Weekly Economic Roundup

INDIA LEADING THE GLOBAL ECONOMY

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Delhi Policy Group
Core 5A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003
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ABOUT US

Founded in 1994, the Delhi Policy Group (DPG) is among India’s oldest think tanks with its primary focus on strategic and international issues of critical national interest. DPG is a non-partisan institution and is independently funded by a non-profit Trust. Over past decades, DPG has established itself in both domestic and international circles and is widely recognised today among the top security think tanks of India and of Asia’s major powers.

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DPG Weekly Economic Roundup

DPG Weekly Economic Roundup covers developments related to India’s economy, compiled from open source media.

Your comments and feedback can be addressed to Shruthi Mohan Menon at shruthi@dpg.org.in.

Delhi Policy Group is an independent and autonomous, not for profit think tank which focuses on strategic issues of critical national interest.

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(Photographs)

World Economic Outlook Report, October 2022 Growth Projections for India
Source: @PIB_India | Twitter

Equity mutual fund inflow doubles to ₹14,000 crore in September
Source: @economictimes | Twitter

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POLICY AND REGULATORY FRAMEWORK

Gross direct tax collections are at ₹8.98 trillion up to October 8 this fiscal, up 23.8% year-on-year
Direct tax collection jumps 24% to ₹9 trillion in FY23 so far, says I-T department
Business Standard, October 9, 2022

India has to grow at a rate of 8-8.5 per cent to reach developed country status, said Finance Secretary Somanathan
India has nano demographic window to become developed country: Finance secretary
Business Standard, October 9, 2022

India can grow at 9 per cent in an external conducive environment, at a time when the world will be facing much slower growth or even slipping into recession
India will stand out with 7 per cent growth rate in FY23 amid global gloom, says EAC-PM member Sanyal
The Economic Times, October 9, 2022

India to consider extending a key export scheme to pharmaceuticals, chemicals and steel products to support sectors hit hard by falling demand
Duty refunds likely for steel, pharma and chemical exports
The Economic Times, October 9, 2022

Hike in demand for 5G services in India is likely to create a demand of up to 45,000 jobs over the upcoming two quarters
5G rollout in India likely to create 45,000 jobs in next 2 quarters
Business Standard, October 10, 2022

Food Safety and Standards Authority of India mandates that foreign food manufacturing facilities must register with it for exporting products such as meat, milk and infant foods to India
Foreign manufacturers need FSSAI nod from February 1 for milk, meat exports
Business Standard, October 11, 2022

Excessive rains stalled harvests of main kharif crops like maize, paddy and soyabean and affected their quality, which is expected to reduce the returns for farmers
September deluge stalls kharif harvesting, damages crops
The Economic Times, October 11, 2022
Union minister Hardeep Singh Puri launched the Offshore Bid Round offering and assured transparency, efficiency and ease of doing business to investors

Hardeep Singh Puri launches Offshore Bid Round: promises transparency, efficiency to investors
The Economic Times, October 11, 2022

Borrowing cost of states rise for the fourth week in a row

States borrowing cost rises 6 bps to 7.83 per cent for the fourth week in a row
The Economic Times, October 12, 2022

All 177 fertiliser manufacturers in the country will sell their assorted products ‘under one nation, one fertiliser’ policy by introducing a single brand name for urea and other fertilisers, effective October 2, 2022

Pan-India roll-out of single-brand fertiliser policy by year-end
The Financial Express, October 12, 2022

Government permits the export of specified quantity of raw sugar to the US under the Tariff-Rate Quota (TRQ) till December-end this year

Indian exporters can ship sugar to US under TRQ by December 31
The Economic Times, October 12, 2022

Union Cabinet approves one-time grant to three oil marketing companies to reduce cost pressures and cover losses incurred in the previous two years

Modi Cabinet approves ₹22,000 crore one-time grant to PSU oil cos Indian Oil, BPCL, HPCL for LPG losses
The Financial Express, October 12, 2022

Union Cabinet Committee on Economic Affairs approved the development of a container terminal at Kandla port to increase business potential, boost the economy and generate employment

