

**A-45011/4/2023-Coord.II**  
**Government of India**  
**Ministry of Finance**  
**(Department of Economic Affairs)**

\*\*\*

New Delhi, 04<sup>th</sup> October, 2023

**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 July, 2023.

  
(Susruta Samanta)

Deputy Secretary to the Government of India  
Tel No. 2309- 5244

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. Shri V. Anantha Nageswaran, Chief Economic Adviser, DEA.
12. Additional Secretary, Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.

13. Shri Manoj Sahay, AS&FA(Finance).
14. Ms. Aparna Bhatia, Advisor(Admn./Coord./ C&C )
15. Ms. Manisha Sinha, AS(G20 logistics(Coord-II)/OMI/Crypto assets and CBDC)
16. All Heads of Divisions in Department of Economic Affairs.  
JS(IPP)/JS(ISD)/JS(Inv)/JS(Budget)JS(FM)/All Advisers/CAAA
17. Shri Rajesh Malhotra, DG (M&C), M/o Finance, North Block, New Delhi.
18. Guard File – 2023.

**A-45011/4/2023-Coord.II**  
**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 July, 2023.**

**1. Important policy decisions taken and major achievements during the month:**

**Macroeconomic Overview:**

Stronger-than-expected growth in the fourth quarter of FY23 driven by robust domestic investment, caused the International Monetary Fund (IMF) to revise India's real GDP growth forecast for FY24 upward by 20 basis points in its July 2023 World Economic Outlook (WEO). The robustness of domestic investment is the result of the government's continued emphasis on capital expenditure.

Measures implemented by the Union Government have also incentivised States to increase their capex spending. States capital expenditure increased by 74.3 per cent YoY in Q1 of FY24 to complement Centre's Capex increase of 59.1 per cent in the same quarter.

Headline CPI-C inflation spiked to 7.4 per cent in July 2023, with specific food commodities mainly driving the increase, while core inflation stayed at a 39-month low. 48 per cent of food items have inflation of above 6 per cent, and this includes 14 food items with inflation in double digits. Hence, the abnormal increase in prices of certain specific items led to high food inflation in July 2023, which is likely to subside in the coming months.

In response to the developments in retail inflation and prices, the RBI's Monetary Policy Committee (MPC) has decided to keep policy rates unchanged and remained focused on the withdrawal of accommodation to ensure that inflation progressively aligns with the target while supporting growth. In this context, the MPC revised its inflation projection for FY24 from 5.1 per cent to 5.4 per cent, with inflation in Q2, Q3 and Q4 of FY24 projected at 6.2 per cent, 5.7 per cent, and 5.2 per cent, respectively, with risks evenly balanced.

The steady performance of the agriculture sector, along with fresh arrivals in the market, would aid in curbing the inflationary pressures caused by supply disruptions and elevated international food prices. Despite the fear of El Niño, the progress of monsoon has been quite active so far, although with uneven distribution. Around 75 per cent of the country's area has received normal or excess rains. As on 18th August 2023, farmers have sown 102.3 million hectares, which is similar to the corresponding period last year's level and 1.1 per cent higher than the average of the last five years.

Amidst the weak global growth outlook, India's exports performed well during the current financial year (FY24 till July 23), mainly led by the services export growth, which is in line with the global trend of resilient services demand post-pandemic. The resulting increase in services trade surplus has significantly contributed to improving the overall trade balance during this period. In July 2023, services exports performed well, growing by 12 per cent over July 2022. As a result, the services trade surplus improved by 20.8 per cent in July 2023 YoY. During the same month, India's merchandise exports and imports declined by 15.9 per cent and 17 per cent, respectively, on a YoY basis.

National Multidimensional Poverty Index (MPI) Report, released by NITI Aayog, highlights a remarkable decline in the prevalence of multidimensional poverty in India. The national MPI has nearly halved from 0.117 in 2015-16 to 0.066 in 2019-21, thereby setting India on the path of achieving SDG Target 1.2 (of reducing multidimensional poverty by at least half), much ahead of the stipulated timeline of 2030. Resultantly, 13.5 crore Indians are estimated to have escaped multidimensional poverty between 2015-16 and 2019-21.

## **2. Important Developments:**

- (i) The following **Finance Track Meetings under G20 India Presidency** were held during this month:
  - (a) The Third meeting of the G20 Finance Ministers and Central Bank Governors (FMCBG) was held on **17-18 July 2023 in Gandhinagar**, Gujarat. The meeting was jointly chaired by the Hon'ble Finance Minister of India and Governor RBI.
  - (b) The FMCBG meeting was preceded by the Third G20 Finance and Central Bank Deputies Meeting, wherein the Deputies

negotiated the G20 Outcome Document and Chair's Summary (ODCS) which was subsequently adopted by Ministers and Governors.

