



Public Finance

Govt will ensure capex continues to support growth momentum: CEA

The government is committed to ensure that capital expenditure will continue to support the economic growth momentum regained after the third Covid-19 wave, Chief Economic Advisor V Anantha Nageswaran said on Friday. (*BusinessLine*)

Centre may cut revenue expenditure

The FY23 Budget estimated fiscal deficit at 6.4 per cent. However, last month, the government decided to cut part of excise duty levied on petrol and diesel. This reduction is estimated to bring down revenue collection by ₹1-lakh crore. At the same time, subsidy on fertiliser has been raised by ₹1.10-lakh crore to ₹2.15-lakh crore. All these are expected to have an effect on the fiscal deficit, indicated a monthly economic review (MER) prepared by the Economic Affairs Department of Finance Ministry. (*BusinessLine*)

Regional inequalities and resource transfers

State governments are largely responsible for the development of backward areas. However, allocation of resources from the Centre has been an important instrument in this process. While India has lower spatial income disparities than countries such as Brazil, China and Indonesia, these disparities have actually grown in the post-reforms period. Spatial disparities and the presence of backward areas even within and across States have been a unique feature of India. (*BusinessLine*)

India facing twin deficit problem due to commodity prices, subsidy: FinMin

The finance ministry on Monday cautioned the re-emergence of the twin deficit problem in the economy, with higher commodity prices and rising subsidy burden leading to an increase in both fiscal deficit and current account deficit. It's also the first time the government has explicitly talked about the possibility of fiscal slippage in the current fiscal year. (*Business Standard*)

India aims to keep FY23 fiscal deficit at last year's level: Report

India's government won't be able to cut its budget deficit in the current fiscal year as previously projected, officials said, but will seek to cap the shortfall at last year's level to prevent a major deterioration in public finances. (*Business Standard*)

Dept of Expenditure warns against extending the free food scheme: Report

The finance ministry's Department of Expenditure has argued against extending the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) beyond September or announcing any significant tax cuts, warning of the consequences for the Centre's fiscal position, a news report said. (*Business Standard*)

Govt aims to keep FY2023 fiscal deficit at last year's level: sources

Surging costs forced India in May to cut fuel taxes and change duty structures, hitting revenues by about \$19.16 billion, while additional fertiliser subsidies lifted expenditure. India's government and central bank have scrambled to contain prices through fiscal measures and monetary tightening after inflation jumped to multi-year highs. Retail inflation has held above the Reserve Bank of India's 6% mandated ceiling for five straight months while wholesale price inflation has risen to 30-year highs. *(The Economic Times)*



Taxation

Net direct tax mop-up surges 45% till mid-June

Income Tax Department on Friday reported surge in net direct tax collection by over 45 per cent during April 1 to June 16. It has also said the latest number on advance tax topped ₹1 lakh crore, registering 33 per cent growth. *(BusinessLine)*

Compensation cloud hangs over GST Council meeting next week

The GST Council meeting, scheduled to take place in Chandigarh next week, is likely to thrash out the issue of compensation to States and Union Territories (UTs), which is coming to end on June 30. With the payout coming to an end on June 30, States are seeking at least three years extension. *(BusinessLine)*

Registration norms may be relaxed for small e-commerce businesses

The GST Council in its meeting next week is also likely to consider a proposal to relax compulsory registration norms for small businesses, which use any e-commerce platforms to sell products. Such a move, once implemented, will help small businesses in big way. Small businesses with annual turnover up to ₹40 lakh and ₹20 lakh for goods and services, respectively, to get exemption. *(BusinessLine)*

GST Council may consider clearer framework to curb fake invoices

The GST Council, at next week's meeting, is likely to consider a proposal to bring more clarity on action against entities involved in claiming Input Tax Credit (ITC), which has become a major source of issuance of fake invoices. *(BusinessLine)*

FICCI seeks cut in GST on pesticides

Ahead of the next GST Council meeting slated for June 28-29, industry chamber FICCI has demanded the goods and services tax (GST) on pesticides should be brought down to 5 per cent from current 18 per cent to make it uniform like other inputs such as fertilisers and seeds. *(BusinessLine)*

Five years on, GST still has a long way to go

A single common GST for India, first given a go-ahead in 1999, finally became a reality on July 1, 2017, five years ago. The enacted legislation was a welcome step toward streamlining the indirect tax system, a mammoth task given the federal structure of the Indian government system. *(BusinessLine)*

5 years on, work still in progress: The promises, challenges of GST regime

Five years after the Goods and Services Tax (GST) came into force, the much-debated indirect tax regime seems to be finally stabilising. At least, the revenue numbers seem to suggest that. *(Business Standard)*

