Weekly Economic Roundup

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ABOUT US

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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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FM Nirmala Sitharaman presents Union Budget for FY 2022-23
Source: @PIB_India|Twitter

India’s Q3 manufacturing outlook improves, cost of doing biz remains cause for concern: FICCI
Source: @FinancialXpress|Twitter

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# DPG Weekly Economic Roundup
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Ministry of Finance, January 31, 2022

Highlights of Budget for FY 2022-23
Budget at a Glance - PDF
Ministry of Finance, February 1, 2022

Budget 2022-23 bets big on technology - Expert opinions
Long game’s less taxing for VCs, Startups
The Economic Times, February 2, 2022

PM Gati Shakti plan to give much needed leg to infrastructure development - Expert opinions
Gati Shakti: Expect Infra to gain speed
The Economic Times, February 2, 2022

More is better - Expert opinions
Capex to push pedals of virtuous cycle
The Economic Times, February 2, 2022

Budget 2022-23 is notable for big capex push, conservative projections and absence of populism - Expert opinions
Growth push
The Hindu BusinessLine, February 2, 2022

FM Nirmala Sitharaman opted for stability and stuck to capital investment as the focus of expenditure - Expert opinion
The risks of minimalism
Business Standard, February 2, 2022

Budget 2022-23 is consistent with Centre’s supply-side reform thrust relying on a mix of public and private spurs to lift the economy
A Budget that aims for post-revival expansion
Live mint, February 2, 2022

[The above are editorial comments for the Budget]
POLICY AND REGULATORY FRAMEWORK

Budget expected to increase allocations towards selected sectors and simultaneously create a conducive environment for private capex

Capital goods: Capex push likely in Union Budget to support growth
Business Standard, January 29, 2022

Peak level of public debt/GDP ratio and worsening of debt sustainability indicators to 2002 levels drive fiscal conservatism

Worsening of debt sustainability indicators may drive fiscal conservatism
Business Standard, January 30, 2022

Government of India does conversion transaction with RBI to smoothen its liability profile

Government does switch operation of ₹1,19,701 crore
The Hindu, January 31, 2022

Government could mop up around ₹1 lakh crore from disinvestment proceeds

Disinvestment: FY22 receipts seen at ₹1-1.3 lakh crores, FY23 target at ₹1.75 lakh crore
The Financial Express, January 31, 2022

President Ram Nath Kovind lauds India’s progress in farm production and agriculture exports

Farm production rose, agriculture exports touched record ₹3 trillion in 2020-21: President
Business Standard, January 31, 2022

Finance Minister table’s Economic Survey 2021-22

KEY HIGHLIGHTS OF THE ECONOMIC SURVEY 2021-22
PIB, January 31, 2022

Against a target of ₹16.50 lakh crore for the current fiscal, a sum of ₹7,36,589.05 crore is disbursed till September 2021

Economic Survey states farm credit worth over ₹7.36 lakh crore disbursed in H1 of FY’22
The Economic Times, January 31, 2022
Vaccination must be treated as a macro-economic indicator and is critical for opening up the economy

**Vaccination critical for opening up economy, not just health response, says Economic Survey**
The Economic Times, January 31, 2022

Combined expenditure of the Centre and the state governments on social expenditure increased during the financial year 2021-22

**Expenditure on social services rises 9.8 per cent to ₹71.61 lakh crore in FY22:**
Eco Survey
The Economic Times, January 31, 2022

Economic Survey warns of imported inflation due to high energy prices globally

**Economic survey flags risks of imported inflation**
The Economic Times, January 31, 2022

India improves in score of NITI Aayog SDG India Index & Dashboard to 66 in 2020-21 from 60 in 2019-20

**India’s score on Niti Aayog SDG India Index & Dashboard improves to 66 in 2020-21: number of front runners also increased to 22 states and union territories:** Economic Survey
PIB, January 31, 2022

Union Budget 2022-23 at a glance

**SUMMARY OF UNION BUDGET 2022-23**
PIB, February 1, 2022

Capital expenditure increased for the FY 2022-23

**Union Budget 2022 | Outlay for capital expenditure stepped up by 35.4% to 7.5 lakh crores in 2022-23:**
FM
The Hindu, February 1, 2022

