

## Weekly Compendium of Economic and Business Developments

(Period ending 5<sup>th</sup> 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 Hon'ble Finance Minister launches e- Bill, Decision taken by cabinet , High level Committee meeting under the chairmanship of Hon'ble Home Minister , Gross GST collection,, India's merchandise trade among others. The details of disseminated information during the week ending 5<sup>th</sup> March 2022 are appended.

### Indian Economy

- [Hon'ble Finance Minister Smt. Nirmala Sitharaman launches e-Bill processing system on 46th Civil Accounts Day](#):-Hon'ble Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman launched the Electronic Bill (e-Bill) processing system, announced in Union Budget 2022-23, on the occasion of 46<sup>th</sup> Civil Accounts Day. Along with Hon'ble Finance Minister as Chief Guest, Finance Secretary Dr. T.V. Somanathan; Smt. Sonali Singh, Head of the Organisation of Controller General of Accounts (CGA); Smt. Dharitri Panda, Additional CGA (PFMS) and Smt. Bharati Das, Principal CGA (MHA) also graced the occasion besides other senior dignitaries from the CGA and Ministry of Finance
- [Decisions taken by the Union Cabinet:- \(1\) Cabinet approves offering of coal by coal companies through a common e-auction window instead of sector specific auctions](#):-The Cabinet Committee on Economic Affairs chaired by the Hon'ble Prime Minister Shri Narendra Modi, has approved the following: Offering of all the non-linkage coal by coal companies through one e-auction window of CIL (CIL) / Singareni Collieries Company Limited (SCCL). This e-auction will cater to all the Sectors namely Power Sector and Non Regulated Sector (NRS) including traders and coal would be offered through this auction in place of the present system of sector specific auctions.

ii. The above will be subject to CIL / SCCL meeting the coal linkage requirements against existing linkages and do not impact the current linkages to power and non-power consumers at contracted prices.

iii. Coal offered through the single e-auction window shall be transport mode agnostic with default option being through Rail mode. However, coal may be lifted by the consumers through the road mode/other modes depending upon their choice and suitability without paying any additional charges or discount to the coal companies.

iv. Long term allotment of coal by CIL/SCCL, without affecting the supplies against existing coal linkages, to their own gasification plants shall be allowed at prices as may be decided by the coal company.

However, the taxes, duties, royalty etc shall be paid by the coal companies on the notified prices of coal for power sector; (ii)**Cabinet approves implementation of Ayushman Bharat Digital Mission with a budget of Rs.1,600 crore for five years:-**The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the national roll-out of Central Sector Scheme, Ayushman Bharat Digital Mission (ABDM) of Ministry of Health and Family Welfare, Government of India, with a budget of Rs.1,600 crore for five years. The National Health Authority (NHA) will be the implementing agency of Ayushman Bharat Digital Mission (ABDM). Digital health solutions across healthcare ecosystem have proven to be of immense benefit over the years, with CoWIN, Arogya Setu and eSanjeevani further demonstrating the role technology can play in enabling access to healthcare. However, there is a need to integrate such solutions for continuum of care, and effective utilization of resources.

Based on the foundations laid down in the form of Jan Dhan, Aadhaar and Mobile (JAM) trinity and other digital initiatives of the government, Ayushman Bharat Digital Mission (ABDM) is creating a seamless online platform through the provision of a wide-range of data, information and infrastructure services, duly leveraging open, interoperable, standards-based digital systems while ensuring the security, confidentiality and privacy of health-related personal information. Under the ABDM, citizens will be able to create their ABHA (Ayushman Bharat Health Account) numbers, to which their digital health records can be linked. This will enable creation of longitudinal health records for individuals across various healthcare providers, and improve clinical decision making by healthcare providers. The mission will improve equitable access to quality healthcare by encouraging use of technologies such as telemedicine and enabling national portability of health services.