Inverted duty correction on GST Council's agenda in next week's meeting

The Goods and Services Tax (GST) Council in its upcoming two-day meeting is likely to take up the fitment committee's recommendations which propose raising rates on certain goods and services, including LED lights, lamps, and leather, and also pruning exemptions on a host of items, including some packaged food products, said officials privy to the agenda for the meeting. *(Business Standard)*

GST Council may defer decision on taxing crypto assets in June 28-29 meet

The Goods and Services Tax (GST) Council is unlikely to take a call on taxing virtual digital assets (VDA) or crypto assets in its upcoming meeting and may ask two states, Haryana and Karnataka, to study the nature and taxability of various activities in the crypto ecosystem. The Council is set to meet on June 28 and June 29 in Chandigarh. *(Business Standard)*

Transactions to paper trail: CBDT clears the air on TDS levy on cryptos

The Central Board of Direct Taxes (CBDT) has issued detailed guidelines on facilitating tax deducted at source (TDS) on virtual digital assets (VDA) or crypto assets, under which date of transfer and mode of payment will have to be specified. *(Business Standard)*

Fitment committee rejects demands to reduce GST rate on over 200 items

Ahead of the crucial Goods and Services Tax (GST) Council meeting next week, a committee of officials has proposed a change in GST rate for a host of items, including tetra-packs, even as it rejected demands for a reduction in levy over 200 goods and services to ease the inflationary burden on consumers. *(Business Standard)*

Govt won't offer tax waivers to be part of global bond index sooner

India is opposed to providing any capital gains tax waivers to overseas debt investors even if it delays its goal of getting its bonds included in global bond indexes, two sources familiar with the matter said. *(Business Standard)*

Account aggregator system for credit access all set to onboard GSTN, PSBs

The account aggregator ecosystem, which went live in September last year with an aim to democratise credit access in the country, is now looking to onboard the GST Network (GSTN). It is also in talks with insurance behemoth Life Insurance Corporation (LIC) to start the onboarding process. *(Business Standard)*

India Inc gives thumbs up to GST, but says long way to go in fixing issues

While India Inc is largely positive about the Goods and Services Tax (GST), which completes five years of operation on July 1, most CEOs say that a lot more needs to be done to fine-tune the tax rates and reduce litigation. *(Business Standard)*

GST Council meeting next week may consider e-way bill for gold transport

The Goods and Services Tax (GST) Council is likely to consider, at its meeting next week, imposing e-way bills for the movement of gold and precious stones within a state. *(Business Standard)*

Ministers meet on GST rationalisation fails to reach consensus

The seven-member ministerial group led by Karnataka chief minister Basavaraj Bommai met online to examine various options for changing tax slabs, revenue augmentation and inverted duty correction, among others. *(The Economic Times)*



National Accounts and State of the Economy

Time to treat water as an economic good

Water should be treated as an economic good, according to the 1992 UN Dublin Statement. It has an economic value for all its competing uses. Considering the resources and financial sustainability aspects, water pricing is one of the ways to address the above. *(BusinessLine)*

Is the economy out of the woods?

The 8.7 per cent growth in GDP for 2021-22 may be one of the fastest rates in the world but in absolute terms it only restores the economy back to 2019-20 levels. This may also suggest resilience especially if we look at how individual components moved in a supply (GVA) and demand (GDP) format. *(BusinessLine)*

Indian economy expected to grow by 7.5% this year: PM

The Indian economy is expected to grow by 7.5 per cent this year which will make it the fastest growing major economy, Prime Minister Narendra Modi said on Wednesday. Highlighting the growth of India's digital economy, he said its value will reach USD one trillion by 2025 and that the government is supporting innovation in every sector. *(BusinessLine)*

Our power reforms have seen consumption surge 25%: RK Singh

Power and New & Renewable Energy Minister RK Singh has emphasised that government's efforts to ramp up power distribution and transmission have brought a shift in living standards across small towns and villages. *(BusinessLine)*

AI adoption can add \$500 billion to GDP by 2025: Nasscom report

AI adoption in four key sectors—Consumer Goods and Retail (CPG), Banking, Financial Services & Insurance (BFSI), Energy & Industrials, and Healthcare—can contribute 60 per cent of AI's potential value-add of \$450-500 billion to India's GDP by 2025, according to the report "AI Adoption Index" launched by Nasscom, along with Ernst & Young, with support from Microsoft, EXL, and Capgemini. *(BusinessLine)*

Labour reforms and the rise of jobs

On June 14, Prime Minister Narendra Modi directed recruitment of 10 lakh people in 'mission mode' over the next one-and-a-half years across various government departments and ministries. The hiring of 10 lakh people will not only help the government meet its stated targets but also strengthen the march towards a fully Atmanirbhar Bharat. The announcement is a continuation of the Modi government to make India a global powerhouse by tapping its full potential. *(BusinessLine)*

