Weekly Economic Roundup

TOTAL FDI INFLOWS DURING LAST THREE FINANCIAL YEARS:

- 2019-20: USD 74.39 BN
- 2020-21: USD 81.97 BN
- 2021-22: USD 93.57 BN

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Volume III, Issue 21 | May 21, 2022
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)

India gets the highest annual FDI inflow of USD 83.57 billion in FY21-22. Source: @PIB_India|Twitter

India added 8.8 million jobs in April 2022: CMIE report. Source: @inshorts|Twitter

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# DPG Weekly Economic Roundup

## Volume III, Issue 21

### 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>8</td>
</tr>
<tr>
<td>INTERNATIONAL SCENE</td>
<td>10</td>
</tr>
</tbody>
</table>
POLICY AND REGULATORY FRAMEWORK

Government constitutes a committee aimed at making India the most attractive cruise tourism destination

**Government sets up committee to create enabling ecosystem to boost cruise tourism**

Business Standard, May 14, 2022

It is never wise to overreact to a first-round shock, warns economist Ashima Goyal

**RBI not ‘behind the curve’ in hiking rate; never wise to overreact to shocks: Ashima Goyal**

The Hindu, May 15, 2022

Wheat procurement in the ongoing 2022-23 marketing year to continue till 31st May, 2022

**Wheat procurement extended till May 31 in 6 states: Food ministry**

The Financial Express, May 15, 2022

RBI expected to raise interest rates and may take the rates up to the pre-pandemic levels of 5.15 per cent

**RBI may raise interest rates to pre-pandemic level by August amid war-induced high inflation: SBI Research**

The Financial Express, May 16, 2022

Niti Aayog will soon come out with a policy for enhancing female participation in the labour force

**Niti Aayog to soon bring out policy on job creation**

The Economic Times, May 16, 2022

Cryptocurrencies to pose challenges to stability of India’s financial system

**Cryptos can lead to dollarisation of economy: RBI officials to parliamentary panel**

The Economic Times, May 16, 2022

DGTR recommends continuation of anti-dumping duty on Chinese solar glass for two years to guard domestic players from cheap imports

**DGTR for continuation of anti-dumping duty on Chinese solar glass**

The Financial Express, May 16, 2022
RBI is expected to hike rates as retail inflation surpasses the tolerance limits
RBI to hike rates again in June as inflation pressures mount
The Economic Times, May 16, 2022

RBI’s decision to raise interest rates will help to bring down inflation
RBI’s move to raise rates, good monsoon will help in containing inflation: CII
The Financial Express, May 16, 2022

FY23 GDP is expected to grow between 7.4 and 8.2 per cent under three scenarios of global crude oil prices
India’s GDP may grow 7.4-8.2% in FY23, says CII president Sanjiv Bajaj
Business Standard, May 16, 2022

Wheat consignments handed over to customs for examination and registered into their systems on or prior to May 13, to be allowed for export
Centre relaxes ban on wheat export, allows consignments registered by May 13 to go through
The Indian Express, May 17, 2022

5G technology will contribute $450 billion to India’s economy in the next decade and a half, taskforce ready to launch 6G services by the end of the decade
India should be ready to launch 6G services in 10 years: PM Narendra Modi
The Indian Express, May 17, 2022

Government directs Infosys to resolve technical glitch on the GST portal
Government mulls extending April GST payment deadline; asks Infosys to fix glitch on portal
The Economic Times, May 17, 2022

Union Minister for Commerce and Industry Piyush Goyal urges startup council to focus on tier-2 and tier-3 cities to avail venture capital funding and capacity building
Piyush Goyal urges startup council to focus on tier-2, 3 cities
Live mint, May 17, 2022

Government completes transactions worth ₹1 lakh crore under the National Monetisation Pipeline (NMP) in 2021-22, surpassing the ambitious programme’s first-year target of ₹88,000 crore
With transactions worth ₹1 lakh crore, government surpasses FY22 target of monetisation plan
The Economic Times, May 17, 2022
Improving infrastructure, ensuring low and stable inflation and macroeconomic stability are critical to revive animal spirits and improve growth.

*Low inflation, macro stability and private investment critical for sustained growth, says RBI paper*

The Economic Times, May 17, 2022

RBI’s monthly State of the Economy report indicates inflation to increase further.

*Prices of food items continuing to increase in May, says RBI report*

Business Standard, May 18, 2022

Parliamentary Committee on Transport, Tourism and Culture is scheduled to convene a meeting on the subject of ‘Railway Safety and Rail Connectivity to Ports’

*Parliamentary panel holds meeting for discussing railway connectivity to ports*

Business Standard, May 18, 2022

RBI Governor advises chiefs of select public and private sector banks to take appropriate measures, including raising of capital, to shield their balance sheet against any potential impact of geo-political developments.

*Remain watchful of recent geo-political developments: RBI Governor to banks*

Business Standard, May 18, 2022

GoM agree on levying 28% GST on online gaming, races and casinos.

