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.

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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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(Photograph)

Gross GST revenue collected in the month of December 2021 is ₹1,29,780 crores. Source: @PIB_India|Twitter

PE inflows spurt 15% in 2021 to record $40 billion, says report. Source: @bsindia|Twitter

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POLICY AND REGULATORY FRAMEWORK

Government keeps rates intact for Q4 amid sudden surge of the coronavirus variant Omicron and elevated level of inflation

*Amid Omicron outbreak, interest rates on small savings schemes unchanged for 4th time*

The Hindustan Times, December 31, 2021

PM Modi releases financial outlay under Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme to eligible farmer families

*PM releases ₹20,900 crores to farmers under PM-KISAN scheme*

The Financial Express, January 1, 2022

GST collection in December stood at over ₹1 lakh crore

*₹1.29L-crores GST kitty in Dec indicates robust economic activity*

The Hindustan Times, January 1, 2022

Food aggregators to collect and deposit tax at 5 per cent rate which will widen the tax base

*Food aggregators to collect 5% GST beginning Jan 1*

The Financial Express, January 1, 2022

CCI orders probe into Apple's business for abusing its dominant position in the market

*Competition Commission of India orders probe against Apple over alleged ‘unfair’ App Store policies*

The Hindustan Times, January 1, 2022

Government likely to raise farm credit target to give a boost to the agricultural sector

*Government may hike agri credit target to about ₹18 lakh crore in upcoming Budget*

The Economic Times, January 2, 2022

India to have one of the highest rates of growth in the world as there are gradual moves towards normalisation

*India will log one of highest growth rates, says Ashima Goyal*

Business Standard, January 3, 2022
Government proposes production linked incentive scheme to boost domestic manufacturing of air sports equipment

**Government plans tax incentives to make India 'safe, affordable' air sports hub**

Business Standard, January 3, 2022

Government considering to introduce tax incentives to draw large players to set up shipping lines in India

**Budget for 2022-23: Centre mulls sops to set up shipping lines**

The Financial Express, January 1, 2022

Omicron will be short-term disruption for businesses but supply chains and industrial activities will continue at full speed

**Omicron will be short-term disruption for businesses, says Piyush Goyal**

ANI, January 3, 2022

RBI sets the upper limit for individual offline payment transactions at ₹200 to facilitate small value digital payments in offline mode

**Offline payments capped at ₹200/transaction**

Live mint, January 4, 2022

India must accelerate economic growth to achieve target of becoming a $5-trillion economy by 2025

**India needs investment of 100 lakh crore in 5 years to become $5-trillion economy: SBI ex-chief Rajnish Kumar**

Live mint, January 5, 2022

Finance Ministry set to clear entire food subsidy dues to the Food Corporation of India despite an additional expenditure obligation of ₹1 lakh crore under Pradhan Mantri Garib Kalyan Anna Yojana

**Food subsidy: Government to clear all FCI dues for FY22**

The Financial Express, January 5, 2022

Cost of debt-funds for the states touches the highest level so far this fiscal reflecting the hardening yields for government securities

**States paying through the nose for debt as cost soars past 7.16%**

The Hindustan Times, January 5, 2022

Union Minister for Commerce and Industry Piyush Goyal assures members of textile associations that in all the ongoing negotiations with major countries, there is a special focus on getting concessional duties for textile products

**Government making efforts to get duty concessions on textile via FTAs: Goyal**

Business Standard, January 5, 2022
RBI MPC members may remain in ‘wait and see mode’ and delay rate hikes as risks to growth emerge due to recent surge in Omicron variant

Government permits qualified jewellers to import certain kinds of gold including unwrought forms through India International Bullion Exchange IFSC ltd.

