



NATIONAL APEX CHAMBER

FOREX & FEMA Newsletter

May 2019

PHD Research Bureau

PHD Chamber of Commerce and Industry

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FOREX & FEMA NEWSLETTER

The daily average monthly turnover in India's foreign exchange market including merchant and interbank transactions in the category of purchases increased from USD 2240 million in November 2018 to USD 2567 million in December 2018. In the category of sales, the average daily turnover also increased from USD 2284 million in November 2018 to USD 2574 million in December 2018.

In the month of May 2019, the average exchange rate of rupee against USD stands at 70. The average exchange rate of rupee against Japanese yen stands at 63. The exchange rate of rupee against Euro has remained at an average of 78 in the month of May 2019. While, the average exchange rate of rupee against pound sterling is at 90 during May 2019.

India's foreign exchange reserves stands at about USD 420 billion as on May 24, 2019 of which Foreign Currency Assets consists of USD 392 billion, Gold reserves at USD 23 billion, SDRs at USD 1.4 billion and reserve position in the IMF at USD 3 billion.

At regulatory front, RBI has released prudential framework for resolution of stressed assets. It states that once a borrower is reported to be in default by any of the lenders, then the lender shall undertake a prima facie review of the borrower account within thirty days from such default ("Review Period"). During this Review Period of thirty days, lenders may decide on the resolution strategy, including the nature of the resolution plan, the approach for implementation of the RP, among others.

RBI has extended relaxation on the guidelines to NBFCs on securitisation transactions. It has also constituted a Task Force on the Development of Secondary Market for Corporate Loans with a focus to work on required policy/regulatory interventions for facilitating development of secondary market in corporate loans, including loan transaction platform for stressed assets, among others.

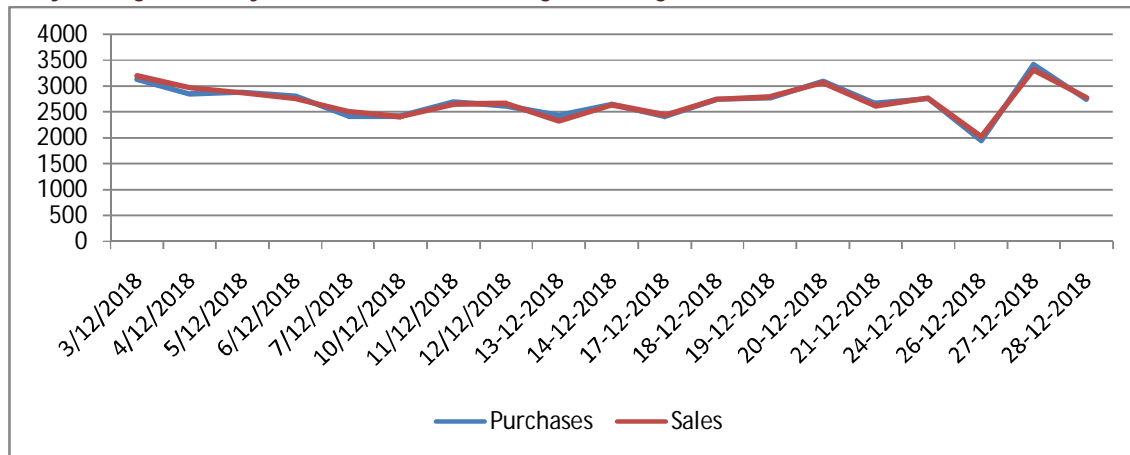
At commodity front, the average price of Gold has increased from Rs 31648 per 10 grams in April 2019 to Rs 31721 per 10 grams in May 2019. The average price of silver has decreased from Rs. 37195 per 1 kg in April 2019 to Rs 36593 in May 2019. Similarly, the average price of copper has decreased from Rs. 446 per 1 kg in April 2019 to Rs. 422 per 1 kg in May 2019. The average price of Zinc has decreased from Rs. 228 per 1 kg in April 2019 to Rs 216 in May 2019. The average price of crude oil has declined to Rs 36593 per barrel in May 2019 from around to Rs. 37195 per barrel in April 2019.

India's foreign exchange market turnover (daily average)

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Daily average monthly turnover in India's foreign exchange market (USD million)

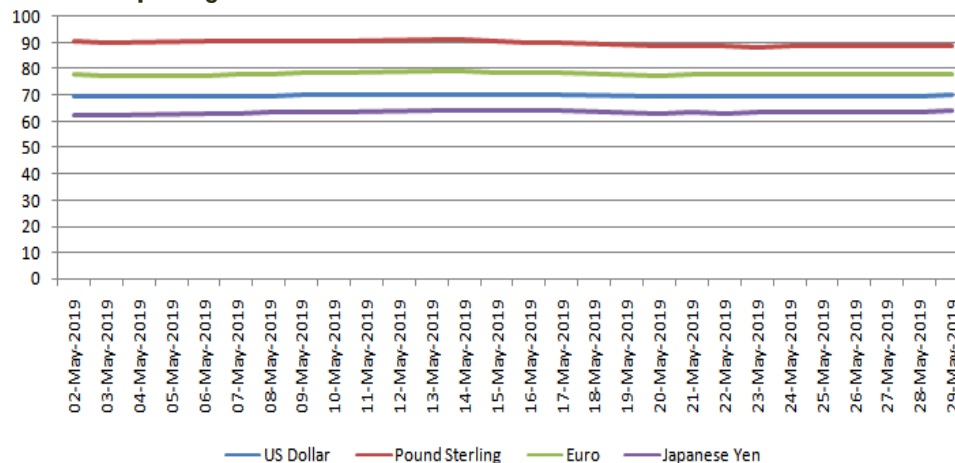


Source: PHD Research Bureau compiled from RBI

Overview of Indian rupee

In the month of May 2019, the average exchange rate of rupee against USD stands at 70. The average exchange rate of rupee against Japanese yen stands at 63. The exchange rate of rupee against Euro has remained at an average of 78 in the month of May 2019. While, the average exchange rate of rupee against pound sterling is at 90 during May 2019.

