



February, 2022.



PART I: INDIAN ECONOMY

News Features

1. PM Modi's reflections on the India's Union Budget for FY23: Prime Minister Modi stated that the India's union budget for Financial Year 2023 will not only assure green growth but also green job creation. He remarked that a large sector is waiting for green jobs, which is why many people have dubbed the budget a green budget. The theme of energy transition and climate action was repeated throughout the budget, with "Energy Transition and Climate Action" listed as one of the top priorities for the Indian government. Finance Minister Ms. Nirmala Sitharaman presented (01 Feb) the India's Union Budget, which included a slew of statements defining India's climate change strategy. Carbon emission and intensity reduction efforts included the 'Battery Swapping Policy,' which promotes green mobility, the sale of sovereign green bonds, and a policy requiring coal-fired power plants to use biomass pellets as 5% of their fuel mix. The budget also announced a move to public transportation in metropolitan areas, which will be accompanied by clean technology and specific mobility zones with a zero-fossil-fuel policy, allowing only emission-free vehicles in such places. PM Modi said, "Cleantech, special mobility zones, and battery swapping policy will provide momentum to green transport." India is pursuing a multi-pronged strategy to cut carbon emissions, which includes a concerted push for electric vehicles. Maharashtra is planning to deregister fossil-fuel-powered vehicles beginning in 2030. According to a government plan under consideration, all central government departments and their field offices could transition to electric vehicles over the next three years. In addition, the Centre has selected nine cities with populations of 4 mn or more for fast EV adoption: Mumbai, Delhi, Bengaluru, Hyderabad, Ahmedabad, Chennai, Kolkata, Surat, and Pune. At the COP26 summit in Glasgow in Nov., PM Modi pledged to reduce India's carbon emissions by 1 bn tonnes by 2030, reduce the carbon intensity of the nation's economy by less than 45% by the end of the decade, and reach net-zero carbon emissions by 2070. The promise also calls for renewable energy to cover 50% of India's energy needs by 2030 and non-fossil fuel power generation capacity to reach 500 gigawatts (GW) by the end of the decade.



PM Modi on Wed Feb 03 said that the union budget for FY23 will not only ensure green growth but also generate green jobs. Addressing Bharatiya Janata Party workers on Aatmanirbhar Arthvyavastha, ...

2. "One Ocean Summit" with the participation of Indian Prime Minister

Modi: One Ocean Summit was hosted by France on 11 February. The goal of the "One Ocean Summit" is to raise the collective level of ambition of the international community on marine issues and to translate our shared responsibility to the ocean into tangible commitments. PM Modi, through a video message, addressed the high-level segment of One Ocean Summit. In his address, PM Modi affirmed that India is committed to eliminating single-use plastic and that the country will be happy to join France in launching a global initiative on single-use plastics. He noted that India recently undertook a nationwide awareness campaign to clean plastic and other waste from coastal areas. "Three hundred thousand young people collected almost 13 tons of plastic waste. PM had also directed the Indian Navy to contribute 100 ship-days this year to clean plastic waste from the seas", he said. Summit was an occasion for more than thirty events (workshops, forums, round-tables, and other initiatives) were held on the high-level segment, to engage the "international maritime community", addressing myriad topics of global scope to look at all dimensions of the ocean and propose solutions, beyond the existing status assessments.



3. The Energy and Resources Institute (TERI) World Sustainable Development Summit:

The World Sustainable Development Summit (WSDS) is the annual event of The Energy and Resources Institute (TERI). The WSDS 2022 was held on 16th Feb. under the umbrella theme of 'Towards a Resilient Planet: Ensuring a Sustainable and Equitable Future'. The summit was held as a hybrid event in New Delhi, India. The WSDS brings together Nobel laureates, political leaders, decision-makers from bilateral and multilateral institutions, business leaders, high-level functionaries from the diplomatic corps, scientists and researchers, media personnel, and members of civil society; on a common platform to deliberate on issues related to sustainable development. PM Modi delivered the inaugural address at this year's edition of TERI's WSDS via video message. PM recalled that Environment and sustainable development have been key focus areas for him all through his 20 years in office. In India, equitable energy access to the poor has been a cornerstone of the country's environmental policy. PM noted the LED bulbs distribution scheme which has helped save more than 220 billion units of electricity and 180 billion tonnes of carbon dioxide emissions/year in the past 7 years. With 2.4% of the world's land area and nearly 8% of the world's species, India is a mega-diverse country and it is its duty to protect this ecology. PM stressed that environmental sustainability can only be achieved through climate justice. As energy requirements of the people of India are expected to nearly double in the next twenty years, he stated that: "Successful climate actions also need adequate financing. For this, developed countries need to fulfill their commitments on finance and technology transfer".



