

Weekly Compendium of Economic and Business Developments

(Period ending 17th December, 2021)

PHD Research Bureau disseminates information to the members of PHD Chamber & other Industry stakeholders on various economic and business development issues at International, National and Sub-National arena such as CPI inflation, WPI inflation, Asian Development Outlook 2021, Government approved Incentives to position India as global hub for electronics manufacturing, RBI issued PCA Framework for NBFCs and cabinet approvals among others. The details of disseminated information during the week ending 17th December 2021 are appended.

Indian Economy

- **CPI inflation rises to 4.9% in November 2021-** According to the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI), the CPI inflation rises to 4.9% in November 2021 as compared to 4.5% in October 2021.
- **ADB Helps Establish a Skill University in Assam, India-** The Asian Development Bank (ADB) has approved a US\$112 million loan to strengthen skills education and training through the establishment of the Assam Skill University (ASU). ADB's assistance for the ASU will create pathways for skills progression and mobility and raise skills levels to enhance the productivity and competitiveness of Assam's economy and industries. The project will improve skills and employability of youth and adults, especially women and disadvantaged groups, and their prospect of getting higher-paying, decent jobs.
- **WPI inflation stands at 14.2% in November 2021-** The annual rate of Wholesale Price Index (WPI) inflation is 14.2% (Provisional) for the month of November, 2021 as compared to 2.3% in November, 2020. The WPI inflation stood at 12.5% in October 2021. The high rate of inflation in November 2021 is primarily due to rise in prices of manufactured products, fuel & power, minerals, crude petroleum & natural gas, non-food articles, etc. as compared the corresponding month of the previous year, November 2020.
- **Asian Development Outlook 2021 projects India's GDP to grow at 9.7% in FY2022 and 7.5% in FY2023-** According to Asian Development Outlook Supplement, December 2021, Coronavirus Disease 2019 (COVID-19) has receded in developing Asia, but rising infections worldwide and the emergence of a fast-spreading variant suggest that the pandemic will take time to play out. The growth forecast for South Asia is revised down to 8.6% for 2021, while the forecast for 2022 is maintained at 7.0%. India's projection is lowered to 9.7% for fiscal 2021 and remains unchanged at 7.5% for 2022.
- **Overall exports rise by 22.8%, imports up by 48.54% over last November-** Merchandise exports in November 2021 were USD 30.04 Billion, as compared to USD 23.62 Billion in November 2020, exhibiting a positive growth of 27.16 per cent. As compared to November 2019, exports in November 2021 exhibited a positive growth of 16.55 per cent.
- **Decisions taken by the Union Cabinet-** Cabinet approves implementation of Pradhan Mantri Krishi

Sinchayee Yojana for 2021-26, Cabinet approves Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India, Cabinet approves an incentive scheme for promotion of RuPay Debit Cards and low-value BHIM-UPI transactions (P2M), Cabinet approves Treaty between India and Poland concerning Mutual Legal Assistance in Criminal Matters.

- **Government has approved Incentives of INR 2,30,000 crore to position India as global hub for electronics manufacturing-** In furtherance of the vision of Aatmanirbhar Bharat and positioning India as the global hub for Electronic System Design and Manufacturing, the Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the comprehensive program for the development of sustainable semiconductor and display ecosystem in the country. The program will usher in a new era in electronics manufacturing by providing a globally competitive incentive package to companies in semiconductors and display manufacturing as well as design. This shall pave the way for India's technological leadership in these areas of strategic importance and economic self-reliance.
- **RBI issues PCA Framework for NBFCs-** The Reserve Bank of India has today issued the Prompt Corrective Action (PCA) Framework for Non-Banking Financial Companies (NBFCs). It may be recalled that the revised Prompt Corrective Action (PCA) Framework for Scheduled Commercial Banks (SCBs) was issued on November 2, 2021. NBFCs have been growing in size and have substantial inter-connectedness with other segments of the financial system. Accordingly, a PCA Framework for NBFCs has also been put in place to further strengthen the supervisory tools applicable to NBFCs.

World Economy

- **Total FDI inflow of US\$ 42.86 billion received during April to September, 2021-** During April to September, 2021, a total FDI inflow of US\$ 42.86 billion has been received. After the pandemic, it is the highest for the first 6 months of the financial year 2021-22 and increased at the rate of 7.4% in comparison to the same period of 2020-21 (US\$ 39.92 billion).

Our Voice

Call-off of farm agitation to add 0.25% in India's GDP in 2021-22: PHD Chamber- The farmers for their decision to call-off the 15 months long agitation is a positive development and will add 0.25% in India's GDP in 2021-22 through smooth flow of supply chains and resumption of full-fledged day to day economic activities particularly in the States of Punjab and Haryana and border areas of National capital Delhi. GDP is expected to grow at 10.25% in the current financial year 2021-22.

Call-off to farmers' agitation will lead to smooth execution of production processes of MSMEs in Punjab, Haryana and border areas of Delhi, given the need of frequent procurement of raw materials by such units. Return of the workers who shifted from their respective factories to join the agitation will increase the production efficiency of the businesses.

Also, the decision to form a committee to address the farm issues would go a long way to identify the actual pain points of the farmers and help the government to make adequate farm policy to enhance the income level of the farmers, particularly the marginal farmers which are 80% of the total farmers and hold less than 2 hectare of land.

Various reforms announced by the Government during the last many quarters along with the decision of farmers' to end their more than a year-long movement has created facilitating ambience for the MSMEs in the region to rejuvenate from the daunting impact of Covid-19 and move forward.

There are around 25 lakh MSMEs in Punjab and Haryana which employ more than 45 lakh workers in their respective factories contributing more than Rs. 4 lakh crore in the total Rs. 13 lakh crore GSDP (current prices) of Punjab and Haryana. The GSDP (Gross State Domestic Product) of Punjab and Haryana was estimated at Rs. 5.29 lakh crore and Rs. 7.64 lakh crore respectively in 2020-21 at current prices.