Trend of rupee against various currencies



Source: PHD Research Bureau compiled from RBI

Indian rupee overview

Average Exchange rate of rupee against USD stands at 70 in May 2019, against pound sterling at 89, against Euro at 78 and against Japanese Yen at 63.



Trade & Investment Facilitation Services

TIFS

SINGLE WINDOW INFORMATION 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 envisage US\$ 1000 billion merchandise 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.

Trade Consular's of different countries

Government including Central and State

Industry Associations

International Trade and Business Community

International Chambers of Commerce

International Consulting Firms

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.

Registration fee 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.

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Monthly trend of rupee exchange rate (high and low) against currencies

In the month of May 2019, the exchange rate of rupee against USD recorded highest at 70.42, while it registered lowest at 69.26. The exchange rate of rupee against pound registered highest at 91.43 and lowest at 87.92. In case of Euro currency, exchange rate of rupee recorded highest at 79.15 and lowest at 77.33. The exchange rate of rupee against Japanese yen recorded highest at 64.25 and lowest at 62.13.

Indian rupee overview

(May 2019)

INR against foreign currency	Open	High	Low	Close
USD	69.54	70.42	69.26	69.80
Pound Sterling	90.78	91.43	87.92	88.00
Euro	77.88	79.15	77.33	77.72
Japanese Yen	62.34	64.25	62.13	64.08

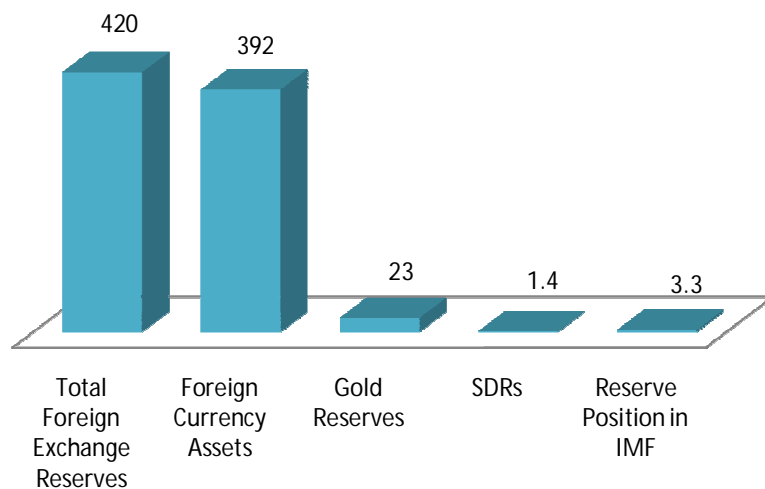
Exchange rate of rupee against USD stood highest at 70.42 and lowest at 69.26 in May 2019.

Source: PHD Research Bureau compiled from RBI

Foreign exchange reserves

India's foreign exchange reserves stands at about USD 420 billion as on May 24, 2019 of which Foreign Currency Assets consists of USD 392 billion, Gold reserves at USD 23 billion, SDRs at USD 1.4 billion and reserve position in the IMF at USD 3 billion.

Foreign exchange reserves as on May 24, 2019 (USD Billion)



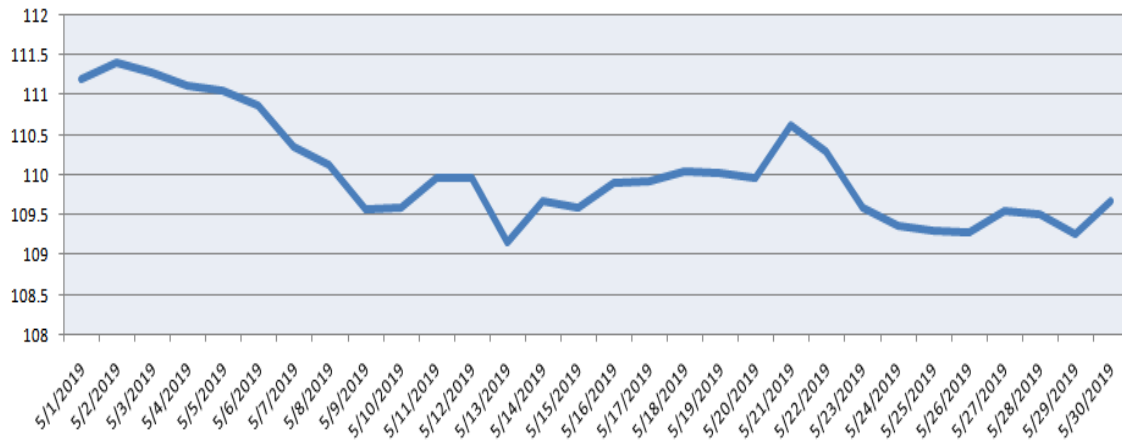
India's foreign exchange reserves are at about USD 420 billion as on May 24, 2019