States cancel 4.5 crore ration cards since 2014

Amid a rush to weed out ineligible beneficiaries availing of highly subsidised rice and wheat, all States and Union Territories (UTs) have cancelled 4.5 crore ration cards in last eight years since 2014. However, it has not reduced the offtake of grains since as many numbers also get added – currently 19.5 crore ration cards in operation covering about 80 crore population under National Food Security Act (NFSA). *(BusinessLine)*

High inflation, 'a major concern': RBI chief

RBI Governor Das said while high inflation continues to be the major concern, revival of economic activity remains steady and is gaining traction. *(Mint)*

Normal monsoon, rate cut key to bring down inflation by yr-end: Economists

A combination of normal rainfalls aiding bumper agriculture output and the Reserve Bank of India (RBI) further hiking interest rates to cut easy money in the system hold key to bringing down multi-year high inflation triggered by surging food and fuel prices, economists said. *(Business Standard)*

India faces slowing growth but low risk of stagflation: Finance Ministry

The Finance Ministry said on Monday that while India faces a lower risk of stagflation than other nations, there is now an upside risk to gross budget deficit due to additional welfare and subsidy spending and recent cuts in excise duties, and the economy faces slowing growth due to global factors. *(Business Standard)*

Need to protect consumers from consolidation of internet-economy: Govt

Expressing concern over growing consolidation of internet-based economic activities among a few companies in many sectors, the government on Monday said there is a need to protect the consumers' interest and prevent them from being exploited. *(Business Standard)*

India faces near-term challenges; better placed to deal with them: FinMin

India is facing near-term challenges in managing its fiscal deficit, sustaining economic growth, reining in inflation and containing the current account deficit but the country is relatively better placed to weather these headwinds compared to other nations, the finance ministry said in its monthly economic report. *(Business Standard)*

India needs \$223 bn to meet 2030 renewable capacity goals: Report

India will need USD 223 billion of investment to meet its goal of wind and solar capacity installations by 2030, according to a new report by research company BloombergNEF (BNEF). The government has set a target of increasing non-fossil power capacity to 500 GW by 2030. It wants non-fossil fuel power sources to provide half of its electricity supply by 2030. *(Business Standard)*

Govt to use ration card database for other welfare programmes: Food Secy

The Central government plans to use the data generated under the One Nation One Ration Card (ONORC) scheme for 80 crore Food Act beneficiaries aided by other welfare programmes such as Ayushman Bharat, PM-KISAN and E-Shram among others, said food secretary Sudhanshu Pandey. *(Business Standard)*

Indian economy to grow by 7%-7.8% in FY23 despite global headwinds: Experts

The Indian economy can grow by 7-7.8 per cent this fiscal on the back of better agriculture production and a revitalised rural economy amid global headwinds mainly due to the ongoing Russia-Ukraine war, eminent economists said. Eminent economist and BR Ambedkar School of Economics (BASE) Vice-Chancellor NR Bhanumurthy said at present Indian economy is facing multiple headwinds largely from external sources. *(Business Standard)*

Rajasthan takes pole position for health insurance coverage: NFHS report

The Rajasthan government's focus on the health sector has taken the state to top position in the country in regard to health insurance coverage. The National Family Health Survey-5 (2019-21) states 88 per cent of the households have at least one member covered by a health scheme or health insurance in Rajasthan. The national figure is 41 per cent. *(Business Standard)*

Rapid transition to clean energy could create 15 mn jobs by 2025: Report

A swift shift from fossil fuels to clean energy could lead to creation of 1.5 crore new jobs in India by 2025 and increase savings on electricity bills, a new report released ahead of the G-7 leaders' summit said on Thursday. *(Business Standard)*

How the economic crisis in Sri Lanka is affecting Indian businesses?

Sri Lanka is in a crisis. Covid-19 has sent the economy into a tailspin, and it is in free fall now. Its Prime Minister Ranil Wickremesinghe recently said that the country's economy has "collapsed". *(Business Standard)*

Unlocking potential: India and its innovation journey

While India has made considerable progress in terms of start-ups and producing unicorns, Ministry of Science and Technology data shows that the gross expenditure on R&D (GERD) has been a meagre 0.7% of its GDP with its GERD per capita being about 43 (in current PPP \$). For India to boost its innovation culture, this percentage needs to increase. *(The Economic Times)*

