



February 23, 2022 – Wednesday

Economy

Experts seek clarity on data anonymisation, monetisation guidelines in draft data accessibility policy

A day after the Ministry of Electronics and Information Technology (MeitY) released the draft India Data Accessibility and Use Policy, industry experts and think tanks said that monetisation of data bases, inter-ministry data sharing and need for tighter law around data anonymisation will be the key focus areas for recommendations being sent. Organisations including SFLC.in, Internet Freedom Foundation (IFF) and The Dialogue will be soon sending their recommendations adhering to March 18 deadline.

<https://www.thehindubusinessline.com/economy/policy/experts-seek-clarity-on-data-anonymisation-monetisation-guidelines-in-draft-data-accessibility-policy/article65074532.ece>

Wholesale price of tur dal drops nearly 3% on measures taken by govt

The government on Tuesday said wholesale price of tur dal declined by nearly 3 per cent in the last one year on the back of measures taken by it to boost domestic supply and stabilise rates. "The government has taken several proactive and pre-emptive measures to augment domestic availability and stabilise prices of essential food commodities. It is because of these measures that the price of tur/arhar dal reported a sharp decline," an official statement said. As per the data of Department of Consumer Affairs (DoCA), the average wholesale price of tur dal on February 22, 2022 was Rs 9,255.88 per quintal as compared to Rs 9,529.79 per quintal on the same day a year ago, showing a drop of 2.87 per cent. Similarly, the average wholesale price of tur dal on February 21, 2022 was Rs 9,252.17 per quintal as against Rs 9,580.17 per quintal on the same day a year ago, registering a fall of 3.42 per cent.

https://www.business-standard.com/article/economy-policy/wholesale-price-of-tur-dal-drops-nearly-3-on-measures-taken-by-govt-122022201335_1.html

Slower Recovery: 19 States overshoot MGNREGA budget

At least 19 states have overshoot the expenditure on the rural employment guarantee scheme for the current year even with more than a month left for the fiscal year to end, reflecting the slow recovery in the labour market and the continued stress on the Mahatma Gandhi National Rural Employment Guarantee Act (Mgnrega) scheme. Data from the rural development ministry website shows states such as Jharkhand, Gujarat, Uttar Pradesh and West Bengal have utilised 128%, 110%, 100% and 109% of the funds, respectively, for the year till February 21.

<https://economictimes.indiatimes.com/news/economy/policy/slower-recovery-19-states-overshoot-mgnrega-budget/articleshow/89757615.cms>

Barclays forecasts India's GDP growth at 6.6% in December quarter

Forecasting a lower-than-previously projected 10 per cent GDP growth for the fiscal year 2022 due to the third wave of the pandemic, foreign brokerage Barclays said the Indian economy is likely to have expanded by 6.6 per cent in the December quarter. The economy had a relatively stable Q3 with several sectors returning to pre-pandemic level of activity, with services playing a bigger role in activity, the report said, adding that with the mild Omicron wave in January, there is clear downside risks to the earlier growth forecast of 10 per cent in FY22. In the July-September quarter, the Indian economy had clocked a growth of 8.4 per cent. The National Statistical Office (NSO) will declare the GDP estimates for Q3 FY 2021-22 on February 28. As high base effects kick in, and activity consolidates, growth

rate is likely to slow down from 8.4 per cent in Q2 to 6.6 per cent in Q3, it said, adding there scope for a steady farm sector growth, even though there are clear signs of weakness in rural consumption.

https://www.business-standard.com/article/economy-policy/barclays-forecasts-india-s-gdp-growth-at-6-6-in-december-122022200960_1.html

Banking and Finance

Banks may miss deadline for implementation of ATM cassette swap in ATMs

The tardy progress made by banks in complying with the extended timeline for implementation of cassette swap in ATMs has drawn the ire of the Reserve Bank of India. The central bank had extended the timeline for implementation of cassette swap in all ATMs to March 31, 2022, from March 31, 2021, following the Indian Banks' Association (IBA) making a representation on behalf of various banks, which expressed difficulties in meeting the deadline.

<https://www.thehindubusinessline.com/money-and-banking/banks-may-miss-deadline-for-implementation-of-atm-cassette-swap-in-atms/article65073874.ece>

FSDC calls for constant vigil on functioning of financial institutions

The Financial Stability and Development Council (FSDC) on Tuesday met under the chairpersonship of Union Finance Minister Nirmala Sitharaman. The Council noted the need for a constant vigil on financial conditions and the functioning of financial institutions in the country. "The Council deliberated on the various mandates of the FSDC and major macro-financial challenges arising in view of global and domestic developments," Finance Ministry said in a statement. The Council noted that the Government and all regulators need to maintain a constant vigil on the financial conditions and functioning of important financial institutions, especially considering that it could expose financial vulnerabilities in the medium and long-term, it said.

