



March 23, 2022 – Wednesday

Key Developments

Centre to hold high-level meeting on Thursday to boost wheat exports

Amid rising global demand for Indian wheat due to the Russia-Ukraine crisis, the Central government has called a high-level meeting on Thursday with top exporters from the country, port authorities, state governments and also secretaries from the department of agriculture, shipping, commerce and Railways. Madhya Pradesh Chief Minister Shivraj Singh Chouhan, which is one of the country's foremost wheat producing states is also expected to attend the meeting. Sources said the meeting is expected to discuss ways and means to boost wheat exports from India and clear all the bottlenecks so that the country manages to take advantage of the favorable global conditions.

https://www.business-standard.com/article/economy-policy/centre-to-hold-high-level-meeting-on-thursday-to-boost-wheat-exports-122032201302_1.html

Economy

Govt closely monitoring global commodity price movements amid Russia-Ukraine war: FinMin

The government is closely monitoring the global commodity price movements and their impact on the Indian economy through trade in the aftermath of global supply disruptions amid the Russia-Ukraine war, Parliament was informed on Tuesday. Minister of State for Finance Pankaj Chaudhury said the government is also committed to supporting initiatives for releases from Strategic Petroleum Reserves to mitigate market volatility and calm the rise in crude oil prices. To a question on whether the government has made any review of the economy consequent upon the breakout of war between Russia and Ukraine, the minister said the geopolitical tension between Russia and Ukraine has led to global supply disruptions, resulting in a steep increase in global commodity prices, including crude oil, gas, edible oils and fertilisers, among others.

<https://economictimes.indiatimes.com/news/economy/policy/govt-closely-monitoring-global-commodity-price-movements-amid-russia-ukraine-war-finmin/articleshow/90379770.cms>

OECD pegs India's FY23 GDP growth at 5.5%

India's real gross domestic product (GDP) could grow 5.5% in FY23, lower than 8.1% in 2021-22, the Organization for Economic Cooperation and Development (OECD) said on Tuesday. In its Economic Outlook for Southeast Asia, China and India, the agency said that China's economy is seen growing 5.1% in both FY22 and FY23. Driven by infrastructure spending and border reopenings, the GDP of emerging Asia - China, India and the 10 members of the Association of Southeast Asian Nations (ASEAN)- is projected to grow 5.8% this year, following a 7.4% expansion in 2021 and a 0.8% contraction in 2020, it said, adding that the Ukraine war adds to inflation and supply chain risks facing an emerging Asia attempting to break out of the Covid-19 slump.

<https://economictimes.indiatimes.com/news/economy/indicators/oecd-pegs-indias-fy23-gdp-growth-at-5-5/articleshow/90380159.cms>

Indian companies report optimistic hiring outlook for Apr-Jun qtr: Survey

Employers in India continue to report bullish hiring outlook for the April-June quarter, with 38 per cent of companies planning to add more staff in the next three months, a survey said on Tuesday. According to the 60th annual edition

of the ManpowerGroup Employment Outlook Survey of 3,090 employers, hiring sentiments across sectors and regions are much stronger compared to the same period last year. However, on a quarter-on-quarter basis, hiring decision-makers anticipate the net employment outlook to decrease by 11 percentage points from the January-March quarter. For the April-June quarter, 55 per cent of employers are forecasting an increase in payrolls, 17 per cent anticipating a decrease and 36 per cent expecting no change, the resulting net employment outlook is 38 per cent.

https://www.business-standard.com/article/economy-policy/indian-companies-report-optimistic-hiring-outlook-for-apr-jun-qtr-survey-122032200371_1.html

Fitch slashes FY23 India growth forecast to 8.5% on high energy prices

Rating agency Fitch on Tuesday slashed India's growth forecast for the next fiscal to 8.5 per cent from 10.3 per cent, citing sharply high energy prices on account of the Russia-Ukraine war. With the Omicron wave subsiding quickly, containment measures have been scaled back, setting the stage for a pick-up in GDP growth momentum in the June quarter this year, the agency said. It has revised upwards the GDP growth forecast for the current fiscal by 0.6 percentage points to 8.7 per cent. "However, we have lowered our growth forecast for FY 2022-2023 to 8.5 per cent (-1.8 pp) on sharply higher energy prices," Fitch said while revising up its inflation forecasts.

https://www.business-standard.com/article/economy-policy/fitch-slashes-fy23-india-growth-forecast-to-8-5-on-high-energy-prices-122032200218_1.html

