Weekly Economic Roundup

Net direct tax collection reaches highest-ever figure in FY 22

- Net direct tax collection (income tax and corporate tax)
- 14.09 lakh crore
- 9.45 lakh crore
- 2020-21
- 2021-22

Volume III, Issue 35 | August 27, 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.

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(Photographs)

Net direct tax collection reaches highest-ever figure in FY 22
Source: TransformingIndia|Twitter

India poised to become next global SaaS capital, says EY-CII study
Source: @bsindia|Twitter

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POLICY AND REGULATORY FRAMEWORK

In view of reasonable recovery and sharp rise in inflation, front-loading of rate hikes is required to prevent the real rate from becoming too negative.

*Minutes of August meeting: MPC members favour front-loading of rate hikes*

The Financial Express, August 20, 2022

Large central public-sector entities, companies and undertakings improve their capital expenditure (capex) in the first four months of the fiscal to help spur economic growth.

*Big CPSEs step up capex, to aid investment revival*

The Financial Express, August 20, 2022

Formal job creation rose by 43% in June 2022.

*EPFO witnesses 43% YoY rise in net subscribers; adds 1.83 million in June*

Business Standard, August 20, 2022

Government has simplified almost 20,000 compliances and done away with 2,000 laws as part of ease of doing business.

*20,000 compliances simplified: Piyush Goyal*

The Economic Times, August 20, 2022

Indian government amends rules to ensure a transparent process for physical verification of addresses of the registered offices of companies.

*Government amends rules for physical verification of companies' registered office addresses*

The Economic Times, August 21, 2022

India’s headline retail inflation may ease below 6% by the fourth quarter of this financial year, bringing an end to the current cycle of rate hikes.

*Retail inflation likely to ease below 6% by March quarter, say analysts*

Business Standard, August 22, 2022

Egypt’s Supply Minister assures purchase of 180,000 tonnes of Indian wheat at $400 per tonne.

*Egypt’s deal to buy Indian wheat at $400 per tonne stands, says Minister*

Business Standard, August 22, 2022
RBI Governor Shaktikanta Das seeks to slow India’s inflation to 4% within two years after hitting its peak in the last few months
*RBI governor says inflation has peaked, ‘will approach 4% target in steady manner’*
Live mint, August 23, 2022

RBI Governor assures that current account deficit will be well managed and financed in a reasonably comfortable manner
*India’s CAD will be within manageable levels: RBI Guy Shaktikanta Das explains why*
Business Standard, August 23, 2022

Centre may release GST (goods and services tax) compensation for June 2022, the last month of the five-year guaranteed compensation pledged by the Union government
*Centre may soon release Rs 30,000 crores as GST compensation for June*
The Financial Express, August 23, 2022

India notifies overseas investment rules and regulations to boost ease of doing business
*Centre proposes stricter valuation rules for overseas direct investments*
Business Standard, August 23, 2022

Ministry of Finance introduces the concept of the strategic sector in its new overseas direct investment (ODI) framework under which the government will have the power to allow investments in foreign entities beyond the stipulated limits
*‘Strategic sector’ concept added to overseas investment rule*
The Financial Express, August 24, 2022

Government of India to target exports of goods and services of about $750 billion for FY23, up 11% from a record $676 billion in the previous fiscal year
*Government may set FY23 exports target at a record $750 billion*
The Financial Express, August 24, 2022

FCI avails short-term loan to finance its operations due to inadequate provisioning of food security expenses
*FCI resorts to short-term loans again, raises ₹22,000 crore*
The Financial Express, August 24, 2022
Prices of rice increase amid supply concerns and shortfall in paddy coverage

After wheat, retail price of rice rises 6.31% on supply concerns: Government data
Business Standard, August 24, 2022

Department of Commerce to set up a dedicated trade promotion body to drive overall promotion strategy, export targets, and execution as part of a restructuring exercise

Department of Commerce to set up a dedicated trade promotion body
Business Standard, August 24, 2022

National Highways Logistics Management Limited (NHLML), Inland Waterways Authority of India (IWAI), and Rail Vikas Nigam Limited (RVNL) sign agreement for development of modern Multi Modal Logistics Parks

