



May 06, 2022 – Friday

## Economy

### **E-way bill generation dips in April, may affect GST collection**

After setting a record in March, the e-way bill generation has dipped by around 4 per cent in April. This means the GST collections in May will be lower than the April number. Experts do not have a uniform explanation for the dip with some saying attributing it to the slowdown in economic activities while others feel it is only a temporary phase. After setting a record in March, the e-way bill generation has dipped by around 4 per cent in April. This means the GST collections in May will be lower than the April number. Experts do not have a uniform explanation for the dip with some saying attributing it to the slowdown in economic activities while others feel it is only a temporary phase. <https://www.thehindubusinessline.com/economy/e-way-bill-generation-dips-in-april-may-affect-gst-collection/article65385321.ece>

### **India's services activity at 5-month high in Apr despite inflation worries**

Activity in India's dominant services sector grew at its fastest pace in five months in April on strong demand, prompting firms to add jobs for the first time since November, a private survey showed, but sky-rocketing inflation remained a major concern. The S&P Global India Services Purchasing Managers' Index rose to 57.9 in April from 53.6 in March, its highest since November and surpassing the 54.0 estimate in a Reuters poll. While the index remained above the 50-mark separating growth from contraction for a ninth straight month, it was the best start to a fiscal year for the sector since 2011/12. "In isolation, the PMI data for the service sector were mostly encouraging, as surging demand underpinned quicker increases in new business inflows and output," noted Pollyanna De Lima, economics associate director at S&P Global. [https://www.business-standard.com/article/economy-policy/india-s-april-services-pmi-at-five-month-high-despite-inflation-worries-122050500292\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-april-services-pmi-at-five-month-high-despite-inflation-worries-122050500292_1.html)

### **Recovery of consumer sentiments maybe impacted by inflation and unemployment: CMIE**

The fear of rising inflation, interest rates and unemployment rates may impact the slowly improving consumer sentiments, the Centre for Monitoring Indian Economy said. As per CMIE, the index of consumer sentiments (ICS) rose by 3% during April, a tad slower growth than the monthly increases of the recent past. The index had risen by 4% in January, 5% in February and 3.7% in March. "It is good to see a steady improvement in consumer sentiments month after month, but it is somewhat disquieting that the rate of improvement has been rather small and that it is getting smaller," CMIE said in its weekly labour market analysis. <https://economictimes.indiatimes.com/news/economy/indicators/recovery-of-consumer-sentiments-maybe-impacted-by-inflation-and-unemployment-cmie/articleshow/91338033.cms>

### **India plans to cut taxes on edible oils to cool surging prices**

India is planning to cut taxes on some edible oils to cool the domestic market after the war in Ukraine and Indonesia's ban on palm oil exports sent prices skyrocketing, according to people familiar with the matter. The cess is levied over and above basic tax rates on certain items, and is used to finance agriculture infrastructure projects. The base import duty on crude palm oil has already been scrapped.

<https://economictimes.indiatimes.com/industry/cons-products/food/india-plans-to-cut-taxes-on-edible-oils-to-cool-surg-ing-prices/articleshow/91344262.cms>

#### **Capital utilisation likely to dip in near-term, may pick up to 75% by end of 2022, ICRA says**

Capacity utilisation in India is expected to dip in the first quarter of current fiscal and is expected to gradually rise by the third quarter, according to rating agency ICRA, indicating that the economic recovery will be hurt by the Russia Ukraine tensions, however it will see recovery by the end of the year. "ICRA expects capacity utilisation (CU) to reach the critical threshold of 75% required to trigger broad-based capacity expansion, only by the end of CY2022," the rating agency said Thursday. "While the green shoots in private investments are positive, protracted geopolitical tensions and elevated commodity prices could constrain the profitability of the corporate sector, thereby imparting some caution to private sector capex in the immediate term. In such a scenario, Government capex remains critical to support investment demand," Aditi Nayar, Chief Economist, ICRA Ltd said in a statement.

