Weekly Economic Roundup

People’s power, women’s power, and the power of technology are powering the Jai Jeevan Mission

- Jal Jeevan Abhiyan is a scheme run by the community, for the community
- Goa achieved the milestone of being the first state to become Har Ghar Jal certified

Delhi Policy Group
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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:

(Photographs)

10 Crore rural households get drinking water through taps
Source: @transformingIndia|Twitter
Retailers report 18% growth in sales in July
Source: @economictimes|Twitter

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POLICY AND REGULATORY FRAMEWORK

Achieving a growth rate of 11 per cent, to facilitate India to become the second largest economy in the world earlier than projected

11% growth over next decade could make India world’s second largest economy by 2031: RBI Deputy Governor
The Hindu, August 13, 2022

Ministry of Finance to review the new tax regime that offered lower tax rates without exemptions and deductions with a view to making it more attractive for individual income taxpayers

Finance Ministry plans to review exemption-free tax regime to make it more attractive
Business Standard, August 14, 2022

Commerce Ministry is proposing a host of direct and indirect incentives to revamp Special Economic Zones through a new legislation

New law for SEZs: Commerce Ministry proposes host of incentives
Business Standard, August 15, 2022

Food ministry convenes a meeting of 25 producing states and Union territories (UTs) on August 30 to set a target for the procurement of the key grain rice for the next marketing year amid fears of a drop in paddy production

Food ministry calls meet on August 30 to fix rice purchase target
The Financial Express, August 15, 2022

Government allows states to borrow ₹42,268 crore, taking the total debt limit for all states for the first three quarters of FY23 to ₹6.14 trillion

States including UP get nod in July to borrow ₹42,268 crore
The Financial Express, August 15, 2022

Work generated from National Rural Employment Guarantee Scheme declines due to a pick-up in agricultural and non-agricultural activities that kept labourers engaged and due to weakening of reverse migration

Rural jobs scheme work generation down 50% in July
The Economic Times, August 15, 2022

PM Modi listed five pledges ‘Panchpran’ for every Indian to fulfil by 2047-having developed India, removing any sign of servility, pride in heritage, unity & fulfilling our duties

PM Narendra Modi lists out five pledges for India to fulfill its dreams by 2047
Live mint, August 15, 2022
PM Modi calls out for achieving self-sufficiency in foodgrains at Independence day speech

Self-sufficiency in foodgrain shows India can reduce imports: PM Modi

Business Standard, August 16, 2022

India to urge Australia to stop taxing the offshore income of Indian firms providing technical support there

India to take up IT firms’ tax issue with Australia

The Financial Express, August 16, 2022

Claim-to-premium ratio under the Pradhan Mantri Fasal Bima Yojana is expected to drop in the crop year through June 2022, as normal monsoon rainfall and improved irrigation facilities reduce the possibility of crop failures

Claims under crop insurance scheme plunges

The Financial Express, August 16, 2022

Goods and Services Tax (GST) Council may go in for another round of rate changes to correct the remaining instances of inverted duty, apart from withdrawing some more exemptions

More GST rate changes likely to address inverted duty, exemptions

The Economic Times, August 16, 2022

More than 2.36 crore national flags were procured by government departments and states via GeM portal from July 1 to August 15

National flags worth over ₹60 crore procured via GeM portal

The Economic Times, August 16, 2022

UIDAI issues circular mandating Aadhaar number to avail benefits provided by the government

Aadhaar number mandatory to get government benefits–subsidies: UIDAI

The Hindustan Times, August 16, 2022

Government imposes curbs on exports of 8.2 lakh tonne of additional sugar to boost local availability and check rise in prices

Government issues export orders for 8.2 lakh tonne of additional sugar

The Economic Times, August 16, 2022

Ministry of Food receives 38 technical bids for setting up of state-of-the-art wheat silos under the public private partnership (PPP) model

Government gets 38 bids to set up wheat silos

The Financial Express, August 17, 2022
Imported consignments of milk, milk products, pork, fish and fish products will require health certificates issued by the competent authority of the exporting country.