Government to introduce initiatives for delivery of digital and high-tech services to farmers

**Budget 2022: Government to promote Kisan Drones, chemical-free natural farming in 2022-23, says FM Sitharaman**
The Financial Express, February 1, 2022
FM Nirmala Sitharaman announces reduction in custom duties on certain chemicals, to promote domestic manufacturing

**Budget 2022: FM proposes cut in customs duties on certain chemicals**
The Financial Express, February 1, 2022

Government to enhance funding under PLI for domestic solar cells to achieve the ambitious goal of 280GW of installed solar capacity by 2030

**Government enhances PLI for domestic solar cells, modules to ₹24,000 crores**
Business Standard, February 1, 2022

Government to replace existing SEZ act and include large existing and new industrial enclaves

**Budget 2022-23: New law to replace existing Special Economic zones Act**
Business Standard, February 1, 2022

FM Nirmala Sitharaman reduces minimum alternative tax for co-operatives to enable a level-playing field

**MAT to be reduced for co-operative societies to 15%: FM Sitharaman**
The Economic Times, February 1, 2022

Scheduled commercial banks will set up 75 digital banks in 75 districts to encourage digital payments

**Scheduled commercial banks to set up 75 digital banks in 75 districts: FM**
The Economic Times, February 1, 2022

Economic Survey rightly captured the devastating impact of the economy due to pandemic through multiple economic indicators

**Economic Survey has set stage for private investment, growth: Indian industry**
Business Standard, February 1, 2022

India plans to borrow to meet expenditure requirement

**Centre to borrow ₹11.6 lakh crore in FY’23 to meet expenditure requirement**
The Economic Times, February 1, 2022

Government to introduce amendments in IBC to enhance efficacy of resolution process and facilitate cross-border insolvency process

**Nirmala Sitharaman proposes faster resolution of bankrupt companies**
The Economic Times, February 1, 2022
Government to set-up a high-level expert panel to initiate a paradigm change in urban planning in view of rapid urbanisation

**Budget**: Government plans paradigm change in urban planning; proposes to set up expert committee

The Economic Times, February 1, 2022

Government announces launch of a trust-based governance model to reduce compliance burden for both corporates and citizens

**Budget 2022**: Government to double down on reducing compliance burden for firms, public

The Hindustan Times, February 1, 2022

Special task force to be set up for the animation, visual effects, gaming and comics segment due to its immense potential in employment generation

**In a first, animation and gaming segment finds place in Budget 2022**

Business Standard, February 1, 2022

Government announces a new Phased Manufacturing Programme (PMP) for producing wrist wearable devices, hearable devices and electronic smart meters

**After mobile phones, India eyes smartwatches, earbuds manufacturing**

Business Standard, February 1, 2022

Government issues notification for removal of restrictions on export of syringes

**Government removes restrictions on syringe exports**

The Economic Times, February 1, 2022

It is imperative to take India forward at a rapid pace and strengthen its economy across several sectors

**Budget 2022**: Focus on providing basic amenities to poor, middle class, youth: PM Modi

The Financial Express, February 2, 2022

Digital rupee to open new opportunities in the fintech sector

**Digital rupee can be exchanged for cash: PM Modi**

The Economic Times, February 2, 2022
Commerce ministry is holding extensive consultations with various stakeholders, including states, to allow firms in the SEZs to sell goods in the domestic market by paying just an “equalisation levy”

**Government mulls lower levy for SEZs to boost sales: Piyush Goyal**
The Financial Express, February 2, 2022

350 customs exemptions are withdrawn to boost domestic manufacturing

**Customs duty exemptions on 350 items withdrawn to push ‘Make in India**
Business Standard, February 2, 2022

Ministry of External Affairs in cooperation with Indian Chamber of Commerce organise outreach programme on Export Controls focussing on startups

**Export Control outreach for Startup Companies**
MEA, February 2, 2022

Borrowing program announced by the government to prompt RBI to implement policy normalisation plan

