



# INDIA ECONOMIC NEWS

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Hon'ble President of India, Ram Nath Kovind addresses the Indian Nation on the eve of the 72<sup>nd</sup> Republic Day  
([Read more](#))

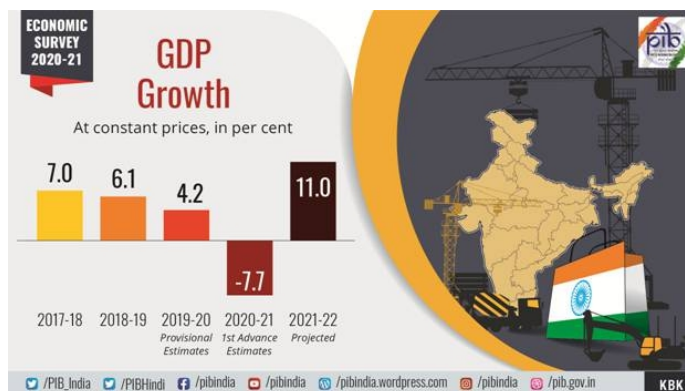
16-31 January 2021

Dear Friends and Colleagues,

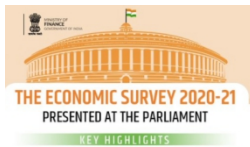
We hope that this newsletter finds you and your families safe and healthy.

India celebrated its 72nd Republic Day on 26 January, 2021. Speaking on the Covid-19 situation, Hon'ble President of India, Ram Nath Kovind highlighted India's progress in manufacturing its own vaccine for Covid-19 and the massive vaccination drive undertaken. India is called "pharmacy of the world" as it is supplying medicines and other healthcare items to several countries to alleviate people's suffering and contain the pandemic across the globe.

The Economic Survey 2021 was released on 29 January, 2021. The Indian economy is expected to rebound to 11% in FY 2021-22. More details can be seen in the News section.

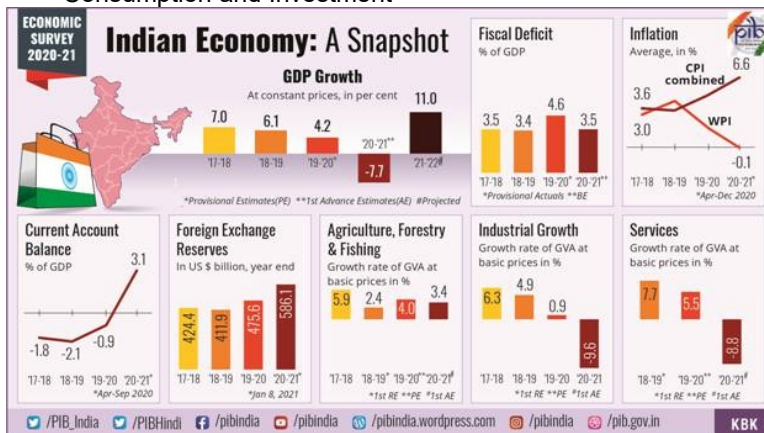


Best wishes,  
**Mrinalini Kaur Sapra, First Secretary (Economic & Commercial)**  
Embassy of India [[trade.thehague@mea.gov.in](mailto:trade.thehague@mea.gov.in)]



## Economic Survey-2020-21

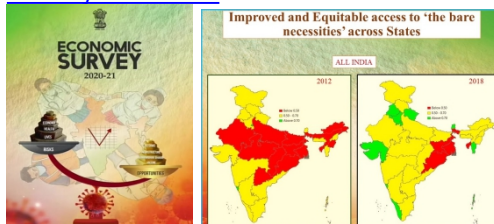
- The Union Minister for Finance & Corporate Affairs, Nirmala Sitharaman presented the Economic Survey 2020-21 in Parliament.
- The Economic Survey 2020-21 says that going forward, as food inflation eases further, overall inflation is expected to moderate. It says that easing of supply side restrictions, which saw inflation moderate in December 2020, are expected to continue this easing. Key features are presented below:
- V-Shaped Economic Recovery Due to Mega Vaccination Drive, Robust Recovery in the Services Sector and Robust Growth in Consumption and Investment



