India’s growth is poised for a rebound, one of the fastest of all major economies, after a second wave of COVID-19 infections this year.

Source: @IMF News|Twitter

The best performing States in terms of mobility of goods and efficiency of the logistics chain

Source: @TransformingIndia|Twitter

India’s Big Solar Push!
Solar capacity grows by 18 times in seven years

India achieves the target of 40% non-fossil sources capacity in November this year against 2030 as committed in COP21.
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:

18 times hike in installed capacity of solar energy in India between 2014 and 2021, says government
Source: @transformingIndia|Twitter

India saw 25.6% rise in steel production in first 8 months of 2021: Report
Source: @livemint|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
# DPG Weekly Economic Roundup
## Volume II, Issue 50

### Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy and Regulatory Framework</td>
<td>1</td>
</tr>
<tr>
<td>Economic Trends</td>
<td>6</td>
</tr>
<tr>
<td>Trade and Investment</td>
<td>9</td>
</tr>
<tr>
<td>International Scene</td>
<td>11</td>
</tr>
</tbody>
</table>
POLICY AND REGULATORY FRAMEWORK

PM Modi calls for fintech revolution with security shield
Fintech revolution needed for financial empowerment: PM Modi
The Hindustan Times, December 4, 2021

FM Nirmala Sitharaman calls against unhealthy speculation on crypto as the government prepares to introduce a legislation to regulate cryptos
Lot of unhealthy speculation on crypto taking place, says FM Sitharaman
The Financial Express, December 4, 2021

Centre’s tax collections this year enable to make payments against oil bond dues and interest
Government makes largest-ever payment for slashing oil bond dues
Business Standard, December 5, 2021

Improved revenues enable states to keep a healthy pace of capital expenditure during the first eight months of the current financial year
Revenue boost: States maintain healthy capex pace
The Financial Express, December 6, 2021

$262 billion is achieved in the April-November period against a target of $400 billion for the FY 2021-22
India aiming at $43 billion agricultural products' exports, says government
Business Standard, December 6, 2021

Over 47.4 per cent of the ATMs are installed in the rural and semi-urban centres
Number of ATMs in India at over 2.13 lakh, says Fin Min
The Economic Times, December 6, 2021

Government eyeing a comprehensive framework for work from home that will define the liability of employers towards employees working from home
Government to chalk out legal road map for working from home
The Economic Times, December 6, 2021

A dedicated Northeast Desk is set up within Invest India, to support the North East States in their outreach activities to investors
Make-In-North-East Initiative
PIB, December 6, 2021
Female population account for more than half of Jan Dhan bank account holders in the country

*Over 55 pc Jan Dhan account holders are women: FinMin*

The Financial Express, December 6, 2021

Centre's fertiliser subsidy bill is set to soar over the budgeted amount due to a massive rise in raw material prices despite lower demand

*Led by urea, fertiliser subsidies to soar 62 per cent this fiscal on rising input costs: Report*

The Economic Times, December 6, 2021

Installed capacity of solar energy in India increased by more than 18 times from 2.63 gigawatt in March 2014 to 47.66 gigawatt in October 2021

*18 times hike in installed capacity of solar energy in India between 2014 and 2021, says government*

The Economic Times, December 6, 2021

Food processing ministry approves 60 applications of investment proposals by packaged food companies under the production-linked incentive (PLI) scheme

*Food processing ministry okays 60 applications under PLI scheme*

Business Standard, December 7, 2021

New virus variant to likely put a halt on India's efforts to return to normalcy

*Omicron seen slowing India's policy normalisation path*

The Economic Times, December 7, 2021

Increase in ethanol production to reduce import of crude oil and provide extra means of income for sugarcane farmers

*Stepping up ethanol production may help reduce crude oil import, says PM Modi*

The Financial Express, December 7, 2021

Number of ₹2,000 currency notes in circulation decrease to 223.3 crore pieces of total notes in circulation (NIC) in November this year

*₹2,000 notes now 1.75% of total banknotes in circulation: Government*

Business Standard, December 7, 2021

India exports 6.05 lakh tonnes of marine products in the first six months of the current financial year 2021-22