The economic activities such as the food processing, cotton textiles, garments, automobile, farm machinery, Information technology, trading, tourism, hospitality and transport will get benefitted from the call-off of farm agitation through smooth supplies of many raw materials to the industry.

GDP of agriculture, forestry & fishing grew 4.5% H1 2021-22 which has significantly helped to pull economic growth from its lows of (-) 15.9% in H1 2020-21 to 13.7% in H1 2021-22. The re-emerging demand in the rural areas at the back of resilience of agriculture sector is supporting manufacturing and services sector activities.

The consistent and concerted efforts of the Government to boost agricultural exports are bearing fruit. During the April-November 2021, exports of agricultural and processed food products increased from US\$ 11.6 billion in April-November 2020-21 to US\$ 13.3 billion in April-November 2021-22, registering a growth rate of 13% year on year.

PHD Chamber urge the Government for the extension of the PBG and EDM for one more year till 31st December 2022- Appreciating the swift action taken by the Ministry of Finance during the pandemic to reduce the percentage of performance security from 5-10 per cent to 3 per cent and relaxations of Earnest Money Deposit (EDM) till 31st December 2021.

The initiative has significantly supported the trade and industry in the difficult times of the Covid-19 as there was an acute financial crunch among many commercial entities, which in turn had affected the timely execution of the contracts and the bidding capacity of the business entities.

The economy is recovering from the drastic impact of pandemic covid-19 in the recent months from the lows of April and May 2021. However, the looming effect of the new variant of the virus impacts many business entities as they are still facing the same challenges of liquidity along with the surge in commodity prices and increased costs of raw materials.

The mutating viruses are constraining demand in the domestic and international markets to reach its peak and hindering trade. Therefore, a significant handholding is required to support the trade and industry for attaining high growth trajectory in the coming times.

The President urged the Government to extend the reduced percentage of performance security at 3 per cent from the previous 5-10 per cent and continue to exempt bid security/ EMD and ask bidders to sign “Bid Security Declaration” for the procurement of tenders for one more year till 31st December 2022. It is been suggested to replace the PBG provision in tender bidding with insurance scheme that would provide a guarantee of compensation for any loss, damage in return for payment of a specified premium. This would significantly support the business entities and contractors to execute their contracts and help them to address financial challenges caused by the pandemic covid-19.

Economy so far

- **Government framed new policies, changed existing ones to restore pre-pandemic economic growth: Shri Amit Shah** - Shri Narendra Modi Government framed new policies and amended the existing ones to bring back pre-pandemic levels of economic growth, Hon'ble Union minister Shri Amit Shah said. The projects worth Rs 361.5 crore which he inaugurated or for which he laid the foundation stone in his Lok Sabha

constituency Gandhinagar during the day were testimony to the Gujarat government's commitment to keep up the pace of development despite the coronavirus pandemic.

- **India to be among a few economies to rebound strongly; impact of Omicron to be less severe: Finance ministry report** - India will be among only a few economies in the world to rebound strongly from COVID-19 induced economic contraction of 2020-21, a Finance Ministry report said assuaging that the Omicron variant's impact on the economy will be less severe due to rapid vaccination. Real GDP in Q2 of FY2021-22 has grown by 8.4 per cent YoY, recovering more than 100 per cent of the pre-pandemic output in the corresponding quarter of FY2019-20, said the monthly Economic Review prepared by the Finance Ministry.
- **October 2021 IIP growth stands at 3.2%** - Growth in industry output, as measured in terms of IIP, for the month of October 2021 stands at 3.2% as compared to September 2021 growth of around 3.3%. IIP growth in October 2020 stood at 4.5%. The growth in the three sectors mining, manufacturing and electricity in October 2021 stands at around 11.4%, 2%, 3.1%, respectively over October 2020. Primary goods growth stands at around 9%, capital goods growth stands at (-)1.1%, intermediate goods growth stands at 2.1%, infrastructure/construction goods growth stands at 5.3%, consumer durables stands at (-)6.1% and consumer non-durables growth stands at 0.5% during October 2021 as compared to the corresponding month of previous year.
- **Recovery may strengthen further in H2, says Hon'ble Finance Ministry** - India's economic recovery is expected to strengthen in the remaining quarters of the current fiscal year with the investment cycle kicking off, Hon'ble finance ministry said, projecting 7% annual growth until the end of the decade. The recovery theme is backed by upbeat market sentiment, vaccination coverage, strong external demand and policy support from the government and central bank, the ministry said in its monthly economic review for November. It cautioned that the Omicron Covid variant could derail the global revival and poses a threat to India's services sector.
- **Hon'ble Union Minister Dr. Jitendra Singh says, "Sustainable" Start-ups linked with livelihood opportunities will be the key to future economy of India** – Hon'ble Union Minister of State (Independent Charge) Science & Technology; Minister of State (Independent Charge) Earth Sciences; MoS PMO, Personnel, Public Grievances, Pensions, Atomic Energy and Space, Dr Jitendra Singh inaugurated the seventh edition of India International Science festival (IISF- 2021) at Panaji, Goa this morning, where he emphasised "sustainable" Start-Ups and said that sustainability in Start-ups linked with livelihood opportunities is the key to future economy of India. The youth comprising more than 70% of India's present population as the country's greatest asset, the Minister said, just as we stress on sustainable goals, time has come to stress on sustainable Start-Ups.
- **Restricting FDI Inflows From China in the Strategic Sector** - In order to curb opportunistic takeovers/acquisitions of Indian companies due to the COVID-19 pandemic, the Government, vide Press Note 3 (2020) dated 17.04.2020 read with Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 dated 22.04.2020, amended the FDI policy according to which an entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the Government route. Further, in the event of the transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the restriction/purview of the said policy amendment, such subsequent change in beneficial ownership will also require Government approval.