4. The Government of India's Ministry of External Affairs (MEA) launched a website on Economic diplomacy:

The Economic Diplomacy Division (ED), has been established as the economic arm of the Ministry of External Affairs, Government of India to facilitate foreign investment flows, promote bilateral trade, tourism, yoga, and traditional Indian medicine. Recently launched economic diplomacy website "indbiz.gov.in" aims to be a one-stop source of business information on India for readers, foreign enterprises and businesses, Indian business houses looking to expand their global footprint, and State Governments for choosing their partners abroad for investment, technology cooperation, and state/city partnerships and to encourage trade and tourism. The website provides snapshots of major economic indicators drawing a pen-picture of the Indian economy, its various sectors, government policies and regulations, and useful links to Indian trade promotion organizations. The goal of the ED website is to project 'Brand India' in a contemporary and comprehensive way by providing two-way information on the Indian economy and business environment in India and its States for foreign enterprises as well as providing information on countries around the world for Indian businesses going abroad. For more information kindly visit (More info: <http://indbiz.gov.in/>)



5. Indian IT sector sees the highest growth in a decade: According to the Nasscom, an Indian non-governmental trade association and advocacy group focused mainly on the technology industry in India, India's information technology (IT) sector is set to become a USD 227 bn industry in Financial Year(FY) 2022, registering a 15.5% growth which is the highest in over a decade. Nasscom's president Mr. Debjani Ghosh termed it as a year of resurgence, after the one of resilience in the immediate aftermath of the pandemic. As of FY21, the IT industry employed over 4.5 mn people, and it's expected to reach over 5 mn in next year. In FY21, the IT industry's revenue increased by 2.3% to US\$ 194 bn. Export revenues increased by 17.2% to US\$ 178 bn, while domestic revenues increased by 10% to US\$ 49 bn. In addition, India's share of new-age digital services increased by 25% to US\$ 13 bn, and the country has a strong workforce ready for future innovations. Employees will be a significant emphasis area for companies in the new year with initiatives on promoting skills and retention, as well as increased research and development investments. India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. Indian IT & business services industry is expected to grow to US\$ 19.93 bn by 2025.



6. PLI Scheme for food processing formulated with US\$ 1.44 bn: PLI Scheme, as the Production Linked Incentive Scheme is commonly abbreviated as, is an initiative started by the Government of India to not only encourage foreign companies to find workforce in the country and thereby generate employment but also encourage domestic and local production to create micro-jobs. The scheme is aimed at boosting India's manufacturing capabilities and enhancing exports. Minister of State for Food Processing Industries and Jal Shakti Mr. Prahlad Singh Patel mentioned that the Ministry of Food Processing Industries has established the Production Linked Incentive (PLI) program for the food processing industry with an outlay of US\$ 1.44 Bn. The scheme is divided into three parts: The first component focuses on encouraging the production of four important food product segments: millet-based foods, processed fruits and vegetables, marine products, and mozzarella cheese. The 2nd component is designed to encourage SMEs to develop innovative/organic products in all four food product groups mentioned above, including free-range eggs, chicken meat, and egg products. The 3rd component is help for branding and marketing in foreign markets to encourage the development of strong Indian brands. The scheme instructions were published on May 2, 2021, and the EoI for inviting applications under the scheme was published on May 2, 2021, with the application window closing on June 24, 2021. A total of 60 applications were chosen from Category I, 12 applicants from Category II, and 71 applicants from Category III.



7. India Launches Earth Observation Satellite: The Indian Space & Research Organisation (ISRO) successfully launched (14 Feb) the Earth Observation Satellite (EOS-04) from the Polar Satellite Launch Vehicle PSLV-C52 from Satish Dhawan Space Centre, Sriharikota. The satellite EOS-04 is a Radar Imaging Satellite designed to provide high quality images under all weather conditions for applications such as Agriculture, Forestry & Plantations, Soil Moisture & Hydrology and Flood mapping. The vehicle also placed two small satellites: a student satellite (INSPIRESat-1) from Indian Institute of Space Science & Technology (IIST) in association with Laboratory of Atmospheric & Space Physics at University of Colorado, Boulder and a technology demonstrator satellite (INS-2TD) from ISRO, which is a precursor to India-Bhutan Joint Satellite (INS-2B). Co-passenger satellites were successfully separated from the PSLV in a predetermined sequence. Earlier, on 10 February, in a written reply to the Raja Sabha, Union Minister of Science & Technology Jitendra Singh stated that ISRO had launched a total of 129 satellites of Indian-origin and 342 foreign satellites belonging to 36 countries since 1975. Today India has a total of 53 operational satellites in space providing various identified services to the nation.



8. Investment/Trade Opportunities

➤ **Indian Chemicals Industry and Exports:** Chemicals industry in India is highly diversified, covering more than 80,000 commercial products. It is broadly classified into Bulk chemicals, Specialty chemicals, Agrochemicals, Petrochemicals, Polymers, and Fertilizers. India's proximity to the Middle East, the world's source of petrochemicals feedstock, makes for economies of scale. India is a strong global dye supplier, accounting for approximately 16% of the world's production of dyestuff and dye intermediates. The chemicals industry in India has been de-licensed except for a few hazardous chemicals. Upcoming Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) and Plastic parks will provide state-of-the-art infrastructure for the Chemicals and Petrochemicals sector. India ranks 6th largest sales of chemicals globally and contributes 3% to the global chemical industry. Basic chemicals and their related products (petrochemicals, fertilizers, paints, varnishes, glass, perfumes, toiletries, pharmaceuticals, etc.) constitute a significant part of the Indian economy. The promotion of product groups such as dyes and dye intermediates, basic inorganic and organic chemicals, including agrochemicals, cosmetics, toiletries, essential oils, incense sticks, castor oil, and its derivatives, is handled by the Basic Chemicals, Cosmetics & Dyes Export Promotion Council, popularly known as CHEMEXCIL. The Council organizes promotional events and fairs to help exporters identify potential markets abroad and provide publicity and marketing back-up. The growth of the chemical industry in India is expected to double to US\$ 300 bn by 2025, clocking an annual growth rate of 15-20%. To achieve this, the Indian Government is working on a draft chemical policy that will focus on meeting the rising demand for chemicals and reducing imports. The Chemicals and Petrochemicals market is projected to reach \$300 bn by 2025. India ranks 11th in the World Exports of Chemicals (excluding pharmaceutical products) and ranks 6th in the World Imports of Chemicals (excluding pharmaceutical products). Indian chemical industry employs more than 2 mn people. If you would like to explore more on Chemicals Industry in India you may kindly follow the given links.