*India exports ₹27,575 crores worth of marine products in Apr-Sept: Centre*

The Economic Times, December 7, 2021
Cost of debt-funds for the states rise by 37 bps to a one-month high of 6.80 per cent

States borrowing cost again on a song, hits 1-month high at 6.80%
The Economic Times, December 7, 2021

RBI allows banks to infuse capital in their overseas branches as well as repatriate profits without seeking its prior approval

Banks can infuse capital in overseas branches without RBI approval
Business Standard, December 8, 2021

RBI proposes an "on-device" wallet in UPI apps aiming to conserve banking systems' resources

RBI to have on-device wallets in UPI apps for small-ticket transactions
Business Standard, December 8, 2021

RBI cautions against risks of cyber fraud before successful roll out of digital currency

Cyber risks main challenge before rolling out of digital currency: RBI
The Economic Times, December 8, 2021

RBI projects retail inflation to be around 5.3 per cent during the current fiscal year

Retail inflation expected to be around 5.3% during FY22: Reserve Bank
Business Standard, December 8, 2021

Reserve Bank of India’s Monetary Policy Committee keeps the repo rate unchanged while maintaining an ‘accommodative stance’

RBI keeps key rates unchanged to spur economic recovery
The Hindustan Times, December 8, 2021

RBI retains the GDP growth forecast for the current fiscal

Reserve Bank retains GDP growth forecast for current fiscal year at 9.5%
Business Standard, December 8, 2021

Indian economy not immune to global spillovers, new variants like Omicron:

RBI Governor

Recovering economy not immune to global spillovers: RBI Governor
Business Standard, December 8, 2021
RBI’s decision to continue with accommodative stance to pave way for double-digit growth, say industry and experts
*RBI's accommodative stance to pave way for 9.5% economic growth: Experts*
Business Standard, December 8, 2021

RBI Governor Shaktikanta Das defends Central Bank’s decision of maintaining accommodative stance
*Overarching policy priority now is supporting growth, says RBI Guy*
Business Standard, December 8, 2021

Tamil Nadu Industrial Corporation enters into two MoUs with TANSIDCO and TAICO Bank to serve the micro, small and medium industries in the state
*MoUs signed in Tamil Nadu to serve the micro, small and medium industries*
The Economic Times, December 8, 2021

Union Cabinet approves continuation of Pradhan Mantri Awaas Yojana Gramin Yojana beyond March 2021
*Rural housing scheme extended, to cost ₹2.17 lakh crore in 3 years*
The Financial Express, December 9, 2021

Centre transfers about ₹44,000 crores to states aided by the robust goods and service tax receipts
*Centre clears over half of pending GST dues to states*
The Financial Express, December 9, 2021

Industry body CII urges government to continue its investment focus and enhance capital expenditure in areas such as infrastructure to promote growth in the economy
*Industry body CII suggests investment focus in upcoming budget*
The Economic Times, December 9, 2021

Union Cabinet approves funding and implementation of Ken-Betwa inter-linking of rivers project
*Cabinet approves Ken-Betwa river linking project at cost of ₹44,605 crores*
The Indian Express, December 9, 2021

Government accords approval to eight companies under the production linked incentive (PLI) scheme to promote domestic manufacturing of medical devices
*Government approves eight companies under PLI scheme for manufacturing medical devices*
The Economic Times, December 9, 2021
Union Minister for Commerce Piyush Goyal appeals to steel makers for assessing manufacturing costs and exploring possibilities of offering relief to small industries

Piyush Goyal urges steel makers to address small industries cost concerns

Business Standard, December 9, 2021

Government procures 326 lakh tonnes of paddy so far in the 2021-22 kharif marketing year

Government procures paddy worth ₹64,000 crores at MSP in 2021-22 market year so far

Business Standard, December 9, 2021

Directorate General of Civil Aviation (DGCA) extends suspension of international scheduled passenger flights till January 31, 2022

