



Public Finance

After Biting the Bullet on Fuel, Fertiliser and LPG, What Will be the Impact on Centre's Finances?

All of these measures will come at an economic and fiscal cost which puts the Indian economy on the fast lane to an assured destination of higher borrowings, widened gross fiscal deficit and a steeper yield curve. (*The Wire*)

Centre to bear full fuel rate-cut burden of ₹2.20-lakh crore: FM

Finance Minister Nirmala Sitharaman on Sunday said that two rate cuts within seven months would cost over ₹2 lakh crore to the Centre. She adds that the Basic Excise Duty, which is shareable with States, has not been touched. (*BusinessLine*)

Fiscal deficit likely to shoot up to 6.9%: Barclays

Barclays expects that the recent measures — tax cuts on motor fuels, cooking gas subsidies and duty cuts on imports of raw materials and intermediaries of plastics, iron and steel — would cause overall fiscal deficit to likely exceed budgetary estimates by atleast ₹2-lakh crore. (*BusinessLine*)

Duty cut on petrol, diesel to put pressure on fiscal deficit: Experts

The Centre's decision to cut excise duty on petrol and diesel will put pressure on the fiscal deficit which has been estimated at 6.4 per cent of GDP for the current financial year, experts said. (*Business Standard*)

Govt has no plan for additional borrowing to manage fiscal deficit: Report

The government is not planning any additional borrowing and will stick to the borrowing target fixed for the current fiscal year despite sacrificing revenue on account of reduction in duties on petroleum products and other goods. (*Business Standard*)

Finance Ministry revises cash management guidelines

The Finance Ministry has permitted Central Ministries and Departments to carry forward unspent money in the next quarter of the fiscal. It has also reintroduced fourth quarter capping on expenditure which is 33 per cent in Jan-March period and 15 per cent in March. (*BusinessLine*)

Cost overruns of Rs 4.83 lakh crore impact 425 infra projects

"Total original cost of implementation of the 1,579 projects was Rs 21,95,196.72 crore and their anticipated completion cost is likely to be Rs 26,78,365.62 crore, which reflects overall cost overruns of Rs 4,83,168.90 crore (22.01 per cent of the original cost)," the ministry's latest report for March 2022 said. (*The Economic Times*)



Centre slashes excise duty on petrol, diesel to curb inflation

Finance Minister Nirmala Sitharaman unveiled a slew of measures to rein in runaway inflation on Saturday evening, including duty cuts on petroleum products, a ₹200 subsidy on LPG cylinders for the poor and a rejig of import duties on plastic and steel products. *(The Hindu)*

Is the SC's new ruling a death knell for the GST regime?

The Supreme Court, in a unanimous verdict, held that GST Council's recommendations only have persuasive value and would not be binding on the states and the Centre. *(Scroll.in)*

Has the Supreme Court clipped the wings of the GST Council?

We cannot allege that the Supreme Court has emboldened the divisive mindsets to deviate from the co-operative spirit, as it has only reiterated what is already envisioned in the Constitution. Further, article 279 (11) provides for the creation of a mechanism for adjudicating inter-se disputes among the constituents of GST council in the matter of its recommendations. *(BusinessLine)*

Reaffirming the rights of the States in GST

the decision of the Supreme Court will go a long way in shaping the way the GST Council functions in the future. States would be reinvigorated by this decision since revenue compulsions are different for each state. *(BusinessLine)*

'Rajasthan, Maharashtra and Kerala taking undue credit for fuel price cut'

"Not entirely surprised to see senior leaders from Rajasthan, Maharashtra and Kerala claiming credit for the actions taken by the Centre and trying to pass off the proportionate reduction in the VAT component due to a cut in Central Excise announced by the Finance Minister, as their own reduction in VAT," Puri said in a series of tweets. *(BusinessLine)*

Apex court's ruling on GST is a watershed

The operative part of the court ruling was that the recommendations of the GST Council are not binding on the Union and States. This judgment of the apex court is bound to have some impact on the working of the GST Council. Collaborative decision making would be the way forward — this is easier said than done since a few States have strong views on certain aspects of GST taxation and the decision in Mohit Minerals gives them more teeth. *(BusinessLine)*