(More Info: <https://www.investindia.gov.in/sector/chemicals>)

➤ India's medical devices market is expected to reach \$50 Bn by 2025: The health-care and medical device sectors have grown significantly in the last decade. There is a huge gap in the current demand and supply of medical devices in India and this provides a significant opportunity for manufacturing devices in India. At present, many medical device manufacturers (domestic and international) are chasing this massive under penetration of medical devices in India as a significant growth opportunity. While the global pharmaceutical market stood at \$1 trillion in 2021 and will reach \$1.57 trillion in 2023, the domestic industry in India was estimated at \$42 bn in the same year. The Medical Devices industry in India is presently valued at \$11 Bn and contributes 4-5% to the \$132.84 bn Indian health-care industry. As per industry estimates, the Indian medical devices market will grow to \$50 bn by 2025. Currently, India is counted among the top 20 global medical devices market across the world and is the fourth largest in Asia, after Japan, China, and South Korea. 100% FDI is allowed under the automatic route of greenfield projects. For investments in brownfield projects up to 100% FDI is permitted under the Indian government route. To boost domestic manufacturing of medical devices and attract huge investments in India, the department of pharmaceuticals launched a PLI scheme for domestic manufacturing of medical devices, with a total outlay of funds worth US\$ 468.78 mn for the period Financial Year 2021 – Financial Year 2028. The Indian Government has identified medical devices as a priority sector for the flagship 'Make in India' program and is committed to strengthening the manufacturing ecosystem. The Production Linked Incentive Scheme (PLI) Promoting Domestic Manufacturing of Medical Devices and Production Linked Incentive Scheme for Pharmaceuticals (PLI 2.0) has been introduced to provide an impetus to India's vision of becoming a global manufacturing hub for medical devices. There are 750–800 domestic Medical Devices manufacturers in India, with an average investment of \$2.3–2.7 mn and an average turnover of \$6.2-6.9 mn.

(More Info: <https://www.investindia.gov.in/sector/medical-devices>)



➤ **Indian States (Bihar):** Bihar is a state in eastern India. It is the 3rd largest state by population and 12th largest by territory, with an area of 94,163 km² (36,357 sq mi). Bihar enjoys a unique location-specific advantage because of its proximity to the vast markets of Eastern and Northern India and Nepal. The state is well connected to the rest of India and international markets through over 200,000 km of the roads network, 6,700 km of the rail network, and an international airport. The Golden Quadrilateral Highway passes through the districts of Kaimur, Sasaram, Aurangabad, Gaya, and Patna, connecting the state to major metro cities in the country. Bihar state is the leading producer of horticulture crops in India. Interestingly, Bihar accounts for 90% of the world production of Makhana (Fox Nuts). 3rd largest producer of vegetables in India. Bihar is one of the strongest agricultural states in India and 74% of the state's population is engaged in the sector. The new business opportunities in Bihar are plenty as the Eastern Dedicated Freight Corridor passes through the state, providing access to ports in East India such as Kolkata and Haldia, to raw material sources, and mineral reserves in the neighboring states. Bihar currently has 52 industrial areas and mega industrial parks. The state has identified Agriculture, IT, electronics, textiles, and leather as its high priority sectors. Other manufacturing sectors, power – thermal and renewable, hospitality, communications, and aquaculture are some of the fast-growing sectors in the state to attract investment opportunities in Bihar. India's first electric locomotive manufacturing facility opened as a JV between Alstom and the Indian Railways, launched its first electric locomotive engine in March 2018. The economy of Bihar is one of the fastest-growing in India. To explore more about investment opportunities in the Indian state of Bihar, kindly follow the links provided.



(More info: <https://www.investindia.gov.in/state/bihar>)

Note: Embassy of India, Dublin, would be happy to facilitate any interaction, as desired, between the Indian and Irish industry.

Main Economic Indicators

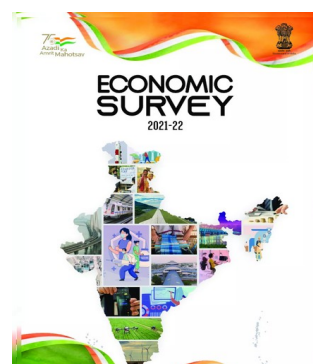
| Gross Domestic Product – GDP | | | | |
|------------------------------|---------|---------|---------|--------------|
| Fiscal Year | 2018-19 | 2019-20 | 2020-21 | 2021-22*Est. |
| Real GDP (% change, YoY) | 6.5 % | 4.0 % | - 7.3 % | 9.2 % |

(More Info: <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=IN>)

India's Economic Survey 2021-22:

India to witness GDP growth of 8.0-8.5 % in 2022-23, supported by widespread vaccine coverage, gains from supply-side reforms and easing of regulations, robust export growth, and availability of fiscal space to ramp up capital spending.