India's internal market in a good position: Sanjeev Sanyal

Sanjeev Sanyal, member of the economic advisory council to the prime minister, said, "The policies adopted during the last two years has made the Indian economy emerge stronger. The internal market is in a good position, banking system is much better now compared to the crisis before. The macroeconomic stability is in a comfortable zone". *(The Economic Times)*

India's food inflation likely to top 9% in second half of 2022, according to Nomura

India's food inflation is likely to top 9 per cent in the second half of 2022 on the back of higher feedstock costs and uptick in minimum support prices according to a Nomura report. The food inflation will average over 8 per cent year-on-year in 2022 from 3.7% in 2021, the report stated. *(The Economic Times)*

US recession set to impact India, may lead to growth slowdown in medium-term

The impending growth slowdown in the United States is set to hamper the growth trajectory of India in the medium term, analysts say. In the medium term, with a 'prolonged mild recession' in the US, as the firm has forecasted, India's economy is likely to see a growth slowdown. Growth challenges exist already, with India being the only Asian country whose inflation is furthest above its target. *(The Economic Times)*

How Many Migrant Workers Left Cities During the COVID-19 Lockdown?

"Migration in India 2020-21" the survey gives an account of the state of migration and migrants during the period of July 2020 to July 2021. The report, which surveyed a total of 1,13,998 migrants, shows that 51.6% of rural migrants migrated from urban areas in the aftermath of the pandemic. *(The Wire)*

As Modi Celebrates Eight Years as PM, Three Economic Faultlines That Can't Be Ignored

Three years of Narendra Modi's second stint as Prime Minister was celebrated by the Bharatiya Janata Party earlier this month. The self-congratulatory campaign, however, was spoiled quickly by a succession of events, all of which point to what has gone wrong during his tenure. *(The Wire)*

Odisha at cusp of economic revolution: PwC India head

Odisha is poised for massive industrial and economic growth and PwC India is committed to contribute to it, a top official of the multinational firm said. *(ThePrint)*

Salaried jobs are hardly growing — govt data explains the Agnipath anger of young Indians

Government's latest Periodic Labour Force Survey, released last week, shows that India's salaried class has grown 3 percentage points & 1 percentage point in rural & urban areas. *(ThePrint)*

Corporate profit to GDP ratio at decade high in 2022: Motilal Oswal

The corporate profit to Gross Domestic Product (GDP) ratio rebounded to a decade high of 4.3 per cent and 4.5 per cent for the Nifty-500 universe and listed India companies, respectively, brokerage house Motilal Oswal Financial Services said in a report. *(ThePrint)*



Banking and Monetary Policy

'A rate hike earlier would have impacted growth'

Reserve Bank of India (RBI) Governor Shaktikanta Das on Friday emphatically refuted the perception in certain quarters that it has fallen behind the curve when it comes to monetary policy action, stating had the rates been hiked three or four months earlier, it would have impacted growth in FY22. *(BusinessLine)*

RBI may mandate domestic processing of payment transactions

The Reserve Bank of India is looking to mandate domestic processing of payment transactions. Presently guidelines are in place for domestic storage of payment data, but banks and nonbanks are allowed to process payment transactions abroad subject to certain conditions. *(BusinessLine)*

What's in store for the Indian economy?

The Indian economy today presents an ambivalent picture. There is the real economy, which is looking quite good, with signs of acceleration. On the other hand, the financial side, or rather the monetary picture, is different with inflation concerns and other global economic developments presenting several concerns. What is one to make of it? *(BusinessLine)*

FinMin reviews performance of public sector banks in FY22

The Finance Ministry on Monday reviewed the operating and financial performance of public sector banks (PSBs) for 2021-22 while taking a deep look at the status of implementation of various government sponsored financial inclusion, MSME and agricultural support schemes. *(BusinessLine)*

RBI spent more to print ₹20, ₹50, ₹100, ₹200 notes in FY22

Selling price of bank notes in the denomination of ₹20, ₹50, ₹100 and ₹200 has gone up in FY22. However, for notes in the denomination of ₹500, the prices have remained unchanged. Higher input costs believed to be behind the surge in selling price. *(BusinessLine)*

Should coop banks be exposed to home loans?