Banking and Finance

Banks put in lesser amounts in VRRR auctions ahead of FY22-end

Banks on Tuesday put in lower than notified amounts in the Reserve Bank of India's (RBI's) two variable rate reverse repo (VRRR) auctions for Rs 1.5 trillion as they predominantly preferred to maintain cash on their books ahead of the close of FY22. The three-day VRRR auction for Rs 1 trillion saw offers for Rs 67,422 crore. The RBI accepted the amount with a cut-off rate of 3.99 per cent. The 28-day VRRR auction for Rs 50,000 crore saw banks putting in Rs 47,190 crore. Bankers said the demand from customers remained high at the end of March and banks wanted to keep some liquidity with them. Also the RBI sold dollars, which sucked out part of rupee liquidity. The combined effect is less subscription than the notified amount.

https://www.business-standard.com/article/finance/banks-put-in-lesser-amounts-in-vrrr-auctions-ahead-of-fy22-end-122032201353_1.html

Black swan: Govt recapitalisation of banks needs to weigh trade-offs, says RBI paper

Government-provided recapitalisation packages to save banks from a black swan may need to consider trade-offs, including the possibility that firms may benefit from improved discounted lifetime profits but households may be worse off because of lower government expenditure in social sectors, according to a Reserve Bank of India (RBI) working paper. Government bailout without any deregulation leads to a loss in the household's utility, whereas profit for firms increases, RBI officials Saurabh Ghosh, Pawan Gopalakrishnan and Abhishek Ranjan said in the paper.

<https://www.thehindubusinessline.com/money-and-banking/black-swan-govt-recapitalisationof-banks-needs-to-weigh-trade-offs-says-rbi-paper/article65249183.ece>

NBFCs seek extension of subsidy under PM Housing for two years

Non-bank financing companies have approached the central housing ministry seeking clarity on its stance on continuing fresh disbursements under the PMAY Credit Linked Subsidy Scheme (CLSS) for the poor and the underprivileged. NBFCs are seeking an extension of the plan, due to end this month, for another two years. "We have sought a meeting with the housing ministry and its top officials to seek clarification on the extension of the CLSS scheme for the economically weaker section and low-income group," said the CEO of a housing finance company, on the condition of anonymity. "We are also requesting extension of the scheme by another two years as it not only aids housing to the poor but also leads to a significant amount of employment generation in rural India."

<https://economictimes.indiatimes.com/news/economy/policy/nbfc-extend-extension-of-subsidy-under-pm-housing-for-two-years/articleshow/90383455.cms>

Parliamentary panel asks DIPAM to publish annual report on CPSEs valuation

A Parliamentary panel has asked DIPAM to publish an annual report on how it has managed public assets, highlighting “whether it is creating value or whether it has eroded value” of public sector enterprises. The Standing Committee on Finance, chaired by BJP member Jayant Sinha, in its report desired that disinvestment becomes more credible, purposeful and transparent. Department of Investment and Public Asset Management (DIPAM) is mandated to manage government equity in public sector companies. The government had budgeted to collect Rs 1.75 lakh crore through PSU disinvestment in the current fiscal. However, the revised estimates has scaled down the estimation to Rs 78,000 crore.

<https://www.financialexpress.com/economy/parliamentary-panel-asks-dipam-to-publish-annual-report-on-cpses-valuation/2467954/>

UPI most preferred payment mode among consumers with 56% share: study

Unified Payments Interface (UPI) has emerged as the most preferred payment mode among consumers, with a person-to-merchant (P2M) market share of 56 per cent in volume terms in calendar year (CY) 21, according to a report by Wordline India. In value terms, UPI merchant transactions account for 41 per cent of the market share. Having said that, cards are still dominating the merchant acceptance payments ecosystem, with 26 per cent market share in volume terms, and 53 per cent in value terms. Among cards, credit cards have 26 per cent and 8 per cent market share in value and volume terms, respectively. Similarly, debit cards have a market share of 23 per cent and 14 per cent in value and volume terms, respectively.

https://www.business-standard.com/article/finance/upi-most-preferred-payment-mode-among-consumers-with-56-share-study-122032200874_1.html

India's banks unprepared for financial impacts of climate change: Report

An analysis of India's leading banks by think tank Climate Risk Horizons on Tuesday warned that the country's banking sector is unprepared for the financial impacts of climate change. The report, "Unprepared: India's big banks score poorly on climate challenge", ranks the 34 biggest banks in the country (based on market capitalisation) against a range of criteria and finds that barring a few examples, most banks have not even begun to factor climate change into their business strategies. The analysis comes on the heels of the Intergovernmental Panel on Climate Change's (IPCC) report on impacts, adaptation and vulnerability which warned that India faces serious economic threats from sea-level rise and riverine flooding, reduced labour capacity due to intolerable heat, drop in crop and fish production and water scarcity.

