Weekly Economic Roundup

New Milestone Achieved!

UPI records outstanding accomplishment of 6 billion transactions in July, the highest ever since 2016

India Manufacturing PMI
sa, >50 = growth since previous month

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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.

Cover Photograph:

UPI records 6 billion transactions in July, the highest ever since 2016
Source: @PIB_India|Twitter

India’s July Manufacturing PMI jumped to 56.4 as businesses enjoyed marked gains in growth of new business and output, as well as softening inflationary pressures. Source: @SPGlobalPMI|Twitter

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POLICY AND REGULATORY FRAMEWORK

Agriculture Ministry is considering to seek Cabinet nod to allow more projects under Agriculture Infrastructure Fund (AIF)

Ministry to seek Cabinet nod for allowing projects access agriculture fund: Tomar
Business Standard, July 30, 2022

India has sufficient foreign exchange reserves and less foreign debts, says Raghuram Rajan as he lauds RBI's efforts in increasing foreign exchange reserves

Raghuram Rajan lauds RBI, says India not facing economic problems like Sri Lanka, Pakistan
The Indian Express, August 1, 2022

Centre releases interest-free 50-year capex loans to eight states so far in the current financial year to clear pending capex bills and fund new projects

Centre sanctions ₹20,000 crore as capex loans to 8 states
The Financial Express, August 1, 2022

GST revenues for July are 28% higher, Y-o-Y

GST collection hits nearly ₹1.49 lakh crore in July, second-highest ever
Inshorts, August 1, 2022

Nearly 63.47 lakh income tax returns were filed till 10 pm on last day by salaried individuals for the fiscal 2021-22

Over 6.3 million returns filed till 10 pm on last day: Income Tax department
Business Standard, August 1, 2022

UP government to approach embassies in the US and other European countries to double merchandise shipments to ₹3 trillion in the next 4-5 years from ₹1.40 trillion in FY 2021-22

Uttar Pradesh government seeks to take embassies' help to boost exports
Business Standard, August 1, 2022

Directorate General of Foreign Trade relaxes rules and allows import of Malonylurea (Barbituric Acid) and its salts

Government eases Malonylurea (Barbituric Acid) & salts import policy
The Economic Times, August 1, 2022
India’s economy to not slip into recession or witness stagflation even as several countries across the globe face enhanced risks of either a sharp slowdown in growth or recession, assures FM Sitharaman

No question of India witnessing recession or stagflation, says FM Nirmala Sitharaman
The Financial Express, August 2, 2022

Government lowers the mandatory turnover threshold for e-invoicing of businesses to plug revenue leakage and ease compliance

GST e-invoicing must for entities with ₹10 crore turnover from Oct 1
Business Standard, August 2, 2022

Telangana government to launch the 'Nethana Beema' scheme aimed at providing financial support to the bereaved families of handloom and powerloom weavers

Telangana to launch insurance scheme to support bereaved weavers’ families
Business Standard, August 2, 2022

Group of Ministers consider doing away with 12% GST slab due to least contribution to revenues

GoM weighs scrapping 12% GST slab
The Economic Times, August 2, 2022

Government revokes order mandating coal import target for power generating plants as states show favourable coal stock position

Centre revokes mandatory coal import target after many flip-flops
Business Standard, August 2, 2022

Government raises windfall tax on crude petroleum producers by 4.41%, scrapped the ₹4 per litre levy on Aviation Turbine Fuel (ATF) exports, and reduced the cess on the export of diesel from ₹11 to ₹5 a litre

Centre cuts jet fuel and diesel taxes, hikes petroleum crude export tax
The Hindu, August 3, 2022

India’s financial inclusion index (FI-Index) improved from 53.9 in the previous year to 56.4 for the year ended March 31, 2022

Financial inclusion index inches up, all sub-indices rise: RBI
The Indian Express, August 3, 2022

Department for Promotion of Industry and Internal Trade (DPIIT) recognizes more than 75,000 startups in the 75th year of Independence

India now home to 75,000 startups... this is only the beginning, says Piyush Goyal
Live mint, August 3, 2022
Sugar mills can now export 11.2 million tonnes of sugar from an earlier cap of 10 million tonnes due to improvement in stock position of sugar

**Government approves extra 1.2 MT of sugar exports this season: Exports to hit record 11.2 MT**

The Financial Express, August 3, 2022

India is expected to be a trillion-dollar digital economy and could support 60 to 65 million digitally enabled jobs by 2025-26

