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.

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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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India’s auto sector – barometer of the country’s economy – demonstrated healthy growth rising to record levels in August YoY as chip shortage eased further. Source: @bsindia|Twitter

Services exports rise 20.2% to $23.26 billion in July: RBI data. Source: @BusinessLine|Twitter

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Contents

POLICY AND REGULATORY FRAMEWORK.................................................................1
ECONOMIC TRENDS ..................................................................................................5
TRADE AND INVESTMENT ......................................................................................8
INTERNATIONAL SCENE .........................................................................................10
POLICY AND REGULATORY FRAMEWORK

India wants to be *aatmanirbhar* (self-reliant) in energy sector in the ‘amrit kaal’ of next 25 years, says PM Modi while addressing a programme in Gandhinagar.

*India will become self-reliant in energy sector in next 25 years: PM Modi*

Live mint, August 28, 2022

Financial inclusion is a major step towards inclusive growth which ensures the overall economic development of the marginalised sections of the society, said FM Sitharaman on the success of the Pradhan Mantri Jan Dhan Yojana.

*Financial inclusion major step towards inclusive growth: FM Nirmala Sitharaman*

The Economic Times, August 28, 2022

National Highways Infra Trust (NHIT) is planning to raise up to ₹2,350 crore through bank loans and bonds to acquire three road assets from state-owned National Highway Authority of India.

*National Highways Infra Trust to raise Rs 2,350 crores via bonds, bank loans*

Business Standard, August 28, 2022

All public procurement must be brought online to promote economies of scale and social inclusiveness, said Minister of Commerce and Industry Piyush Goyal while reviewing the progress of the government e-marketplace.

*Public procurement to be brought online*

Live mint, August 29, 2022

Government bans exports of wheat flour and related products to keep domestic supplies steady and curb a price rise, but will allow exports of such products to food-deficit nations, based on requests from their governments.

*Government bans exports of wheat products to tame prices*

The Financial Express, August 29, 2022

As fewer taxpayers opt for the income tax regime without exemptions, government to consider allowing some basic deductions and make the slabs more graded to make it more attractive to taxpayers.

*Exemption-free tax regime needs tweaking, analysts*

The Financial Express, August 29, 2022

Government of India’s decision to restrict exports of broken rice will hurt a few countries, but will not cause a full-blown crisis on the global market.

*Government working to avoid panic over rice with targeted curbs on export*

Business Standard, August 29, 2022

Total accounts opened under PM *Jan Dhan* Yojana increase in eight years since the launch of financial inclusion initiative.

*PMJDY accounts hit 462.5 million in eight years, deposits reach Rs 1.73 trillion*

Business Standard, August 29, 2022
PHDCCI urged the government to direct PSUs to clear pending dues of MSMEs and help the sector tide over the problem of delayed realisation of their bills and receivables, particularly from their large corporate buyers and government organisations

**PHDCCI asks government to direct PSUs to clear pending bills of MSMEs in 30 days**
The Economic Times, August 29, 2022

Reserve Bank of India (RBI) is considering setting up a fraud registry with a database of fraudulent websites, phones and various modus operandi for digital fraud aimed at preventing fraudsters from using banking infrastructure

**RBI is planning to set up a ‘fraud’ registry**
The Economic Times, August 29, 2022

Centre may revamp the target-setting mechanism for public sector banks which will help to monitor the performance of these banks based on parameters such as return on assets, reducing non-performing assets, efforts taken to improve financial inclusion, customer-centric initiatives, among others

**Centre may revamp framework for setting state-owned banks' targets**
Business Standard, August 30, 2022

Centre issues 63 show cause notices to manufacturers/importers of weighing and measuring instruments on e-commerce platforms seeking details of compliance

**Centre issues 63 show cause notices to the manufacturers/importers of weighing and measuring instruments to seek details of compliance**
PIB, August 30, 2022

Centre is working to develop an integrated portal to ensure seamless interaction between pensioners, government and bankers

**Centre working to develop portal for ‘ease of living’ of pensioners**
The Economic Times, August 30, 2022

Government sets a marginally higher target of 51.8 million tonne (mt) of kharif rice procurement for 2022-23 season, despite the possibility of drop in output because of lower paddy sowing

**Government sets higher rice procurement target despite fall in acreage**
The Financial Express, August 31, 2022

Centre proposes an amendment in its export policy for certain types of drones and unmanned aerial vehicles with an aim to simplify the policy under the SCOMET list

**Centre proposes amendment in export policy for certain types of drones**
Business Standard, August 31, 2022
Customs department to begin a standardised risk-based faceless assessment system for clearance of imported consignments in phases to promote ease of doing business.

