Weekly Economic Roundup

GROWTH MULTIPLIER
NATIONAL LOGISTICS POLICY UNVEILED

SKY’S THE LIMIT!
Domestic Air Traffic Rises by 67%

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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)
Domestic air traffic increases by 67% in Jan-Aug 2022 Y-O-Y
Source: @TransformingIndia|Twitter
PM Modi launches the National Logistic Policy to pave the way for seamless trade, more jobs, lesser costs and integrated development. Source: @PiyushGoyal|Twitter

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POLICY AND REGULATORY FRAMEWORK

Indirect tax collections grew by a robust 14% year on year in April-August of the current financial year as against a required rate of 3.5% to achieve the full-year target

Indirect tax collections up 14% till August-end
The Financial Express, September 17, 2022

Ministry of Commerce notified its decision to allow invoicing, payment and settlement of external trade in rupees

DGFT notifies changes to facilitate rupee trade
The Financial Express, September 17, 2022

PM Modi unveiled the national logistics policy aimed to ensure seamless movement of goods and services across the country and cut elevated logistics costs

Logistics policy launched to boost India’s trade edge and seamless movement of goods and services
The Financial Express, September 18, 2022

Introduction of National Logistics Policy sets the roadmap for developing a more interconnected and tech-driven framework for building cost and operational efficiency in the sector

National Logistics Policy sets roadmap for developing more interconnected framework, say experts
The Economic Times, September 18, 2022

Government receives around 75 applications from domestic players under the PLI Scheme for specialty steel which is aimed at boosting the production of specialty steel

Government receives 75 applications under PLI scheme for specialty steel
Business Standard, September 18, 2022

Gross direct tax collections register an increase till September 17 indicating revival of economic activity post pandemic

Higher advance payout raises direct tax mop-up by 30% to Rs 8.36 lakh crore
The Indian Express, September 19, 2022

GoI is working on a comprehensive indirect tax regime for crypto assets to check revenue loss to the exchequer due to the uncertain nature of these assets

Government working on GST on crypto transactions, defining legal framework
Business Standard, September 19, 2022
Government considering offer of incentives including monetary support to farmers to adopt natural ways of farming
Centre plans to offer sops for natural farming under national mission
Business Standard, September 19, 2022

Government of India revises guidelines to allow compounding of those offences that attracted conviction with imprisonment for less than two years
CBDT issues revised guidelines for compounding of offences
The Financial Express, September 19, 2022

Centre to rope in private players along with Food Corporation of India and other state agencies to procure foodgrains for buffer stock so as to improve efficiency and reduce the cost of procurement
Government to soon rope in private players for foodgrains procurement: Food secretary
Business Standard, September 19, 2022

Oil Ministry seeks exemption from windfall profit tax levied on domestically produced crude
India’s oil ministry seeks windfall tax review; asks for exemption for some oil blocks
The Economic Times, September 19, 2022

Ministry of Commerce and Industry to launch multi-modal campaign to promote over 400 GI products such as Darjeeling Tea, Chanderi Fabric, Mysore Silk, and Kashmir Walnut Wood Carving
DPIIT planning multi-media campaign to promote GI products
The Economic Times, September 20, 2022

Union government notifies the Medical Devices (Amendment) Rules 2022 which requires medical device manufacturers to register themselves through an identified online portal
Centre notifies new Medical Device Rules to smoothen licensing procedure
Business Standard, September 20, 2022

Government expects the tourism sector to recover to the pre-pandemic level by mid-2024 and contribute USD 250 billion to the country’s GDP by 2030
Tourism sector to contribute USD 250 billion to GDP by 2030: Centre
The Economic Times, September 21, 2022

Banking system liquidity slipped into deficit for the first time in nearly 40 months
India’s banking system liquidity slips into deficit: RBI
Live mint, September 21, 2022
Chief Economic Advisor V Anantha Nageshwaran expects economy to sustain a growth rate of 7% through the decade, despite the slowdown in the global scenario.

_The Financial Express, September 21, 2022_

Government extends deadline for the export of broken rice in transit by 15 days till September 30.