Along with the monetary policy announcement on June 8, the Reserve Bank of India increased the limits on individual housing loans provided by cooperative banks. Co-lending models leveraging strengths of UCBs and SFBs, instead of the former directly lending to housing segment, may be explored. *(BusinessLine)*

Achieving equality in credit access

In the post-reform period, private initiatives have been given more importance, making availability of institutional credit as a significant facilitator for entrepreneurs and investors. While credit disbursement cannot ignore viability issues, poor States cannot remain just collection centres for banks. *(BusinessLine)*

Cooperative banks will not be treated as 'second-grade citizen': Amit Shah

Asserting that cooperative model holds relevance for India even today, the Home and Cooperation Minister Amit Shah on Thursday assured the cooperative banks and credit societies that government would not allow any 'second grade citizen' treatment to them when it comes to RBI norms or other government policies under the recently amended Banking Regulation Act. *(BusinessLine)*

MPC members indicate more rate hikes to tackle rising inflation

The members of the monetary policy committee (MPC) of the Reserve Bank of India (RBI) indicated more interest rate hike in the coming months to tackle rising inflation, minutes of the June policy review released on Wednesday showed. *(Business Standard)*

Cut-off yields ease by 7-8 bps at State bond auction as borrowings taper

The yields on 10-year state development loans (SDL) at Tuesday's auction eased by 7-8 basis points while amounts raised by state governments continued to be lower than the indicative calendar. *(Business Standard)*

RBI aim is to not have over-tightening or over-stimulus: MPC's Ashima Goyal

At a time when India is in the midst of a rising interest rate cycle, Ashima Goyal, member of the Monetary Policy Committee (MPC), tells Bhaskar Dutta that the aim is not to have over-tightening but to raise interest rates in line with inflation and growth outcomes. *(Business Standard)*

India's challenge is sustaining economic growth amid geopolitical Developments: Report

The Reserve Bank's 'Payments Vision 2025' document, which seeks a three-fold jump in the number of digital payments, is progressive and aims to establish India as a powerhouse of payments globally, opined industry players. *(The Hindu)*

Patra says no option but to raise rates, Varma urges more tightening

India's central bank has no choice but to raise interest rates to keep a lid on inflation expectations as supply-side measures would take time to bring down prices, Reserve Bank of India (RBI) Deputy Governor Michael Debabrata Patra said at the last meeting of

the Monetary Policy Committee that concluded on June 8 with the RBI raising its policy rate by 50 basis points, the minutes of the meeting show. *(The Hindu)*



External Sector

WTO seals deal on fishery sops, IP waiver on Covid vax, food security

India and some other developing countries got no commitments in the areas of the long-sought permanent solution for public stockholding and exports from public stocks. Further, there is no assurance on allowing a waiver on therapeutics and diagnostics that India, South Africa and several other developing nations were strongly pushing while the IPR relief on vaccines is limited to patents. *(BusinessLine)*

FPIs utilised only 23% of investment limit in G-secs, corporate bonds

Foreign portfolio investors (FPIs) have been dumping Indian stocks since the mid of last fiscal. However, the equity market is not the only one facing the onslaught of foreign fund outflow. The FPIs have not been bonding well with the Indian debt market as well. *(BusinessLine)*

India secures minor gains at WTO meet

The 12th Ministerial Conference (MC) of the WTO, scheduled from June 12-15, had to be extended by another day by the Director-General in a desperate bid to find a consensus on a small basket of issues. Though opinions are sharply divided on whether the outcome of the MC was a grand success or it delivered little of substance, the perspective from which it is viewed has an important bearing on the conclusions drawn. *(BusinessLine)*

Duty moves to cut steel exports by 40% in FY23: CRISIL

India's steel exports are expected to come down by 40% to 12 million tonnes in the ongoing fiscal, as a result of the duty-related measures taken by the government last month, according to CRISIL. The export of finished steel had reached a record high of 18.3 mt in the 2021-22 financial year and the prices were at their all-time high, the agency said. *(BusinessLine)*

Rupee hits a new low on worries over hike in US interest rates

The rupee hit a fresh record low against the US dollar on Wednesday amidst growing concerns over global growth prospects and investors awaiting US Federal Reserve Chair Jerome Powell's two-day testimony before the Congress. The weak global cues also hit benchmark equity indices as it closed over one per cent lower on Wednesday. *(BusinessLine)*

India, EU trade pact to help open doors for several domestic sectors

The proposed free trade agreement with the European Union, when implemented, will provide greater market access for several domestic sectors such as textiles, leather and sports goods in the EU market, commerce and industry minister Piyush Goyal said. *(Business Standard)*

India's Russian imports up 3.5 times on oil buys despite Western pressure

On the back of rising crude oil purchases, India's bill for imports from sanctions-hit Russia jumped 3.5 times in a year in April to \$2.3 billion, showed data from the commerce ministry. *(Business Standard)*

India reports CAD of 1.2% of GDP in FY22 on widening trade deficit: RBI

India witnessed a current account deficit of 1.2 per cent of GDP in 2021-22 against a surplus of 0.9 per cent in FY2020-21 due to a wider trade deficit, the Reserve Bank said on Wednesday. For the January-March 2022 quarter, the CAD narrowed on a sequential basis to USD 13.4 billion or 1.5 per cent of GDP against USD 22.2 billion or 2.6 per cent of GDP in the December 2021 quarter. *(Business Standard)*

