Weekly Economic Roundup

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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.

Since 2016, in keeping with India's increasing global profile, DPG has expanded its focus areas to include India's regional and global role and its policies in the Indo-Pacific. In a realist environment, DPG remains mindful of the need to align India's ambitions with matching strategies and capabilities, from diplomatic initiatives to security policy and military modernisation.

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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.

Cover Photograph:

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Courtesy: RBI Governor, Shaktikanta Das gave an address on August 6, 2020
Source: @RBI|Twitter

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POLICY AND REGULATORY FRAMEWORK

Government gives nod for exports of indigenously made ventilators
Centre decides to allow export of indigenous ventilators as COVID-19 fatality rate falls to 2.15 pc
The Economic Times, August 1, 2020

Necessary ecosystem being built in the country for Innovation, Research, Design, Development and Entrepreneurship, says PM Modi
PM addresses Grand Finale of Smart India Hackathon 2020
Press Information Bureau, August 1, 2020

NEP, an exercise to reform the country’s mind set and approach focussing on job creators
New National Education Policy: Focus is on job creators, not job seekers, says PM
The Indian Express, August 2, 2020

BIS certification to be made mandatory for heavy machinery and equipment
Government to mandate BIS certification for safety of machinery; move to curb Chinese imports
The Hindu BusinessLine, August 2, 2020

India needs to improve factor productivity and reduce incremental capital-output ratio to achieve higher growth rate
India needs to grow much faster over next decade to become important global player: N K Singh
The Economic Times, August 2, 2020

India takes a giant step forward to establishing itself as a knowledge superpower, says Amitabh Kant
Education policy reform will help India leverage its demographic dividend
The Indian Express, August 3, 2020

Licence raj to be back for building Atmanirbhar Bharat
Building Atmanirbhar Bharat: Licences likely for furniture, sports gear and toy imports
The Economic Times, August 4, 2020
Centre contemplates measures to prevent re-routing Chinese goods to India
With eye on China, India looks to increase barriers on imports from Asia
Business Standard, August 4, 2020

Restrictions on imports may be steps towards self-reliance but may lead to failed policies of licence raj
No going back
The Indian Express, August 4, 2020

Percentage of income tax cases under scrutiny declines to 0.25% in AY 2018-19
Scrutiny of income tax cases on the decline, says Finance Ministry
The Hindu BusinessLine, August 5, 2020

Centre’s Garib Kalyan Rojgar Abhiyaan provides employment and livelihood opportunities to migrant workers
Garib Kalyan Rojgar Abhiyaan generates 7 crore mandays of employment in the 6 weeks since inception
The Economic Times, August 6, 2020

RBI keeps repo rate unchanged in view of Covid-19
RBI monetary policy review: Repo rate unchanged at 4%; stance accommodative
Business Standard, August 6, 2020

RBI may allow restructuring of loans to stressed small businesses
Shaktikanta Das’ prescription for Covid: What’s in it for borrowers, businesses and Bharat
The Economic Times, August 6, 2020

RBI initiates renewed measures to propel industry and banks to return to normalcy
Reserve Bank of India ends loan repayment moratorium, unveils restructuring plan
The Economic Times, August 7, 2020

RBI offers special liquidity facility to NABARD and National Housing Bank
RBI gives affordable housing, rural lending second boost with Rs 10,000 crore facility
The Economic Times, August 7, 2020
Prime Minister delivers the inaugural address at the ‘Conclave on Transformational Reforms in Higher Education under National Education Policy’

**PM Modi’s address on higher education under NEP: Key points**
The Times of India, August 7, 2020

New national education policy to shift focus from ‘what to think’ to ‘how to think’

**NEP lays foundation for ‘New India’, shifting away from ‘herd mentality’, says PM Modi**
The Hindu, August 7, 2020

Uncertainty surrounding the inflation outlook and the weak state of the economy propel RBI to keep interest rate unchanged

**Explained: Why the RBI has left interest rates unchanged**
The Indian Express, August 7, 2020
ECONOMIC TRENDS

Major automobile manufacturers witness sharp recovery in July 2020

First-time buyers, sharp rural recovery and pent-up demand help automakers return to fast lane in July
The Indian Express, August 1, 2020

Increase in power consumption in June indicates spurt in economic activity

Power consumption slump narrows to 2.64% in July; Likely to hit normal level in August
The Financial Express, August 1, 2020

Forex reserves surge to record high levels in July 2020

India’s forex reserves at new record high of $523 billion
The Financial Express, August 1, 2020

Automobiles sales register uptick in July 2020

July sales bring some cheer to automakers
The Hindu BusinessLine, August 2, 2020

FMCG sector shows improvement in growth ahead of festive seasons

FMCG sector shows recovery ahead of festival seasons on the back of rural, pent-up demand
The Hindu BusinessLine, August 2, 2020

GST collections increase to 86% in July Y-o-Y basis

Unlock impact: GST mop-up in July shows green shoots of recovery
The Financial Express, August 2, 2020

Steel companies increase prices due to rise in domestic demand and international prices

Steel firms hike prices by Rs 2,000 a tonne in 10 days on demand spike
Business Standard, August 2, 2020

Rural demand for work under MGNREGS falls sharply in July 2020

Demand for work under the rural employment guarantee scheme falls sharply in July
The Economic Times, Aug 3, 2020
Local Lockdowns stall India’s economic recovery

