

Weekly Compendium of Economic and Business Developments

(Period ending 19th March 2022)

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 key notification on amendments by Central Board of Indirect Taxes and Customs, extension of Credit Guarantee Scheme for Subordinate Debt (CGSSD), CPI inflation for February 2022, India's Foreign Trade for February 2022, issue of RBI Master Direction (Regulatory Framework for Microfinance Loans) Directions, 2022, WPI inflation for February 2022, among others. The details of disseminated information during the week ending 19th March 2022 are appended.

Indian Economy

- [Key Notification on Amendments by Central Board of Indirect Taxes and Customs](#) - In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962(52 of 1962), the Central Board of Indirect Taxes & Customs, being satisfied that it is necessary and expedient to do so, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3 August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S. O. 748 (E), dated the 3 August, 2001, namely: Fixation of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver - Reg.
- [Credit Guarantee Scheme for Subordinate Debt \(CGSSD\) extended upto 31.03.2023](#) - Government announced creation of 'Distressed Assets Fund- Subordinate Debt for Stressed MSMEs' on 13th May, 2020, under the Aatma Nirbhar Bharat Package. Accordingly, a scheme viz. 'Credit Guarantee Scheme for Subordinate Debt' was approved by the Government on 1st June, 2020 and the scheme was launched on 24th June, 2020 to provide credit facility through lending institutions to the promoters of stressed MSMEs viz. SMA-2 and NPA accounts who are eligible for restructuring as per RBI guidelines on the books of the Lending institutions. Initially the scheme was upto 31.03.2021.
- [CPI inflation rises to 6.07% in February 2022](#) - According to the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI), the CPI inflation rises to 6.07% in February 2022 as compared to 6.01% in January 2022. The Price data are collected from selected 1114 urban Markets and 1181 villages covering all States/UTs through personal visits by field staff of Field Operations Division of NSO, MoSPI on a weekly roster. During the month of February 2022, NSO collected prices from 99.6% villages and 98.2% urban Markets while the Market-wise prices reported therein were 89.6% for rural and 92.9% for urban.

- [India's Foreign Trade: February 2022: India's exports in February 2022 up by 25.41 percent to USD 57.03 Billion over the same month last year](#) - Merchandise exports in February 2022 were USD 34.57 Billion, as compared to USD 27.63 Billion in February 2021, exhibiting a positive growth of 25.10 per cent. As compared to February 2020, exports in February 2022 exhibited a positive growth of 24.60 per cent. Merchandise imports in February 2022 were USD 55.45 Billion, which is an increase of 36.07 per cent over imports of USD 40.75 Billion in February 2021. Imports in February 2022 have registered a positive growth of 46.28 per cent in comparison to February 2020. The estimated value of services export for February 2022* is USD 22.46 Billion, exhibiting a positive growth of 25.90 per cent vis-a-vis February 2021 (USD 17.84 Billion) and a positive growth of 31.06 per cent vis-à-vis February 2020 (USD 17.14 Billion). The estimated value of services import for February 2022* is USD 13.91 Billion exhibiting a positive growth of 33.95 per cent vis-à-vis February 2021 (USD 10.38 Billion) and a positive growth of 38.39 per cent vis-à-vis February 2020 (USD 10.05 Billion).
- [RBI issues Master Direction \(Regulatory Framework for Microfinance Loans\) Directions, 2022](#) - This is with reference to paragraph 8 of the Statement on Developmental and Regulatory Policies announced as a part of the Bi-monthly Monetary Policy Statement for 2020-21 dated February 5, 2021, regarding review of the regulatory framework for microfinance. A consultative document on regulation of microfinance loans was issued for public comments on June 14, 2021. Based on the feedback received, RBI has now decided to put in place the directions for microfinance loans.
- [WPI inflation stands at 13.11% in February 2022](#) - The annual rate of Wholesale Price Index (WPI) inflation stands at 13.11% (Provisional) for the month of February, 2022 as compared to 4.8% in February, 2021. The WPI inflation stood at 12.96% in January 2022. The high rate of inflation in February, 2022 is primarily due to rise in prices of mineral oils, crude petroleum & natural gas, basic metals, chemicals and chemical products, food articles, non-food articles, etc as compared the corresponding month of the previous year.
- [January 2022 IIP growth stands at 1.3%](#) - Growth in industry output, as measured in terms of IIP, for the month of January 2022 stands at 1.3% as compared to 0.72% in December 2021. IIP growth in January 2021 stood at (-)0.6%. The growth in the three sectors mining, manufacturing and electricity in January 2022 stands at around 2.8%, 1.1%, 0.9%, respectively over January 2021. Primary goods growth stands at around 1.6%, capital goods at (-)1.4%, intermediate goods at 0.9%, infrastructure/construction goods at 5.4%, consumer durables at (-)3.3% and consumer non-durables growth at 2.1% during January 2022 as compared to same month previous year.