- V-Shaped Recovery is Due to Resurgence in High Frequency Indicators Such as Power Demand, Rail Freight, E-Way Bills, GST Collection, Steel Consumption, Etc
- India to Become the Fastest Growing Economy in Next Two Years as Per IMF
- India's GDP is Estimated to Contract by 7.7 Per Cent in FY2020-21
- Agriculture to Clock 3.4 Per Cent Growth, While Industry and Services to Contract by 9.6 Per Cent and 8.8 Per Cent Respectively this Year This Year
- India to Have a Current Account Surplus of 2 Per Cent of GDP in FY21, A Historic High After 17 Years
- Net FPI Inflows Recorded an All-Time Monthly High of 9.8 Billion Dollars in November 2020
- Scores of lives saved and V-Shaped Economic Recovery bear Testimony to India's Boldness in taking Short-Term Pain for Long-Term Gain.

Economic Survey of India can be accessed from this link:

[Ministry of Finance](https://www.pib.gov.in)



## Saving Lives & Livelihoods Amidst a Once-in-a-Century Crisis

India's response to Covid-19 was based on epidemiological & economic research, especially those pertaining to the Spanish Flu

Policy focused on minimizing losses in a worst case Scenario when uncertainty is very high

Covid-19 spread restricted by 37 lakh cases & over 1 lakh lives saved

V-Shaped recovery due to timely lockdown. Q2 GDP contracts by 7.5%, shows strong recovery from 23.9% in Q1

## Fiscal Developments

- Calibrated Fiscal approach adopted by India, best suited for the country's evolving economic situation
- Expenditure policy initially aimed at supporting vulnerable sections, re-oriented to boosting overall demand and ramping up capital spending as India unlocked
- Monthly GST collections crossed Rs 1 lakh crore in December 2020 mark consecutively for last 3 months, highest level since inception of GST
- Reforms in tax administration incentivised tax compliance through increased transparency and accountability

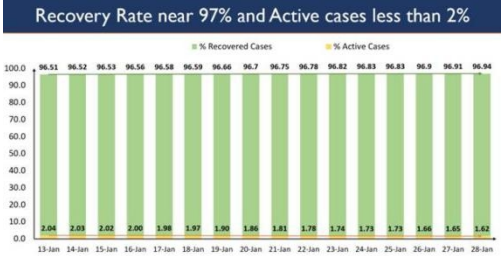
## India's Case-

- Zero sovereign default history
- Extremely low foreign currency denominated debt of the sovereign
- Comfortable size of its foreign exchange reserves



India's recovery rate of 97% from Covid-19 one of the highest in the world

Over 10 million people (10,373,606) people have recovered as on 29 January 2021. [Read more](#)



FDI in India rose by 13% in 2020, as inflows declined in major economies due to pandemic: UN

An 'investment trends monitor' issued by the United Nations Conference on Trade and Development (UNCTAD) has highlighted that Foreign Direct Investment (FDI) into India rose by 13% in 2020, boosted by interest in the digital sector, and while fund flows declined most strongly in major economies such as the UK, the US and Russia due to the pandemic. The report reveals that India and China has bucked the trend. [Read more](#)

First India-EU IPR dialogue held to strengthen relation and facilitate enhanced cooperation in the field of Intellectual Property Rights

India reiterated importance of legislative reforms brought in by India to stimulate innovation and creativity among start-ups and MSMEs. The EU Co-Chair provided brief overview of the various activities being undertaken by them in relation to Free Trade Agreements as well as effective enforcement of Intellectual Property Rights. [Read more](#)

India's global position rises both in innovations & publications

India has already attained the third position in terms of publications and it now features among the top 50 innovative economies globally as per the Global Innovation Index (GII), placing it ahead of many developed and developing countries. [Read more](#)

Standard Operating Procedure (SOP) for Processing FDI Proposals

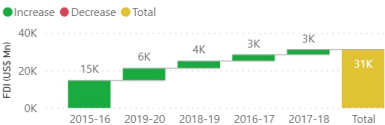
<https://static.investindia.gov.in/s3fs-public/2020-11/SOP.pdf>

Details of FDI from the Netherlands (Invest India)

Flow of Foreign Direct Investments (FDI)