Centre approves development of a container terminal in Kandla Port
Business Standard, October 12, 2022

FM Sitharaman held bilateral meetings with her counterparts from Japan, Saudi Arabia, the Netherlands, and South Korea and used the occasion to get feedback from these leaders on the role India could play next year as the chair of the G-20 group of countries

FM Sitharaman holds bilateral talks with Saudi, Netherlands, S Korea, Japan counterparts
The Indian Express, October 13, 2022
Union Cabinet approved amendments to the Multi-State Cooperative Societies (MSCSs) Act to bring in transparency and accountability in their governance structure

Cabinet nod to amend act to bring in transparency in cooperatives sector
The Financial Express, October 13, 2022

Government of India permits exports of broken rice against already issued LoCs
Centre allows exports of 397,267 tonnes broken rice backed by LoC
Business Standard, October 13, 2022

India initiates an anti-dumping probe into import of Chinese glass used in home appliances products following a complaint by a domestic player
India initiates anti-dumping probe into import of Chinese glass
The Economic Times, October 13, 2022

Open Network for Digital Commerce initiates an outreach programme for sellers and MSMEs
ONDC to start outreach programme to help sellers speed up their business
Business Standard, October 14, 2022

Gross tax collection to be higher than the budgeted estimate due to very conservative (near flat) growth assumed in the Budget and elevated inflation
Collections may moderate in H2: Gross tax revenues to overshoot FY23BE by ₹3 trillion
The Financial Express, October 14, 2022

Weekly Positivity Rate is 1.07%
COVID-19 UPDATE
PIB, October 15, 2022
ECONOMIC TRENDS

Crude steel output registered an increase during the July-September period of the ongoing financial year
India’s crude steel output rise by 2.5% at 30 MT in July-September: Report
Business Standard, October 9, 2022

Domestic air traffic crossed the pre-covid level on 9 October with airports handling 402,697 passengers and 2,732 flight departures
Domestic air traffic crosses pre-covid level, festive season aids demand
Live mint, October 10, 2022

1.72 million tonnes (mt) of paddy were purchased from farmers, 58% higher than a year ago
Kharif paddy procurement gets off to a brisk start
The Financial Express, October 10, 2022

Nomura forecast a slowdown in India’s growth to 5.2% in 2023-24 from 7% in the current fiscal due to the spillover effect of global slowdown
Nomura sees slowdown in FY24 India growth to 5.2%
The Economic Times, October 10, 2022

India’s space economy is expected to grow to $13 billion by 2025 with the satellite launch services segment set to witness the fastest growth spurred by increasing private participation
India’s space economy expected to be worth $12.8 billion by 2025: Report
Business Standard, October 10, 2022

Due to the onset of the festival season, incremental bank credit offtake rose 4.8% in August, the highest growth reported in 13 years
Incremental credit at 13-year high in August: Report
The Financial Express, October 11, 2022

Indian economy is expected to show signs of growth due to revival of domestic demand as the peak shopping season approaches
Indian economy’s slow-but-steady activity awaits festive boost
The Economic Times, October 11, 2022

Hiring activity decreased 4% on an annual basis but increased 1% month over month, according to Monster Employment Index for September 2022
Job postings witness an annual drop of 4% in September: Report
Live mint, October 11, 2022
General insurance segment reported a 15.34 per cent growth during the six-month period ended September 2022

**Non-life segment shows 15.34 per cent growth**
The Indian Express, October 11, 2022

Business process management sector experienced double-digit growth of over 14 per cent in FY22 and accounted for nearly 40 per cent of global sourcing spend

**India the bellwether for global BPM industry, logs $44 billion revenues:** Nasscom  
Business Standard, October 12, 2022

Retail inflation increased to 7.41% in September

**Retail inflation hits 5-month high in September**
The Financial Express, October 13, 2022

Industrial output shrank 0.8% in August, Y-o-Y due to an unfavourable base, slowdown in export orders and heavy monsoon downpour in select regions