- **Draft notification issued for validity of fitness certificate and registration mark of the motor vehicle prescribed in the draft rules:-** Ministry of Road Transport and Highways has issued a Draft notification vide G.S.R. 166 (E) 28th February, 2022 according to which validity of fitness certificate (in format DD-MM-YYYY) and registration mark of the motor vehicle shall be exhibited on the vehicles in the manner as prescribed in the draft rules. In case of heavy goods / passenger vehicles, medium goods/ passenger vehicles, and light motor vehicles, it shall be exhibited on the upper edge of the left side of the wind screen. In case of auto-rickshaw, e-rickshaw, e-cart, and quadricycle, it shall be exhibited on the upper edge of the left side of the wind screen, if fitted. In case of Motor cycle, it shall be exhibited on the conspicuous part of the vehicle .High Level Committee under Chairmanship of Hon'ble Union Home Minister, Shri Amit Shah has approved Rs 1,682.11 crore of additional Central assistance to five States and one Union Territory.
- **The High Level Committee (HLC) under the Chairmanship of the Hon'ble Union Home Minister, Shri Amit Shah, has approved additional Central assistance under the National Disaster Response Fund (NDRF) to five States and one Union Territory, which were affected by floods/ landslides during 2021** :-This shows the resolve of the Union Government under the leadership of Prime Minister, Shri Narendra Modi to help the people of the five states and one Union Territory who faced these natural disasters. The HLC approved additional central assistance of Rs. 1,664.25 crore to five States from NDRF and Rs 17.86 crore to one Union Territory.
- **Gross GST Revenue collections for February 2022 stands at Rs 1,33,026 crore:-**The gross GST revenue collected in the month of February 2022 is Rs 1,33,026 crore of which CGST is Rs 24,435 crore, SGST is Rs 30,779 crore, IGST is Rs 67,471 crore (including Rs 33,837 crore collected on import of goods) and cess is Rs 10,340 crore (including Rs 638 crore collected on import of goods). The government has settled Rs 26,347 crore to CGST and Rs 21,909 crore to SGST from IGST. The total revenue of Centre and the States in the month of February 2022 after regular settlement is Rs

50,782 crore for CGST and Rs 52,688 crore for the SGST.

- **Reduction of compliances and end-to-end automation of procedure relating to import of certain goods at concessional rate of duty**:-In a significant step towards Atmanirbhar Bharat, Central Board of Indirect Taxes & Customs (CBIC) has reduced the compliances required under the Customs (Import of Goods at Concessional Rate of Duty-IGCR) Rules, 2017 and introduced end to end automation of the procedure involved. Towards this end, the online portal has gone live on [www.icegate.gov.in](http://www.icegate.gov.in) . Importers desirous of availing exemptions linked to these Rules may register on the portal now.
- **INDIA'S MERCHANDISE TRADE: Preliminary Data, February 2022**:-India's merchandise export in February 2022 was USD 33.81 billion, an increase of 22.36% over USD 27.63 billion in February 2021 and an increase of 21.88% over USD 27.74 billion in February 2020. India's merchandise export in April 2021-February 2022 was USD 374.05 billion, an increase of 45.80% over USD 256.55 billion in April 2020-February 2021 and an increase of 28.16% over USD 291.87 billion in April 2019-February 2020.

## Our Voice

**Economy on the path of higher growth trajectory: PHD Chamber**:-Economy has shifted tracks towards the higher growth trajectory in the month of February 2022 supported by a strong and sustained performance of the key economic indicators. The PHDCCI Economy GPS Index for February 2022 has increased to 134.5 as compared to 133.2 for January 2022, marking the highest of FY 2022. PHDCCI Economy GPS Index captures the momentum in supply side business activity through growth in GST collections, demand side consumer behavior through volume growth in passenger vehicle sales and sensitivity of policy reforms and impact of domestic and international economic and business environment through the movement of SENSEX at the base year of 2018-19=100, said the Industry Body. Passenger vehicles growth, which is a significant demand indicator in GPS index, has recorded a sequential growth of 19.1, increasing from 254,287 units in January 2022 to 302,756 units in February 2022. Though February 2022 has been the fifth month when GST collections have crossed Rs 1.30 lakh crore mark, the sequential growth of GST collections has decreased by 5.6% from Rs. 140,986 crore in January 2022 to Rs. 133,026 crore in February 2022. The sequential growth of SENSEX (average of daily close) has also decreased by 3.2% in February 2022 from 59586 in January 2022 to 57698 in February 2022 amid the geo-political tensions, majorly the Russia-Ukraine war.

**GDP growth rate at 5.4% in Q3 FY 2022 inspiring, 3rd wave impacts the economic activity: PHD Chamber**:-GDP growth rate at 5.4% for Q3 FY 2021-22 is inspiring, as there was severe impact of the 3rd wave on the economic activity during October to December 2021 period. On the back of supportive policies of the Government, calibrated measures by RBI, rapid vaccination drive in the country and improved consumer and business sentiments, the economy has recovered from the severe contraction of FY 2020-21 and we look forward to the strong growth in the coming quarters. The Q3 FY 2021-22 GDP growth rate stands at 5.4%, of which growth rate of Agriculture, forestry & fishing stands at 2.6%, Mining & quarrying at 8.8%, Manufacturing at 0.2%, Electricity, gas, water supply & other utility services at 3.7%, Construction at (-)2.8%, Trade, hotels, transport, communication & services related to broadcasting at 6.1%, Financial, real estate & professional services at 4.6% and Public administration, defence & other