Surging inflation likely to delay GST rate rationalization

With the surge in inflation, GST rate rationalisation may not happen any time soon. The slew of inflation control measures announced in the last few days will not alter the government's borrowing calendar and the Centre will stick to its planned borrowings as of now. *(BusinessLine)*

Fuel tax reduction, a timely move

Prolonged inflation — led by fuel price rises and high taxes — would threaten RBI's inflation-targeting framework. The RBI might hit the brakes too hard and send the economy into a recession, which the economy can hardly afford. A situation of higher fuel

prices coupled with lower per capita income provides a compelling case for the Union and State governments to reduce fuel prices to bring some relief to the common man. *(BusinessLine)*

States seek legal views on Supreme Court ruling before GST Council meet

Some states are taking a legal view on the state GST rate and the compensation rules ahead of the Goods and Services Tax (GST) Council meeting, which is likely to be held in mid-June, said people in the know. *(Business Standard)*

GST Council may consider modification in monthly tax payment form for better input tax credit reporting

According to officials, the modified form will provide clarity with regard to gross input tax credit (ITC) due to the taxpayer, the amount claimed in a particular month and the net amount left in the taxpayer's ledger. *(The Economic Times)*

Taxpayers can now claim refund of IGST on ocean freight: Experts on SC judgement

Tax Connect Advisory Services Partner Vivek Jalan said this is a big relief for importers and GST taxpayers. "In fact those taxpayers who had already paid the GST may also seek a refund of the same now". *(The Economic Times)*

GST officials can't force recovery during searches

"In case of any wrongdoing on the part of any tax officers, strict disciplinary action as per law may be taken against the defaulting officers," CBIC said in an internal department note addressed to principal commissioners/commissioners of Central GST (all zones), the commissioner, GST Investigation, issued late evening on May 25. *(The Economic Times)*



National Accounts and State of the Economy

Deluged with claims over 2 years, life insurers look to breathe easier in FY23

A significant part of death claims across the industry were due to the pandemic. Death claims and payouts for life insurance companies touched a record high in 2021-22 as the second wave of the Covid-19 pandemic played havoc. The sector is however, more upbeat about prospects in the new fiscal and believe the impact of the pandemic on their balance sheet has been contained. *(BusinessLine)*

Inequality shot up during pandemic, as did number of billionaires: Oxfam

"The combined crises of Covid-19, rising inequality and rising food prices could push as many as 263 million people into extreme poverty in 2022, reversing decades of progress. This is the equivalent of one million people every 33 hours," notes the report, which begins with, "This is inequality that kills, contributing to the death of at least one person every four seconds. Only the richest are immune." *(BusinessLine)*

India right example for ensuring vaccine equity: Leaders at WEF

Hailing India for ramping up its COVID-19 vaccine manufacturing at the right time and for ensuring supplies to the rest of the world, leaders at the World Economic Forum said everyone else needs to follow the Indian model to ensure vaccine equity and wider inoculation. *(The Hindu)*

The fickleness of GDP forecasting

The problem with forecasts is that they tend to become adaptive to the situation and any significant news can cause a revision. And once it is done officially by, say, the RBI, all other forecasters lower their estimates too and rarely does anyone go against the tide. At most, forecasts are retained. *(BusinessLine)*

Why funds were not released for National Creche Scheme in FY22

No funds were released by the Centre in FY 2021-22 for the functioning of creches under the National Creche Scheme. However, creches in several cities were functional during Covid also, utilising funds from their own corpus. *(BusinessLine)*

Centre mulls spending over ₹2 lakh crore to fight inflation, say sources

The government is considering spending an additional ₹2 lakh crore (\$26 billion) in the 2022-23 fiscal year to cushion consumers from rising prices and fight multi-year high inflation, two government officials told Reuters. *(The Hindu)*

India's GDP likely grew just 3.5% in Q4 of 2021-22: ICRA

The rating firm attributed the downturn in growth momentum to the impact of higher commodity prices on margins, decline in wheat yields and the hiccups in the recovery of contract-intensive services owing to the third COVID-19 wave as well as the high base from last year. *(The Hindu)*

