Weekly Economic Roundup

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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.

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)

Government’s paddy procurement touches 53.28 mt so far in 2021-22 season
Source: @PIB_India|Twitter

FPIs turn net buyers of equities in January so far; invest ₹3,202 crores
Source: @bsindia|Twitter

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POLICY AND REGULATORY FRAMEWORK

India invites bids to supply natural gas to households, automobiles and small industries

Government invites bids to set up sales network for natural gas supply
Business Standard, January 8, 2022

Government to not impose anti-dumping duty on certain steel products imported from China as the finance ministry has not accepted the recommendations of DGTR

Government not to impose anti-dumping duty on certain steel products
The Financial Express, January 9, 2022

Prime Minister Modi chairs a high-level meeting to assess the COVID-19 pandemic situation in the country and its public health implications

PM reviews COVID-19 Pandemic Situation in the country with particular focus on the preparedness in wake of rise in Covid cases fuelled by Omicron variant
PIB, January 10, 2022

Tax officers to give reasonable time to explain reasons for mismatch in turnover reported in GSTR-1 and form 3B

Businesses to be given ‘reasonable time’ to explain mismatch in GSTR-1, 3B
Business Standard, January 10, 2022

DPIIT to seek approval for changes in FDI policy to facilitate disinvestment of LIC

DPIIT to soon approach Cabinet for changes in FDI policy to aid LIC IPO, says secretary
The Economic Times, January 10, 2022

Union Minister for Commerce and Industry Piyush Goyal urges stakeholders in the innovation ecosystem to strive to take India to the top 25 positins in the Global Innovation Index

We must aspire to take India to the top 25 positions in the Global Innovation Index – Shri Piyush Goyal
PIB, January 10, 2022

115 companies file application under the Production Linked Incentive Scheme for automotive sector to enhance the country’s manufacturing capabilities for advanced automotive products

PLI scheme: 115 firms file application for automotive sector
Live mint, January 10, 2022
Union government to permit 20 per cent FDI in LIC

Government set to allow 20% foreign direct investment in LIC ahead of listing
Business Standard, January 11, 2022

Centre acquires maximum quantities of paddy from Punjab in the ongoing marketing season

Government's paddy procurement touches 53.28 mt so far in 2021-22 season
Business Standard, January 11, 2022

India considering to ease scrutiny on investment flows from China as proposals worth $6 billion were stuck amid the red tape

India considering easing curbs on some Chinese investment, sources say
The Economic Times, January 11, 2022

Policies must be pro-innovation, light touch and progressive, says Niti Aayog CEO

Niti Aayog CEO Amitabh Kant says policy should be pro-innovation, light touch
The Financial Express, January 11, 2022

India questions restrictions imposed by Singapore on import of certain food items and lack of mutual recognition agreements

Government objects to Singapore's restrictions on meat, eggs import
Business Standard, January 11, 2022

Industry body Ficci suggest the government to provide interest subsidy and extend concessional tax rate to companies in upcoming Budget

Ficci suggests support measures for housing sector in Budget
The Financial Express, January 12, 2022

Crypto currencies issued to employees to be subject to taxes

Digital coins issued by Indian exchanges to employees to face income tax complications
The Economic Times, January 13, 2022

Healthcare services offered by hospitals for years on a lump sum payment are exempt from GST

Health care services offered on flat fee exempt from GST: AAR
Business Standard, January 13, 2022
Commerce and Industry Minister Piyush Goyal urges industry bodies to prepay MSME to safeguard their viability and to boost employment and growth.

Piyush Goyal appeals to industry to prepay MSMEs to boost employment.

Business Standard, January 13, 2022

PM Modi urges chief ministers to ensure minimum damage to the livelihood of common people and economic activities as they work to contain spread of Covid-19.

India Inc. welcomes PM’s emphasis on maintaining economic momentum while tackling Omicron threat.

The Financial Express, January 13, 2022

Niti Aayog Vice Chairman emphasizes on equitable growth to empower people and give them the right opportunity to excel.

Need to make our growth much more equitable: Niti Aayog Vice-Chairman Rajiv Kumar.

The Financial Express, January 13, 2022

Budget session to be held on 31 January and the Union Budget will be presented on February 1.

Budget session to begin on 31 January, to be held in two parts: Report.

Live mint, January 14, 2022

FSDC sub-committee headed by RBI Governor reviews economic situation in the backdrop of Covid-19 pandemic and resolves to ensure financial stability.

RBI Governor headed FSDC sub-committee reviews economic situation.

The Economic Times, January 14, 2022

Union Minister of Commerce & Industry Piyush Goyal calls upon the Global Venture Capital Funds to explore new sectors for investing, promoting and protecting the intellectual property created by the young Indian entrepreneurs.

Shri Piyush Goyal urges Global Venture Capital Funds to focus on Startups from Tier 2 and 3 cities.

PIB, January 14, 2022

156.02 crore vaccine doses are administered so far under Nationwide Vaccination Drive.

COVID-19 UPDATE.