Our Voice

PHDCCI Quick Economic Trends: Economic activity on the steady path, strong performance expected in the coming quarters: PHD Chamber - The economic activity is on the steady path reflected by the noteworthy performance of the lead economic and business indicators for the month of February 2022. Out of the 10 lead economic and business indicators of QET (Quick Economic Trends), tracked by the industry body PHDCCI, 7 have shown uptick for the month of February 2022 as compared with 7 out of 10 indicators showing the uptrend in January 2022. GST Collections, Passenger vehicle sales, manufacturing PMI, E-way Bill, Railway Freight, Forex Reserves and Exports have registered a positive growth in February 2022.

Exports registered the positive growth of around 22% in February 2022, increasing from US\$ 27.6 billion in February 2021 to US\$ 33.8 billion in February 2022. GST collections registered y-o-y growth of 18% from Rs 113,143 crore in February 2021 to Rs 133,026 crore in February 2022. Passenger vehicle sales registered y-o-y growth of 8% in February 2022, increasing from 281,380 units in February 2021 to 302,756 units in February 2022. Railway freight registered y-o-y growth of 7% from 112.4 Million Tonnes in February 2021 to 119.8 Million Tonnes in February 2022. E-way Bills have shown y-o-y growth of 4%, in February 2022, increasing from 63.8 million in February 2021 to 66.1 million in February 2022.

The Manufacturing PMI increased sequentially by 2% in February 2022, from 54.0 points in January 2022 to 54.9 points in February 2022. Forex reserves registered a sequential growth of 0.3% in February 2022, increased from US\$ 629.8 Billion in January 2022 to US\$ 631.5 Billion in February 2022. Unemployment rose sequentially by 23% in February 2022 from 6.6% in January 2022 to 8.1% in February 2022. Exchange rate depreciated by 0.7% from an average of 74.40 INR/USD in January 2022 to 74.92 INR/USD in February 2022. The SENSEX (monthly average) declined sequentially by 3% in February 2022 from 59586 in January 2022 to 57698 in February 2022.

Going ahead, the pace of economic activity is expected to remain strong on the back of various structural reforms undertaken by the Government during the last 2 years. The recent budget announced by the Government for the FY 2022-23 looks into the future while keeping a close eye on the ground. The Budget is a step forward towards the vision of creating an Aatmanirbhar Bharat and reflects a consistency in government's approach in making India a Modern, Developed and Inclusive nation. 10 economic and business indicators of QET include demand and supply indicators along with external and financial sectors indicators

Economy so far

- **Commerce Ministry may further extend foreign trade policy** - The Commerce Ministry is likely to further extend the existing foreign trade policy (FTP) beyond March 31 this year, an official said. Last year in September, the Government extended the Foreign Trade Policy 2015-20 till March 31, 2022, due to the COVID-19 pandemic. The present policy came into force on April 1, 2015. The policy provides guidelines related to imports and exports in India. The ministry announces the policy every five years.
- **India boosts fertiliser imports from Canada, Israel as Russian supply disrupted** - India is boosting fertiliser imports from nations including Canada and Israel to ensure sufficient supplies for the coming summer sowing season after the disruption of shipments caused by Russia's invasion of Ukraine. India is a leading importer of fertilisers for its huge agriculture sector, which employs about 60% of the country's workforce and accounts for 15% of the \$2.7 trillion economy.
- **India-UAE trade pact: Bilateral trade projected to touch \$100 billion in 5 years** - The bilateral trade in goods is projected to increase from the current USD 60 billion to USD 100 billion annually within five years of the implementation of the India-UAE free trade agreement, parliament was informed yesterday by Minister of State for Commerce and Industry. India and the United Arab Emirates (UAE) signed the Comprehensive Economic Partnership Agreement (CEPA) on the sidelines of the India-UAE Virtual Summit held on February 18.