<https://www.financialexpress.com/economy/capital-utilisation-likely-to-dip-in-near-term-may-pick-up-to-75-by-end-of-2022-icra-says/2506647/>

### **Banking and Finance**

#### **RBI's rate hikes to weigh down on banking system credit growth: India Ratings**

The surprise rate hike by the RBI signalling a reversal of the interest rate cycle will weigh down on the banking system's credit growth, which was showing signs of revival with an 11 per cent growth, a report said on Thursday. The tailwinds supporting a pick-up in credit growth will be in demand from the industry and services segments, even as growth in the agriculture segment remains stable and muted in the retail segment, India Ratings and Research said. Over the medium term, inflationary pressures, supply chain disruptions and a weak consumption demand could upset the current revival in credit growth, it added. "...the reversal of the interest rate cycle as signified by the 0.40 per cent increase in repo rate by the Reserve Bank of India would weigh down on the credit growth as borrowings become costlier," it said.

<https://www.financialexpress.com/industry/banking-finance/rbis-rate-hikes-to-weigh-down-on-banking-system-credit-growth-india-ratings/2514192/>

#### **Digital banking units in 75 districts likely to become operational by July**

Digital banking units in 75 districts, announced in the Budget to commemorate the 75 years of the country's independence, are expected to become operational by July this year. To facilitate this, RBI last month released a comprehensive guidelines on Digital Banking Units (DBUs). As per the guidelines, DBUs of the banks will be treated as banking outlets and each unit needs to be housed distinctly, with separate entry and exit provisions, Indian Banks' Association (IBA) said in a statement. "All the public sector banks, 10 private sector banks and one small finance bank have already initiated the work to have these units operational by July 2022," it said. Finance minister Nirmala Sitharaman, while presenting the Union Budget 2022-23, announced the setting up of 75 DBUs in 75 districts to commemorate the 75 years of India's independence (Azadi ka Amrit Mahotsav) with an objective to ensure benefits of digital banking reach every nook and corner of the country.

<https://www.financialexpress.com/industry/banking-finance/digital-banking-units-in-75-districts-likely-to-become-operational-by-july-2/2513500/>

### **Industry**

#### **Auto retail sales grow 37% in April on low Covid-hit base effect**

Automobile retail sales in India increased by 37 per cent in April on a low base of COVID-hit April last year, automobile dealers' body FADA said on Thursday. Total sales across categories rose to 16,27,975 units in April, as compared to 11,87,771 units in the year-ago period. On a year-on-year basis, all vehicle categories including passenger vehicles and two-wheelers were up as compared with April last year. Passenger vehicles registrations stood at 2,64,342 units last month, up 25 per cent from 2,10,682 units in April last year.

[https://www.business-standard.com/article/economy-policy/auto-retail-sales-grow-37-in-april-on-low-covid-hit-base-effect-122050500339\\_1.html](https://www.business-standard.com/article/economy-policy/auto-retail-sales-grow-37-in-april-on-low-covid-hit-base-effect-122050500339_1.html)

### **High smartphone prices fuel demand for refurbished smartphones**

Rising smartphone prices are fuelling recommerce growth with the refurbished smartphone segment expected to register early double digits growth in 2022, though at a tapered rate owing to supply challenges. Counterpoint Research estimates growth for the refurbished phones market to grow 13% on year this year, compared with 25% in 2021. The research firm said India reported a 14% hike in average selling prices to Rs 17,000 in 2021, leaving price-sensitive Indians seeking affordable smartphones in a lurch, a gap fulfilled by the refurbished segment.

[https://economictimes.indiatimes.com/industry/cons-products/electronics/high-smartphone-prices-fuel-demand-for-refurbished-smartphones/articleshow/91351368.cms?utm\\_source=ETTopNews&utm\\_medium=HP&utm\\_campaign=TN&utm\\_content=23](https://economictimes.indiatimes.com/industry/cons-products/electronics/high-smartphone-prices-fuel-demand-for-refurbished-smartphones/articleshow/91351368.cms?utm_source=ETTopNews&utm_medium=HP&utm_campaign=TN&utm_content=23)