Customs to start risk-based scrutiny of imported goods in phases from Sep 5
Business Standard, August 31, 2022

Experts point out to the need to clearly distinguish freebies from welfare spending.

Experts flag risk to economy if freebies are doled out without any checks
The Economic Times, August 31, 2022

Department of Expenditure released ₹4,189 crore to five states (Karnataka, Tripura, UP, Andhra Pradesh and Gujarat) for providing grants to the rural local bodies.

FinMin releases Rs 4,189 crores as rural local bodies grant to five states
Business Standard, August 31, 2022

Revenues for August 2022 are 28% higher than the GST revenues collected in the same month in 2021.

August GST revenue collection up 28% YoY at Rs 1.44 lakh crores
The Economic Times, September 1, 2022

Despite GDP growing at 13.5%, it is lower than RBI’s projection of 16.2% for the first quarter.

GDP leaps high but falls short of expectation
Times top100, September 1, 2022

Customs duty collections decline by 12% in July amid suspension of duty on cotton and concessional duty on edible oil.

Customs collection dips by 12% in July
Live mint, September 2, 2022

India proposes to impose retaliatory customs duties on about USD 250 million worth of goods imported from the UK if no agreement is reached on compensation concerning the imposition of restrictions by Britain on steel products within 30 days of consultations.

India proposes retaliatory duties on UK imports for curbs on steel products
The Financial Express, September 1, 2022

Government of India raised the export tax on exports of diesel and aviation turbine fuel, and also raised the additional excise duty on heavily-taxed domestic crude.

Windfall taxes on fuels, crude raised
The Financial Express, September 2, 2022
Government to support free electronic transactions under Bharat Bill Payment System or BBPS and may direct Indian Banks' Association (IBA) and National Payments Corporation of India (NPCI) to take a review and act against errant players charging platform fees for its services

Government to back free E-payments on Bharat Bill Pay
The Economic Times, September 2, 2022

India to plan a strategy to test different components of new electronic devices simultaneously so as to remove bottlenecks faced by businesses

Apple, Samsung could benefit as India aims to speed product safety approvals
The Economic Times, September 2, 2022

UIDAI emerges as a top performer in resolution of cases as per the report published by Department of Administrative Reforms and Public Grievances (DARPG) for the month of August 2022

UIDAI tops in Grievance Redressal Index during August 2022
PIB, September 2, 2022

Prime Minister Narendra Modi talks about India’s port capacity, says it has doubled in the last eight years and also stresses on the importance of infrastructure growth for development of a modern India

Port capacity doubled in India in 8 years: PM Modi
The Economic Times, September 2, 2022

At the end of March 2022, India’s external debt recorded an increase

India’s external debt rises 8.2 per cent to USD 620.7 billion till March 2022
The Economic Times, September 2, 2022

RBI to run a pilot project for digitisation of KCC lending so as to make it cost effective for borrowers

RBI takes up project to digitise farm loan delivery under KCC scheme
The Economic Times, September 2, 2022

Weekly Positivity Rate is 2.42%

COVID-19 UPDATE
PIB, September 3, 2022
ECONOMIC TRENDS

Sowing of paddy crops decline, Y-o-Y, owing to severe deficiency in monsoon rainfall in key states including Uttar Pradesh, Bihar and West Bengal
Kharif sowing down 1.5%, paddy area falls 6%
The Financial Express, August 27, 2022

Indian economy likely grew 15.1% in Q1 of FY23 aided by a favourable base and revival in services as all Covid restrictions were removed, suggest expert estimates
Q1 GDP growth: High on services and base effect
The Economic Times, August 28, 2022

States’ borrowing costs fall for the second consecutive week; ease by 4 bps to 7.67 per cent from 7.71 per cent
States’ borrowing cost continue to fall; eases 4 bps to 7.67%
The Economic Times, August 28, 2022

Despite India’s economy growing at the fastest rate in a year last quarter, the pace of expansion is seen slowing as policymakers prioritize rising prices over growth
Economy faces resilience test as policymakers prioritise prices over growth
Business Standard, August 30, 2022

The average share of the public sector in gross value addition for the ten years ending FY21 is 19.2 per cent but the share in wages is 39.2 per cent, reports India Ratings in an analysis based on gross value added (GVA) data released by the National Statistical Office
Public sector contributes 20% to national income, 40% of total wages
Business Standard, August 30, 2022

