Weekly Economic Roundup

Local Toys Reach Global

Exports Up By 61% Over Last Three Years
USD 202 Mn
USD 326 Mn

Toy Imports Down By 70% In Last Three Years

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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.

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Jan-Jun housing sales in top 8 cities at 9-year high; sales see 60% annual growth: Knight Frank
Source: @IndianExpress|Twitter

Toy imports down by 70% and exports up 61% over last three years as MakeinIndia yields positive results for the sector
Source: PIB_India|Twitter

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**POLICY AND REGULATORY FRAMEWORK**

Relatives living abroad can send up to ₹10 lakh to Indians

*Indians can now receive up to ₹10 lakh annually from relatives abroad*

Business Standard, July 2, 2022

Ministry of Commerce to release new FTP before September and Districts as Export Hub scheme to be part of the scheme to promote exports and job creation

*Commerce Ministry looking to release new FTP before September, says official*

The Economic Times, July 3, 2022

India to drop windfall tax if oil prices fall to $40 a barrel

*Windfall tax by government to impact oil and gas companies*

Live mint, July 4, 2022

GoM reviewing the goods and services tax slabs for online gaming, horse racing and casinos is unlikely to tweak the 28% rate recommended for these activities

*Group of Ministers may not tweak 28% GST on online gaming, casinos*

The Economic Times, July 4, 2022

Gujarat, Meghalaya and Karnataka emerge as best performer states in developing startup ecosystem for budding entrepreneurs

*Gujarat, Karnataka best in developing startup ecosystem*

The Economic Times, July 4, 2022

PM Modi asserts that Digital India Mission has benefited the poor as well as the middle class more than other sections of the society

*Industry 4.0: India guiding world towards fourth industrial revolution, says PM Modi*

Live mint, July 4, 2022

Government is committed to maintain fiscal deficit target for FY 23, despite elevated oil prices and additional spending commitments

*Government to stick to 6.4% fiscal deficit target for FY23*

The Financial Express, July 5, 2022

FICCI seeks zero rate GST for health care services to enable service providers to claim input tax credit

*Industry body voices concern over 5% GST on hospital room tariffs*

Business Standard, July 5, 2022
Central Consumer Protection Authority bars hotels and restaurants from levying service charges automatically

Hotels, restaurants barred from levying service charge by default

The Times of India, July 5, 2022

Government of India urges internet intermediaries to comply with India’s laws and rules

India says Big Tech must obey law of the land as Twitter goes to court

Business Standard, July 5, 2022

India must increase exports by grabbing the low-skill manufacturing base China is exiting

States urged to reform, seize export space being vacated by China

The Economic Times, July 05, 2022

States including UP and Gujarat demand restoration of wheat supply under National Food Security Act and Pradhan Mantri Garib Kalyan Anna Yojana

UP & Gujarat demand more wheat under PDS

The Financial Express, July 6, 2022

Government mandates compliance of all vehicles with fuel consumption standards to reduce pollution and introduce fuel efficient vehicles

Government proposes implementation of fuel consumption standards for all vehicles from April next year

The Economic Times, July 6, 2022

Ministry of Finance extends exemption of customs duty on raw cotton imports amid rise in cotton and yarn prices

FinMin extends duty exemption on raw cotton imports till October 31

The Economic Times, July 6, 2022

Importers may submit grievances for the delay in the bill of entry (BE) clearance, anonymously under faceless assessment

Faceless scheme: Importers can complain online for delay in clearance of Bill of Entry

The Economic Times, July 6, 2022

Government directs edible oil manufacturers to maintain uniform MRP amid a fall in global prices

Government asks cos to cut MRP of edible oils by up to ₹10/litre within a week

Business Standard, July 6, 2022
RBI announces measures to boost foreign exchange inflows including easing norms for FPI investment in debt market, and increasing the External Commercial Borrowing (ECB) limit

**RBI announces measures to increase foreign exchange inflows**
Live mint, July 7, 2022

Government of India releases the fourth monthly instalment of post-devolution revenue deficit (PDRD) grant to 14 states

**Revenue deficit grant of over ₹7,000 crore released to 14 states**
The Financial Express, July 7, 2022

Government issues new approval framework for wheat flour exports

**After wheat, India now curbs the export of wheat flour and related products**
Business Standard, July 7, 2022

Central Board of Indirect Taxes and Customs directs firms with annual turnover of ₹5 crore to generate electronic invoices for B2B transactions

**Firms with over ₹5 crore annual turnover will soon have to generate GST e-invoices for B2B transactions: Official**
The Economic Times, July 7, 2022