Source Country	FDI (US\$ Mn)
Netherland	31,209.04
Total	31,209.04

Trend Analysis



Reports

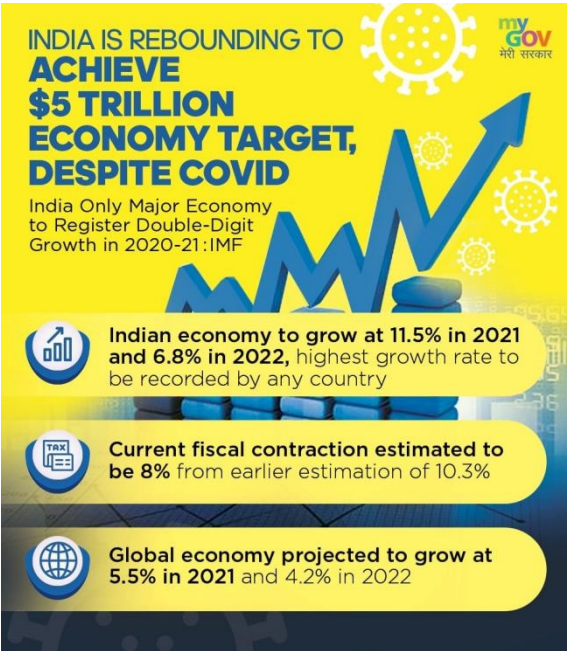


Access [Report on Understanding India's Fight for Clean Air](#)

Access [The Journey of Urban India](#)

Launch of Regulatory Compliance Portal to minimize Regulatory Compliance Burden for Businesses and Citizens

All Central Ministries/Departments and States/UTs would examine laws/regulations/rules under their purview and implement an Action Plan to rationalize and simplify all the processes and remove burdensome compliances, decriminalize laws and repeal redundant Acts. These details would be captured and tracked on the Regulatory Compliance Portal. Industry stakeholders from Trade bodies such as CII, FICCI and ASSOCHAM would also be able to submit compliances and proposed recommendations. This will be assessed by concerned Government authorities and suitable action would be undertaken to minimize the regulatory compliance burden. [Read more](#)





Invest India Business Immunity Platform is designed as a comprehensive resource to help businesses and investors get real-time updates on India's active response to COVID-19 (Coronavirus). Please keep checking [www.investindia.gov.in](http://www.investindia.gov.in) website for regular updates.

**INDIA FOOTWEAR, LEATHER & ACCESSORIES ONLINE SOURCING SHOW 2021**  
**GLOBAL SOURCING FAIR FOR THE ENTIRE LEATHER VALUE CHAIN**  
**09 - 11 FEBRUARY 2021**  
**FOCUS REGIONS: UK, NETHERLANDS & SCANDINAVIA**

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**72<sup>nd</sup> Republic Day of India**

India's 72nd Republic Day was celebrated on 26 January 2021, with a live stream from India House Wassenaar with hoisting of the India flag, reading of President of India's message to the nation and playing of National Anthem followed by patriotic songs.

**Netherlands India Association Welcome 2021 event**

Netherlands India Association organized the "NIA Welcome 2021" event on a virtual platform on 30 January 2021. Ambassador of India to the Netherlands, H.E Mr Pradeep Kumar Rawat addressed the gathering.



Ms Mrinalini Kaur Sapra, First Secretary (E&C) and Commercial Representative

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**In case of any trade/ commercial queries, please contact us:**

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**Phone: +31.70.3469771**

### **Important websites:**

[www.indbiz.gov.in](http://www.indbiz.gov.in) [Economic Diplomacy Division, Ministry of External Affairs, India]

[www.investindia.gov.in](http://www.investindia.gov.in)

[www.indianembassy.nl](http://www.indianembassy.nl) [Embassy of India, The Hague, Netherlands]



Vivad Se Vishwas' scheme of the Government of India provides for settlement of disputed tax, disputed interest, disputed penalty or disputed fees in relation to an assessment or reassessment order on payment of 100 per cent of the disputed tax and 25 per cent of the disputed penalty or interest or fee. Last date for filing declaration under the Scheme is 28<sup>th</sup> February 2021.

For more details see:

[www.incometaxindia.gov.in](http://www.incometaxindia.gov.in)



The Scheme of Mega Food Park aims at providing a mechanism to link agricultural production to the market by bringing together farmers, processors and retailers so as to ensure maximizing value addition, minimizing wastage, increasing farmers income and creating employment opportunities particularly in rural sector.

For more information kindly visit: -

<https://mofpi.nic.in/Schemes/pradhan-mantri-kisan-sampada-yojana> or <https://mofpi.nic.in/Schemes/mega-food-parks>.

**\*\*\*Thank you\*\*\***