Road, shipping, rail ministry arms sign agreement to develop Multi Modal Logistics Parks
The Economic Times, August 24, 2022

Total length of national highways and railways lines are expected to reach 1.8 lakh kilometres and 1.2 lakh kilometres respectively by 2025

India set to have 180k km highways, 120k km rail lines by 2025: Report
Business Standard, August 24, 2022

Government of India to include states to widen social security coverage of unorganised workers on the e-Shram portal

States to be roped in to widen e-Shram cover
The Economic Times, August 24, 2022

Government to implement ‘one nation, one fertiliser’ policy by introducing a single brand name for urea and other fertilisers

Fertiliser to be sold under single brand name
The Financial Express, August 25, 2022

Research and innovation must be transformed from the way of working to the way of living, says PM Modi in his address at the Grand Finale of Smart India Hackathon 2022

PM addresses Grand Finale of Smart India Hackathon 2022
PIB, August 25, 2022
281.5 million workers are registered on the e-Shram portal in the one year since its launch

Over 70% unorganised workers registered in year since e-Shram portal launch
Business Standard, August 25, 2022

Appropriate countercyclical macroeconomic policy with continuing supply-side improvements has enabled a growth recovery that is among the best in the world, says RBI Monetary Policy Committee (MPC) Member Ashima Goyal

Systemic reforms boosted India’s macroeconomic stability: Ashima Goyal
Business Standard, August 25, 2022

Industry body PHDCCI urges the government to plug loopholes in the FDI policy in the e-commerce sector to prevent its exploitation by online retailers

PHDCCI urges government to issue clarification on FDI policy in e-commerce sector
The Economic Times, August 25, 2022

Former Chief Economic Adviser KV Subramanian is appointed as the Executive Director for India at the International Monetary Fund (IMF)

Government appoints CEA K Subramaniam as Executive Director for India at IMF
Live mint, August 25, 2022

India and Saudi Arabia sign a pact for an annual supply of 2.5 million tonnes of ammonia and DAP, NPK fertilisers for the next three years

Centre signs long-term fertilisers import deal with Saudi Arabia
Business Standard, August 25, 2022

Net direct tax collections (income tax and corporate tax) reached an all-time high of ₹14.09 lakh crore in financial year 2021-22 against ₹9.45 lakh crore collections in FY 2020-21

Net direct tax collection reaches highest-ever figure in FY 22
The Economic Times, August 26, 2022

PM Modi urged for implementation of four labour codes which will ensure the empowerment of workers via minimum wages, job security, social security and health security.”

PM calls for quick roll-out of reformist labour codes
The Financial Express, August 26, 2022
Government to impose curbs on wheat flour exports to check rising prices and ensure food security for the vulnerable sections of the society

Cabinet approves curbs on wheat flour exports
The Financial Express, August 26, 2022

India’s target to achieve zero emissions by 2050, could boost GDP by 7.3 per cent ($470 billion) and create almost 20 million additional jobs by 2032

2050 net-zero target can boost India’s GDP by 7.3% till 2032, says report
Business Standard, August 26, 2022

FM Sitharaman meets US Deputy Treasury Secretary Wally Adeyemo and discussed India’s G20 Presidency in 2023, as well as areas of cooperation for continued and enhanced India-USA partnership

FM Sitharaman meets US Deputy Treasury Secretary, discusses global economy
Business Standard, August 26, 2022

Labour Ministry forms a committee to firm up standard operating procedures for sharing data of unorganised workers between Centre and states

Labour Ministry forms committee on sharing of data of unorganised workers
The Economic Times, August 26, 2022

Finance Ministry estimates the economy to have grown by around 15.6 percent in the quarter, lower than the Reserve Bank of India’s April-June (Q1FY23) GDP projection of 16.2 percent

Finance Minister sees Q1 growth at 15.6% ahead of GDP data, impact on trade component
The Economic Times, August 26, 2022

Weekly Positivity Rate is 2.80%

COVID-19 UPDATE
PIB, August 27, 2022
**ECONOMIC TRENDS**

Mineral production in India showed a growth in June as per the Index of Mineral Production of Mining and Quarrying sector