*India’s road to recovery gets bumpier in July, thanks to local lockdowns*

The Economic Times, Aug 3, 2020

Manufacturing PMI drops to 46 as manufacturing activity worsens in July 2020

*India’s manufacturing sector activity contracts for 4th straight month in July: PMI*

The Economic Times, August 3, 2020

Almost 30% of migrant labourers are back to work in cities

*Two-thirds of migrant workers have returned to cities or wish to do so: Survey*

The Economic Times, Aug 3, 2020

Flagship financial inclusion drive succeeds as deposits exceed Rs 1.30 lakh crore

*Bank accounts opened under Pradhan Mantri Jan Dhan Yojana crosses 40-crore mark*

The Economic Times, Aug 3, 2020

Sharp rise in number of e-way bills in July

*E-way bill generation higher in July at 48.3 million; still lower than pre-Covid levels*

The Economic Times, Aug 4, 2020

Positive economic indicators in July, a reflection of post lockdown normalisation and pent up demand

*Early indicators of economic activity in July show improvement over June: Nomura*

The Economic Times, August 4, 2020

Services sector activity shrinks for the fifth consecutive month in July

*Services activity contraction weakens in July but downturn not slowing: IHS Markit*

The Economic Times, August 5, 2020

Divergence between economic outlook and Indian stocks widens

*India has worst disconnect between stock rally, gloomy economy*

Business Standard, August 5, 2020
Shopping mall revenues likely to fall by half in the ongoing financial year
*With empty food courts, restaurants and multiplexes, mall revenues set to fall to half amid pandemic*
Financial Express, August 5, 2020

Gold prices cross new heights on strong rally in global markets
*Gold breaches Rs 55,000 mark*
The Hindu BusinessLine, August 5, 2020

Manufacturing sector faces scarcity of skilled labour as economy opens
*Economy opens but migrant labour yet to return; manufacturing in these cities bears maximum brunt*
The Financial Express, August 5, 2020

Persistence of supply chain disruptions likely to lead to inflationary pressures across segments
*Inflation likely to be elevated in second quarter: RBI Governor Shaktikanta Das*
The Economic Times, August 6, 2020

Domestic economy to remain in the negative zone in the current fiscal
*Protracted spread of COVID-19 poses downside risk to economy: Reserve Bank of India*
The Economic Times, August 6, 2020

Employment rate of 37.6% in July indicates slowdown in recovery of economic activity
*Recovery in employment rate slows down in July at 1.7 percentage points: CMIE*
The Economic Times, August 6, 2020

Centre extends benefits to sugar mills supplying to SEZ
*Sugar exported to refineries within SEZ to be eligible for export benefits: Govt*
The Economic Times, August 6, 2020

Business optimism slumps to record low due to pandemic, extension of lockdown and staggered easing of restrictions
*Covid fallout: Business optimism for July-September quarter slips to record low*
The Financial Express, August 7, 2020
COVID-19 impact: Consumer confidence declines to 53.8 in July 2020

*Consumer confidence hits all-time low amid job fear, falling incomes, economic fallout: RBI*

The Financial Express, August 7, 2020
TRADE AND INVESTMENT

Crude oil imports fall to 19% in June 2020 Y-o-Y basis
India’s June crude oil imports lowest in over 5 years; exports fall
Business Standard, August 2, 2020

Foreign portfolio investors remain net buyers in July 2020
FPIs net buyers for second consecutive month in July; invest Rs 3,301 crore
Business Standard, August 2, 2020

Disruption in business activities and ban on import of TVs to hit prominent Chinese brands
Import ban on TVs: Xiaomi to TCL, Chinese majors face double whammy
Business Standard, August 3, 2020

Transactions on UPI reaches 631 crore during Apr-July 2020
UPI transactions hit a new high of 149 crore in July with transaction value reaching Rs 2.91 lakh crore
The Economic Times, August 3, 2020

Export numbers for the month of July reflect economic recovery
July exports at nearly last year’s level; economy on path to revival: Goyal
Business Standard, August 4, 2020

FTAs have potential to double India’s trade
ASEAN-India FTA review can double trade between the two, says Puri
The Hindu BusinessLine, August 4, 2020

Foreign investors to take approval from Government before participating in coal auction
India blocks firms from China, other neighbours in commercial coal auction
Business Standard, August 5, 2020

Credit offtake in the MSME sector saw severe contraction in June 2020
Credit growth in MSME segment faces severe contraction despite ‘Emergency Credit Line Guarantee Scheme’
The Financial Express, August 5, 2020
DGFT pushes for increase in exports and reduction in imports

*Foreign trade regulator rejig to cut imports, promote ‘Make in India’ and ‘Ease of Doing Business’*

The Financial Express, August 5, 2020

India terminates anti-dumping investigations on imports of naphthalene

*India terminates anti-dumping probe on naphthalene imports from China, EU, others*

The Economic Times, August 5, 2020

Central Board of Indirect Taxes and Customs imposes precautionary measures to ensure safe storage of explosive articles

*CBIC asks Customs to check within 48 hours explosives stored in warehouses, ports*

The Economic Times, August 6, 2020

India to overcome infrastructural and bureaucratic impediments to improve economic relationship with Japan

*India – Japan are top strategic partners but the sub-optimal economic relationship needs fixing*

The Financial Express, August 7, 2020
INTERNATIONAL SCENE

India spells out terms to back the next head of WTO
Race for WTO chief heats up: India spells out terms for its support
Business Standard, August 5, 2020

India and Japan to discuss increasing cooperation in manufacturing and
digital technology
India, Japan to hold investment forum
The Hindu BusinessLine, August 5, 2020