

Weekly Compendium of Research

For the week ending 20th April 2019

PHD Research Bureau disseminated information to members of PHD Chamber & other industry stakeholders on various economic and business developments at International, National and Sub-national arena such as CPI for the month of March 2019, IIP for the month of February 2019, WPI for the month of March 2019, merchandise trade for the month of March 2019, value of transactions in Government E Marketplace, along with decisions taken by Union Cabinet, among others. The details of disseminated information during the week ending 20th April 2019 are appended.

India and World Economy

- **March 2019 CPI inflation rises to 2.9%-** The all India general CPI inflation (Combined) for March 2019 rises to 2.9% from 2.6% in February 2019. The inflation rates for rural and urban areas for March (Prov.) 2019 are 1.8% and 4.1% as compared to 1.8% and 3.43% respectively, for February 2019. Rate of inflation during March (Prov.) 2019 for fuel and light (2.4%), housing (4.9%), transport and communication (3%), education (7.6%) and health (8.9%) etc.
- **February 2019 IIP stands at 0.1%-** Growth in industry output, as measured in terms of IIP, for the month of February 2019 grows at 0.1% as compared to 1.4% in January 2019. The growth in the three sectors mining, manufacturing and electricity in February 2019 stands at 2.0%, (-)0.3% and 1.2% respectively over January 2018. Primary goods growth stands at 1.2%, capital goods growth stands at (-)8.8%, intermediate goods growth stands at (-)4.9%, infrastructure/construction goods growth stands at 2.4%, consumer durables stands at 1.2% and consumer non-durables growth stands at 4.3% during February 2019 as compared to the previous year.
- **March 2019 WPI inflation grows at 3.2%-** The WPI inflation rises to 3.2% in March 2019 from 2.9% in February 2019, 2.8% in January 2019, 3.5% in December 2018, 4.5% in November 2018 and 5.5% in October 2018. The rise in WPI inflation in the month of March 2019 is attributed to rise in the prices of Vegetables (28.13%), Crude Petroleum (5.14%) and Fuel & Power (5.41%).
- **Government E Marketplace (GeM) records four-fold increase in total value of transactions in 2018-19-** Government e Marketplace (GeM), the national public procurement portal offering end to end solution for all procurement needs of Central and State Government departments and PSUs has closed the FY 2018-19 on a high note. The year witnessed a four-fold increase in total value of transactions on the portal and doubling of number of sellers in the marketplace. There has also been an overall growth in other dimensions like number of categories, products and buyers. Despite such

phenomenal growth in transactions, average rejection rate of supplies remained below one percent, which is proof of high quality of products/services offered on the portal.

- **Decisions taken by the Union Cabinet-** Cabinet approves MoU between India and Bolivia on Cooperation in the Field of Traditional Systems of Medicine and Homoeopathy; Cabinet approves Cooperation Agreement between India and Denmark in the field of Renewable Energy with focus on Offshore Wind Energy; Cabinet approves Continuation of Phase 4 of Geosynchronous Satellite Launch Vehicle (GSLV); Cabinet approves extension of duration of New Urea Policy-2015 for existing gas based urea unit; Cabinet approves MoU between India and Bolivia on Cooperation in the field of Geology and Mineral Resources.

Trade

- **India's Foreign Trade: March 2019-** India's Exports in March 2019 were USD 33 Billion, as compared to USD 29 Billion in March 2018, exhibiting a positive growth of 11%. In Rupee terms, exports were Rs. 2,26,139 Crore in March 2019, as compared to Rs. 190,619 Crore in March 2018, registering a positive growth of 19%. Imports in March 2019 were USD 43 Billion (Rs. 3,01,814 Crore), which was 1% higher in Dollar terms and 8% higher in Rupee terms over imports of USD 43 Billion (Rs.2,78,441 Crore) in March 2018.

