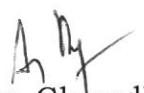


No. A-45011/4/2021-Admn.III
Government of India
Ministry of Finance
(Department of Economic Affairs)

New Delhi, 31st December, 2021

OFFICE MEMORANDUM

The undersigned is directed to circulate herewith the unclassified portion of Monthly Summary on important policy decisions in respect of Department of Economic Affairs for the Month of November, 2021.


(Arup Shyam Chowdhury)

Deputy Secretary to the Government of India

Tel No. 23095091

To

1. All Members of the Union Council of Ministers, Government of India, New Delhi.
2. Vice Chairman, Niti Aayog, Yojna Bhawan, New Delhi.
3. Cabinet Secretary, Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
4. Secretary to the President of India, Rashtrapati Bhavan, New Delhi.
5. Secretary to the Vice-President of India, 6, Maulana Azad Road, New Delhi.
6. Principal Secretary to the Prime Minister, PMO, South Block, New Delhi
7. Chairman, Union Public Service Commission, Dholpur House, New Delhi.
8. All Members of Niti Aayog, Yojna Bhawan, New Delhi.
9. Secretaries to all the Ministries/Departments, Government of India, New Delhi.
10. PS to MOS (F), PPS to Finance Secretary, PPS to Secretary (EA), PPS to Secretary (Revenue), PPS to Secretary (Expenditure), PPS to Secretary (DIPAM).
11. Chief Economic Adviser, DEA.
12. Additional Secretary (Shri A. Giridhar) Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
13. Ms.Meera Swarup, AS&FA(Finance).
14. Shri A.M. Bajaj, Additional Secretary (FM), DEA
15. Shri Rajat Kumar Mishra, Additional Secretary (Budget), DEA.
16. Shri Sanjeev Sanyal, Principal Economic Adviser, DEA
17. All Heads of Divisions in Department of Economic Affairs.
Sr.Adviser (C&C/FSLR/FS&CS)/JS (IPP)/JS(ISC)/JS(Budget)/
JS (C&C)/JS(Inv)/ Advisor(BC) /Advisor (Admn)/ Advisor (Investment)
/ Advisor (Economic Division) / Advisor (IER) / Advisor (IPF) / CAAA.
18. Shri Rajesh Malhotra, Addl.DG (M&C), M/o Finance, North Block, New Delhi.
19. Guard File – 2021.

No.A-45011/4/2021-Admn.III
Government of India
Ministry of Finance
(Department of Economic Affairs)

Subject: Monthly Summary on important policy decisions pertaining to Department of Economic Affairs (DEA) for the month of November, 2021.

1. Macro-Economic Overview

India's economic recovery gained further momentum in second quarter (Q2) (July-September) of 2021-22 to surpass its corresponding pre-pandemic output level. Recovery was supported by decline in infections cases, easing of restrictions and rapid vaccination coverage. Growth of real GDP in Q2 of 2021-22 is estimated at 8.4 % over Q2 of 2020-21. Growth in H1 (Q1+Q2) of 2021-22 accordingly works out to 13.7 % over H1 of 2020-21. With this, more than 95.6 % of the H1 output of 2019-20, the pre-pandemic year, stands recovered. On the demand side, recovery of pre-pandemic levels, in H1 of 2021-22 is most significant in exports at 113 %. Recovery in private consumption is close to 92.3 % in H1. On the supply side, recovery of pre-pandemic levels in H1 of 2021-22 is most significant in agriculture & allied sectors at 108 % and recovery in manufacturing is about 99.9 %. Mining sequentially contracted by 14.0 % in Q2 over Q1 of 2021-22 owing to disruption caused by heavy rains. The sector wise growth rates are given in the **annexure**.

2. Other Important Developments:

- i. A Gazette Notification No.G.S.R.No. 783(E) dated 08.11.2021 has been issued for issue of Circulatory Coins of Rs.1,2,5,10 and 20.
- ii. Gazette Notification No.G.S.R.No. 806(E) dated 18.11.2021 has been issued for issue of Commemorative Coin of denomination of Rs. 100 to commemorate the occasion of Harcourt Butler Technical University, Kanpur centenary celebrations.
- iii. Following loan agreements were signed and negotiations were held in certain cases with multilateral and bilateral development agencies during the month of November, 2021:

Loans Signed:

- a) Loan agreement with Asian Development Bank (ADB) for financing USD 300 million for 'Strengthening Comprehensive Primary Health Care in Urban Areas Program' under the Pradhan Mantri Ayushman Bharat Health Infrastructure Mission Project.
- b) Loan agreement with World Bank (International Bank for Reconstruction & Development) for financing USD 250 million for Supporting Andhra's Learning Transformation (SALT) Project;
- c) Loan agreement with the Asian Development Bank (ADB) for additional financing USD 250 million for Industrial Corridor Development Programme – Subprogram-I;
- d) Loan agreement with the Asian Development Bank (ADB) for financing USD 61 million for Agartala City Urban Development Project;

Loans Negotiated:

- a) Negotiations were held for financing of USD 500 million for Accelerating State Education Program;
- b) Negotiations were held for financing of USD 350 million for Sustainable Urban Development and Service Delivery Program;
- c) Negotiations were held for financing of USD 112 million for Assam Skill University Project.
- iv. An orientation program on Asian Infrastructure Investment Bank's (AIIB) revised Environmental and Social Framework was jointly organised by AIIB and DEA on 2nd November, 2021, wherein about 150 technical officials from State Governments and Central Departments participated.

3. Following important meetings were held during the month of November, 2021:

- i. Hon'ble Finance Minister Smt.Nirmala Sitharaman attended the following meetings during the month:

Authority (IFSCA) and other stakeholders on the matters of development and growth of GIFT City as an International Financial Service Centre.

- b) Chaired review meetings with M/o Power, M/o Coal & D/o Atomic Energy on 1st November, 2021 and with M/o Road Transport and Highways, M/o Petroleum and Natural Gas & M/o Steel on 2nd November, 2021 to give a fillip to capital expenditure (CAPEX) and to accelerate capital spending & timely infrastructure development.
- c) Interacted with Chief Ministers, Finance Ministers of States/ Lt. Governors of UTs via virtual conference on 15th November, 2021 to step up investment, infrastructure, and growth and to enhance the investment climate in the country in the wake of strong recovery post pandemic.
- ii. Secretary (EA) chaired a meeting on MIGA engagement with India on 18th November, 2021 with officials from DEA, MIGA and World Bank.
- iii. Additional Secretaries, DEA attended the following meetings during the month:
 - a) On 2nd November, 2021 attended NDB Board of Directors meeting to discuss on es for Risk Mitigationand Strategi ,matters related to bank's financial matter.
 - b) On 11th November, 2021 attended AIIB Board of Diretorsmeeting whereinthe -million for Chennai City Partnership 150 board approved financing USD Supporting sustainable and integrated delivery of urban services in the Chennai Metropolitan Area.
 - c) On 12th November, 2021 chaired a virtual meeting with participants from DEA and Multilateral Investment Guarantee Agency (MIGA) on MIGA engagement in Financing Projects in India
 - d) On 15-17 November, 2021 chaired the Tripartite Portfolio Review virtual Meeting with the World Bank and PIAs for review of ongoing projects financed by the World Bank.
 - e) On 24th November, 2021 attended the Indo-German Annual Negotiation Meeting wherein the German side committed Euro 1.29 billion funds for various financial and technical cooperation projects
 - f) On 25th November, 2021 attended the AIIB Board of Diretors meeting to consider banks operation and investment projects.
 - g) On 30th November, 2021 chaired the 122nd meeting of the DEA Screening Committee for consideration of proposals seeking financing from Multilateral Development Banks/Bilateral Agencies.