Firms with annual turnover of ₹2 crore are exempted from filing annual returns for 2021-22

**Government exempts small businesses from filing returns for FY22**
The Economic Times, July 7, 2022

Government earmarks ₹80,000 crore under 'Special Assistance to States for Capital Investment' scheme

**Centre earmarks ₹80,000 crore interest-free loans for states undertaking capital works in FY'23**
The Economic Times, July 7, 2022

Ministry of Finance pegs exchange rate for dollar at ₹79.90 for calculation of import duty with effect from July 8, as against ₹78.95 a fortnight ago

**Finance Ministry pegs dollar value at ₹79.90 for computing import duty**
The Economic Times, July 7, 2022

In view of the evolving macroeconomic scenarios, RBI governor Shaktikanta Das emphasised the need for states to adopt prudent borrowing strategy and efficient cash management practices

**States need to adopt prudent borrowing strategy: RBI governor Shaktikanta Das**
The Financial Express, July 8, 2022
FM Nirmala Sitharaman directs Niti Aayog to identify industrial clusters for inclusion under the PM Gati Shakti initiative

Finance minister asks Niti Aayog to map all industrial clusters
The Financial Express, July 8, 2022

FM Nirmala Sitharaman directs PSBs to onboard on account aggregator system to improve credit delivery by end of July

FM Sitharaman asks PSBs to join account aggregator system by July-end
Business Standard, July 8, 2022

Government to initiate necessary measures on MSP provided to farmers to curb rising expenses

Food ministry asks states to cut mandi levies to 2%
The Financial Express, July 8, 2022

GST Appellate Tribunal set up to suggest required changes in the law for setting up the GSTAT

Panel on GST Appellate Tribunal formed, to submit report by month-end
Business Standard, July 8, 2022

India extends time limit for export of sugar

Government extends export period for 800,000 tonnes of sugar to July 20
Business Standard, July 8, 2022

Consumption of fuel in India registers an increase amid a surge in global oil prices due to Russia’s invasion of Ukraine

India’s June fuel consumption rises by 17.9% YoY at 18.67 million tonnes: Government
Business Standard, July 8, 2022

Maharashtra has maximum number of government recognised startups followed by Karnataka and Delhi

Maharashtra leads states with 13,541 government-recognised startups: DPIIT data
Business Standard, July 8, 2022

Department of Food and Public Distribution directs Edible Oil Associations to ensure reduction in the MRP of edible oils

Centre directs leading Edible Oil Associations to reduce prices by ₹15 with immediate effect
PIB, July 8, 2022
198.65 crore vaccine doses have been administered so far under Nationwide Vaccination Drive, Weekly Positivity Rate is 4.09%
COVID-19 UPDATE
PIB, July 9, 2022
ECONOMIC TRENDS

31.7 million households and 43.2 million persons demanded work in June, higher from 25.4 million and 35.3 million respectively, compared with pre-pandemic days
Rural livelihoods: Demand for MG-NREGS jobs still elevated
The Financial Express, July 2, 2022

Fund raising by listed companies through private placement of corporate bonds registers a decline
Fund raising via debt placement drops 39% to ₹32,405 crore in Apr-May
Business Standard, July 3, 2022

As business optimism slid to a 27-month low of 50.9, economists see no respite for manufacturers from cost inflation
No respite for manufacturers as inflation continues to weigh on the economy
Business Standard, July 4, 2022

Overall joblessness rate rose to 7.8% in June from 7.12% from May
Unemployment rate rises to 7.8% in June
The Financial Express, July 5, 2022

High inflation impacts consumption expenditure of households on essentials and non-essential items
Household expenses take a dip in June as inflation pinches
The Financial Express, July 5, 2022

Credit rating agency Fitch Ratings forecast medium term growth to support demand for steel and chemical sectors
Improved economic activity to support demand for steel, cement: Fitch
Business Standard, July 5, 2022

Hotel industry embarks on a growth path in post-pandemic period
Hotel industry sees growth as daily room rates, occupancies over 2019 level
Business Standard, July 5, 2022

Sales of FMCG goods decline in urban areas due to inflationary pressures on commodities
Urban FMCG sales see sharper fall than rural in June, shows data
Business Standard, July 5, 2022
Services PMI rose to 59.2 in June from 58.9 in May 2022
*India’s services industry expands at fastest pace in over 11 years*
The Economic Times, July 5, 2022

Demand for jobs continues to register growth in June
*At 22%, hiring activity upbeat in June: Entry-level talent demand high at 30%*
The Financial Express, July 6, 2022