services at 16.8%.Gross fixed capital formation (GFCF), which reflects the capital expenditure in the country has accelerated by 2% to Rs 11.5 lakh crore in Q3 FY 2021-22 as compared to Rs 11.3 lakh crore in Q3 FY 2020-21. Private final consumption expenditure (PFCE) has also increased by 7% to Rs 23.2 lakh crore in Q3 FY 2021-22 from Rs 21.7 lakh crore in Q3 FY 2020-21, while Government final consumption expenditure (GFCE) has increased by 3.4% to Rs 3.6 lakh crore in Q3 FY 2021-22 from Rs 3.4 lakh crore in Q3 FY 2020-21.

At this juncture, 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. Going ahead, the drivers of household consumption need to be further strengthened to enhance the aggregate demand as it will have an accelerated effect on expansion of capital investments.

### Economy so far

- **India can be 3rd largest economy by 2030 on back of four big reforms: Dr. Arvind Panagariya** - India is poised to grow at 7-8% over the next decade and be the third largest economy by 2030 on the back of four big reforms by the government. This could even go up to 9-10% with increasing the size and scale of operation and doing away with protectionism, Dr. Arvind Panagariya, professor of economics at Columbia University and former vice-chairman of NITI Aayog said.
- **Non-food credit growth slips below 8% in first fortnight of February** - Non-food credit growth slipped below the 8% mark to 7.89% year-on-year (y-o-y) during the fortnight ended February 11 from 8.3% in the previous fortnight, according to data released by the Reserve Bank of India (RBI). Outstanding non-food credit as on February 11 fell to 114.67 lakh crore from 115 lakh crore at the end of the previous fortnight. Deposit growth continued to hold strong, rising to 9.11% y-o-y during the fortnight under review from 8.31% in the previous fortnight. The value of deposits with the banking system stood at Rs 161.28 lakh crore.
- **Rupee fall to help but stable currency desirable: Exporters** - A sustained depreciation of the rupee against the greenback in the wake of the Russia-Ukraine crisis will help exporters considerably in sectors where reliance on imported raw materials is limited. However, the sectors (including petroleum, gems and jewellery and electronics) where domestic value addition is limited, may have only limited relief. But if the domestic currency sees sharp volatility, as it has in the past two days, the gains could be negated. Benefits to domestic exporters also hinge on the movement of currencies of India's competitors in the global market.
- **Inflation to overshoot RBI target on oil price spurt; FY23 projection between 4.7% and 5.2%** - The rise in oil prices in the wake of the Russia-Ukraine conflict can potentially push up retail inflation beyond the level estimated by the monetary policy committee (MPC) earlier this month if the crisis lingers on. Some analysts have projected FY23 retail inflation to range between 4.7% and 5.2%, higher than the monetary policy committee's (MPC's) estimate of 4.5%. If the crisis continues for a month or so, there are upside risks to these projections as well.

- **FDI in Oct-Dec shrank 44%** - Foreign direct investment (FDI) equity inflows into India in the third quarter of FY22 shrank almost 44% to USD 12 billion from \$21.46 billion in the year-ago period. The total FDI inflows- which include reinvested earnings-shrank 31.4% to \$17.94 billion during October-December as against \$26.16 billion in the corresponding period last year.
- **Maharashtra launches its own Agriculture Export Policy; seeks consistency in centre's export policy to promote state's agri exports** - The Government of Maharashtra launched the state's Agriculture Export Policy (AEP) on 25<sup>th</sup> February 2022, which will focus on export promotion of 21 agricultural commodities. The Government of India had unveiled its Agriculture Export Policy in December 2018, directing the state governments to draft their own policy. Accordingly, the state government had constituted a committee in May 2019 to draft the policy.
- **Bihar Economic Survey Report says state's growth performance better than national average** - The 16th Bihar Economic Survey Report (ESR)- 2021-22 has termed the growth performance of the state as "better" than the national average. It mentioned the agriculture and allied sectors grew at a pace of 2.1 per cent during the last five years (2016-17 to 2020-21) in the state.
- **Hon'ble Union Minister Dr Jitendra Singh says, ideal public administration must be competitive, efficient, cost effective and accountable to deliver good governance** – 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 today said that an ideal public administration must be competitive, efficient, cost effective and accountable to deliver good governance.
- **IPR plays important role in strengthening growth, focus on development: Hon'ble Finance Minister** - Hon'ble Finance Minister Smt Nirmala Sitharaman said India is at a stage where growth and the focus on development have got to be strengthened from every side and intellectual property rights (IPRs) have an important role in it. The minister mentioned that 28,000 patents were granted last year as opposed to 4,000 in 2013-2014 and the last year also witnessed registration of 2.5 lakh trademarks and over 16,000 copyrights, which will have a "very strong ripple effect" on the economy.
- **Cabinet gives nod for up to 20% FDI in LIC under auto mode-** The cabinet approved a proposal to allow up to 20% foreign direct investment (FDI) in Life Insurance Corporation of India (LIC) through the automatic route, a move that will facilitate the insurer's upcoming initial public offer (IPO). The existing FDI policy has also been "simplified and enhanced" to provide clarity.
- **Government collects Rs 1.33 lakh crore GST in February, cess collection crosses Rs 10,000 cr for first time-** Keeping its robust collections intact, the government collected Rs 1,33,026 crore GST in the month of February. This is the fifth time that the GST collection has crossed the Rs 1.3 lakh crore mark. The GST cess collection crossed the Rs 10,000 crore mark for the first time since its implementation.
- **India Q3 GDP: Growth momentum slows to 5.4% in December quarter:-** The Indian economy grew by 5.4% year-on-year in the third quarter of the current fiscal year, data from the Ministry Of Statistics And Programme Implementation showed Monday. India, Asia's third-largest economy has now posted the fifth consecutive growth of positive growth. The growth albeit, is slower than



