Weekly Economic Roundup

REVVING GROWTH!
September Car Sales Set a New Monthly Benchmark

Over 3.5 lakh units sold
121% increase compared to September 2021

Source: Wardsauto India (MTO) for Car Marketers

Trends in GST Collection (Rs. In Crore)

Volume III, Issue 41 | October 8, 2022

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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)
September 2022 car sales record an all-time high in India
Source: @TransformingIndia|Twitter

Revenues for the month of Sept. 2022 26% higher than the GST revenues in the same month in 2021
Source: @FinMinIndia|Twitter

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POLICY AND REGULATORY FRAMEWORK

As many as 13 firms signed a non-disclosure agreement with the government to access data from the Unified Logistics Interface Platform.  
13 firms ink non-disclosure agreement with government to use ULIP data

GST collections rose to ₹1,47,686 crore for September, an increase of 26.2 per cent Y-o-Y  
GST mop-up tops ₹1.4L crore for 7th month

Windfall tax on domestically produced crude oil is reduced to 8,000 rupees per tonne from 10,500 rupees per tonne, after a decline in global oil prices  
Windfall profit tax cut on domestic crude oil, diesel; scrapped for ATF

Concessional customs duty on edible oil import has been extended by another 6 months to boost domestic supply and keep retail prices under control  
Concessional import duties on edible oils in place till March 2023

Government is likely cut the sugar export quota for the new marketing year starting on October 1 to keep domestic supplies steady  
Government may cut 2022-23 sugar export quota by 29%

Exporters urge to get extension of exemption from GST on export freight  
Exporters call on FM Sitharaman to extend GST exemption on export freight

Government raises import duty on platinum to bring parity in import duty structure between gold and platinum  
India raises import duty on platinum to 15.4% from 10.75%

Average cost of market borrowing for states increased for the third consecutive week  
States borrowing cost rises for third week, jumps 12 bps to 7.77%
Infrastructure investment trust (InvIT) of National Highways Authority of India (NHAI), has raised ₹1,217 crore from investors in its follow-on offer.

[NHAI raises ₹1,217 crore through InvIT, adds three road projects]

Business Standard, October 3, 2022

Union Ministry of Civil Aviation also granted in-principle approval for the establishment of 21 greenfield airports across the country.

[India to add 80 more airports in next four to five years, 21 greenfield airports]

Live mint, October 3, 2022

Government extend the scope of the National Monetisation Pipeline to allow states governments to also monetise their assorted assets and use the funds for capex and infrastructure investments.

[States to begin ₹4-trillion monetisation drive]

The Financial Express, October 4, 2022

Former finance commission chairman calls for having a fiscal council to debate policy issues.

['Parliamentary illiteracy' on fiscal issues needs to be overcome: N K Singh]

Business Standard, October 4, 2022

Centre approves amendments to private FM Phase III guidelines.

[Government approves FM Radio Phase-III Policy guidelines amendments]

The Economic Times, October 4, 2022

Commerce Ministry clarifies there's no export ban on rice, to carry 20% duty.

[No export ban on rice, traders can ship commodity after paying 20% duty: Commerce Ministry]

The Economic Times, October 4, 2022

Memorandum of Understanding signed between the Department of Agriculture and Farmers Welfare and the National Agricultural Cooperative Marketing Federation of India Limited to boost the initiative for promotion of Millets.

[MoU signed between Department of Agriculture & Farmers Welfare and NAFED to boost International Year of Millets (IYOM)-2023]

PIB, October 4, 2022

Paddy procurement by the Food Corporation of India (FCI) and state government agencies commenced in key states including Punjab, Haryana and Tamil Nadu for the current kharif season 2022-23.

[Kharif paddy procurement starts amid concerns over stocks]

The Financial Express, October 5, 2022
Funds worth ₹26,000 crore have been allotted to install 25,000 telecom towers in the next 500 days
Center allocates ₹26,000 crore for installing 25,000 telecom towers
Business Standard, October 5, 2022

Central government is likely to save around ₹80,000 crore in the current financial year as various ministries and departments have underutilised allocated funds
Government likely to save around ₹80k crore in FY23 from unused budgeted funds
Business Standard, October 5, 2022

Committee on labour, textiles and skill development calls for the need to rationalise duties on raw material inputs to man-made textiles to correct the inverted duty structure
House panels recommends rationalising GST on inputs of man-made textiles
Business Standard, October 5, 2022

India becomes the world's second largest exporter of sugar; sugar exports jump by 57% during marketing year 2021-22
India exports 109.8 lakh tonnes of sugar in 2021-22, becomes world's 2nd largest exporter, says government
The Economic Times, October 5, 2022

Department of Commerce is considering the formation of dedicated units called "subject matter divisions" to build expertise in sectors like services, agriculture, medicines, trade remedies, and digital trade as part of a more aggressive approach to free trade agreements
Government considering forming units to build expertise in Free Trade Agreements
Business Standard, October 6, 2022

Madhya Pradesh bags the highest amount of investment, to the tune of ₹3,513 crore under the production linked incentive (PLI) scheme for the textile sector, while Gujarat bags the highest number of proposed projects
At ₹3,513 crore, Madhya Pradesh bags most textile PLI investments
Business Standard, October 6, 2022