- **Depositors should be careful while chasing high returns: Hon'ble RBI Governor Shri Shaktikanta Das** - Hon'ble Reserve Bank of India (RBI) Governor Shri Shaktikanta Das on 12th December 2021 cautioned depositors to be careful while chasing high returns as it comes with greater risk. Observing that depositors themselves also need to be very discerning, he said it is important to keep in mind that higher returns or higher interest rates are usually associated with higher risks.
- **Forex reserves fall \$4.5 billion in two weeks** - India's foreign exchange reserves dipped \$1.783 billion in the week to December 3, making it the second straight weekly fall as foreign portfolio investors remained net sellers in the equity market. The reserves stood at \$636.905 billion, Reserve Bank of India's weekly data showed. Reserves fell \$4.5 billion in the last two weeks. The depreciation of the local currency against other major global currencies also weighed on the reserves.
- **BRICS economies should seize opportunities from the crisis: Report** - BRICS economies should work towards seizing the opportunities that might emerge amid the crisis by planning for and working towards a bright post-pandemic future according to a study by member central banks published by the Reserve Bank of India. Though the pace of recovery varies among the economies in the group, all the member countries have shown external sector.
- **Taxman rejects exemption on interest income of several housing societies** - Several co-operative housing societies are seeing a higher tax outgo, after the revenue department sought additional taxes on income they generated during the year. Housing societies have been claiming exemptions on income earned from other co-operatives, which in most cases is interest income on savings held in fixed deposits with co-operative banks. They have been claiming that the interest income earned from such fixed deposits with other co-operatives cannot be taxed as per the tax law.
- **Duty relief for hundreds of products likely** - India has zeroed in on more than 1,000 products across sectors, including textiles & garments, gem & jewellery, leather, spices, engineering goods, chemicals and poultry, where it wants duty concessions from the UAE under a proposed free trade agreement (FTA). New Delhi and Abu Dhabi held the third round of FTA negotiations from December 6 to 10. They have hammered out broad contours of the deal and are giving final touches to it. It would be the first FTA to be signed by India in over a decade.
- **Increase in Export of Non-Basmati Rice** - The promotion of exports of agricultural commodities like rice is a continuous process. The Agricultural & Processed Food Products Export Development Authority (APEDA), an autonomous organisation under the administrative control of the Department of Commerce, has the mandate to promote exports of rice. APEDA provides assistance to rice exporters under various component of its scheme "Agriculture & Processed Food Export Promotion Scheme of APEDA" viz. Infrastructure Development, Quality Development and Market Development. An Export Promotion Forum (EPF) has also been established under the aegis of APEDA to promote exports of various varieties of rice. The EPF has representation from trade/industry, line ministries/departments, regulatory agencies, research institutes, state governments etc. Assistance is also provided to exporters/state governments under various other schemes of Department of Commerce viz. Trade Infrastructure for Export Scheme (TIES), Market Access Initiative (MAI) Scheme etc.
- **4.28 Crore bogus ration cards cancelled during the period of 2014 to 2021** - Under the Targeted Public Distribution System (TPDS), the electronic Point of Sale (ePoS) devices at the Fair Price Shops (FPSs) are operated by the FPS dealers. Further, to ensure regular delivery of subsidised foodgrains to the differently

abled and old-age National Food Security Act (NFSA) beneficiaries, with no other adult member in the household and who are not in position to visit the FPSs, all States/UTs are advised to implement mechanisms for special dispensation of foodgrains to such beneficiaries, either through home-delivery or through their nominated persons.

- **Tamil Nadu CM MK Stalin announces Rs 1,242 crore worth of infrastructural projects** - Hon'ble Chief Minister of Tamil Nadu Shri M K Stalin on 11th December 2021 announced Rs 1,242 crore worth of infrastructure schemes for Salem district, including underground drainage system, amenities for additional drinking water supply, a flyover and a textile park. Inaugurating several completed projects, distributing welfare assistance to beneficiaries and laying foundation stone for new initiatives, all worth over Rs 261 crore, Stalin said he would visit the district again and again and continue to monitor all the initiatives.
- **Telcos against zero tariffs for USSD-based services** - Private telecom operators have urged the sector regulator to go for a graded reduction in tariffs for unstructured supplementary service data (USSD)-based mobile banking and payment services, arguing that any regulation to make such services free overnight would increase financial stress in the debt-laden sector.
- **Public health groups, doctors urge Government to hike excise duty on tobacco products in next Union Budget** - Public health groups, along with economists and doctors, have urged the Government to increase excise duty on all tobacco products in the Union Budget of 2022-23 to generate additional revenue. In their appeals to the Finance Ministry, they have sought an increase in excise duty on cigarettes, bidis and smokeless tobacco.
- **Broadband may see tariff revision in near future: Meghbela Broadband co-founder-** The days of ultra-low telecom tariff are now over and the next in line is broadband as current rates are bleeding, an internet service provider. All the leading telecom majors have raised tariffs by 20 per cent from their respective levels stating the necessity to sustain the business. Now, to keep with the market trend, Over The Top (OTT) streaming service has to be provided free of charge which is a cost pressure for the internet service providers.
- **Ministry of Heavy Industries supports 520 Charging Stations Infrastructure under the Phase-I of FAME India Scheme** - Ministry of Heavy Industries supported 520 Charging Stations/ Infrastructure under the phase-I of FAME India Scheme. Out of 520 charging stations, 452 charging stations has been installed as on 03.12.2021. Further, under phase-II of FAME-India Scheme, Rs. 1000 Cr. is allocated for the development of charging infrastructure. This Ministry has also sanctioned 2,877 Electric Vehicle Charging Stations in 68 cities across 25 States/UTs and 1576 charging stations across 9 Expressways and 16 Highways under Phase II of FAME India Scheme.
- **World has not still seen the huge potential of the North-East": Shri Piyush Goyal** - World has not still seen the huge potential of the North-East," said Shri Piyush Goyal, launching the 'Meghalayan Age' store in New Delhi. Stating that the Mulberry Silk of Meghalaya besides Shawls, Bamboo, Handicrafts and various other unique products of the Northeast will have a huge market not only for visitors from India but also from across the world, the Union Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textiles, Shri Piyush Goyal said, "the World is Your Stage."
- **Tell-tale signs of India's economic recovery are now visible: McKinsey's Mr. Rajat Dhawan-** India is likely to see a 'roaring 20s', just like how the US economy was in the 1920s, said Mr. Rajat Dhawan, McKinsey India's

newly minted managing partner. Domestic consumption is back, the infrastructure public-investment build-out story is continuing, indicators also point towards the return of the private investment cycle after a gap of 10 years, and a confluence of proactive policies could help the country deliver on its manufacturing promise.