previous two quarters, amid rising risks from higher prices of crude oil and commodities after Russia's invasion of Ukraine.

- **Hon'ble Finance Minister Smt Nirmala Sitharaman:-** Union Finance Minister Nirmala Sitharaman on Monday said the budget presented by her on February 1 was a continuity of the previous budget last year which was more exhaustive in laying out the formulation, principle and then provide stability for revival from COVID-19 pandemic. Addressing various industry leaders and representatives from trade bodies at an event in Chennai, she said the Union government in the budget has also taken up futuristic steps by looking at adapting technology with various sectors.
- **GDP growth rate revised down to 8.9%, construction sector contracts-** India's GDP is seen growing at 8.9 per cent in the current financial year, lower than the earlier estimate of 9.2 per cent, the second advance estimates of national income released by the National Statistical Office (NSO) on Monday showed. GDP growth rate for the October-December quarter is seen at 5.4 per cent as against 0.7 per cent growth in the corresponding period a year ago, with the construction sector recording a contraction of 2.8 per cent and manufacturing sector registering a meagre growth of 0.2 per cent.
- **Centre's fiscal deficit touches 58.9 pc of full year target at end-January:-** The central government's fiscal deficit at end-January worked out at 58.9 per cent of the annual budget target for 2021-22, according to official data released on Monday. The fiscal deficit was 66.8 per cent of Revised Estimate (RE) of 2020-21 during the corresponding period of the last fiscal.
- **Exporters see payment hurdles for shipments to Russia:-** Exporters on Monday said they will face more difficulties for their shipments to Russia with a decision to exclude selected Russian banks from the global financial system SWIFT as the move would hamper direct payments for goods shipped out to the CIS country. The US along with its key allies, including the European Union and the UK, have decided to disconnect key sanctioned Russian banks from the Society for Worldwide Interbank Financial Telecommunication in response to Moscow's invasion of Ukraine.
- **India welcomes the IPCC Working Group II contribution to the IPCC Sixth Assessment Report (AR6) on Climate Change: Impacts, Adaptation and Vulnerability-** India welcomes the release of the Working Group II (WG2) contribution to the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC). Union Minister for Environment, Forest and Climate Change, Shri Bhupender Yadav in a series of tweet messages said that the report reaffirms India's call for equity and climate justice and stated that the Developed countries must take the lead in urgent mitigation and providing finance for adaptation, loss and damage.
- **Russia-Ukraine conflict triggers delay in fund-raising offshore and onshore:-** Fund-raising by local companies and banks, either through domestic equity sales or bond/loan issues overseas, will likely be delayed due to the volatility in global financial markets in the aftermath of the Ukraine crisis. This week is crucial in deciding the timelines for local companies seeking funds, several market participants told ET, as the world seeks a diplomatic solution to the conflict in Europe's bread basket.
- **Prime Minister chairs high level meeting to review Operation Ganga:-** Hon'ble Prime Minister, Shri Narendra Modi chaired a high level meeting, his second today, to review the ongoing efforts

under Operation Ganga to bring back Indians stranded in Ukraine. The Prime Minister said that the entire government machinery is working round the clock to ensure that all Indian nationals there are safe and secure. The Prime Minister pointed that the visit of four senior ministers as his Special Envoys to various nations will energize the evacuation efforts. It is reflective of the priority the Government attaches to this matter.