**Union Budget 2022: Government borrowing plan may prompt reverse repo hike**
Business Standard, February 3, 2022

India to cut planned record market borrowing and conduct a bond switch

**India may cut record 2022/23 market borrowing plan by up to 600 billion rupees – sources**
The Economic Times, February 3, 2022

Ministry of New and **Renewable Energy** to set up a national portal to help consumers set up solar systems on their rooftops

**National Portal to assist households to set up solar systems on their roofs**
Business Standard, February 3, 2022

Government to move ahead with strategic sale of three PSEs, projecting a disinvestment target of ₹65,000 crore for next financial year

**Shipping Corp, BEML, BPCL among CPSEs to be privatised next fiscal year ; 3 IPOs lined up**
The Economic Times, February 3, 2022

CMIE releases list showing unemployment rate in January 2022

**List shows unemployment rate in Indian states; highest in Haryana, lowest in Telangana**
Inshorts, February 3, 2022

Budget 2022-23: Number of centrally sponsored schemes cut by half
From 130 to 70, centrally sponsored schemes down by almost 50%
Business Standard, February 4, 2022

RBI cautions the public against undertaking forex trading on unauthorised Electronic Trading Platforms as they attract penalty under FEMA
RBI cautions public against forex trading on unauthorised platforms
The Financial Express, February 4, 2022

Rising GST collections are a positive indication of the government’s intent to focus on strategic priorities
‘Record GST collections allow government to focus on aligning with strategic priorities’
The Financial Express, February 4, 2022

Budget projections leave scope for fiscal gains at the end of March 2022
Conservative budget estimates leave room for pandemic response, macroeconomic risks: Moody's
The Economic Times, February 4, 2022

Ministry of Food Processing Industries to implement Centrally Sponsored PM Formalisation of Micro food processing Enterprises Scheme to provide for setting up micro food processing enterprises through credit linked grant during five years
Aatma Nirbhar Bharat Package for Micro Enterprises
PIB, February 4, 2022

Centre extends stock limits on edible oil to curb hoarding and help cool prices
Government extends stock limits on edible oils, oilseeds till June
The Economic Times, February 4, 2022

Covid recovery rate is currently at 95.64%
COVID-19 UPDATE
PIB, February 5, 2022
ECONOMIC TRENDS

Second hand smartphone market set to double revenues in three years
Second-hand smartphone market in India to reach $4.6 billion in 2025: Report
Business Standard, January 29, 2022

Outlook for India's manufacturing sector improves in the October-December 2021 quarter
India’s Q3 manufacturing outlook improves, cost of doing biz remains cause for concern: FICCI
The Financial Express, January 30, 2022

Crude steel production by India registers an uptick, China records a 3 per cent decline
India’s crude steel output grows 18% to 118 MT in 2021, says World Steel
Business Standard, January 30, 2022

Economic survey projects a moderate growth forecast in FY2022-23
Economic Survey pegs next year’s growth forecast to 8.0-8.5%
The Indian Express, January 31, 2022

Operating cost margins contract, led by increase in cost of raw materials
Q3: High costs dent profit margins of Corporate India
The Indian Express, January 31, 2022

Credit card spends jump in December suggesting continued growth momentum
Credit card spends increase by over 47% in December, shows data
Business Standard, January 31, 2022

Indian economy shrunk by 6.6% in 2020-21, due to the COVID-19 pandemic and nationwide lockdown curbs imposed by the government
India’s GDP contracts by 6.6% in 2020-21: First revised estimates
Live mint, January 31, 2022

Retail inflation for industrial workers increases M-o-M due to rise in prices of food items
Retail inflation for industrial workers rises to 5.56 per cent in December
The Economic Times, January 31, 2022
Manufacturing PMI declines to 54.0 in January 2022 from 55.5 in December 2021
*India’s factory growth slowed to 4-month low in January as Covid curbs hit output*
Live mint, February 1, 2022

Power consumption registers a marginal increase due to the impact of local restrictions imposed by states amid the third wave of COVID-19
*Power consumption grows 2.6 per cent in January*
The Financial Express, February 1, 2022

Core sector growth registers a marginal improvement in December
*Core sector output up 3.8% in December*
The Economic Times, February 1, 2022