- iv. International Platform for Sustainable Finance (IPSF) Annual Event was held on 4th November 2021 on the side-lines of COP26 in Glasgow. The representative of the Government participated in the said meeting.
- v. Four meetings of Financial Stability Board (FSB) were held in November, 2021 to discuss financial stability outlook, Debt overhang and scarring effects of COVID-19, exit from COVID-19 measures, digital transformation and implications for financial stability, and FSB's deliverables to G20 in 2022. The representative of the Government participated in the said meeting.
- vi. The 26th Early Warning Group (EWG) meeting was held on November 30, 2021 to discuss issues like (a) risk assets took severe beating on 26th November due to world-wide alert regarding new COVID variant (Omicron) and resurgence of the pandemic in Europe, (b) continued robust demand outstripping supply are likely to keep crude oil prices high, (c) equity valuations continue to be high, (d) FPI Flows experiencing volatility, (e) simmering roll-over risks arising from asset-liability mismatch in NBFCs and HFCs. The representative of the Government participated in the said meeting.
- vii. A round of discussion between India and UAE on Comprehensive Economic Partnership Agreement (CEPA) investment Chapter was held on 9th November, 2021.
- viii. 8th round of discussion between India and Russia on Bilateral Investment Treaty (BIT) was held on 12th November, 2021.
- ix. Final round of negotiations on Investment Incentive Agreement (IIA) between India and USA was held on 18-19 November, 2021 in New Delhi.
- x. First round of negotiations on Bilateral Investment (BIT) between India and Australia was held on 23rd November, 2021.
- xi. Second round of negotiations on BIT between India and Cambodia was held on 24th November, 2021.
- xii. The 7th Tripartite Portfolio Review Meeting (TPRM) for New Development Bank (NDB) assisted projects in India was held on 17th November, 2021 to review 16 on-going projects and 15 pipeline projects. The representative of the Government participated in the said meeting.

- xiii. The 6th Tripartite Portfolio Review Meeting (TPRM) for AIIB assisted projects in India was held on 16th November, 2021 to review 19 on-going projects and 20 pipeline projects. The representative of the Government participated in the said meeting.

4. Minimum Government, Maximum Governance

In particular, use of ICT in submission of Information is being encouraged.

5. Non-Compliance of ACC directions/orders

Nil

6. FDI proposals cleared during the month and status of FDI proposals awaiting approval in the Department:

Awaiting Approval in the Department: 13

(Annexure)**Table 1: Real Growth in demand side of GDP and its components (per cent)**

Components	Growth over Q2 of 2020-21	Growth over Q1 of 2021-22	Recovery over H1 of 2019-20
Total Consumption	8.6	4.8	92.7
Government Consumption	8.7	(-) 14.2	94.7
Private Consumption	8.6	9.2	92.3
Gross Fixed Capital Formation	11.0	11.8	91.8
Change in Stock	2.7	7.8	102.1
Valuables	183.3	603.6	155.1
Exports	19.6	8.4	113.0
Imports	40.6	16.8	104.8
GDP	8.4	10.4	95.6

Source: National Statistical Office, MoSPI.

Table 2: Real Growth of GVA and its components on the Supply Side (per cent)

Sectors	Growth over Q2 of 2020-21	Growth over Q1 of 2021-22	Recovery over H1 of 2019-20
Agriculture & Allied Sectors	4.5	(-) 16.2	108.0
Industry	6.9	5.9	98.6
Mining & quarrying	15.4	(-)14.0	102.5
Manufacturing	5.5	7.9	99.9
Electricity, gas, water supply & other utility	8.9	5.2	107.2
Construction	7.5	8.7	92.1
Services	10.2	16.2	92.6
Trade, Hotels, Transport, Communication and Services related to Broadcasting	8.2	24.9	80.1

Items	2020-21 (April-June)	2021-22 (April-June) (P)
Current Account Balance (in US\$)	19.1	6.5
Current Account Balance / GDP (Per	3.7	0.9
Source: Reserve Bank of India.		

Table 8: Foreign Exchange Reserves (in US\$ billion)	
End-March, 2021	577.0
19.11.2021	640.4
Source: Reserve Bank of India	

Table 9: Exchange Rate of the Indian Rupee (Rupee per unit of foreign currency)				
	US Dollar	Pound Sterling	Euro	Japanese yen
18.11.2021	74.1552	100.0482	83.9190	64.9100
Source: Reserve Bank of India				

Table 10: External Debt (US\$ Billion)			
	as at end of June 2020 PR (1)	as at end of June 2021 P (2)	Percentage variation [(2/1)- 1]*100
Total External debt outstanding	555.2	571.3	2.9
Source: Quarterly Report on External Debt as at end June 2021, RBI..			

Table 11: Industrial Production Highlights			
Monthly Growth (YoY) in per cent			
Index of Industrial Production (IIP)	July 2020	August	September
	(-) 10.5	(-) 7.1	1
	July 2021	August	September
	11.5	11.9	3.1

Table 12: Eight Core Industries Monthly Growth (YoY) in per cent			
	August 2020	September 2020	October 2020
Eight Core Industries (ICI)	(-) 6.9	0.6	(-) 0.5
	August 2021	September 2021	October 2021
	11.5	4.5	7.5