_Government extends deadline for exports of broken rice consignments till September 30_

_The Economic Times, September 21, 2022_

Production linked incentive to be extended to more sectors: Piyush Goyal.

_The Economic Times, September 21, 2022_

Government to set up a separate Export Promotion Council (EPC) for Medical Devices, to boost their exports.

_Government to set up separate export promotion council for medical devices_

_The Economic Times, September 21, 2022_

Ministry of Agriculture and Ministry of Food Processing Industries jointly launched a convergence portal between Agriculture Infrastructure Fund (AIF), Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) scheme and Pradhan Mantri Kisan Sampada Yojana (PMKSY).

_Agriculture, Food Processing ministries launch convergence portal for 4 major schemes_

_The Economic Times, September 21, 2022_

Rice production is estimated to decline in the kharif season this year due to fall in paddy acreage.

_The Economic Times, September 21, 2022_

Government of India allocates ₹19,500 crore for domestic manufacture of solar photovoltaic (PV) modules.

_Centre approves ₹19,500 crore PLI for solar PV modules_

_Live mint, September 22, 2022_

Union Cabinet gives nod to National Logistics Policy aimed to ensure seamless movement of goods and services across the country and cut elevated logistics costs.

_Modi Cabinet clears national logistics policy_

_The Financial Express, September 22, 2022_
Government of India sanctions about 50% of the unconditional component of the interest-free 50-year capex loans, to 16 states during the current financial year

Centre sanctions ₹39,000-crore special central capex support to 16 states
The Financial Express, September 22, 2022

Centre is reaching out to states to encourage them to devise stronger climate action plans ahead of the 2022 United Nations Climate Change Conference

COP27: Centre reaches out to states for stronger climate action plan
Business Standard, September 22, 2022

Centre is estimated to have lost ₹58,521 crore in taxes in 2019-20 due to illicit trade in goods in 5 key industries

Over ₹58,000 crore in taxes lost due to illicit trade in FMCG, mobile, tobacco, alcohol industry: Ficci report
The Economic Times, September 22, 2022

Directorate General of Trade Remedies (DGTR) initiates the investigation into imports of ‘PVC suspension resins with residual VCM above 2 PPM’

India initiates safeguard probe into sudden jump in imports of certain plastics
The Economic Times, September 22, 2022

Government increases financial incentive to set up semiconductor manufacturing units to woo semiconductor and display makers

India expands incentives for chip, display units in renewed push
Live mint, September 22, 2022

Government of India to invest $30 billion to ensure last mile network accessibility to 4G and 5G services in every village

India to invest $30 billion for 4G, 5G connectivity to every village
Live mint, September 22, 2022

Government of India to set up strategic gas reserve due to energy crisis led by the Russia-Ukraine war

India plans to set up strategic gas reserve amid global energy crisis
Business Standard, September 22, 2022

Finance Minister Nirmala Sitharaman assures implementation of necessary measures to keep inflation under check

Government making efforts to keep inflation under 4%: Nirmala Sitharaman
Business Standard, September 23, 2022
Skill India signed a MoU with Samsung India, for a skilling initiative aimed at empowering the youth with industry relevant skills in emerging technologies. 

Skill India partners with Samsung to upskill youth in future technologies

Business Standard, September 23, 2022

Government amends CSR rules, necessitates companies to constitute a committee as long as there is unspent amount in its Unspent Corporate Social Responsibility Account

Government amends rules governing corporate social responsibility

The Economic Times, September 23, 2022

Weekly Positivity Rate is 1.69%

COVID-19 UPDATE

PIB, September 24, 2022
ECONOMIC TRENDS

Domestic airlines carried 770.70 lakhs passengers from January to August 2022, Y-o-Y
Domestic Air travel sees 67% annual growth, 51% Y-o-Y in August
Business World, September 17, 2022

Kharif sowing of groundnut declined by 0.3 million hectares (MH) for the 2022-23 season to 4.51 MH from 4.86 MH indicating a 7.2% decrease across the nation
Kharif sowing of groundnut falls 0.3 MH for 2022-23 season
The Financial Express, September 19, 2022