*GoM recommends 28% GST on online gaming, races, casinos*

The Economic Times, May 18, 2022

India is better placed among the large economies, due to an improved financial system and robust corporate health.

*CEA says India is better placed to face global challenges and uncertainties*

Live mint, May 18, 2022

Power ministry directs all gencos to ensure adequate stocks at their power plants for smooth operation until October 2022.

*Government pushes states, gencos to import coal before monsoon to offset shortage*

Business Standard, May 19, 2022
EAC-PM recommends the government to introduce a demand-based guaranteed employment scheme for the urban unemployed on the lines of MGNREGS
EAC-PM’s report suggests scheme for urban jobless, universal basic income
Business Standard, May 19, 2022

Parliamentary committee of the External Affairs Ministry calls for fast-tracking signing of bilateral investment treaties and investments to facilitate economic growth
Parliament Committee advises MEA to expedite Bilateral Investment Treaties
The Economic Times, May 19, 2022

Since several economic parameters, such as the natural real interest rate, have undergone changes India’s inflation target of 4% will have to be revised
Inflation target needs to be updated, says RBI deputy governor Michael Patra
The Financial Express, May 19, 2022

RBI allows settlement of trade transactions in Indian rupee outside the Asian Clearing Union (ACU) mechanism
RBI allows settlement of trade transactions with Sri Lanka in Indian rupee
Business Standard, May 19, 2022

FM Sitharaman meets officials to ease difficulties faced by cooperative sugar mills in getting loans
Centre looks to ensure easy credit from banks to cooperatives sugar mills
Business Standard, May 19, 2022

RBI Board approves the transfer of ₹30,307 crores as surplus to the Central Government for the accounting year 2021-22, while deciding to maintain the Contingency Risk Buffer at 5.50%
RBI board approves ₹30,307 crores surplus transfer to government
Live mint, May 20, 2022

Centre to collect information from wheat exporters to decide whether to continue with the export ban or introduce further relaxations
Centre wants data on wheat exports to decide on further relief or ban
The Economic Times, May 20, 2022
Government lifts the “export prohibition” on bamboo charcoal to facilitate optimum utilization of raw bamboo and higher profitability in the Indian bamboo industry

Government lifts “Export Prohibition” on Bamboo Charcoal for Higher Profitability of Bamboo Industry
PIB, May 20, 2022

Union Minister of Commerce and Industry Shri Piyush Goyal, to lead Team India at the World Economic Forum (WEF) in Davos to reinforce India’s position as a crucial stakeholder in shaping the global narrative

Shri Piyush Goyal to lead team India at World Economic Forum (WEF) in Davos from 23-25 May 2022
PIB, May 20, 2022

192.12 crores vaccine doses are administered so far under Nationwide Vaccination Drive

COVID-19 UPDATE
PIB, May 21, 2022
ECONOMIC TRENDS

Sale of construction equipment is expected to increase due to increased government spending on infrastructure projects. 

*Construction equipment sales set for double digit growth*

The Economic Times, May 15, 2022

Labour force increased from 428.4 million in March to 437.2 million in April. 

*India added 8.8 million jobs in April 2022: CMIE report*

Inshorts, May 15, 2022

Jet fuel prices register increase this year to an all-time high, due to a surge in global energy prices. 

*Jet fuel prices at all-time high with 5.3% hike; 10th increase this year*

Business Standard, May 16, 2022

WPI registers increase in April due to rise in prices of mineral oils, basic metals, crude petroleum & natural gas, food articles, non-food articles, food products and chemicals & chemical products, M-o-M. 

*WPI inflation in April jumps to 15.08%, highest in 17 years; food, fuel prices bite*

The Financial Express, May 17, 2022

Cumulative Growth during April-March 2021-22 is at 12.2 per cent. 

*Mineral Production goes up by 4% in March 2022*

PIB, May 17, 2022

Data from the Corporate Affairs Ministry indicates that a total of 23,33,958 companies were registered under the companies law as on April 30, 2022. 

*Over 15,900 companies incorporated in April: Official data*

The Economic Times, May 17, 2022

Rating agency Icra projects real GDP growth of 12-13% in Q1 of FY23, due to improvement in its business activity monitor reading and favourable base effect. 

*Rating agency Icra expects India’s Q1 GDP growth to hit 12-13%*

The Financial Express, May 18, 2022

Surging inflation poses a threat to company sales as consumers reduce demand. 

