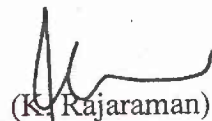


No. A-45011/2/2019-Admn.III
Government of India
Ministry of Finance
(Department of Economic Affairs)

New Delhi, 15th May, 2019

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 April, 2019.


(K. Rajaraman)

Additional Secretary to the Government of India
Tel No. 23093230/5012

To

1. All Members of the Union Council of Ministers, Government of India, New Delhi.
2. Secretary to the President of India, Rashtrapati Bhavan, New Delhi.
3. Secretary to the Vice-President of India, 6, Maulana Azad Road, New Delhi.
4. Chairman, Union Public Service Commission, Dholpur House, New Delhi.
5. Private Secretary to the Prime Minister, PMO, South Block, New Delhi.
6. Private Secretary to Cabinet Secretary, Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
7. Vice Chairman, Niti Aayog, Yojna Bhawan, New Delhi.
8. All Members of Niti Aayog, Yojna Bhawan, New Delhi.
9. Secretaries to all the Ministries/Departments, Government of India, New Delhi.
PPS to Secretary (EA), PPS to Secretary (Revenue), PPS to Secretary (Expenditure), OSD to MOS (F).
10. Chief Economic Adviser, DEA.
11. Additional Secretary (Shri A. Giridhar) Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
12. Additional Secretary (FB&ADB), DEA
13. Dr. C.S. Mohapatra, Additional Secretary, DEA
14. Shri Sanjeev Sanyal, Principal Economic Adviser, DEA
15. All Heads of Divisions in Department of Economic Affairs.
JS(Budget)/JS(C&C/UN&OMI)/JS(IPF)/JS(FM)/Adviser(IER)/JS&FA(Finance)/CAA.
16. Ms. Rajasree Ray, Adviser, DEA.
17. Dr. Shashank Saksena, Adviser (FSRL), DEA
18. Shri Arun Kumar, Adviser, DEA
19. Guard File – 2019.

No.A-45011/2/2019-Admn.III
Government of India
Ministry of Finance
(Department of Economic Affairs)

Subject: Monthly Summary on important policy decisions pertaining to Department of Economic Affairs for the month of April, 2019.

The undersigned is directed to refer to Cabinet Secretary's DO letter No. 502/1/2/2014-CA.V dated 5/8/2014 and I.D Note dated 28.04.2016 on the subject cited above and to forward the requisite information in respect of Department of Economic Affairs for the month of April, 2019 as follows:-

I. Important policy decisions taken and major achievements during the month

1. Macro-economic Overview

1.1 *Headline inflation* based on Consumer Price Index (New Series- Combined) in March, 2019 was 2.9% as compared to 4.3% in March, 2018. Inflation based on Wholesale Price Index (WPI) stood at 3.2% in March, 2019 as compared to 2.7% in March, 2018.

1.2 The *base interest rate* for scheduled commercial banks stood at 8.95/9.40% as on 19th, April 2019 compared to 8.70/9.45% of 20th April 2018. The yield on 10-Year Government securities stood at 7.45% on 19th April 2019 compared to 7.73% of 20th, April 2018. The policy repo rate was reduced to 6% by RBI in early April and the policy rate is same as in April last year. However, the base interest rate continues to be higher this year. While the Government securities rate is lower than last year, the base interest rate is higher than last year. This indicates that the transmission of monetary policy is really not working and the Banks are overcharging.

1.3 India's *trade deficit* increased to US\$ 145.3 billion (2.6% of GDP) in 2018-19 (April-December) from US\$ 118.4 billion (1.8% of GDP) in 2017-18 (April-December). *Net invisible receipts* were higher in April-December 2018 mainly due to increase in net services earnings and private transfer receipts. Net FDI inflows in April-December 2018 increased to US\$ 24.8 billion from US\$ 23.9 billion in April-December 2017. *Foreign Portfolio investments* recorded a net outflow of US\$ 11.9 billion in April- December 2018 as against an inflow of US\$ 19.8 billion a year ago. In April-December 2018, there was a depletion of US\$ 17.5 billion of the foreign exchange reserves (on a BoP basis).

1.4 India's *Foreign exchange reserves* stood at US\$ 414.1 billion as on 19th April, 2019, showing an increase of US\$ 2.2 billion over the level of US\$ 411.9 billion as on 29th March 2019. The *average monthly exchange rate* of rupee (reference rate) for the month of April 2019 was Rs. 69.47 per US dollar as against Rs 69.48 per US dollar in March 2019.

1.5 As per the Quick Estimates released by the CSO (based on new series of 2011-12), the *Index of Industrial Production* (IIP) recorded a growth of 0.1% in February-2019 as compared to the growth of 6.9% in February -2018.

1.6 On a cumulative basis, for the period April- February, 2018-19, the *industrial growth* was 4.0% as compared to the growth of 4.3% during April- February, 2017-18. Eight Core Industries registered a growth of 4.7% in March- 2019 as compared to 4.5% in March - 2018. The growth of core industries during April- March, 2018-19 is 4.3% as compared to 4.3% during April-March, 2017-18.

1.7 India's *merchandise exports* during March 2019 were valued at US\$ 32.5 billion as compared to US\$ 29.3 billion during March 2018, exhibiting a growth of 11.0%. India's *Imports* during March 2019 were valued at US\$ 43.4 billion which increased by 1.4% over the level of imports valued at US \$ 42.8 billion in March 2018.

1.8 India's *oil imports* during March 2019 were valued at US\$ 11.7 billion which was 5.5% lower as compared to US\$ 11.1 billion in March 2018. The *trade deficit* for March 2019 was estimated at US\$ 10.9 billion as against the deficit of US\$ 13.5 billion during March 2018. Exports & Import of services during February 2019 were valued at US\$ 16.6 billion and US\$ 9.8 billion. Trade balance in Services for February, 2019 was estimated at US\$ 6.8 Billion.

2. Other important Developments

2.1 (a) SEBI has rationalized the cost structure for holding debt Securities in "Basic Services Demat Account" (BSDA) with the objective of achieving wider financial inclusion and to encourage holding of demat accounts. It is expected that this may reduce the cost of debt issuances in India and boost participation in Debt Market.

(b) Screening Committee of this Department approved the posing of the proposal for Assistance in form of grant of USD 0.86 million from World Bank for the Proposed Credit Enhancement Company to foster non-bank financing of infrastructure in India. This will help launch the Credit Enhancement Company soon.

2.2 Following Meetings were held during the month of April, 2019:-

a) Finance Minister along-with an Indian delegation attended the interaction with the investors in New York. Finance Secretary attended the Spring Meetings of World Bank / IMF held in Washington DC, USA from 11th to 14th April, 2019 and led the Indian delegation.

b) Finance Secretary also led an Indian delegation as India's G-20 Sherpa to the *Second Sherpa Meeting* under the Japanese G-20 Presidency held from 30 April – 1 May, 2019 in Yokohama, Japan along-with Sh. Rajat Kumar Mishra, Joint Secretary (IER & BC Division) DEA.

c) A *Plenary meeting of Financial Stability Board (FSB)* was held on 26th April, 2019 at New York which was attended by Dr. C.S. Mohapatra, Additional Secretary (Financial Stability and Cyber Security).

3. Minimum Government, Maximum Governance

In particular, use of ICT in submission of Information is being encouraged.

4. Non-Compliance of ACC directions/orders

Nil

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

Cleared	:	00
Awaiting Approval in the Department	:	09