## **Agriculture**

### **PM Modi chairs meeting to review situation of wheat supply, stocks and exports**

Prime Minister Narendra Modi on Thursday chaired a meeting to review various aspects of wheat supply, stock and exports, and directed officials to take all steps to ensure quality norms and standards so that India evolves into an assured source of food grain and other agricultural products. The crucial meeting was held hours after Modi returned from his three-day visit to Germany, Denmark and France. The prime minister chaired a meeting to review various aspects of wheat supply, stock and exports, and was given a detailed presentation on the issues, a statement by the Prime Minister's Office (PMO) said. He was briefed regarding the impact of high temperatures in the months of March-April 2022 on crop production, the statement said, adding that the status of procurement and export of wheat were also reviewed.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/pm-modi-chairs-meeting-to-review-situation-of-wheat-supply-stocks-and-exports/articleshow/91353063.cms>

### **Indian wheat prices increase by 2-3% after govt says exports will continue**

Wheat prices, which had decreased following rumours about India likely to curb wheat exports to tame domestic inflation, have rebounded again by 2-3% after the food secretary Sudhanshu Pandey clarified on Wednesday that the government has no plans to stop wheat exports. Traders expect that the domestic wheat prices will continue to strengthen till wheat is being shipped out of the country. Briefing the media about India's stand on wheat exports in the capital on Wednesday, Pandey had said that the government is facilitating wheat exports in every possible way.

<https://economictimes.indiatimes.com/news/economy/agriculture/indian-wheat-prices-increase-by-2-3-after-govt-says-exports-will-continue/articleshow/91353246.cms>

### **October-April sugar output up 14 per cent at 342.37 lakh tonnes**

Sugar mills across the country have produced 342.37 lakh tonnes (lt) of sugar between October 1, 2021, and April 30, 2022. This is about 42 lakh tonnes or 14 per cent higher than 300.29 lt produced during the same period last season (October 2020-September 2021). The India Sugar Mills Association (ISMA) has estimated that during the current season, the sugar industry should be able to export over 90 lt. In a statement, ISMA said, compared with 106 sugar mills that were crushing sugarcane in April 2021, about 217 crushed the cane in April this year. In Maharashtra, sugar production till April 30, 2022, was 132.06 lt against 105.63 lt produced a year ago, almost 26.4 lt higher than last year.

<https://www.thehindubusinessline.com/economy/agri-business/sugar-output-up-14-per-cent-during-oct-april-of-current-season/article65384188.ece>

## **Infrastructure**

### **Aviation Ministry invites applications for drone PLI**

The Ministry of Civil Aviation on Thursday invited applications for Production Linked Incentive (PLI) scheme for drones and drone components. It said that the last date for submitting the application form is May 20, 2022. Those manufacturers who have crossed the PLI eligibility threshold for FY 2021- 2022 can apply, it said in a press release. The eligibility criteria for the PLI scheme for drones and drone components include an annual sales turnover of Rs 2

crore for drone companies and Rs 50 lakhs for drone components manufacturers and a value addition of over 40% of sales turnover.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/aviation-ministry-invites-applications-for-drone-pli/articleshow/91336477.cms>

## Energy

### Power Ministry reviews status of coal imports with States

Power Minister R K Singh on Thursday reviewed the status of coal imports for blending in the thermal power plants with the States. Secretary (Power) Alok Kumar, senior officials of the State governments, and generation companies (gencos) were present at the meeting held virtually, the Power Ministry said in a statement. "The States were advised to place orders for importing of coal for blending purpose so that the additional coal reaches power plants from the month of May itself. Hon'ble Minister stated that the domestic coal would be supplied to all gencos in proportion to the coal received from coal companies," the Ministry said. Singh also advised the States to increase the output from the captive mines to meet their coal requirements which will help in reducing the burden on the linkage coal.

<https://www.thehindubusinessline.com/markets/commodities/power-ministry-reviews-status-of-coal-imports-with-states/article65385695.ece>

### India turns to expensive foreign gas to ease its power crisis

Sweltering heat and ongoing blackouts are forcing India's liquefied natural gas importers to top up with expensive shipments. Torrent Power Ltd. and GAIL India Ltd. bought LNG for May delivery in the last week, with the fuel set to be used to help power plants boost generation, according to traders with knowledge of the matter. The utilities paid about triple the normal spot rate for this time of year, as Russia's invasion of Ukraine exacerbates a global supply crunch. The purchases are unusual for India's cost-sensitive power generators, which tend to avoid buying LNG at such high rates. They illustrate how a domestic coal shortage is forcing the South Asian nation to look for alternative fuels no matter the price, further elevating international demand.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/india-turns-to-expensive-foreign-gas-to-ease-its-power-crisis/articleshow/91333653.cms>