The Union Minister for Finance & Corporate Affairs Smt Nirmala Sitharaman tabled the Economic Survey 2021-22 in Parliament today, which states that the year ahead is well poised for a pick-up in private sector investment with the financial system in a good position to provide support to the revival of economy. The growth projection for 2022-23 is based on the assumption that there will be no further debilitating pandemic related economic disruption, monsoon will be normal, withdrawal of global liquidity by major central banks will be broadly orderly, oil prices will be in the range of US\$70-\$75/bbl, and global supply chain disruptions will steadily ease over the course of the year.



The key highlights of the Economic Survey 2021-22 are as follows:

Widespread Vaccine Coverage

- Vaccination has had a crucial role in reducing the number of deaths, restoring confidence in the economy, and decreasing the effects of the second wave on India's economy.

- On the 16th of January 2022, India completed one year of its COVID-19 vaccination effort, administering more than 1.56 Bn doses of vaccine.
- There are almost 880 mn people in India (93% of the adult population) who have received the first dose and 660 mn people (70% of the adult population) who are fully vaccinated.
- Between May 2021 and Jan. 2021, the daily vaccination rate on average has grown fourfold from 1.93 mn to 7.54 mn.

Sector Reforms:

Instead of relying on demand management, India has been concentrating on reforms on the supply-side, such as:

- Deregulation of numerous sectors
- Simplification of processes
- Removal of legacy issues like 'retrospective tax'
- Privatization

These are a few of the major reforms in different sectors:

- Over four years from 2021-22 to 2024-25, the Central Government's key assets have a total monetization potential of Rs. 6 lakh crore (US\$ 80.39 Bn).
- In the telecom industry, 100% FDI via the automated route is permissible.
- Setting up of Production Linked Incentive (PLI) schemes for 13 sectors including Automobile, Telecom, and pharmaceuticals drugs.
- Increasing private sector engagement in conventional satellite communication and remote sensing industries by liberalizing them.
- The automatic route increased FDI in the defense sector by 74%, while the government route increased it by 100%.

Current State of the Indian Economy:

- Following a contraction of 7.3% in 2020-21, the Indian economy is expected to grow by 9.2% in real terms in 2021-22 (according to initial advanced projections).
- GDP is expected to grow in real terms by 8-8.5% in 2022-23.
- The coming year is expected to see an increase in private sector investment with the financial system in strong shape to support the country's economic recovery.
- The projection is equivalent to the World Bank's and Asian Development Bank's recent predictions of 8.7% and 7.5% real GDP growth for 2022-23, respectively.
- According to the IMF's latest World Economic Outlook projections, India's real GDP will grow at 9% in 2021-22 and 2022-23, and 7.1% in 2023-2024, making it the world's fastest-growing major economy for all three years.
- In 2021-22, agriculture and allied industries are predicted to grow by 3.9%, industry by 11.8%, and services by 8.2%.
- In 2021-22, demand for consumption is expected to increase by 7.0%, Gross Fixed Capital Formation (GFCF) by 15%, exports by 16.5%, and imports by 29.4%.
- Indicators of macroeconomic stability imply that the Indian economy is well-positioned to meet the challenges of 2022-23.
- In 2022-23, a combination of large foreign exchange reserves, continued foreign direct investment, and expanding export revenues will provide an effective cushion against a potential global liquidity withdrawal.
- The "second wave's" economic effect was significantly less than the full lockdown in 2020-21, but the health consequences were far more severe.
- The Indian government's unique reaction included safety-nets to soften the impact on vulnerable sectors of society and the business sector, a major increase in capital investment to promote growth, and supply-side reforms to ensure long-term expansion.
- In a climate of severe unpredictability, the government's flexible and multi-layered reaction is based in part on an "Agile" framework that employs feedback loops and the usage of 80 High-Frequency Indicators (HFIs).

(More info: <https://www.ibef.org/economy/economic-survey-2021-22>)

India's Foreign Trade (February 2022):

India's overall exports (Merchandise and Services combined) in Feb. 2022* are estimated to be USD 57.03 Bn, exhibiting a positive growth of 25.41 % over the same period last year and a positive growth of 27.07 % over February 2020. Overall imports in February 2022* are estimated to be USD 69.35 Bn, exhibiting a positive growth of 35.64 % over the same period last year and a positive growth of 44.62 % over Feb. 2020

Table 1: Trade during February 2022.*

| | | February 2022 (USD Billion) | February 2021 (USD Billion) | February 2020 (USD Billion) | Growth vis-à-vis February 2021 (%) | Growth vis-à-vis February 2020 (%) |
|---|-----------------|--------------------------------|--------------------------------|--------------------------------|--|--|
| Merchandise | Exports | 34.57 | 27.63 | 27.74 | 25.10 | 24.60 |
| | Imports | 55.45 | 40.75 | 37.90 | 36.07 | 46.28 |
| | Trade Balance | -20.88 | -13.12 | -10.16 | -59.18 | -105.45 |
| Services* | Exports | 22.46 | 17.84 | 17.14 | 25.90 | 31.06 |
| | Imports | 13.91 | 10.38 | 10.05 | 33.95 | 38.39 |
| | Net of Services | 8.56 | 7.46 | 7.09 | 14.69 | 20.68 |
| Overall (Merchandise+ Services)* | Exports | 57.03 | 45.48 | 44.88 | 25.41 | 27.07 |
| | Imports | 69.35 | 51.13 | 47.95 | 35.64 | 44.62 |
| | Trade Balance | -12.32 | -5.65 | -3.07 | -117.90 | -301.25 |

* **Note:** The latest data for services sector released by RBI is for Jan. 2022. The data for February 2022 is an estimation, which will be revised based on RBI's subsequent release. (ii) Data for 2019, 2020 and Apr. to Sept. 2021 are revised on pro-rata basis using quarterly balance of payments data.