Production of cotton in the October-September period of FY2022-23 is expected to increase by about 15% which may offer relief to the entire cotton value chain
India's cotton production to increase by 15% in 2022-23
The Economic Times, September 19, 2022

India Ratings revises downward credit growth estimate for FY23 due to factors such as uptick in working capital demand
India Ratings revises FY23 bank credit growth estimates to 13% from 10%
Business Standard, September 19, 2022

69% of Indian consumers consider rising costs a concern, but reaffirm their belief in the strong and positive outlook for the Indian economy
Consumers feel price pinch amid positive economic outlook: EY Future Consumer Index
The Financial Express, September 20, 2022

Retail inflation for farm and rural workers increased to 6.94 per cent and 7.26 per cent, respectively, in August
Retail inflation for farm, rural workers rise in August
The Economic Times, September 20, 2022

Net employment generation in the formal sector touched a four-month high of 1.82 million in July 2022, Y-o-Y
Formal sector job generation hits four-month high in July
Live mint, September 21, 2022

Index of mineral production of mining and quarrying sector for the month of July, 2022 at 101.1, was 3.3% lower as compared to the level in the month of July, 2021
Mineral Production Records 6.1 per cent
PIB, September 21, 2022
Indian industry is bracing itself for another rate hike amid a situation of global monetary tightening to limit impact of inflation

*India Inc. expects another 35-50 basis points policy rate hike by RBI*

The Economic Times, September 22, 2022

Microfinance sector expands to ₹2.93 lakh crore; disbursals during the June quarter improved sharply to ₹45,830 crore as compared with ₹25,503 crore, Y-o-Y

*Microfinance sector grows 24% in June quarter; loan disbursals rise nearly 80%*

The Economic Times, September 23, 2022

Net new subscriber addition under the EPFO grew by 13% to 1.82 million in July 2022 compared to 1.61 million in June

*Formal job creation in India remains buoyant in July*

The Economic Times, September 23, 2022
TRADE AND INVESTMENT

Current account deficit (CAD) in the first three months of this fiscal may have widened to a 36-quarter high of 3.4% of gross domestic product (GDP), driven by elevated trade deficit. 

**CAD may have hit 36-quarter high of 3.4% in Q1: India Ratings**
The Financial Express, September 17, 2022

Union Finance Minister Nirmala Sitharaman and Singapore’s Deputy Prime Minister and Finance Minister Lawrence Wong deliberated upon a wide range of issues which inter alia included financial sector operations, fintech, regulatory cooperation, investment opportunities and current economic arrangements.

**Sitharaman participates in roundtable with Singapore, talks bilateral ties**
Business Standard, September 18, 2022

Union Minister for Commerce Piyush Goyal to attend a meeting of trade ministers of G20 countries convened by USTR to discuss WTO dispute settlement reforms.

**USTR convenes meeting to discuss WTO’s dispute settlement reforms in Bali on Sep 21; Piyush Goyal to attend**
The Economic Times, September 18, 2022

India gained nearly ₹35,000 crore by importing Russian crude at discounted price since commencement of the Russia-Ukraine conflict.

**India gains ₹35,000 crore on discounted Russia crude**
The Economic Times, September 19, 2022

Crude oil imports declined in August as monsoon rains restricted activity and slowed consumption.

**India’s August crude imports fall 13% on monthly basis on monsoon demand lull**
Business Standard, September 18, 2022

Union Minister of Commerce and Industry Shri Piyush Goyal and Saudi Minister for Energy, His Royal Highness Prince Abdulaziz bin Salman Al-Saud co-chaired the Ministerial meeting of the Committee on Economy and Investments of the India-Saudi Arabia Strategic Partnership Council; discussed ways to attract greater investment & further diversify bilateral trade to boost economic ties between the two countries.