Foreign exchange reserves up by \$30.3 bn in FY22, shows RBI data

The country's foreign exchange reserves in nominal terms, including valuation effects, rose by USD 30.3 billion in 2021-22 fiscal against USD 99.2 billion expansion in FY2020-21, RBI data showed. On a balance of payments basis, excluding valuation effects, foreign exchange reserves increased by USD 47.5 billion during 2021-22 as compared with USD 87.3 billion during 2020-21. *(Business Standard)*

BRICS can together help out in global post-Covid recovery: PM Modi

Mutual cooperation between the BRICS nations could help in global recovery after the coronavirus pandemic, Prime Minister Narendra Modi said at the virtual BRICS summit on Thursday. "The impact of Covid on the global economy is less severe than before, but the effects are still lingering. Our mutual cooperation can make a useful contribution to the global post-Covid recovery," he said. *(Business Standard)*

Adverse global events may lead to \$100 billion portfolio outflows, says RBI article

The article, titled 'Capital Flows at Risk: India's Experience' published in the RBI's latest bulletin, further said in a 'black swan' event comprising a combination of shocks, potential portfolio outflows can rise to 7.7 per cent of GDP, highlighting the need for maintaining liquid reserves to quell such potential bouts of instability. *(The Economic Times)*

India fully protected interests of farmers, fishermen at WTO meet: Piyush Goyal

Goyal, who led the Indian delegation for the WTO talks, also said that the decisions taken in the conference will further strengthen the role of the multi-lateral body in promoting global trade and India championed the cause of the developing and under-developed countries. *(The Economic Times)*

US becomes India's largest trade partner, is India-China trade decoupling?

India's major exports to the US include polished diamonds, pharmaceutical products, jewellery, light oil and petroleum, frozen shrimp, cosmetics and more. India's imports from the United States are mainly oil, liquefied natural gas, gold, coal, recycled products and scrap iron, large almonds, etc. *(The Economic Times)*

Hope recent India-UAE FTA will open up cargo, passenger transport, says Emirates CEO

India has, for the last few years, been trying to rework its bilateral air services agreements with the UAE, unifying all the rights under one umbrella. That would curtail the number of flights allowed to each airline. The middle eastern carriers have been up in arms against it. There has been no final decision on it yet. *(The Economic Times)*

India-ASEAN: Moving towards comprehensive strategic partnership

Delhi Dialogue is India's premier annual track 1.5 international conference bringing together dignitaries, senior officials, business leaders, scholars, academicians and

eminent persons of India and ASEAN to discuss ways to further strengthen the ASEAN-India Strategic Partnership. *(The Economic Times)*

PM Narendra Modi exhorts exporters to achieve long-term export targets

PM Narendra Modi said that the new Bhawan will significantly benefit people associated with trade, commerce and the Micro, Small and Medium Enterprises (MSME) sector. The Prime Minister also launched the NIRYAT (National Import-Export Record for Yearly Analysis of Trade) portal - which is developed as a one-stop platform for stakeholders to get all necessary information related to India's foreign trade. *(The Economic Times)*

Ignore the Propaganda, India's 'Success' at Recent WTO Meet Is More Show Than Substance

The biggest winner from MC12 is the European Union. It succeeded in diluting the TRIPS waiver, secured an open-ended mandate on WTO reform with elements of its preference, and almost preserved the flexibility to subsidise distant water fishing. *(The Wire)*

Why India's WTO Battle over Food Stocks is Important

As the procured food grains are distributed under the public distribution system (PDS) to about 813 million people, a decision to scale down procurement is critical for India and other food insecure countries. In the recently concluded 12th Ministerial Conference of the WTO in Geneva, a permanent solution on this issue of public stockholding was not found and a decision was deferred. A permanent solution is needed so that other countries do not take India to the disputes panel at WTO. *(The Wire)*

India, EU trade pact to help unleash significant untapped potential: Goyal

With India and the European Union (EU) formally resuming negotiations for proposed agreements on trade, investments and geographical indications (GI), Commerce and Industry Minister Piyush Goyal has said implementation of these pacts would help unleash the significant untapped potential for enhancing economic ties between the two regions. *(ThePrint)*

India's engineering exports rise 13.5 per cent to \$9.79 bn in May

Exports of engineering goods from India surged by 13.5 per cent to \$9.79 billion in May 2022 from \$8.62 billion recorded in the same month last year, according to EEPC India monthly analysis of export trends. *(ThePrint)*