India's overall exports (Merchandise and Services combined) in Apr.-Feb. 2021-22* are estimated to be USD 601.77 Bn, exhibiting a positive growth of 36.19 % over the same period last year and a positive growth of 23.44 % over Apr.-Feb. 2019-20. Overall imports in Apr.-Feb. 2021-22* are estimated to be USD 683.01 Bn, exhibiting a positive growth of 51.51 % over the same period last year and a positive growth of 21.66 % over Apr.-Feb. 2019-20.

Table 2: Trade during April-February 2021-22.*

| | | April-February 2021-22 (USD Billion) | April-February 2020-21 (USD Billion) | April-February 2019-20 (USD Billion) | Growth vis-à-vis April-February 2020-21 (%) | Growth vis-à-vis April-February 2019-20 (%) |
|---|-----------------|--|--|--|---|---|
| Merchandise | Exports | 374.81 | 256.55 | 291.87 | 46.09 | 28.42 |
| | Imports | 550.56 | 345.54 | 443.24 | 59.33 | 24.21 |
| | Trade Balance | -175.75 | -88.99 | -151.37 | -97.51 | -16.11 |
| Services* | Exports | 226.96 | 185.29 | 195.63 | 22.49 | 16.02 |
| | Imports | 132.45 | 105.26 | 118.18 | 25.83 | 12.07 |
| | Net of Services | 94.51 | 80.03 | 77.45 | 18.09 | 22.03 |
| Overall (Merchandise+ Services)* | Exports | 601.77 | 441.84 | 487.50 | 36.19 | 23.44 |
| | Imports | 683.01 | 450.80 | 561.42 | 51.51 | 21.66 |
| | Trade Balance | -81.24 | -8.95 | -73.92 | -807.24 | -9.90 |

* **Note:** The latest data for services sector released by RBI is for Jan. 2022. The data for Feb. 2022 is an estimation, which will be revised based on RBI's subsequent release. (ii) Data for 2019, 2020 and Apr. to Sept. 2021 are revised on pro-rata basis using quarterly balance of payments data.

Merchandise exports for the period Apr.-Feb. 2021-22 was USD 374.81 Bn as against USD 256.55 Bn during the period Apr.-Feb. 2020-21, registering a positive growth of 46.09 %. As compared to Apr.-Feb. 2019-20, exports in Apr.-Feb. 2021-22 exhibited a positive growth of 28.42 %.

Merchandise imports for the period Apr.-Feb. 2021-22 was USD 550.56 Bn as against USD 345.54 Bn during the period Apr.-Feb. 2020-21, registering a positive growth of 59.33 %. Imports in Apr.-Feb. 2021-22 have registered a positive growth of 24.21 % in comparison to Apr.-Feb. 2019-20.

The merchandise trade balance for April-Feb. 2021-22 was estimated at USD (-) 175.75 Bn as against USD (-) 88.99 Bn in April-February 2020-21, which is a decline of (-) 97.51 %. As compared to April-February 2019-20 (USD (-) 151.37 Bn), trade balance in April-February 2021-22 exhibited a negative growth of (-) 16.11% .

(More Info: <https://pib.gov.in/PressReleasePage.aspx?PRID=1805697>)

Services Trade:

(More Info: <https://pib.gov.in/PressReleasePage.aspx?PRID=1805697>)

| Services Trade | | |
|---|-------------|-------------------|
| Exports & Imports: (US \$ billion) (Provisional) | January '22 | Apr '21 - Jan '22 |
| Exports (Receipts) | 21.57 | 204.50 |
| Imports (Payments) | 13.22 | 118.54 |
| Trade balance | 8.35 | 85.95 |

Industry

India's Industrial Production (IIP) grew by 1.3% in January 2022, recovering from a 10-month low in December 2021 as per the Indian Ministry of Commerce and the Indian ministry of statistics and program implementation (MoSPI). In December, industrial production had a year-on-year growth of 0.4% compared to 1.4% registered in November 2021. Cumulatively, the index grew by approximately 13.7% in April-January 2021 compared to the same period in 2020. The mining sector accounted for the highest growth at 2.8% in January with the manufacturing and electricity sectors' output growing by 1.1% and 0.9% year-on-year, respectively. The data also revealed that while capital goods output and consumer durables segments contracted by 1.4% and 3.3% respectively, the primary goods segment, which accounts for nearly 34% of the index, grew by 1.6% in January. Intermediate goods, infrastructure/construction goods, and consumer non-durable segments also witnessed growth.

(More info: <https://indbiz.gov.in/indias-iip-grows-by-1-3-in-jan-2022-commerce-ministry/>)

Inflation

The Data released by the Indian Ministry of Statistics and Programme Implementation (MoSPI) shows India's retail inflation surged to 6.07 % in the month of Feb.2022, over and above the Reserve Bank of India's (RBI) threshold of 6 % . In the previous month, the retail inflation, which is measured by the Consumer Price Index (CPI), for the month of Jan.2022 was 6.01 % . This is the 2nd consecutive time that the CPI data has come over the Reserve Bank of India's (RBI) upper margin of 6 % . The Indian government has mandated the central bank to maintain retail inflation at 4 % with a margin of 2 % on either side for a five-year period ending March 2026. The CPI data is mainly factored in by the RBI while making its bi-monthly monetary policy. Last month, the Monetary Policy Committee (MPC) of the central bank kept the repo rate unchanged for the tenth time in a row at 4 % . The Consumer Food Price Index (CFPI) or the inflation in the food basket also spiked on-month during Feb. to 5.85 %, from 5.43 % in Jan., the data revealed. In a separate economic data released earlier in the day by the Ministry of Commerce & Industry, the wholesale price-based inflation or the WPI came at 13.11 % in Feb.