- (c) The discussions held during the Third G20 FMCBG meeting will feed into the G20 Leaders' Summit to be held in New Delhi on September 9-10, 2023. The July ODCS will form the basis for preparing the finance track related paragraphs that will be included in the G20 New Delhi Leaders Declaration.
  - (d) Following events were held on the side-lines of the G20 FMCBG and G20 FCBD Meetings:
    - i. 2023 G20 Infrastructure Investors' Dialogue – Leveraging Funding and Financing Mechanisms and Approaches for the Cities of Tomorrow.
    - ii. G20 High- Level Tax Symposium on Combatting Tax Evasion, Corruption and Money Laundering.
    - iii. Policy Dialogues: Roundtable Discussion on Crypto Assets.
    - iv. G20 Roundtable on the Report of the G20 Expert Group on Strengthening MDBs.
    - v. Achieving Growth-Friendly Climate Action and Financing for Emerging and Developing Economies.
  - (e) Hon'ble Finance Minister held eight bilateral engagements with her counterparts of select G20 and invitee countries and International Organisations (IOs), at Gandhinagar, viz., Canada, Bangladesh, Nepal, EC, US, China, Indonesia and AIIB.
  - (f) Hon'ble Finance Minister also met World Bank Group's President at New Delhi on 19<sup>th</sup> July, 2023.
- (ii) Following **Notifications were issued** during this month:
- (a) **Guarantee Scheme for Corporate Debt (GSCD) vide Gazette notification dated 26<sup>th</sup> July, 2023** – To provide 100% guarantee cover against debt raised/to be raised by Corporate Debt Market Development Fund, an alternative Investment Fund (AIF)

created/to be created under relevant SEBI Regulations, for the purpose of investing in corporate debt securities at times of market dislocation with a view to stabilize the markets.

- (b) **Commemorative Coins** of denomination of ₹ 100/- and ₹ 75/- on the occasion of India's G20 Presidency.
- (iii) Following **important meetings** were held/attended at the official level:
  - (a) The Tripartite Portfolio Review meeting (TPRM) of AIIB assisted projects was held on 28<sup>th</sup> July, 2023 to review the progress of project preparation and implementation for 30 projects.
  - (b) The FSB plenary meeting was held on 06<sup>th</sup> July, 2023 to discuss the financial stability outlook, Crypto-assets, Climate Roadmap and Future of TCFD etc.
  - (c) The 141<sup>st</sup> meeting of the DEA Screening Committee for consideration of proposals seeking financing from Multilateral Development Banks/Bilateral Agencies held on 31<sup>st</sup> July, 2023.
  - (d) Third meeting of BRICS Finance and Central Bank Deputies (FCBD) on 04<sup>th</sup> July, 2023 under the South African Presidency through virtual mode.
  - (e) 15<sup>th</sup> round of India-UAE Bilateral Investment Treaty negotiations through virtual mode on 12<sup>th</sup> July, 2023.
- (iv) India has **won the dispute GPIX vs Republic of India**, brought under India Mauritius BIT on merits vide award dated 24<sup>th</sup> July, 2023.
- (v) India conveyed its stance to abstain from Pakistan's SBA request at IMF via Executive Board meeting on 12<sup>th</sup> July, 2023.
- (vi) Transition of SGX NIFTY derivatives to NSE IFSC took place on 03<sup>rd</sup> July, 2023.
- (vii) Following **loan agreements** were signed/negotiated with multilateral and bilateral development agencies:

- a) Agreement with New Development Bank (NDB) on 10<sup>th</sup> July, 2023 for loan assistance of USD 225 million towards financing “Indore Metro Line 3 Project” of Government of Madhya Pradesh.
  - b) Agreement with NDB for Loan of USD 79.05 million for financing Experiential Eco-Tourism Development for empowering rural youth and conserving natural resources and indigenous culture in Meghalaya.
  - c) Agreement with NDB for loan of USD 347 million towards towards “Chennai Metro Rail Project for Package 3, Corridor 4 Phase-II’.
  - d) Agreement with Asian Development Bank (ADB) for Loan of USD 200 million as additional financing for the on-going Rajasthan Secondary Towns Development Sector Project to expand water supply and sanitation systems and enhance urban resilience and heritage living in selected towns was signed with Asian Development Bank.
  - e) Agreement with ADB for loan of USD 295 million for Enhancing Connectivity and Sustainability in Bihar Road Project.
- (viii) Following **capacity building programmes** in infrastructure sector were held during this month:
- (a) Training Programme on ‘Project Finance’ held at IIBF Mumbai.
  - (b) Training Programme on ‘Infrastructure Financing’ held at IIM Kozhikode.
  - (c) Training Programme on ‘Contemporary Project Management’ held at IIM Shilong.
  - (d) Training Programme on ‘Project Management’ held at IIM Lucknow.
  - (e) Training Programme on ‘Project Feasibility and Project Financing & Execution’ held at IIM Raipur.

### **3. Minimum Government, Maximum Governance**

The use of ICT in submission of information is being encouraged.

### **4. Non-Compliance of ACC directions/orders: NIL**

**5. Details of FDI proposals cleared during the month and status of FDI proposals awaiting approval in the Department:**

Number of proposals cleared	:	03
Awaiting Approval in the Department	:	08