**India poised to become trillion-dollar digital economy by FY26: Government**

Live mint, August 3, 2022

India has approximately 2% share in global space economy

**India’s share in USD 360-billion global space economy is 2%; Government to Lok Sabha**

Live mint, August 3, 2022

Government releases fifth Post Devolution Revenue Deficit Grant to 14 states

**FinMin releases 5th revenue deficit grant of ₹7,183 crore to 14 states**

Business Standard, August 3, 2022

Government withdraws Personal Data Protection Bill, 2019

**Centre pulls data bill to make way for wider law**

Live mint, August 4, 2022

Government to launch a national portal to provide subsidised food grain to migrant workers not in possession of ration cards

**Portal to ensure ration cards for migrant workers: 16 million more likely to be added to PDS list**

The Financial Express, August 4, 2022

Indian Sugar Mills Association urge the government to increase the minimum support price (MSP) of sugar from the current level of ₹31 per kg to at least ₹36-37 per kg in line with FRP

**Sugar manufacturers urge government to hike MSP**

The Financial Express, August 4, 2022

Government to provide infrastructure status to SEZs to facilitate access to finance and long-term borrowing from lenders at easier terms

**Government plans infrastructure status for SEZs; move to ease financing norms**

Business Standard, August 4, 2022
Ice-cream parlours to attract 18% GST with input tax credit
The Economic Times, August 4, 2022

RBI led Monetary Policy Committee increased the repo rate to bring down inflation
The Economic Times, August 5, 2022

RBI keeps inflation forecast unchanged for the current fiscal
The Economic Times, August 5, 2022

Financial sector remains well capitalised, and India's forex reserves provide insurance against global spillovers
The Hindustan Times, August 5, 2022

"In an ocean of high turbulence and uncertainty, Indian economy is an island of macroeconomic and financial stability", says RBI Governor Shaktikanta Das during the post policy press conference
The Hindu, August 5, 2022

RBI to handle the auction of four government securities through multiple price-based methods on RBI's Core Banking Solution (E-Kuber) system
Live mint, August 5, 2022

Centre to likely scrap the 40% import duty on wheat to contain soaring domestic wheat prices
The Financial Express, August 5, 2022

Government may not review export duties on steel and iron products in spite of increase in input costs
The Financial Express, August 5, 2022

Government to consider proposing antitrust scrutiny for M&A of global tech companies valued above ₹2000 crore
The Economic Times, August 5, 2022
Government gives nod to fund 102 incubators under the Startup India Seed Fund Scheme
₹375.25 crore approved to 102 incubators under Startup India Seed Fund Scheme (SISFS) as on 30th July 2022
PIB, August 5, 2022

Centre proposes amendments to the Competition Law including the introduction of a settlement framework, reduction in the time limit for combination approvals and provision for incentives for parties to disclose information in cartel probes
Government proposes changes to competition law; moots settlement framework
The Economic Times, August 5, 2022

Weekly Positivity Rate is 4.63%
COVID-19 UPDATE
PIB, August 6, 2022
ECONOMIC TRENDS

Retail inflation for industrial workers eased to 6.16% in June from 6.97% in May this year due to lower prices of certain food items and petrol.

Retail inflation for industrial workers eases to 6.16% in June
The Hindu, July 30, 2022

SBI report expects that both deposits and credit will continue to grow in double digits, despite the interest rate reversal, in FY23.

Bank deposits, credit will continue to grow in double digits in FY23: SBI report
Live Mint, July 31, 2022

Demand for jobs in July fell by 36% from households and by 42% from individuals over June.

Demand for MGNREGS work falls in July, signals rise in economic activities
The Financial Express, August 1, 2022

UPI reported 6.28 billion transactions in July, highest ever by India’s flagship digital payments platform since its inception in 2016.

UPI records 6 billion transactions in July, highest ever since 2016
Business Standard, August 1, 2022

Prices of all varieties of rice increase due to higher demand and shortage in paddy acreage in several states.

Rice prices increase up to 30% due to demand from West Asia, Dhaka
The Economic Times, August 1, 2022

Manufacturing PMI rose to 56.4 in July as compared to 53.9 in June and 54.6 in May.

India's manufacturing PMI surges to 8-month high of 56.4 in July
Inshorts, August 1, 2022

India’s largest automobile manufacturer reports 8.28% increase in total sales to 1,75,916 units in July 2022.

Maruti Suzuki India reports jump in sales to 1.75 lakh units in July
The Hindustan Times, August 1, 2022

Favourable growth in economic indicators reflect the resiliency of India’s domestic demand recovery.