PIB, January 15, 2022
ECONOMIC TRENDS

Total area sown under rabi crops registers marginal increase to 652 lakh hectare in 2021-22 from 646 lakh hectare in 2020-21
Winter crops: Rabi sowing nearly over, sown area marginally higher y-o-y
The Financial Express, January 7, 2022

Covid-19 pandemic impacts business volume in the last 10 days
Business volume down 45% due to third Covid wave, says CAIT
Business Standard, January 8, 2022

Employment generated by nine select sectors increases by 2 lakhs in the July-September 2021 quarter
Total employment in 9 select sectors rises to 3.10 crore in July-Sep 2022
The Financial Express, January 10, 2022

Total outstanding dues owed by electricity distribution companies to power producers registers a Y-o-Y increase in January 2022
Discoms’ outstanding dues to gencos rise 4.4% to ₹121,030 crores in January
Business Standard, January 10, 2022

Prices of consumer durables to increase as makers pass on rising costs of raw materials and freight charges to customers
Consumer durables prices to go up 5-10% amid rising input costs
Business Standard, January 10, 2022

Formal sector employment registers an increase in Q2 of FY 2021-22
India’s formal sector employment up by 0.2 million in July-September quarter
The Economic Times, January 10, 2022

E-way bill generation under GST is 11 per cent lower for the nine days of January
E-way bill generation moderates
The Financial Express, January 11, 2022

Nomura India Business Resumption Index declines sharply by 10 percentage points for the week ended January 9 due to state induced restrictions amid the third wave
Fresh curbs hit business activity
The Economic Times, January 11, 2022
Former chief economic advisor Arvind Virmani expresses optimism at India’s economic growth

**Indian economy to see 9.5 per cent growth this fiscal, says Arvind Virmani**

The Financial Express, January 11, 2022

Sudden price shock may have disproportionate influence on households’ inflation perceptions and future expectations

**Food prices matter the most to households inflation expectation: RBI economists**

The Economic Times, January 12, 2022

Increasing demand pushes up sale of cars in 2021

**Mercedes Benz India sales grew 43% in 2021 to over 11,000 units despite semiconductor shortage**

The Economic Times, January 12, 2022

Growth outlook and tightening of liquidity conditions are key macroeconomic factors to cause volatility in equity markets

**Market’s sensitivity to change in economic growth outlook remains high: Nomura**

The Economic Times, January 12, 2022

EBITDA margin of industries drops 70-100 bps in Q3 of FY22 amid rising input costs

**India Inc’s EBITDA margin shrank in Q3; first YoY decline in 12 quarters: CRISIL**

The Economic Times, January 12, 2022

Rural Business Confidence Index for October 2021 is 63.9 due to enhanced rural credit leading to optimism among industry leaders

**Industry upbeat about rural economy sentiment: CII**

The Economic Times, January 12, 2022

Factory output expands in November only by 1.4 per cent

**IIP growth remains subdued for 3rd month in a row at 1.4% in Nov on waning low base effect**

The Financial Express, January 12, 2022

Retail inflation spikes in December, rises to 5.6 per cent

**Retail inflation jumps to 5-month high in December**

The Times of India, January 13, 2021
Third wave of Covid-19 pandemic leads to surge in demand on e-commerce platforms

**Demand surges at e-grocers across cities amid Covid-19 third wave, local curbs**
The Indian Express, January 13, 2022

New infections and scaling down of wedding gatherings lead to reduced demand for gold

**Gold demand drops as coronavirus shrinks big, fat Indian weddings**
Business Standard, January 13, 2022

Icra revises downwards the revenue growth forecast for the auto components industry to 15-17 per cent in the current fiscal

**Icra revises downwards revenue growth forecast for auto component industry**
Business Standard, January 13, 2022

Volume of mandates registered by remitter banks on UPI’s AutoPay register an increase

**UPI AutoPay e-mandates jump 32% to 6 million in December, shows data**
Business Standard, January 13, 2022

Overall passenger vehicle sales decline to 2,19,421 units in December

**Passenger vehicle sales in India dip 13 per cent in December: SIAM**
The Hindustan Times, January 14, 2022

Wholesale price inflation eases amid rising input costs

**December WPI inflation eases marginally to 13.56% YoY**
Business Standard, January 14, 2022

Industry leaders express optimism about India’s economic growth and expansion, despite the surge in COVID cases

**Industry leaders confident about India’s economic recovery, expansion: Survey**
The Economic Times, January 14, 2022

Bank credit and deposits register an increase for the fortnight ended December 31

**Bank credit grows 9.16%, deposits up 10.28%, says RBI data**
Business Standard, January 14, 2022
TRADE AND INVESTMENT

Foreign exchange reserves decline during the week ended December 31
Forex reserves down by USD 1.466 billion to USD 633.614 billion
The Financial Express, January 7, 2022

Department of Agriculture and farmer’s welfare and US Department of Agriculture sign a framework agreement for implementing the 2 vs 2 Agri market access issues
Indo US Trade- Commerce gets a fillip with improving Agri Market Access
PIB, January 8, 2022

Omicron variant not expected to disrupt performance of units registered under STPI scheme with the adoption of remote working protocols
Exports from STPI units seen at over ₹5 trillion in FY22 despite Omicron wave
Business Standard, January 9, 2022

