Weekly Economic Roundup

Cabinet Decisions: 15 Dec, 2021

MAKE IN INDIA SEMICONDUCTORS FOR THE WORLD
Scheme for holistic development of Semiconductor & Display manufacturing ecosystem

Electronics Roadmap to 2025-26
Electronic Manufacturing

27% CAGR
$300 Bn
(₹18.75 Lakh Crore)

$75 Bn
(₹5.62 Lakh Crore)

2020-21
2025-26

Volume II, Issue 51 | December 18, 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)

Big push to design, make semiconductor chips in India gets Cabinet nod

Source: @transformingIndia|Twitter

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POLICY AND REGULATORY FRAMEWORK

PM Modi calls for fintech revolution with security shield
Union Cabinet gives nod to continuation of ocean research scheme to strengthen the ongoing activities towards delivering cutting edge technology applicable for marine domain
Cabinet approves continuation of the umbrella scheme "Ocean Services, Modelling, Application, Resources and Technology (O-SMART)"
PIB, November 24, 2021

Omicron variant’s impact on the economy to be less severe due to rapid vaccination
India to be among a few economies to rebound strongly; impact of Omicron to be less severe: Finance Ministry
The Financial Express, December 11, 2021

Government must play role of facilitator to ensure success of startups
Less government interference will make startup ecosystem grow: Piyush Goyal
Business Standard, December 12, 2021

Primary aluminium producers urge for hike on import duties to discourage cheap imports into the country
Primary aluminium players seek import duty hike on premium products to 10%
Business Standard, December 13, 2021

Maharashtra tops the list of states with maximum number of beneficiaries under the Atmanirbhar Bharat Rozgar Yojana followed by Gujarat, Tamil Nadu, Karnataka and Uttar Pradesh
Maharashtra tops the list of Atmanirbhar Bharat Rozgar Yojana beneficiaries
The Economic Times, December 13, 2021

Government must act as a facilitator and as a catalyst and we’ll continue to push all reforms in that direction
Government will continue to push for greater reforms across sectors: NITI Aayog CEO Amitabh Kant
The Economic Times, December 13, 2021

Government of India achieves considerable progress in implementation of projects under Smart City
5,809 Smart City Projects under implementation/completed till November 2021
PIB, December 13, 2021
Fortified rice with essential nutrients to be distributed through the targeted public distribution system (TPDS) and other welfare schemes (OWS) by March 2024
Centre plans to distribute 37.5 million tonnes of fortified rice by March 2024
Business Standard, December 14, 2021

Privatization to be the primary mode of disinvestment receipts
Privatization of public sector units to drive divestment receipts: MoS
Business Standard, December 14, 2021

India to ramp up its Covid vaccine manufacturing capacity and produce 5 billion doses of vaccines in the coming year
India to produce 5 billion Covid vaccine doses next year: Piyush Goyal
Business Standard, December 14, 2021

Government of India to initiate measures to improve ‘Ease of Living’ and ‘Ease of doing business
Centre to brainstorm on reducing compliance burden of citizens, businesses
Business Standard, December 14, 2021

Central bank defines three risk thresholds for applying prompt corrective action to NBFCs
RBI introduces prompt corrective action framework for NBFCs
Live mint, December 14, 2021

FM Nirmala Sitharaman to kick start the customary pre-Budget consultation exercise and hold first such meeting with experts of agriculture and agro-processing industry
FM to hold pre-Budget consultations with stakeholders beginning Wednesday
Business Standard, December 14, 2021

7,30,013 new companies incorporated during the period 25.09.2014 to 31.03.2021 under the Make in India initiative
More than 7 lakh companies incorporated after announcement of Make in India programme
PIB, December 14, 2021

Government creating unique IDs of farmers to link farmer profile with all agricultural schemes
Government creating unique IDs of farmers enrolled under agri-schemes, says Minister Tomar
The Economic Times, December 14, 2021
Net income tax revenue from April to December 7 is at ₹7.39 trillion
Business Standard, December 15, 2021