Heatwaves could worsen inflation pressures: Moody's

Moody's Investors Service said on Monday that the prolonged heatwaves seen in India this summer were credit negative as they would exacerbate inflation pressures and challenges to growth. They added that the ban on wheat exports would hurt growth and reflected a missed opportunity to capture the global market. *(The Hindu)*

Advanced economies to be back on track by 2024: Gita Gopinath

"While advanced economies, as per our estimates, will basically get back to where they would have been in absence of pandemic in 2024, emerging and developing economies would be 5% below where they would have been in the absence of the pandemic," Gita Gopinath said. *(The Hindu)*

Indian officer Anwar Hussain Shaik is new chair of WTO committee

After a gap of ten years, an Indian Government Officer —Anwar Hussain Shaik — has been made the chair of the World Trade Organisation's Committee on Technical Barriers on Trade. Mr. Shaik will take this role from Elisa Maria Olmeda de Alejandro from Mexico. *(The Hindu)*

SBI expects GDP growth to dive below 3% in Q4, 2021-22

India's GDP growth in the fourth quarter (Q4) of 2021-22 could be as low as 2.5% to 2.9%, State Bank of India (SBI) economists have estimated, almost half the 4.8% growth projected earlier by the National Statistical Office (NSO). *(The Hindu)*

Moody's slashes Indian economy growth forecast to 8.8% for 2022

Moody's slashed India's economic growth projection to 8.8% for 2022 from 9.1 per cent earlier, citing high inflation. In its update to Global Macro Outlook 2022-23, Moody's said high-frequency data suggests that the growth momentum from December quarter 2021 carried through into the first four months this year. *(The Hindu)*

Monthly budget up 10% in three months amid rising fuel prices: Survey

The survey conducted by Local Circles, received more than 23,500 responses from over 12,000 households across 323 districts. Based on this Seventy per cent of those surveyed saw at least 10 per cent increase in their monthly budget, while 55 per cent expect prices to go up by another 10 per cent in the next three months. *(Business Standard)*

Rajasthan urban jobs plans to use migrant labourers only in emergencies

Rajasthan's urban employment guarantee scheme will give work to migrant labourers from other states only in emergencies like the Covid-19 pandemic or natural disasters—a provision civil society activists are questioning. *(Business Standard)*

Polarisation damaging foundations of India's growth: Kaushik Basu

Former World Bank chief economist Kaushik Basu on Tuesday said that even though the fundamentals of the Indian economy are strong, the rise in divisiveness and polarisation in the country is damaging the 'foundations' of the nation's growth. *(Business Standard)*

India's economy seen growing 9.2% in FY22 on upbeat rural sector: BoB

India's economy is expected to have grown at 9.2 per cent in the fiscal ended March 2022, after having contracted by 7.3 per cent in the previous financial year, aided by resilience in the rural economy, uptick in bank credit and rising GST collections. *(Business Standard)*

Centre bats for sharing research infrastructure, incentivising funding

Releasing the guidelines recently, Science and Technology Minister Jitendra Singh noted that 90 per cent of the high-end research equipment is imported and not shared among the research community. The initiative also seeks to improve efficiency of public expenditure by sharing expensive and state-of-the-art publicly-funded research infrastructure. *(The Economic Times)*

India set to continue radical reforms: Amitabh Kant

Addressing a breakfast session on unleashing the power of the Indian diaspora on the sidelines of the World Economic Forum Annual Meeting 2023, Kant said, "A slew of radical reforms has been carried out by India in the recent years that have put India on a growth trajectory for many decades to come". *(The Economic Times)*

Economists expect inflation to come down by 20-40 bps

Retail inflation hardened to an eight-year high of 7.79% in April. In a surprise move, the Reserve Bank of India raised the policy repo rate by 0.4 percentage point (40 basis points) to 4.4% earlier this month. The central bank's monetary policy committee (MPC) had also suggested a cut in fuel taxes to dampen inflationary pressures. *(The Economic Times)*