India’s economy can touch $20 trillion by 2047, provided average annual growth is between 7-7.5% in the next 25 years
India’s economy can touch $20 trillion by 2047, says EAC-PM Chairman Debroy
The Economic Times, August 30, 2022

All India house price index (HPI) rose by 3.5 per cent year-on-year in the first quarter of 2022-23
House price index rises 3.5% YoY in first quarter, shows RBI data
Business Standard, August 30, 2022

Fiscal deficit narrows from 21.3% to 20.5% for the first four months of this fiscal, Y-o-Y
India’s April-July fiscal deficit narrows on-year to 20.5% of FY aim
The Economic Times, August 31, 2022
Gross Domestic Product grows at 13.5% in April-June quarter
*India’s Q1 GDP Data: Economy grows 13.5% in Q1 of 2022-23*
Dailyhunt, August 31, 2022

Digital payment transactions value through UPI rose marginally from ₹10.62 lakh crore in July to ₹10.73 lakh crore in August 2022
*UPI transactions: Digital payment rose to ₹10.73 lakh crore in August*
Live mint, September 1, 2022

Growth in the output of eight core infrastructure sectors declines for a second straight month to 4.5% in July
*Core infra sector growth hits six-month low in July*
The Financial Express, September 1, 2022

Manufacturing PMI is at 56.2 in August
*India’s manufacturing growth trends higher as input cost inflation eases*
The Economic Times, September 1, 2022

Urban unemployment rate, in current weekly status (CWS), declines to 7.6% in the first quarter of the current fiscal, lower than 12.7% recorded in corresponding quarter last fiscal
*Urban unemployment rate dips to 7.6% in April-June 2022: Survey*
The Financial Express, September 1, 2022

Employment rate among Indian youth (15-24 years) declines marginally to 10.4% in 2021-22 from 10.9% in 2020-21
*Employment rate among Indian youth dips in FY22*
The Economic Times, September 1, 2022

Consumer Price Index for Industrial Workers decreased to 5.78 percent in July from 6.16 percent in June
*Industrial workers’ retail inflation eases to 5.78 per cent in July*
The Economic Times, September 1, 2022

Economists at Goldman Sachs and Morgan Stanley lower growth projections for India as the April-June quarterly gross domestic product growth at 13.5% missed market estimates
*Goldman cuts India’s growth forecast to 7%; Morgan Stanley sees downside risks*
Business Standard, September 1, 2022

Power consumption registers only a marginal growth in August 2022 due to rains across the country
*India’s power consumption grows by 2% to 130.35 billion units in August*
Business Standard, September 1, 2022
Dispatches at India’s top seven passenger vehicle makers rose to 3,05,744 units in August from 2,34,743 units in July 2022

August auto sales see record jump on easing chip shortage, new launches
Business Standard, September 1, 2022

Petrol sales increased to 2.81 million tonnes in August from 2.66 million tonnes in July, but consumption of diesel dropped to 6.11 million tonnes in August from 6.42 million tonnes in July

Sale of petrol rebound in August but diesel continues to decline
Business Standard, September 1, 2022

Coal stocks at power generating plants increase in August, dispelling fears of shortages of coal during the monsoon

Coal stock at electricity generating plants rises to about 30 MT: CIL
Business Standard, September 1, 2022

SBI revises downwards Indian economy’s full year growth forecast citing "the way below GDP numbers for the first quarter"

SBI slashes India FY23 growth forecast to 6.8% on way-below Q1 numbers
The Economic Times, September 1, 2022

Area under the paddy crop is down by 5.62 per cent at 383.99 lakh hectare in the ongoing kharif season so far due to poor rains in some states

Paddy sowing down by 5.62 per cent so far this kharif season
The Economic Times, September 2, 2022
TRADE AND INVESTMENT

Diesel exports dropped to 2.18 million tonnes in July from 2.45 million tonnes in June and exports of petrol fell to 1.1 million tonnes from 1.16 million tonnes in June due to imposition of windfall profit taxes

Diesel export falls 11%, petrol 4.5% in July on levy of windfall profit tax
Business Standard, August 28, 2022

American companies are keen to be part of India’s vision to become a USD 30 trillion economy in the next 30 years

US companies geared up to be part of India’s vision to become USD30 trillion economy: USIBC president
The Economic Times, August 28, 2022

India is looking at getting duty-free access for different products including gold jewellery, toys, handicrafts and handlooms, identified under One District One Product (ODOP) initiative, to promote exports