- **India acts to seize gap in wheat export market left by Ukraine war** - India is rolling out ambitious measures over the coming weeks to try to establish the country as a dominant exporter of high-quality wheat as importers scramble for supplies following Russia's invasion of Ukraine, two government sources said. The measures, which should be implemented over the course of around two weeks, include ensuring government-approved laboratories test the quality of wheat for export, making extra rail wagons available for transport and working with port authorities to give priority to wheat exports.
- **A case for reviving the Rupee-Rouble trade** - As the western countries and China have refused the supply of aircraft parts to Russia, Valery Kudinov, an official of Rosaviatsia, said that Russia would look for opportunities to source parts from other countries including Turkey and India. Russia's aviation authority revealed on March 10 that the Chinese refusal has come after the Boeing and Airbus halted supply of aircraft components. But for India and other countries, Russian plan to source spare parts from them would not be just a commercial proposition as it would have been in normal times. It may need some deft diplomacy.
- **Oil importers India, Thailand to be hit hardest by Ukraine crisis among APAC nations: S&P** - Large oil importers like India and Thailand will be the most affected among Asia-Pacific countries by the ongoing Russia-Ukraine war, S&P Global Ratings has said. S&P estimates the Indian economy to grow 7.8 per cent in the next fiscal year beginning April 1, 2022. Besides, the economy is expected to grow 6 per cent and 6.5 per cent in 2023-24 and 2024-25, respectively.
- **Hon'ble Minister of Commerce and Industry Shri Piyush Goyal asks auto companies to cut import dependence, increase innovation** – Hon'ble Minister of Commerce and Industry Shri Piyush Goyal yesterday expressed disappointment over certain auto companies continuing to import even those components which can be qualitatively manufactured in India. The minister also said he has been told that some Indian auto component manufacturers have been forced to sell their shareholding cheaply by automobile makers.
- **Exports of some products from India likely to be affected, says Government** – Hon'ble Minister of Commerce and Industry Shri Piyush Goyal recently said as per feedback received from the industry, exports of certain products such as pharmaceuticals, telecom instruments, tea, coffee, and marine goods from India are likely to be affected due to the ongoing Russia-Ukraine conflict. He added that the Department of Commerce is apprised of the present situation and holding regular consultation with all stakeholders to ensure availability of essential imports.
- **European Union hikes tariffs on India, Indonesia stainless steel makers** - The European Union has determined that imports of cold-rolled flat stainless steel products from India and Indonesia benefit from unfair subsidies and imposed tariffs, on top of those already in place to avert dumping. The European Commission, which conducted the investigation, has set the anti-subsidy duties at rates of between 4.3% and 21.4%, the EU official journal said recently.
- **Hydrogen pilot only the beginning, want to become energy exporter: Hon'ble Union Minister Shri Nitin Gadkari** – Hon'ble Minister of Road Transport and Highways Shri Nitin Gadkari recently said that the government's long-term aim is to become an energy exporter, particularly in renewable energy like green hydrogen.

- **347 FDI proposals received from countries sharing land border with India; 66 approved** - As many as 347 foreign direct investment (FDI) proposals, worth about Rs 75,951 crore, have been received by the government from countries sharing land border with India since April 18, 2020, Parliament was informed yesterday. Out of 347, 66 proposals have so far been granted approval by the government and 193 cases have been rejected or closed or withdrawn, Hon'ble Minister of State for Commerce and Industry Shri Som Parkash said in a written reply to the Lok Sabha.
- **Banks in India may face headwinds from Russia-Ukraine crisis: S&P** - Indian banks may face some headwinds from the Russia-Ukraine crisis, which could lead to higher inflation and some stress for borrowers, S&P Global Ratings analyst Smt. Deepali Seth Chhabria said recently, adding the situation was being closely monitored. Indian banks' direct exposure to Russia and Ukraine is limited and the direct impact from the conflict is likely to be marginal, Chhabria said.
- **Payment Aggregators help shape digital payments in India** - India's digital payments industry is nascent, dynamic, and growing rapidly. As per the Reserve Bank of India (RBI) statistics, digital retail payments worth \$4.9 trillion in value and 44 billion in volumes were processed in FY21. Out of this, P2M retail payments accounted for approximately \$800 billion in value and 22 billion in volumes. However, cash continues to be the most preferred mode of payment accounting for 70 percent of the value and 89 percent of volume. This implies that there is significant headroom for growth by making digital payments more financially inclusive.
- **Lenders lend a helping hand to firms battling disruptions** - Banks are drawing up contingency cash flow support and credit enhancement schemes for mid-corporate companies affected by commodity price and supply chain disruptions. While these discussions are at a very nascent stage, banks are seeking to pre-empt working capital disruptions for companies in the export and commodity businesses and those exposed to the oil and gas segment to prevent defaults.
- **Over 66.3 million income tax returns for FY'21 filed till March 15** - Over 6.63 crore income tax returns (ITRs) have been filed for 2020-21 fiscal as of March 15, an increase of 16.7 lakh over the tax returns filed last year, the I-T department said on Wednesday. March 15 was the last date for filing ITRs for 2020-21 fiscal by corporates and other taxpayers who have to file audit reports. The last date for individuals was December 31, 2021. More than 5.43 lakh ITRs were filed on March 15, 2022, compared to 4.77 lakh last year on the due date, while over 13.84 lakh ITRs were filed in the last five days (compared to 11.87 lakh earlier).
- **Assam Finance Minister presents deficit Budget, proposes green tax for old vehicles** - Assam Finance Minister yesterday presented a Rs 2,83,494.64 crore tax-free Budget for FY 2022-23, in which he proposed to levy green tax on the use of old vehicles. Tabling the Budget on the third day of the ongoing Budget session of the state Assembly, Neog, Assam's first woman Finance Minister, said that together with the opening deficit of Rs 1,020.50 crore, it will lead to a budget deficit of Rs 600.36 crore at the end of 2022-23.
- **Government to make calibrated interventions to keep fuel prices under control: MoS Finance:-** The government on Tuesday said it is keeping a close watch on evolving geopolitical developments and would make 'calibrated interventions' to keep fuel prices under control to safeguard the interest of the common man. Minister of State for Finance Pankaj Chaudhary said

crude petroleum and natural gas, fuel & power subgroup in the Wholesale Price Index (WPI) is directly related to the fluctuations in the prices of crude oil. To a question in the Rajya Sabha on whether the government will cut excise duty to keep fuel price escalation due to the Ukrainian crisis in control, Chaudhary said the public sector oil marketing companies (OMCs) take appropriate decisions on pricing of petrol and diesel in line with their international product prices, exchange rate, tax structure, inland freight and other cost elements etc.