PM Modi stresses on the importance of zero budget natural farming, calls for a mass movement
Business Standard, December 15, 2021

Finance ministry invites global bids for strategic sale of Projects & Development India Limited as part of the disinvestment process
The Economic Times, December 15, 2021

Cabinet clears ₹76,000-crore PLI scheme for semiconductor manufacturing
The Hindustan Times, December 15, 2021

Union Cabinet initiates scheme to further boost digital transactions in the country
PIB, December 15, 2021

Cabinet Committee on Economic Affairs approves implementation of Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) for 2021-26 with an outlay of ₹93,068 crore
PIB, December 15, 2021

MPC may turn neutral in its stance in April'22 and raise repo rate in June
The Economic Times, December 15, 2021

RBI to introduce BASEL III standardised approach to replace existing approaches for measuring minimum operational risk capital requirements of banks
The Economic Times, December 15, 2021
Government of India issues notification regarding ban on Chinese imports
**BAN ON CHINESE GOODS**
PIB, December 15, 2021

Government slashes GST rate on ethanol meant for blending under the Ethanol Blended Petrol (EBP) programme
**Government cuts GST rate on ethanol meant for blending to 5%**
Live mint, December 16, 2021

Indian industry calls for measures to firmly entrench nascent signs of recovery
**India Inc. pitches for more reforms and tax stability in Budget 2022-23**
The Financial Express, December 16, 2021

Stamp duty is applicable on physical transaction of securities: Finance Ministry
**Physical transactions in securities to draw stamp duty**
The Economic Times, December 16, 2021

863 investment projects worth $121 billion under consideration
**Investment proposals worth $121 billion in the pipeline**
The Financial Express, December 17, 2021

Government to roll out 5G connectivity in fast track mode to avoid further delays
**On the fast track: Government plans to complete 5G auctions in July**
Business Standard, December 17, 2021

Parliamentary joint committee on the Personal **Data Protection (PDP) Bill**, 2019 presents its report, recommending changes to draft legislation, including altering its name to “**Data Protection Bill**”
**12 recommendations made by Parliamentary panel in report on Personal Data Protection**
Business Standard, December 17, 2021

Government to lower its stake in state-run banks and unclog credit flow to the economy
**India is mulling changes in law to cut government’s stake in banks**
The Economic Times, December 17, 2021
Government advises citizens to stay away from instant mobile application-based lenders

Government issues warning, says installing unknown lending apps may compromise data
The Hindustan Times, December 17, 2021

Government aims to overhaul telecommunication sector and do away with century-old policies and years of bitter litigation

India to revamp century-old telecom laws that bar digital dream
Business Standard, December 17, 2021

Commerce Minister Piyush Goyal exudes confidence that negotiations for a free trade agreement between India and the UK will be launched next month

India-UK FTA negotiations likely to start next month: Goyal
The Financial Express, December 17, 2021

PM Modi interacts with leading private equity, venture capital players seeking suggestions towards improving the Ease of Doing Business in India, attracting more capital and furthering the reform process in the country

PM hosts roundtable interaction with representatives of Venture Capital and Private Equity Funds
PIB, December 17, 2021

Weekly Positivity Rate (0.62%) is less than 1% for last 34 days

COVID-19 UPDATE
PIB, December 18, 2021
ECONOMIC TRENDS

Economists call for more measures to support revival, pointing to below-expectation growth in October and signs of moderation in some of the high-frequency indicators in November

Economists fear India’s recovery may be plateauing
The Economic Times, December 11, 2021

Consumption of power registers an uptick with improvement in economic activities

Power consumption rises 1.3% to 34.23 billion units in 1st ten days of December
Business Standard, December 12, 2021

Rice export prices in India slip to their lowest since December 2016 as a weaker rupee allowed exporters to cut rates

Rice prices fall to 5-year low over weak rupee allow exporters to cut rates
Business Standard, December 13, 2021

Nomura Business Resumption Index rose to 115.8 for the week ended December 12, 2021

Business activity grows to new high despite Omicron threat: Nomura
The Economic Times, December 13, 2021