Coal production increases by 32.57 per cent to 67.59 Million Tonne (MT) in June 2022 amid rise in power generation
*India’s coal production rises by 32.57% to 67.59 MT in June: Government*
Business Standard, July 6, 2022

Housing sales in Jan-Jun at 9-year high in top 8 cities: Knight Frank
*Jan-Jun housing sales in top 8 cities at 9-year high; sales see 60% annual growth: Knight Frank*
The Indian Express, July 6, 2022

Unemployment rate increases led by a rise in rural unemployment rate to 8.03 per cent in June 2022
*Unemployment rate rises to 7.80% in June: CMIE*
The Economic Times, July 6, 2022

Experts at Morgan Stanley forecast reduced risk to inflation in India as commodity prices decline
*Inflation risk has peaked in Asia; rate hikes may moderate: Morgan Stanley*
Business Standard, July 7, 2022

Total employment fell by 13 million to 390 million in June 2022 compared to 403 million in May
*India sees massive fall in employment in June: CMIE*
The Economic Times, July 7, 2022

Production from coal blocks during the first quarter of Financial Year 2022-23 registers an increase
*Captive & commercial coal blocks production goes up by 79 % to 27.7 million ton during first quarter 2022-23*
PIB, July 7, 2022
Sowing of kharif crops continues to drag, paddy sowing is down by 24%, oilseeds acreage was 20% lower

Kharif sowing drags despite pick up in rains; paddy worst-hit with 24% drop

Business Standard, July 8, 2022
TRADE AND INVESTMENT

Second round of India-EU FTA negotiations is scheduled at Brussels in September

India-EU FTA talks: Next round at Brussels in Sept, says ComMin
The Indian Express, July 3, 2022

Despite imposition of excise duty, export of petrol and diesel from the country rose by 13 per cent and 20 per cent respectively in quantity

Fuel exports rise in FY23; refiners stay healthy despite additional excise
Business Standard, July 3, 2022

DGFT issues registration certificates for export of wheat as flow of wheat between countries are impacted due to the Russia-Ukraine war

DGFT issues RCs for 1.6 million tonnes wheat export after May 13 ban order
Business Standard, July 3, 2022

Global slowdown pushes the government to focus on growing services exports

With global slowdown fears rising, India expected to focus more on services exports
The Economic Times, July 4, 2022

Merchandise exports grew 16.8% in June 2022, Y-o-Y, while high prices of oil and other commodities, lead to increase in trade deficit

Exports rise to $37.94 billion in June; trade deficit at record $25.63 billion
The Financial Express, July 5, 2022

Import of toys in India fell from $371 million in the financial year 2018-19 to $110 million in the financial year 2021-22, indicating that PM Modi’s Make in Initiative is yielding positive results

Make-in-India impact: Toy imports drop by 70%, exports up 61%
Live mint, July 6, 2022

Government of India gives nod to FDI proposals from 80 Chinese firms out of 382 FDI proposals received

India approved FDIs from 80 Chinese entities till June 29: Report
Business Standard, July 6, 2022

Fears of economic recession in US and EU, supply chain woes, recent drop in fresh orders threaten export growth

Export growth to falter in FY23 on external headwinds
The Financial Express, July 7, 2022
RZD Logistics commences transportation by full container trains from Russia to India by the eastern branch of the International North-South Transport Corridor

Russia launches trade with India via Eastern branch of INSTC involving Central Asian states

The Economic Times, July 7, 2022

Foreign exchange reserves decline in the week ended July 1 as foreign portfolio investors continue to withdraw investments from local equities

India’s foreign exchange reserves fell by $5 billion in the week to July 1

The Economic Times, July 8, 2022
INTERNATIONAL SCENE

Indian Institute of Spices and Research sign MoU with Lysterra LIC for commercialisation of encapsulation technology for bio technology

Boosting agri ties: India, Russia sign MoU for commercialisation of biocapsule
The Economic Times, July 5, 2022

WTO panel pushed back dispute panel rulings on the US’ tiff with India, China, Russia and three others nations on imposition of 25% and 10% import duties on some steel and aluminium products last quarter of 2022 citing “complexity of the issue

WTO defers ruling on US’ steel, aluminium tariff dispute with India, 5 others
The Economic Times, July 5, 2022

UN Food and Agricultural Organization’s (FAO) Food Price Index averaged 154.2 points in June, down from 157.9 in May

Global food prices decline for third straight month
The Indian Express, July 8, 2022

Government appoints Amitabh Kant as India’s Sherpa for the G20 grouping

Ex-NITI Aayog CEO Amitabh Kant to be India’s new G20 Sherpa
The Financial Express, July 8, 2022