- **Disinvestment of some PSUs a continuous process, says Government** - Disinvestment of some public sector units is a continuous process and the Container Corporation of India Ltd (CONCOR) is one such unit. Disinvestment of some of the public sector units has been a continuous process. CONCOR today is an industry which already has over 15 container train operators in the country. At this point of time, the Government of India holds 54.80% equity in CONCOR. There are 19 private sector container train operators in the field with 24 terminals all over India.
- **The Department for Promotion of Industry and Internal Trade (DPIIT) initiates the first ever Development of 'Indian Footwear Sizing system' in consultation with Central Leather Research Institute (CLRI)** - The Department for Promotion of Industry and Internal Trade (DPIIT) has initiated the first ever Development of 'Indian Footwear Sizing system' in consultation with Central Leather Research Institute (CLRI), Chennai to identify the footwear size ranges required to cover the need of the local population for footwear and to define proportions and rules of constructing shoe lasts required for providing well-fitting and healthy footwear.
- **Government will continue to push for greater reforms across sectors:** NITI Aayog CEO Amitabh Kant:- Undeterred by the repeal of farm laws, the government will continue to push for greater reforms across sectors, NITI Aayog CEO Amitabh Kant said. India is determined to carry out reforms. We need more and more reforms and the government will push for greater levels of reforms across sectors and make things easy and simple.
- **India's retail inflation in November firms up to 4.91%:-** India's benchmark inflation rate, measured by the Consumer Price Index (CPI) firmed up to 4.91% year-on-year in November on the back of a rise in vegetable prices, data released by the Ministry of Statistics and Programme Implementation on Monday showed. With this, the CPI has remained within the tolerance level of 2%-6% for the fifth consecutive month. According to the Monetary Policy Committee's official mandate, the rate-setting panel is supposed to keep inflation in a band of 2-6%.
- **Centre's new incentive scheme for States to achieve their targets and become eligible for incremental borrowing:-** The Government has recently announced a new incentive scheme for States that could achieve their targets and become eligible for incremental borrowing. This was stated by Union Minister of State for Finance Shri Pankaj Chaudhary in written reply to a question in Lok Sabha today. Giving more details, the Minister stated that out of the net borrowing ceiling (NBC) of 4% of GSDP for the States for 2021- 22, 0.50 percent of GSDP was earmarked for incremental capital expenditure to be incurred by the States during 2021-22. The target for incremental capital expenditure for each state to qualify for this incremental borrowing was fixed. This earmarking for incremental capital expenditure has been done because the capital expenditure has a high multiplier effect, enhances the future productive capacity of the economy, and results in a higher rate of economic growth, the Minister state.
- **Subscription fees separate from royalty for tax purposes: Tax ruling :-** Subscription fees cannot be treated as royalty and access to copyright content is separate from access to copyright itself a tax tribunal ruled recently that will give clarity to several multinationals. A US based research company was charging subscriptions for accessing its database and online journals to customers in India. The company was charging

subscriptions from its India customers for accessing data, copyrighted material and research that sat on servers outside India.

- **Lower corporate tax for LLPs, proprietary firms: EEPIC India to Centre:-** The benefit of lower corporate tax should be extended to Limited Liability Partnership (LLPs) and proprietary firms as it will make funds available with large number of MSMEs thus speeding up private investment cycle which is instrumental to boost growth and jobs, EEPIC India has suggested to the government as part of its pre-Budget recommendation. Elaborating on the proposal, EEPIC India chairman Mahesh Desai said that lower corporate tax was aimed at providing industry with higher investment.
- **India's Demat account holders more than double in 3 years to 7.38 crore in Oct. 2021:-** As per the information provided by Securities and Exchange Board of India (SEBI), as on October 31, 2021, there are around 2.75 crore mutual fund (MF) investors, 7.38 crore Demat account holders and 1,324 SEBI Registered Investment Advisors (RIA). This was stated by Hon'ble Union Minister of State for Finance Shri Pankaj Chaudhary in a written reply to a question in Lok Sabha today. The ratio of Mutual Fund investors and Demat Account holders to the Registered Investment Advisors (RIA) in India is around 76,510 : 1.
- **Special Drive detects Tax Evasion of Rs. 3,500 Crore so far; Rs. 460 Crore recovered :-** Anti-evasion Wing, Central Goods and Services Tax Bhiwandi Commissionerate, Mumbai have busted a network of fictitious entities in Maharashtra. The entities were involved in avilment and utilisation of Input Tax Credit (ITC) against fake invoices without actual supply of goods. Searches were conducted at more than a dozen locations at various premises located in Navi Mumbai, Thane and Palghar.
- **Depositors should be careful while chasing high returns:-** RBI Governor Shaktikanta Das Reserve Bank of India (RBI) Governor Shaktikanta Das on 12th December cautioned depositors to be careful while chasing high returns as it comes with greater risk. Observing that depositors themselves also need to be very discerning, he said it is important to keep in mind that higher returns or higher interest rates are usually associated with higher risks.
- **Cabinet committee on privatisation yet to take decision on two banks: FM:-** Hon'ble Finance Minister Nirmala Mrs Sitharaman on Monday said the cabinet committee on privatization is yet to take a decision with regard to divesting two public sector banks. The government had in Budget 2021-22 announced its intent to take up privatisation of two public sector banks (PSBs) during the year and approval of a policy of strategic disinvestment of public sector enterprises, she said in the Lok Sabha.
- **Lower corporate tax for LLPs, proprietary firms: EEPIC India to Centre:-**The benefit of lower corporate tax should be extended to Limited Liability Partnership (LLPs) and proprietary firms as it will make funds available with large number of MSMEs thus speeding up private investment cycle which is instrumental to boost growth and jobs, EEPIC India has suggested to the government as part of its pre-Budget recommendation. Elaborating on the proposal, EEPIC India chairman Mahesh Desai said that lower corporate tax was aimed at providing industry with higher investment.
- **Banks urge unions to withdraw two-day nationwide strike; make arrangement for normal functioning:-** Public sector banks including State Bank of India (SBI) on Monday urged unions to reconsider their decision to go on a two-day nationwide strike, and invited them for further discussions. Bank unions under the United Forum of Bank Unions (UFBU) umbrella have called a strike on December 16 and 17 against the proposed public sector bank privatisation. In the Budget 2021-22, the government had announced its intent to take up