Ban on scheduled international passenger flights extended till Jan 31

The Indian Express, December 10, 2021

Finance minister stresses on the importance of enhanced infrastructure investments for enabling a quick and stable return to the growth path

Collective progress to ensure sustainable inclusive recovery: FM Sitharaman

Business Standard, December 10, 2021

Prime Minister Narendra Modi may announce India’s Comprehensive Economic Partnership Agreement (CEPA) with UAE during his proposed visit to the Gulf country early January

Modi could announce India-UAE CEPA in Jan during proposed UAE trip

The Economic Times, December 10, 2021

India has to do a lot of things to try and get the growth it truly deserves

Raghuram Rajan dismisses V-shaped recovery, says India needs to grow at 8-9% to create jobs

The Economic Times, December 10, 2021

Government of India initiates efforts to increase income of farmers through enhancement of agri exports

Doubling Farmers’ Income Through Export

PIB, December 10, 2021

131.99 crore vaccine doses have been administered so far under Nationwide Vaccination Drive

COVID-19 UPDATE

PIB, December 11, 2021
ECONOMIC TRENDS

People in India are in "extreme pain" and the economy is still below the 2019 levels, with "small aspirations" of people becoming even smaller now.

India faces 'extreme pain', aspirations dashed: economist Abhijit Banerjee
Business Standard, December 5, 2021

Rise in volume and value of payments transactions in the last 12 months outpaces the growth clocked in the last five years.

India's payments transaction volumes grew 53% in 12 months
Live mint, December 6, 2021

Purchase of valuables including gold, precious stones and art work grow at a brisk pace during Q2 of FY 2021-22.

Sharp rise in valuables purchase pushed up India's GDP growth in Q2
Business Standard, December 6, 2021

Bank credit to services remain slow in FY 22 despite relaxations after second wave of pandemic.

Services sector credit growth still slow despite Covid relaxations
Business Standard, December 6, 2021

Continued effects of the COVID-19 pandemic and concerns about future public health crises remain top-of-mind for Indian business leaders for the second consecutive year.

COVID-19 pandemic still remains top risk for corporate India, says survey
The Economic Times, December 6, 2021

Number of e-way bills under GST system is the lowest in five months, reflecting moderation in goods dispatches post-festivities.

E-way bill generation drops to lowest in 5 months in November
The Financial Express, December 7, 2021

Indian economy shows strong signs of recovery, upswing in 19 of 22 economic indicators.

19 of 22 economic indicators at levels higher than during pre-Covid times: Centre
The Hindustan Times, December 7, 2021
Dismal urban job scenario continues as employment in cities and towns decline in November 2021

**Urban employment slips by 0.9 million in November**

The Financial Express, December 8, 2021

---

Domestic air passenger traffic registers growth in November for the first time since the pandemic hit the aviation industry in March 2020

**‘Domestic air traffic crosses 10 million in November; Omicron can derail recovery’**

Business Standard, December 8, 2021

---

India’s vehicle registration declines in all automobile segments in November 2021

**Vehicle registration in all segments drops 2.70% y-on-y in Nov: FADA**

Business Standard, December 8, 2021

---

Steel industry bounces back; registers growth despite construction activities being hit by the pandemic

**India saw 25.6% rise in steel production in first 8 months of 2021: Report**

Live mint, December 9, 2021

---

Households’ median inflation perceptions for the current period increase by 20 basis points

**Indian households expect inflation to be in double digits even one year ahead: RBI survey**

The Economic Times, December 9, 2021

---

As many as 7,29,447 gig workers are registered in the country on the e-shram portal

**7.29 lakh gig workers registered on e-shram portal**

The Economic Times, December 9, 2021

---

Solar energy generation capacity increases 335 per cent in the January-September quarter despite market challenges

**India’s solar capacity addition jumps over three-fold to 7.4 GW in Jan-Sep**

The Financial Express, December 9, 2021

---

Software market in India is estimated to surpass USD 8.2 billion by the end of the calendar year 2021 led by accelerated growth

**India’s software market revenues to cross $8.2 billion by 2021-end: IDC**

Business Standard, December 10, 2021
Current growth cycle being witnessed in the country is not durable amid high inflation and widening current account deficit