GST, PMI data for July point to firm recovery
The Economic Times, August 2, 2022
Unemployment rate declines in July amid rising agriculture activity during the monsoon

*India’s unemployment lowest in six months at 6.8% in July: CMIE*

The Hindu, August 2, 2022

PMI services decline to 55.5 in July 2022 from 59.2 in June

*July PMI services growth slips to 4-month low on rising inflation*

Business Standard, August 3, 2022

Liquidity surplus rose more than four times to 2 trillion rupees this week after dropping to a near three-year low during the previous week

*India’s bank liquidity surplus rises after a sharp drop last week*

Business Standard, August 3, 2022

Digital transactions of ₹3,270 crores have been done between April-July 24 this year

*India records over 3,000 crore digital transactions between April-July 2022*

Live mint, August 3, 2022

Currency in circulation increases by just 500 billion rupees during the first four months of the current financial year, beginning April

*India’s pace of rise of currency in circulation dips*

The Economic Times, August 4, 2022

Barclays bank expects inflation to be at 6.65% in July due to decline in food prices

*Retail inflation for July may ease to 5-month low, says Barclays*

The Economic Times, August 4, 2022

Fiscal deficit in the current financial year is expected to be around 6.5 per cent, as against the budget estimate of 6.4 per cent, says SBI report

*India’s FY23 fiscal deficit may come around 6.5%, says SBI Ecowrap*

The Economic Times, August 4, 2022

Consumer confidence index improves but remains in pessimistic zone, current situation index rose by 1.4 points from 75.9 in May to 77.3 in July

*Consumer confidence continues to improve in July, marginal rise in future expectations: RBI report*

The Times of India, August 5, 2022
TRADE AND INVESTMENT

India, with limited exports to China, is less exposed to any additional pandemic-related disruptions there
Limited risks for India from Covid disruptions in China, says Fitch
The Financial Express, July 30, 2022

Pharma sector registers a growth of 8% with officials hoping for a 10% growth in the current fiscal
India pharma sector exports rises 8% to $6.26 billion in first quarter
Business Standard, July 31, 2022

Bilateral trade between India and Thailand reached an all-time high of USD 15 billion indicating greater economic cooperation between the two countries in trade, investment and tourism
Indo-Thai bilateral trade touched $15 billion in FY’22
Business Standard, July 31, 2022

India raises average applied import tariff to 18.3% in 2021 from 15% in the previous year
Import tariffs rise again in 2021 on renewed push for local manufacturing
The Financial Express, August 1, 2022

India and Maldives sign six agreements to expand cooperation in several key areas
India inks six pacts with Maldives to broad-base ties, announces $100 million line of credit
The Economic Times, August 2, 2022

India could save up to $5 million in forex by using bullion exchange which will help to transform the country to become a market maker from a passive price taker
Bullion Exchange set to aid India's forex
The Economic Times, August 2, 2022

US is expecting India to address small trade barriers and facilitate the export of 15,000 tonne of soya isolate protein annually
US hopes India to address small trade barriers in soyabean exports
The Economic Times, August 2, 2022

Merchandise exports in July dropped to $35.2 billion, trade deficit widens to $31 billion
Merchandise exports dip in July, after 17 months
The Financial Express, August 3, 2022
FDI to GDP ratio eased to 2.7% in fiscal year ending March from 3.1% in the previous year

India’s FDI to GDP ratio eased to 2.7% in fiscal 2022
The Economic Times, August 3, 2022

Following Government of India permitting international trade in rupees, it anticipates $8-$9 billion of trade with Russia and Sri Lanka

India expects $8-$9 billion bilateral trade with Russia, Sri Lanka in two months
Business Standard, August 3, 2022

Nomura expects a negative basic balance of payments situation for India in 2022-23, with the current account deficit (CAD) to hit 3.3% of GDP in 2022-23 from 1.2% last year

Exports slowdown has begun, warns Nomura
The Hindu, August 3, 2022

India increases procurement of Russian coal, imports rise 10% M-o-M to 2.03 million tonnes

Russia topples US to increase coal imports to India, China dumps hefty amount of met coke
The Economic Times, August 4, 2022

Following the return of foreign portfolio investors to Indian markets, foreign exchange reserves rose by $2.4 billion during the week ended July 29

Forex reserves rise after falling for four weeks
The Economic Times, August 5, 2022

India stresses the need for early completion of India-Myanmar-Thailand Trilateral highway and its extension to Cambodia to boost connectivity

India pushes for early completion of trilateral highway from northeast to Cambodia
The Economic Times, August 5, 2022

PM Modi reviewed various areas of bilateral engagement with Philippines President Ferdinand Marcos while also reiterating the important role of Philippines in India’s Act East Policy

PM Modi, Philippines president Ferdinand Marcos review bilateral ties progress
Business Standard, August 5, 2022
INTERNATIONAL SCENE

Asian countries such as India, Thailand and Korea to accumulate foreign reserves to help prop up their currencies

Asia’s central banks deploy forex reserves in fighting currency bears
The Economic Times, August 4, 2022

IMF suggest India to withdraw fiscal and monetary policy stimulus gradually, develop export infrastructure and scale up shipments by getting into FTAs with key trading partners to maintain comfortable external sector balance over medium term

India needs to roll back stimulus gradually: IMF
The Indian Express, August 5, 2022