https://www.business-standard.com/article/finance/india-s-banks-unprepared-for-financial-impacts-of-climate-change-report-122032200277_1.html

Industry

Parliamentary panel to govt: Extend ECLGS loan repayment period for MSMEs up to 7-8 years

The Parliamentary Standing Committee on Industry has recommended the government to extend the loan repayment period under the Emergency Credit Line Guarantee Scheme for MSMEs up to seven-eight years. Currently, the repayment period of three-four years including the moratorium period under the scheme is a very short period for MSMEs that are struggling to survive from the second wave of Covid, the committee said on Monday. The parliamentary panel also asked for at least a two-year moratorium period on the principal amount. Finance Minister Nirmala Sitharaman in her budget speech this year had announced an extension of the ECLGS scheme up to March 2023 along with an increase in guarantee cover by Rs 50,000 to Rs 5 lakh crore.

<https://www.financialexpress.com/industry/sme/msme-fin-parliamentary-panel-to-govt-extend-eclgs-loan-repayment-period-for-msmes-up-to-7-8-years/2467846/>

Cost of EVs to be at par with petrol-run vehicles in 2 years: Gadkari

Road Transport Minister Nitin Gadkari on Tuesday said rapid strides in technology and green fuel will reduce the cost of electric automobiles, bringing them at par with petrol-run vehicles in the next two years. Replying in the Lok Sabha on the Demands for Grants for Road Transport and Highways Ministry, 2022-23, Gadkari emphasised the need to shift to cost-effective indigenous fuel and hoped that this fuel will be a reality soon, bringing the pollution levels down and improving the overall situation in Delhi. Urging MPs to adopt hydrogen technologies for transport, Gadkari asked them to take initiative in their respective districts for converting sewage water to produce green hydrogen.

Hydrogen will soon be the cheapest fuel alternative, he said.

https://www.business-standard.com/article/current-affairs/cost-of-evs-to-be-at-par-with-petrol-run-vehicles-in-2-years-gadkari-122032200709_1.html

CAIT raises concerns on data and predatory pricing of foreign companies

The Confederation of All India Traders (CAIT) said on Tuesday it has requested the union government to investigate and take appropriate action against all foreign owned e-commerce companies and other companies operating in Indian retail trade, that 'blatantly violate' the laws of the country and make profits through 'illegality.' Citing examples of companies such as Shopee and Flipkart, Praveen Khandelwal, secretary general of CAIT said predatory pricing and deep discounting has ruined domestic trade. Which supplier except for their own inventory held companies would fund such loss making endeavors? Which economic system has such unbelievable discounts? These companies have scant regard for policies and FDI regulations and are further emboldened by the fact that no stringent action has been taken against them by the requisite authorities," Khandelwal said in a statement.

<https://economictimes.indiatimes.com/industry/services/retail/cait-raises-concerns-on-data-and-predatory-pricing-of-foreign-companies/articleshow/90380998.cms>

Steelmakers hike rebar, HRC prices by Rs 1,500-Rs 2000 a tonne as coking coal costs surge

India's top steelmakers have announced rebar and HRC (Hot Rolled Coil) price increases by around Rs 1,500-Rs 2,000 a tonne as coking coal costs have more than trebled over the past month. JSW Steel has decided to increase rebar prices by INR 1,250 a tonne with effect from 23rd of March 2022 for end-March sales, sources close to the development said. State-owned Steel Authority of India has increased prices of HRC and CRC (Cold Rolled Coil) by around Rs 1,500 a tonne. Naveen Jindal-led Jindal Steel and Power has also hiked prices by around Rs 1,500 crore. Other top steelmakers will also be undertaking a hike in the coming days.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/steelmakers-hike-rebar-hrc-prices-by-rs-1500-rs-2000-a-tonne-as-coking-coal-costs-surge/articleshow/90382029.cms>