- **The combined Index of Eight Core Industries increases by 3.7 percent in January, 2022-** The combined Index of Eight Core Industries stood at 144.4 in January 2022, which increased by 3.7 per cent (provisional) as compared to the Index of January 2021. The production of Coal, Natural Gas, Refinery Products, Steel, Cement and Electricity industries increased in January 2022 over the corresponding period of last year.
- **PM GatiShakti National Master Plan can help lower our logistics cost to one of the lowest in the world at 7-8% of GDP– Shri Piyush Goyal-** The Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal today said that with concerted efforts and the best possible use of the PM GatiShakti National Master Plan, it was possible to lower our logistics cost to 7-8% of GDP, one of the lowest in the world and increase India's competitive edge in the global market.
- **Hon'ble Prime Minister Shri Narendra Modi's Vision and Proactive Government Policies , ecosystem of Performing Entrepreneurs are defining factors for growth of VLSI & Semi conductor ecosystem in India-** India represents today tremendous market for the application & use of technology. It represents a country where there is tremendous depth in innovation ecosystem & a vibrant ecosystem of performing entrepreneurs. Government policy & Government capital is going to catalyse these 2 elements & create a sustainable ecosystem that will serve the world's demand & India's need in the coming decade" said Minister of State for Electronics & Information Technology, Mr. Rajeev Chandrasekhar at the 35th International VLSI Design & Embedded Systems Conference 2022, organized under the aegis of VLSI Society of India together with Industry partners. The theme for this year's conference was Silicon Catalysing Computing, Communication & Cognitive Convergence.
- **India slips 3 spots to rank 120 on 17 SDG goals adopted as 2030 agenda: Report-** India has slipped three spots from last year's 117 to rank 120 on the 17 Sustainable Development Goals adopted as a part of the 2030 agenda by 192 United Nations member states in 2015, a new report said. With the latest rankings, India is now behind all south Asian nations except Pakistan, which stands at 129. The south Asian countries ahead of India are Bhutan ranked 75, Sri Lanka 87, Nepal 96 and Bangladesh 109.
- **India signs deals to export 5.5 lakh tonnes of wheat as Asian nations look for supplies-** Indian wheat exporters have signed deals to export at least 5.5 lakh tonnes (lt) over the next couple of months as nations in South Asia, South-East Asia and West Asia are looking to New Delhi to meet their requirements for food and feed in view of the Ukraine-Russia crisis.
- **ATF price hiked by 3.3%; fifth increase this year- Jet fuel prices were increased by 3.3 per cent to all-time high levels across the country,** in step with international oil prices surging to over seven-year-high. This is the fifth hike in jet fuel or Aviation Turbine Fuel (ATF) prices this year following an unrelenting rise in global oil prices, but petrol and diesel prices remained unchanged for a record

116th day in a row, coinciding with electioneering to elect new governments in states like Uttar Pradesh and Punjab.

- **Coal India February output rises 4% YoY-** Coal India Limited (CIL) produced 64.3 million tonnes (MTs) of coal in February, about 4% growth 61.9 MTs in corresponding month year ago. Month-on-month, CIL's average production increased to 2.3 MTs per day in February'22. Despite being three days lesser than January the production in February was at par with the previous month, a company statement said.
- **European Union to fund urban infrastructure programme for Indian cities-** The EU funded International Urban and Regional Cooperation (IURC) Asia & Australasia programme in India was officially launched in a virtual event last week with the presence of Sanjay Kumar, Additional Secretary (International Cooperation), Ministry of Housing and Urban Affairs, Government of India, Dr. Ronald Hall, Senior Advisor, DG REGIO, EU Commission, and Kamilla Kristensen Rai, Counsellor, Delegation of the European Union to India.
- **Niti Aayog developing National Gender Index-** Niti Aayog is in the process of developing a National Gender Index to measure the progress and identify the persisting gaps in gender equality to make informed policy decisions. In its latest annual report, Niti Aayog said the index will serve as a tool to map the progress of states and Union Territories (UTs) on defined gender metrics and build the foundation for positive change.
- **Almost 90% of gig workers run out of their salaries before month-end: Survey-** A large majority of Indian gig workers face frequent salary shortfalls, and strongly prefer smaller credit that they can immediately access when in need, irrespective of the loan term, finds a new survey.
- **India's economy faces headwinds amid Russia-Ukraine crisis, said Emkay -** India could face economic headwinds in the fourth quarter and the weakness could spill into the next quarter as Russia's invasion of Ukraine slows global growth and fans inflation, according to Emkay Global Financial Services. India will see lower than previously forecast economic growth because of disruptions from the latest wave of coronavirus cases and as risks mount from higher commodity prices amid Russia's invasion of Ukraine. It will expand 8.9% in the year ending March, according to data released Monday by the Statistics Ministry, which is slower than the government's projected 9.2% expansion.
- **Inflation in 19 nations using euro sets record of 5.8% -** Inflation in Europe hit a record high for the fourth month in a row, raising questions about when the central bank should step in to ease the pain to people's wallets while Russia's invasion of Ukraine rattles the global economy. Consumer prices in the 19 countries that use the euro currency increased by an annual 5.8% in February, the European Union statistics agency Eurostat reported yesterday. The latest numbers underscore continuing pain for the continent's consumers and piles more pressure on the European Central Bank as it grapples with when and how to raise interest rates to ease inflation.
- **India's output, exports of Russia's Sputnik COVID-19 vaccines at risk due to Ukraine crisis -** India's production and exports of Russia's Sputnik COVID-19 vaccines are expected to slow further following U.S. sanctions on Russia's sovereign wealth fund that promotes the shot globally, three Indian pharmaceutical industry sources told Reuters. The Russian Direct Investment Fund (RDIF)