(More info: <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1805838>)

FDI

Apart from being a critical driver of economic growth, Foreign Direct Investment (FDI) has been a major non-debt financial resource for the economic development of India. Foreign companies invest in India to take advantage of relatively lower wages, special investment privileges like tax exemptions, etc. For a country where foreign investment is being made, it also means achieving technical know-how and generating employment. The Indian Government's favorable policy regime and robust business environment have ensured that foreign capital keeps flowing into the country. The Government has taken many initiatives in recent years such as relaxing FDI norms across sectors such as defense, PSU oil refineries, telecom, power exchanges, and stock exchanges, among others.



Foreign Direct Investment inflows (FDI) have shown a continuous increase from US\$ 45.15 bn in 2014-15 to US\$ 81.97 bn in 2020-21. During the last 5 financial years, FDI inflows worth US\$ 339.55 bn have been reported to India.

According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US\$ 560.78 Bn between April 2000 and September 2021, indicating that the government's efforts to improve ease of doing business and relaxing FDI norms have yielded results. Total FDI into India between July-September 2021 stood at US\$ 19.77 Bn, while the FDI equity inflow for the same period stood at US\$ 13.58 Bn.

Data between Apr.-Sept. 2021 indicates that the computer software and hardware industry attracted the highest FDI equity inflow of US\$ 7.12 Bn, followed by the automobile sector at US\$ 4.93 Bn, services sector at US\$ 3.15 Bn, the trading sector at US\$ 2 Bn, metallurgical industries at US\$ 1.3 Bn, and construction activities at US\$ 1.22 Bn.

Between Apr.-Sept. 2021, India recorded the highest FDI equity inflow from Singapore (US\$ 8 Bn), followed by the US (US\$ 4.63 Bn), Mauritius (US\$ 4.33 Bn), the Cayman Islands (US\$ 2.15 Bn), Netherlands (US\$ 2.14 Bn), the UK (US\$ 1.15 Bn) and Japan (US\$ 804 mn).

In the same period, Indian state Karnataka registered the highest FDI equity inflow of US\$ 13.95 Bn, followed by Maharashtra (US\$ 6.5 Bn), Delhi (US\$ 5 Bn), Gujarat (US\$ 1.5 Bn), Tamil Nadu (US\$ 1.13 Bn) and Telangana (US\$ 1.04 Bn).

Road ahead: India is expected to attract foreign FDI of US\$ 120-160 Bn year by 2025, according to a CII and EY report. Over the past 10 years, the country witnessed a 6.8% rise in GDP with FDI increasing to GDP at 1.8%.

(More info: <https://www.ibef.org/economy/foreign-direct-investment.aspx>)

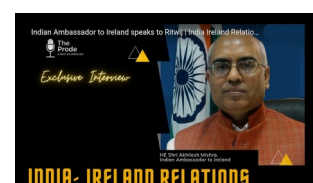
PART II: INDIA-IRELAND ECONOMIC RELATIONS:

1. Embassy Economic Relations and Outreach Programme: During the month, Ambassador continued with a series of interactions with Irish political leaders, high officials of the Dept. of Foreign Affairs, and the resident Ambassadors. He gave several media interviews; held meetings and interacted with leaders and members of the Indian and Irish community, representatives of different sectors of industry and economy, political, cultural, religious, sport, and other institutions. Meetings were mainly focused on building stronger institutional collaboration, and bilateral, trade, and cultural ties between India and Ireland. From the economic perspective, details of a few important Ambassadors meetings (in person or virtual mode) are mentioned herewith:

(i) (04 Feb) Meeting with Ms. Sandra Farrell, Director of Ormond Healthcare. Ambassador held a constructive meeting at the Embassy premises with Ms. Sandra Farrell, Director of Ormond Healthcare. The discussions focused on Irish-Indian relationships in the nursing home sector, recruiting of healthcare staff, and future collaborations in older person care services. During the conversation, the important contribution of quality medical staff and nurses in Ireland coming from India was emphasized, especially during the pandemic time fighting against covid;

(ii) (04 Feb) Interview for "The Prode" with Mr. Ritwij Shandilya:

"The Prode" is a growing digital media house, the online news channel that hosts diplomatic interviews with renowned personalities, politicians, country and business leaders, think tanks, and other prominent people from around the globe to discuss various issues of the Indian national interest and the importance of India on an international global scale. [The interview with the Indian Ambassador to Ireland Akhilesh Mishra](#) was hosted by Mr. Ritwij Shandilya, founder and chief editor of "The Prode" program. Mr. Shandilya is an Indian author and journalist who created his YouTube channel 'The Prode' in 2020 aiming at bringing some significant national and international issues to the forefront.



