

Economic Affairs Committee Newsletter

(Monthly Update on India's socio-economic development)

July 2021



PHD RESEARCH BUREAU
PHD CHAMBER OF COMMERCE AND INDUSTRY

SS KOTHARI MEHTA
— & COMPANY —
CHARTERED ACCOUNTANTS

Economic Affairs Newsletter

(July 2021)

Introduction

Gradual receding of second wave of pandemic coronavirus has created scope for economy to recover from the daunting impact witnessed in April and May 2021. On the back of declining new Coronavirus cases, gradual unlocking in various parts of the country and calibrated economic reforms announced by the Government, the lead economic and business indicators have shown improvement in June 2021.

Meaningful and effective reform measures announced by Hon'ble Finance Minister will bring a broad based economic recovery through enhanced demand, job creation, private investments, manufacturing competitiveness, escalated exports, increased agricultural productivity and strong build-up of health infrastructure in non-metropolitan cities.

Relief measures of Rs. 6,28,993 crore including Rs. 1.1 lakh crore relief measures for covid affected sectors; extended ECLGS with Rs. 1.5 lakh crore; 100% credit guarantee scheme for tourist guides and extended coverage of the aatmanirbhar rozgar yojna to 31st March 2022, among others would go a long way to diminish the daunting impact of covid on people, trade, industry and economy.

Further economic relief to micro, small and medium enterprises (MSMEs) amid the ongoing COVID-19 pandemic, announced by the Hon'ble Minister of Finance with expanded financial support being provided under the Emergency Credit Line Guarantee Scheme (ECLGS) by Rs 1.5 lakh crore. ECLGS will help businesses to recover from the daunting impact of pandemic COVID-19. The total outlay of scheme has increased to Rs 4.5 lakh crore.

Rs 1.1 lakh crore loan guarantee scheme for COVID-affected sectors has been announced, of which Rs 50,000 crore has been allocated to the health sector and Rs 60,000 crore for other sectors. Credit guarantee scheme announced to facilitate loans of up to Rs 1.25 lakh per individual to 25 lakh persons through micro-finance institutions (MFIs). Interest rate on loans from banks will be capped at MCLR plus 2 percent.

As part of the relief package, financial support has been extended to more than 11,000 registered tourist guides/travel and tourism stakeholders through the loan guarantee scheme for COVID-affected sectors. Free tourist visas will be given to the first 5 lakh tourists, once visa issuance resumes. Total financial implication of the measure is Rs 100 crore.

Going ahead, continuous facilitation of industry and trade is required to create effective strides for futuristic growth trajectory for Indian economy and to diminish the daunting impact of pandemic coronavirus.

WE ARE INTO MANY BUSINESSES



Empowering
the lives of
our people
is one of them



The human mind is our fundamental resource. Industry is not composed of land or buildings, nor even of the capital invested or patents owned but of the calibre of its people.

— Sir Shri Ram

At DCM Shriram it has been our endeavour to enrich human lives by recognising and actively promoting Health, Safety and Environment as key components of our business. Which is why you'll find DCM Shriram at the forefront when it comes to improving the quality of workers' lives and providing facilities like housing, education, medicare, family welfare, libraries, play grounds and cultural centres for employees and their families.



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Economic Affairs
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1. Indian Economy so Far

1. Hon'ble Minister of Finance Smt. Nirmala Sitharaman announced key relief measures

Hon'ble Minister of Finance Smt. Nirmala Sitharaman announced various economic relief measures which are as follows:

- Credit Guarantee Scheme to Facilitate Loans to 25 Lakh Persons Through Micro Finance Institutions (MFIs)
- Financial support to more than 11,000 Registered Tourist Guides/Travel and Tourism Stakeholders.
- Free Tourist Visa to first 5 Lakh Tourists
- Extension of Atmanirbhar Bharat Rozgar Yojana
- Additional Subsidy for DAP & P&K fertilizers
- Extension of Pradhan Mantri Gareeb Kalyan Anna Yojana (PMGKAY)
- Rs. 23,220 Cr More for Public Health (special emphasis on children and paediatric care/paediatric beds)
- Fighting Malnutrition and Improving Farmers' Income: Release of Climate Resilient Special Traits Varieties.
- Revival of North Eastern Regional Agricultural Marketing Corporation (NERAMAC).
- Rs 33,000 Crore Boost for Project Exports through National Export Insurance Account (NEIA)
- Rs. 88,000 crore Boost to Export Insurance Cover
- Digital India: Rs. 19041 Cr for Broadband to each Village through BharatNet PPP Model
- Extension of Tenure of PLI Scheme for Large Scale Electronics Manufacturing
- Rs 3.03 Lakh Cr for Reform Based Result Linked Power Distribution Scheme
- New Streamlined Process for PPP Projects and Asset Monetisation

2. World Bank projects Indian economy to grow at 8.3% in FY22, 7.5% in FY23 and 6.5% in FY24: Global Economic Prospects

The world economy is experiencing an exceptionally strong but highly uneven recovery. Global growth is set to reach 5.6% in 2021—its strongest post-recession pace in 80 years—in part underpinned by steady but highly unequal vaccine access. Growth is concentrated in a few major economies, with most emerging market and developing economies (EMDEs) lagging behind: while about 90% of advanced economies are expected to regain their pre-pandemic per capita income levels by 2022, only about one-third of EMDEs are expected to do so.

Outlook for India

The Indian economy is projected to grow at 8.3% in FY22, 7.5% in FY23 and 6.5% in FY24.

In South Asia, India's recovery is being hampered by the largest outbreak of any country since the beginning of the pandemic. The situation is particularly serious, where the number of daily deaths and cases is now higher than in any other country during the pandemic. For the region as a whole, peaks in

daily new confirmed cases and deaths in 2021 are multiple times higher than last year.

An enormous second COVID-19 wave is undermining the sharper-than-expected rebound in activity seen during the second half of FY2020/21, especially in services. India accounts for nine-tenths of the upgrade to growth in 2021, as strong services activity more than offsets the economic effects of the worsening pandemic. The region's outlook for 2021 is underpinned by a rebound in private consumption, which is expected to account for about half of overall growth.

For India, GDP in FY22, starting April 2021, is expected to expand 8.3%. Activity will benefit from policy support, including higher spending on infrastructure, rural development, and health, and a stronger-than expected recovery in services and manufacturing. Although the forecast has been revised up by 2.9 percentage points, this masks significant expected economic damage from an enormous second COVID-19 wave and localized mobility restrictions since March 2021. Activity is expected to follow the same, yet less pronounced, collapse and recovery seen during the first wave. The pandemic will undermine consumption and investment as confidence remains depressed and balance sheets damaged. Growth in FY23 is expected to slow to 7.5% reflecting lingering impacts of COVID-19 on household, corporate and bank balance sheets; possibly low levels of consumer confidence; and heightened uncertainty on job and income prospects.

3. Federal Reserve maintains accommodative stance in June 2021 meeting: FOMC statement

According to the Federal Open Market Committee (FOMC) statement, the Federal Reserve expects to maintain an accommodative stance of monetary policy until longer-term inflation expectations remain well anchored at 2%. The Committee decided to keep the target range for the federal funds rate at 0 to 0.25% and expects it will be appropriate to maintain this target range until labor market conditions have reached levels consistent with the Committee's assessments of maximum employment and inflation has risen to 2% and is on track to moderately exceed 2% for some time. In addition, the Federal Reserve will continue to increase its holdings of Treasury securities by at least US\$80 billion per month and of agency mortgage-backed securities by at least US\$40 billion per month until substantial further progress has been made toward the Committee's maximum employment and price stability goals. These asset purchases help foster smooth market functioning and accommodative financial conditions, thereby supporting the flow of credit to households and businesses.

In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on public health, labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

Progress on vaccinations has reduced the spread of COVID-19 in the United States. Amid this

progress and strong policy support, indicators of economic activity and employment have strengthened. The sectors most adversely affected by the pandemic remain weak but have shown improvement. Inflation has risen, largely reflecting transitory factors. Overall financial conditions remain accommodative, in part reflecting policy measures to support the economy and the flow of credit to U.S. households and businesses.

The path of the economy will depend significantly on the course of the virus. Progress on vaccinations will likely continue to reduce the effects of the public health crisis on the economy, but risks to the economic outlook remain.