**Factory output shrinks 0.8% in August**
The Financial Express, October 13, 2022

Wholesale price-based inflation eased in September to 10.70% as against 12.41% recorded in August 2022

**India’s WPI inflation eases to 10.7% in September**
Live mint, October 14, 2022

Rice and wheat stocks managed by the Food Corporation of India are down by 37 per cent despite the foodgrain stock being higher than the buffer norm

**FCI foodgrains stock down by 37% from last year; yet higher than buffer**
Business Standard, October 14, 2022

Online and offline sales starting in the last week of September and lasting until early November are estimated to cross $27 billion

**India festival spending booms despite inflation worries, global slowdown**
Business Standard, October 14, 2022
TRADE AND INVESTMENT

Data localisation rules and UK companies being allowed to bid for Indian government contracts are among the issues causing a possible deadlock in the final stages of the India-UK free trade agreement (FTA) negotiations.

India-UK Free Trade Agreement talks face deadlock over data: Report
Business Standard, October 9, 2022

Private equity (PE) investment in real estate increased to USD 2.8 billion during the April-September period of this fiscal.

Real estate PE investment up 40% in April-September driven by foreign fund inflows
Business Standard, October 9, 2022

Indian exporters urge the government to restore the 18% goods and services tax (GST) exemption on export freight amid the World Trade Organization (WTO)’s forecast hinting at a sharp decline in global trade next year.

Exporters seek GST exemption on freight
Live mint, October 10, 2022

Indian lenders are reluctant to process direct rupee trade transactions with Russia for fear of becoming the target of sanctions by the United States and Europe over the invasion of Ukraine.

Large Indian lenders shun rupee mechanism in Russia trade-sources
The Economic Times, October 10, 2022

Equity mutual fund schemes saw robust inflows in September; inflows for the month stood at ₹14,099 crore, 130% higher than the previous month.

Equity mutual fund inflow doubles to ₹14,000 crore in September
The Economic Times, October 11, 2022

UAE expects trade with India to cross USD 100 billion-mark over the next 2-3 years, boosted by the comprehensive economic partnership agreement.

UAE expects trade with India to cross USD 100 billion in 2-3 years
The Economic Times, October 11, 2022

India and the UAE hold talks to set up a mechanism to undertake bilateral trade in national currencies.

India, UAE weigh trade in national currencies
The Financial Express, October 12, 2022

India UK trade deal stuck on immigration, free access to skilled workers

Biggest India trade deal with the UK stuck on free access to skilled workers
The Economic Times, October 13, 2022
Palm oil imports increase to 17.12 lakh tonnes in the last 11 months, Y-o-Y
India’s refined palm oil imports jump 2.7 times in last 11 months
The Economic Times, October 13, 2022

India and UK continue intensive negotiations to conclude the majority of the
India-UK free trade agreement (FTA) talks by Diwali
Intensive negotiations ongoing for Diwali trade pact with India, says UK
Business Standard, October 14, 2022

Private equity investments decline due to the overall decline in funds flows into
startups especially since the Ukraine war
PE investments down 77.5% to $3.8 billion in Q3
The Economic Times, October 14, 2022

India to speed up its diversification of oil imports to hedge against any surprise
output cuts by OPEC
India pushes oil refiners to diversify imports after surprise OPEC+ cuts
Business Standard, October 14, 2022

India’s foreign trade in September 2022
India’s overall exports in September 2022 estimated to be USD 61.10 Billion,
exhibiting a growth of 10.24 per cent over the same period last year
PIB, October 14, 2022
INTERNATIONAL SCENE

Global institutions such as the World Bank and the International Monetary Fund (IMF) need to be reformed and restructured to enable climate financing, said Amitabh Kant while speaking at the B20 Indonesia Global Dialogue in India.

‘Restructure World Bank, IMF for climate financing’
Live mint, October 10, 2022

Technology a tool for inclusion in India, said PM Modi while addressing the United Nations World Geospatial Information Congress.

Text of PM’s address at United Nations World Geospatial International Congress
PIB, October 11, 2022

India is in talks with different countries to make RuPay acceptable in their nations; Singapore and UAE have come forward to make RuPay acceptable in their countries.