the privatisation of two public sector banks (PSBs).

- **No new stress seen in large corporate segment: SBI MD:-** Large corporates have tide over the current crisis better due to healthy cash reserves and are now increasing working capital utilisations and seeking fresh credit, according to State Bank of India managing director Mr J Swaminathan. We are not seeing any new stress in the large corporate segment," Swaminathan, who heads SBI's risk, compliance and stressed accounts group.
- **India-UAE to conclude trade pact talks next month: Piyush Goyal:-** Hon'ble Commerce and industry minister Piyush Goyal on Monday said that India and the UAE will wrap up the talks for a Comprehensive Economic Partnership Agreement (CEPA) by next month. Addressing the India Global Forum, UAE-2021, he also said that the agreement will be a mutually beneficial win-win solution for both countries, and that some of the elements of the agreement are "first of its kind".
- **July-September quarter FDI inflows plunge 42%:-** Foreign direct investment (FDI) into India in the July-September quarter of 2021-22 fell a sharp 42% on year at \$13.5 billion from \$23.4 billion a year ago. However, the inflows were up 39.17% from the pre-pandemic period of July-September FY20. Total FDI inflows including equity inflows, re-invested earnings and other capital was down 30% on-year at \$19.7 billion in the second quarter compared to \$28.1 billion in the September quarter of FY21.
- **Committee on MSP to be set up 'very soon in near future': Agriculture Secretary:-** A committee on the minimum support price (MSP) and other farm issues, including the promotion of zero budget natural farming, will be set up "very soon in the near future", Agriculture Secretary Sanjay Agrawal said on 12th December. The Prime Minister has announced this. It has to be taken on a mission mode and the zero budget natural farming also. Very soon in near future, it (the committee) will be set up," Agrawal told the media here.
- **NH-334B set to be completed by Jan 2022: Nitin Gadkari:-** Hon'ble Union minister Nitin Gadkari on 12th December said the National Highway-334B, which starts at Baghpat near the UP-Haryana border and ends at Rohna in Haryana is set to be completed by next month. The Road Transport and Highways minister in a series of tweets, said National Highways (NHs) are growing at unprecedented pace under the leadership of Hon'ble Prime Minister Narendra Modi.
- **MoCA has accorded 'in-principle' approval for setting up of 21 Greenfield Airports across the country so far:-** Upgradation and modernization of civil aviation infrastructure is an ongoing process and is undertaken by concerned airport operators from time to time depending on the availability of land, commercial viability, socio-economic considerations, traffic demand/willingness of airlines to operate to/from such airports. AAI has taken up development of new airports and expansion/ upgradation of existing airports at estimated cost of around Rs. 25,000 crores in next 4-5 years which includes expansion and modification of existing terminals, new terminals, expansion or strengthening of existing runways, aprons, Airport Navigation Services control towers, technical blocks etc. In addition, three Public Private Partnership (PPP) airports at Delhi, Hyderabad and Bengaluru have undertaken major expansion plan to the tune of Rs. 30,000 Crores by 2025. These projects are at various stages of planning/development.
- **5,809 Smart City Projects under implementation/completed till November 2021:-** Government of India launched the Smart Cities Mission (SCM) on 25 June 2015. 100 Smart Cities have been selected through 4 rounds of competition from January 2016 to June 2018. There has been considerable progress in

implementation of projects under the Mission since its inception. As on 12 November 2021, 6,452 projects worth ₹ 1,84,998 crore (90%) have been tendered, out of which 5,809 projects worth ₹ 1,56,571 crore (85%) are under implementation/complete.