Retail inflation registers an uptick to 4.91% in November led by a rise in food prices

India’s retail inflation rises to 3-month high in November
Live mint, December 13, 2021

Urban unemployment rate spiked to double-digit rate for the first time in 17 weeks, to reach 10.09 per cent for the week-ended December 12

For the week ended December 12: ‘Urban jobless rate at double-digit level’
The Indian Express, December 14, 2021

Wholesale price inflation spikes in November due to rise in prices of mineral oils, basic metals, crude petroleum & natural gas, chemicals and chemical products, food products

India’s WPI inflation spikes to 14.23% in November: Government data
The Indian Express, December 14, 2021
Hiring sentiment in India is the strongest, improving by five percentage points in comparison with the prior quarter

*Indian corporate hiring outlook in Jan-March strongest in 8 years: Survey*

Business Standard, December 14, 2021

Call off of 15-month long agitation by farmers to have a positive impact on India’s GDP growth

*Ending of farmers’ protests to add 0.25% to India’s GDP: President of PHD Chamber of Commerce and Industry*

The Economic Times, December 14, 2021

Daily e-way bill generation is at 21.72 lakh in the first 12 days of December indicating demand pick-up and stocking by traders ahead of year-end vacations

*E-way bill generation up ahead of year-end vacations*

The Financial Express, December 15, 2021

Technological innovation accelerates contactless healthcare and faster decision making

*Covid-19 pandemic accelerates digital adoption in health sector: PwC India*

Business Standard, December 15, 2021

Host of incoming high frequency indicators are looking upbeat and consumer confidence is gradually returning in India

*State of the economy report: Outlook remains upbeat, says RBI*

The Indian Express, December 16, 2021

Gasoil sales by state fuel retailers were 2.87 million tonnes during December 1-15

*India's Dec 1-15 gasoil sales rise as industries crank up, data shows*

Business Standard, December 16, 2021

Consumer sentiment index in November 2021 is lower at 43%

*Consumer sentiment still below pre-Covid levels: CMIE*

The Economic Times, December 16, 2021

India’s iron-ore production records a surge in the first seven months of the ongoing fiscal

*India’s Apr-Oct iron ore production at 143 MT; set to surpass FY’20 record*

The Economic Times, December 16, 2021
Advance tax collections double in Q3, Y-o-Y

Advance tax collections grow 90% in Q3 of FY22

The Economic Times, December 17, 2021

Proportion of domestic air passengers increases in November 2021, M-o-M

10.5 million domestic air passengers in Nov, 17% higher than Oct; DGCA

Business Standard, December 17, 2021

Net direct tax collection increases signalling that the government may end up this fiscal year with a comfortable revenue position

Net direct tax collection jumps 60.8% to ₹9.5 trillion in FY22 so far

Business Standard, December 17, 2021
TRADE AND INVESTMENT

India’s merchandise exports are expected to grow largely due to continued growth momentum in advanced economies and the resultant increase in global import demand, along with favorable global commodity prices

*India’s merchandise exports to grow 51% in April-Dec 2021 period: Exim Bank*
*Business Standard, December 13, 2021*

India’s top oil and gas producer ONGC is seeking a minimum price for the natural gas it plans to produce from coal seams in Jharkhand and a field in Tripura

*ONGC seeks minimum $4 for CBM gas, $3.5 for gas in North East*
*Business Standard, December 13, 2021*

Foreign direct investment (FDI) into India in the July-September quarter register a decline

*July-September quarter FDI inflows plunge 42%*
*The Economic Times, December 14, 2021*

India-UAE CEPA to be a mutually beneficial win-win solution for both countries with some of the elements of the agreement being “first of its kind”

*India-UAE to conclude trade pact talks next month: Piyush Goyal*
*The Economic Times, December 14, 2021*

Walmart CEO reiterates commitment to $10 billion exports of India-made goods each year by 2027

*Walmart CEO commits $10 billion exports by 2027 from India*
*The Economic Times, December 14, 2021*

India’s policy on foreign direct investment is ambiguous and can be strengthened, companies trying to invest in India face lengthy approval processes

