



April, 2020.



## PART I: INDIAN ECONOMY

### News Features

1. Prime Minister Narendra Modi's Rs 20 tr (aprox. Euro 245 bn) stimulus package equivalent to around 10% of India's GDP to boost the Indian economy, battered by COVID-19 is one of the largest among world economies.

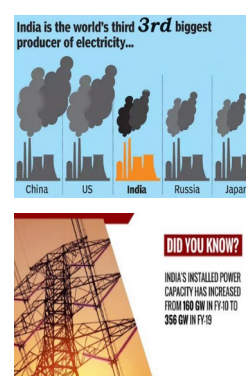
PM Narendra Modi announced a Rs 20 tr (aprox. Euro 245 bn) economic package on (12 May 2020). The package popularly known as *Atmanirbhar* India meaning a self-reliant India is based on the principle of Inclusive Growth by Collective Effort. This includes supply of free food-grains to poor and cash to poor women and elderly, support for the rural economy, migrant workers and farmers, agriculture sector, cottage industries, loan guarantee to MSMEs, wage support for workers and labourers, financial support for migrant workers, tax incentives to industries, support for construction and housing sector, tax benefits to middle class, financial support to hawkers and vendors, relief for the aviation sector, etc. Apart from this, the stimulus package is also likely to cover different factors of production such as land and labour, and simplify laws for the benefit of the labourers.

PM Narendra Modi in his address to the nation has highlighted the importance of *Atmanirbhar* India (Self-Reliant India) stressed on turning crisis into opportunity and reaffirmed the Government's commitment to self-reliant India. Following this initiative India's Finance Minister has announced on (13/14/15/16 May 2020) a number of measures that have focused on incentivizing business and investment focused growth, enabling investment and trade reforms, and opening up India as an investment destination in minerals, defence, space, atomic energy, civil aviation, coal and agriculture sectors. A number of initiatives have also been announced such as investments in MSMEs, enhancing ease of doing business, a new public sectors enterprise policy, relief measures of RBI to enhance liquidity and ease credit and working capital costs of various sectors and incentivize state level reforms.

## 2. Monetary Policy initiatives by the Reserve Bank of India to mitigate adverse impact of COVID-19

The Reserve Bank of India (RBI) on (22 May 2020) announced a Rs 15,000-crore line of credit to the Export-Import Bank of India, to help the sagging foreign trade. The facility is being extended to enable the bank to raise its resources. The country's export-import trade has suffered because of external demand crippling owing to the pandemic and decline in import of essential goods and services. The RBI on (22 May 2020) also cut the repo rate by 40 basis points from 4.4 % to 4 %, reducing the reverse repo rate at 3.35 %. These measures will improve the functioning of markets, support exports and imports, ease financial stress by giving relief on debt servicing and better access to working capital and ease financial constraints faced by State Governments. The RBI also extended moratorium on loan repayments by three more months in view of COVID-19, starting from 1st of June to 31st of Aug, 2020. India's foreign exchange reserves have increased by 9.2 mn US dollars during 2020-21 from Apr 1st onwards. So far, up to May 15th, foreign exchange reserves stand at 487 bn US dollars.

**3. India is 3rd largest producer of Electricity in the World:** According to World Energy Statistics 2019, India became the third largest producer and the third largest consumer of electricity in the world after the US and China with a generation of 1,497 Terawatt-hour (Twh). Although power generation has grown more than 100-fold since independence, growth in demand has been even higher due to accelerating economic activity. India has now become power surplus from power deficit country. Therefore, it is currently focusing on supply of quality power to consumers. As of May 2019, 72% of India's electricity was generated from coal-based power plants. However, several relevant energy institutes predict that India's dependence on coal will be reduced in the near future. India is slowly shifting towards other sources of energy, especially solar energy. India has set a target of achieving 175 GW of renewable energy. Of this, 100 GW is to be solar power.



