Weekly Economic Roundup

Expansion Resumes
Pickup in India’s services sector helped lift overall activity

Score: 7

Business Activity

Order Books

Output Prices

Source: IHS Markit
NOTE: Index reading above 50 indicates growth. Score is based on the three-month weighted averages of the indicators against the past 30 months historical data.

Bloomberg

Volume II, Issue 40 | October 2, 2021
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.

At a time of disruptive change in the global order, DPG aims to deliver research based, relevant, reliable and realist policy perspectives to an actively engaged public, both at home and abroad. DPG is deeply committed to the growth of India’s national power and purpose, the security and prosperity of the people of India and India’s contributions to the global public good. We remain firmly anchored within these foundational principles which have defined DPG since its inception.

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:

(Photograph)

Courtesy: The online retail market in India is expected to reach $350 billion by 2030 from $45-50 billion - Source: @EconomicTimes|Twitter

PMI Manufacturing moved up to 53.7 in September, third successive month of expansion - Source: @businessline|Twitter

Brisk vaccination rate primes Indian economy for acceleration - Source: @BloombergQuint|Twitter

© 2021 by the Delhi Policy Group

Delhi Policy Group
Core 5A, 1st Floor,
India Habitat Centre,
Lodhi Road, New Delhi- 110003.
www.delhipolicygroup.org
Contents

POLICY AND REGULATORY FRAMEWORK ........................................ 1
ECONOMIC TRENDS .................................................................. 5
TRADE AND INVESTMENT ......................................................... 8
INTERNATIONAL SCENE ......................................................... 10
POLICY AND REGULATORY FRAMEWORK

RBI issues new rules for securitisation of standard assets, loan transfer
RBI issues master direction for securitisation of standard assets, loan transfer
The Hindustan Times, September 25, 2021

2.82 crore families covered under the flagship Saubhagya scheme
Saubhagya scheme sees electrification in 2.82 crore households
The Financial Express, September 25, 2021

Union Minister for Commerce and Trade expresses optimism at India’s path to recovery and rapid growth
India on path of recovery from challenging times of pandemic: Goyal
The Financial Express, September 25, 2021

Relentless reforms have been initiated by the Centre since 2014 to shift the economy from being fragile to the fastest growing economy
Relentless reforms by Centre since 2014: FM
The Indian Express, September 25, 2021

Advance tax collections grow during second quarter of current fiscal, Y-O-Y
Advance tax collection up 52% in September quarter, shows CBDT data
Business Standard, September 25, 2021

India would need additional banks like the SBI to support economic growth
India needs 4-5 more banks like SBI: FM Nirmala Sitharaman
The Hindu, September 26, 2021

Government of India extends timeline for re-export to ease container shortage felt by exporters
To curb shortage, government eases re-export timeline of containers by 3 months
The Indian Express, September 26, 2021

Finance ministry constitutes an eight-member Group of Ministers to identify potential sources of GST evasion and suggest changes in business processes and IT systems to plug revenue leakage
Group of Ministers formed to suggest GST system reforms
The Financial Express, September 27, 2021
Existing foreign trade policy (FTP) extended till March 31 next year
Government to extend existing foreign trade policy till March next: Goyal
Business Standard, September 27, 2021

Ayushman Bharat Digital Mission launched to create a seamless online
platform enabling interoperability within the digital health ecosystem
Prime Minister of India launches countrywide Ayushman Bharat Digital
Mission
PIB, September 27, 2021

Workers from Bihar, Uttar Pradesh, Madhya Pradesh, Odisha, West Bengal and
Andhra Pradesh make up most of those registered on the informal sector
database
17.1 million workers added to informal sector database
The Hindustan Times, September 27, 2021

Government of India reduces the annual gross borrowing target to ₹10.46 lakh
crore for the year ending March 31
Government effectively cuts borrowing target for FY22
The Hindustan Times, September 28, 2021

Government to borrow during second half of FY22 to fund revenue gap
Centre to borrow ₹5.03 lakh crore in second half of FY22
Live mint, September 28, 2021