- **Regional Rapid Transit System corridors to connect various important towns of NCR:-** National Capital Region Planning Board (NCRPB) prepared a 'Functional Plan on Transport for National Capital Region(NCR)-2032' which recommended eight Regional Rapid Transit System (RRTS) corridors to connect various important towns of NCR with high speed rail based commuter transit system viz. (i) Delhi-Gurgaon-Rewari-Alwar (ii) Delhi-Ghaziabad-Meerut (iii) Delhi-Sonapat-Panipat (iv) Delhi-Faridabad-Ballabhgarh-Palwal (v) Delhi-Bahadurgarh-Rohtak (vi) Delhi-Shahdara-Baraut (vii) Ghaziabad-Khurja and (viii) Ghaziabad-Hapur. Out of these, the Task Force constituted by the then Planning Commission prioritized three corridors namely, (i) Delhi-Ghaziabad-Meerut (ii) Delhi-Gurugram-Rewari-Alwar and (iii) Delhi-Panipat. From the above, Delhi-Ghaziabad-Meerut RRTS corridor has been approved and the construction work is underway.
- **Government of India has agreed to release 5 million barrels of crude oil :-** The Minister of State for Petroleum and Natural Gas, Hon'ble Shri Rameswar Teli in a written reply to a question in the Rajya Sabha today informed that the Government of India has agreed to release 5 million barrels of crude oil from its Strategic Petroleum Reserves, in consultation and parallelly with other major global energy consumers. India strongly believes that the pricing of liquid hydrocarbons should be reasonable, responsible and be determined by market forces. India has repeatedly expressed concern at supply of oil being artificially adjusted below demand levels by oil producing countries, leading to rising prices and negative attendant consequences.
- **India's 5Gi to be merged with global standard:-**India's local 5G standard, 5Gi, is likely to be merged with the global standard for the fifth-generation mobile network technology under a "compromise formula" between the industry and indigenous standard proponents, said people aware of the matter. The development comes after opposition to the local standard even from the Department of Telecommunications' technical arm, Telecommunication Engineering Centre (TEC).
- **Government to follow auction route for coal block allocation:** Hon'ble Coal Minister Pralhad Joshi:- Coal Minister Pralhad Joshi on Monday defended the government's decision to auction four coal blocks located near the Singareni Collieries Company Limited in Telangana, saying it is being done according to policy. SCCL is a government coal mining company jointly owned by the state government and the central government on a 51:49 equity basis.
- **Indian auto customers becoming safety-conscious, willing to pay more for safer cars:-**Indian automobile customers are becoming safety-conscious and are willing to stretch their budget to buy safer cars, according to a survey by Mobility Outlook. Nearly one-third of respondents said they will be willing to spend over Rs 30,000 on upgraded security features, as per the survey, which took responses from nearly 2.7 lakh customers across India by Mobility Outlook, a brand of CarTrade Tech.
- **Maharashtra tops the list of Atmanirbhar Bharat Rozgar Yojana beneficiaries:-** Maharashtra has topped the list of states with maximum number of beneficiaries under the Atmanirbhar Bharat Rozgar Yojana followed by Gujarat, Tamil Nadu, Karnataka and Uttar Pradesh, Rameswar Teli, minister of state for labour and employment said. The total beneficiaries under the scheme stands at 3.97 million spread across 0.11 million establishments and the total benefits granted as on December 4, 2021 stands at Rs 2612.10 crore, the minister said in response to a question in Lok Sabha.

- **AMRUT 2.0 reforms on water conservation envisages recycle of treated wastewater to meet 20% of city water and 40% of industry water demand:-** Under reforms agenda of Atal Mission for Rejuvenation and Urban Transformation 2.0 (AMRUT 2.0), reforms on water conservation envisages recycle of treated wastewater to meet 20% of the total city water demand and 40% of industry water demand in aggregate at the state level. Government of India has launched AMRUT 2.0 on 01October 2021 for 5 years from 2021-22 to 2025-26. AMRUT 2.0 is designed to provide universal coverage of water supply to all households through functional taps in all statutory towns and coverage of sewerage/septage management in 500 AMRUT cities. Making the cities 'water secure' and thereby enhancing ease of living of citizens is major objective of the Mission.
- **Business activity grows to new high despite Omicron threat: Nomura** Despite fears of the Omicron variant, business activity touched an all-time high since the onset of the pandemic for the week ended December 12, a Japanese brokerage said on 13th December. The Nomura India Business Resumption Index (NIBRI), which compares the activity for a particular week as against the one before the onset of the pandemic, rose to 115.8 from the 112.9 for the previous week.
- **WPI inflation stands at 14.2% in November 2021-** The annual rate of Wholesale Price Index (WPI) inflation is 14.2% (Provisional) for the month of November, 2021 as compared to 2.3% in November, 2020. The WPI inflation stood at 12.5% in October 2021. The high rate of inflation in November 2021 is primarily due to rise in prices of manufactured products, fuel & power, minerals, crude petroleum & natural gas, non-food articles, etc. as compared the corresponding month of the previous year, November 2020.
- **Asian Development Outlook Supplement-December 2021 projects India's GDP to grow at 9.7% in FY2022 and 7.5% in FY2023-** The growth forecast for South Asia is revised down to 8.6% for 2021, while the forecast for 2022 is maintained at 7.0%. India's projection is lowered to 9.7% for fiscal 2021 and remains unchanged at 7.5% for 2022.
- **CBIC shouldn't need registration of MEIS transmitted online by DGFT-** For registering the MEIS scrips issued on-line are required to take a print out of MEIS and send it to the CHA and also incur some costs. The CBEC had removed the requirement for pre-registration verification of the genuineness of MEIS/SEIS for the scrips transmitted directly from the DGFT portal to the Customs portal. However, the requirement of registration itself has not been withdrawn.
- **PCA Framework for NBFCs-** The Reserve Bank of India has issued the Prompt Corrective Action (PCA) Framework for Non-Banking Financial Companies (NBFCs). It may be recalled that the revised Prompt Corrective Action (PCA) Framework for Scheduled Commercial Banks (SCBs) was issued on November 2, 2021. NBFCs have been growing in size and have substantial inter-connectedness with other segments of the financial system.
- **RBI may be forced to raise rates faster than anticipated-** The Reserve Bank of India may be forced to raise interest rates at a faster pace than anticipated earlier as it would be forced to catch up with accelerating price pressures. The central bank may have to raise rates by as much as 100 basis points, up from 75 bps earlier as price rise spreads to services and consumer goods companies see 15 to 21 percent jump in their input costs.
- **SEBI constitutes Advisory Committee for Leveraging Regulatory and Technology Solutions (ALeRTS)-**

In order to guide SEBI in its pursuit to enhance technological capabilities and explore appropriate technology solutions for early detection of market anomalies, SEBI has constituted an 'Advisory Committee for Leveraging Regulatory and Technology Solutions (ALeRTS)' headed by Ms. Madhabi Puri Buch, Ex-Whole Time Member, SEBI, and comprising experts from various technology domains as members.