- **'Atmanirbhar Bharat' is not a closed economy, it's being globally competitive: Rajiv Kumar, NITI Aayog VC:-** The government's 'Atmanirbhar Bharat' initiative is not a closed economy but it's being globally competitive, NITI Aayog Vice-Chairman Rajiv Kumar said on Tuesday as he stressed the need for building trust between the private investor, the government, the academia and the civil society. Self-reliance is not the same thing as self-sufficiency, he said about the 'Atmanirbhar Bharat' initiative at the 12th Foundation Day Lecture virtually on the topic "Atmanirbhar Bharat: Challenges in Implementation.
- **Economy is well prepared to absorb any upcoming external shock: Finance ministry:-** Finance Ministry on Tuesday said that the Indian economy is well prepared to absorb any upcoming external shock in terms of capital outflow induced by an uncertain geo-political environment, however inflation remains a concern. The report said India has adequate forex reserves to absorb any upcoming external shock. "Notwithstanding global developments, India's forex reserves also stood at record high and large enough to finance more than 12 months of import," The report added
- **Minimum pension under EPS must be enhanced: Standing committee on labour:-** The standing committee on labour has suggested that the labour ministry persuade the finance ministry for enhancing the minimum pension to Rs 2000 per month as against Rs 1000 under the Employees' Pension Scheme, 1995 as the current minimum pension appears grossly inadequate. The committee has also suggested that the Employees Provident Fund Organisation (EPFO) take up an actuarial assessment of all its pension schemes so that the monthly member pension is enhanced to a reasonable extension.
- **US Fed may hike interest rates by 25 bps at FOMC meeting in a first since 2018 amid inflation, Ukraine fears:-** Amid soaring inflation in the United States, at 40-year high, and unabated worries over Russia and Ukraine war, the US Federal Reserve is all set to hike interest rates at the upcoming FOMC (Federal Open Market Committee) meeting. Markets are expecting a quarter point increase, making it the first time since 2018 that the US Fed will hike rates. Fed chair Jerome Powell indicated recently that he will back a 25 basis points hike, and the broader market consensus is also in line with his view. According to CME Group's FedWatch tool, 97.3% of the participants backed a 25 basis point hike in the April meeting. However, if the Fed decides to hike rates faster than expected in the next FOMC meeting, markets may react negatively.
- **Sri Lanka reaches out to IMF for help as FM Rajapaksa departs for New Delhi to sign fresh bailout package with India :-** Sri Lankan government will seek financial support from the IMF, softening its resistance against the international lender as it desperately tries to salvage the country's beleaguered economy that is currently reeling under a severe foreign exchange crisis. On Tuesday, Finance Minister Basil Rajapaksa gave the nod to seek assistance from the International Monetary Fund (IMF). "The Cabinet approval has been given to the Finance Minister

to go ahead and discuss with the IMF”, Cabinet spokesman Ramesh Pathirana told reporters.

- **US, Japan actions may offer cues for monetary policy :-** The Reserve Bank of India's monetary policy committee members would be closely watching the actions of central banks from the US Federal Reserve to the Bank of Japan, which are likely to send strong signals on inflation management with interest rate and liquidity actions. While the RBI may have been comfortable about local inflation, expecting minimum impact from global factors, the assessment of fast-changing geopolitical dynamics on commodity prices and their stickiness will still hold.
- **February exports up 25.1%, yet trade deficit widens :-** Buoyed by shipments of engineering, petroleum, electronics and chemicals, India's goods exports rose 25.1% year on year to \$34.57 billion in February even as the trade deficit widened to \$20.88 billion from \$13.12 billion in the year-ago period. Data released by the commerce and industry ministry on Monday showed that imports during the month jumped 36% to \$55.45 billion, with inbound shipments of petroleum and crude oil surging 69% to \$15.28 billion.
- **Buoyant wheat export market seen to cut FY23 food subsidy bill:-** The government's food subsidy expenses next fiscal may witness a decline because of anticipated lower volume of procurement of wheat in the forthcoming rabi marketing session, because a possible surge in exports is pushing up domestic prices above the minimum support price (MSP). The Union Budget (2022-23) has made a provision Rs 2.06 lakh crore under food subsidy in 2022-23. Wheat has share of 45% in the total food subsidy expenses.
- **February merchandise exports up 25%, imports surge 36%:-** Merchandise exports hit \$34.6 billion in February, having risen by 25.1% from a year earlier and 24.6% from the pre-pandemic level (same month in FY20), the commerce ministry said on Monday. However, a 36.1% jump in imports to \$55.5 billion inflated trade deficit to \$20.9 billion in February from a five-month low of \$17.4 billion in the previous month. Analysts said this will keep current account deficit (CAD) at an elevated level at a time when the global crude oil prices have flared up in the wake of the Russia-Ukraine crisis.
- **Gross GST receipts in FY23 seen at 12% higher than estimate :-** goods and services tax (GST) collections in FY23 on a gross basis could come in at an average of Rs 1.35 trillion a month, as against around Rs 1.2 trillion budgeted, according to official sources. This would mean gross collections in the year would be Rs 1.8 trillion more than estimated. Given that gross receipts are distributed among the Centre and states almost equally, the Centre's gross GST receipts, including compensation cess proceeds, could be some Rs 90,000 crore more than the budgeted Rs 7.8 lakh crore. Of course, the compensation cess proceeds go to the states entirely and the Centre also transfers 42% of the Central GST proceeds to states as per the Financial commission formula.
- **Commerce ministry to start online module for filing registration for interest equalisation scheme:-** The commerce ministry on Tuesday said it has decided to operationalise a new online module for filing of electronic registration for interest equalisation scheme for exporters, a move aimed at effective monitoring of the scheme. On March 9, the RBI extended the scheme for pre- and post-shipment rupee credit for MSME exporters till March 2024.