### India adds 15.5 GW non-hydro renewable energy capacity in FY22: Report

The country added around 15.5 gigawatt capacity of non-hydro renewable energy during financial year 2021-22, a report said on Thursday. At 15.5 GW, the addition of non-hydro renewable energy capacity was double from 7.7 GW installed in the preceding fiscal, the CEEW-Centre for Energy Finance (CEEW-CEF) Market Handbook said. "New renewable energy capacity addition doubled during FY22. New capacity addition of non-hydro renewable energy increased to 15.5 GW during FY22 compared to just 7.7 GW installed in the preceding fiscal year," it said.

<https://economictimes.indiatimes.com/industry/renewables/india-adds-15-5-gw-non-hydro-renewable-energy-capacity-in-fy22-report/articleshow/91351830.cms>

### India adds 10 GW solar capacity in 2022: Mercom report

Solar capacity installations in the country jumped by a record 210 per cent to 10 gigawatts during 2021, Mercom Communications India said in a report on Thursday. The green capacity installations reached a level of 3.2 gigawatts (GW) in 2020, the research firm said in its 'Indian Solar Sector Market Leaders' report. "In CY 2021, India saw a record 10 GW of new solar capacity installed, a big jump of 210 per cent compared to 3.2 GW the year before. The newly installed solar capacity in 2021 reached a record high, making up 62 per cent of the total power capacity additions in 2021," it said. "Companies offering solar Engineering, Procurement and Construction (EPC) services saw a significant number of projects moving to 2021 from the previous year. Sterling & Wilson topped the list of EPC providers during the year, closely followed by Siemens Gamesa and Tata Power Solar," the report said.

<https://www.financialexpress.com/economy/india-adds-10-gw-solar-capacity-in-2022-mercom-report/2514160/>

## Telecom

### Trai maintains stand on satcom issue, cites lack of clarity in DoT's query

Responding to queries raised by the Department of Telecom, regulator Trai on Thursday stuck to its recommendations on creating a licensing framework for satellite-based connectivity for low bit rate applications like ATM, internet of things devices and traffic management. The Telecom Regulatory Authority of India (Trai) published its response to clarifications sought by the Department of Telecom (DoT) on the matter based on issues raised by the Digital Communications Commission (DCC)-- the apex decision making body at the department. The regulator had in August 2021 recommended to the government to replace the existing formula-based mechanism and levy spectrum usage charges of 1 per cent of AGR (adjusted gross revenue) for using satellite frequencies under the NLD (national long distance) service licence.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/trai-maintains-stand-on-satcom-issue-cites-lack-of-clarity-in-dots-query/articleshow/91353682.cms>

#### **45% growth in active internet users in rural India since 2019: Study**

There has been a 45 per cent growth in 'active internet users' in rural India since 2019, according a study by Nielsen, a global company for audience measurement, data and analytics. The Bharat 2.0 Internet report said that female active internet users grew by 61 per cent since 2019. The report said that India has 646 million active Internet users aged 2 years and above as of December 2021. Rural India has 352 million internet users--almost 20 per cent higher than urban. The study also revealed that almost 60 per cent of the rural population is still not actively using the internet, paving headroom for further growth. Urban India on the other hand has registered a 59 per cent penetration growth with 294 million active internet users.

[https://www.business-standard.com/article/economy-policy/45-growth-in-active-internet-users-in-rural-india-since-2019-study-122050501161\\_1.html](https://www.business-standard.com/article/economy-policy/45-growth-in-active-internet-users-in-rural-india-since-2019-study-122050501161_1.html)