New employment under EPFO sees 58.7% increase in FY22

Formal job creation surged in 2021-22 on the back of faster economic recovery post Covid. Payroll data for the last fiscal shows 58.7% increase in net new employment under the Employees' Provident Fund Organisation in 2021-22, 29.6% surge in new subscribers under the Employees' State Insurance Corporation and 23.4% increase in the number of subscribers under the National Pension Scheme. *(The Economic Times)*

Structural reforms key to improve India's growth potential: RBI annual report

The Reserve Bank of India in its annual report for 2021-22, has said that undertaking structural reforms to improve India's medium-term growth potential holds the key to securing a sustained, balanced and inclusive growth. *(The Economic Times)*

RBI warns of high wholesale prices feeding into retail inflation

"The substantial wedge between wholesale and retail price inflation amidst a sharp rise in manufactured products' inflation poses the risk of a possible passthrough of input cost pressures to retail inflation with a lag, although slack in the economy is muting the pass-through," the central bank stated. (*The Economic Times*)

India's finance ministry claims inflation hurts the rich more than the poor. What does data say?

April inflation figures, released by the Union Ministry of Finance, in the [Monthly Economic Review](#) released on May 12, observed that inflation impacts low-income groups less than those with a high income. (*Scroll.in*)

The Indian economy looks bleak – but that only reflects the cancer within

A small segment has cornered most of the gains of the past few years. The rest have felt the increasing pain of inflation and economic strife. (*Scroll.in*)

Why burning more money on coal will not solve India's power crises

The country should move forward from polluting fuel and instead invest in renewable and green energy for a just and viable future. (*Scroll.in*)

How gig work platforms exploit workers while claiming to promote entrepreneurship

All aspects of work, including pay, are strictly regulated and standardised, leaving little scope for upskilling. (*Scroll.in*)

Where Are India's Electric Trucks?

Studies suggest that the share of electric trucks when it comes to overall freight trucks should be 79% by 2070 to reach net-zero emissions. In that case, why do we not yet see any electric trucks on Indian roads? (*The Wire*)



Banking and Monetary Policy

RBI surplus transfer to government sharply down at ₹30,307 crore

The Reserve Bank of India's (RBI) Board approved a sharply lower surplus transfer of ₹30,307 crore to the government for the accounting year 2021-22, the lowest in 10 years. This is in sharp contrast to the surplus transfer of ₹99,122 crore for nine months ended March 31, 2021 (July 2020-March 2021). (*BusinessLine*)

Bank licence and a suitably rigorous RBI

The RBI's move has yet again sparked the debate around the lack of new blood and competition in the banking space and how this decision can be counterproductive. But RBI's frugality with bank licences sends out a strong message — bank licences aren't for sale, and they aren't for all. (*BusinessLine*)

MSME loans back on track

An analysis of last two years data of Reserve Bank of India shows huge surge in loans to MSMEs. The outstanding micro and small loans as on March 2022 grew by 21.5 per cent to ₹4,95,281 crore as against ₹4,07,675 crore as on March 2021. (*BusinessLine*)

Expectations of a rate hike are a no-brainer: RBI Governor

Reserve Bank of India Governor Shaktikanta Das on Monday said expectations of a rate hike are a no-brainer as inflation is a major area of concern even as economic recovery is steady and gaining further traction. He adds that there is no one-to-one correlation between an increase in government expenditure and borrowing. *(BusinessLine)*

Corporate loan growth turns positive in FY22

According to Reserve Bank of India data, loans to large industries registered a marginal growth of 0.9 per cent during the financial year ended March 2022 as compared with the previous financial year (FY21), there was a contraction of 2.5 per cent in corporate credit. *(BusinessLine)*

RBI reduces net-worth requirement for non-bank Bharat Bill Payment units

The RBI on Thursday eased norms for non-bank entities to set up Bharat Bill Payment operating units by reducing the net-worth requirement to Rs 25 crore, with a view to encourage more players in the segment. At present, a net worth of Rs 100 crore is required to obtain authorisation for a non-bank BBPOU (Bharat Bill Payment Operating Units). *(Business Standard)*

'NatWest to expand India workforce by 15% this year'