- **No public sector bank faced loss in three quarters to Dec'21 of this fiscal:-** No public sector bank has faced any loss in the April-December period of the current fiscal year, and clocked a collective net profit of Rs 48,874 crore during this period, the government said in Parliament on Tuesday. No PSB has suffered losses in the current financial year up to December 31, 2021. During the said period of the first three quarters of the current financial year, all the PSBs have registered net profit of Rs 48,874 crore," Minister of State for Finance Bhagwat Karad said in a written reply in the Rajya Sabha.
- **Over 8.22 crore taxpayers in FY2020:-** India had 8.22 crore taxpayers, which include individuals and corporates, in 2019-20, Hon'ble Finance Minister Nirmala Sitharaman informed the Rajya Sabha on Tuesday. "Total number of taxpayers for AY 2020-21 is 8,22,83,407. The projected total population of the country as on March 1, 2021 was 136.30 crore," Sitharaman said. The number of taxpayers include persons who pay income tax and corporate tax and who have either filed a Return of Income or in whose case tax has been deducted.
- **Skill ministry pulled up over vacancies in ITIs, inadequate use of budgetary resources :-** The standing committee on skills development has pulled up the ministry for a large number of vacancies in ITIs, both for candidates as well as professionals, and inadequate utilization of budgetary resources leading to insufficient allocation and shortfalls in achievement of physical targets. According to the committee, out of the existing 22,75,439 seats across all the ITIs in 36 states/UTs, 10,60,191 seats are lying vacant noticeable in Uttar Pradesh.
- **RBI issues Master Direction (Regulatory Framework for Microfinance Loans) Directions, 2022-** This is with reference to paragraph 8 of the Statement on Developmental and Regulatory Policies announced as a part of the Bi-monthly Monetary Policy Statement for 2020-21 dated February 5, 2021, regarding review of the regulatory framework for microfinance.
- **NaBFID to commence operations from first quarter of FY23: Kamath:-** The National Bank for Financing Infrastructure and Development (NaBFID) will begin its operations from the first quarter of the next financial year, its chairman K V Kamath said on Tuesday. NaBFID was set up by the government last year as a development financial institution (DFI) to support the development of long-term infrastructure financing in the country. The board structure (for NaBFID) is in place. The basic foundation and policy framework have been built. From the next quarter.
- **No plans to introduce cryptocurrency: Government :-** There is no plan to introduce cryptocurrency by the government, Minister of State for Finance Pankaj Chaudhary informed the Rajya Sabha on Tuesday. Currently, cryptocurrencies are unregulated in India, he said in a written reply. RBI does not issue a cryptocurrency. Traditional paper currency is a legal tender and is issued by RBI in terms of provisions of RBI Act, 1994. A digital version of traditional paper currency is called Central Bank Digital Currency (CBDC)," he said.
- **WPI inflation rises to 13.11% in February-** Data released by the government has showed that wholesale inflation in India rose to 13.11% in February. It had moderated to 12.96% in January 2022 after rising to 13.56% in December 2021. "The high rate of inflation in February 2022 is primarily due to rise in prices of mineral oils, basic metals, chemicals and chemical products, crude petroleum & natural gas, food articles and non-food articles etc. as compared to the

corresponding month of the previous year.