*India’s mineral production up by 7.5% in June*

Live mint, August 20, 2022

Area under paddy in the week ended August 18 was almost 8.25 per cent less than in the equivalent period last year

*Paddy sowing continues to lag, acreage down by 8.25%, shows government data*

Business Standard, August 21, 2022

Housing sales are likely to breach pre-pandemic level of 2.62 lakh units across the top 7 cities; experts feel that the housing market is now at the start of a long-term upcycle

*2022 Housing sales to breach pre-Covid levels despite rate hikes: Industry*

Business Standard, August 22, 2022

Seven states (Andhra Pradesh, Rajasthan, Bihar, Telangana, Delhi, Odisha and Madhya Pradesh) record double-digit GSDP growth during 2021-22

*19 states cross pre-Covid GSDP levels in FY22; Kerala, UP lag*

The Indian Express, August 22, 2022

India added 210 deep tech startups in 2021, taking the total number of such startups to 3000

*Deep tech startups bag $2.7 billion in 2021*

The Times of India, August 23, 2022

India’s Q1 GDP is expected to be much higher as several indicators show good progress

*India’s Q1FY23 GDP growth expected at 15.7% with possibility of upward bias: SBI Ecowrap*

The Economic Times, August 23, 2022

India registered crude oil production of 2453.19 TMT in July 2022, production declined by 3.76% Y-o-Y

*India’s crude oil production misses target in July*

Live mint, August 23, 2022
India’s GDP growth to grow in double digits at 13% in the first quarter of the current fiscal due to robust recovery in contact-intensive sectors following the widening vaccination coverage
[India’s GDP growth projected to spike to 4-quarter high of 13.0% in Q1: ICRA](https://economictimes.indiatimes.com/india/indias-gdp-growth-projected-to-spike-to-4-quarter-high-of-13-0-in-q1-icra/articleshow/67338960.cms)
The Economic Times, August 23, 2022

Demand for digital talent registers 60-70% dip due to a slowdown in major markets such as the US and the drying up of the funding ecosystem
[Short-term demand for digital talent dips as global economy slows, funding dries up](https://www.financialexpress.com/technology/demand-for-digital-talent-registers-60-70-dip-due-to-a-slowdown-in-major-markets-such-as-the-us-and-the-drying-up-of-the-funding-ecosystem/6011433/)
The Financial Express, August 23, 2022

Escalation of geopolitical tensions due to Russia-Ukraine war to threaten India’s growth outlook
Business Standard, August 24, 2022

Prices of key vegetables fall due to more than adequate monsoon rains in key producer states of Maharashtra, Karnataka, Andhra Pradesh and Madhya Pradesh
[Mandi prices of key vegetables fall on robust supply](https://www.financialexpress.com/commodity-prices/market-trends/mandi-prices-of-key-vegetables-fall-on-robust-supply/6011507/)
The Financial Express, August 25, 2022

Employers increased hiring by 29% in April to June 2022, as compared to a 20% increase in the previous quarter
The Economic Times, August 25, 2022

Scheduled commercial banks (SCBs) credit growth accelerated to 14.2% in June 2022 quarter, compared to 6% in the same period a year ago
Live mint, August 25, 2022

Formal job creation registers growth in Q1 of the current fiscal led by economic recovery post the covid-19 pandemic, reveals payroll data released by the Ministry of Statistics and Programme Implementation
Live mint, August 25, 2022
Index of Consumer Sentiments drop to 70.7 by August 21, from 73.1 in July due to deficient rains and receding prospects of a healthy kharif crop

Consumer sentiments muted in August: CMIE
The Economic Times, August 25, 2022

Indian software-as-a-services (SaaS) market is expected to grow multi-fold by 2025, accounting for almost 7 to 10 per cent of the global market from 2 to 4 per cent currently

India poised to become next global SaaS capital, says EY-CII study
Business Standard, August 26, 2022
TRADE AND INVESTMENT

Australia will likely ratify an interim trade deal before November 18 with India. The delay has occurred since endorsement is awaited by its Parliament following the election of a new labour government there