_Growth cycle not durable, will peak in first-half of 2022: Nomura_

The Economic Times, December 10, 2021

Industrial production registers an uptick in October 2021

_Industrial production grows 3.2% in October: Government data_

Business Standard, December 10, 2021
TRADE AND INVESTMENT

Export of agricultural and processed food products increase from $11.671 billion in April-November 2020-21 to $13.261 billion in April-November 2021-22

*India's Apr-Nov agricultural, processed food exports up 13% y-o-y*

Business Standard, December 4, 2021

Private investment to witness a spurt once pandemic-induced uncertainties subside considerably

*Private investment to pick up: CEA Krishnamurthy V Subramanian*

The Financial Express, December 6, 2021

Digital assets like Bitcoin, Ether and Solana to be the fuels of future financial ecosystem and Web 3.0

*Web 3.0 a $1.1 trillion growth opportunity for India: USISPF-CrossTower research*

Business Standard, December 6, 2021

Former top commerce official in the Obama administration acknowledges key role of Trade Policy Forum in deepening understanding of each other's positions in a non-negotiating, non-transaction oriented setting

*India-US Trade Policy Forum has key role in deepening understanding of each other's positions: former Obama admin official*

The Financial Express, December 7, 2021

Tea exports decline in volume due to non-availability of cargo containers

*Tea exports decline by around 10% in Jan-Sep; but fetches higher price in overseas market*

The Economic Times, December 7, 2021

India surpasses Brazil in food exports to the League of Arab States

*India surpasses Brazil as No.1 food supplier to Arab countries after 15 years*

Live mint, December 8, 2021

Outbound shipments rise during the first week of December 2021 led by a jump in exports of petroleum products, gems, jewellery and engineering goods

*Exports rise 44.2% YoY, imports 45.3%*

The Economic Times, December 9, 2021
Adani Group removes ban on exports and imports to and from Afghanistan, Pakistan and Iran at its Mundra port

Adani Group opens cargo traffic from Iran, Afghanistan and Pakistan at Mundra port
The Economic Times, December 10, 2021

Foreign exchange reserves register a decline in the week ended December 3, 2021

Forex reserves fall $4.5 billion in two weeks
The Economic Times, December 10, 2021
INTERNATIONAL SCENE

International Monetary Fund to lower its global economic growth estimates due to the new Omicron variant of the coronavirus
IMF likely to downgrade global economic estimates as Omicron threat looms large
The Hindustan Times, December 4, 2021

President of the Russian Federation, Mr. Vladimir Putin and Prime Minister Narendra Modi underscore the need for greater economic cooperation and emphasize on new drivers of growth for long term predictable and sustained economic cooperation
21st India – Russia Annual Summit
Ministry of External Affairs, December 6, 2021

INDIA-RUSSIA: Partnership for Peace, Progress and Prosperity
India- Russia Joint Statement following the visit of the President of the Russian Federation
Ministry of External Affairs, December 6, 2021

PM Modi-Putin meet: List of agreements signed at summit level talks
List of Agreements/MoUs signed during the 21st India-Russia Annual Summit
Ministry of External Affairs, December 6, 2021

India’s permanent mission to the World Trade Organization sign a tripartite Memorandum of Understanding to begin collaboration towards research and capacity-building in the field of international trade law and policy
India’s mission to WTO inks MoU with 2 institutes for capacity building, research in international trade law
The Economic Times, December 7, 2021

Government inks two loan agreements of ₹2,074 crores with Asian Development Bank for an affordable housing project in Tamil Nadu and a water sanitation programme in Uttarakhand
Government inks two loan pacts worth ₹2,074 crores with ADB
The Financial Express, December 7, 2021

ADB approves loan to accelerate universal coverage of piped water supply and improved sanitation
Asian Development Bank approves ₹2,645-crore loan to improve urban services in India
The Financial Express, December 9, 2021
India to recover faster than other BRICS nations, says economic bulletin

The Economic Times, December 10, 2021