- **CPI inflation rises to 6.07% in February 2022-** According to the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI), the CPI inflation rises to 6.07% in February 2022 as compared to 6.01% in January 2022.
- **Government seeks Parliament nod for net additional spending of Rs 1.07 lakh cr-** The government has sought Parliament nod for net additional spending of over Rs 1.07 lakh crore in the third batch of supplementary demands for current fiscal year. As per the third batch of supplementary demands for grants tabled in the Lok Sabha, approval is being sought for gross additional expenditure of over Rs 1.58 lakh crore.
- **21.5 mn people in tourism sector lost their jobs since Covid outbreak: Government-** Around 21.5 million people, involved in the tourism industry, have lost their jobs due to the three waves of COVID-19 that first hit the country in early 2020, Union Tourism Minister G Kishan Reddy had said. Reddy said tourist arrivals in the country were down by 93 percent during the first wave of COVID-19 outbreak, 79 percent in the second wave and 64 percent during the third wave.
- **Government to take all measures to provide relief to consumers from high fuel prices-** Amid skyrocketing oil prices, Hon'ble Union Minister Shri Hardeep Singh Puri had said the government will take all required measures in the coming months to ensure that consumers get relief from high fuel prices. Replying during the Question Hour in the Rajya Sabha, the Minister of Petroleum and Natural Gas also shared that a proposal to bring petroleum products under the Goods and Services Tax was taken up by the GST Council but it "did not find favour".
- **India's exports in February 2022 up by 25.41 percent to USD 57.03 Billion over the same month last year-** India's overall exports (Merchandise and Services combined) in February 2022* are estimated to be USD 57.03 Billion, exhibiting a positive growth of 25.41 per cent over the same period last year and a positive growth of 27.07 per cent over February 2020. Overall imports in February 2022* are estimated to be USD 69.35 Billion, exhibiting a positive growth of 35.64 per cent over the same period last year and a positive growth of 44.62 per cent over February 2020.
- **FPI outflows exceed 2008 global financial crisis as Fed policy move nears-** The pace at which foreign portfolio investors (FPIs) are selling holdings is one of the worst the Indian market has seen. An analysis by brokerage ICICI Securities shows the trailing 12-month (TTM) selling tally of FPIs of \$36 billion is higher than \$28 billion recorded during the 2008 global financial crisis.
- **Total edible oil imports up by 7.2 per cent in four months-** Import of edible oil increased by 7.20 per cent in the first four months of the oil year 2021-22. Though there was growth in the import of soft oils, import of palm oil witnessed a decline during the period. (Oil year ranges from November to October.)
- **Tax department reopening old tax assessments based on algorithm-** The unsettling letters from the tax office have started arriving. The Income Tax (I-T) department has begun the process of reopening old assessments, albeit with a difference this year. Tax officials across the country are busy tracking 'INSIGHT', the portal that spews out the names of tax dodgers following an algorithmic scanning of a mountain of data that has been fed in.

- **RBI issues Master Direction (Regulatory Framework for Microfinance Loans) Directions, 2022-** This is with reference to paragraph 8 of the Statement on Developmental and Regulatory Policies announced as a part of the Bi-monthly Monetary Policy Statement for 2020-21 dated February 5, 2021, regarding review of the regulatory framework for microfinance.
- **GST reduced from 18% to 5% for domestic Maintenance, Repair and Overhaul (MRO) services-** The average number of the passenger carried in the pre-Covid financial year (2019-20) was around 4 lakh per day. On 6th March 2022, domestic airlines in India carried around 3.7 lakh passengers. The number of daily air passengers may cross pre-COVID levels in a few months. The Government has taken several steps to meet the increasing demand in aviation sector in future.
- **Many states request GST compensation extension beyond 5 years-** Many states have requested extension of the compensation mechanism under the GST beyond June 2022, Hon'ble Finance Minister Smt Nirmala Sitharaman had said. Under the Goods and Services Tax (GST) law, states were guaranteed to be compensated bi-monthly for any loss of revenue in the first five years of GST implementation from July 1, 2017.
- **USD/INR trade: RBI may look at intervening in NDF market, says SBI report-** The US Dollar (USD)/Indian Rupee (INR) is expected to trade in an elevated zone but ideally, the FY23 average should not be higher than 76-78 per USD, with an appreciating bias, according to a report by State Bank of India's economic research department (ERD).
- **Climate change, global warming are the biggest challenge for farmers: Kerala Hon'ble Agriculture Minister-** Climate change and global warming are more threatening than war and that is the biggest challenge for farmers according to Shri P Prasad, Kerala Hon'ble Agriculture Minister. We should be more serious about climate change and the weather-based insurance introduced by the Spices Board for small cardamom is an encouraging initiative in shielding the farmers from such catastrophe.
- **India's February palm oil, sunflower oil imports drop month-on-month-** India's palm oil imports in February fell 18% from a month prior because of higher prices, while sunflower oil imports plunged 50% as supplies from the Black Sea region were disrupted after Russia invaded Ukraine, a leading trade body said on Monday. India bought 454,794 tonnes of palm oil in February and 152,220 tonnes of sunflower oil, the Mumbai-based Solvent Extractors' Association of India said in a statement.
- **Arrival of agri produce in Maharashtra's AMPCs decline in 2020-21-** The quantity of arrival of agricultural produce in Maharashtra's Agriculture Produce Marketing Committees (APMC) was reduced to 174.90 lakh MT in 2020-21 from 214.70 lakh MT in 2019-20. But the trading on e-NAM is gaining roots slowly with 118 APMCs joining the Electronic National Agriculture Market (e-NAM).
- **India GDP growth forecast cut to 7.9 pc: Morgan Stanley -** As higher oil prices torpedo economic recovery worldwide, Morgan Stanley has cut India's GDP forecast for the fiscal year beginning April 1 by 50 basis points to 7.9 per cent, raised retail inflation projection to 6 per cent and expects current account deficit to widen to 3 per cent of GDP.