Competition Commission of India orders probe into Google’s upcoming Play Store and in-app payments policy

CPSEs incur capex which is 47% higher than the expenditure incurred during the corresponding period of FY 2020-21

Central Bank keeps borrowing costs low amid the risks faced from rising cases of omicron coronavirus variant

Emergency Credit Line Guarantee Scheme saves several firms from going bankrupt and has helped mitigate the distress caused by COVID-19-induced lockdown

Central government releases 10th instalment of the Post Devolution Revenue Deficit (PDRD) grant to the states
Three show-cause notices are slapped on Chinese phone maker Xiaomi’s India unit Xiaomi Technology India for alleged evasion of import duty

Xiaomi slapped with ₹653-cr notices for evading import duty: Finance ministry
The Hindustan Times, January 6, 2022

NABARD chief general manager Goverdhan Rawat urges for the need to spread financial awareness thereby including more people in the formal financial system

'Lack of consistent income key reason for most people being out of financial inclusion
The Financial Express, January 6, 2022

Government working to further simplify FDI policy to facilitate LIC disinvestment

DPIIT to come out with revised FDI policy to facilitate LIC disinvestment: Secretary
The Financial Express, January 6, 2022

Lulu group sign a memorandum of understanding with the J&K government, expected to provide employment opportunities and benefit the agricultural sector and farmers simultaneously

UAE-based Lulu group to invest ₹200 crores in Jammu & Kashmir to set up food processing, logistic hub
The Financial Express, January 6, 2022

Ministry of Commerce restarts its COVID-19 helpdesk to resolve issues related to international trade

Commerce ministry restarts COVID-19 helpdesk to resolve import, export issues
The Economic Times, January 6, 2022

Cabinet Committee on Economic Affairs gives nod to the second phase of the Green Energy Corridor scheme to facilitate electricity evacuation of around 20 giga watt (GW) of renewable energy projects

Cabinet approves ₹12,000 crores for second phase of Green Energy Corridor
The Indian Express, January 7, 2022

Government officials assure no compromise on the interests of key sectors while finalizing multilateral or bilateral trade deals

'India will safeguard agriculture, dairy sectors while negotiating FTAs'
Live mint, January 7, 2022
Government must introduce a program to boost employment generation directly which will ultimately boost income levels at the grass root level

*Budget prescription: PLI-type scheme needed for job creation, says CII president TV Narendran*

The Financial Express, January 7, 2022

RBI increases the threshold limit for deposits and other extensions from ₹5 crore to ₹7.5 crore for the maintenance of Liquidity Coverage Ratio of banks

*RBI hikes threshold for deposits of non-financial small biz customers*

Business Standard, January 7, 2022

Restaurant owners petition PM Modi to relook at the restrictions and curfews imposed due to impact on businesses

*Restaurant association write to PM, seeks relook at Covid restrictions*

Business Standard, January 7, 2022

Companies urge for a change in regulations that will enable unlisted Indian companies to list abroad

*Budget 2022: Firms want FM to pave way for foreign listing*

The Economic Times, January 7, 2022

Government aiming for a less ambitious target for fiscal deficit amid the rising Covid-19 infections that are expected to threaten economic recovery

*India likely to trim fiscal deficit target as Omicron cases rise*

The Economic Times, January 7, 2022

FM Nirmala Sitharaman reviews steps taken by PSBs in implementing pandemic-related measures initiated by the government and RBI

*Sitharaman reviews PSBs' readiness to tackle any Omicron-induced disruption*

The Economic Times, January 7, 2022

Ministry of Commerce and Industry to organize the Startup India Innovation Week to showcase the spread and depth of entrepreneurship across India

*Department for Promotion of Industry and Internal Trade (DPIIT) to organize Startup India Innovation Week*

PIB, January 7, 2022

Area sown under wheat declines in the ongoing 2021-22 rabi season due to less coverage in UP, Haryana and Madhya Pradesh

*Wheat sowing down marginally at 333.97 lakh hectares so far this rabi season: Agriculture Ministry*

The Economic Times, January 7, 2022
Covid-19 vaccine doses administered in India cross the 150-crore mark

COVID-19 UPDATE

PIB, January 8, 2022
ECONOMIC TRENDS

Power consumption rises Y-o-Y, with improvement in economic activities across the country
Power consumption rises 4.5% to 110.34 billion units in December
The Economic Times, January 1, 2022