- **Shri Piyush Goyal urges fellow Ministers of neighbouring countries to work together to transform the subcontinent-** The Hon'ble Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal called upon fellow Ministers of neighbouring countries to work together to transform the subcontinent. He said that India is looking for FTAs with like-minded nations with transparency and mutual benefit and growth as key pillars.
- **India's exports likely to touch record \$400 billion this fiscal: Shri Piyush Goyal-** Hon'ble Commerce and Industry Minister Shri Piyush Goyal said India's merchandise export is set to touch an all-time high of \$400 billion during the current financial year, driven by sharp uptick in shipments. As per a preliminary trade data, India's merchandise exports in April-November 2021 was at \$262.46 billion, an increase of 50.71 per cent over \$174.15 billion in the same period of the previous financial year.
- **Telangana procures 42 lakh tonnes of paddy-** The Civil Supplies Department of Telangana Government has procured 42 lakh tonnes of paddy from the kharif harvest so far. The aggregate value of the produce is put at about ₹8,200 crore.
- **More than 14 Crore Health IDs created in the country under the Ayushman Bharat Digital Mission (ABDM)-** As on 3rd December 2021, 14,15,49,620 health IDs have been created in the country under the Ayushman Bharat Digital Mission (ABDM). Ayushman Bharat Digital Mission (AB-DM) aims to create an online platform enabling interoperability of health data within the health ecosystem to create longitudinal electronic health record of every citizen, make healthcare accessible for citizens including reducing the cost of care and enabling greater efficiencies in health service delivery.
- **India's renewable energy capacity additions could reach highest level of 5 years-** As India's second wave of Covid-19 subsided, renewable capacity commissioning began to bounce back. A total of 8.6GW of renewable energy (RE) capacity – 7.6GW of which was solar – was installed in the first seven months of FY2021/22. This is a material uplift compared to year-on-year renewable installs of 5.7GW in FY2019/20 and 2.6GW in FY2020/21. Investment in the RE sector also picked up significantly during the first seven months of FY2021/22, reaching US\$14.2 billion.
- **Ayana Renewable closes deal to buy 250 MW solar energy plant from ACME-** Ayana Renewable Power Private Limited (Ayana), a renewable energy platform majority controlled by National Investment and Infrastructure Fund (NIIF) has closed the deal to buy 100 per cent stake in 250 MW Solar PV power plant from ACME Solar Holdings Private Limited (ACME). With this transaction, Ayana is now developing and managing close to 3 GW of renewable energy.
- **Total EV sales may see a triple-digit growth this fiscal, led by e-2Ws: Report-** Led by electric two-wheelers, overall electric vehicles (EVs) in India will see a triple-digit growth for FY22 as compared to FY21. Although in FY21, EVs witnessed growth in sales supported by two- and three-wheelers, the share of EVs in the overall vehicle sales was less than 1 per cent. But, there has been a strong revival in sales of EVs this fiscal. The sales have already increased by about 50 per cent during YTD FY22 (April-November) albeit on a low base.

- **Metal companies still face coal, rake shortage-** With no respite in sight to the continued shortage of coal faced by the non-regulated sector (NRS), the Federation of Indian Mineral Industries (FIMI) has sought the Prime Minister Office's intervention to resume normal coal supplies by Coal India and availability of railway rakes by the Railway Board.
- **Iron ore market set for correction in 2022-** Early this week, iron ore prices jumped to \$116 a tonne, rising to a 7-week high. The rally was substantially based on China's import data that was interpreted as increasing demand for iron ore. Expectations from fiscal policy measures, including rate reduction in China, also played a part in giving a boost to the sentiment. Iron ore is a key input for steel-making. To be sure, China is the world's largest and dominant producer of steel, accounting for half of global production of about 1,800 million tonnes (mt).
- **Vibrant Gujarat: MoUs worth ₹2359 crore in agri business space-** Gujarat Government had signed eight memorandums of understanding (MoUs) worth ₹2,359 crore in the areas of agriculture, agro-processing and agri infrastructure as part of the pre-Vibrant Gujarat Global Summit. The largest quantum of investment was committed in the area of ethanol manufacturing, which saw three MoUs worth ₹1342 crore to be executed in Dahej.
- **ADB Helps Establish a Skill University in Assam, India-** The Asian Development Bank (ADB) has approved a US\$112 million loan to strengthen skills education and training through the establishment of the Assam Skill University (ASU). Despite its abundant natural resources and high proportion of young population, Assam has yet to unleash its growth potential. Assam's economy is dominated by low value-added, natural resource-based products and is poorly integrated with global and regional value chains. The state is prone to natural hazards, which are likely to intensify because of climate change. Fewer growth prospects have propelled out-migration for jobs and education, exacerbating shortages of skills in Assam.
- **Karnataka may amend law to make land conversion easier to spur investments-** Karnataka is mulling amendments to its land revenue regulations to let owners of farmland get speedy approvals to put their plots for non-agricultural use.
- **Drinking Water Supply Schemes of Rs. 56.7 Crore Approved Under Jal Jeevan Mission In Uttarakhand-** Drinking water supply schemes of Rs 56.7 Crore were approved under Jal Jeevan Mission by Uttarakhand in the State-level scheme sanctioning committee (SLSSC) meeting held on 13th December, 2021. Of the five water supply schemes sanctioned today, two are single-village scheme and three are multi-village schemes. It will provide tap water connection to more than 6,800 rural households.
- **Crude oil, natural gas down on MCX-** Crude oil and natural gas futures opened lower on the Multi Commodity Exchange (MCX) on Tuesday morning in tune with the global trend. The market turned bearish as concerns were raised again over the impact of the Omicron variant of Coronavirus. On MCX, January crude oil futures were trading at ₹5,388 during the initial hour of Tuesday morning against the previous close of ₹5,440, down by 0.96 per cent; and the December natural gas futures were trading at ₹288.40 against the previous close of ₹297.40, down by 3.03 per cent.
- **Employment outlook at a record high of 8 yrs as employers show optimism-** Employers continue to show optimism for the second consecutive quarter according to the latest ManpowerGroup Employment Outlook Survey of 3020 employers. 64 per cent expect to increase their staffing levels, 15 per cent anticipate a

decrease and 20 per cent do not anticipate any change, resulting in a seasonally adjusted Net Employment Outlook of +49 per cent which is a record high in 8 years. When compared to the same period last year, hiring sentiments have improved by a whopping +43 while there is a 5 percentage points growth when compared to the last quarter.