*India Inc. worries about demand as inflation starts to hit discretionary spending*

Live mint, May 19, 2022
India’s foodgrain production will rise 1.2% on year to a new record of 314.51 million tonne (MT) for the 2021-22 crop year (July-June), according to the third advance estimate, Y-O-Y

Third advance estimate: Food grain output seen at record 314 million tonne
The Financial Express, May 20, 2022
TRADE AND INVESTMENT

Union Minister for Commerce and Industry Shri Piyush Goyal held a day-long stakeholder consultation with various sectors of the industry on India’s ongoing negotiations on Free Trade Agreements

Commerce and Industry Minister Piyush Goyal consults industry as part of India’s FTA negotiations with UK, EU and Canada
PIB, May 14, 2022

Egypt's government agrees to buy half a million tonnes of wheat from India as it faces disruptions caused by Russia's invasion of Ukraine

Egypt to buy 500,000 tonnes of wheat from India: Minister
Live mint, May 15, 2022

Netherlands surpassed Hong Kong, Singapore, the UK, Germany, and Nepal to become India's largest export destination in the EU

Netherlands jumps 5 places to become India's 5th-largest export destination
Business Standard, May 16, 2022

Readymade garment exporters urge for a ban on cotton exports as they face liquidity constraints

Readymade garment exporters want India to ban cotton exports
The Economic Times, May 16, 2022

US is encouraging countries not to restrict exports as it will exacerbate food shortages, and hopes India will reconsider its decision

US hopes India would 'reconsider' its decision to restrict wheat exports
The Financial Express, May 17, 2022

Russia's share in India's oil purchases rose to a record 6%, about 277,000 barrels per day (bpd) in April, up from about 66,000 bpd in March

Russia jumps to 4th position as India's oil supplier amid Ukraine war: Data
Business Standard, May 17, 2022

Indonesia's ban on palm oil exports has refocused attention on the efficacy of the government's policy to boost domestic production

Indonesian export ban brings India's edible oil dependency back in focus
Business Standard, May 18, 2022

Oilmeals export increase due to higher shipments of rapeseed meal

Oilmeals exports up 10% to 3.34 lakh tonnes in April
The Economic Times, May 18, 2022
Outflows under the LRS scheme rises by 54.6 per cent from FY21
Outward remittances through RBI’s LRS hit an all-time high in FY22
Business Standard, May 19, 2022

Indian mills sign contracts to export sugar in the 2021/22 marketing year without government subsidies
India signs deals to export 8.5 MT sugar in 2021/22, says trade body
Business Standard, May 19, 2022

Sugar exports grow 15 times to 70 LMT in 2021-22 against target of 60 LMT
Export of sugar in sugar season 2021-22 is 15 times that of 2017-18
PIB, May 19, 2022

Foreign direct investments register an increase, gross FDI inflows were at $83.6 billion in FY22, surpassing $82 billion a year earlier
India remains attractive for FDI investors
The Economic Times, May 19, 2022

India to lift ban on exports, will provide relief to India through price correction
Indonesia to lift palm oil export ban, likely giving India ‘big relief’
Business Standard, May 20, 2022

India rapidly emerges as a preferred investment destination
India gets the highest annual FDI inflow of USD 83.57 billion in FY21-22
PIB, May 20, 2022
INTERNATIONAL SCENE

Five Indian start-ups invited to participate in WEF 2022 workshops and events and high-level discussions during their two years in the community
WEF 2022: 5 Indian start-ups among 100 to join Tech Pioneers community
Business Standard, May 16, 2022

Minister of External Affairs, Shri. V Muraleedharan highlights India’s commitment to the cause of global food security in a manner in which it will uphold equity, display compassion and promotes social justice
Ministerial Meeting on “Global Food Security Call to Action”
MEA, May 18, 2022

India is projected to grow by 6.4% in 2022, slower than the last year’s 8.8% but will continue to be the fastest growing major economy
India, fastest-growing major economy, projected to grow 6.4% in 2022: U.N.
The Hindu, May 19, 2022

India is likely to extend a line of credit for essential medicines to Sri Lanka
India likely to extend credit line to Sri Lanka for essential medicines
Business Standard, May 19, 2022

India to likely push for “special carve-outs at WTO ministerial meeting to allow a country to ship out grains from its official reserves under exceptional circumstances to help address a global food shortage
India to seek ‘carve-out’ in WTO rule on grain exports
The Financial Express, May 20, 2022

The Ministers of Foreign Affairs/International Relations of the BRICS nations stress the importance of global economic governance to ensure sustainable development, reiterate their support for G20’s leading role in global economic governance and call upon the international community to foster partnerships to strengthen macro-policy coordination in driving the world economy out of the crisis
BRICS Joint Statement on “Strengthen BRICS Solidarity and Cooperation, Respond to New Features and Challenges in International Situation”
MEA, May 20, 2022
FM Nirmala Sitharaman raised the importance of multilateralism and the spirit of global cooperation for economic recovery in the aftermath of the pandemic.

Global co-operation needed for post-pandemic recovery: Finance minister Nirmala Sitharaman
The Financial Express, May 20, 2022

FM Sitharaman expresses confidence that India will continue to achieve a high growth rate in the next financial year as well.

India's economic growth likely to be robust at 8.9% in current fiscal: FM at NDB
The Economic Times, May 20, 2022

IMF corrects error in calculations, India to become a $5-trillion economy by FY2026-27

IMF 'corrects' maths, says India to be $5-trillion economy by FY27
Business Standard, May 20, 2022