Prime Minister Modi launches new crop varieties developed by the Indian
Council of Agricultural Research
PM Modi launches 35 crop varieties, highlights climate challenge
The Hindustan Times, September 28, 2021

Goods manufactured by the company registered under the scheme to be
eligible for the incentives
Only manufacturing firms registered in India to be eligible under ₹10,683-
crore PLI scheme for textiles sector
The Economic Times, September 28, 2021

Director-General of Civil Aviation extends the suspension on scheduled
international commercial passenger flights till October 31, 2021
India extends ban on scheduled international flights till Oct-end. Details here
Live mint, September 28, 2021
Reduction in compliance measures lead to improvement in competitiveness, innovation and ease of doing business

*Measures to reduce compliance burden have multiplier effect on ease of doing biz: Piyush Goyal*

The Indian Express, September 28, 2021

DGTR recommends extension of the existing anti-dumping duty on imports of axle for trailers originating in or exported from China

*DGTR for extending anti-dumping duty on trailer axles from China*

The Financial Express, September 28, 2021

India beats global average in fintech adoption

*India's fintech adoption rate at 87% as compared to 64% globally: FM*

Business Standard, September 28, 2021

Over 22,000 compliances reduced under initiative to lessen compliance burden

*Over 22,000 compliances reduced, says government*

The Hindustan Times, September 29, 2021

Government expands the scope of the Emergency Credit Line Guarantee Scheme to benefit a larger number of Covid-hit businesses ahead of the festival season

*Guaranteed loan scheme extended till FY22 end; micro-finance institution scheme used up in 75 days*

The Financial Express, September 30, 2021

Union Cabinet gives nod to capital infusion of Grant-in-aid to National Export Insurance Account from FY 2021-2022 to FY 2025-2026

*Government approves continuation of the National Export Insurance Account (NEIA) scheme and infusion of ₹1,650 crore Grant-in-Aid over 5 years*

PIB, September 29, 2021

Union Cabinet gives nod to capital infusion into ECGC ltd. to encourage public participation in the equity holding of the company

*Cabinet approves ECGC IPO, ₹4,400 crore capital infusion: Goyal*

Business Standard, September 30, 2021
Union cabinet expands coverage of mid-day meal scheme, allocates ₹1.3 trillion crores for five years
Cabinet okays revamped mid-day meal scheme with expanded coverage
Business Standard, September 30, 2021

Government to extend tax neutralisation scheme to special economic zones and export oriented units
RodTEP may be extended to special economic zones and export oriented units
The Economic Times, September 30, 2021

India treating digital infrastructure as public good to integrate more people into the formal sector
India’s digital infra to set it apart in tech-led growth: CEA KV Subramanian
The Economic Times, September 30, 2021

India to become one of the largest digital markets in the world, says Commerce Minister
“At 87%, India has the highest FinTech adoption rate in the world against the global average of 64%”: Shri Piyush Goyal
PIB, September 30, 2021

Government’s fiscal deficit is at ₹468 lakh crore of budget estimate
Fiscal deficit touches 31.1% of annual target at end-August
The Times of India, September 30, 2021

External debt prudently managed despite Covid-19
India’s external debt prudently managed despite Covid-19: FM Nirmala Sitharaman
The Economic Times, September 30, 2021

Prime Minister Narendra Modi launches phase 2 of Swachh Bharat Mission-Urban and AMRUT 2.0
PM Modi launches second phases of Swachh Bharat Mission-Urban, AMRUT
The Hindu, October 1, 2021

GST collection continues to exceed ₹1 trillion mark for the third month showing clear signs of recovery
GST mop-up hits ₹1.17L-crore in September
The Hindustan Times, October 1, 2021
ECONOMIC TRENDS

Labour market registers swift recovery but the recovery is partial in nature
Unemployment rate seems settled at 7-8%, says CMIE’s Mahesh Vyas
The Financial Express, September 25, 2021

Indian economy is on recovery path and clearly moving out of the "dark clouds" brought on by Covid-19
Leading indicators suggest economy recovering, says economist
Bhanumurthy
Business Standard, September 26, 2021

