

DAILY NEWS MONITOR: 15 FEBRUARY 2022

1. Finance minister Nirmala Sitharaman says govt, RBI working in harmony on crypto issue

Source: Financial Express ([Link](#))

The government and the Reserve Bank of India (RBI) have been working in “completely harmony” in relevant matters, finance minister Nirmala Sitharaman asserted on Monday, suggesting that both are on the same page on the issue of cryptocurrencies. Addressing a press conference jointly with RBI governor Shaktikanta Das after a meeting of the banking regulator’s central board, Sitharaman also indicated that talks between the government and the central bank on various aspects of cryptocurrencies have been going on. The FY23 Budget has proposed to tax any income from the transfer of virtual digital assets at 30%. The loss from the sale of these assets cannot be set off against any other income and a 1% TDS will also be levied on payments made on the transfer of digital assets.

2. RBI begins work on 75 digital banks envisioned by budget; committee formed

Source: Money Control ([Link](#))

The Reserve Bank of India (RBI) has already commenced work on the 75 digital banks to be set up across the country in just a fortnight after the initiative was announced in the budget by Finance Minister Nirmala Sitharaman. Moneycontrol learnt that the Indian Banks' Association (IBA) was directed by the RBI to set up a working group which has already been formed. The group, which consists of IBA, private, public and small finance bank representatives, will soon convene for its first meeting, a senior official within the banking industry who did not wish to be named told Moneycontrol. “The group has to now define what a digital banking unit is, what will be the services rendered by these units and also where they should be located. The aim is to have these units operational as early as July 2022,” he said.

3. CPI inflation jumps to 6.01% in January 2022, highest in seven months

Source: Money Control ([Link](#))

India's headline inflation rate based on the Consumer Price Index (CPI) jumped to 6.01 percent in January 2022, as per data released by the National Statistical Office on February 14. At 6.01 percent, last month's CPI inflation reading is the highest in seven months. CPI inflation was 5.66 percent in December 2021. The inflation print for January 2022 is along expected lines, with Reserve Bank of India (RBI) Governor Shaktikanta Das saying earlier today that it was likely to come in around the 6.00 percent mark, largely due to an unfavourable base effect. The

RBI has forecast that CPI inflation will average 5.7 percent in the first quarter of 2022. As such, inflation is expected to edge lower in the remaining two months of January-March 2022.

4. January WPI slows to 12.96%, crude oil risks remain

Source: The Economic Times ([Link](#))

India's wholesale inflation eased in January on a slower rise in prices of manufactured products compared to December but remained in double digits for the tenth consecutive month, official data released on Monday showed. Inflation, as measured by the Wholesale Price Index (WPI), was 12.96% in January 2022 against 13.56% in December 2021. "The high rate of inflation in January, 2022 is primarily due to rise in prices of mineral oils, crude petroleum & natural gas, basic metals, chemicals and chemical products, food articles etc as compared the corresponding month of the previous year," commerce and industry ministry said in a statement.

5. Free Trade Agreement: India, UAE likely to sign FTA on February 18

Source: Financial Express ([Link](#))

India and the UAE are likely to sign a free trade agreement (FTA) on February 18, under which both the countries could give duty-free access to a number of products from different sectors, sources said. In September last year, India and the United Arab Emirates (UAE) had formally launched negotiations on the pact, officially dubbed as the Comprehensive Economic Partnership Agreement (CEPA). Under such an agreement, two trading partners reduce or eliminate customs duties on the maximum number of goods traded between them. Besides, they liberalise norms to enhance trade in services and boost investments.

6. Vedanta ties up with Foxconn to manufacture semiconductors in India

Source: Money Control ([Link](#))

Anil Agarwal-led Vedanta has signed an agreement with Taiwan's Hon Hai Technology Group, better known as Foxconn, to manufacture semiconductors in India, the two entities said in a statement on February 14. The move comes after the government announced a Rs 76,000 crore production-linked incentive (PLI) scheme for semiconductor and display manufacturing in an attempt to boost local production. India mainly imports semiconductors to use in industrial manufacturing and has been hurt severely by its global shortage. An increase in demand for consumer products, which use semiconductors, even as the pandemic disrupted production and supply chain, has resulted in a shortage of semiconductors and a steep rise in prices.

7. JICA, MoRTH hold JCC meeting on capacity development project of highways in mountainous regions

Source: Livemint ([Link](#))

The 9th Joint Coordination Committee (JCC) meeting of the Japan International Cooperation Agency (JICA) supported 'Capacity Development Project on Highways in Mountainous Regions' was organized online by the Ministry of Road Transport and Highways (MoRTH) on 11th February. The Technical Cooperation (TC) Project, commenced in April 2016, with an aim to enhance institutional capacity of developing highways in mountainous regions. This JCC was the final meeting before closing of the project in March, 2022. K C Gupta, Additional Secretary, MoRTH (IAS) joined the JCC meeting as the chairperson. SAITO Mitsunori, Chief Representative, JICA India gave a short speech at the meeting in the presence of other dignitaries and officials from Government of India (MoRTH, National Highways & Infrastructure Development Corporation Ltd. (NHIDCL), and National Highway Authority of India (NHAI)), Embassy of Japan and JICA.