<https://economictimes.indiatimes.com/news/economy/finance/fsdc-calls-for-constant-vigil-on-functioning-of-financial-institutions/articleshow/89752093.cms>

Centre may borrow towards cancelled debt auctions, says report

India's government may conduct more debt auctions after its last scheduled tender for the fiscal year on Friday, two people familiar with the matter said, to take advantage of the relatively low cost of borrowing. The government had cancelled its last two weekly debt sales worth 240 billion rupees (\$3.21 billion) each as global yields surged and as the state had achieved a comfortable cash balance for the fiscal year that ends March 31. But in a surprise move for markets, the government on Monday said it will borrow 230 billion rupees at the last bond sale for the current fiscal year on Feb. 25. Sources said while the government had a comfortable cash position even without further auctions, it would consider completing its planned borrowing if market conditions were appropriate.

https://www.business-standard.com/article/economy-policy/centre-may-borrow-towards-cancelled-debt-auctions-says-report-122022200521_1.html

India Ratings revises microfinance sector outlook to 'neutral' for FY23

India Ratings has revised upwards its outlook on the microfinance sector to 'neutral' from 'negative' next fiscal, on the back of a revival in growth that could clip at 30 per cent. The agency expects the sector to grow 20-30 per cent in both FY22 and FY23 in comparison to the below 10 per cent AUM (assets under management) growth in the previous two years. Given the yield limitations, mid- and small-MFIs have not seen comparable growth. While large MFIs will continue with their normal disbursement trends and new customer acquisitions as normalisation happens in FY22 and FY23, small- and mid-ones will ramp up their activities once the harmonisation guidelines are implemented.

https://www.business-standard.com/article/economy-policy/india-ratings-revises-microfinance-sector-outlook-to-neutral-for-fy23-122022201124_1.html

Industry

India Inc's governance score improves marginally in 2021, shows IAS study

The governance practices of India Inc have improved in 2021 even as it battles the aftermath due to the Covid-19 crises. The study conducted by Institutional Investor Advisory Services (IIAS) highlighted that for the BSE 100 universe, median scores of companies increased marginally to 62 in 2021 from 61 in 2020. IIAS released the sixth edition of its assessment of corporate governance scores of the S&P BSE 100 index constituents. The S&P BSE 100 constituents account for about 67 per cent of total market capitalization, the results of the assessment are a reasonable representation of market practices. The report suggests that despite the coronavirus crisis, corporate India has kept a steady focus on improving its governance practices, primarily due to better disclosures and enhanced stewardship practices.

https://www.business-standard.com/article/companies/india-inc-s-governance-score-improves-marginally-in-2021-shows-iias-study-122022201107_1.html

India has third-largest ecosystem for start-ups: Nasscom Official

India has the third-largest ecosystem for start-ups in the world and the number of such firms is growing significantly, an official said on Tuesday. Nasscom Centre of Excellence for internet of things (IoT) and artificial intelligence (AI) CEO Sanjeev Malhotra said most of the start-ups are on the application side, while a lot of work has also been done in the field of software-aided services. "The number of start-ups is growing significantly in the country with ten per cent being added every year. There has been significant growth in the number of companies and funding organisations which are attributing to this cause," he said. But there is a need to build start-ups in areas of core research, Malhotra said.

https://www.business-standard.com/article/companies/india-has-third-largest-ecosystem-for-start-ups-nasscom-official-122022201063_1.html

Captive MNC centres in India struggle as war for talent impacts sourcing

Global Capability Centres or the captive centres of multinational companies in India are feeling the heat of the war for talent as it impacts their effort to scale operations, said a survey. According to EY's GCC (Global Capability Center) Pulse Survey 2021, about 76 per cent of GCC leaders believe they need to improve their ability to attract and retain talent. In the last 18 months, the demand for niche digital skills has grown exponentially leading to a shortage of qualified candidates.

https://www.business-standard.com/article/companies/captive-mnc-centres-in-india-struggle-as-war-for-talent-impacts-sourcing-122022200644_1.html

Agriculture

Paddy procurement reaches 89 per cent of target, up 6 per cent from year ago

Overall purchases of paddy in the country reached 699.48 lakh tonnes (lt) as of February 21, as against 658.13 lt a year ago, official data show. The target for this kharif season is 528.26 lt in terms of rice (paddy equivalent 788.45 lt). The current procurement is 469.43 lt in terms of rice. The government has set a target to procure 774.85 lt of paddy from kharif-grown crop. While procurement is already over in Bihar, Telangana, Chhattisgarh, Punjab, Haryana and Madhya Pradesh, among major States, it will end by March 31 in Andhra Pradesh, Odisha and Tamil Nadu. The official purchase will be completed by this month in Uttar Pradesh, the second biggest grower of rice while it will continue until June 30 in West Bengal, the largest grower.

