

# HCIK India Economic Newsletter, December 2019 Quarter



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India, Kingston**

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The High Commission of India, Kingston Wishes Its Readers A Very  
Prosperous 2020

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## Indian Economy

### 7 things to know about India's economy today



India has emerged as a powerhouse in the world economy, with its large population, rapid expansion and investment in innovation.

As leaders from government, the private sector, academia and civil society gather in New Delhi for the World Economic Forum's India Economic Summit, here are eight things you need to know:

Read more: <https://www.weforum.org/agenda/2019/10/india-economy-powerhouse-population-inequality/>

### Facts About Indian Economy

- Real GDP growth in second quarter (Q2) of 2019-20 is estimated at 4.5 per cent, lower than 5.0 per cent in first quarter (Q1) of 2019-20.
- Foreign direct investment (FDI) equity inflows stood at Rs 2,491,864 crore (US\$ 436,350 million) between April 2000-June 2019 and stood at US\$ 23.35 billion for FY20 (till October 2019).
- India's foreign exchange reserves were Rs 32.19 lakh crore (US\$ 460.65 billion) in the week up to November 22, 2019.
- Conversion rate used as on October 2019, Re 1 = US\$ 0.01407

Read more: <https://www.ibef.org/economy/indiasnapshot/facts-about-indian-economy>

## Early data hints green shoots in Indian economy. Has it bottomed out?

RBI's Monetary Policy Committee (MPC) in its December meeting expected GDP growth to start recovering in the second half of the current fiscal year.



Initial high-frequency indicators for December 2019 suggest some sort of revival in the Indian economy. The Nikkei Manufacturing Purchasing Managers' Index, compiled by IHS Markit has increased to 52.7 in December 2019, the highest since May 2019. Goods and Services Tax (GST) collections were above Rs 1 lakh crore for the second

consecutive month in December. Auto companies such as Maruti Suzuki have reported a rise in domestic car sales. Centre for Monitoring Indian Economy's (CMIE) capex database shows that new investment announcements have posted a positive growth in the December quarter, the first since June 2018. Are these signs that the Indian economy will finally break from six quarter growth deceleration in the December quarter?

Read more: <https://www.hindustantimes.com/india-news/has-the-indian-economy-bottomed-out/story-KEXLGFRFSnGqgulbgE0ufL.html>

## Indian economy to start recovering from late FY20: Report

According to D&B Economy Observer report, a pick-up in the industrial production will only be gradual and an uptick is expected to be visible during the festive months of September and October 2019.

The Indian economy is expected to start its recovery from latter part of this fiscal thanks to the initiatives taken by the Reserve Bank for policy rate transmission and steps by the government to boost growth, says a report.



## Sectors/Companies

### Reduce customs duty on Naphtha to 2.5 per cent: CII Budget expectation

The Confederation of Indian Industry (CII) has sought reducing customs duty on Naphtha from 5 per cent to 2.5 per cent in the coming Budget 2020-2021.

The most commonly used feedstock naphtha attracts customs duty of 5 per cent which is higher than the 2-2.5 per cent customs duty on primary petrochemicals and polymer intermediates made from it, a CII statement said.

Read more: <https://www.thehindubusinessline.com/economy/reduce-customs-duty-on-naphtha-to-25-per-cent-cii-budget-expectation/article30557703.ece>

## Digital/ Technology/ Media

### India eyes new method to combine privacy protection with credit reporting



India has more than 560 million internet users, all generating data by the terabyte. Soon they will have an unprecedented amount of control over their digital financial footprints, with the ability to decide what to share, with whom, and for how long.

India's top banks are getting ready to roll out a system that gives consumers access to a wide swath of their financial data and allows them to share it instantly. Backed by

the Reserve Bank of India (RBI), it's an ambitious approach that combines privacy protection with credit reporting: if it works, it could unlock the credit market for millions of Indians, while offering new levels of data security and consumer control.

Read more: <https://www.thehindubusinessline.com/info-tech/india-eyes-new-method-to-combine-privacy-protection-with-credit-reporting/article30557795.ece>

## Infosys inks pact with GEFCO to support digital transformation

IT major Infosys has partnered with automotive transport and logistics provider GEFCO to support its digital transformation over the next five years.



As a key business and technology partner of GEFCO, Infosys said in a statement on Monday that the IT company would help transform the groups next-generation business application management services.

Read more:

<https://www.thehindubusinessline.com/info-tech/infosys-inks-pact-with-gefco-to-support-digital-transformation/article30557519.ece>

## Renewables

### Abu Dhabi-based agency calls for clean energy investments to double

An international agency promoting clean energy called Sunday for investments in renewable energy projects to be more than doubled, redirecting funds from fossil fuels.



The Abu Dhabi-based International Renewable Energy Agency (IRENA) also said that electricity output from renewable sources would more than double over the next decade.

Read more:

[https://economictimes.indiatimes.com/small-biz/productline/power-generation/abu-dhabi-based-agency-calls-for-clean-energy-](https://economictimes.indiatimes.com/small-biz/productline/power-generation/abu-dhabi-based-agency-calls-for-clean-energy-investments-to-double/articleshow/73225164.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

[investments-to-double/articleshow/73225164.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/small-biz/productline/power-generation/abu-dhabi-based-agency-calls-for-clean-energy-investments-to-double/articleshow/73225164.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

## Upcoming Trade Fairs in India



**GARTEX**

**HGH** INDIA  
Homedécor ■■■ Gifts ■■■ Houseware

Print Fair





## Embassy Events

### Guru Nanak's Birthday – November 10, 2019



**71<sup>st</sup> Republic Day of India Celebration - January 26-27, 2020**  
**Flag Hoisting Ceremony**









The Reception









### Disclaimer

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