Source: PHD Research Bureau compiled from RBI

Trend of USD against Japanese Yen, British Pound and Euro in May 2019

Trend of USD against Japanese Yen

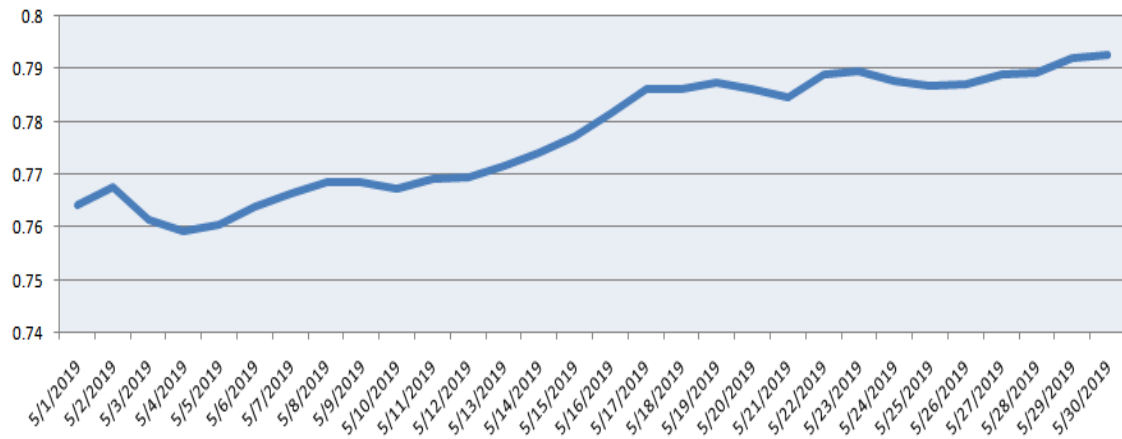
(May 2019)



Source: PHD Research Bureau compiled from x-rates.

Trend of USD against British Pound

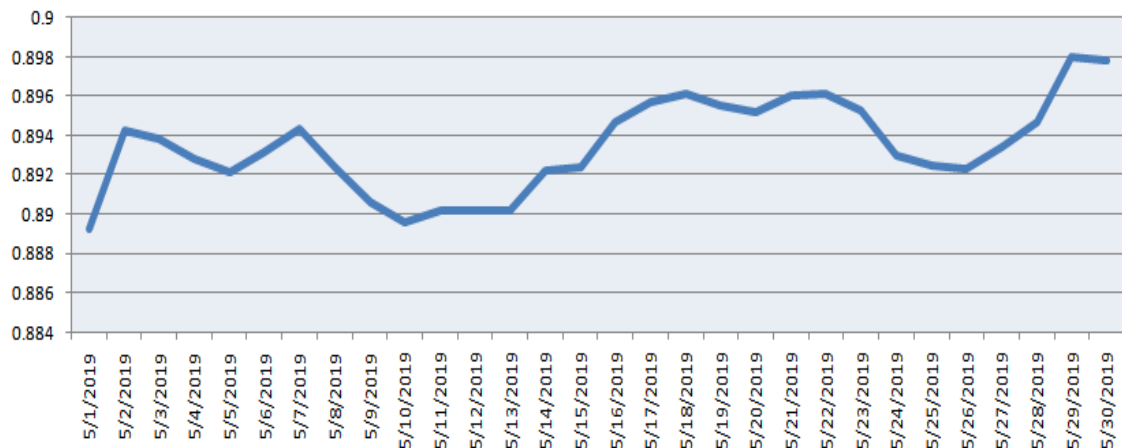
(May 2019)



Source: PHD Research Bureau compiled from x-rates.

Trend of USD against Euro

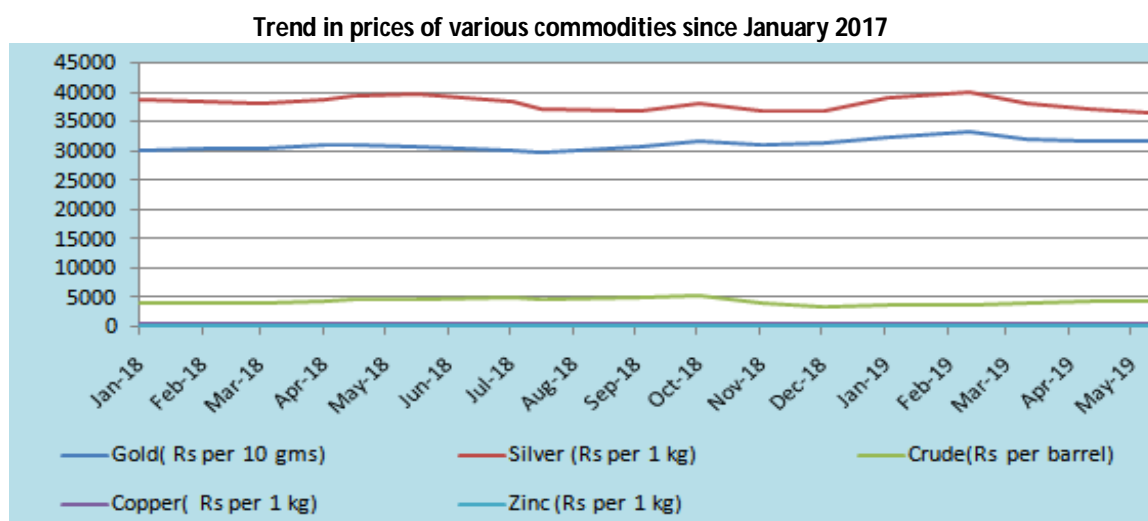
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Source: PHD Research Bureau compiled from x-rates.