UPI, RuPay, BHIM to go global says FM Sitharaman, India in talks with these nations
The Financial Express, October 12, 2022

Multilateral institutions “need to be robust and strengthened in order to give solutions” to the global problems, said FM Sitharaman in conversation with economist Eswar Prasad on ‘India’s Economic Prospects and Role in the World Economy’, organised by The Brookings Institution.

G20 has a great potential to work towards global good: Sitharaman in US
The Hindustan Times, October 12, 2022

FM Sitharaman says that the upcoming 2023 Union Budget will have to be “very carefully structured” to maintain growth momentum and reel in inflation, identified as the biggest challenges facing Indian economy.

Budget focus is to maintain growth, tame inflation: FM Nirmala Sitharaman
Business Standard, October 12, 2022

India briefs the Finance Ministers and Central Bank governors of G-20 countries about the proposed main priority agendas for India’s 2023 G20 presidency.

India briefs G20 FMs, central bank governors on its 2023 presidency agenda
Business Standard, October 14, 2022
India opposes efforts of 10-member group of developed and developing countries as it calls for consultation on food subsidy programme in a group format rather than bilaterally.

India opposes group consultation on food subsidies programme at WTO

Business Standard, October 14, 2022
IMF and FM Nirmala Sitharaman at IMF Annual Meetings

Most nations’ economy slowing, but India is in relatively brighter spot compared to other countries in the region, said a top International Monetary Fund (IMF) official

Almost every country slowing, India a bright spot compared to others: IMF
The Indian Express, October 12, 2022

IMF praises RBI for appropriately tightening the monetary policy to curb inflation as the inflation is above target

IMF praises RBI for tightening the monetary policy to curb inflation
Business Standard, October 12, 2022

IMF cuts its forecast for India’s gross domestic product (GDP) growth in financial year 2022-23 (FY23) by 60 basis points warning of a long and tough economic winter

IMF cuts India’s FY23 GDP forecast to 6.8%, flags global inflation crisis
Business Standard, October 12, 2022

According to IMF, India’s combined fiscal deficit (Centre + states) is likely to return to the pre-pandemic level (FY20) of 7.5 per cent of gross domestic product (GDP) only by FY27

India macro indicators may return to FY20 levels by FY27, says IMF
Business Standard, October 12, 2022

India must implement reforms to enable its economy to grow very fast on a sustained basis, said Pierre-Olivier Gourinchas, chief economist of the IMF

India is a bright light economy, but key structural reforms needed for $10 trillion GDP: IMF chief economist
The Indian Express, October 13, 2022

IMF projects India’s debt ratio to be 84 per cent of its GDP while also stressing that it is important to have a very clear medium-term objective on the fiscal

India’s debt ratio projected to be 84 per cent of its GDP: IMF
The Indian Express, October 13, 2022

IMF lauds India for its social welfare programmes, calls it a logistical marvel

IMF calls India’s deployment of cash transfer scheme a ‘logistical marvel’
The Economic Times, October 13, 2022

Finance minister Nirmala Sitharaman calls for enhanced policy cooperation and sharing of experiences among countries to deal with downside risks to global economic recovery and their spill-overs

FM Sitharaman calls for enhanced joint efforts to tackle global recovery woes
The Financial Express, October 14, 2022
FM Sitharaman offers India’s open source network for digital public goods and application programming interface to other countries that need such expertise

FM Sitharaman offers open source network India Stack to other countries
Business Standard, October 14, 2022

IMF projects India to become the third-largest economy by 2027-28, when it is projected to grow bigger than Japan

India to become world’s third-largest economy by FY28, says IMF
Business Standard, October 14, 2022

FM Nirmala Sitharaman met IMF’s Deputy Managing Director Gita Gopinath and discussed current global matters, including food and energy security issues, global debt vulnerabilities, climate issues, digital assets and the upcoming G-20 presidency of India

FM Sitharaman discusses current global situation and India’s G-20 presidency with IMF’s Deputy Managing Director Gopinath
The Economic Times, October 15, 2022