had billed India as one of Sputnik's biggest production hubs and markets, though local sales have stagnated at 1.2 million doses out of 1.8 billion doses of various vaccines administered in the country.

- **High net exports signal rising pressure on India's current account deficit** - India's current account deficit (CAD) is set to widen in Q3 with net exports ratio touching the highest level in three years — at -3.9 per cent of gross domestic product (GDP) in the October-December quarter of FY22, GDP data has shown. Experts believe growing geo-political risks and hardening commodity prices could further widen CAD in the near term. Net exports is considered a proxy for CAD. While net exports in the GDP data captures the difference between imports and exports of both goods and services, CAD data, released by the Reserve Bank of India (RBI).
- **DPIIT to organize Post Budget Webinar on “Make in India for the World”** - In line with the vision of the Hon'ble Prime Minister Shri Narendra Modi, to make India a global hub for manufacturing, the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry is organizing a Post Budget Webinar on “Make in India for the World” on 3rd of March 2022. The Union Budget 2022 has laid down a roadmap for India@100 with manufacturing as one of the key drivers of growth and employment generation. The webinar will include discussions on a paradigm shift in manufacturing in India, realising the trillion-dollar goal in Exports and also on MSMEs as a growth engine for the economy.
- **Centre approves manufacture and import of machine-made polyester national flags** - The Union government has allowed manufacture and import of machine-made polyester national flags by amending the 2002 Flag Code of India. The rules earlier permitted only flags made by "hand-spun and woven wool or cotton or silk khadi bunting" while the import of machine-made flags was banned in 2019. A recent revision to the flag code stated that the National Flag shall be made of hand spun and hand woven or machine made, cotton, polyester, wool, silk khadi bunting.
- **E-Bill system will end 'rent seeking' in government contracts: Hon'ble Finance minister Smt. Nirmala Sitharaman** – Hon'ble Finance Minister Smt. Nirmala Sitharaman last week said the new Electronic Bill (e-Bill) processing system will stop any possible 'rent seeking' in the clearance of dues to contractors or suppliers of government departments. The e-Bill processing system, which was announced in the Budget, was launched yesterday. It will be implemented across all central ministries and departments and suppliers and contractors will now be able to submit their claim online, which will be trackable on a real-time basis.
- **Transaction freeze by Indian banks may hit rough diamond import deals** - The diamond polishing business in India may be among the sectors most affected by Indian banks' decision to temporarily freeze fresh transactions with Russian institutions, bankers told FE. Russia is an important source of rough diamonds and some transactions for routing those diamonds to India for cutting and crafting into jewellery had already been initiated when the hostilities broke out, according to banking sources.
- **FMCG industry faced consumption slowdown in urban markets, degrowth in rural areas in 2021: Nielsen** - The Indian FMCG industry witnessed a consumption slowdown in urban markets and degrowth in rural areas in 2021, as the sector was hit hard by higher inflation levels forcing companies to go for successive price increases, said data analytics firm Nielsen. In 2021, the FMCG

industry had to go for double-digit price growth in three consecutive quarters to protect its margins, which converted into a price-driven growth of 17.5 per cent in comparison to a year ago in 2020.