Commodity Markets

At commodity front, the average price of Gold has increased from Rs 31648 per 10 grams in April 2019 to Rs 31721 per 10 grams in May 2019. The average price of silver has decreased from Rs. 37195 per 1 kg in April 2019 to Rs 36593 in May 2019. Similarly, the average price of copper has decreased from Rs. 446 per 1 kg in April 2019 to Rs. 422 per 1 kg in May 2019. The average price of Zinc has decreased from Rs. 228 per 1 kg in April 2019 to Rs 216 in May 2019. The average price of crude oil has declined to Rs 36593 per barrel in May 2019 from around to Rs. 37195 per barrel in April 2019.



Source: PHD Research Bureau, compiled from MCX.

Financial Markets

Select indices such as DAX, DJIA, NIKKEI and SHZ have exhibited negative of -5%, -6.7%, -7.4% and -7.3% respectively while SENSEX recorded positive growth of around 2% in May 2019 over April 2019 (point to point on closing values).

Global Indices			
Index	Index	Index	Monthly Change
	(as on 30 th April 2019)	(as on 31 st May 2019)	(in %)
DAX¹	12344	11726	-5.0
DJIA²	26592	24815	-6.7
NIKKEI³	22258	20601	-7.4
SENSEX⁴	39031	39714	1.7
SHSZ⁵	3913	3629	-7.3

Source: PHD Research Bureau, compiled from various sources. Note: ¹ Deutscher Aktien Index (Germany) data, ² Dow Jones Industrial Average (US) Data, ³ NIKKEI (Japan), ⁴ BSE SENSEX (India), ⁵ Shanghai Shenzhen CSI 300 Index (China).

Recent regulatory developments

RBI releases Prudential Framework for Resolution of Stressed Assets

Hon'ble Supreme Court, vide its order dated April 2, 2019, had held the RBI circular dated February 12, 2018 on Resolution of Stressed Assets as ultra vires. In light of the same, the Statement on Framework for Resolution of Stressed Assets issued by the Governor on April 4, 2019 had clarified that the Reserve Bank of India will take necessary steps, including issuance of a revised circular, as may be necessary, for expeditious and effective resolution of stressed assets.

Accordingly, the Reserve Bank has released the prudential framework for resolution of stressed assets by banks in the wake of the judgement of the Hon'ble Supreme Court of India. **The fundamental principles underlying the regulatory approach for resolution of stressed assets are as under:**

1. **Early recognition and reporting of default** in respect of large borrowers by banks, FIs and NBFCs;
2. **Complete discretion to lenders with regard to design and implementation of resolution plans**, in supersession of earlier resolution schemes (S4A, SDR, 5/25 etc.), subject to the specified timeline and independent credit evaluation;
3. **A system of disincentives in the form of additional provisioning** for delay in implementation of resolution plan or initiation of insolvency proceedings;
4. **Withdrawal of asset classification dispensations on restructuring**. Future upgrades to be contingent on a meaningful demonstration of satisfactory performance for a reasonable period;
5. For the purpose of restructuring, the **definition of 'financial difficulty'** to be aligned with the guidelines issued by the Basel Committee on Banking Supervision; and,
6. **Signing of inter-creditor agreement (ICA) by all lenders to be mandatory**, which will provide for a majority decision making criteria.

Framework for Resolution of Stressed Assets

Early identification and reporting of stress: Lenders shall recognise incipient stress in loan accounts, immediately on default, by classifying such assets as special mention accounts (SMA) as per the following categories:

SMA Sub-categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue between
SMA-0	1-30 days
SMA-1	31-60 days
SMA-2	61-90 days

In the case of revolving credit facilities like cash credit, the SMA sub-categories will be as follows:

SMA Sub-categories	Basis for classification – Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for a period of:
SMA-1	31-60 days
SMA-2	61-90 days

Implementation of Resolution Plan : All lenders must put in place Board-approved policies for resolution of stressed assets, including the timelines for resolution. Since default with any lender is a lagging indicator of financial stress faced by the borrower, it is expected that the lenders initiate the process of implementing a resolution plan (RP) even before a default. In any case, once a borrower is reported to be in default by any of the lenders i.e. i.e Scheduled Commercial Banks (excluding Regional Rural Banks), All India Term Financial Institutions, Small Finance Banks and Systemically Important Non-Deposit taking Non-Banking Financial Companies (NBFC-ND-SI) and Deposit taking Non-Banking Financial Companies (NBFC-D), then the lenders shall undertake a prima facie review of the borrower account within thirty days from such default ("Review Period").

During this Review Period of thirty days, lenders may decide on the resolution strategy, including the nature of the RP, the approach for implementation of the RP, etc. The lenders may also choose to initiate legal proceedings for insolvency or recovery. In cases where RP is to be implemented, all lenders shall enter into an inter-creditor agreement (ICA), during the above-said Review Period, to provide for ground rules for finalisation and implementation of the RP in respect of borrowers with credit facilities from more than one lender.

In respect of accounts with aggregate exposure above a threshold with the lenders, as indicated below, on or after the 'reference date', RP shall be implemented within 180 days from the end of Review Period. The Review Period shall commence not later than: The reference date, if in default as on the reference date; or The date of first default after the reference date. The reference dates for the above purpose shall be as under:

Aggregate exposure of the borrower to lenders	Reference date
₹ 20 billion and above	Date of these Directions
₹ 15 billion and above, but less than ₹ 20 billion	January 1, 2020
Less than ₹ 15 billion	To be announced in due course

Extension of relaxation on the guidelines to NBFCs on securitisation transactions

In order to encourage NBFCs to securitise/assign their eligible assets, it was decided by RBI to relax the Minimum Holding Period (MHP) requirement for originating NBFCs, in respect of loans of original maturity above 5 years, to receipt of repayment of six monthly installments or two quarterly installments (as applicable), subject to the following prudential requirement:

Minimum Retention Requirement (MRR) for such securitisation/assignment transactions shall be 20% of the book value of the loans being securitised/20% of the cash flows from the assets assigned.