*Health stamp must for imports of fish, dairy products*

The Economic Times, August 17, 2022

Foodgrain production estimated to be at record 315.72 million tonnes in the country, up by 4.98 MT in 2020-21.

*Fourth advance estimates for 2021-22 of major agriculture crops released*

PIB, August 17, 2022

Union Cabinet approves ₹34,856 crore towards interest subvention scheme for agriculture loans.

*Cabinet nod for 1.5% interest subvention on farming loans*

Live mint, August 17, 2022

Ministry of Coal sets a target of producing 900 million tonne of coal this financial year.

*India targets 900 million tonne coal production in FY23: Minister*

Business Standard, August 17, 2022

Government amends the rules pertaining to maintaining books of accounts by companies to enhance scrutiny of accounts by the authorities concerned.

*Government amends rules pertaining to maintaining of books by companies*

The Economic Times, August 17, 2022

Centre initiates deliberations to regulate Big Tech’s data collection and usage policies after parliamentarian’s express concerns over the use of data for stifling genuine competition in the market.

*Government to curb Big Tech’s data collection*

Live mint, August 18, 2022

Central Board of Indirect Taxes and Customs (CBIC) increased the threshold monetary limit for prosecution and arrest for customs violations.

*Customs violations: Monetary limit for legal action raised*

The Financial Express, August 18, 2022

Union Cabinet widens the coverage of Emergency Credit Line Guarantee Scheme by ₹50,000 crore to ₹5 trillion.

*Guaranteed loan scheme coverage widened by ₹50k crore*

The Financial Express, August 18, 2022
Union government reduces the windfall tax on sale of locally produced crude oil to ₹13,000 per tonne

**Centre cuts windfall tax on domestic crude**
Live mint, August 19, 2022

India to have an appellate body to resolve disputes relating to GST

**Contours of GST tribunal finalised, to help resolve disputes**
The Financial Express, August 19, 2022

Announcements of new investment projects, by the private corporate sector, increased in 2021-22 with the total cost of projects increasing by about 90% over 2020-21

**Private capex announcements rose in 2021-22, says RBI**
The Financial Express, August 19, 2022

Commerce Ministry recommends imposition of anti-dumping duty on Chinese ofloxacin for five years to guard domestic players from cheap imports

**DGTR hints at anti-dumping duty on Chinese ofloxacin, FinMin to decide**
Business Standard, August 19, 2022

Ministry of Commerce and Industry is planning to hire consultants to study business environment and compliances and suggest steps to promote ease of doing business in the country

**DPIIT to hire consultants to work towards ease of doing business**
Business Standard, August 19, 2022

Government extends deadline to submit applications under the production-linked incentive scheme for specialty steel till September 15

**Government extends deadline for PLI applications for specialty steel for 5th time**
Business Standard, August 19, 2022

Shipping Ministry proposes establishing a national council for structured growth and development of the port sector in the draft Indian Ports Bill

**Shipping ministry proposes amendment to 110 year-old Indian Ports Act**
The Economic Times, August 19, 2022

Exemptions specified in Free Trade Agreement (FTA) with regard to country of origin will prevail in case of conflict between revenue department and importer

**FTA provisions to prevail in case of conflict over Rules of Origin on imported goods, says CBIC**
The Economic Times, August 19, 2022
Jal Jeevan Mission (JJM) achieves a new milestone by providing 10 Crore rural households with safe and clean drinking water through taps

*10 Crore rural households get drinking water through taps*
PIB, August 19, 2022

Ministry of Finance raise concerns of supply disruptions during winters as global tensions linger

*Geopolitical tensions could trigger crude oil supply concerns in the winter, says Finance Ministry*
The Economic Times, August 19, 2022

Ministry of Electronics and Information Technology in consultation with Google Play attempts to find a way to curb malpractices by digital lending apps

*MeitY in talks with Play Store on digital lending app malpractices*
Business Standard, August 19, 2022

Sebi allows India registered Alternative Investment Funds (AIFs) and Venture Capital Funds (VCFs) to invest in foreign entities without having an India connection

*Sebi drops Indian connection clause to make investment easy for AIF, VCF*
Business Standard, August 19, 2022