Coal plants are running low on stockpiles forcing the country to buy expensive shipments of the fuel
Coal shortage deepens in India amid plunging plant inventories
Business Standard, September 27, 2021

Monthly expansion in indicators, low Covid cases and pick-up in pace of vaccination show signs of economic recovery
Brisk vaccination rate primes Indian economy for acceleration
BloombergQuint, September 27, 2021

Quarterly Economic Survey report a decline in employment
27% companies reported job losses in pandemic: Survey
Times Top100, September 27, 2021

India’s top 10 listed property developers trim their consolidated net debt levels between March 2020 and June 2021
Top 10 listed real estate firms cut debt by 37% post Covid-19
The Hindustan Times, September 27, 2021

Nomura Business Resumption Index came at 105 for the week ended Sunday
Higher mobility scores in Hyderabad, Pune drives business resumption activity index to new high
The Economic Times, September 28, 2021

Icra revises GDP growth forecast for FY22
Icra increases GDP growth forecast to 9%
The Hindustan Times, September 28, 2021
Housing sales in top seven cities more than double on an yearly basis due to robust hiring and pay rise in the IT/ITES segment

Home sales more than double in Q3CY21 on robust hiring, pay hike in IT/ITES

Business Standard, September 29, 2021

S&P retain growth forecast as economic activity in India show signs of strong rebound after the second wave of the pandemic waned

S&P retains FY22 growth forecast at 9.5%

The Hindustan Times, September 29, 2021

Chief Economic Advisor exudes confidence over India’s economic potential

Expect more than 7% growth for India this decade: CEA Subramanian

Live mint, September 30, 2021

Unemployment and coronavirus emerge as the biggest worries of Urban Indians

Unemployment, Covid-19 top most worries for urban Indians: Survey

Business Standard, September 30, 2021

Indian ecommerce to become the third largest market eclipsing mature markets such as the UK and South Korea

Ecommerce market in India to reach $350 billion by 2030: RedSeer Consulting

The Economic Times, October 1, 2021

Eight core industries, including coal, crude oil, and steel, posted a growth of 11.6 per cent in August on a yearly basis

Core sectors’ output grows 11.6 per cent in August

The Financial Express, October 1, 2021

Manufacturing PMI increases to 53.7 in September from 52.3 in August

PMI Manufacturing moved up to 53.7 in September, third successive month of expansion

The Hindu BusinessLine, October 1, 2021

Growth in power consumption show signs of subdued recovery

India’s power consumption up 1.83% at 114.49 billion units in September

Business Standard, October 1, 2021

Retail inflation for industrial workers eases in August 2021

Retail inflation for industrial workers eases to 4.79% in August

The Economic Times, October 1, 2021
Improving economic indicators show a good start to the second half
Economy looking up at the end of the first half of FY22
The Hindustan Times, October 1, 2021

Companies witness improvement in their ratings from three credit rating agencies
Credit rating upgrades at a decade’s high in April-September
The Hindustan Times, October 2, 2021
TRADE AND INVESTMENT

PM Narendra Modi laid “strong emphasis” on developing trade and economic relations with the United States in first-ever in-person meeting with President Joe Biden.

India, US looking forward to reconvening trade policy forum this year
The Financial Express, September 25, 2021

Foreign exchange reserves decline by $1.47 billion to $639.642 billion in the week ended September 17.

Forex reserves slip on slump in currency assets, down $1.4 billion
The Indian Express, September 26, 2021

FPIs remain net buyers in September 2021

FPIs net buyers at Rs 21,875 crores so far in September
The Economic Times, September 26, 2021

India emerges as Dubai’s second biggest trading partner as overall volume touches 38.5 billion dirham in the first half of 2021.

India emerges as Dubai’s second biggest trade partner
The Hindu BusinessLine, September 27, 2021

Australia-India Business Champions Group’s role is important as it provides a platform for greater engagement between the policymakers of the two countries.

India, Australia must work towards enhancing supply chain resilience: Piyush Goyal
The Economic Times, September 28, 2021

Gems and jewellery exports rise in August on strong demand for the coming festive season and the removal of entry restrictions.