- India may relook inflation, growth projections, says Hon'ble deputy governor of RBI Shri Michael Patra** - India's central bank may review its forecast for growth and inflation at its next policy meeting, a top official said, as the global economy feels the ripple effects of Russia's war in Ukraine. The central bank last month forecast GDP growth in the year beginning April to slow to 7.8% from an 8.9% pace estimated by the government for this year. The RBI also saw full-year inflation easing to 4.5% next fiscal from 5.3% now.
- Focus on fuels: OMCs to lift freeze on retail rates of diesel and petrol** - As the prospect of Indian basket of crude averaging over \$100/barrel for a long period looms large, the government may announce a moderate reduction in the taxes on petrol and diesel in the next three to four days. As oil marketing companies (OMCs) are likely to start hiking retail rates of the two auto fuels in phases from next week in a bid to reduce their under-recoveries, the tax cut could reduce the burden on consumers and help rein in the runaway fuel inflation. OMCs' under-recoveries on petrol and diesel have increased to unsustainable levels of `10-12 per litre in the last 15 days.
- Digital economy will jump to \$800 billion by 2030: Hon'ble Finance Minister Smt. Nirmala Sitharaman** - Hon'ble Finance Minister Smt. Nirmala Sitharaman on Friday said rising internet penetration, growing income and the high number of young people will likely drive up the size of India's digital economy to as much as \$800 billion by 2030. The country's digital economy was worth about \$85-90 billion in 2020, according to an estimate by consulting firm RedSeer. Highlighting India's fast-expanding fintech eco-system, Sitharaman said of the 6,300 fintechs, 28% are into investment technology, 27% into payments, 16% into lending and 9% into banking infrastructure. She was speaking virtually at an event organised by the IIT Bombay Alumni Association.
- January 2022 IIP growth stands at 1.3%** - Growth in industry output, as measured in terms of IIP, for the month of January 2022 stands at 1.3% as compared to 0.72% in December 2021. IIP growth in January 2021 stood at (-)0.6%. The growth in the three sectors mining, manufacturing and electricity in January 2022 stands at around 2.8%, 1.1%, 0.9%, respectively over January 2021. Primary goods growth stands at around 1.6%, capital goods at (-)1.4%, intermediate goods at 0.9%, infrastructure/construction goods at 5.4%, consumer durables at (-)3.3% and consumer non-durables growth at 2.1% during January 2022 as compared to same month previous year.
- Budget assumptions prudent, will help macro-fundamentals to hold-up amid Ukraine tensions, says CEA Dr. V Anantha Nageswaran** - Amid heightened concerns over the impact of the Russian invasion of Ukraine on the Indian economy, Chief Economic Advisor Dr. V Anantha Nageswaran on Friday said that prudent budget assumptions for FY23 will ensure that the macro-fundamentals will be able to hold-up in the near-term. Nageswaran, who joined as the CEA days ahead of the budget presentation, said the assumptions on growth and revenue mop-up are prudent because they internalise the prevailing uncertainties.
- India good at managing finances but global energy price rise will hurt it, says IMF MD** - India has been very good at managing its finances but the surge in global energy prices is going to have a negative impact on its economy, said Kristalina Georgieva, the Managing Director of the International Monetary Fund. During a media roundtable on Thursday on the Russian invasion of Ukraine and its global impact, Gita Gopinath, who is the First Deputy Managing Director of the

IMF, observed that the war has posed a challenge to economies around the world, including India.