Unemployment rate declines to 6.57 per cent in January following a significant dip in rural unemployment
*India unemployment rate in January falls to 11-month low*
The Economic Times, February 2, 2022

Crisil Report estimates FY23 real GDP growth at 7.8%, says Budget proposals aimed at boosting capital expenditure and going slow on fiscal consolidation are aimed at the right direction
*India’s GDP expected to grow 7.8% in FY23: Crisil Report*
The Economic Times, February 2, 2022

Services PMI declines to 51.5 in January 2022, down from 55.5 in December 2021
*India’s services sector activity slips further in January; business confidence hits 6-month low*
The Financial Express, February 3, 2022

NCAER-NSE Business Confidence Index increased by 6 per cent on a Q-o-Q basis and by 46.6 per cent on a Y-o-Y basis
*Business confidence buoyant in Q3 FY22; pace of rise moderated by Covid in December: NCAER*
The Financial Express, February 3, 2022
TRADE AND INVESTMENT

Coal import decline by 22.5 per cent to 15.78 million tonnes in November 2021, Y-o-Y

Coal import drops in November
The Financial Express, January 30, 2022

Marine product exports increase during April-December 2021 with frozen shrimps constituting the major share in India’s export basket

Exports of marine products jump 35% to $6.1 billion during Apr-Dec 2021
Business Standard, January 30, 2022

FDI in pharmaceutical sectors witnesses spurt due to investments to meet Covid-19 related demands for therapeutics and vaccines

FDI in pharma sees 'sudden spurt' in 2020-21: Economic Survey
The Financial Express, January 31, 2022

Export tax on raw hides and skins of buffalo slashed to 30 per cent

India cuts export tax on raw hides, skins of buffalo
The Economic Times, February 1, 2022

Exports rise at a slower pace in January, trade deficit rise to $17.4 billion on a Y-o-Y basis

Merchandise exports grow at a slower pace in January, touch $34 billion
Business Standard, February 1, 2022

Export Promotion Council for EOU and SEZs Chairman welcome the government’s attention towards SEZs

Steps announced for SEZs in Budget will promote growth, boost exports: EPCES
The Economic Times, February 2, 2022

51 projects sanctioned under Trade Infra for Export Scheme to assist central and state government agencies in the creation of appropriate infrastructure for growth of exports

51 projects sanctioned under Trade Infra for Export Scheme till January-end
The Economic Times, February 2, 2022

India is on track to achieve export target and is negotiating FTAs, assures Union Minister for Commerce and Industry Piyush Goyal

India on track to achieve $400 billion exports, negotiating FTAs with countries: Goyal
The Economic Times, February 2, 2022
DPIIT to seek Cabinet nod on changes in FDI policy to facilitate disinvestment of LIC
DPIIT to seek nod on FDI for LIC IPO
Live mint, February 3, 2022

India’s imports from China register an increase during January-November 2021 period
India’s imports from China rise to $78.88 billion during Jan-Nov 2021
Business Standard, February 3, 2022

RoDTEP scheme yielded ‘very good acceptance’, and exports are growing
Export subsidies not yielded results; still India’s exports on track: Piyush Goyal
The Economic Times, February 4, 2022

Foreign exchange reserves decline during the week ended January 28
Forex reserves down by $4.531 billion to $629.755 billion
The Economic Times, February 4, 2022

Petrol and diesel prices increase, even as India reaches out to oil producing nations to raise crude oil production and temper the runaway prices
Fuel prices come under pressure as Brent crude climbs to $92 a barrel
Business Standard, February 4, 2022
INTERNATIONAL SCENE

India’s humanitarian aid to Afghanistan likely to be completed in a month’s time
Shipment of Indian aid of 50,000 tonnes of wheat to Afghanistan to begin next week: Afghan envoy
The Financial Express, February 2, 2022

Sri Lanka signs deal with India to import fuel amid a foreign exchange crisis
Sri Lanka signs $500 million credit line with India to import fuel
Business Standard, February 2, 2022

IMF MD lauds the Union Budget for emphasis on innovation in research and development on human capital investment and digitalisation
Budget 2022-23 'thoughtful' policy agenda for India: IMF MD Georgieva
Business Standard, February 4, 2022