4. Ministry of Finance releases Quarterly Report on Public Debt Management, January -March 2021

Since Apr-June (Q1) 2010-11, the Public Debt Management Cell (PDMC) (earlier Middle Office), Budget Division, Department of Economic Affairs, Ministry of Finance has been bringing out a quarterly report on public debt management on a regular basis. This report pertains to the Q4 of the fiscal year 2020-21, viz., January - March 2021.

As per the Provisional Estimates of Annual National Income for FY 2020-21 and Quarterly Estimates of Gross Domestic Product (GDP) for the fourth Quarter(Q4) of 2020- 21 released by the National Statistical Office, Ministry of Statistics and Programme Implementation on May 31, 2021, growth rate in real GDP was estimated at 1.6 per cent during the fourth quarter of 2020-21 as compared to - growth rate of 0.5per cent in Q3 of FY 2020-21 and 3.0per cent growth as registered in Q4of 2019-20.Growth of Gross Value Added (GVA) at basic prices was estimated at 3.7 percent in Q4 of 2020-21, same as compared with Q4 of 2019-20 and 1.0 per cent in Q3 of 2020-21.

The fiscal deficit (FD) of the Central Government for 2020-21 was budgeted at ₹ 7,96,337 crore or 3.5 per cent of GDP as compared to the revised estimate of ₹ 7,66,846 crore (3.8 per cent of GDP) and the provisional estimate of ₹ 9,35,635 crore (4.6 per cent of GDP) for 2019-20. This was revised along with presentation of budget of FY 2021-22 to ₹ 18,48,655 crore. The provisional figures for FD stood at ₹ 18,21,461 crore compared to Revised Estimates of ₹ 18,48,655 crore for 2020-21.

Gross and net market borrowings of the Central Government were budgeted at ₹7,80,000 crore and ₹5,10,870 crore for FY21. Gross and net market borrowings were revised to ₹12,80,000 crore and ₹ 10,52,788 crore respectively due to drop in tax receipts because of lockdown imposed by the Govt to contain the spread of Covid-19 pandemic.

The net amount raised through issuance of dated securities was ₹ 2,91,203.67 crore during this quarter as compared to (-) ₹59,000 crore during Q4 of FY20.

Total liabilities (including liabilities under the 'Public Account') of the Government, as per provisional data, increased to ₹116,21,781 crore at end-March 2021 from ₹109,26, 322 crore at end-December 2020 (Table 4.1). This represented a quarter-on-quarter increase of 6.36 per cent in Q4 FY21. Public debt accounted for 88.10 per cent of total outstanding liabilities at end-March 2021.

Total Liabilities of Central Government

(Amount in Rs crore)

Item	At end-March 2021#	At end-December 2020	Variation in March 2021 over December 2020 (%)
1	2	3	4
Public Debt (1 + 2)	10239307	9957918	2.83
1. Internal Debt	9583366	9312491	2.91
(i) Cash Management Bills	0	0	0.00
(ii) 91-days Treasury Bills	93297	228812	-59.23
(iii) 182-days Treasury Bills	139414	198796	-29.87
(iv) 364-days Treasury Bills	458240	412120	11.19
(v) 14-days Treasury Bills	205576	153499	33.93
(vi) Market Loans	7132867	6838858	4.30
(vii) Marketable securities issued in conversion of special securities	35688	35688	0.00
(viii) Special Securities issued to PSBs/EXIM Bank	286348	271848	5.33
(ix) Compensation and other bonds ¹	93800	89708	4.56
(x) Sovereign Gold Bonds*	32442	27134	19.56
(xi) Securities against small savings	1005394	956968	5.06
(xii) Securities issued to International Financial Institutions	100301	99060	1.25
(xiii) Ways and Means Advances	0	0	0.00
2. External Debt	655941	645427	1.63
3. Public Account Liabilities	1382473	968404	42.76
4. Total Debt/ Liabilities (1+2+3)	11621781	10926322	6.36

Data are provisional

*Includes Gold Monetisation Scheme

Source: CGA, Ministry of Finance

Source: PHD Research Bureau, PHD Chamber, compiled from Ministry of Finance

5. Highest ever merchandise exports in a quarter (Q1 2021-22, USD 95 billion) in the history of India

The Hon'ble Minister of Commerce & Industry, Railways and Consumer Affairs, Food & Public Distribution, Shri Piyush Goyal held a press conference today to showcase the achievements of the Ministry of Commerce and Industry in Q1 (April - June) of 2021-22. He mentioned how an ambitious target of USD 400 billion exports has been set for 2021-22.

Shri Piyush Goyal said that sector specific interventions, involvement of all the stakeholders and functioning of the Government as a whole helped in achieving the growth. Simplification of procedures, extension of timelines and licences, all of that has resulted in the record performance of exports, he added. He specially thanked the Hon'ble Prime Minister Shri Narendra Modi ji for leading from the front, and holding discussions with various stakeholders through webinars after the Union budget, and encouraging everyone to put in their best.

Shri Piyush Goyal further said that the performance of the services sector has also been excellent, and despite the pandemic, almost 97% of 2019-20 service export levels were achieved in the last FY. He said that after deliberations with the stakeholders, he is confident that USD 350 billion service exports can be achieved by 2025, and may even go up to USD 500 billion very soon.

Highest Ever Merchandise Exports in the history of India

Highest ever merchandise exports of USD 95 billion in Q1 of 2021-22 has been achieved in the history of

India. This is 85% higher than exports of Q1 of 2020-21 and 18% higher than the exports of Q1 of 2019-20. It is also 16% more than the previous highest Q1 exports of 2018-19 (USD 82 billion) and is higher than the earlier peak of exports in Q4 of 2020-21 (USD 90 billion).

Labour intensive sectors seeing rapid export growth

Several Labour-Intensive sectors have seen a rapid export growth. The exports in the engineering goods sector have increased by USD 5.2 billion over Q1 of 2019-20. Likewise, Rice exports growth has remained positive since May 2020 and rose by 37% in Q1 of 2021-22 compared to Q1 of 2019-20

India's Exports Performance Vis-a-vis Major Economies in April 2021

India showcased robust export performance in April 2021 compared to major economies of the world. As compared to April 2020, India's exports growth during April 2021 was higher than other major advanced economies like European Union, Japan, USA, Republic of Korea & United Kingdom

Record FDI Inflows

India received the highest ever FDI inflow in 2020-21 of USD 81.72 billion. This is higher by 10% compared to USD 74.39 billion achieved in 2019-20. The positive momentum continues with FDI inflow of USD 6.24 billion during April 2021, which is 38% higher than April 2020.

Startup India: Number of startups recognised by DPIIT has crossed 50,000 and is spread across 623 districts in India. With these startups nearly 1.8 lakh formal jobs have been created by 16,000+ recognised startups in 2020-21. Several times more have benefited from the Startup ecosystem.

Reducing Compliance Burden: To improve the ease of doing business and reduce the compliance burden 6,426 compliances have been reduced in Phase-I. 3,177 compliances are being reduced in Phase II. The timeline for Phase I was 31st March 2021 & Phase II is 15th August 2021.

Investment Clearance Cell: The National Single Window System is a one-stop digital platform to obtain clearances & approvals. In the phase-1 of integration, 43 Depts/Ministries & 14 States Single Window Systems are being on-boarded. The pre-launch version is undergoing extensive testing and we are gearing up for a soft launch.

The hon'ble minister concluded by saying that the world sees India as the trusted and reliable partner, and has more confidence in India's capability to provide quality products and services on time. With the goods and services gaining momentum, a large number of employment opportunities will be generated, the economy will strengthen, revenues will increase, and the government will be able to help the disadvantaged sections in a more substantive manner.

6. May 2021 Fiscal Deficit stands at 8.2% of actuals to BEs

The gross fiscal deficit of the Central government stands at 8.2% of the actuals to budget estimates (BEs) in May 2021 as compared to 58.6% of the actuals to budget estimates in the corresponding period of the previous year.

The primary deficit and revenue deficit stands at 5.0% and 5.7% respectively, of the actuals to budget estimates in May 2021 as compared to 440.3% and 67.6% respectively of the actuals to budget estimates in the corresponding period of the previous year.