- **Cooperative sector to contribute hugely in \$5 trillion economy goal: Hon'ble Union Minister Shri Amit Shah** – Hon'ble Union Minister Shri Amit Shah on Sunday said that the cooperative sector is going to make the largest contribution to Hon'ble Prime Minister Shri Narendra Modi's dream of making India a USD five trillion economy, in the process benefiting several crore people associated with it. Shri Amit Shah said PM Modi was working to double the income of farmers by transferring Rs 6,000 each into the accounts of 13 crore farmers.
- **Gold imports surge to \$45 billion in April-Feb this fiscal** - India's gold imports, which have a bearing on the country's current account deficit (CAD), surged by about 73 per cent to \$45.1 billion during April-February this fiscal on account of higher demand, according to official data. The imports stood at \$26.11 billion in April-February 2021. In February 2022, however, imports of the precious metal dipped by 11.45 per cent to \$4.7 billion, as per the data by the commerce ministry.
- **Indian exporters sitting on large orders after Russia-Ukraine conflict: Shri Nitin Gadkari** - Indian exporters are sitting on large orders as the Russia-Ukraine conflict has sharply increased logistics costs, Hon'ble Union minister Shri Nitin Gadkari said on 12th March 2022. He said exporters are concerned over availability of containers and port-related issues. Because of these complications, the industry is not being able to take advantage of such large exporter orders.
- **India, Canada agree to consider interim trade deal** - India and Canada have agreed to resume negotiations for a free trade agreement (FTA) and are eying an interim trade deal to bolster bilateral commerce. The move came after Hon'ble Commerce and Industry Minister Shri Piyush Goyal held talks with his Canadian counterpart Mary Ng here on Friday, as part of the fifth ministerial dialogue on trade & investment. While no timeframe has been given for hammering out the interim pact, official sources indicated that it could be concluded as early as in six-nine months.
- **Import tariffs to make solar panels costlier, slow down projects** - The pace of capacity-building in the solar power sector may slow down, as cost of key capital equipment is set to rise with an import tariff to be effective from the next financial year. Prices of domestically manufactured solar panels have jumped 20% in the last two months to Rs 26-27 per watt peak as many developers expedited their projects, ahead of the basic customs duties (BCD) of 40% and 25% to take effect from April 2 on panels and cells respectively. The prevailing low demand for panels is despite the historic trend of demand rising in March as companies hurry up to buy panels for upcoming projects before the end of a financial year.
- **India's post-pandemic economic recovery progressing well; high oil prices pose risks: Smt. Ashima Goyal** - India's economic recovery from COVID-19 is progressing well, with better than expected growth rates, and the trajectory will continue but persistently high oil prices can play spoilsport, eminent economist Smt. Ashima Goyal said on 13th March 2022. The inflation, which has largely remained within the central bank's tolerance band, was also showing signs of moderating as supply conditions eased because there was no over-stimulus unlike in many western countries.

- **India likely to be among fastest-growing economies, says Shri Vineet Jain, MD, Times Group** - India has shown the world that it has the energy and vision to face the most daunting challenges, and despite several global factors including the ongoing geopolitical tension, it is likely to emerge as one of the fastest-growing economies, said Vineet Jain, managing director of the Times Group. To say we are living in turbulent times would be an understatement. Under the lengthening shadow of a war, it'll be difficult to sustain growth at 8-8.5%, even with the government's best efforts.
- **Government to fast-track rollout of direct transfer system** - After years of dithering, the Centre has restarted work on a roadmap to roll out a direct benefit transfer (DBT) system to contain the rising fertiliser subsidy bill. The move comes in the context of this item of revenue expenditure proving to be onerous and sticky, while there has been a steep decline in fuel subsidies after the decontrol of retail prices of petrol and diesel. With the Ukraine war putting further pressure on global commodity prices, rating agency Icria has recently estimated that the Centre's fertiliser subsidy in FY23 to be 50% higher than the Budget Estimate at Rs 1.5 lakh crore. The Centre's fertiliser subsidy bill has risen steeply in recent years.
- **'Foreign' private banks need Government nod to back debt recap firm** - The private sector India Debt Resolution Co (IDRCL), which will help the public sector bad bank resolve non-performing assets (NPAs), will take some more time to get going as some shareholders are yet to get on board. This is because private-sector lenders HDFC Bank, ICICI Bank and Axis Bank, which plan to hold a big chunk of IDRCL's capital, are classified as foreign entities under the law and need to get permission from the government for the investment. The bad bank proposal, announced in the February 2021 Budget, envisaged a public sector National Asset Reconstruction Co (NARCL) that will acquire bad loans from banks. Once these loans were aggregated from multiple lenders, they would be resolved with private sector expertise from the IDRCL.

Newsletter

PHD Research Bureau has released monthly newsletter of Economic Affairs Committee of the month of March 2022. EAC newsletter disseminates information pertaining to a broad view of economic developments in the Indian Economy.

[EAC Newsletter for the month of March 2022](#)



Markets So Far

Indicators	Yearly			Monthly		Daily		
	2019	2020	2021	January 2022	February 2022	14th March 2022	15th March 2022	16th March 2022
BSE SENSEX	41253	47751	53796	59586	57698	56486	55777	56817
GOLD (10 GRMS)	34813	46985	47362	47988	49279	51764	51396	51125
CRUDE OIL (1 BBL)	4007.8	2966	5063	6112	6839	8357	7891	7376
EXCHANGE RATE (INR/USD)	70.4	74.11	73.9	74.40	74.92	76.43	76.41	76.19

Source: PHD Research Bureau, PHDCCI, compiled from BSE, MCX and Bloomberg.

Warm Regards,

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