NatWest, UK's largest commercial bank, plans to expand its India headcount by 15 per cent this year, and is looking to hire more data scientists and software engineers, said its Group Chief Administrative Officer, Simon McNamara. *(BusinessLine)*

RBI to hike repo rate by 50 basis points, lower FY23 growth to 7 pc in June review: Barclays

The RBI had hiked its key rate by 0.40 per cent in a surprise move on May 4, and Governor Shaktikanta Das has already said that the possibility of another hike at the June review is a "no-brainer". At the May 4 review, the RBI had hiked the CRR (Cash Reserve Ratio), or the amount of time deposits banks have to park with RBI, by 0.50 per cent to suck out an additional Rs 87,000 crore from the system. *(The Economic Times)*

Will RBI's fight against inflation slam the brakes on India's economic recovery?

The RBI governor justified the off-cycle announcement on rate hike by stating that the action was merited so as to avoid a bigger shock in the June policy. *(The Economic Times)*

Sharp rise in expenses, reverse repo hit RBI surplus in FY22

While income for the year increased by 20%, expenditure increased by 280% which resulted in the overall surplus transferred to the government decreasing 69% to Rs 30,307.45 crore from Rs 99,122 crore in the previous year. *(The Economic Times)*

RBI to increase rates but hikes need not be endless, says Shaktikanta Das

Further, rate hikes need not necessarily be endless as recent reduction in fuel taxes and ban on exports of some commodities may have a positive impact in bringing down price pressures and the geopolitical situation may also turn helpful. *(The Economic Times)*

Growth in the value and volume of currency in circulation slowed in last fiscal

The value and volume of banknotes in circulation rose by 9.9% and 5% respectively in FY22 as compared with 16.8% and 7.2% respectively in the preceding fiscal, RBI data showed. *(The Economic Times)*

RBI raises its gold purchase to 65 tonnes in FY22

In the nine-month period between June 2020 and March 2021, RBI had bought 33.9 tonnes of gold. The value of RBI's gold holdings rose as much as 30% to Rs 3.22 lakh crore. Of this, gold valued at Rs 1.25 lakh crore is held as an asset of RBI's issue department and gold (including gold deposit) valued at Rs 1.97 lakh crore is held as an asset of the banking department. *(The Economic Times)*



External Sector

FDI inflow inches up to \$83.57-b in FY22

The Foreign Direct Investment [FDI] in the Financial Year 2021-22 has touched a "highest ever" figure of \$83.57 billion. Announcing this 'landmark' figure, the Ministry of Commerce and Industry said this constituted an "endorsement" of India's status among global investors. *(The Hindu)*

Centre slaps export duty on steel, materials to cool prices

To rein-in prices and preserve domestic supplies, the government today imposed stiff export duty on steel, steel-making raw materials and intermediaries. It also waived import duty on coal. *(BusinessLine)*

How to sustain the post-Covid surge in FDI

Despite the major slowdown in the global economy induced by the Covid-19 pandemic and the projections of World Investment Report of expected decline in FDI flows of 30-40 per cent, the resilient Asian economies witnessed favourable FDI flows which were rather higher than the global average (UNCTAD, 2020). Additionally, South Asia experienced a robust surge in FDI during this period, with Indian seeing a 27 per cent rise. *(BusinessLine)*

India signs up for 13-nation Indo-Pacific economic framework initiative led by US

India signalled its readiness to join a new economic initiative led by the United States for the region, as Prime Minister Narendra Modi joined U.S. President Joe Biden, Japanese Prime Minister Fumio Kishida and leaders of 10 countries, who joined virtually. *(The Hindu)*

FDI equity inflows fell marginally to \$58.77 bn in FY22: DPIIT data

FDI equity inflows into India contracted, by 1%, to \$58.77 billion during 2021-22, against ₹59.63 billion during 2020-21. However, total foreign direct investment into India rose by 2% to the "highest ever" \$83.57 billion in 2021-22. *(The Hindu)*

Time to focus on value-added exports: Piyush Goyal

According to the minister, a record level of \$250 billion of exports came without hospitality and some other key sectors and an extra focus on services sector can help improve the export growth much more. *(The Hindu)*