(iii) (07 Feb) Virtual meeting with Enterprise Ireland: Ambassador Akhilesh Mishra held a virtual meeting with Mr. Conor Fahy, Global Sourcing Manager, and Ms. Wendy Dsouza, Senior Vice President for Education and Edtech - India & South Asia, both from Enterprise Ireland. Enterprise Ireland is the Irish government organization responsible for the development and growth of Irish enterprises in world markets. The meeting was aimed at gaining the opportunity to brainstorm on bilateral, education, and know-how business potentials in the post-pandemic era between the two countries. It was also stated that bilateral trade between India and Ireland touched 5.5 Bn euros in the past and now Ireland is keen on further strengthening bilateral commercial relations with India. Mr. Conor Fahy stated: "Role of Enterprise Ireland as a development agency is to encourage businesses on their way to explore new global markets, we want to see greater activity by Indian companies in Ireland, and we want to see greater activity by Irish companies in India and this can only be done by creating awareness on both sides about what the opportunity is. This reflects our ability to be a great international first step for ambitious Indian companies that want to go global. Additionally, India is a huge market and such a fast-growing economy presents opportunities for Irish companies in a variety of sectors like aviation, education, life sciences, and fintech", he said;

(iv) (09 Feb) As a part of the **Embassy, Provincial Outreach Programme** Ambassador visited the County of Cork (09 Feb) with a focus on economic promotion. He met with representatives of Cork City Council including Lord Mayor of Cork, Cllr. Colm Kelleher and Chief Executive of Cork City Council, Ms. Ann Doherty. Discussion centered around measures to enhance bilateral and trade ties, the mega-trends that drive the relationship, ongoing challenges, and creative solutions under the new normal. Ambassador made a site visit to University College Cork (UCC) and he met Professor John O'Halloran, President of UCC, Alumni, and members of faculty. Interactions with several students and with the dynamic Indian community in Cork were an integral part of the program.



Meeting with Ms. Sandra Farrell, Director of Ormond Healthcare



Ambassador in virtual meeting with Mr. Conor Fahy and Ms. Wendy Dsouza from Enterprise Ireland



Ambassador with Prof. Mary Horgan, President of RCSI



Ambassador with Indian community during his visit to Cork

(v) (15 Feb) **Meeting with Chair of Mason Hayes & Curran LLP:** Mason Hayes & Curran LLP is one of the leading Irish law firms based in Dublin with offices in San Francisco, New York, and London. Ms. Christine O'Donovan is the Chair of Mason Hayes & Curran and head of the International Asset Finance team. Ambassador met with Ms. O'Donovan at MHC premises in Dublin. The discussions were centered on institutional collaboration, legal issues, and challenges for Indian companies in the Irish market;

(vi) (18 Feb) **Ambassador visited the Royal College of Surgeons Ireland (RCSI) and met with Prof. Mary Horgan, President of RCSI.** The Royal College of Physicians of Ireland (RCPI) is the largest postgraduate medical college in Ireland and an Irish professional body dedicated to improving the practice of general medicine and related medical specialties, chiefly through the accreditation of physicians by examination. The Meeting of the Ambassador with Prof. Horgan was an opportunity to build stronger institutional collaboration, and to explore ways for mutually beneficial partnerships, interactions, and exchanges between India and Ireland in various dimensions of healthcare. The matters like the importance of collaboration of medical institutions in our two countries; students and faculty exchange; internships; joint research in medical sciences; recognition of degrees; etc also came under discussion. Ambassador also met with several Indian medical students at RCSI.

(vii) (21 Feb) **Interview for Blitz India media online news portal and newspapers from New Delhi, India.** Under Headline "Huge opportunities for India-Ireland partnership" Ambassador Akhilesh Mishra gave an **inspirative interview** for readers of India's popular media portal and newspapers. It was stressed, that India and Ireland both have common areas of strength and room for collaboration in sectors of IT, pharma, biopharma, med-tech, R&D, etc. However, there is no conflict of interest as both sides are occupying different niche areas.



In interviews for different media, Ambassador talked about historical ties, strong India-Ireland bilateral and trade relations, economic, cultural, religious, and other issues. He highlighted many new opportunities and challenges in the post-pandemic era between countries.

(viii) (28 Feb) **Ambassador's meeting with Ms. Lorna Conn, CEO of Cpl:** Cpl is a global provider of recruitment and talent solutions to startup companies, multinationals, and SMEs across different sectors. CPL is based in Dublin and operates in Ireland and across Europe. The meeting was organized at the CPL premises. Ambassador met with the CEO of Cpl, Ms. Lorna Conn. Discussions focused on current trends in the Irish jobs market and recruiting skilled staff coming from India.

2. Webinar "Export opportunities in Ireland": ICICI Bank Limited is an Indian multinational and private sector bank in India, that offers various financial, Netbanking & Personal banking services. ICICI Bank in collaboration with the Embassy of India, Dublin organized (22 Feb) an informative and interactive Interactive webinar under the title "Export opportunities in Ireland" for Indian exporters. The webinar covered three interesting sessions: (i) Ireland - Value Proposition & Ecosystem; (ii) Business Segments and Investment Opportunities for Indian business in Ireland and (iii) Q/A session. Business leaders, investors, and distinguished guests from the different economic fields in India could gain a broader perspective on export opportunities in Ireland. The presentation and speech on export opportunities in Ireland were delivered by Ambassador Akhilesh Mishra. He said Ireland can become an attractive route for Indian companies to the EU. Being the only English-speaking country in the EU, having the Common Law system, pro-enterprise Govt policies, low corporate tax, availability of highly skilled labor, well-integration of a strong Indian diaspora into the Irish society, etc. makes the case for the enhanced commercial relationship with Ireland stronger. Ambassador also urged the Indian companies to look beyond the traditional products and to consider high-value export items in the pharma, ICT, medical devices, and integrated sectors. These sectors are the strengths of both the Irish and the Indian economies, without any conflicts of interests or markets, and should be leveraged to our mutual advantage. The webinar program concluded with a Q&A session where the queries from the Indian companies were answered. It proved to be a very productive event and ICICI bank promised to arrange more such events in consultation with an Irish partner agency and with a specific focus on identified sectors.