Gems and jewellery exports grows to record ₹24,239.81 crores in August
Business Standard, September 28, 2021

India to attract cross-border investment in 2022

India likely to attract $2.5 billion cross-border realty investment in 2022: Report
The Economic Times, September 29, 2021
External debt registers modest increase to USD 579 billion as of March-end 2021, Y-o-Y

*Covid-induced lockdowns hit private sector's overseas borrowing*

Business Standard, September 30, 2021

India and the US must have a trade architecture between them

*Free Trade Agreement is the next frontier in India-US relationship: USIBC president*

The Economic Times, September 30, 2021

Foreign exchange increase during the June quarter, Y-o-Y

*Foreign exchange reserves rise $34.1 billion in June quarter: RBI data*

Business Standard, October 1, 2021

Indian company signs an agreement with Sri Lanka Ports Authority to build a brand new terminal

*India counters China in Sri Lanka with $700 million port deal*

Live mint, October 1, 2021

India and Australia aim to conclude FTA by 2022-end

*Free Trade Agreement: India, Australia eye FTA by end-2022, early harvest deal by Christmas*

The Financial Express, October 1, 2021

India’s palm oil imports more than double in September, Y-o-Y

*Duty cut lifts India’s palm oil imports in September to a record 1.4 million tonnes*

Business Standard, October 1, 2021

India’s current account balance registers a surplus of $6.5 billion

*India current account surplus at 0.9% in Q1FY22 after previous quarter deficit*

Business Standard, October 1, 2021

India’s merchandise exports in September 2021 are USD 33.44 billion, an increase of 21.35%, Y-o-Y

*INDIA’S MERCHANDISE TRADE: Preliminary Data September 2021*

PIB, September 1, 2021
**INTERNATIONAL SCENE**

India and Taiwan in talks on an agreement to bring chip manufacturing to South Asia  
*India accelerates talks with Taiwan on $7.5-billion chip plant, trade deal*  
The Economic Times, September 27, 2021

Ford to invest $11.4 billion, create employment and power new line up of advanced electric vehicles (EVs), batteries  
*Ford to create 11,000 jobs in electric vehicles push*  
Live mint, September 28, 2021

Union Health Minister Mansukh Mandaviya addresses the closing session of the fourth Indo-US Health Dialogue  
*‘India, US need to work jointly in reforming global health architecture’*  
Business Standard, September 28, 2021

FM Nirmala Sitharaman urged the United Nations for institutional recognition of mental wellbeing of vulnerable sections through psychosocial support  
*Post-pandemic policies must give adequate recognition to mental wellbeing: FM*  
The Economic Times, September 28, 2021

India’s Covid-19 vaccination coverage crosses 87 crores  
*India successfully carrying out world’s biggest vaccination programme: FM*  
Sitharaman  
Live mint, September 29, 2021

India witnessed digital transactions worth ₹6 trillion between January and August, 2021  
*FM: e-transactions saw huge jump in Jan-Aug*  
The Hindustan Times, September 29, 2021

Digital health ID system ensure equitable, accessible healthcare delivery and accelerate progress on India’s health goals  
*Bill Gates hails India’s digital health ID system*  
Live mint, September 29, 2021
Asian Infrastructure Investment Bank approves loan for expansion of Chennai metro

**AIIB grants $356.67 million loan for Chennai Metro; bank’s total India funding rises to $6.7 billion**

The Economic Times, September 28, 2021

NITI Aayog, Amazon Web series and Intel come together to showcase potential of technologies and accelerate their application in public sector use cases

**NITI Aayog, AWS, and Intel Collaborate to Accelerate Digital Innovation in India**

PIB, September 30, 2021

Expo to go a long way in further building a deep and historical relation with UAE, and with Dubai

**PM’s message at India Pavilion at Expo 2020 Dubai**

PIB, October 1, 2021

The entire world is looking towards India as a trusted partner, says Piyush Goyal at Dubai Expo 2020

**Shri Piyush Goyal welcomes the world to participate in India’s Golden Growth Story**

PIB, October 1, 2021