- **Coal Ministry to Organise Post Budget Webinar on Coal Gasification** - In pursuance of the announcement made by the Finance Minister in the Budget speech on 1st Feb 2022 about “Four pilot projects for coal gasification and conversion of coal into chemicals required for the industry to be set up to evolve technical and financial viability”, the Ministry of Coal is organising a webinar on 4th March 2022, wherein experts from Industry, Academia, Research organisations and Engineering Consultants along with practitioners and State Government officers and other stakeholders will join policy makers to deliberate the way ahead for effectively implementing the Coal Gasification Mission of Ministry of Coal.
- **Jharkhand Hon’ble Finance Minister tables Economic Survey Report in Assembly; state GDP growth expected at 8.8% in FY22** - The Jharkhand government yesterday presented its Economic Survey Report in the Assembly that estimates 8.8 per cent growth in its real Gross State Domestic Product (GDP) in the current fiscal. The Economic Survey that details the state of the economy ahead of the government’s budget for the fiscal year beginning April 1, 2022 mentions that the state has shown adequate resilience to recover promptly from every shock including economic recovery from the effects of COVID-19 pandemic.
- **Petrol, diesel price hikes likely to restart from next week** - Petrol and diesel price hikes are likely to resume after state elections get over next week to bridge the Rs 9 a litre gap created by international oil prices soaring past USD 100 a barrel. International crude oil prices shot above USD 110 a barrel for the first time since mid-2014 on fears that oil and gas supplies from energy giant Russia could be disrupted, either by the conflict in Ukraine or retaliatory western sanctions.
- **Unemployment rate up again, at 6-month high in February** - India’s unemployment rate rose to a six-month high of 8.1% in February, after it ebbed to a 10-month low of 6.57% in January, mainly due to a 251 basis points (bps) rise in the rural joblessness rate to 8.35%, the highest level in eight months. The urban unemployment rate, however, declined to a four-month low of 7.55% in February, the Centre for Monitoring Indian Economy (CMIE) data showed. At 8.32%, overall unemployment rate was higher in August than in January. Just ahead of the pandemic, the country’s overall unemployment rate was 7.76% in February 2020. The rate was lower at 6.89% in February 2021.
- **Hon’ble Prime Minister Shri Narendra Modi bats for self-reliance in technology sector** – Hon’ble Prime Minister Shri Narendra Modi yesterday made a strong pitch for self-reliance in technology-related sectors, which play a key role in last-mile delivery of services and have immense potential for job creation. Addressing a webinar on ‘Technology-enabled Development’, the prime minister said science and technology was not an isolated sector as it was closely connected with the digital economy and based on advanced technology, which is now focusing on fast delivery and empowering citizens.
- **India's manufacturing activities expand in February as output, new orders rise amid favourable demand: PMI** - India's manufacturing sector activities expanded in February as output and new orders grew at accelerated rates, supported by favourable demand conditions, a monthly survey

said on Wednesday. The seasonally adjusted IHS Markit India Manufacturing Purchasing Managers' Index (PMI) was at 54.9 in February, up from 54.0 in January, signalling a stronger improvement in the sector's health.

- **Government has approved proposal for continuation of seven existing sub-schemes under Umbrella Scheme “Relief and Rehabilitation of Migrants and Repatriates” for the period 2021-22 to 2025-26** - The Government has approved the proposal for continuation of the seven existing sub-schemes under the Umbrella Scheme “Relief and Rehabilitation of Migrants and Repatriates” for the period 2021-22 to 2025-26 with a total outlay of Rs.1,452 crore. The approval will ensure that assistance under the Umbrella Scheme, continues to reach beneficiaries through the Ministry of Home Affairs led by Hon’ble Union Home Minister, Shri Amit Shah.
- **India's factory growth accelerated in February, inflation remains a concern** - India's factory activity growth accelerated in February as the threat from a third COVID-19 wave eased, while some softening of price pressures meant demand and business expectations strengthened, a private survey showed. However, the survey was conducted before Russia invaded Ukraine, which led to an immediate spike in oil prices. India is the world's third-largest importer of oil so the crisis will add to inflationary pressure and hurt consumer sentiment.
- **Exporters fear \$400 million stuck in Russia as western nations blocks its banks** - With western nations deciding to block many Russian banks from accessing the SWIFT international payment banking system, following Russia’s invasion of Ukraine, exporters fear roughly \$400 million may get stuck. While exporters will get more clarity on the impact when the finer details of the SWIFT ban are spelt out, they have had discussions with the government to deal with payment related challenges.
- **Two Basmati rice varieties help boost exports, farmers’ income** - Both the varieties, developed by the Indian Agricultural Research Institute (IARI), Pusa, Delhi, fetch farmers like Singh financial benefits in the range of Rs 25,000 to Rs 30,000 per acre, after taking into account cost of cultivation as well as lease rental for the land. Two Basmati rice varieties developed by IARI have contributed 70% of the total value of cumulative exports of long-grain aromatic rice from India worth Rs 2.38 lakh crore between 2010 and 2019, thus bringing benefit to farmers. India exported on an average 3.74 million tonne (mt) of Basmati rice annually during the stated period, of total production of around 5 mt.
- **Govt to support Startups through better incubation centres in smaller towns: Shri Goyal:-** The Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal today called for making IIT-Madras a symbol of Self Reliance & Self Confidence and flag-bearer of ‘Startup India’. Our Startups are making India proud and the Government is also working in the Advisory Council continuously with new ideas, he said.
- **Shri Piyush Goyal calls for increasing India's share in global trade to 10%:-** The Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal has called for increasing India's share in global trade to 10% and taking our share of exports in GDP to about 25%. “These are ambitious targets, but I think doable,” said Shri Goyal, addressing the Closing session of the Post-Budget Webinar on ‘Make in India for the World’.