The above dispensation was applicable to securitization /assignment transactions carried out during a period of six months from 29th November 2018. **On a review, it has been decided by RBI to extend the dispensation provided therein till December 31, 2019.**

RBI constitutes Task Force on the Development of Secondary Market for Corporate Loans

Secondary loan market in India is largely restricted to sale to Asset Reconstruction Companies and ad hoc sale to other lenders including banks, and no formalised mechanism has been developed to deepen the market. A vibrant, deep and liquid secondary market for debt would go a long way in increasing the efficiencies of the debt market in general and would aid in resolution of stressed assets in particular.

A well-developed secondary market for debt would also aid in transparent price discovery of the inherent riskiness of the debt being traded. Additionally, such price discovery would spur innovations in the securitisation market as well as invigorate dormant markets such as corporate credit default swaps (CDS). These would in turn provide with early warning signals regarding the riskiness of the debt being held by the banks which would incentivize improving the underwriting and origination standards.

As part of the Statement on Developmental and Regulatory Policies issued along with the First Bimonthly Monetary Policy for the year 2019-20 on April 4, 2019, it was announced that the Reserve Bank will constitute a Task Force on development of secondary market for corporate loans.

Accordingly, the Reserve Bank of India has constituted a Task Force on the Development of Secondary Market for Corporate Loans. The Terms of Reference of the Task Force are to review the existing state of the market for loan sale/transfer in India as well as the international experience in loan trading and, to make recommendations on:

- required policy/regulatory interventions for facilitating development of secondary market in corporate loans, including loan transaction platform for stressed assets;

- creation of a loan contract registry to remove information asymmetries between buyers and sellers, its ownership structure and related protocols such as standardization of loan information, independent validation and data access;
- design of the market structure for loan sales/auctions, including online platforms and the related trading and transaction reporting infrastructure;
- need for, and role of, third party intermediaries, such as servicers, arrangers, market makers, etc.;
- appropriate measures for enhanced participation of buyers and sellers in loan sale/transfer; and,
- any other matter incidental to the issue.

RBI constitutes Committee on the Development of Housing Finance Securitisation Market

The mortgage securitisation market in India is primarily dominated by direct assignments among a limited set of market participants on account of various structural factors impacting both the demand and the supply side, as well as certain prudential, legal, tax and accounting issues. For a vibrant securitisation market to develop, it is imperative that the market moves to a broader issuance model with suitable structuring of the instruments for diverse investor classes.

At the same time, as the international experience shows, it is critical to address the issues of misaligned incentives and agency problems resulting from information asymmetry problems between the originators and investors in the market, which can exacerbate systemic risk. Thus, a careful design of a robust and transparent securitisation framework assumes paramount significance.

With a view to review the existing state of mortgage securitisation in India and various issues constraining market development, and to develop the market further, the Reserve Bank of India has constituted a Committee on the Development of Housing Finance Securitisation Market. The Terms of Reference of the Committee are as follows:

- To review the existing state of mortgage backed securitisation in India, including the regulations currently in place, and to make specific recommendations on suitably aligning the same with international norms;
- To analyse the prevalent structures for mortgage backed securitisation transactions in India, including legal, tax, valuation and accounting related issues, and suggest necessary modifications to address the requirements of both originators as well as investors;
- To identify the critical steps required for standardisation of mortgage backed securitisation practices such as, conforming mortgages, mortgage documentation standards, digital registry for ease of due diligence and verification by investors;
- To assess the role of various counterparties, including the servicers, trustees, rating agencies, etc. in the securitisation process and suggest measures required, if any to address the key risks, viz., structural, fiduciary and servicer risks;

- To recommend specific measures for facilitating secondary market trading in mortgage securitisation instruments, such as broadening investor base, and strengthening market infrastructure;
- To analyse the inter-linkages between securitisation and other related financial market segments/instruments and recommend necessary policy interventions to leverage these inter-linkages; and,
- To identify any other issue germane to the subject matter and make recommendations thereon.

RBI to create specialised supervisory and regulatory cadre for regulation of Banks and NBFCs

The Reserve Bank of India in its central board meeting held under the Chairmanship of Shri Shaktikanta Das, Governor, Reserve Bank of India in Chennai has **decided to create a specialised supervisory and regulatory cadre within the RBI to strengthen the supervision and regulation of commercial banks, urban cooperative banks and Non-Banking Financial Companies (NBFCs).**

The Board reviewed the current economic situation, global and domestic challenges and various areas of operations of the Reserve Bank. Among other important matters, the Board discussed the Medium Term Strategy document, covering, inter-alia, the Mission Statement and the Vision Statement. The Board also reviewed the present structure of supervision in RBI in the context of the growing diversity, complexities and interconnectedness within the Indian financial sector.

RBI releases targets and classifications for Priority Sector Lending

This is in reference to the Para 10 of the Statement on Developmental and Regulatory Policies of the First Bi-Monthly Monetary Policy Statement 2019-20 dated April 4, 2019 and Para 9 of Master Direction – Regional Rural Banks (RRBs) - Priority Sector Lending – Targets and Classification dated July 7, 2016/Para 5 of the Compendium for Small Finance Banks (SFBs) – Priority Sector Lending – Targets & Classification dated July 6, 2017, prescribing eligibility criteria of housing loans for classification under priority sector.

