93120669.cms>

Telecom

TRAI floats consultation paper on 'embedded Sim for M2M communications'

The Telecom Regulatory Authority of India (TRAI) has released a consultation paper on 'Embedded Sim (e-Sim) for M2M (machine-to-machine) Communications' in which it has sought comments from stakeholders on whether there is a need to prescribe subscription management-secure routing (SM-SR) swapping among the Indian telecom service providers (TSPs) and if yes, what should be the modalities and procedure for such swap.

<https://www.thehindubusinessline.com/info-tech/trai-floats-consultation-paper-on-embedded-sim-for-m2m-communications/article65682238.ece>

States

Park grants in nodal A/C or they'll be put back in Consolidated Fund, states told

Several state governments are caught in a deadline rush to meet the new guidelines for fund flow into Centrally Sponsored Schemes (CSS) failing which the central share of funds could be reverted to the Consolidated Fund of India (CFI), the Centre has cautioned. Union ministries have shot off a flurry of communication to the chief secretaries of several states last week, warning that failure to transfer the full central share of funds for 2021-22 for each such scheme to the designated Single Nodal Agency (SNA) by July 20 (the last date set by the Department of Expenditure) will result in the amount returning to the CFI. It has been warned that non-compliance would be treated as violation of the government order and impact the implementation of CSS schemes.

<https://economictimes.indiatimes.com/news/economy/finance/park-grants-in-nodal-a/c-or-theyll-be-put-back-in-consolidated-fund-states-told/articleshow/93120435.cms>

Registered MSMEs in Kerala expected to rise to 1.5 lakh by end of 2022-23

As many as 42,300 micro, small and medium enterprises got registered in Kerala during the first quarter of the current financial year, prompting the government to re-estimate its target from 1 lakh to 1.5 lakh MSMEs by the end of 2022-23, state's Minister for Law, Industries and Coir P Rajeev said. Kerala had only 17,300 MSMEs registered in the whole the last financial year, the Minister said after inaugurating a new facility of Innovature at Infopark Phase 2 SEZ in Kakkanad. "We are a state with the fragile Western Ghats on one side and a coast with regulations zone act on the other. In between, we have eco-sensitive zones. This implies we can go only vertically. The government encourages industrial projects requiring less land," he noted while addressing the employees of the 2005-founded software firm.

<https://economictimes.indiatimes.com/small-biz/sme-sector/registered-msmes-in-kerala-expected-to-rise-to-1-5-lakh-by-end-of-2022-23/articleshow/93100446.cms>

Healthcare

Covid shots for 5-12-year kids not yet included in vaccine drive

The rollout of vaccination against Covid for children aged 5-12 years has yet to begin in India, as the two vaccines approved for this age group aren't available for booking on the government's Co-WIN platform. The Co-WIN platform allows people to register and book slots for getting their jabs and also receive vaccination certificates. The National

Technical Advisory Group on Immunisation (NTAGI) has earlier this month cleared Biological E's Corbevax and Bharat Biotech's Covaxin for use in children of this age group. The Drugs Controller General of India had approved both in April. Corbevax has been approved for children aged 5-12 years and Covaxin for the 6-12 age group.

<https://economictimes.indiatimes.com/news/india/covid-shots-for-5-12-year-kids-not-yet-included-in-vaccine-drive/articleshow/93120678.cms>

India to enhance lab capacities for monkeypox testing

The Union Ministry of Health and Family Welfare plans to convert 17 integrated disease surveillance programme laboratories across some States, as additional monkey pox testing labs. The conversion and upgrade of the labs are expected over the next seven days, senior officials told BusinessLine. The move is expected to help in quicker testing of suspected monkeypox virus samples and hasten detection of cases.

<https://www.thehindubusinessline.com/business-tech/india-to-enhance-lab-capacities-for-monkeypox-testing/article65681928.ece>

Stable data collection, surveillance necessary to deal with infectious diseases: Gagandeep Kang

As monkeypox gets reported in a world still grappling with Covid-19, virologist Gagandeep Kang says, India should build its capacities, be it in diagnostics or developing vaccines, and continue to generate stable data to help frame policy. Monkeypox is less transmissible than Covid-19, has an incubation time of one-two weeks, and so can be contained through effective contact tracing and isolation, especially when the numbers are less, explains Kang. But the authorities need to be prepared by reaching out to companies for antivirals and vaccines, and need to include private laboratories to build testing capacities, she said.

<https://www.thehindubusinessline.com/news/national/stable-data-collection-surveillance-necessary-to-deal-with-infectious-diseases-gagandeep-kang/article65682690.ece>

External

Engineering exports rise 11.8% in Q1 to \$28.96 b; newer markets open up

Engineering goods exports from India increased 11.8 per cent in April-June 2022-23 (year-on-year) to \$28.96 billion, despite a sharp decline in exports to China, as countries like the US, Germany and Mexico sourced more, according to industry data. Growth in exports of engineering products, however, slowed down in June to 4.2 per cent at \$9.69 billion, with exports to China falling 55 per cent to \$232.78 million, and performance of certain steel products — including stainless steel — getting affected due to a 15 per cent export duty announced on May 22, EEPIC India pointed out in a statement.

<https://www.thehindubusinessline.com/economy/engineering-goods-exports-rise-118-per-cent-in-q1-fy23-to-2896-billion/article65682014.ece>