[Link to: Australia may ratify interim trade deal with India by November 18]

The Financial Express, August 20, 2022

Share of exports from job sensitive sectors shrank to 33.3% in FY22 from 36.2% in FY21

[Link to: Exports from job-intensive sectors slow down steadily]

The Financial Express, August 22, 2022

Tea exports to Europe and Japan have declined following an increase in tea prices and appreciation of the Indian currency

[Link to: Rising prices, rupee gain hurt tea exports to Europe, Japan]

The Economic Times, August 22, 2022

More than 15 Russian banks are in advanced talks with Indian lenders to facilitate bilateral business in their respective local currencies, bypassing the established trade mechanism tied to the US dollar

[Link to: Russian banks line up for customised trade accounts with Indian lenders]

The Economic Times, August 22, 2022

Senior officials of the USTR visit India to explore the possibility of enhanced market access for additional identified agricultural products, and engage on Washington’s concerns regarding regulatory approvals for the Distillers’ Dried Grains with Solubles

[Link to: US trade representative team visits India to advance talks for bilateral Trade Policy Forum]

The Economic Times, August 22, 2022

Demand from the US for polished lab-grown diamonds surges

[Link to: US demand to lift India’s lab-made diamond exports to $8 billion]

The Economic Times, August 22, 2022

India and Iran signed a memorandum of understanding (MoU) mutually recognising certificates of competency in unlimited voyages of seafarers from both the nations

[Link to: India, Iran sign bilateral seafarer pact amid Chabahar Port talks]

Business Standard, August 23, 2022
India hands over a fresh consignment of fertiliser to Sri Lanka under a special support programme to help farmers during the forthcoming paddy season
India hands over fertiliser to Sri Lanka
The Economic Times, August 24, 2022

Commerce and Industry Minister Piyush Goyal urged marine exporters to aim at $20 billion target in the next five years
Aim $20 billion exports in 5 years: Piyush Goyal to marine exporters
The Economic Times, August 24, 2022

India has a strong external balance sheet and ample foreign exchange reserves to withstand pressure on credit worthiness
India has ample forex to withstand pressure on creditworthiness: S&P
Business Standard, August 25, 2022

India’s gem and jewellery exports witness a marginal decline to ₹24,913.99 crores in July 2022 from ₹25,157.64 crore in July 2021
India’s gem and jewellery export slightly down at ₹24,913 crores in July 2022
Live mint, August 26, 2022
INTERNATIONAL SCENE

India supplied the tenth batch of medical assistance to Afghanistan as part of its ongoing humanitarian assistance

India delivers the 10th batch of medical assistance to Afghanistan
MEA August 20, 2022

The interconnectedness between Indian equities market and crypto assets has increased nearly tenfold since the advent of the Covid-19 pandemic; permits the transmission of shocks that can impact financial markets

Equity market links with cryptos up 10X since pandemic: IMF
The Economic Times, August 22, 2022

Asian Development Bank (ADB) and the Government of India sign loan agreement to provide safe drinking water and improve water supply and sanitation services in the state of Himachal Pradesh

ADB, India sign $96.3 million loan to improve water supply and sanitation services in Himachal Pradesh
PIB, August 22, 2022

Apple Inc. to begin manufacturing of iPhone 14 in India as Xi Jinping’s administration clashes with the US government and imposes lockdowns across the country that have disrupted economic activity

Apple’s new iPhone 14 to come with ‘Made in India’ tag as tech giant looks for alternatives to China
Live mint, August 23, 2022

The COVID-19 pandemic has set back the fight against poverty in Asia and the Pacific by at least two years as many people will find it harder to come out of extreme poverty

Pandemic pushes back Asia Pacific’s fight against extreme poverty by 2 years: ADB
The Economic Times, August 24, 2022

India and Mauritius review the present engagement between both countries in the field of MSMEs, and held discussion on potential areas of cooperation in various areas including exchange of best practices and experiences in development of MSME sector

India-Mauritius 3rd Joint Committee Meeting on SME Cooperation
PIB, August 25, 2022