7. May 2021 IIP growth stands at 29.3%

Growth in industry output, as measured in terms of IIP, for the month of May 2021 stands at 29.3% as compared to April 2021 growth of around 134.6%.

The growth in the three sectors mining, manufacturing and electricity in May 2021 stands at around 23.3%, 34.5%, 7.5%, respectively over May 2020. Primary goods growth stands at around 15.8%, capital goods growth stands at 85.3%, intermediate goods growth stands at 55.2%, infrastructure/construction goods growth stands at 46.8%, consumer durables stands at 98.2% and consumer non-durables growth stands at 0.8% during May 2021 as compared to the previous year.

Recent growth pattern in IIP

(% growth)

	Weight in IIP	April-May 2020-21	April-May 2021-22	April 2021	May 2021
Mining	14.3	(-) 23.7	29.4	36.3	23.3
Manufacturing	77.6	(-) 51.7	88.8	197.9	34.5
Electricity	7.9	(-) 18.7	21.7	38.5	7.5
Primary goods	34.0	(-) 23.0	25.6	36.8	15.8
Capital goods	8.2	(-) 78.8	243.4	1042.9	85.3
Intermediate goods	17.2	(-) 51.1	109.7	212.3	55.2
Infrastructure/construction goods	12.3	(-) 61.1	149.3	596.1	46.8
Consumer durables	12.8	(-) 82.7	315.0	1880.0	98.2
Consumer non-durables	15.3	(-) 28.2	33.8	94.9	0.8
Overall IIP	100	(-) 45.0	68.8	134.6	29.3

Source: PHD Research Bureau, PHDCCI, compiled from CSO

8. CPI inflation stands at 6.26% in June 2021

According to the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI), the CPI inflation stands at 6.26% in June 2021 as compared to 6.30% in May 2021.

All India Inflation rates (on point to point basis i.e. current month over same month of last year, i.e. June 2021 over June 2020), based on General Indices and CFPIs are given as follows:

All India Inflation Rates (%) based on CPI (General) and CFPI

Indices	June 2021 (Prov.)			May 2021 (Final)		
	Rural	Urban	Combined	Rural	Urban	Combined
CPI (General)	6.16	6.37	6.26	6.55	5.91	6.30
CFPI	5.02	5.42	5.15	4.52	5.97	5.01

Source: PHD Research Bureau, PHDCCI, compiled from MOSPI

The Price data are collected from representative and selected 1114 urban Markets and 1181 villages covering all States/UTs through personal visits by field staff of Field Operations Division of NSO, MoSPI on a weekly roster. During the month of June 2021, NSO collected prices from 99.6% villages and 98.6% urban markets while the market-wise prices reported therein were 78.7% for rural and 82.0% for urban.

**All India Consumer Price Indices and year-on-year Inflation rates (%) for June 2021
(Provisional) (Base 2012=100)**

Category	All India Consumer Price Indices and year-on-year Inflation rates (%) for June, 2021 (Provisional)					
	Rural		Urban		Combined	
	June, 2021 Index (Prov.)	Inflation Rate (%)	June, 2021 (Prov.)	Inflation Rate (%)	June, 2021 Index (Prov.)	Inflation Rate (%)
Food and Beverages	160.5	5.38	166.2	5.86	162.6	5.58
Pan, tobacco and intoxicants	189.1	3.67	195.3	4.61	190.8	3.98
Clothing and Footwear	164.6	6.81	154.9	5.23	160.8	6.21
Housing	-	-	160.5	3.75	160.5	3.75
Fuel and Light	162.1	11.87	156.2	13.93	159.9	12.68
Miscellaneous	161.5	6.46	153.6	8.17	157.7	7.28
General Index (All Groups)	162.1	6.16	160.4	6.37	161.3	6.26

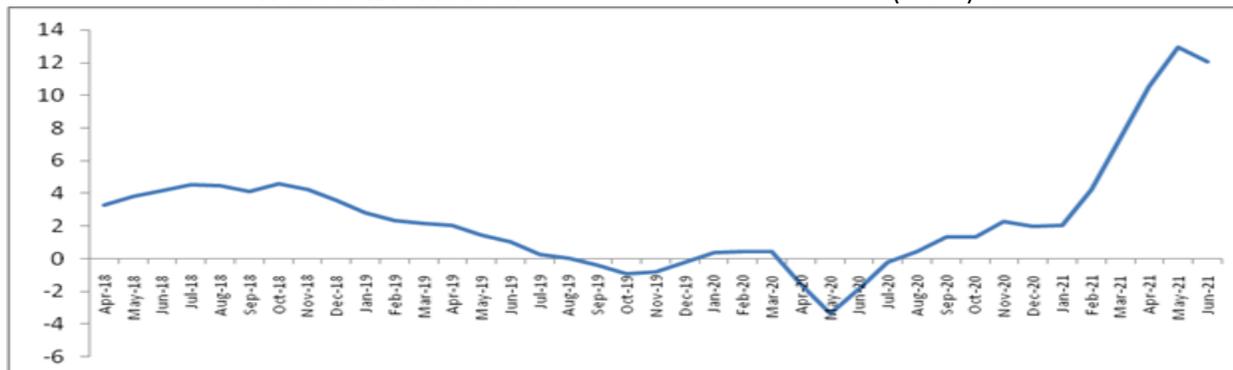
Source: PHD Research Bureau, PHDCCI, compiled from MOSPI Note: CPI (Rural) for Housing is not compiled

9. WPI inflation stands at 12.07% in June 2021

The annual rate of inflation is 12.07% (Provisional) for the month of June, 2021 (over June, 2020) as compared to 12.94 in May 2021. The WPI Inflation stood at (-) 1.81% in June 2020. The high rate of inflation in June 2021 is primarily due to low base effect and rise in prices of mineral oils viz. petrol, diesel (HSD), naphtha, ATF, furnace oil etc, and manufactured products like basic metal, food products, chemical products etc as compared the corresponding month of the previous year.

Trend in WPI Inflation

(Y-O-Y) %



Source: PHD Research Bureau, PHDCCI compiled from the office of the Economic Advisor, Government of India (Note: Figures are rounded off)

WPI inflation in Select Commodities (Base year: 2011-12)

S. No.	Commodity	WPI Inflation Y-o-Y % growth			
		Apr-21	May-21	Jun-21	Change in June 2021 as Compared to Previous Month
1	All Commodities	10.74	12.9	12.07	↓
2	Primary Articles	9.94	9.6	7.74	↓
3	Food Articles	4.60	4.3	3.09	↓
4	Cereals	(-)3.07	(-)2.5	(-)2.71	↓
5	Vegetables	(-)8.97	(-)9.0	(-)0.78	↑
6	Non-food Articles	15.58	18.4	18.86	↑
7	Fuel & Power	21.27	37.6	32.83	↓
8	Petrol	46.41	62.3	59.94	↓
9	Manufactured Products	9.44	10.83	10.88	↑

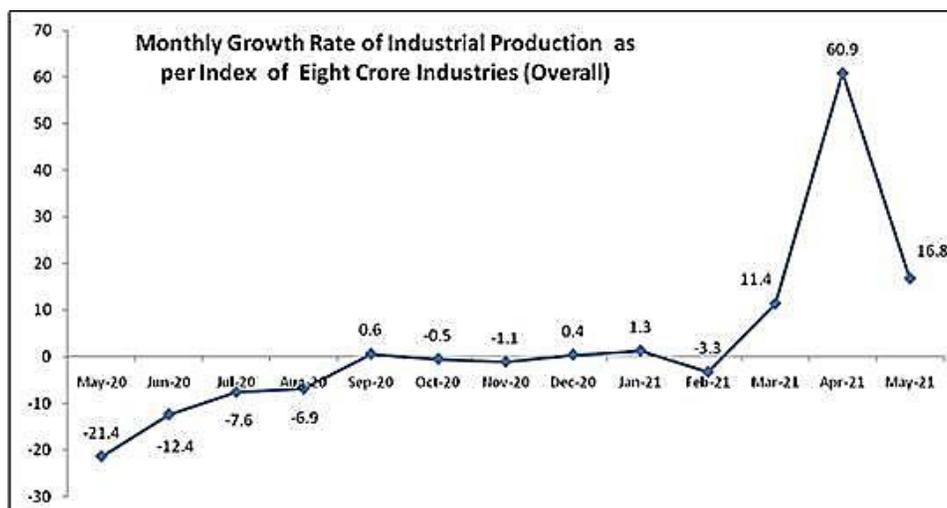
Source: PHD Research Bureau, PHDCCI compiled from the office of the Economic Advisor, Government of India (Note: Figures are rounded off)

10. May 2021 Core infra growth stands at 16.8%

The core infrastructure growth stands at 16.8% in May 2021 as compared to 60.9% in April 2021, 11.4% in March 2021, (-)3.3% in February 2020, 1.3% in January 2021, 0.4% in December 2020 and (-)1.1% in November 2020. The cumulative growth of core infrastructure during April-May 2021-22 stands at 35.8% as compared to (-)29.4% in April-May 2020-21.