Ministry of Finance modified the Emergency Credit Line Guarantee Scheme (ECLGS) by increasing the loan limit to help the Covid-hit industry tide over liquidity stress
ECLGS: Finance Ministry increases loan limit to ₹1,500 crore for aviation sector
The Economic Times, October 6, 2022
Government gets ₹1,203-cr dividend from 5 CPSEs, including SAIL, IRCTC and HUDCO

Five CPSEs pay ₹1,203 crore dividend to government

The Economic Times, October 6, 2022

RBI Governor launched a new ‘SupTech’ initiative called DAKSH expected to make supervisory processes more robust

RBI launches DAKSH application to advance supervisory process

The Economic Times, October 6, 2022

Department of Expenditure, Ministry of Finance released the 7th monthly instalment of Post Devolution Revenue Deficit (PDRD) Grant to 14 States

Revenue Deficit Grant (RDG) of ₹7,183.42 crore released to 14 States

PIB, October 6, 2022

Average water level in 143 major reservoirs is up 9% as on October 6, 2022; Y-o-Y

Water reserves rise 9%, to boost rabi prospects

The Financial Express, October 7, 2022

Companies firm up plans to manufacture and sell drones for farming

Use of drones in agricultural sector set to gain currency

The Financial Express, October 7, 2022

DPIIT notifies Credit Guarantee Scheme for Startups (CGSS) for the purpose of providing collateral-free loans up to a specified limit

DPIIT notifies credit guarantee scheme for startups

Live mint, October 7, 2022

India has the potential to lead Industry 4.0 due to coming together of different factors such as demography, demand and decisive governance

India has the ability to lead the fourth industrial revolution: PM Modi

The Economic Times, October 7, 2022

Reserve Bank of India (RBI) will soon commence limited pilot launches of the digital rupee for specific use cases

RBI to soon start pilot project on digital currency

Live mint, October 7, 2022
Government along with the industry should work on a bigger goal to make India a developed country and aspire to become a much larger economy by 2047, said Union Minister for Commerce and Industry Piyush Goyal at FICCI's National Executive Committee Meeting.

Government, industry should work together to make India a much larger economy: Piyush Goyal
The Economic Times, October 7, 2022

"FTAs will be entered into after thorough consultation with all stakeholders, including industry, and the government will not diverge from this approach for the sake of deadlines", assures Union Minister for Commerce and Industry Piyush Goyal.

India won't yield on national interest to meet FTA deadlines: Piyush Goyal
Business Standard, October 7, 2022

Weekly Positivity Rate is at 1.30%
COVID-19 UPDATE
PIB, October 8, 2022
ECONOMIC TRENDS

Overall paddy sowing area in the kharif season is at 40.2 million hectare (mh) which was 4.7% less than year ago because of deficient rainfall received in the key rice growing states

Rice sowing down by 4.7%, kharif crop sowing marginally lower than last year
The Financial Express, October 1, 2022

Unemployment rate drops due to increase in labour participation in the rural and urban areas

India’s unemployment rate drops to 6.43 per cent in September: CMIE
The Economic Times, October 1, 2022

Railway freight achieve a Y-o-Y growth in September

Iron ore, coal transport push September Railway freight up 9.7% to 116 million tonnes
Business Standard, October 2, 2022

Petrol sales soared 13.2 per cent to 2.65 million and sale of diesel rose 22.6 per cent to 5.99 million tonnes in September

Fuel sales jump in September as economy activity picks up before festival season
Business Standard, October 2, 2022

Housing sales across seven cities (Delhi-NCR, Mumbai Metropolitan Region (MMR), Chennai, Kolkata, Bengaluru, Hyderabad and Pune) between January-September period surged 87 per cent to 2,72,709 units

Housing sales up 87% in Jan-Sept in 7 cities; breach full 2019 figure: Report
Live mint, October 2, 2022

Bank deposits of households rose by ₹6.53 lakh crore during FY22, a decline of 48 per cent from the previous year

Household financial assets: FY22 sees fall in deposit growth, may pick up this year
The Indian Express, October 3, 2022

Manufacturing PMI fell to 55.1 in September from 56.2 in August

India factory growth cools to 3-month low in September: PMI
Live mint, October 3, 2022

Domestic air traffic in September rose by nearly 2% as compared to August due to the onset of the festival season in different parts of the country

Air traffic sees uptick as festival season starts
Live mint, October 3, 2022
Payments through Unified Payments Interface (UPI) have crossed a milestone of ₹11 lakh crore in September, clocks 678 crore transactions in volume terms. [UPI payment crosses ₹11 lakh crore milestone in September]
The Hindustan Times, October 4, 2022

Car sales register a 121% increase in September 2022, Y-o-Y. [September 2022 car sales record an all-time high in India]
The Financial Express, October 4, 2022

Coal production increased from 51.72 million tonnes to 57.93 million tonnes in September 2022, Y-o-Y. [India's coal production increased by 12% to 57.93 million ton in September]
Live mint, October 5, 2022