*India’s FDI rules ambiguous can be strengthened, says WTO DG Ngozi Okonjo-Iweala*
*The Economic Times, December 14, 2021*

India’s merchandise exports jump on the back of good performance by sectors like petroleum products, engineering goods and electronic items

*Exports rise 27.16% to $30.04 billion in November; trade deficit at $22.91 billion*
*The Times of India, December 14, 2021*
India to file an appeal against WTO report as it lost the dispute over subsidies of sugar

*India will contest WTO panel directive on sugar*

The Hindustan Times, December 15, 2021

India and Israel to see trade relationship evolve and grow even bigger as trade between the two countries are likely to reach USD 4 billion in 2021

*India-Israel bilateral trade likely to reach $4 billion this year*

The Financial Express, December 15, 2021

India needs to actively pursue free-trade agreements (FTAs) with major export destinations like the EU and the US, amid increasing competition from Bangladesh and Cambodia that enjoy tariff concessions

*India needs to actively pursue FTAs to push apparel exports, suggests RBI*

The Financial Express, December 15, 2021

Reserve Bank of India turns net seller of the US currency in October 2021

*RBI becomes net seller of US dollars in October; sells $100 million*

The Financial Express, December 15, 2021

Exports rise during first-half of December 2021

*India’s exports rose 44% to $16.46 billion during Dec 1-14: Government data*

Business Standard, December 15, 2021

India’s gold imports set to be the highest in 2021

*Wedding rush sets record, sends India’s gold imports surging to 6-year high*

Business Standard, December 16, 2021

Investments by private equity and venture capital funds in November are double by value, Y-o-Y

*PE/VCs invest $6.8 billion in Indian companies in November: Report*

Moneycontrol, December 16, 2021

Rice exports rise steeply in the first seven months of FY 2021-22

*India’s rice exports rose by over 33% to 11.79 MT in first seven months of current FY, likely to surpass last FY’s record over 17MT*

PIB, December 16, 2021

Oilmeal exports decline to 1.62 lakh tonne in November of this year

*India’s November oilmeal exports down 51% due to sluggish soybean export: SEA*

Business Standard, December 17, 2021
India is looking to establish a trade market in Dubai specifically for Indian products

India-UAE talks for FTA at advanced stage, working towards ‘India Mart’ in Dubai: Piyush Goyal
The Print, December 17, 2021

Forex reserves decline for the third consecutive week

India’s forex reserves decline $77 million to $635.828 billion
The Financial Express, December 17, 2021

Minister of Commerce and Industry Piyush Goyal urges Indian industry to think big and set accelerated and aggressive targets, with a vision to achieve transformative changes by 2047

It is possible to achieve a trillion dollars each of services and merchandise exports by 2030 – Shri Piyush Goyal
PIB, December 17, 2021
INTERNATIONAL SCENE

President of the World Economic Forum Borge Brende asserts his confidence at the prospects of the Indian economy in the long run

Extremely optimistic on India in the long run: WEF President
The Economic Times, December 13, 2021

Asian Development Bank scales down India's growth estimate for the second time in three months due to supply chain issue of industries

ADB scales down India growth estimate further to 9.7% in FY22
The Economic Times, December 14, 2021

IMF Chief Economist Gita Gopinath flags the persistent risk of the pandemic and its impact on global economy

Great uncertainty remains about new covid variants as global economy recovers: Gita Gopinath
The Financial Express, December 15, 2021

IMF Chief Economist calls for an urgent global policy on the issue of crypto currencies

Don't ban but regulate cryptos: IMF's Gita Gopinath
The Economic Times, December 15, 2021

World Bank provides aid to help scale up aid for pandemic recovery and other programs

World Bank approves $93 billion boost for poorest economies
The Hindustan Times, December 16, 2021

Government of India and the German Development Bank KfW (Kreditanstalt für Wiederaufbau) sign a 442.26 million euros' loan pact for Surat Metro Rail project

India, Germany Development Bank sign loan pact for Surat Metro Rail Project
Business Standard, December 17, 2021