Forex reserves down by \$2.67 bn, stands at \$593.2 bn till May 13: RBI data

The country's foreign exchange reserves declined by USD 2.676 billion to stand at USD 593.279 billion in the week ended May 13, RBI data showed on Friday. In the previous week, the reserves had declined by USD 1.774 billion to USD 595.954 billion. *(Business Standard)*

India to limit sugar exports in risk to global food prices: Report

India is set to restrict sugar exports as a precautionary measure to safeguard its own food supplies, another act of protectionism after banning wheat sales. *(Business Standard)*

Exports rise 21% to \$23.7 billion during May 1 to 21, shows data

The country's exports rose by 21.1 per cent to \$23.7 billion during May 1-21, on account of healthy growth in various sectors, such as petroleum products, engineering, and electronic goods. *(Business Standard)*

Govt exploring Rupee-Rouble payment for fuel import amid sanction: Report

The government is exploring a payment mechanism for the import of oil from Russia in view of the sanctions imposed by the US and European countries following Moscow's attack on Ukraine. *(Business Standard)*

WTO MC12: India will agree to fisheries deal if it is 'equitable'

India will agree to the WTO's proposed agreement on fisheries subsidies, provided the deal is equitable and does not put member countries into a disadvantageous position in perpetuity. *(Business Standard)*

Centre's flagship scheme Jal Jeevan Mission to benefit from recent duty cuts

The government, on Saturday, announced duty cuts on petrol and diesel along with import duty reduction on key raw materials for steel and plastic industry. *(The Economic Times)*

WTO must allow grain export from public stock: India

At present, the WTO members cannot export foodgrains from public stockholdings as they are subsidised grains. India's approach is crucial as a group of about 70-80 countries, led by Singapore, is pushing for binding commitments to not levy export restrictions on the foodgrains procured by the WFP. *(The Economic Times)*

India may opt for more duty cuts against runaway inflation

The measures under consideration by the Indian government include a reduction in customs duty for essential items such as edible oil and other imported raw materials for industries. These measures are more short-to-medium term in nature. *(The Economic Times)*

India-UK free trade agreement (FTA) could be ready by Diwali: Piyush Goyal

"Canada is progressing well towards an early harvest agreement. With the UK, we had agreed to do an early harvest agreement - basically, to grab the low-hanging fruits and leave the more difficult elements for the next stage and give the people of both countries the confidence that this agreement is a win-win. But the way things are progressing, we'll actually land up doing a full FTA with the UK by Diwali," Goyal said. *(The Economic Times)*

India for 25 years exemption from subsidy cuts for developing nations not into distant water fishing

It has stated that countries which have developed industrial fishing should take more obligations based on CBDR (Common But Differentiated Responsibilities) concept and should prohibit harmful subsidies, the source said. *(The Economic Times)*

The What, How and Why of the Indo-Pacific Economic Framework

A complete run-down of the IPEF; its aims, scope, broader implications and all the context that lies behind the region's latest economic partnership. *(The Wire)*



Wheat export ban is shortchanging farmers

We did have an opportunity to increase wheat growers' income by tapping the export market and sharing the gains with farmers. Instead of immediately banning the export of wheat, the policymakers could have opted for a gradual reduction in the quantum of export to combat the speculation over food inflation. *(BusinessLine)*

Export firms cancel deals with domestic traders, brokers

Though the ban on exports will bring down prices, traders and millers say wheat prices will rule still above the MSP this year. "It is unlikely that mills will be able to source wheat from the Food Corporation of India (FCI) under the open market sale scheme (OMSS) this year due to low procurement. *(BusinessLine)*

To beat ban, 60% of LCs for wheat exports 'back-dated'

About 60 per cent of the nearly 1,000 irrevocable letters of credit (LCs) received by the Directorate-General of Foreign Trade, an arm of the Commerce Ministry, seeking wheat export permit has been found to be back-dated going by a random checking. *(BusinessLine)*