The growth rate of Coal stands at 6.9%, crude oil at (-)6.3%, Natural Gas at 20.1%, Refinery Products at 15.3%, Fertilizers at (-)9.6%, Steel at 59.3%, Cement at 7.9% and Electricity at 7.3% in May 2021 as compared to April 2021 figures of Coal stands at 9.5%, crude oil at (-)2.1%, Natural Gas at 25.0%, Refinery Products at 30.9%, Fertilizers at 3.9%, Steel at 472.7%, Cement at 582.7% and Electricity at

38.5%.



Source: PHD Research Bureau, PHDCCI, compiled from Ministry of Commerce & Industry

11. Merchandise exports and imports grew by 48.34% and 98.31% respectively in June 2021

EXPORTS

Exports in June 2021 were USD 32.50 Billion, as compared to USD 21.91 Billion in June 2020, exhibiting a positive growth of 48.34 per cent. In Rupee terms, exports were Rs. 2,39,047.45 Crore in June 2021, as compared to Rs. 1,65,898.85 Crore in June 2020, registering a positive growth of 44.09 per cent. As compared to June 2019, exports in June 2021 exhibited a positive growth of 29.85 per cent in Dollar terms and 37.55 per cent in Rupee terms.

IMPORTS

Imports in June 2021 were USD 41.87 Billion (Rs.3,08,002.48 Crore), which is an increase of 98.31 per cent in Dollar terms and 92.63 per cent in Rupee terms over imports of USD 21.11 Billion (Rs 1,59,892.42 Crore) in June 2020. Imports in June 2021 have registered a positive growth of 2.05 per cent in Dollar terms and 8.10 per cent in Rupee terms in comparison to June 2019. Cumulative value of imports for the period April-June 2021 was USD 126.15 Billion (Rs. 9,30,961.10 Crore), as against USD 60.44 Billion (Rs. 4,58,395.18 Crore) during the period April-June 2020, registering a positive growth of 108.72 per cent in Dollar terms and a positive growth of 103.09 per cent in Rupee terms. Imports in April-June 2021 have registered a negative growth of (-) 3.04 per cent in Dollar terms and positive growth of 2.88 per cent in Rupee terms in comparison to April-June 2019.

India's Merchandise Trade Statistics at a Glance

Merchandise	Apr-20	May-20	Jun-20	July-20	Aug-20	Sept-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	June-21
Exports (USD billion)	10	19	22	24	23	27	25	23	27	27	28	34	31	32	33

Growth (%)	-60	-36	-12	-10	-13	6	-5	-9	0.14	6	0.7	60	196	69	48
Imports (USD billion)	17	22	21	29	30	30	34	33	42	42	41	48	46	39	42
Growth (%)	-59	-51	-48	-28	-26	-20	-12	-13	8	2	7	54	167	74	98
Trade Balance (USD billion)	-7	-3	1	-5	-7	-3	-9	-10	-15	-15	-13	-14	-15	-7	-9

Source: PHD Research Bureau; PHDCCI Compiled from Ministry of Commerce and Industry, Government of India

12. Service exports registered a growth of 10.71% in May 2021

EXPORTS: As per the latest press release by RBI dated 1st July 2021, exports in May 2021 were USD 17.36Billion (Rs.1,27,170.75 Crore) registering a positive growth of 10.71 per cent in Dollar terms, vis-à-vis May 2020. The estimated value of services export for June2021* is USD 17.35 Billion, exhibiting a positive growth of 9.16 per cent vis-a-vis June 2020 (USD 15.89 Billion) and a negative growth of (-) 0.94 per cent vis-à-vis June 2019 (USD 17.51 Billion).

IMPORTS: As per the latest press release by RBI dated 1st July 2021, imports in May 2021 were USD 10.23 Billion (Rs. 74,974.84 Crore) registering a positive growth of 14.78per cent in Dollar terms, vis-à-vis May 2020. The estimated value of services import for June2021* is USD 10.31Billion exhibiting a positive growth of 15.38 per cent vis-à-vis June 2020 (USD 8.94 Billion) and a negative growth of(-) 2.68per cent vis-à-vis June 2019 (USD 10.59 Billion).

Trade in Services at a Glance

Services	Apr -20	May -20	Jun -20	Jul -20	Aug -20	Sept -20	Oct -20	Nov -20	Dec -20	Jan -21	Feb -21	Mar -21	April -21	May -21
Exports (Receipts) (USD billion)	16	17	17	17	17	17	17	17	19	17	18	20	18	17
Imports (Payments) (USD billion)	9	10	10	10	10	10	10	10	12	10	11	13	10	10
Trade Balance (USD billion)	7	7	7	7	7	7	7	7	7	7	7	7	8	7

Source: PHD Research Bureau; PHDCCI Compiled from Ministry of Commerce and Industry, Government of India

13. Gross Bank Credit growth stands at 6.0% in May 2021

Gross bank credit growth (year-on-year) stands at 6.0% in May 2021 as compared to 6.2% in May 2020.

Highlights:

- On a year-on-year (y-o-y) basis, non-food bank credit growth stood at 5.9 per cent in May 2021 as compared to 6.1 per cent in May 2020.
- Credit to agriculture and allied activities continued to perform well, registering an accelerated growth of 10.3 per cent in May 2021 as compared to 5.2 per cent in May 2020.
- Credit growth to industry decelerated to 0.8 per cent in May 2021 from 1.7 per cent in May 2020. Size-wise, credit to medium industries registered a robust growth of 45.8 per cent in May 2021 as compared to a contraction of 5.3 per cent a year ago. Credit growth to micro and small industries accelerated to 5.0 per cent in May 2021 as compared to a contraction of 3.4 per cent a year ago, while credit to large industries contracted by 1.7 per cent in May 2021 as compared to a growth of

2.8 per cent a year ago.

- Within industry, credit to 'mining & quarrying', 'food processing', 'textiles', 'gems & jewellery', 'wood & wood products', 'paper & paper products', 'glass & glassware', 'infrastructure', 'leather & leather products' and 'rubber, plastic & their product' registered an accelerated growth in May 2021 as compared to the corresponding month of the previous year. However, credit growth to 'beverages & tobacco', 'petroleum coal products & nuclear fuels', 'vehicles, vehicle parts & transport equipment', 'basic metal & metal products', 'cement & cement products', 'all engineering', 'chemicals & chemical products' and 'construction' decelerated/contracted.
- Credit growth to the services sector decelerated to 1.9 per cent in May 2021 from 10.3 per cent in May 2020, mainly due to deceleration in credit growth to NBFCs, transport operators and commercial real estate. However, credit to trade segment continued to perform well, registering accelerated growth of 12.4 per cent in May 2021 as compared to 7.7 per cent a year ago.
- Personal loans registered an accelerated growth of 12.4 per cent in May 2021 as compared to 10.6 per cent a year ago, primarily due to accelerated growth in vehicle loans and credit card outstanding.

14. India's Current account balance recorded a surplus of 0.9% of GDP in FY 2021 and CAD stands at 1% of GDP in Q4 FY2021

BoP during 2020-21

- The current account balance recorded a surplus of 0.9 per cent of GDP in 2020-21 as against a deficit of 0.9 per cent in 2019-20 on the back of a sharp contraction in the trade deficit to US\$ 102.2 billion from US\$ 157.5 billion in 2019-20.
- Net invisible receipts were lower in 2020-21 due to increase in net outgo of overseas investment income payments and lower net private transfer receipts, even though net services receipts were higher than a year ago.
- Net FDI inflows at US\$ 44.0 billion in 2020-21 were higher than US\$ 43.0 billion in 2019-20.
- Net FPI increased by US\$ 36.1 billion in 2020-21 as compared to US\$ 1.4 billion a year ago.
- External commercial borrowings to India recorded inflow of US\$ 0.2 billion as compared with US\$ 21.7 billion in 2019-20.
- In 2020-21, there was an accretion of US\$ 87.3 billion to foreign exchange reserves (on a BoP basis).