In terms of the above Master Direction for RRBs, loans to individuals up to ₹ 20 lakh for purchase/construction of a dwelling unit per family provided the overall cost of the dwelling unit does not exceed ₹ 25 lakh are eligible to be classified under priority sector. In terms of the Compendium for SFBs, loans to individuals up to ₹ 28 lakh in metropolitan centres (with population of ten lakh and above) and ₹ 20 lakh in other centres, are eligible to be classified under priority sector, provided that the cost of dwelling unit does not exceed ₹ 35 lakh and ₹ 25 lakh, respectively.

In order to bring the RRBs and SFBs at a level playing field with other Scheduled Commercial Banks, it has now been decided to enhance the housing loan limits for eligibility under priority sector lending. Accordingly, in respect of RRBs and SFBs, housing loans to individuals up to ₹ 35 lakh in metropolitan centres (with population of ten lakh and above) and ₹ 25 lakh in other centres, provided the overall cost of the dwelling unit in the

metropolitan centres and at other centres does not exceed ₹ 45 lakh and ₹ 30 lakh, respectively will be eligible for classification under Priority Sector Lending.

Furthermore, the existing family income limit of ₹ 2 lakh per annum, prescribed under Para 9.4 of the above Master Direction for RRBs/Para 5.4 of the Compendium for SFBs, eligible for loans to housing projects exclusively for the purpose of construction of houses for Economically Weaker Sections (EWS) and Low Income Groups (LIG), is revised to ₹ 3 lakh per annum for EWS and ₹ 6 lakh per annum for LIG, in alignment with the income criteria specified under the Pradhan Mantri Awas Yojana.

Accordingly, the RRBs/SFBs are allowed to reckon their outstanding portfolio of housing loans meeting the revised criteria for classification under priority sector lending from the date of this circular.

Macro-economic indicators

March 2019 IIP stands at (-)0.1%

Growth in industry output, as measured in terms of IIP, for the month of March 2019 stands at (-)0.1% as compared to 0.1% in February 2019. The growth in the three sectors mining, manufacturing and electricity in March 2019 stands at 0.8%, (-)0.4% and 2.2% respectively over March 2018. Primary goods growth stands at 2.5%, capital goods growth stands at (-)8.7%, intermediate goods growth stands at (-)2.5%, infrastructure/construction goods growth stands at 6.4%, consumer durables stands at (-)5.1% and consumer non-durables growth stands at 0.3% during March 2019 as compared to the previous year.

April 2019 CPI inflation rises to 2.92%

The all India general CPI inflation (Combined) for April 2019 rises to 2.92% from 2.86% in March 2019. The inflation rates for rural and urban areas for April (Prov.) 2019 are 1.9% and 4.2% as compared to 1.8% and 4.1% respectively, for March 2019. Rate of inflation during April (Prov.) 2019 for fuel and light (2.6%), housing (4.8%), transport and communication (2.5%), education (6.9%) and health (8.4%) etc.

April 2019 WPI inflation stands at 3.1%

The WPI inflation decrease to 3.1% in April 2019 from 3.2% in March 2019, 2.9% in February 2019, 2.8% in January 2019, 3.5% in December 2018 and 4.5% in November 2018. The decline in WPI inflation in the month of April 2019 is attributed to decrease in the prices of Potato (-17.2%), Crude Petroleum (-2.5%) and Wheat (7.5%).

Merchandise exports and imports grew by 0.6% and 4.4% respectively in April 2019

Exports in April 2019 were USD 26.07 billion, as compared to USD 25.91 billion in April 2018, exhibiting a positive growth of 0.64 percent. On the other hand, imports in April 2019 were USD 41.40 billion, which was 4.48 per cent higher in dollar terms

India's trade statistics at a glance

Merchandise	Sept-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-Mar 2018-19	Apr-19
Exports (USD billion)	28	27	26	28	26	27	33	331	26.07
Growth (%)	-2	18	1	0.3	4	2	11	9	0.6
Imports (USD billion)	42	44	43	41	41	36	43	507	41.4
Growth (%)	10	18	4	2	0.01	-5	1	9	4.4
Trade Balance (USD billion)	-14	-17	-17	-13	-14.7	-10	-11	-176	-15

Source: PHD Research Bureau, compiled from Ministry of Commerce and Industry, Govt of India

FDI inflows in India increased by 6% in 2018-19

During FY2018-19 (April-March), FDI inflows stand at about USD 64 billion as against USD 61 billion during the same corresponding period of last year, registering a growth rate of 6% year on year.