Agriculture and Rural Economy

States may have to share profit or loss with insurance firms

After 'informally' allowing some States for the last two years under the so-called Beed formula or 80:110 plan, the Centre is all set to allow three additional options under the Pradhan Mantri Fasal Bima Yojana (PMFBY) in which insurers' income or liability will be limited in a band, beyond which State government will take over the responsibility. *(BusinessLine)*

As monsoon plays truant, kharif sowing trails

Kharif sowing activities are yet to gain momentum in most of the States as the truant monsoon has left 84 per cent of the country's geographical area parched. However, a higher crop acreage in major agricultural States such as Uttar Pradesh, Telangana, Tamil

Nadu, Karnataka, Gujarat and Chhattisgarh indicates that the pace of sowing will likely improve with rains set to pick up over the next few weeks. *(BusinessLine)*

Arrival of pre-monsoon rains in India's food bowl to spur sowing

Rainfall deficit in the country's north-west region has substantially reduced to 33 per cent as on Sunday against 77 per cent until June 15, due to widespread pre-monsoon showers in Punjab, Haryana and Rajasthan in particular. This will help increase sowing in this region, which largely depends on irrigation, in the next few weeks, experts said. *(BusinessLine)*

Towards a socially just, ecological agriculture

Their 17-point charter of demands includes fixing the minimum wage at ₹700 per day, action against those boycotting agricultural workers and ensuring transparent auctions of Shamlat lands meant for Dalit communities. Landless rural workers of Punjab have been battered by Covid-19 work losses, the under-performance of the MGNREGA scheme and soaring inflation. *(BusinessLine)*

Maize shipments recover, top \$1 b in 2021-22

Maize (corn) exports from India rebounded sharply in 2021-22 to top \$1-billion mark after a gap of seven years. Shipments had touched a nine-year low of \$142 million in 2019-20 before staging a sharp rebound over the last two years on surging demand for the coarse cereal from South and South-East Asian countries such as Bangladesh, Vietnam and Malaysia. *(BusinessLine)*

Indian orthodox tea gets a boost as crisis impacts Sri Lankan trade

India - which has just stepped into the quality period for orthodox - is reaping the benefits of the anticipated shortfall. *(Business Standard)*

Wheat exports reach 3 mn tn; govt considering requests from other nations

India has exported nearly 30 lakh tonnes of wheat this fiscal so far and is considering requests from some countries for the supply of the grain, the government said on Wednesday. On plans to ban wheat flour (atta) export, Food Secretary Sudhansu Pandey said the government is monitoring the situation and would take steps at appropriate time. *(Business Standard)*

Retail inflation for farm, rural workers rises to 6.67 pc, 7 pc in May

The all-India consumer price index numbers for agricultural labourers and rural labourers for the month of May, 2022 increased by 11 points and 12 points to stand at 1119 and 1131 points, respectively. *(The Economic Times)*

88% of Over 9,000 Punjab Farmers Who Died by Suicide in 18 Years Were Debt-Ridden: Study

As many as 9,291 farmers died by suicide between 2000 and 2018 in six districts of Punjab, a Panjab Agriculture University (PAU) study published in the latest edition of Economic and Political Weekly has revealed. *(The Wire)*

MGNREGS hits record with 3.1 crore families seeking work in May. It's a cry for help from Bharat

From a record-breaking number of households demanding work under the MGNREGS to the stark decline in consumption and FMCG sales — all signs point to a rural livelihood crisis. *(ThePrint)*



Industry, Manufacturing, Services and Technology

Tariff hike effect: 7.5 m cell users disconnect in May

The increase in mobile tariffs has forced 7.5 million active mobile subscribers to give up their connections in May. This is the first time that the active subscriber base has declined in the past 10 months. *(BusinessLine)*

Crude oil output up 4.6% in May

India's crude oil production rose by 4.6 per cent year-on-year to 2.6 million tonnes (MT) in May 2022. Compared with the target for the month, the output was higher by 2.4 per cent. Cumulatively, the output during the first two months of FY23 rose around 2 per cent Y-o-Y to 5.1 MT, while it was higher by 2.9 per cent compared with the target for April and May 2022, the Ministry of Petroleum and Natural Gas (MoPNG) said in a statement. *(BusinessLine)*

Focus on India-heavy pharma stocks

The two main end-markets — India and emerging countries, on one side, supported low double-digit growth in revenues, and US, which is the single-largest market, provided higher adoption of generics brought in volume growth. The industry players also developed competent regulatory, product development and launch capabilities, tapping every market and exporting to over 100 countries, both big and small, earning the sobriquet 'Pharmacy of the World'. *(BusinessLine)*