3. Embassy's Consular Services: During the month, 402 passports, 158 visas, and 169 Overseas Citizens of India (OCI) were issued. The Embassy maintained its support structures, helplines, and Community Support Groups in all key cities across the country, to provide assistance to the Indian community.



Note: To avoid overload of the content, all other business and cultural programs, meetings, and events organized by the Embassy that are not mentioned here, within our bulletin, can be followed over our social platforms.

Bilateral Trade

During the observed period 01 Jan - 31 Jan 2022, total bilateral trade between India and Ireland stood at Euro 124 mn. India's exports to Ireland were worth Euro 80 mn, and India's imports from Ireland were worth 44 mn. The balance of trade was 36 mn in favor of India. India's exports to Ireland (Irish imports) rose by (69.81 %) during the period 01 Jan – 31 Jan 2022 as compared with the period of 01 Jan – 31 Jan 2021, while India's imports from Ireland (Irish exports) have grown by (76.77 %). ***2021. was a record year in trading.**

| Year/Period | 2018 | 2019 | 2020 | 2021* | Jan'2022 |
|------------------------------|-------|-------|------|-----------------|------------------|
| Ireland's Exports to India | € 327 | €480 | €366 | €523 (42.89 %) | €44,2 (76.77 %) |
| Ireland's Imports from India | € 560 | €636 | €522 | €839 (60.67 %) | €80,4 (69.81 %) |
| Total Trade | € 887 | €1116 | €888 | €1362 (53.34 %) | €124,6 (72.22 %) |

(Amount in EUR Million)

PART III: UPCOMING EVENTS

| Events, fairs and conferences in India | | | |
|---|---|--|--|
| Organizer | Event / Tender | Date | City/State |
| Under the Ministry of Commerce & Industry, Govt. of India, as a part of export promotion programme, CAPEXIL | India International Ceramic & Building Material Fair with B2B (Virtual) IICBMF | 08-11 Mar 2022 | Registration link: https://www.pragatie.com/auth/register/capexil-icbmf-2022#registrationForm |
| Bus & Car Operators Confederation of India (BOCI) | 3.0. Prawaas, "Prawaas 2022 - India International Bus & Car Travel Show". This 3 Day event will attract who's who of the Bus & Car sector from the public and private | Rescheduled of Prawaas 3.0 (24-26 Feb 2022) New date: 4-6 | Event link: http://www.prawaas.com/index.php |

| | | | |
|--|---|----------------|---|
| | sector. The objective of Prawaas is to develop unified vision that will facilitate safe, smart and sustainable integrated public transport solutions. | Aug 2022 | |
| Indian Trade Promotion Organisation (ITPO), the premier trade promotion agency of the Ministry of Commerce & Industry, Govt of India | 36th edition of B2B expo, "AAHAR - The International Food and Hospitality Fair" | 26-30 Apr 2022 | Link: https://indiatradefair.com/aahardelhi/ |
| Bizcover India and EPC - Export Promotion Centre with support of other reputable knowledge partners such as FIEO; APEDA and Tamilnadu Chamber of Commerce & Industry (TN Chamber) and others | Bizcover India - An International Multi-Sector Virtual Expo 2022. | 17-21 May 2022 | Link: https://bizcoverindia.com/expo/ |
| Centre for Development of Stones (CDOS) along with Rajasthan State Industrial Development and Investment Corporation (RIICO). FICCI is the co-organiser | INDIA STONEMART 2022 International Stone Industry Exhibition | 10-13 Nov 2022 | Event link: https://www.stonemart-india.in/ |

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IHGF DELHI FAIR
30 MAR-03 APR 2022
India Expo Centre & Mart, Greater Noida, Delhi- NCR (India)

AAHAR
THE INTERNATIONAL FOOD & HOSPITALITY FAIR
Unlocking Potential of Food & Hospitality Sector, AAHAR - The International Food & Hospitality Fair is one of the **biggest B2B Asia's best known brands in Food & Hospitality shows** and is in its 36th year. It is organized by India Trade Promotion Organisation (the premier trade promotion body of the Government of India) in New Delhi, India. The show has grown by leaps & bounds in the recent years and has become the ultimate destination for global vendors and sourcing professionals.

The show Categories

- Food Products & Beverages
- Wine & Spirits
- Hospitality and Décor Solutions
- F&B Equipment
- Allied Sectors

Performance 2020
The Culinary competitions, organized by the Indian Culinary Forum (ICF), were the centre of the attraction at the fair. The show was organised in 4000 sqm (gross area).
700+ exhibitors including foreign participation from USA, China, Italy, Poland, Turkey, Spain, Oman, South Korea, Thailand, UAE, Peru, Norway, Indonesia, Canada, Tunisia, Hong Kong, Singapore and Japan.

Highlights 2022
40,000+ visitors Presence on print, electronic & social media and Mobile App
Hosted Buyer Programme
New Allied Sectors

Dates: 26-30 April, 2022
Timings: 10:00 am to 6:00 pm
Halls: 2, 3, 4, 5 (Ground & First Floor) 7, 8, 9, 10, 11, 12 & 12 A



Compiled by

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