Trend in FDI inflows

S. No.	Financial Year (April-March)	FOREIGN DIRECT INVESTMENT (FDI)						Investment by FII's Foreign Institutional Investors Fund (net)
		Equity		Re- invested earnings +	Other capital +	FDI FLOWS INTO INDIA		
		FIPB Route/ RBI's Automatic Route/ Acquisition Route	Equity capital of unincorpora ted bodies #			Total FDI Flows	%age growth over previous year (in US\$ terms)	
FINANCIAL YEARS 2000-01 TO 2018-19								
1.	2000-01	2,339	61	1,350	279	4,029	-	1,847
2.	2001-02	3,904	191	1,645	390	6,130	(+) 52 %	1,505
3.	2002-03	2,574	190	1,833	438	5,035	(-) 18 %	377
4.	2003-04	2,197	32	1,460	633	4,322	(-) 14 %	10,918
5.	2004-05	3,250	528	1,904	369	6,051	(+) 40 %	8,686
6.	2005-06	5,540	435	2,760	226	8,961	(+) 48 %	9,926
7.	2006-07	15,585	896	5,828	517	22,826	(+) 155 %	3,225
8.	2007-08	24,573	2,291	7,679	300	34,843	(+) 53 %	20,328
9.	2008-09	31,364	702	9,030	777	41,873	(+) 20 %	(-) 15,017
10.	2009-10	25,606	1,540	8,668	1,931	37,745	(-) 10 %	29,048
11.	2010-11	21,376	874	11,939	658	34,847	(-) 08 %	29,422
12.	2011-12	34,833	1,022	8,206	2,495	46,556	(+) 34 %	16,812
13.	2012-13	21,825	1,059	9,880	1,534	34,298	(-) 26%	27,582
14.	2013-14	24,299	975	8,978	1,794	36,046	(+) 5%	5,009
15.	2014-15	30,933	978	9,988	3,249	45,148	(+) 25%	40,923
16.	2015-16	40,001	1,111	10,413	4,034	55,559	(+) 23%	(-) 4,016
17.	2016-17 (P)	43,478	1,223	12,343	3,176	60,220	(+) 8%	7,735
18.	2017-18 (P)	44,857	664	12,542	2,911	60,974	(+) 1%	22,165
19.	2018-19 (P)	44,366	693	13,570	5,746	64,375	(+) 6%	(-) 3,587
CUMULATIVE TOTAL (from April, 2000 to March, 2019)		422,900	15,465	140,016	31,457	609,838	-	212,888

Source: (i) RBI's Bulletin March, 2019 dt.11.05.2019 (Table No. 34 – FOREIGN INVESTMENT INFLOWS). (ii) Inflows under the acquisition of shares in March, 2011, August, 2011 & October, 2011, include net FDI on account of transfer of participating interest from Reliance Industries Ltd. to BP Exploration (Alpha). (iv) RBI had included Swap of Shares of US\$ 3.1 billion under equity components during December 2006. (v) Monthly data on components of FDI as per expended coverage are not available. These data, therefore, are not comparable with FDI data for previous years. (vi) Figures updated by RBI up to March, 2019. Figures are provisional. (vii) Data in respect of 'Re-invested earnings' & 'Other capital' are estimated as average of previous two years. '#' Figures for equity capital of unincorporated bodies are estimates. (P) All figures are provisional

S. NO.	Indicators	May -19
1	Daily average monthly turnover in foreign exchange market	
	Purchase (USD billion) *	2.5
	Sales (USD billion) *	2.5
2	Exchange rate of rupee against USD (monthly average)**	70
3	Exchange rate of rupee against Pound Sterling (monthly average)	90
4	Exchange rate of rupee against Euro (monthly average)	78
5	Exchange rate of rupee against Japanese Yen (monthly average)	63
6	Foreign exchange reserves (USD billion)^	420
7	IIP (growth in %)-March 2019	-0.1%
8	CPI inflation (%) –April 2019	2.9%
9	WPI inflation (%) - Apr 2019	3.1%
10	FDI inflows (USD billion)***	64
11	FDI inflows (% growth)****	6%
12	External Debt (USD billion)@	510
13	ECBs (USD billion) –Apr 2019	3
14	Current account deficit as a % of GDP Q3 of FY2019	2.5
15	India's exports (USD billion) –Feb 2019	27
16	Growth of exports (%)–Feb 2019	2
17	India's imports (USD billion)- Feb 2019	36
18	Growth of imports (%)–Feb 2019	(-) 5
19	Trade balance (USD billion) –Feb 2019	(-)10.0
20	Repo rate ^^	6.25%
21	Reverse repo rate^^	5.50%
22	Cash reserve ratio^^	4%
23	Statutory liquidity ratio^^	19%

Source: PHD Research Bureau compiled from various sources. *Data for the month of Dec 2018. ** Data for May 2019 ^ Foreign exchange reserves on May 24, 2019, @Data for the end-Sep 2018,^^Key policy rates such as repo, CRR, reverse repo and SLR pertains to as on 6th June 2019, *** 2018-2019 (April to March 2018-19), ****Growth (YOY) over previous period.

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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"> Developments in International Trade 		

Studies undertaken by the 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)
22. Agronomics 2014: Impact on economic growth and inflation (August 2014)
23. 100 Days of new Government (September 2014)
24. Make in India: Bolstering Manufacturing Sector (October 2014)
25. The Indian Direct Selling Industry Annual Survey 2013-14 (November 2014) Participated in a survey to audit SEZs in India with CAG Office of India (November 2014)
26. Role of MSMEs in Make in India with reference to Ease of Doing Business in Ghaziabad (Nov 2014)
27. Exploring Prospects for Make in India and Made in India: A Study (January 2015)
28. SEZs in India: Criss-Cross Concerns (February 2015)
29. Socio-Economic Impact of Check Dams in Sikar District of Rajasthan (February 2015)
30. India - USA Economic Relations (February 2015)
31. Economy on the Eve of Union Budget 2015-16 (February 2015)
32. Budget Analysis (2015-16)
33. Druzhba-Dosti: India's Trade Opportunities with Russia (April 2015)
34. Impact of Labour Reforms on Industry in Rajasthan: A survey study (July 2015)
35. Progress of Make in India (September 2015)
36. Grown Diamonds, A Sunrise Industry in India: Prospects for Economic Growth (November 2015)