Home loan rate hikes have little impact

The increase in home loan interest rates by banks has had a minimal effect on real estate demand. New residential projects across geographies are witnessing a surge in bookings, with some getting sold out within a few days, say developers. *(BusinessLine)*

Centre plans beneficiary sentiment survey of important textile schemes

The Textiles Ministry is planning an impact assessment and beneficiary sentiment survey of important schemes and initiatives for the industry to identify challenges related to their implementation, and take targeted measures to overcome them so that benefits are optimised. *(BusinessLine)*

India's manufacturing dream gets a second life

The global manufacturing shifted from West to East in the early 1990s. India was just about beginning to liberalise its economy and was not ready to take advantage of the shift. China, on the other hand, had opened up its economy earlier and was well primed to grab this opportunity. *(BusinessLine)*

428 infrastructure projects show cost overruns of Rs 4.98 trillion

As many as 428 infrastructure projects, each entailing an investment of Rs 150 crore or more, have been hit by cost overruns of more than Rs 4.98 lakh crore, as per a report. *(Business Standard)*

India's domestic coal production increases by 28% as of June 16, 2022

The total domestic coal production in 2022-23, as of May 31, 2022, is 137.85 MT, which is 28.6 per cent more as compared to the production of 104.83 MT in the same period of last

year. This trend is being maintained in June, 2022 also, the Ministry of Coal said today. *(Business Standard)*

Domestic toy makers see surge in sales after dip in Chinese imports

The dip in import of toys from China, thanks to changed rules imposed by the government last year, has come as a boon for domestic manufacturers. Sales rise for domestic players after India last year banned sale of toys that are not certified by Bureau of Indian Standards. *(Business Standard)*

Renewable energy auctions to attract large developers: IEEFA Report

Large developers in the renewable energy sector have enough options to boost returns even as challenges mount and will fight aggressively in the various auctions scheduled in 2022, a new report by the Institute for Energy Economics and Financial Analysis (IEEFA) said on Wednesday. *(Business Standard)*

Gadkari says his ministry set 5 world records this year, hails hard work of stakeholders

"The credit for all this does not go to me, but to the engineers, contractors, consultants, workers who toiled through day and night," the minister said at the 'Pandurang Abaji Raut Amrut Mahotsavi Satkar' event here. *(The Economic Times)*

Operating profit growth of listed firms decelerated in Q4 of FY22: RBI data

Operating profit of manufacturing companies decelerated sharply to 7 per cent in the fourth quarter of last fiscal as against 70 per cent in the corresponding quarter of the preceding fiscal. *(The Economic Times)*



News on Kerala

Kerala opposes tagging of other manures with subsidised fertilisers

The Chemicals & Fertilizers Ministry's directive to fertiliser marketing companies for mandatory off-take of fertilizers organic manure (FOM) along with subsidised products has taken a hit in Kerala with the State Agriculture Department coming out against tagging of fertilisers. *(BusinessLine)*

Kerala tops States in child well-being

Where in India can a child be the happiest? Kerala could be the answer, if you go by the India Child Well-Being Report 2021 published jointly by non-profit World Vision India and think tank Poverty Learning Foundation. While Kerala bagged the first rank among all the States, Meghalaya ranked the lowest. *(BusinessLine)*

Bihar, Kerala, Punjab, Rajasthan and WB most stressed fiscally: RBI

Five states, namely, Bihar, Kerala, Punjab, Rajasthan, and West Bengal, figure among the most stressed states fiscally, as per a Reserve Bank of India article. The RBI conducted a detailed study of the states' finances following the recent Sri Lanka crisis. The RBI in its study has concluded that the finances of the states have deteriorated sharply owing to the Covid-19 pandemic. *(The Economic Times)*

Kerala Woes of migrant workers come to the fore

The COVID-19 pandemic has piled on the misery for migrant workers abroad with many suffering job losses and rampant wage theft. Some families also withdrew children from schools owing to fee default. *(The Hindu)*

Kerala not moving towards debt trap, says Finance Minister

Finance Minister K.N. Balagopal said Kerala was not moving towards debt trap. He said government spending had increased over the past two to three years. *(The Hindu)*

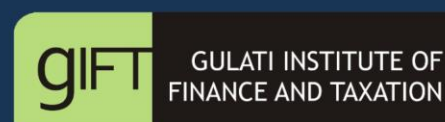
15% of cost as additional tax for big houses

The Cabinet on Wednesday permitted local bodies to levy 15% of the construction cost of houses with a floor area of 3,000 square feet and above as additional tax. *(The Hindu)*

Kerala can create investment-friendly ecosystem: Minister

Kerala can create an investment-friendly ecosystem in a short span of time, although there are still miles to go, Industries Minister P. Rajeev has said. *(The Hindu)*

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