Weekly Positivity Rate is 3.87%

*COVID-19 UPDATE*
PIB, August 20, 2022
ECONOMIC TRENDS

Cultivation of maize, mustard and moong should be promoted to boost farmers' income and attain self-sufficiency in edible oils

Mustard, maize and moong cultivation must be promoted to boost farmers' income
The Economic Times, August 13, 2022

Overall direct tax collections, grew by 40 per cent in the first four months of FY23 to ₹5 trillion

Direct tax collection grows 40% driven by personal income tax from April-July
Business Standard, August 15, 2022

High raw material prices hurt the profitability of Indian companies in the fiscal first quarter

Higher cost pressure mars Q1 show for India Inc
The Economic Times, August 15, 2022

Nomura warns of increase in core inflation despite decline in inflation in July month

Easing of inflation in July may not be a cause for celebration, says Nomura
The Economic Times, August 15, 2022

India Inc. to witness a salary hike in 2023, pushed by labour constraints and inflation concerns

India Inc. to see 10% median salary hike in 2023
Live mint, August 16, 2022

Wholesale price-based inflation eased to 13.93 per cent in July from 15.18 per cent last month

India’s WPI inflation eases to 13.93% in July, lowest in 5 months
Business Standard, August 16, 2022

Revival in housing demand and rise in construction cost lead to an increase in residential property prices across eight major cities during the April-June quarter

Average housing prices rise 5% in April-June across 8 cities: Report
Business Standard, August 16, 2022

Petrol and diesel demand fall in July, M-o-M

India’s fuel demand continues to fall in August as monsoon sets in
Business Standard, August 16, 2022
Most economists project the economy to grow between 14.5 per cent and 16 per cent during Q1 of FY 2022-23

Most economists see GDP growing at slower pace in Q1 than MPC projection
Business Standard, August 17, 2022

Retail businesses across India reported a growth in sales as compared to pre-pandemic levels
Retailers report 18% growth in sales in July
The Economic Times, August 17, 2022

India’s worst period of macro instability is possibly over, and both consumer inflation and trade deficit are expected to moderate gradually
India’s worst period of macro instability possibly over: Morgan Stanley
Business Standard, August 18, 2022

Google Play registers a 200% increase in active monthly users in 2021, especially for apps and games published by Indian developers, compared to 2019
Google Play after 10 years: 200% increase in monthly active users for Indian apps
The Hindustan Times, August 18, 2022

Manufacturing sector is likely to be hit by a slump in foreign trade activity in FY23 due to recessionary concerns in the advanced economies as a result of the Russia-Ukraine war, stringent COVID-19 control measures in China impacting production in various sub-sectors in India, and continued disruptions in global supply chain/trading sanctions imposed on Russia
Manufacturing sector to be impacted in FY23 as exports take a hit, says Ind-Ra report
The Economic Times, August 18, 2022

Retail inflation for farm and rural workers increase in July mainly due to higher prices of certain food items
Retail inflation for farm, rural workers rise to 6.6%, 6.82% in July
Business Standard, August 19, 2022

Inflation to fall within the tolerance band in Q1’23-24: RBI economists
RBI report projects retail inflation within tolerance band by Q1FY24
Business Standard, August 19, 2022
While consumers continue to remain less optimistic over their income growth prospects than the pre-Covid period, businesses are confident about their profit margins

Consumers worried over income growth prospects and job outlook, says report
Business Standard, August 19, 2022
TRADE AND INVESTMENT

India denies pressure from Western countries or anywhere else over its energy purchases from Russia

India says no pressure on it to limit energy purchases from Russia
The Economic Times, August 13, 2022

APEDA, organises outreach strategy for the promotion of agro export to accomplish the export target of USD 23.56 billion for the financial year 2022-23

Renewed push for agro export promotion to achieve USD 23.56 billion target for 2022-23
PIB, August 14, 2022

Commonwealth Secretary General Patricia Scotland urges India to play a leadership role in enhancing trade and digital connectivity within the Commonwealth

India can help the Commonwealth scale up its trade, says Commonwealth Secretary General
The Economic Times, August 15, 2022

Indian companies import petroleum coke from Venezuela led by demand for inexpensive fuel to power companies amid a surge in global coal prices