Key Features of India's BoP in Q4:2020-21

India's current account balance (CAB) recorded a deficit of US\$ 8.1 billion (1.0 per cent of GDP) in Q4:2020-21 as against a surplus of US\$ 0.6 billion (0.1 per cent of GDP) in Q4:2019-20 and a deficit of US\$ 2.2 billion (0.3 per cent of GDP) in the preceding quarter, i.e., Q3:2020-21.

The current account deficit in Q4:2020-21 was primarily on account of a higher trade deficit and lower net invisible receipts than in the corresponding period of the previous year.

- Net services receipts increased on the back of a rise in net earnings from computer, transport and business services on a year-on-year basis.
- Private transfer receipts, mainly representing remittances by Indians employed overseas, increased to US\$ 20.9 billion, up by 1.7 per cent from their level a year ago.
- Net outgo from the primary income account, primarily reflecting net overseas investment income payments, increased to US\$ 8.7 billion from US\$ 4.8 billion a year ago.
- In the financial account, net foreign direct investment at US\$ 2.7 billion was lower than US\$ 12.0 billion in Q4:2019-20.
- Net foreign portfolio investment (FPI) increased by US\$ 7.3 billion – mainly on account of net purchases in the equity market – as against a decline of US\$ 13.7 billion in Q4:2019-20. Net external commercial borrowings to India was lower at US\$ 6.1 billion in Q4:2020-21 as compared with US\$ 9.4 billion a year ago. There was an accretion of US\$ 3.4 billion to the foreign exchange reserves (on a BoP basis) as compared with an accretion of US\$ 18.8 billion in Q4:2019-20

15. India's external debt stands at USD 570 billion at end March 2021

At end-March 2021, India's external debt was placed at US\$ 570.0 billion, recording an increase of US\$ 11.5 billion over its level at end-March 2020. The external debt to GDP ratio increased to 21.1 per cent at end-March 2021 from 20.6 per cent at end-March 2020. Valuation loss due to the depreciation of the US dollar vis-à-vis Indian rupee and major currencies such as euro, SDR2 and pound sterling was placed at US\$ 6.8 billion. Excluding the valuation effect, the increase in external debt would have been US\$ 4.7 billion instead of US\$ 11.5 billion at end-March 2021 over end March 2020.

Major highlights pertaining to India's external debt at end-March 2021 are presented below:

- Commercial borrowings remained the largest component of external debt, with a share of 37.4 per cent, followed by non-resident deposits (24.9 per cent) and short-term trade credit (17.1 per cent).
- At end-March 2021, long-term debt (with original maturity of above one year) was placed at US\$ 468.9 billion, recording an increase of US\$ 17.3 billion over its level at end-March 2020.
- The share of short-term debt (with original maturity of up to one year) in total external debt declined to 17.7 per cent at end-March 2021 from 19.1 per cent at end-March 2020; the ratio of short-term debt (original maturity) to foreign exchange reserves declined to 17.5 per cent at end-March 2021 (22.4 per cent at end-March 2020).
- Short-term debt on residual maturity basis (i.e., debt obligations that include long term debt by original maturity falling due over the next twelve months and short term debt by original maturity) constituted 44.6 per cent of total external debt at end-March 2021 (42.4 per cent at end-March 2020) and stood at 44.1 per cent of foreign exchange reserves (49.6 per cent at end-March 2020).
- US dollar denominated debt remained the largest component of India's external debt, with a

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share of 52.1 per cent at end-March 2021, followed by the Indian rupee (33.3 per cent), yen (5.8 per cent), SDR (4.4 per cent) and the euro (3.5 per cent).

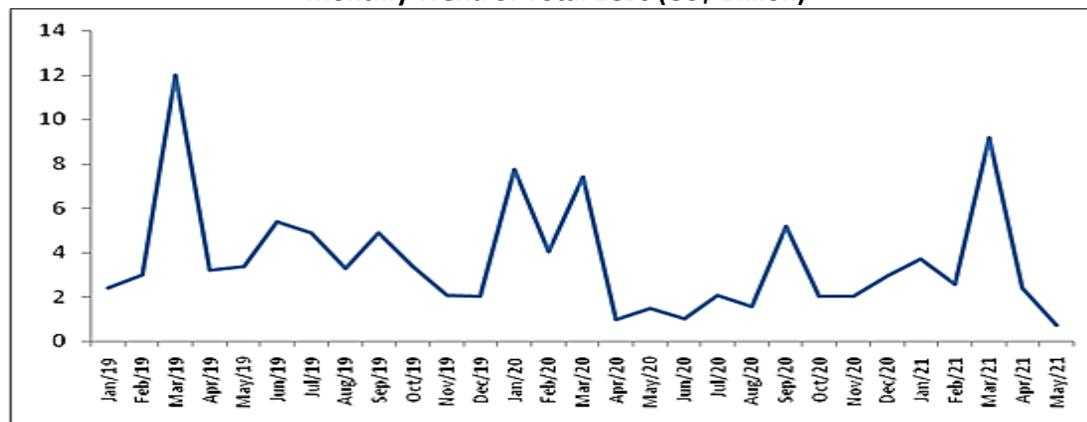
- The borrower-wise classification shows that the outstanding debt of both government and non-government sectors increased at end-March 2021.
- The share of outstanding debt of non-financial corporations in total external debt was the highest at 40.4 per cent, followed by deposit-taking corporations (except the central bank) (28.2 per cent), general government (18.8 per cent) and other financial corporations (8.1 per cent).
- The instrument-wise classification shows that the loans were the largest component of external debt, with a share of 34.8 per cent, followed by currency and deposits (25.2 per cent), trade credit and advances (17.6 per cent) and debt securities (17.0 per cent).

Debt service (principal repayments plus interest payments) increased to 8.2 per cent of current receipts at end-March 2021 as compared with 6.5 per cent at end March 2020, reflecting higher repayments and lower current receipts.

16. ECBs raised at about USD 0.7 billion during May 2021

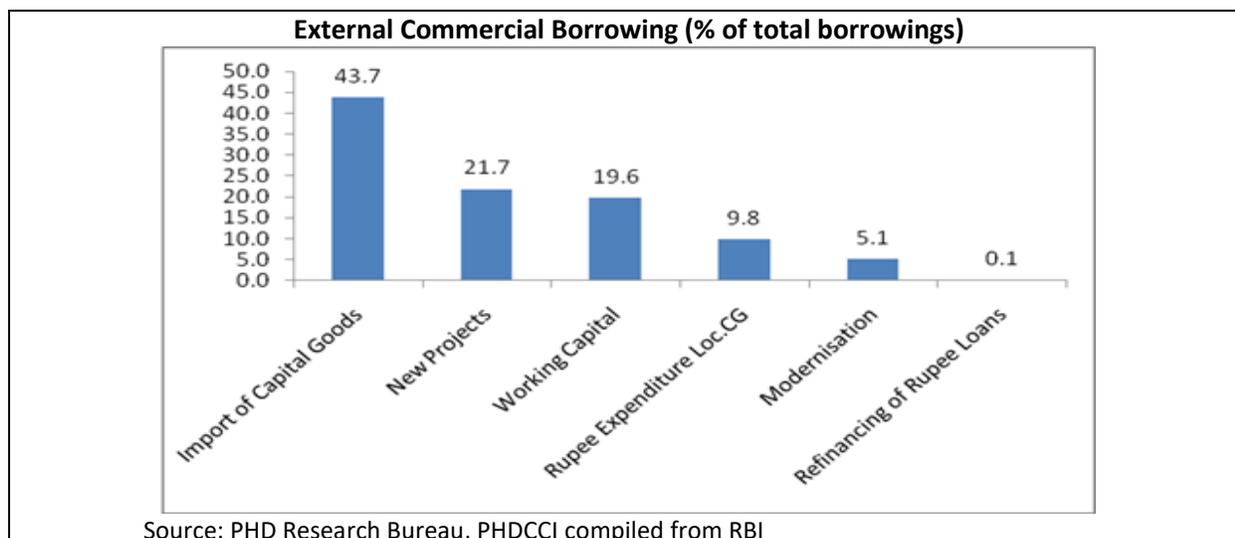
Indian firms have raised about USD 0.7 billion through external commercial borrowings (ECBs) by automatic and approval route in May 2021 as against around USD 2.4 billion in April 2021. While, ECBs were at about USD 1.5 billion in May 2020.