**4. Indian Railways innovates in its fight against the COVID-19 outbreak:** The national transporter Indian Railways has taken several significant steps to provide medical facilities to the public across the nation. Newest innovation converting train coaches into isolation wards for COVID-19 patients. Indian Railways is planning to initially modify 5000 passenger coaches to meet the requirement of any possible exigency of keeping some corona patients in isolation as and when required by Government. Coaches are also going to be equipped with mosquito nets, charging points for mobiles & laptop, space for paramedics etc. These coaches are prepared zone wise. Railways has 125 hospitals in India and of that more than 70 are being planned to be kept ready to be for any contingency as and when required.



**5. See India "Dekho Apna Desh" webinars:** Tourism sector in India is severely impacted by COVID-19 global pandemic outbreak with no movement happening either domestically or from across the border. But owing to technology, it will now be possible to visit places and destinations virtually and plan travels for a later date. Keeping this in view, the Indian Ministry of Tourism has launched its "DekhoApnaDesh" webinar series from today to provide information on the many destinations and the sheer depth and expanse of the culture and heritage of Incredible India.



## Main Economic Indicators

<b>Gross Domestic Product – GDP</b>				
Fiscal Year	2016-17	2017-18	2018-19	Est. 2019-20
Real GDP (% change, YoY)	8.2%	7.2%	7.2%	5.0%
GDP (US \$ bn), current prices	2251.1	2300	2600	/

Source: Indian Central Statistics Office and Moody's

## Foreign Trade

<b>I. Merchandise Trade</b>		
Exports & Imports: (US \$ bn)	<b>Apr 2020</b>	
(Provisional)		
<b>Exports (including re-exports)</b>		
2019-20		26.07
2020-21		10.36
% Growth 2020-21/2019-20		<b>-60.28</b>
<b>Imports</b>		
2019-20		41.40
2020-21		17.12
% Growth 2019-20/2018-19		<b>-58.65</b>
<b>Trade balance</b>		
2019-20		-15.33
2020-21		-6.76
<b>II. Trade in Services</b>		
Exports & Imports: (US \$ bn)	<b>Mar 2020</b>	<b>Apr-Mar 2019-20</b>
(Provisional)		
<b>Exports (Receipts)</b>	18.16	214.61
<b>Imports (Payments)</b>	11.11	131.56
<b>Trade balance</b>	7.05	83.05

Source: RBI Press Release, dated 15<sup>th</sup> May 2020. (<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1624102>)

## Industry

According to Indian Central Statistics Office (CSO) and Ministry of Statistics and Programme Implementation data India's industrial production plunged 16.7 % year-on-year in Mar 2020. This is the steepest decline since records began in 1994 and much worse than market expectations of an 8.7 % tumble, as the COVID-19 pandemic forced many businesses to close.

## Foreign Direct Investment (FDI)

According to the Department for Promotion of Industry and Industrial Trade (DPIIT) Foreign direct investment into India dipped marginally by 1.4 % to USD 10.67 bn during Oct-Dec period of 2019-20. against same period last year 2018-19 when stood at USD 10.82 bn. During Apr-Dec period 2019-20, foreign investments into the country grew 10 % to USD 36.76 bn as against USD 33.49 bn in the same period of 2018-19. Sectors which attracted maximum foreign inflows during the nine month period include services (USD 6.52 bn), computer software and hardware (USD 6.35 bn), telecommunications (USD 4.29 bn), automobile (USD 2.50 bn) and trading (USD 3.52 bn).

## Inflation

National Statistical Office in India (NSO) data showed India's wholesale food inflation declined to 3.6% in Apr from 5.49% a month ago. Retail food inflation picked up in Apr to 10.5% from 8.76% in Mar. This figures could be changed conditionally as India government and NSO suspended the release of the headline wholesale inflation number due to the nation wide lockdown-led disruptions in data collection.

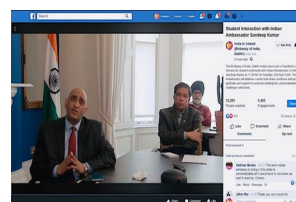
## **PART II: INDIA-IRELAND ECONOMIC RELATIONS:**

### **1. Embassy of India, Dublin ongoing response to COVID-19 :**

Embassy continued to maintain its helpline and community support groups linkages with associations, gurudwaras and religious bodies for helping out Indians in distress. Social media platforms were closely monitored.