In a first, India buys discounted Venezuelan petcoke to replace coal
Business Standard, August 16, 2022

India and UK share great synergies in areas of strength such as the digital sector, and in areas of complementarity

Huge opportunity for business in India’s fintech space, says UKIBC
Business Standard, August 16, 2022

Rupee strengthens and bond yields register sharp decline following a decline in crude oil prices

Government bonds, rupee strengthen as crude prices plunge on growth concerns
Business Standard, August 17, 2022

Two domestic polyvinyl chloride (PVC) makers urge the government to impose quantitative restrictions on imports of PVC suspension resins from China for two years, to safeguard the interests of local players

Curb China imports, say PVC makers
The Financial Express, August 17, 2022
India's crude oil imports from Russia register a decline for the first time since March 2022

*India eases Russian oil buying in July, boosts Saudi imports: Sources*

The Economic Times, August 17, 2022

India's demand for oil products is projected to rise from 4.77 million barrels per day (bpd) in 2021 to 5.14 million bpd in 2022

*India's oil demand to rise by 7.7% in 2022, fastest growing in world: OPEC*

Business Standard, August 17, 2022

Oil meal exports increase due to rise in shipments of rapeseed meals’

*India's oil meal exports up 19 per cent at 2.27 lakh tonnes in July: SEA*

The Economic Times, August 17, 2022

Manufacturing sector investments register a growth in 2019-20, Y-o-Y

*Manufacturing investments rose 20.9% in FY20 before Covid pandemic: ASI report*

The Economic Times, August 17, 2022

India imported goods worth $4.23 billion in June from Russia, up 6.8 times as compared to last year

*At $4.3 billion, imports from Russia jump nearly 7 times in June: Government data*

Business Standard, August 18, 2022

India and Bangladesh to begin formal negotiations for signing a comprehensive economic partnership agreement to boost trade and investments in eastern and north-eastern India

*Bangladesh PM Sheikh Hasina gives green signal for CEPA with India*

The Economic Times, August 18, 2022

India’s gold imports register a rise during April-July this fiscal due to healthy demand

*Gold imports up 6.4% to $13 billion in April-July this fiscal*

The Indian Express, August 19, 2022

Primary dollar corporate bond market witnesses longest dry spell in 13 years, as a historically weak rupee makes servicing offshore debt unattractive

*India's dollar credit market faces its worst drought in 13 years*

Live mint, August 19, 2022
PHD Chamber of Commerce and Industry urges India to focus on mass production of commodities in which it has a comparative advantage over its top-two trading partners — the US and China

Trade with US, China: PHDCCI calls for mass production of commodities
The Economic Times, August 19, 2022
INTERNATIONAL SCENE

Dr S. Jaishankar at the annual ASEAN-India Foreign Ministers’ Meeting deliberated on ways to elevate ASEAN-India cooperation in the post pandemic era, including enhancing cooperation in areas of smart agriculture, healthcare, new & renewable energy, digital inclusivity and fintech and also shared views on important regional and international issues of mutual interest.

ASEAN-India Foreign Ministers’ Meeting and other related meetings
MEA, August 5, 2022

Dr. S. Jaishankar, External Affairs Minister and H.E. Mr. Don Pramudwinai, Deputy Prime Minister and Minister of Foreign Affairs of the Kingdom of Thailand exchanged views on regional and multilateral issues of mutual interest and reiterated their commitment to further strengthen the multi-dimensional partnership that exists between the two countries.

Visit of External Affairs Minister to Bangkok, Thailand (August 16-18, 2022) to co-chair the 9th Joint Commission Meeting between India and Thailand
MEA, August 18, 2022

India and other developing countries have objected to a provision in a multilateral convention that bars nations from enacting any future digital services taxes such as equalization levy.

India, others oppose OECD plan on future digital taxes
The Financial Express, August 19, 2022

India urges for a special meeting of the General Council of the World Trade Organization to extend the scope of the Covid-19 vaccine patent waiver to diagnostics and therapeutics.

India pitches for special WTO meet to expand scope of Covid IP waiver
The Economic Times, August 19, 2022