Monthly Trend of Total ECBs (US\$ Billion)



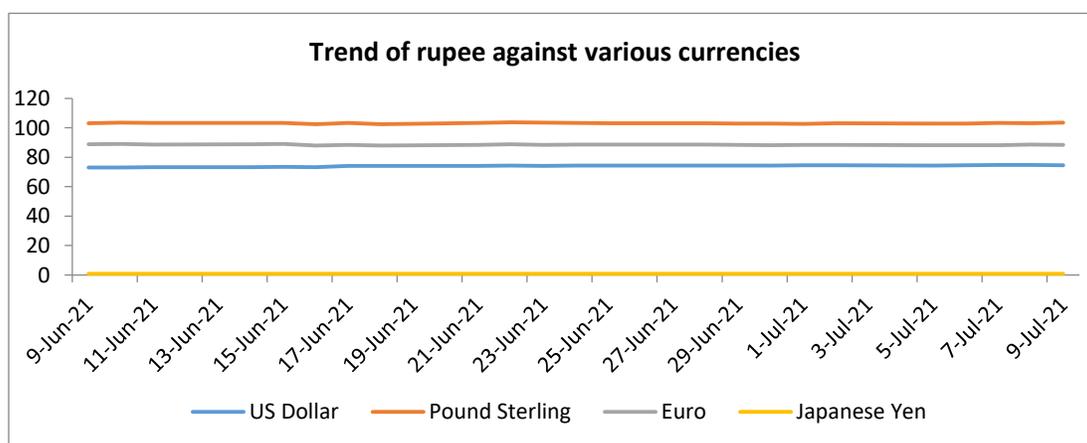
Source: PHD Research Bureau, PHDCCI, compiled from RBI

India has received gross ECBs worth around USD 470 billion between FY2001 and FY2022 (as of May 2021). A closer look at the ECBs pattern reveals that the largest share in ECBs during the month of May 2021 is held for Import of Capital Goods purpose by about 44% of the total borrowings, followed by New Projects purpose by around 22%, Working Capital purpose at about 20%, among others.



17. Overview of Indian Rupee

In the month of June 2021, the average exchange rate of rupee against USD stands at 74.05. The average exchange rate of rupee against Japanese yen stands at 0.67. The exchange rate of rupee against Euro has remained at an average of 88.42 in the month of June 2021. While, the average exchange rate of rupee against pound sterling is at 103.08 during June 2021.



Source: PHD Research Bureau, compiled from RBI

18. Monthly trend of rupee exchange rate (high and low) against currencies in June 2021

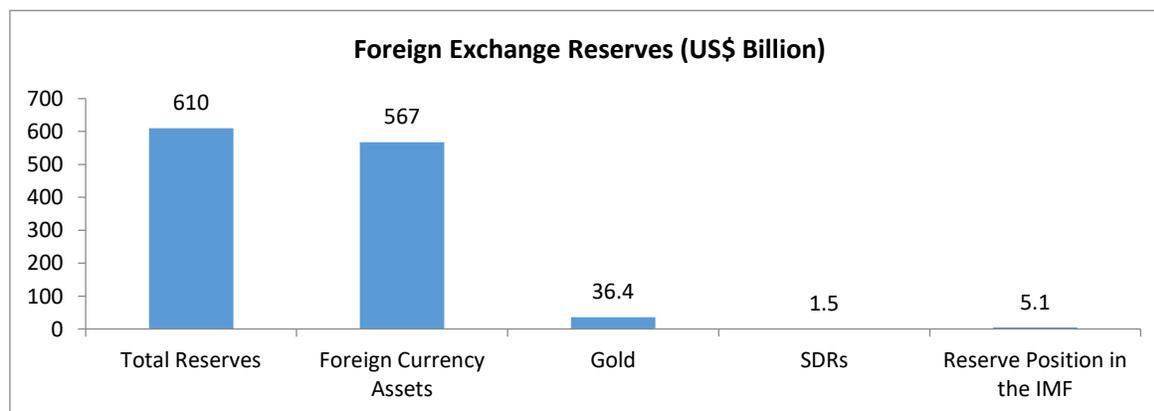
In the month of June 2021, the exchange rate of rupee against USD recorded highest at 74.8, while it registered lowest at 72.9. The exchange rate of rupee against pound registered highest at 103.7 and lowest at 102.33. In case of Euro currency, exchange rate of rupee recorded highest at 88.9 and lowest at 87.8. The exchange rate of rupee against Japanese yen recorded highest at 0.68 and lowest at 0.66.

	Open	High	Low	Close
USD	72.9	74.8	72.9	74.5
Pound Sterling	103.03	103.67	102.33	103.53
Euro	88.875	88.93	87.88	88.436
Japanese Yen	0.6658	0.6806	0.6615	0.6764

Source: PHD Research Bureau, compiled from other sources

19. Foreign exchange reserves

India's foreign exchange reserves stands at about USD 610 billion as on July 9, 2021 of which Foreign Currency Assets consists of USD 567 billion, Gold reserves at USD 36.4 billion, SDRs at USD 1.5 billion and reserve position in the IMF at USD 5.1 billion.



Source: PHD Research Bureau, compiled from RBI Bulletin of July 2021 (Note: Figures are round off)

20. Gross GST revenue collected in the month of June 2021 is Rs 92,849 crore

The gross GST revenue collected in the month of June' 2021 is ₹92,849 crore of which CGST is ₹16,424 crore, SGST is ₹20,397, IGST is ₹49,079 crore (including ₹25,762 crore collected on import of goods) and Cess is ₹6,949 crore (including ₹809 crore collected on import of goods). The above figure includes GST collection from domestic transactions between 5th June to 5th July' 2021 since taxpayers were given various relief measures in the form of waiver/reduction in interest on delayed return filing for 15 days for the return filing month June'21 for the taxpayers with the aggregate turnover upto Rs. 5 crore in the wake of covid pandemic second wave.

During this month the government has settled ₹ 19,286 crore to CGST and ₹ 16,939 crore to SGST from IGST as regular settlement.

The revenues for the month of June 2021 are 2% higher than the GST revenues in the same month last year.

GST collection after posting above Rs. 1 lakh crore mark for eight months in a row, the collection in June'2021 dropped below Rs. 1 lakh crore. The GST collection for June'2021 is related to the business

transactions made during May'2021. During May'2021, most of the States/UTs were under either complete or partial lock down due to COVID. The e-way bill data for the month of May 2021 shows that during the month, 3.99 crore e-way bills were generated as compared to 5.88 crore in the month of April 2021, down by more than 30%.

However, with reduction in caseload and easing of lockdowns, the e-way bills generated during June 2021 is 5.5 crore which indicates recovery of trade and business. The daily average generation of e-way bill for the first two weeks of April 2021 was 20 lakh, which came down to 16 lakh in last week of April 2021 and further to 12 lakh in the two weeks between 9th to 22nd May. Thereafter, the average generation of e-way bills has been increasing and has reached again to 20 lakh level since week beginning 20th June. Therefore, it is expected that while the GST revenues have dipped during the month of June, the revenues will see an increase again from July 2021 onwards.



Trade & Investment Facilitation Services

Trade and Investment Facilitation Services (TIFS) Single Window Facilitation and Procedural Facilitation

Trade and Investment Facilitation Services (TIFS) is a vital component for international trade and investment community. It is envisioned to facilitate firms across the globe for trade and investments in India while simultaneously meeting India's rapidly growing appetite for new markets to enhance trade and investments.

Considering the thirst of the Nation to place India at the forefront of Global Economic Architecture, PHD Chamber of Commerce and Industry launched a specialized desk on Trade and Investment Facilitation Services (TIFS) on 31st March 2017. TIFS is an information and advisory hub to provide requisite and detailed information to facilitate national and international business firms to invest in India; advising them on prospective business opportunities in India in general and in States and promising sectors in particular.