- **Smt Nirmala Sitharaman to hold pre-budget consultations from Wednesday-** Hon'ble Finance Minister Smt Nirmala Sitharaman will begin her pre-budget consultations with different stakeholder groups on Wednesday with the first meeting scheduled with the experts of agriculture and agro-processing industry. The meetings will be held virtually.
- **Cabinet clears Rs 76,000-crore incentive scheme for semiconductors-** The Cabinet cleared the Rs 76,000-cr incentive scheme for semiconductors today. Under this scheme, India will set up more than 20 semiconductor design, components manufacturing and display fabrication (fab) units over the next six years.
- **GDP to grow 8.2 pc in FY23, RBI to hike rates by 100bps: Bank of America-** The new year will herald the return of normalcy and witness the growth momentum gaining steam, an American brokerage said on Wednesday, pegging the real GDP growth estimate at 8.2 per cent for FY2022-23. Bank of America said the country entered 2021 on an optimistic note with recovering economic growth and well contained inflation, but the tragic second wave rocked the boat, led to the return of supply shortages and exerted pressure on prices.
- **Microfinance loan portfolio grows 5.16 pc to Rs 2.43 lakh crore as on September-end: Report-** The gross loan portfolio (GLP) of microfinance industry grew by 5.16 per cent to Rs 2.43 lakh crore as on September 30, 2021 from Rs 2.31 lakh crore in the year-ago period, according to a report by Microfinance Institutions Network (MFIN) on Wednesday. MFIN is an industry association comprising of 58 NBFC-MFIs and 39 associates including banks, small finance banks (SFBs) and NBFCs.
- **Cabinet approves reimbursement of Rs 1,300 cr on digital transactions using UPI, RuPay debit card-** The Union Cabinet on Wednesday approved reimbursement of Rs 1,300 crore on digital transactions using UPI and Rupay debit cards, Electronics and IT Minister Ashwini Vaishnaw said. The minister said that the government will reimburse transaction charges levied on digital payments made by persons to the merchant as part of the merchant discount rate (MDR).
- **India's FDI rules ambiguous, can be strengthened, says WTO DG Ngozi Okonjo-Iweala-** World Trade Organization Director-General Ngozi Okonjo-Iweala on Tuesday said that India's policy on foreign direct investment is ambiguous and can be strengthened.
- **India to appeal WTO panel ruling on sugar sops, says no impact on extant policies-** India will file an appeal at the World Trade Organization (WTO) against a panel report issued by on Tuesday that has ruled in favour of Brazil, Australia and Guatemala in their dispute settlement complaints targeting India's domestic support for sugarcane producers and export subsidies for sugar.
- **Finmin imposes anti-dumping duty on 'Axle for Trailers' in CKD/SKD form from China-** The Finance Ministry has imposed anti-dumping duty on 'Axle for Trailers' imported from China in Completely Knocked Down (CKD)/ Semi Knocked Down (SKD) form.
- **Technopark-Thiruvananthapuram beats adverse market conditions to 'do well' on software export front-**

Technopark-Thiruvananthapuram, among India's largest technology parks, has made a good account of itself by doing 'remarkably well' on the software export front during 2020-21 despite adverse market conditions created by the Covid-19 pandemic.

- **FCI to bid out silos at 249 locations with about 108 lakh MT capacity-** In a bid to revamp India's wheat storage infrastructure and reduce the overall wastage, the Food Corporation of India (FCI) will soon start the bidding of 249 storage silos at 249 locations. The government is likely to relax the Make in India clause for the Rs 12,000 crore wheat storage project which will be done through public private partnership.
- **WTO panel asks India to withdraw subsidies in sugar dispute-** A World Trade Organization panel ruled in favour of Brazil, Australia and Guatemala on Tuesday in their trade disputes with India over sugar subsidies and asked New Delhi to conform with global rules.
- **The agri-tech network effect is transforming India's rural ecosystem, one smallholder farmer at a time-** According to Food and Agriculture Organization (FAO), more than one-third of the food volume in the world is produced by smallholder farmers. Their landholdings range between 1-4 hectares. In India, the importance of smallholder farmers is even higher – around 50 per cent of food production happens in small- and mid-holder farms that cover more than 80 per cent of total land under cultivation by FAO estimate.
- **Sharp increase in pepper imports from Sri Lanka caps domestic prices-** Heavy arrivals of imported pepper from Sri Lanka have capped the domestic pepper price in India, says the Indian Pepper and Spices Traders, Growers and Planters' Consortium.
- **India needs to use more zinc in agriculture to achieve food security-** The use of zinc is on the rise in Indian agriculture, but more needs to be done to achieve food security and nutritional security of the growing population, said Andrew Green, Executive Director of International Zinc Association (IZA).
- **Cabinet approves Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India-** In furtherance of the vision of Aatmanirbhar Bharat and positioning India as the global hub for Electronic System Design and Manufacturing, the Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the comprehensive program for the development of sustainable semiconductor and display ecosystem in the country. The program will usher in a new era in electronics manufacturing by providing a globally competitive incentive package to companies in semiconductors and display manufacturing as well as design. This shall pave the way for India's technological leadership in these areas of strategic importance and economic self-reliance.

Markets So Far

	Yearly			Monthly		Daily		
Indicators	2018	2019	2020	October 2021	November 2021	14 th December 2021	15 th December 2021	16 th December 2021
BSE SENSEX	36068	41253	47751	60422	59416	58117	57788	57901
GOLD (10 GRMS)	30600	34813	46985	47208	48197	47976	47872	48160
CRUDE OIL (1 BBL)	4437	4007.8	2966	6056	5916	5397	5368	5389
EXCHANGE RATE	68	70.4	74.11	74.93	74.45	76.04	76.34	76.16

(INR/USD)								
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Source: PHD Research Bureau, PHDCCI, compiled from BSE, MCX and Bloomberg

Warm Regards,

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