**2. Webinars level meetings:** The Embassy supported the Indian community with various engagements. In particular: (i) The Embassy organised two webinars 21 Apr and 5 May with the Indian community in Ireland. Ambassador interacted with the students and the community members from across Ireland (350+ participants). Ambassador answered queries of all participants in need. The community come up with various problems such as student rights, accommodation, difficulties in income, travel bans, visa evacuation flights to India and etc.



Ambassador interacting with Indian community

**3. Interview to ABP News:** An Interview (23 Apr) by Ambassador was broadcast on an Indian Hindi news channel (ABP News). He expressed his gratitude to all Indians, Community Supporting Groups and other bodies in Ireland for giving tremendous support and help to affected Indian community member across Ireland to overcome these difficult days when the whole world is faced with an Unprecedented Covid-19 pandemic. He spoke about the current situation in Ireland and India, and the measures taken by both governments and the restrictions in place that are caused by Covid-19 pandemic. He mentioned several measures that are co-ordinated by Embassy to support Indians across the country such as: free delivery of medicines and food; support from gurudwaras; Community Support Groups (CSG) in different counties, doctors, psychologists, and students volunteers; constant consultations with all universities cross country in terms of assisting Indian students with accommodation, exams and such issues; assisting in repatriation flights for Indians from Ireland to India etc.



Ambassador interaction with ABP News

**4. Vande Bharat Mission:** The Government of India launched on (7 May 2020) a massive evacuation operation for the stranded Indians abroad under 'Vande Bharat Mission'. In its second phase, the GOI and the Embassy in cooperation with Air India has organised two special evacuation flights for the stranded Indians in Ireland. The first flight is on 26 May 2020 on the sector Dublin-Bengaluru-Kochi and the other one is on 2 June 2020 for the sector Dublin-Delhi-Mumbai. The Embassy has prioritized all the Indians stranded in Ireland who have compelling reasons to go to India, (pregnant ladies, stranded tourists, deaths in the families, medical emergencies, students, etc.) and they who can avail of these flights.



**5. Supply of Paracetamol medicines to Ireland:** Even in unprecedented times of global supply chain disruption, India stood by its global commitments by supplying two consignments of paracetamol medicine of 192 mt and 1462 mt to Ireland by M/s Granules India. This gesture by India was highly praised by host country.

**6. Video Conference with CIM:** A Video Conference was held (30 April 2020) by Commerce and Industry Minister (CIM) with the Commercial Representatives in Indian Embassies. CIM was accompanied by Hon'ble External Affairs Minister (EAM). The main focus of the Conference was on the measures to boost exports, to encourage invest in India, economic impact of COVID-19, and the challenges and opportunities arising therein.

**7. Indian PM Modi has telecon with Irish PM Varadkar:** On (22 April) PM Modi called the PM Leo Varadkar and discussed the state of the COVID-19 pandemic and the steps being taken by both countries to control both the health and the economic impacts of the pandemic. Both appreciated the role being played by Indian origin doctors and nurses in fighting the infection in Ireland. PM Modi thanked PM Varadkar for the care and support being extended to the Indian citizens present in Ireland, and promised to similarly facilitate Irish citizens in India. The two leaders agreed that India and Ireland can leverage their strengths in the pharmaceutical and medical fields to contribute to the global fight against the pandemic. They also deliberated on the potential for strengthening India's cooperation with Ireland, as well as with the EU, in the post-COVID context. The leaders agreed to remain in touch and consult each other on the evolving dimensions of the crisis.



Archive picture: Indian PM Narendra Modi with Irish PM Leo Varadkar

**8. Virtual outreach experiences:** To lift the spirits of the community, Embassy organised virtual culinary by Embassy staff, yoga and Ayurveda sessions through social media.



**9. Meetings with business leaders:** Due to the Covid-19 epidemic during the month, meetings with business leaders from various industrial sectors were postponed or conducted virtually.