Climate change threatens food security

India, as the third-biggest greenhouse gas emitter and one of the most vulnerable countries to climate change, has a deeply vested interest in making our economic growth less carbon-intensive. At the same time, we have the urgent need to lift millions out of poverty. It's not an easy circle to square but we must address it now or declining agricultural productivity and higher food prices. *(BusinessLine)*

Rural food prices continued to surge in April

The year-on-year inflation rate based on the CPI-AL quickened to 6.44% last month, from 6.09% in March and compared with the 2.66% pace in April 2021. In the case of the CPI-RL, the rate accelerated to 6.67%, from 6.33% in the preceding month and 2.94% in the year-earlier period. CPI for agricultural and rural workers increased by 10 points each last month. *(The Hindu)*

Govt. giving additional fertilizer subsidy of ₹1.10 lakh crore this fiscal: FM

Amid a sharp increase in global prices of fertilizers, Finance Minister Nirmala Sitharaman on Saturday said the government will provide an additional fertiliser subsidy of ₹1.10 lakh crore to further cushion farmers from the price rise. With this, the government's total fertilizer subsidy is likely to touch a record ₹2.15 lakh crore in the current fiscal. *(The Hindu)*

Don't want surplus wheat, sugar to go in hand of hoarders: Goyal at WEF

Piyush Goyal defended India's decision to impose curbs on export of wheat and sugar, stating that the government didn't want any surplus to go into the hands of hoarders who would then charge a huge amount from poorer nations. *(Business Standard)*

With a chapati crisis brewing at home, can India afford to feed the world?

The only thing India can possibly do during this year's global food crisis is to not make it any worse for its own poor. As the cost of basic nutrition balloons everywhere, the second-

most-populous nation's best bet is to fall back on its extensive system of state procurement and public distribution to soften the blow. *(Business Standard)*

How long before rural demand revives?

Rural demand has been weak over the last 12 months or more. Tractor sales have slowed and so has the sale of two-wheelers. Fast moving consumer goods (FMCG) companies have been hit particularly hard. However, there are factors at play which could prevent a quick and a strong revival. *(BusinessLine)*

Work generation under NREGS declines in April

The decline in work generation corroborates with the decline in demand for work under the rural guarantee scheme, which has witnessed a year-on-year dip and is inching closer to the pre-Covid levels, suggesting reduced dependence on the rural employment guarantee scheme for livelihood. *(The Economic Times)*

India has no plans to curb rice exports as local supplies surge

"We have more than sufficient stocks of rice and there is no concern at all in terms of either prices or availability for exports and domestic requirements," said a senior government official involved in the decision making. "At this stage, there is no consideration at all to prohibit rice exports," said the source, who didn't wish to be named in line with official rules. *(The Economic Times)*

Punjab targets 12 lakh hectares of paddy area with DSR technique

Under the DSR technique, paddy seeds are drilled into the field with the help of a machine that does seeding of rice and spray of herbicide simultaneously. While in the traditional method, young paddy plants are raised by farmers in nurseries first and then these plants are uprooted and transplanted in a puddled field. *(The Economic Times)*

Government's wheat procurement down by 53% to 182 lakh tonnes in 2022-23

The wheat procurement target has been revised downward to 195 lakh tonnes for the current year from the earlier 444 lakh tonnes due to a fall in wheat output and increased exports. *(The Economic Times)*

Dairy sector to see 11-12 pc revenue growth in FY23 aided by value-added products: Report

This revenue growth will be driven by a healthy demand for VAP (28 per cent of overall sales), even as sales of liquid milk stays steady and the full-year benefit of retail price hikes implemented last fiscal is realised, it noted. *(The Economic Times)*

Export of 1 million tonne wheat likely to get green signal

The government on May 13 banned exports of wheat amid accelerating inflation, but exempted shipments under contracts where letters of credit (LCs) had already been opened. The clearance for the shipment is expected under this exemption, they said. *(The Economic Times)*



Industry, Manufacturing, Services and Technology

'Cement is the next target in war against inflation'

The government has tasked a panel led by Cabinet Secretary Rajiv Gauba to examine an array of measures to ease cement prices amid supply constraints in parts of the country,

including the possibility of using the sea route to transport cement from units in South India that have idle capacities. *(The Hindu)*