**Shri Piyush Goyal concludes fruitful visit to Saudi Arabia**
PIB, September 19, 2022
India and Saudi Arabia to collaborate in 41 business areas of agriculture and food security, energy, technology and IT and industry and infrastructure

**India to collaborate in 41 business areas with Saudi Arabia: Report**

Inshorts, September 19, 2022

UK and India are working toward the Diwali deadline for the India-UK free trade agreement which is expected to boost jobs and contribute to India’s economic progress

**India-UK Free Trade Agreement likely to be sealed by Diwali: Piyush Goyal**

Live mint, September 20, 2022

Motor vehicles export used for goods transport, witnesses a 327% growth in April-July 2022 over same period in 2013-14

**Big jump in India’s export of goods transportation vehicles: Piyush Goyal**

The Times of India, September 20, 2022

Rice export in the current fiscal are expected to decline by 4-5 million tonne in 2021-22, due to the ban on shipment of broken rice and 20% exports tax on certain varieties of non-basmati rice

**Rice exports may decline by a quarter in FY23**

The Financial Express, September 21, 2022

India needs to “globalise trade” and get the best from the world while simultaneously giving it the best, says Union Minister for Commerce and Industry Piyush Goyal while addressing a Ficci event

**Goyal calls for need to globalise trade**

The Financial Express, September 21, 2022

Imports of pam oil may jump 9% Y-o-Y, due to rise in domestic consumption

**India’s palm oil imports to jump on rising demand, lower prices**

The Economic Times, September 21, 2022

Trade ministers of G20 nations deliberated on ways to bolster the dispute settlement mechanism of the World Trade Organization

**G20 trade ministers weigh steps to bolster WTO’s dispute body**

The Financial Express, September 22, 2022

Minister for Commerce and Industry Piyush Goyal called for early talks on granting patent waiver for Covid-19 diagnostics and therapeutics by December in his opening statement at the G20 ministerial meeting on trade, investment and industry in Bali

**Goyal seeks early talks on patent waiver for Covid diagnostics**

The Financial Express, September 23, 2022
India, Pakistan, Sri Lanka, Bangladesh and Nepal announced the setting up of Asian Palm Oil Alliance to gain collecting bargaining power and make imports sustainable
Palm oil alliance formed by 5 South Asian countries
The Financial Express, September 23, 2022

India discussed cooperation under India’s ongoing chairship and preparation for IBSA Trilateral Ministerial Commission Meeting
India discusses cooperation among IBSA countries in multilateral fora
Business Standard, September 22, 2022

Foreign exchange reserves fell by $5.22 billion to $545.65 billion for the week ending September 16
India’s forex reserves fall by $5.22 billion for week ending Sep 16 to hit near 2-year low
The Economic Times, September 23, 2022
INTERNATIONAL SCENE

World Bank to lend loan to Punjab to help it better manage its financial resources and improve access to public services

World Bank approves $150 million loan to Punjab for better finances, public services
The Hindustan Times, September 20, 2022

India expects the International Finance Corporation to raise its lending to the country to $2-2.5 billion in the next one or two years and to $3-3.5 billion in the next 3-4 years

FM Nirmala Sitharaman urges IFC to scale up India lending to $3.5 billion in 3-4 Years
The Economic Times, September 20, 2022

ADB lowers India's economic growth projection to 7% for 2022-23, citing higher than expected inflation and monetary tightening

ADB cuts India's GDP growth forecast for FY23 to 7% on high inflation, monetary tightening
The Indian Express, September 21, 2022

Brazil is interested to work with India on bio fuels and bio energy

Brazil keen on working with India on flexible fuel vehicles, says envoy
Business Standard, September 21, 2022

India clarifies the ban on export of rice at WTO; assures that measures are temporary in nature and is subject to continuous monitoring

India defends its decision to ban rice, wheat exports at WTO
The Economic Times, September 22, 2022

India announced the launch of the “Innovation Roadmap of the Mission Integrated Biorefineries” aimed at greater international collaboration, need for increased financing for Energy Research, Development, and Demonstration and unleash a virtuous cycle of public and private investment

India announces the launch of the “Innovation Roadmap of the Mission Integrated Biorefineries” developed by co-leads and active inputs from Brazil, Canada, EC and the UK at Global Clean Energy Action Forum-2022 at Pittsburgh, in the United States
PIB, September 23, 2022