Looking at duty-free access for ODOP products in trade agreements: Piyush Goyal
The Economic Times, August 29, 2022

The US urge India to join a coalition seeking to impose a price cap on Russian oil aimed at squeezing revenue streams of Moscow

US wants India to join coalition on Russia fuel price cap
The Indian Express, August 29, 2022

Bangladesh to import a total of 330,000 tonnes of rice from Vietnam and India to replenish reserves and cool domestic prices

Bangladesh to import rice from Vietnam and India to replenish reserves
The Economic Times, August 29, 2022

Darjeeling tea producers urge the government to impose anti-dumping duty on tea originating from Nepal, as several traders are selling the cheaper Nepalese variety to unsuspecting consumers as genuine Darjeeling tea

Darjeeling planters seek anti-dumping duty on Nepal tea
The Economic Times, August 30, 2022

Despite India being the best-performing large emerging market in 2022, market valuations are back in the ‘rich’ zone and the health of the rural economy remains in doubt

India’s $3 trillion equity market cap justifies TINA tag for now: SBI Research
MoneyControl, August 30, 2022

Trade with Pakistan picks up sharply in the June quarter amidst the country showing a willingness to resume trade with India

India-Pakistan trade soars in June quarter despite curbs
Live mint, August 31, 2022
Overseas portfolio investors express optimism about India’s growth and inflation outlook vis-à-vis other major global economies

Overseas portfolio investors turn positive about India, pump in $7.6 billion in August
The Economic Times, August 31, 2022

Foreign portfolio investors (FPIs) emerge as net buyers of Indian equities with net purchases at ₹22,025.8 crore in September

FPIs turn net buyers of Indian shares in a month 1st time since September 2021
Inshorts, August 31, 2022

FDI equity inflows decline to USD 16.59 billion during the April-June quarter this fiscal from USD 17.56 billion during the corresponding period of the previous year

FDI equity inflows dip 6% during April-June to $16.59-billion, says DPIIT
Business Standard, August 31, 2022

Foreign direct investments decline from USD 2.56 billion in July 2021 to USD 1.11 billion in July 2022

India Inc’s foreign investment declines over 50% to $1.11 billion in July
Business Standard, September 1, 2022

Services exports increased by 20.2% year-on-year to USD 23.26 billion in July; imports rose 22.3 per cent to USD 13.92 billion in July

Services exports rise 20.2% to $23.26 billion in July: RBI data
The Hindu BusinessLine, September 1, 2022

Lockdown in China and zero Covid policy led to a decline in exports of diamonds, exports fall 13.45% Y-o-Y, to $1,933.32 million in July

China’s zero-Covid policy hits India’s diamond exports
The Economic Times, September 2, 2022

India imports 738,024 barrels per day (bpd) of Russian crude oil in August, 18% lower than in July

Imports of Russian crude fall nearly a quarter in two months
The Economic Times, September 2, 2022

Foreign exchange reserves decline during the week ended August 26

India’s foreign exchange reserves fall by $3 billion in the week ending August 26
The Economic Times, September 2, 2022

Import of Toys down by 70% in last three years; Exports up 61%

India achieving Aatmanirbharta in sunrise sectors: Toy and Gaming Sector
PIB, September 2, 2022
INTERNATIONAL SCENE

Union Minister for Environment Bhupendra Yadav hails India for its commitment to driving its low-carbon industry transitions through its multi-pronged approach, despite not being a traditional contributor to global emissions.

Indian working as problem-solver of climate crisis: Environment Minister at G20
Live mint, August 31, 2022

Union Education Minister Shri Dharmendra Pradhan delivered the opening remarks at the G-20 Education Ministers’ Meeting and put forward interventions on the theme ‘Recovery, Re-imagine and Rebuild Stronger.’

Shri Dharmendra Pradhan addresses the G20 Education Ministers’ Meeting in Bali
PIB, September 1, 2022

India overtakes the UK in dollar terms as it emerges to become world’s fifth largest economy

India surpasses UK to become world’s fifth biggest economy
The Economic Times, September 2, 2022

External Affairs Minister Dr. S. Jaishankar and Foreign Minister of UAE H.H. Sheikh Abdulla bin Zayed Al Nahyan reiterate commitment to achieving the goal of USD 100 billion of bilateral trade in the next five years, review the ongoing discussions between the two sides in the area of food security, including in the I2U2 framework and emphasized the importance of promoting start-ups and entrepreneurship in different fields at the 14th India-UAE Joint Commission Meeting.

14th India-UAE Joint Commission Meeting
MEA, September 2, 2022