India drops to 54th place on tourism development Index, top in South Asia

India was on Tuesday ranked at the 54th place in a global travel and tourism development index, down from 46th in 2019, but still remained on the top within South Asia. *(Business Standard)*

After a two-year hiatus, Centre hikes third-party insurance rates

The government's decision to revise third-party (TP) insurance for automobiles on Thursday may hit buyers and adversely impact sales, especially in the two-wheeler segment which is already struggling with low market demand, said industry veterans. *(BusinessLine)*

Absolutely imperative for MSMEs to be digitised to pursue new opportunities in post COVID world: Union Minister Rajeve Chandrasekhar

The Union Minister said the Centre is enacting policies and rules, and providing incentives to make sure every participant of the economy gets digitised, including MSMEs, which are a significant component, in the interest of the nation. *(The Economic Times)*

Govt waives import duty on some raw materials for steel industry, export duty on iron ore hiked up to 50%

The import duty on ferronickel, coking coal, PCI coal has been cut from 2.5 per cent, while the duty on coke and semi-coke has been slashed from 5 per cent to 'nil'. *(The Economic Times)*

Govt to launch Skills India Mission 2.0 to tap global opportunities

This will be part of the government's revamped skills programme, called Skills India Mission 2.0, which, according to the official, is expected to be unveiled in July, six years after the launch of the programme in 2015. *(The Economic Times)*

Government allows ownership change for BOT toll projects after one year of operations

The Ministry of Road Transport and Highways (MoRTH) has approved changes in Model Concession Agreement (MCA) of Build-Operate-Transfer (BOT-toll) projects, permitting the change of ownership from existing two years to one year after Commercial Operation Date (COD), according to an office memorandum. *(The Economic Times)*

Employment of industrial workers surged from September 2021 to April 2022: CMIE

According to the CMIE's Consumer Pyramids Household Survey (CPHS), the number of industrial workers jumped to 21.4 million by the end of April 22 after touching a low of 14.2 million during the May-August 2020 which was the period of the first wave of the pandemic. *(The Economic Times)*

Manufacturing investments rose in FY20 as rent, profits, interest paid fell

ASI, the principal source of industrial statistics in India, is the most comprehensive data on organised manufacturing. It covers all factories employing 10 or more workers using power and those employing 20 or more workers without using power. *(The Economic Times)*

Import of paper to be brought under compulsory registration from Oct 2022

The import policy of major paper products has been amended from 'free' to 'free subject to compulsory registration under Paper Import Monitoring System', the Union Ministry of Commerce & Industry said on Thursday. *(ThePrint)*



News on Kerala

Kerala govt announces tax cut on petrol by Rs 2.41, diesel by Rs 1.36

Following a reduction of fuel prices by the Centre, the Kerala government on Saturday announced a cut in tax on the prices of petrol and diesel by Rs 2.41 and Rs 1.36 respectively. *(Business Standard)*

Oppn. puts pressure on govt. for cut on fuel tax

The Opposition United Democratic Front (UDF) on Sunday stepped up pressure on the State government for further tax cuts on petrol and diesel, even as Finance Minister K.N. Balagopal argued that the demand hurt the interests of the State since the Centre was to blame for the unreasonable fuel prices. *(The Hindu)*

17,262 tax evasion cases last fiscal

Inspections carried out across the State revealed absence of proper documentation and attempts to evade tax payment using papers bearing incomplete or incorrect information. A sum of ₹79.48 crore came to the government by way of recouped tax and fine. *(The Hindu)*

Kerala's Agriculture department to launch market intervention measures to bring down prices, says Minister P. Prasad

The State government has kicked off market intervention measures with vegetable prices rising in the open market, with the help of the Kerala State Horticultural Products Development Corporation (Horticorp) by taking steps for the procurement of vegetables that are in short supply. *(The Hindu)*

Registration department's revenue increased by ₹1,322 crore: Minister

Minister for Cooperation and Registration V.N. Vasavan has said that the revenue of the Registration Department has touched an all-time high this year in six years and that it has increased by ₹1,322 crore. *(The Hindu)*

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