India's diamantaires to witness a demand moderation in FY23: ICRA

Rating agency ICRA expects India's diamantaires to witness a demand moderation in FY2023, after a sparkling performance in FY2022, which coupled with firm rough prices would keep their margins under check. As per ratings agency's recent note on the sector, the Indian cut and polished diamond (CPD) exports are expected to moderate to \$22.5-23.0 billion in FY2023, reflecting a Y-o-Y degrowth of 5-6%. Coupled with elevated rough prices, this is expected to trim their operating profit margins (OPM) by upto 50 bps from FY2022 levels to 4.5%.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics-/jewellery/indias-diamantaires-to-witness-a-demand-moderation-in-fy23-icra/articleshow/90372962.cms>

Agriculture

New Investment Policy-2012 for three fertiliser plants extended

The Union Cabinet on Tuesday approved the extension of applicability of the New Investment Policy-2012 for three upcoming units of Hindustan Urvarak & Rasayan (HURL) at Gorakhpur, Sindri and Barauni. The cost of the three HURL urea projects is Rs 25,120 crore. GAIL is supplying natural gas to these three units. The government had announced the New Investment Policy (NIP) - 2012 in January, 2013 and its amendment in October, 2014 to facilitate fresh investment in the urea sector and to make India self-sufficient. The policy lays down guidelines to fix gas prices and also other roadmaps for attracting investment in the urea sector.

https://www.business-standard.com/article/economy-policy/new-investment-policy-2012-for-three-fertiliser-plants-extended-122032201368_1.html

Raw jute MSP hiked by Rs 250 to Rs 4,750 a quintal for 2022-23 season

The government has increased the minimum support price (MSP) of raw jute by Rs 250 to Rs 4,750 per quintal for the 2022-23 season. The Cabinet Committee on Economic Affairs, chaired by Prime Minister Narendra Modi, on Tuesday approved the MSP for raw jute for the 2022-23 season. The approval is based on recommendations of the Commission for Agricultural Costs and Prices. "The MSP of raw jute (TDN3 equivalent to TD5 grade) has been fixed

at Rs 4,750 per quintal for 2022-23 season with an increase of Rs 250 over the previous year. This would ensure a return of 60.53 per cent over all India weighted average cost of production," an official statement said.

https://www.business-standard.com/article/economy-policy/raw-jute-msp-hiked-by-rs-250-to-rs-4-750-a-quintal-for-2022-23-season-122032200642_1.html

Infrastructure

Delhi-Mumbai, other key expressways to be completed by December: Gadkari

Union Minister [Nitin Gadkari](#) told the Lok Sabha on Tuesday that important [national highway](#) and [expressway](#) projects will be completed by December. "Projects like Delhi-Dehradun expressway, Delhi-Jaipur expressway, and Delhi-Mumbai expressway, which will reduce road travel time between the two cities to 12 hours, will be completed before the end of this year," Gadkari said in his reply to the discussion on the road transport and highways ministry's additional demand for grants. He added that the Bengaluru-Chennai [expressway](#) will also be completed soon.

https://www.business-standard.com/article/economy-policy/delhi-mumbai-other-key-expressways-to-be-completed-by-december-gadkari-122032200775_1.html

India ranks 51st in global list of annual rise in housing prices

India ranks 51st in annual appreciation in [housing prices](#) with a 2.1 per cent rise in rates during the October-December quarter of the last year, according to property consultant [Knight Frank](#). In its latest research report titled 'Global House Price Index Q4 2021,' [Knight Frank](#) said that India has climbed up five spots to the 51st rank in Q4 of 2021 against the 56th rank in Q4 of 2020. Turkey witnessed the highest annual price growth rate by 59.6 per cent in the year to Q4 2021, followed by New Zealand (22.6 per cent), Czech Republic (22.1 per cent), Slovakia (22.1 per cent) and Australia (21.8 per cent). Malaysia, Malta and Morocco markets recorded a decline in [housing prices](#) by 0.7 per cent, 3.1 per cent and 6.3 per cent, respectively, in the year 2021.

https://www.business-standard.com/article/economy-policy/india-ranks-51st-in-global-list-of-annual-rise-in-housing-prices-122032200624_1.html

Telecom

TRAI begins pilot study at Delhi airport for telecom infra deployment using street furniture

Telecom regulator TRAI has started a pilot study at the Delhi International Airport for next-generation telecom infrastructure deployment using street furniture, according to a statement. The findings of the study will help in enabling small cell deployment at Indian airports using existing street furniture such as traffic signals, lit signage, lamp posts, light poles, utility poles and billboards, among others. Street furniture is a generic term for pieces of equipment installed and deployed along streets and roads for various purposes. "In order to expedite the availability of digital infrastructure for quick roll-out of next generation networks, TRAI has... started a pilot study at GMR International Airport at Delhi," the regulator said in a statement.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/trai-begins-pilot-study-at-delhi-airport-for-telecom-infra-deployment-using-street-furniture/articleshow/90382415.cms>