Indian OTT streaming industry is expected to grow over the next decade at a CAGR of 22-25 per cent
Indian streaming industry expected to grow $13-15 billion over the next decade
Business Standard, January 2, 2022

Manufacturing PMI eased to 55.5 in December, amid slow rise in sales and new orders
India’s manufacturing activities during Dec see substantial, albeit slower, rise in sales, output
The Indian Express, January 3, 2022

Unemployment rate reaches four-month high due to muted economic activity and consumer sentiment
India’s unemployment rate hits 4-month high of 7.9%: CMIE
Live mint, January 3, 2022

Indian state refiners’ daily gasoil sales rise in December
India’s gasoil sales rise in Dec, but Omicron seen dampening demand
Business Standard, January 3, 2022

Housing sales across top seven cities rise, despite demand falling short by 10 per cent
Housing sales up 71% to 236,530 units in 2021 in top-seven cities
Business Standard, January 3, 2022

Nomura India Business Resumption Index inched up to 120.3 for the week ending 2 January
Business activity remains high at the cusp of third wave: Nomura
The Economic Times, January 3, 2022
Economic recovery is likely to be durable in the next fiscal as MSMEs, informal industries and contact-intensive services see increase in capital investments due to revival in demand. **Economists feel an uptick in investment and demand in FY23 will broad-base growth.**
The Economic Times, January 3, 2022

Production by Indian sugar mills registers an increase in the first three months of 2021/22 marketing year. **India’s October-December sugar output rises 4.3% YoY: trade body**
Business Standard, January 3, 2022

E-way bill generation for goods transportation under the GST system is at 7.16 crore for December, reflecting an uptick in demand during the year-end. **E-way bill generation in December second highest so far**
The Financial Express, January 4, 2022

Net leasing of office space across top seven cities register a marginal growth at 27.17 million square feet. **Net office space leasing up 2% in 2021; down 45% from 2019 levels: Report**
Business Standard, January 4, 2022

Services PMI declines to 3-month low amid resurgent Covid cases. **India’s service sector sees soft expansion in December; service PMI falls to 3-month low**
The Financial Express, January 5, 2022

Housing sales register an increase despite the office market continuing to slump due to the COVID pandemic. **Housing sales rise 51% in top 8 cities in 2021; office leasing down 3%**
Business Standard, January 5, 2022

Vehicle registrations across all categories decline in December, Y-o-Y. **Vehicle registration falls 16% in December to 1,558,756 units: FADA**
Business Standard, January 5, 2022

Restrictions due to surge in Covid 3.0 may dent India’s Q4 growth. **Covid 3.0 may dent Q4 growth by up to 30 bps**
The Economic Times, January 5, 2022
Passenger vehicle retail sales dip in December Y-o-Y as semiconductor shortage continues to impact the segment

Passenger vehicle retail sales dip 11% in December amid semiconductor woes
Business Standard, January 5, 2022

Coal production increases, Y-o-Y

Overall coal production goes up by 6.74 % to 74.78 million tons in December, 2021
PIB, December 5, 2022

As renewable power generation growth increases, Omicron variant may derail electricity demand recovery

India's renewable power generation growth races ahead of thermal
Business Standard, January 6, 2022

Surge in Omicron variant of coronavirus impacts the hospitality industry

After brisk December, hotels face biz loss as Omicron drives cancellations
Business Standard, January 6, 2022

Spending on essential household goods grew 33%, while expenditure on discretionary categories grew by 14% in December 2021- the lowest growth rate in the August-December period

Spending on essentials rises; discretionary spending slips: Report
The Economic Times, January 6, 2022

Two domestic ratings firms cut their projections on India's economic growth amid the impact of Covid 3rd wave

Domestic ratings agencies lower FY22 growth estimate to 8.5-9.3% on 3rd wave
The Economic Times, January 7, 2022

Agriculture and allied activities are estimated to grow at 3.9 per cent in FY22, up from 3.6 per cent in the last fiscal