Vision of TIFS

We aim to make India a US\$ 100 billion (per annum) investment destination in the next five years and to enhance India's trade trajectory to the higher level. We envisages US\$ 1000 billion merchandize trade (exports and imports) and US\$ 500 billion services trade (exports and imports) per annum in the next five years.

Geographical Area

TIFS covers pan India from Jammu Kashmir in the North to Tamil Nadu in the South and from Gujarat in the West to Arunachal Pradesh in the East.

Three role dimensions

1. Information role:

Serving as a key link to all information centres on all national and regional/local regulations and clearances. This includes maintaining or having direct and easy access to such information. This also means constant updating of such information.

2. Catalyst role:

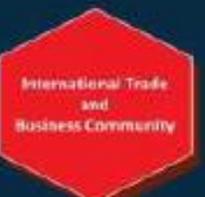
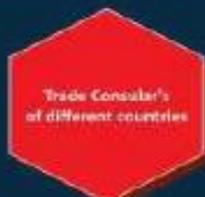
Providing facilitative advisory services to help overcome key obstacles and strengthen key positive enablers for enhanced trade and investments. This includes providing information or "leads" on opportunities that would benefit international business community to invest in India.

3. Networking role:

Effective networking with relevant Indian and overseas agencies and leveraging of such networks in the direction of risk mitigation and enhancing trade and investments.

Strategic Collaborators of TIFS

TIFS work in close coordination with Trade Consulars of different countries as well as international trade and business community and international chambers of commerce. Further, for facilitating and providing information on procedural requirements, TIFS also work in close coordination with the government both at the central and the state level as well as industry associations in India.



How TIFS work in assisting investors?

It is envisaged to be the first-point-one-stop reference for potential investors from around the world. Our team of domain and functional experts provides sector- and state-specific inputs, and hand-holding support to investors. We assist with location identification, expediting regulatory approvals, facilitating meetings with relevant government and corporate officials among others. For instance, if an investor A from Germany wants to invest USD 100 million in a textile business in India.

- A team of trained staff will be associated with the task for maintaining a physical helpdesk and provide the investor with all the help required regarding the relevant approvals to set up a business and information related to investment areas across India.
- Facility to set up meetings of the investors with Government officials for specific investor queries, both at the state government and central government level.
- Regular updates on various economic developments in India in general and sector specific in particular.
- Updates on state level developments related to policy amendments, sectoral developments, taxation mechanism, infrastructural, etc.
- Updates on Foreign Direct Investment norms, Foreign Trade Policy, etc.

TIFS undertakes the following activities

- i. Through regular research and networking with Government bodies, Entrepreneurs, Industry associations, Embassies/Consulates, Investment delegations, etc., the TIFS gather information on possible trade and investment opportunities in various sectors of the Indian economy.
- ii. TIFS advises prospective traders and investors, national and international, in their process of filing applications and helping them meet other procedural and regulatory requirements. For this purpose, information on specific trade and investment guidelines at the state and central level is provided by TIFS.
- iii. TIFS provides information at a broad level to international investors about possible potential joint venture partners in India. If TIFS is aware of any Indian parties interested in formation of Joint Ventures (JVs) with some global partners, such information is made available to interested investors.
- iv. In case of requests made by individual investors to undertake specific research assignments, financial analysis or due diligence of any specific joint venture partner or Mergers & Acquisitions (M&A) targets, TIFS provides adequate resources to carry out such requests on an agreed cost.
- v. In a nutshell, TIFS increases understanding amongst national and international investors on the promising investment areas and requirements and regulations for making investments. Facilitates in dealing with the Government in application procedures amongst the national and international investors. Reduce lead time in investment processes and procedural transactions.

Registration

Registration is open to both Indian and foreign entities.

ANNUAL REGISTRATION FEE

Indian Entities

Rs. 2500*

Foreign Entities

USD 100*

Registration fees is for your registration with TIFS program to receive updates on Trade and Investment scenario regularly for 1 year from the date of registration. However, for your specific queries consultancy charges would vary from case to case basis for facilitation services on detailed projects and exhaustive research studies.

* Inclusive of all taxes.

For details, contact:

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2. Key Banking Developments

Key Banking Developments

RBI releases Consultative Document on Regulation of Microfinance

In the Statement on Developmental and Regulatory Policies dated February 5, 2021 released with the fifth Bi-monthly Monetary Policy Statement for 2020-21, the Reserve Bank of India had announced that a consultative document will be issued for harmonising the regulatory frameworks for various regulated lenders in the microfinance space. The key proposals of the Consultative Document are enumerated below:

- A common definition of microfinance loans for all regulated entities.
- Capping the outflow on account of repayment of loan obligations of a household to a percentage of the household income.
- A Board approved policy for household income assessment.
- No pre-payment penalty; no requirement of collateral; and greater flexibility of repayment frequency for all microfinance loans.
- Alignment of pricing guidelines for NBFC-MFIs with guidelines for NBFCs.
- Introduction of a standard simplified fact sheet on pricing of microfinance loans for better transparency.
- Display of minimum, maximum and average interest rates charged on microfinance loans on the websites of regulated entities.

RBI notifies guidelines for declaration of dividends by NBFCs

In order to infuse greater transparency and uniformity in practice, Reserve Bank of India (RBI) has decided to prescribe guidelines on distribution of dividend by NBFCs. These guidelines shall be applicable to all NBFCs regulated by RBI as below:

(a) Applicable NBFCs as defined in Paragraph 2(2) of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016; and

(b) Applicable NBFCs as defined in Paragraph 2(2) of Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

Effective Date

These guidelines shall be effective for declaration of dividend from the profits of the financial year

ending March 31, 2022 and onwards.

RBI notifies amendments in New Definition of Micro, Small and Medium Enterprises

In reference to the circular FIDD.MSME & NFS.BC.No.4/06.02.31/2020-21 dated August 21, 2020 on 'New Definition of Micro, Small and Medium Enterprises –clarifications'.

In this connection, we inform that Government of India, vide their Gazette Notification S.O. 2347(E) dated June 16, 2021, has notified amendments in paragraph (7) sub-paragraph (3) in the notification of Government of India, Ministry of Micro, Small and Medium Enterprises number S.O. 2119 (E), dated June 26, 2020, published in the Gazette of India.

In view of the above amendment, paragraph 2.2 (i) of RBI circular dated August 21, 2020 stands modified as under:

“The existing Entrepreneurs Memorandum (EM) Part II and Udyog Aadhaar Memorandum (UAMs) of the MSMEs obtained till June 30, 2020 shall remain valid till December 31, 2021”.

All other provisions of the circular remain unchanged.

RBI notifies the extension of Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit

In reference to the instructions issued vide circular DOR.CRE.REC.06/04.02.001/2021-22 dated April 12, 2021.

Government of India has approved the extension of Interest Equalization Scheme for Pre and Post Shipment Rupee Export Credit, with the same scope and coverage, for a further period of three months, i.e., up to September 30, 2021. The extension takes effect from July 01, 2021 and ends on September 30, 2021 covering a period of three months.

Consequently, the extant operational instructions issued by the Reserve Bank under the captioned Scheme shall continue to remain in force up to September 30, 2021.

RBI notifies Retail Direct Scheme: Allowing Retail Investors to Open Gilt Accounts with RBI

As part of continuing efforts to increase retail participation in government securities, 'the RBI Retail Direct' facility was announced in the Statement of Developmental and Regulatory Policies, dated February 05, 2021 for improving ease of access by retail investors through online access to the government securities market – both primary and secondary - along with the facility to open their gilt securities account ('Retail Direct') with the RBI.

In pursuance of this announcement, the 'RBI Retail Direct' scheme, which is a one-stop solution to facilitate investment in Government Securities by individual investors is being issued by RBI. The highlights of the 'RBI Retail Direct' scheme are:

- i. Retail investors (individuals) will have the facility to open and maintain the 'Retail Direct Gilt Account' (RDG Account) with RBI.

Economic Affairs Committee Newsletter

- ii. RDG Account can be opened through an 'Online portal' provided for the purpose of the scheme.
- iii. The 'Online portal' will also give the registered users the following facilities:
 - a. Access to primary issuance of Government securities
 - b. Access to NDS-OM.