### **Healthcare**

#### **AstraZeneca Covid booster shot effective against severe disease, UK study finds**

The third dose of AstraZeneca COVID-19 vaccine is effective against symptomatic disease and hospitalisation, offering protection comparable to a booster shot of the Pfizer preventive, according to a study conducted in the UK. The yet-to-be peer-reviewed study, posted on the preprint repository medRxiv on May 1, assessed the effectiveness of the AstraZeneca (ChAdOx1-S) COVID-19 booster, and compared it with the protection offered by Pfizer (BNT162b2) booster shot. The third dose of AstraZeneca COVID-19 vaccine is effective against symptomatic disease and hospitalisation, offering protection comparable to a booster shot of the Pfizer preventive, according to a study conducted in the UK. The yet-to-be peer-reviewed study, posted on the preprint repository medRxiv on May 1, assessed the effectiveness of the AstraZeneca (ChAdOx1-S) COVID-19 booster, and compared it with the protection offered by Pfizer (BNT162b2) booster shot.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/astrazeneca-covid-booster-shot-effective-against-severe-disease-uk-study-finds/articleshow/91346063.cms>

### **External**

#### **WFP in talks with India on wheat procurement amid global food security challenges due to Ukraine war**

The UN's World Food Programme (WFP) has said that it is in discussions with India on procurement of wheat as countries face food security challenges amid the Ukraine war. "We are in discussions with India on procurement of wheat. So, that is something which is ongoing," World Food Programme's Chief Economist Arif Husain said at a news conference here Wednesday. He was responding to a question on India having a huge surplus of wheat and whether the organisation was doing anything to utilise this stockpile with India as the Russia-Ukraine war exacerbates the global food security situation.

<https://www.financialexpress.com/economy/wfp-in-talks-with-india-on-wheat-procurement-amid-global-food-security-challenges-due-to-ukraine-war/2514186/>

#### **Tea exports in first nine months of FY22 declines to 184.35 m kgs**

Tea exports declined by 2.4 per cent to 184.35 million kg during the April-February period of the last fiscal according to latest Tea Board data. The shipment of the crop was at 188.91 m kg in the corresponding period of the previous

year. Value of exports in the first nine months of 2021-22 increased marginally to Rs 4,956 crore as compared to Rs 4,933 crore in the corresponding period of the 2020-21 fiscal. CIS countries, including Russia and Ukraine, imported 41.18 mkg, the highest among the overseas destinations of Indian tea, during the period under review from 46.19 mkg in the year-ago period. According to tea industry sources, exports were lower due to shortage of shipping containers and high ocean freight. In the calendar period January to December 2021, Tea exports fell to 195.50 mkg in the 2021 calendar year from 209.72 mkg in 2020, the board data said. The tea industry had sought a special financial package from the Centre for retaining the viability of plantation activity, which is now under threat.

<https://www.financialexpress.com/economy/tea-exports-in-first-nine-months-of-fy22-declines-to-184-35-mkgs/2514200/>

#### **Russia proposes to revive old system to submit documents as it may boost India's exports**

Russia has proposed to revive decades-old practice of submitting “paper LC (letter of credit)” citing economic sanctions as it seeks to ensure uninterrupted exports from India through a state debt rupee mechanism, a dedicated window for India’s sovereign debt repayment that allows 9-10% exchange rate discount to Russian importers, said people familiar with the matter.

[https://economictimes.indiatimes.com/news/economy/foreign-trade/russia-proposes-to-revive-old-system-to-submit-documents-as-it-may-boost-indias-exports/articleshow/91352309.cms?utm\\_source=ETTopNews&utm\\_medium=HP&utm\\_campaign=TN&utm\\_content=23](https://economictimes.indiatimes.com/news/economy/foreign-trade/russia-proposes-to-revive-old-system-to-submit-documents-as-it-may-boost-indias-exports/articleshow/91352309.cms?utm_source=ETTopNews&utm_medium=HP&utm_campaign=TN&utm_content=23)

#### **India, France agree on deeper French involvement in defence projects**

France will look for “creative ways for deeper involvement” of its companies to aide India’s attempt to indigenously manufacture and export defence equipment. Following a meeting between Prime Minister Narendra Modi and French President Emmanuel Macron in Paris on Wednesday, the two sides issued a joint statement which appreciated the long-standing bilateral armament cooperation, but was silent on the possibility of outcome of engagement on specific negotiations. Most important is the prolonged talks over co-development of fighter jet engine.

<https://www.thehindubusinessline.com/economy/india-france-agree-on-deeper-french-involvement-in-defence-projects/article65384949.ece>