Foreign investors turn net buyers in the first week of January as correction in markets provides them good buying opportunity
FPIs turn net buyers of equities in January so far; invest ₹3,202 crores
Business Standard, January 9, 2022

Major ports’ volumes decline marginally by 1% M-o-M to 59.5mnt in November 2021
Data monitor: Port volumes fell sequentially in November
The Financial Express, January 10, 2022

India-Sri Lanka deal to jointly redevelop Trincomalee oil tank takes effect
Trincomalee oil tank deal a result of 30 years of Indo-Lankan effort
The Economic Times, January 10, 2022

Outward foreign direct investment decline in December 2021
India Inc’s overseas direct investment dips over 8% to $2.05 billion in Dec 21
Business Standard, January 10, 2022

Equity mutual funds register a record inflow of ₹24,989.57 crores in December
Inflows into equity MFs at record high
Live mint, January 11, 2022
Fruit importers increase warehousing and cold storage facilities amid surge in Covid-19 cases

*As demand goes up, fresh fruit importers increase warehousing and cold storage facilities*

The Economic Times, January 11, 2022

As freight rates rise 10 per cent in the first week of January, it raises fresh concerns for exporters

*Exporters fret over surging freight rates, delays at ports*

The Economic Times, January 11, 2022

India obtains USDA approval for export of Indian mangoes to the US

*India to allow pork imports from US in exchange mango, pomegranate exports*

Business Standard, January 11, 2022

Minister for Trade of the Republic of Korea Mr. Yeo Han-Koo and Minister of Commerce & Industry Sri Piyush Goyal meet to discuss bilateral trade and investment related aspects

*Joint Press Communique India - Korea Trade Talks*

PIB, January 11, 2022

Union Minister for Commerce and Trade Piyush Goyal and South Korean trade minister Yeo Han-koo discuss ways to expedite trade and impart fresh momentum to planned upgrade of existing FTA

*India, South Korea set $50 billion bilateral trade target before 2030*

Business Standard, January 12, 2022

India’s imports of palm oils decline to 5.44 lakh tonnes in December 2021 but rise in shipments threaten survival of domestic refineries

*India’s imports of palm oils decline by 29.15% in December 2021: SEA*

Business Standard, January 12, 2022

Exports register an increase due to healthy performance from various sectors including petroleum, engineering and gems and jewellery

*Exports rise 33% to $7.63 billion during Jan 1-7 period*

Business Standard, January 12, 2022

Textile sector maintains a trade surplus with exports during April-December 2021 touching $29.8 billion

*Textile exports up 31% so far in FY22, nears $30 billion*

Live mint, January 13, 2022
Joint Statement of Indian Minister for Commerce and Industry Piyush Goyal
and UK Secretary of State for International Trade Anne-Marie Trevelyan
India-UK Joint Media Statement on Launch of FTA Negotiations
PIB, January 13, 2022

Ministry of Commerce and Industry Piyush Goyal and UK Secretary of State for
International Trade Anne-Marie Trevelyan meet to discuss on formal launch of
negotiations for a free trade agreement
Piyush Goyal meets UK Secretary for International Trade over free trade
agreement
The Financial Express, January 13, 2022

India and UK finalise terms of reference of the free trade agreement
India, UK FTA to boost cooperation in tourism, tech, startups: Piyush Goyal
Business Standard, January 13, 2022

Barter trade agreement between Iran and Sri Lanka to put India in a
disadvantageous position
Barter trade agreement between Sri Lanka and Iran to hit India's tea exports to
West Asian nation
The Economic Times, January 13, 2022

India’s exports in December 2021 rise 38.91% to $37.81 billion in December
INDIA’S FOREIGN TRADE: December 2021
PIB, January 14, 2022

Monetary tightening by Federal reserve to pose severe challenges to India’s
foreign exchange reserves
India’s forex reserves to face $256 billion overseas debt challenge in next 12
months
The Economic Times, January 14, 2022

Forex reserves decline to meet dollar demand as imports rise due to increase in
crude and commodity prices
India’s forex reserves dip $897 million in the first week of January
The Economic Times, January 14, 2022

India-China bilateral trade cross the USD 100 billion mark
India-China trade grows to record $125 billion in 2021 despite tensions in
eastern Ladakh
The Economic Times, January 14, 2022
INTERNATIONAL SCENE

WTO to convene virtual meeting on Covid-19 pandemic response, including the patent waiver proposal
WTO General Council discusses India's call for holding virtual ministerial meet on pandemic response
The Financial Express, January 11, 2022

World Bank retains its forecast for India's GDP growth for FY22
World Bank sees India's GDP growing at 8.3% in FY22, upgrades FY23 forecast
Live mint, January 11, 2022

UN forecast India's economy to grow at 6.5 per cent in fiscal year 2022
India's economy recovery on 'solid path' amid fast vaccination progress: UN
Business Standard, January 13, 2022

India announces USD 900 million loan to Sri Lanka to build up its depleted foreign reserves and for food imports
India grants financial assistance of over USD 900 million to Sri Lanka to overcome forex crisis
The Financial Express, January 14, 2022