Farm sector set to grow at 3.9% in FY22: First advance estimates
Business Standard, January 7, 2022

GDP expected to grow at 9.2%, amid concerns over the impact of a resurgent Covid-19 infections on the fragile recovery

Indian economy to grow 9.2% in FY22, fastest in world: Government data
Business Standard, January 7, 2022
TRADE AND INVESTMENT

Exporters expect some disruption with foreign countries registering increase in Covid-infected patients
Covid-19 variant Omicron may put India’s export growth in slow lane
Business Standard, January 3, 2022

Investments in the investment and logistics sector rise to a five-year high of $1.1 billion
Industrial and logistics sector top investment chart in 2021, touch new high
The Economic Times, January 3, 2022

India and the UK likely to launch formal negotiations and first round of talks this month
India and UK may start formal negotiations for FTA this month
The Economic Times, January 3, 2022

Institutional investments register a decline Y-o-Y, because of lower inflows in office segment
Institutional investments in real estate down 17% in 2021 at $ 4-billion: Report
Business Standard, January 3, 2022

As current account slips into a deficit due to a trade deficit, external sector shows signs of weakening again
External sector slowly weakening again
The Economic Times, January 3, 2022

Merchandise exports grow by 48.9% during April-December 2021, over the year ago period
In nine months, exports top full FY21 figure; imports rise nearly 70% over a year ago
The Indian Express, January 4, 2022

Expenditure on gold imports more than double, Y-o-Y, as a price drop favoured retail buyers and pent up demand emerged for weddings
India spends record $55.7 billion on gold imports in 2021: Report
Business Standard, January 4, 2022
India’s outbound shipments of farm products will likely hit a record $45 billion in FY22, defying supply-chain woes. 

*Defying Covid: Farm exports likely to surge to record $45 billion led by rice, marine products*
The Financial Express, January 4, 2022

Apparel exporters express optimism as export of readymade garments increase by 22 per cent to USD 1.46 billion in December.

*Strong demand for Indian apparel to further push exports: AEPC*
Business Standard, January 4, 2022

Australia offers tariff concessions to India in lieu of opening up dairy and agriculture sectors.

*Eyeing agri market, Australia offers tariff sops on 99% Indian imports*
The Economic Times, January 5, 2022

Gap between India's exports and imports is expected to widen further in the current and next financial year owing to new global and domestic headwinds amid the new omicron variant and persistent supply constraints.

*India’s trade deficit could soon double to $200 billion, as domestic demand drives up imports*
The Financial Express, January 5, 2022

India’s import tariffs in the electronics sector continue to remain high and is adversely affecting competitiveness and scale.

*India's high import tariffs negating PLI, impacting competition: ICEA*
Business Standard, January 6, 2022

Private equity firms register an increase in 2021 led by investment flows into Flipkart and Bundl Technologies.

*PE inflows spurt 15% in 2021 to record $40 billion, says report*
Business Standard, January 7, 2022

Exports of cotton decline due to higher premiums sought by India.

*India’s cotton exports begin to slide as premiums jump on lower crop*
The Economic Times, January 7, 2022
INTERNATIONAL SCENE

WTO’s dispute panel findings are erroneous and completely unacceptable. India appeals against WTO dispute panel ruling on sugar export subsidies at appellate body.
The Financial Express, January 2, 2022

India calls for emergency meeting to express disappointment over no progress on TRIPs waiver proposal to deal with the pandemic.
India seeks emergency meeting of WTO’s General Council this month to discuss COVID package.
The Financial Express, January 3, 2022

Cairn energy withdraws all litigations in the retrospective tax case allowing India to nullify previous tax demand and refund taxes collected in this regard.
Cairn Energy withdraws all litigations in retrospective tax case.
The Economic Times, January 5, 2022

India’s nominal GDP is forecast to rise to USD 8.4 trillion by 2030, to become the second-largest economy in the Asia-Pacific region.
India to overtake Japan as Asia’s 2nd largest economy by 2030: IHS.
The Economic Times, January 7, 2022