Energy

Govt to reduce coal-based power share to 32% by 2030

The Power Ministry is working on plans to cut down the share of coal-fired thermal power generation capacity to 32 per cent in the next eight years from 52 per cent at present. The government's focus is on leveraging policy measures to not only meet the growing electricity demand, but also to reduce the carbon footprint of the power sector. The move is in line with the government's COP26 pledge of achieving 500 gigawatts (GW) of installed capacity based on non-fossil fuel by 2030, and also to increase the share of renewable energy (RE) sources in power generation to 50 per cent during the same period.

<https://www.thehindubusinessline.com/economy/govt-to-reduce-coal-based-power-share-to-32-by-2030/article65249143.ece>

India's top fuel retailer to up petrol, diesel prices again

Indian Oil Corp, the country's top fuel retailer, will raise petrol and diesel price by 0.80 rupees a litre from Wednesday, the second such increase in pump prices in as many days, a notification sent to dealers showed on Tuesday. From Wednesday, a litre of petrol in Delhi will cost 97.01 rupees (\$1.28), while diesel prices will be raised to 88.27 rupees, a notification sent to dealers show. India's three state-run fuel retailers - Indian Oil Corp , Bharat Petroleum Corp and Hindustan Petroleum Corp - dominate fuel retailing in India, and tend to move their prices together.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/indias-top-fuel-retailer-to-up-petrol-diesel-prices-again-from-wednesday/articleshow/90381979.cms>

States

Karnataka will tap PLI to build its bio-pharma & medical devices sector, says Ashwath Narayan

Karnataka will tap the Centre's production-linked incentive (PLI) Scheme to aggressively push for investments in the biopharmaceuticals and medical devices sector, IT/BT minister C.N.Ashwatha Narayan said on Tuesday. Karnataka's bio-economy, currently valued at \$ 24.4 billion contributing 33% of the national share, is on course to achieve \$ 50 billion by 2025, he said participating in the 'Bioeconomy 2025 and Beyond' organised by the Association of Bioeconomy Led Enterprises(ABLE). The bio-industrial segment comprising bio-renewables, bioenergy, biofuels, and green chemicals is expected to be the next big segment that can drive future growth. This segment has the potential to increase by 4 fold in its contribution to the bio-economy of the state from USD\$1-2 billion to USD\$6-7 billion, the minister said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/karnataka-will-tap-pli-to-build-its-bio-pharma-medical-devices-sector-says-ashwath-narayan/articleshow/90381168.cms>

Healthcare

Novavax says its COVID vaccine gets India authorisation for teens

Novavax Inc said on Tuesday its COVID-19 vaccine has got emergency-use authorization from the Drugs Controller General of India for children aged 12 to 17 years. The authorization is a global first for the age group for the vaccine, which is manufactured and marketed in India by the Serum Institute of India under the brand name Covovax.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/novavax-says-its-covid-vaccine-gets-india-authorisation-for-teens/articleshow/90386159.cms>

FY22 Healthcare hires saw 100-220% growth in specialised roles: TeamLease

The pandemic led to a surge in hiring in the healthcare sector, and according to a latest report by TeamLease specialised roles in healthcare exhibited superlative growth rates (near 100 percent to 220 percent across roles) during FY21-22. The report titled 'Professional Staffing – Digital Employment Trends Report FY2021-22' by TeamLease said that the sector employment grew from 6.8 million in FY21 to 7.5 million in FY22. Of this, the share of specialised staff is about 25 per cent. The healthcare sector is set to employ around 9.5 million people by FY26.

https://www.business-standard.com/article/economy-policy/fy22-healthcare-hires-saw-100-220-growth-in-specialised-roles-teamlease-122032200904_1.html

External

In a bid to boost relations, Australia to invest over \$280 million in India

Australia will invest over \$280 million to boost cooperation with India, which will further bolster economic relations and support jobs and businesses in both the countries, according to an official statement released by the Australian government. The Australian government will provide additional investment worth \$16.6 million to strengthen linkages with India's key policy and finance institutions and \$8.9 million to support enhanced business engagement and an increased Austrade presence in India. This will be a part of the 'Update to the India Economic Strategy to 2035' launched on Tuesday.

https://www.business-standard.com/article/economy-policy/australia-to-invest-over-280-million-to-boost-cooperation-with-india-122032200476_1.html