<https://www.thehindubusinessline.com/economy/agri-business/paddy-procurement-reaches-89-per-cent-of-target-up-6-per-cent-from-year-ago/article65074682.ece>

Infrastructure

Govt sanctions four national highway projects worth Rs 4,500 crore

The government has sanctioned four road infrastructure projects worth Rs 4,518.04 crore under the Bharatmala Pariyojana scheme, Union Minister Nitin Gadkari said on Tuesday. The approved projects pertain to construction, widening, and upgradation of national highways in Assam, Telangana, Karnataka, and Andhra Pradesh. Construction of 4-Laning of NH-71 from Madanapalle to Pileru in Chittoor district of Andhra Pradesh under Bharatmala Pariyojana has been sanctioned with budget of Rs 1,852.12 crore, the Minister of Road Transport and Highways said in a post on social media. Last week, Gadkari had met Andhra Pradesh Chief Minister Y S Jagan Mohan Reddy to review the

status of national highway projects in the state. Gadkari also announced the construction of a six-lane, access controlled greenfield highway section of NH-150C between Karnataka and Telangana at an estimated cost of Rs 972.06 crore.

https://www.business-standard.com/article/economy-policy/govt-sanctions-four-national-highway-projects-worth-rs-4-500-crore-122022200698_1.html

Indian Railways records highest ever freight loading for January; details

Indian Railways has recorded the highest ever freight loading of 129.11 Million Tonnes for the month of January 2022. The national transporter has been consistently witnessing growth in freight loading for the last 17 months i.e. from September 2020 to January 2022. According to the Railway Ministry, Indian Railways registered 107.56 MT freight loading in January 2019, 110.58 MT in January 2020, 119.55 MT in January 2021 and 129.11 MT in January 2022. A few days ago, the national transporter had announced that the East Coast Railway became the first zonal railway to achieve 200 MT freight loading in 2021-22.

<https://www.financialexpress.com/infrastructure/indian-railways-records-highest-ever-freight-loading-for-january-details/2441725/>

Office space leasing to increase by 10-15% in 2022 : Experts

Office vacancy level across eight major cities increased marginally to 17% in the fourth quarter of calendar year (CY21) from 16.9% in the previous quarter but the exodus of companies from large building complexes due to Covid-19 appears to be bottoming out, according to an analysis by ICICI Securities.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/office-space-leasing-to-increase-by-10-15-in-2022-experts/articleshow/89753855.cms>

Energy

Central govt preparing accounting rules for discoms

The Centre is preparing accounting rules for electricity distribution companies which are said to be showing exaggerated assets while non-provisioning losses. This could mean the discoms are in a much worse condition than expected. The accumulated losses of power distribution companies have risen at a fast rate over the last five years to about Rs 5.2 lakh crore as on March 31, 2021. The gap between the average cost of supply and revenue of distribution companies is 60 paise and the total regulatory assets, or deferred tariff hikes, are nearly Rs 1.25 lakh crore.

<https://economictimes.indiatimes.com/industry/energy/power/central-govt-preparing-accounting-rules-for-discoms/articleshow/89757287.cms>

India expects fuel demand to grow 5.5% in the next fiscal year

India's fuel demand is likely to grow 5.5% in the next fiscal year beginning April 1, initial government estimates show, reflecting a pick-up in industrial activity and mobility in Asia's third largest economy after months of stagnation. India's fuel consumption in 2022-23, a proxy for oil demand, could rise to 214.5 million tonnes from the revised estimates of 203.3 million tonnes for the current fiscal year ending March 2022, according to government forecasts. The estimates were released on the website of the Petroleum Planning and Analysis Cell (PPAC), a unit of the federal oil ministry.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/india-expects-fuel-demand-to-grow-5-5-in-the-next-fiscal-year/articleshow/89747714.cms>

Global crunch likely to double local gas prices

The full force of the global gas crunch will hit home in April: domestic gas prices will double, driving up costs of cooking, commuting and electricity, while increasing the fertilizer subsidy bill for the government. An accelerated recovery in energy demand from the covid-lows coupled with inadequate supply expansion in 2021 vaulted prices to record highs, sending shockwaves through the global economy. Domestic industries are already paying higher prices for LNG imported under long-term contracts where rates are linked to crude oil and have sharply cut purchases from the spot market where prices have been berserk for months.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/global-crunch-likely-to-double-local-gas-prices/articleshow/89733386.cms>

India's natural gas consumption to grow at 8 per cent y-o-y in 2022, says IEA

India's natural gas consumption is expected to grow by eight per cent year-on-year to around 34,949 million standard cubic meters (MSCM) in the current calendar year aided by expanding infrastructure, strong GDP growth projections, and supportive government policy. In the 2021 calendar year (CY), the country's natural gas demand stood at 32,360 MSCM. According to the International Energy Agency's (IEA) gas market report for Q1 2022, the country's demand for natural gas is likely to have grown by 5 per cent on an annual basis in 2021.