Our Voice

India's GDP is forecasted to expand 7.5% in FY2019/20, according to World Bank's South Asia Economic Focus, Exports Wanted, Spring 2019. Credit growth would benefit from relatively more accommodative monetary policy amid benign inflationary conditions. India is expected to remain one of the fastest-growing major economies in the world this year given strong household spending and corporate fundamentals. Further, South Asia holds on to its top spot as the world's fastest growing region, but the region needs to increase its exports to sustain its high growth and reach its full economic potential.

Economy so far

- **Easier financing for low-cost homes likely-** The government is planning to ease funding and construction norms for its 'Housing for All' programme to speed up construction of affordable houses across the country. Some of the changes under consideration are allowing greater access to institutional finance to the poor, relaxation in eligibility criteria for bank loans and switching to a life cycle cost approach to construction of such houses to bring down costs and ensure quality of construction, said people aware of the matter.
- **RBI inflation goals need to be reviewed, says prime minister's adviser-** India's new government should review the central bank's inflation goals, including whether consumer prices or the underlying core measure is the appropriate target to use to determine interest rates, according to an economic adviser to the current prime minister. Reserve Bank of India's inflation target should be relooked at after the elections, given that the current mandate expires at the end of March 2021. The RBI's goal is to keep inflation at 4% over the medium term.
- **Issuance of govt bonds jumps to Rs 64k cr from Rs 15k cr in FY19: Report-** According to a ICRA report, the issuances of government-fully serviced bonds (GoI-FSBs) rose to Rs 64,192 crore in the year-ended March 2019 as compared to Rs 15,095 crore during the last fiscal. These borrowings are estimated to have accounted for 0.34 percent of GDP for FY19 as compared to 0.09

BSE SENSEX	26626	34057	36068	36257	35867.4	38673*	38905	39275	39140
GOLD (10 GRMS)	29420	28966	30600	32213	33211.8	32036	31574	31641	31394
CRUDE OIL (1 BBL)	2925	3317	4437	3608	3906.4	4040	4429	4389	4436
EXCHANGE RATE (INR/USD)	67	65	68	71	71.2	69.47	69.42	69.60	69.35

Source: PHD Research Bureau, compiled from BSE, MCX and Bloomberg, RBI (* denotes value as on 29th Mar 2019)

Study

PHD Research Bureau conducted a study, State Budgets Snapshot: 2019-20 (Vol. 2), in continuation of the States' Budget report released earlier, giving a brief summary of the State Budgets.

[State Budgets Snapshot: 2019-20 \(Vol. 2\)](#)



PHD Research Bureau Subscription Opportunities

- [PHD Research Bureau Subscription Opportunities](#): PHD Research Bureau; the research arm of the PHD Chamber of Commerce and Industry was established in 2010 with the objective to review the economic situation and policy developments at sub-national, national and international levels and comment on them in order to update the members from time to time, to present suitable memoranda to the Government as and when required, to prepare State Profiles and to conduct thematic research studies on various socio-economic and business developments. Subscribers of PHD Research Bureau would receive daily updates on various international, national and sub-national business and economic developments, monthly newsletters related to international, national and sub-national economy, forex markets and trade and investments, analytical information on various developments, etc.

Warm Regards,

Dr S P Sharma

Chief Economist



PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: spsharma@phdcci.in

Website: www.phdcci.in

Follow us on



"Towards an Inclusive & Prosperous India"



PHD CHAMBER OF COMMERCE AND INDUSTRY

PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801-04, 49545454, 49545400
Fax : +91-11-2685 5450 • E-mail : phdcci@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP001947



COPYRIGHT: All rights reserved. No part of this publication/Release may be reproduced, distributed, or transmitted in any form or by any means, without the prior written permission of the publisher. For permission requests, write to the publisher.

DISCLAIMER: This message and its attachments contain confidential information. If you are not the intended recipient, you are strictly prohibited to disclose, copy, distribute or take any action in reliance on the contents of this information. E-mail transmission cannot be guaranteed to be secure or error-free, as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this message, which arise as a result of e-mail transmission. If verification is required please request a hard-copy version.