According to RBI, the date of commencement of the scheme will be announced at a later date.

Conclusions

Signs of economic recovery have become visible with the improvement in key economic and business indicators in June 2021. At this juncture, to accelerate the economic recovery momentum, there is a need to fuel the drivers of household consumption and private investments to enhance the aggregate demand in the economy as it will have an accelerated effect on expansion of capital investments in the country.

The Government should frontload the National Infra Pipeline expenditure as private investments are not coming in shorter period. The increased spending on infrastructure will give a multiplier effect to rejuvenate the aggregate demand in the economy. Undoubtedly, robust growth of infrastructure is the key ingredient to realize the vision of Aatmanirbhar Bharat.

More and more direct benefit transfers needs to be considered for the urban and rural poor under the various welfare schemes in addition to the free distribution of dry rations till Diwali as already announced by the Hon'ble Prime Minister. Further, Government/ PSU payments must not be delayed due to Work From Home issues or shortage of funds.

There is a need to lower interest rates for consumers and businesses, lesser compliances for MSMEs vis-à-vis ease of doing business at the ground level and a lower tax regime to increase the personal disposable income of the people.

There is a need for speedy vaccination of the people along with enhanced production possibilities of the vaccine at domestic level and import from other countries to diminish the pandemic impact on people and economy. The target to vaccinate at least half of the population in next 2-3 months, i.e. by September 2021 should be set.

India: Statistical snapshot

Indicators	FY17	FY18	FY19	FY20	FY21	FY22
GDP at FC - Constant prices (Rs cr)	12189854	13010843	14077586	1,45,69,268 ¹	1,35,12,740 ³	-
GDP at FC-Constant prices growth YOY (%)	7.1	6.7	6.8	4.0 ¹	(-) ^{7.3}	-
Agriculture growth	4.9	3.4	2.9	4.3 ¹	3.6 ³	-
Industry growth	5.8	5.5	6.9	0.9 ²	-	-
Services growth	7.9	7.9	7.5	5.5 ²	-	-
Gross Fixed Capital Formation as % of GDP	29.5	-	32.0	32.5	-	-
Fiscal deficit as a % GDP	3.5	3.5	3.4	4.6	9.3	-
Merchandise exports (US\$Bn)	274.64	303.5	331	313.3	290.6	32 ⁹
Growth in exports (%)	4.7	10.0	9	(-) ⁵	(-) ^{7.3}	69 ⁹
Imports (US\$Bn)	380.37	42.80	507	474.7	389.2	39 ⁹
Growth in imports (%)	(-) ^{0.17}	7.15	9	(-) ^{7.7}	(-) ¹⁸	74 ⁹
Trade deficit (US\$Bn)	46.42	13.69	176	161.4	98.6	5 ⁹
Net invisibles US\$Bn	-	-	-	-	-	-
Current account deficit as % of GDP	0.7	1.9	2.1	0.9	0.2 ⁶	-
Net capital account US\$Bn	14.9	-	-	-	-	-
Foreign exchange reserves US\$Bn	367.9	424.36	421	447	579.3	608.9 ⁸
External debt - Short term US\$Bn	88	97.6	-	106.9	-	-
External debt - Long term US\$Bn	383.9	415.8	-	451.7	-	-
External debt - US\$Bn	472	513.4	-	558.5	-	-
Money supply growth	6.3	9	10.9	-	-	-
Bank credit growth	7	8.2	12	6.6	5	6 ⁹
WPI inflation	1.33	2.47	4.31	1.7	1.2	12.07 ¹¹
CPI inflation	4.5	4.28	3.4	4.8	6.1	6.3 ¹¹
Exchange rate Rs/US\$ annual average	64.39	65.04	68.37	69.86	74.2	74.48 ¹⁰

Source: PHD Research Bureau, PHDCCI, compiled from various sources.

Notes: ¹ 1st revised estimate; ² Provisional estimates; ³ MOSPI data for FY2021; ⁵ data relates to January 2021; ⁶ data relates to Q3 FY2021; ⁷ RBI Data as on February 2021; ⁸ data as on 25th June 2021; ⁹ Data pertains to May 2021; ¹⁰ data pertains to 9th July 2021; ¹¹ data pertains to June 2021

PHD Research Bureau

PHD Research Bureau; the research arm of the PHD Chamber of Commerce and Industry was constituted 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.

The Research Bureau has been instrumental in forecasting various lead economic indicators national and sub-national. Many of its research reports have been widely covered by media and leading newspapers. The Research Bureau has undertaken various policy studies for Government of India and State Governments.

Research Activities	Comments on Economic Developments	Newsletters	Consultancy
<ul style="list-style-type: none"> Research Studies 	<ul style="list-style-type: none"> Global Economic Developments 	<ul style="list-style-type: none"> Economic Affairs Newsletter (EAC) 	<ul style="list-style-type: none"> Trade and Investment Facilitation Services (TIFS)
<ul style="list-style-type: none"> State Profiles 	<ul style="list-style-type: none"> India's Economic Developments 	<ul style="list-style-type: none"> Forex and FEMA Newsletter 	
<ul style="list-style-type: none"> Impact Assessments 	<ul style="list-style-type: none"> States' Economic Developments 	<ul style="list-style-type: none"> Global Economic Monitor (GEM) 	
<ul style="list-style-type: none"> Thematic Research Reports 	<ul style="list-style-type: none"> International Developments 	<ul style="list-style-type: none"> Trade & Investment Facilitation Services (TIFS) Newsletter 	
<ul style="list-style-type: none"> Releases on Economic Developments 	<ul style="list-style-type: none"> Financial Markets 	<ul style="list-style-type: none"> State Development Monitor (SDM) 	
	<ul style="list-style-type: none"> Foreign exchange market 	<ul style="list-style-type: none"> Industry Development Monitor (IDM) 	
	<ul style="list-style-type: none"> Developments in International Trade 		

Studies Undertaken by PHD Research Bureau

A: Thematic research reports

1. Comparative study on power situation in Northern and Central states of India (September 2011)
2. Economic Analysis of State (October 2011)
3. Growth Prospects of the Indian Economy, Vision 2021 (December 2011)
4. Budget 2012-13: Move Towards Consolidation (March 2012)
5. Emerging Trends in Exchange Rate Volatility (Apr 2012)
6. The Indian Direct Selling Industry Annual Survey 2010-11 (May 2012)
7. Global Economic Challenges: Implications for India (May 2012)
8. India Agronomics: An Agriculture Economy Update (August 2012)
9. Reforms to Push Growth on High Road (September 2012)
10. The Indian Direct Selling Industry Annual Survey 2011-12: Beating Slowdown (March 2013)
11. Budget 2013-14: Moving on reforms (March 2013)
12. India- Africa Promise Diverse Opportunities (November 2013)
13. India- Africa Promise Diverse Opportunities: Suggestions Report (November 2013)
14. Annual survey of Indian Direct Selling Industry-2012-13 (December 2013)
15. Imperatives for Double Digit Growth (December 2013)
16. Women Safety in Delhi: Issues and Challenges to Employment (March 2014)
17. Emerging Contours in the MSME sector of Uttarakhand (April 2014)
18. Roadmap for New Government (May 2014)
19. Youth Economics (May 2014)
20. Economy on the Eve of Union Budget 2014-15 (July 2014)
21. Budget 2014-15: Promise of Progress (July 2014)
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129. Progressive Haryana Steady Growth Strides into the Future (June 2020)

130. Progressive Haryana Steady Growth Strides into the Future (June 2020)



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PHD Chamber of Commerce & Industry, a leading industry Chamber of India, ever since its inception in 1905, has been an active participant in the India Growth Story through its Advocacy Role for the Policy Makers and Regulators of the Country. Regular interactions, Seminars, Conference and Conclaves allow healthy and constructive discussions between the Government, Industry and International Agencies bringing out the Vitals for Growth. As a true representative of the industry with a large membership base of 48000 direct and indirect members, PHD Chamber has forged ahead leveraging its legacy with the Industry knowledge across sectors (58 Industry verticals being covered through Expert Committees), a deep understanding of the Economy at large and the populace at the micro level.

At a Global level we have been working with the Embassies and High Commissions in India to bring in the International Best Practices and Business Opportunities.



“Towards Building Aatmanirbhar Bharat”



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