<https://www.thehindubusinessline.com/economy/indias-natural-gas-consumption-to-grow-at-8-per-cent-y-o-y-in-2022-says-iea/article65074515.ece>

Telecom

India to have 1 billion smartphone users by 2026: Deloitte

India will have 1 billion smartphone users by 2026 with rural areas driving the sale of internet-enabled phones, a Deloitte study said on Tuesday. India had 1.2 billion mobile subscribers in 2021, of which about 750 million are smartphone users. It is poised to be the second-largest smartphone manufacturer in the next five years. "The smartphone market is expected to reach 1 billion smartphone users by 2026," according to Deloitte's 2022 Global TMT (Technology, Media and Entertainment, Telecom) predictions. This growth is likely to be propelled by the rural sector at a compound annual growth rate (CAGR) of 6 per cent, compared with the urban sector growing at a CAGR of 2.5 per cent from 2021 to 2026.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/india-to-have-1-billion-smartphone-users-by-2026-deloitte/articleshow/89750324.cms>

States

Tamil Nadu economy bounces back from Covid 2.0

Tamil Nadu economy has staged a strong comeback from the impact of the second wave of the Covid-19 pandemic. Thanks to pick-up in economic activity, higher tax collections and increased devolution from the Centre, the aggregate revenue receipts of the State, at the end of the third quarter, has even surpassed the pre-Covid levels. According to provisional data from the Comptroller and Auditor General (CAG), Tamil Nadu's total revenue receipts as of Q3FY22, stood at ₹1,33,873 crore or 66 per cent of the budget estimates for FY22. In comparison, revenue receipts during the corresponding period in pre-Covid FY20 stood at ₹1,23,129 crore or 65 per cent of the budget estimate for the fiscal.

<https://www.thehindubusinessline.com/news/tamil-nadu-economy-bounces-back-from-covid-20/article65073350.ece>

External

Exports up 26.40% to \$25.33 billion during February 1-21

The country's merchandise exports rose by 26.4 per cent to USD 25.33 billion this month till February 21 on account of healthy performance by sectors including gems and jewellery, engineering, textiles and chemicals, according to the commerce ministry data. The exports during February 1-21 last year stood at USD 20.04 billion. Cumulatively, exports during April-January 2021-22 rose by 46.53 per cent to USD 335.44 billion as against USD 228.9 billion in the same period last year. The ministry is hopeful that the exports would cross the USD 400 billion target by the end of this fiscal.

<https://www.financialexpress.com/economy/exports-up-26-40-to-25-33-billion-during-february-1-21/2441767/>

India-UAE trade pact set to boost pharma exports

Indian drug-makers can look for significant gains in pharma exports to the United Arab Emirates, thanks to the new trade pact inked by India with the latter. Pharmaceuticals is one of the products that has been included in the vortex

of Comprehensive Economic Partnership Agreement. "There are many advantages that can hasten the product approvals and boost up demand for Indian pharmaceuticals in UAE," R Uday Bhaskar, Director General Pharmaceutical Export Promotion Council (Pharmexcil), told BusinessLine. As of now, the process of approval for any dossier filed by Indian pharma companies in UAE may take up to 24 months.

<https://www.thehindubusinessline.com/news/india-uae-trade-pact-set-to-boost-pharma-exports/article65073924.ece>

'India's textiles exports can touch \$100 bn from current \$40 bn in 5 years'

India's annual textiles exports can rise to USD 100 billion in the next five years from the current USD 40 billion, a top official said on Tuesday. Speaking at the 44th Foundation Day of the Apparel Export Promotion Council (AEPC), Textiles Secretary Upendra Prasad Singh said the country's apparel industry must focus on vertical integration to increase its scale and size and to benefit from the production-linked incentive (PLI) scheme. "Apparel and garmenting is not very investment-centric but it is important from the employment point of view. Perhaps, there is a need for backward integration and more of you can get into integrated value-chain like spinning and weaving," Singh said.

https://www.business-standard.com/article/economy-policy/india-s-textiles-exports-can-touch-100-bn-from-current-40-bn-in-5-years-122022201358_1.html