Services PMI fell to 54.3 in September from 57.2 in August. [India’s services growth slumped to 6-month low in September on cooling demand: PMI]
The Indian Express, October 6, 2022

Wheat arrivals increased by 57 per cent to 2.27 million tonnes (MT) during the August-September period. [Wheat arrivals in India at 12-year high during Aug-Sept across markets]
Business Standard, October 6, 2022

Consumption of fuel rose to 17.18 million tonnes and sales of gasoline increased to 2.83 million tonnes in September 2022, Y-o-Y. [India’s September fuel demand rises 8.1% YoY, gasoline sale 8.8% higher]
Business Standard, October 7, 2022
TRADE AND INVESTMENT

Exports of spices are targeted at $4.5 billion in FY23 from $4.13 billion in FY22
*India’s spice exports see uptick as supply-chain bottlenecks ease, Covid pandemic wanes*
The Economic Times, October 2, 2022

National Payments Corporation of India (NPCI) and Central Bank of Oman (CBO) to sign an agreement for cooperation in digital finance and payments
*India, Oman to sign pact on digital finance & payments*
The Economic Times, October 2, 2022

India urges major US firms to invest in oil and gas production due to favourable geology, open data access, supporting policy regime and ease of doing business
*India makes strong pitch to major US firms for investing in oil and gas production*
The Economic Times, October 2, 2022

Exports contract in September, trade deficit widens to USD 26.72 billion
*India’s exports dip 3.52% to USD 32.62 billion in September*
The Economic Times, October 3, 2022

Exporters concerned about the Western sanctions on Russia potentially hitting their business links with some of the Russian importers and also delaying the flow of payments to them for goods already supplied
*Exporters weigh impact of fresh sanctions on Russia with concern*
The Financial Express, October 4, 2022

Imports of palm oil increase in September led by strong demand for tropical oil ahead of the festival season
*India’s September palm oil imports jump to 1-yr high of 1.2 million T-dealers*
The Economic Times, October 4, 2022

Engineering exports decline in September due to a slowdown in Europe and China
*Engineering exports contract 17% in September*
Live mint, October 4, 2022

Current account balance is expected to further widen to roughly $40 billion in Q2FY23 as demand slowdown in developed economies hits exports
*Current account deficit to widen as demand slowdown abroad hits India’s exports; may hit 3.3% of GDP*
The Financial Express, October 5, 2022
Sugar exports rose during 2021-22 marketing year ended September, resulting in foreign currency inflow worth about ₹40,000 crore.

Sugar exports up 57% to record 10.98 million tonnes; cane arrears at ₹6k crore
Business Standard, October 5, 2022

India and the European Free Trade Association comprising of Iceland, Liechtenstein, Norway and Switzerland, are considering the resumption of negotiations on a free trade agreement due to strategic economic importance.

India, 4-nation EFTA bloc eye resumption of talks on free trade deal after 5 years
The Hindustan Times, October 5, 2022

Dispatches of agricultural items rose almost 20% year on year to $23 billion between April and August despite a ban on the outbound shipments of wheat.

Farm exports hold up despite restrictions but future tense
The Financial Express, October 6, 2022

Society of Indian Automobile Manufacturers back phased cuts to 30% over five years on imported cars as part of a trade deal with Britain.

Indian car makers propose tax cut on imports in trade deal with Britain
Live mint, October 7, 2022

Foreign exchange reserves decline during the week ended September 30.

India’s foreign exchange reserves fall by another $4.9 billion
The Economic Times, October 7, 2022
INTERNATIONAL SCENE

BRICS countries discuss the possibility and prospects of setting up a common single currency based on a basket of currencies to better serve their economic interests, said senior Russian diplomat and BRICS points person Pavel Knyazev

BRICS explores creating new reserve currency
The Economic Times, October 3, 2022

Unctad expects India’s growth to ease to just 5.7% in 2022 from 8.2% in the previous year, as economic activity is “being hampered by higher financing costs and weaker public expenditures”

India’s GDP growth to fall to just 5.7% in 2022: Unctad
The Financial Express, October 4, 2022

Progress in reducing extreme poverty is halted due to shocks related to the Covid-19 pandemic and Russia’s war against Ukraine

Goal of ending extreme poverty by 2030 won’t be met, says World Bank: Report
The Hindustan Times, October 5, 2022

WTO expects growth in world trade to slow down due to global uncertainties

WTO cuts global trade forecast for 2023 to 1%
The Indian Express, October 6, 2022

Global foreign-currency reserves decline to $12 trillion, reflecting the stress in the currency market

World currency reserves shrink by $1 trillion in record drawdown
Live mint, October 6, 2022

World Bank projects Indian economy to grow at 6.5 per cent compared to its earlier estimate of 7.5 per cent

World Bank cuts FY23 growth forecast by 100 bps to 6.5%
The Indian Express, October 7, 2022

IMF chief Kristalina Georgieva warns that countries accounting for about one-third of the world economy will experience at least two consecutive quarters of contraction this or next year

Global economy moving from ‘relative predictability’ to uncertainty: IMF MD
Business Standard, October 7, 2022