37. Annual survey of Indian Direct Selling Industry 2014-15 (December 2015)
38. India's Foreign Trade Policy Environment Past, Present and Future (December 2015)
39. Revisiting the emerging economic powers as drivers in promoting global economic growth(February 2016)
40. Bolstering MSMEs for Make in India with special focus on CSR (March 2016)
41. BREXIT impact on Indian Economy (July 2016)
42. India's Exports Outlook (August 2016)
43. Ease of Doing Business : Suggestive Measures for States (October 2016)
44. Transforming India through Make in India, Skill India and Digital India (November 2016)
45. Impact of Demonetization on Economy, Businesses and People (January 2017)
46. Economy on the eve of Budget 2017-18 (January 2017)
47. Union Budget 2017-18: A budget for all-inclusive development (January 2017)
48. Annual Survey of Indian Direct Selling Industry 2015-16 (February 2017)
49. Worklife Balance and Health Concerns of Women: A Survey (March 2017)
50. Special Economic Zones: Performance, Problems and Opportunities (April 2017)
51. Feasibility Study (socio-Economic Survey) of Ambala and Rohtak Districts in Haryana (March 2017)
52. Goods and Services (GST): So far (July 2017)
53. Reshaping India-Africa Trade: Dynamics and Export Potentiality of Indian Products in Africa (July 2017)
54. Industry Perspective on Bitcoins (July 2017)
55. Senior Housing: A sunrise sector in India (August 2017)
56. Current state of the economy (October 2017)
57. Equitable finance to fulfill funding requirements of Indian Economy (October 2017)
58. The Wall of Protectionism: : Rise and Rise of Protectionist Policies in the Global Arena, (November 2017)
59. India-Israel Relations: Building Bridges of Dynamic Trade(October 2017)
60. Role of Trade Infrastructure for Export Scheme (TIES) in Improving Export Competitiveness (November 2017)
61. India - China Trade Relationship: The Trade Giants of Past, Present and Future (January 2018)
62. Analysis of Trade Pattern between India and ASEAN(January 2018)
63. Union Budget 2018-19 – (February 2018)
64. Ease of Doing Work for Women: A survey of Delhi NCR (February 2018)
65. Restraining Wilful Defaults: Need of the hour for Indian Banking System (March 2018)
66. Impact of GST on Business, Industry and Exporters (April 2018)
67. India – Sri Lanka Bilateral Relations: Reinforcing trade and investment prospects (May 2018)
68. Growth Prospects of the Indian Economy: Road to US \$5 Trillion Economy(May 2018)
69. India's Free Trade Agreements Dynamics and Diagnostics of Trade Prospects(May 2018)
70. Growth Prospects of the India Economy: Road to US \$5 Trillion Economy(May 2018)
71. India – UK Trade Relations and Societal Links: Way Forward (June 2018)
72. Rural India: Road to US\$ 5 trillion economy (September 2018)
73. Economy on the eve of Interim Budget 2019-20 (January 2019)
74. Interim Budget 2019-20 analysis (February 2019)

75. Women Entrepreneurship: Transforming from domestic household to financial independence
76. India towards a Shared Prosperity: Economic agenda for the Next Five Years (March 2019)
77. Job Creation: A Pan India Survey of Households (March 2019)

B: State profiles

78. Rajasthan: The State Profile (April 2011)
79. Uttarakhand: The State Profile (June 2011)
80. Punjab: The State Profile (November 2011)
81. J&K: The State Profile (December 2011)
82. Uttar Pradesh: The State Profile (December 2011)
83. Bihar: The State Profile (June 2012)
84. Himachal Pradesh: The State Profile (June 2012)
85. Madhya Pradesh: The State Profile (August 2012)
86. Resurgent Bihar (April 2013)
87. Life ahead for Uttarakhand (August 2013)
88. Punjab: The State Profile (February 2014)
89. Haryana: Bolstering Industrialization (May 2015)
90. Progressive Uttar Pradesh: Building Uttar Pradesh of Tomorrow (August 2015),
91. Suggestions for Progressive Uttar Pradesh (August 2015)
92. State profile of Telangana- The dynamic state of India (April 2016)
93. Smart Infrastructure Summit 2016- Transforming Uttar Pradesh (August 2016)
94. Smart Infrastructure Summit 2016-Transforming Uttar Pradesh : Suggestions for the State Government (August 2016)
95. Rising Jharkhand: An Emerging Investment Hub (February 2017)
96. Punjab: Roadmap for the New Government Suggestions for the Industrial and Socio-Economic Development – Focus MSMEs ease of doing business (May 2017)
97. Prospering Himachal Pradesh: A Mountain of Opportunities (August 2017)
98. Kashmir: The way forward (February 2018)
99. Analysis of State Budgets for 2018-19: Select States (March 2018)
100. Rising Uttar Pradesh : One District One Product Summit (August 2018)
101. Rajasthan Steady Strides into the Future: Emerging Growth Dynamics and the Way Forward (August 2018)
102. Jharkhand: Economic Profile (January 2019)
103. Rising Jharkhand: Skill Development to spur socio-economic growth (January 2019)
104. Progressive Haryana: The Agricultural Hub of India (February 2019)
105. Progressive Haryana: Economic Profile (February 2019)



About Us

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 1,30,000 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 the National Level, the PHD Chamber is well represented in 16 states with its own offices and MOUs with eleven Partner Chambers in different states.

At the Global level, we have been working with the Concerned Ministries, Embassies and High Commissions to bring in the International Best Practices and Business Opportunity.

PHD Chamber has special focus on the following thrust areas:

- Economic & Business Policy Advocacy
- Industry
- Infrastructure
- Housing
- Health
- Education & Skill Development
- Agriculture & Agri-business
- ICT
- International Trade

"Towards an Inclusive & Prosperous India"

PHD CHAMBER OF COMMERCE AND INDUSTRY

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