**10. Our commitment:** The Embassy of India, Dublin is committed to protecting the health and safety of Indian citizens and the Embassy staff in Ireland. Embassy of India, Dublin suspended consular services till (31 May), in accordance with the measures implemented by the Government of Ireland and the Government of India establishing country-wide restrictions on movements to prevent the spread of COVID-19. In any case, no visas are being issued on account of the total travel ban into India.

## Bilateral Trade

Analysis of data available for the period Jan-Mar 2020 the total bilateral trade stood at Euro 244 mn. India's exports to Ireland were worth Euro 141 mn and India's imports from Ireland worth Euro 103 mn. Balance of trade was 38 mn Euros in favor of India. During the period for month of Jan-Dec 2019 showed total bilateral trade stood at Euro 1.116 bn (+25.82%). India's exports to Ireland stood at Euro 636 mn (+13.58%) and imports from Ireland were Euro 480 mn (+46.80%). Balance of trade stood at Euro 156 mn in favour of India. *\*2019 was record year.*

Year/Period	2016	2017	2018	2019	Jan-Mar 2020
Ireland's Exports to India	€ 296	€ 353	€ 327	€480 (+46.80%)	€103 (+17.92%)
Ireland's Imports from India	€ 544	€ 683	€ 560	€636 (+13.57%)	€141 (-24.49%)
Total Trade	€ 840	€1036	€ 887	*€1116 (+25.82%)	*€244 (-10.91%)

\*(Source: Central statistics office Ireland, [www.cso.ie](http://www.cso.ie))

*Euro million*

## PART III: TRADE QUERIES

Sample of trade queries from India attended by the Mission			
No.	Enquiry Originator	Product	Nature Import/Export
1	Sunheartt ceramik	Ceramic Tile	Export
2	Meera Brass Industries	Brass Engineering Turned Components & Electrical assemblies	Export
3	Sundaram Overseas	Animal Feed, Bird Feed, Spices, Herbs, Pulses, Cotton, Yarn and Fabric	Export
4	Apex Homeneeds Pvt. Ltd.	Home Textile, Kitchenware, Tableware & Gas Lighter	Export
5	Soni Polymers Pvt. Ltd	Office Polymers , accessories	Export
6	Super Sales Maharashtra	Aluminium Kitchen Foil, Packing products, paper	Export
7	Palani Group	Guar Gum Powder & Psyllium	Export
8	UMA BROTHERS	Excipients, Pharmaceutical Raw Materials & Chemicals, Animal Health Chemicals & Veterinary Raw Materials	Export
9	SM Clothing	Textile & clothing	Export
10	Vinayak food enterprise	Agricultural commodities, vegetables, rice and spices	Export
11	Radha Raman Fabrics	Agricultural and clothes commodities	Export
12	Super Sales Maharashtra	Aluminium Kitchen Foil, Packing products, paper	Export
13	Prayosha Exim	Jewellery	Export

## PART IV: UPCOMING EVENTS

Upcoming events, fairs, conferences in India			
Organizer	Event / Tender	Date	City/State
Chamber for Import, Export & Health, Government of Maharashtra	The 7 <sup>th</sup> Annual TTI: Travel & Tourism India (TTI)	29-31 Jul 2020 03-05 Dec 2020	GOA: 29 - 31 July 2020, Panaji (India) MUMBAI: 3 - 5 December 2020, Maharashtra (India) <a href="http://www.ttindiaexpo.com/">http://www.ttindiaexpo.com/</a>
MSME development forum	The 7 <sup>th</sup> India International MSME Expo & Summit-2020	27-29 Aug 2020	Pragati Maidan, New Delhi, India <a href="https://www.indiamsme.org/">https://www.indiamsme.org/</a>
Export Promotion Council for Handicrafts	India's First Virtual Fair in the Handicrafts Sector the "IFJAS 2020 Virtual Fair – Indian Fashion Jewellery & Accessories Show"	01-04 Jun 2020	<a href="https://iifjs.com/visitors-registration/">https://iifjs.com/visitors-registration/</a>
***Please Note: Most of Upcoming India Trade Shows, Events, Fairs and Conferences in 2020 postponed due to COVID-19.			

**On account of ongoing COVID-19 restrictions, Monthly Economic Newsletter for May 2020 might be delayed.**

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