- **Trade deficit widens in February, exports up 22.36%:-** India's exports rose 22.36% to \$33.81 billion in February, led by engineering, petroleum and chemicals, preliminary data released by the commerce and industry ministry Wednesday showed. Imports grew 34.9% to \$55 billion on the back of a sharp 66.56% jump in oil imports to \$15 billion, widening the trade deficit to \$13.12 billion.
- **Rupee-Rouble trade: Volatile Russian currency, strategic issues weigh heavy:-** As the government considers a proposal by exporters to allow the rupee-rouble trade to avoid any delay or default in payments, sections of Indian trade are worried the sharp weakening of the Russian currency in recent weeks will make it difficult for them to firm up contracts unless volatility in its movement abates.
- **Climate impact: India's genetic pools tapped to develop resilient crops:-** To mitigate the adverse impact of rise in temperature because of climate change on food production, scientists at the Indian Agricultural Research Institute (IARI) in collaboration with several other research institutions has identified about 15,000 selected germplasms of rice and wheat for developing varieties which are tolerant to flood, drought, heat waves and diseases.
- **Rupee heading for all-time low, food inflation set to worsen:-** Posting its worst weekly loss in 11 months, the rupee on Friday breached the 76/\$ level despite heavy dollar selling by state-run banks on behalf of the Reserve Bank of India, slowing the pace of depreciation. The currency weakened 1.15 per cent against the dollar this week. Dealers estimated the central bank's intervention on Friday to the tune of \$1-1.5 billion.
- **Finance Ministry asks ministries to surrender savings by Mar 21:-** The finance ministry has asked departments and ministries to surrender savings, if any, for the current financial year 2021-22 by March 21. An office memorandum issued by the Budget Division of the Ministry of Finance informed all departments and ministries that the last date for accepting the surrender of savings anticipated in the Grants for 2021-22 has been fixed as March 21, 2022.
- **Services activity shows slight improvement, rises to 51.8 in February:-** Growth in India's dominant services industry picked up less than expected in February despite an easing of COVID-19 restrictions, a private survey showed, while price pressures led firms to shed jobs at the quickest pace since July. Those inflationary effects will likely intensify as the survey was conducted before Russia's invasion of Ukraine, which is driving a surge in oil prices - India's biggest import.
- **India's sugar exports estimate revised upward to 7.5 MT for this year: ISMA:-** India's sugar exports are estimated to increase 15.38 per cent year-on-year to 7.5 million tonnes (MT) in the current marketing year 2021-22, on likely rise in demand for the Indian sweetener amid the possibility of a global deficit, industry body ISMA said on Friday. The country has physically exported 4.2 MT of sugar till February of the current marketing year, against the export contracts already undertaken for shipment of six million tonne, it said.
- **2,000 km of rail network will be brought under 'Kavach' in 2022-'23: Railway Minister:-** 'Kavach', the indigenously developed Automatic Train Protection (ATP) system, will be deployed across the entire rail network beginning with 2,000 km in the 2022-23 fiscal and will be rolled out in 4,000 to 5,000 km every subsequent year, Railway Minister Ashwini Vaishnaw said on Friday. Kavach', which

literally means armour, is being promoted by the Railways as the world's cheapest automatic train collision protection system.

## Newsletter

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

[EAC Newsletter for the month of February](#)



## Markets So Far

Indicators	Yearly			Monthly		Daily		
	2019	2020	2021	January 2022	February 2022	2 <sup>nd</sup> March 2022	3 <sup>rd</sup> March 2022	4 <sup>th</sup> March 2022
BSE SENSEX	41253	47751	53796	59586	57698	55469	55,103	54334
GOLD (10 GRMS)	34813	46985	47362	47988	49279	51258	51,401	51559
CRUDE OIL (1 BBL)	4007.8	2966	5063	6112	6839	7806	8,152	8152
EXCHANGE RATE (INR/USD)	70.4	74.11	73.9	74.40	74.92	75.61	75.94	76.41

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

Warm Regards,

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