



NATIONAL APEX CHAMBER

FOREX & FEMA Newsletter

October 2019

PHD Research Bureau

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110016

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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 2425 million in January 2019 to USD 2729 million in February 2019. In the category of sales, the average daily turnover has also increased from USD 2417 million in January 2019 to USD 2754 million in February 2019.

In the month of September 2019, the average exchange rate of rupee against USD stands at 71.33. The average exchange rate of rupee against Japanese yen stands at 66.35. The exchange rate of rupee against Euro has remained at an average of 78.54 in the month of September 2019. While, the average exchange rate of rupee against pound sterling is at 88.14 during September 2019.

India's foreign exchange reserves stands at about USD 440 billion as on October 11, 2019 of which Foreign Currency Assets consists of USD 408 billion, Gold reserves at USD 27 billion, SDRs at USD 1.4 billion and reserve position in the IMF at USD 3.6 billion.

At regulatory front, RBI released draft guidelines for 'on tap' licensing of Small Finance Banks in the Private Sector. Further, in order to boost credit to export sector, it has been decided by RBI to enhance the sanctioned limit for classification of export credit under Priority Sector Lending (PSL) from Rs. 250 million per borrower to Rs. 400 million per borrower. Also, RBI has removed the existing criteria of 'units having turnover of up to Rs. 1 billion' to avail this benefit.

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) of RBI decided to reduce the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points (bps) from 5.40 per cent to 5.15 per cent with immediate effect. Consequently, the reverse repo rate under the LAF stands revised to 4.90 per cent, and the marginal standing facility (MSF) rate and the Bank Rate to 5.40 per cent

The 25 basis points cut in the repo rate from 5.40% to 5.15% by RBI will help to induce demand and refuel economic growth in the coming quarters. It will enhance competitiveness with reduced cost of capital for the producers. However, at this juncture, transmission of the cut in repo rate by the banking sector will be crucial to percolate the benefits at the ground level

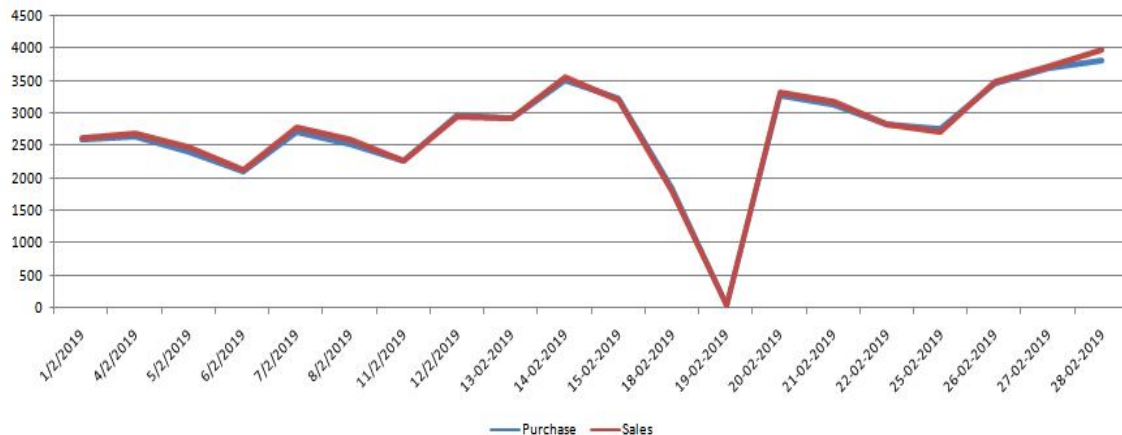
At commodity front, the average price of Gold has increased from Rs 37372 per 10 grams in August 2019 to Rs 37926 per 10 grams in Sep 2019. The average price of silver has also increased from Rs. 43627 per 1 kg in August 2019 to Rs 46623 in Sep 2019. Similarly, the average price of crude oil has increased from Rs 3905 per barrel in August 2019 to Rs. 4062 per barrel in Sep 2019. The average price of copper has risen from Rs. 438 per 1 kg in August 2019 to Rs. 443 per 1 kg in Sep 2019. However, the average price of Zinc has remained same at about Rs. 187 per 1 kg in August and Sep 2019 each.

India's foreign exchange market turnover (daily average)

The daily average monthly turnover in India's foreign exchange market including merchant and interbank transactions in the category of purchases increased from USD 2425 million in January 2019 to USD 2729 million in February 2019. In the category of sales, the average daily turnover has also increased from USD 2417 million in January 2019 to USD 2754 million in February 2019.



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

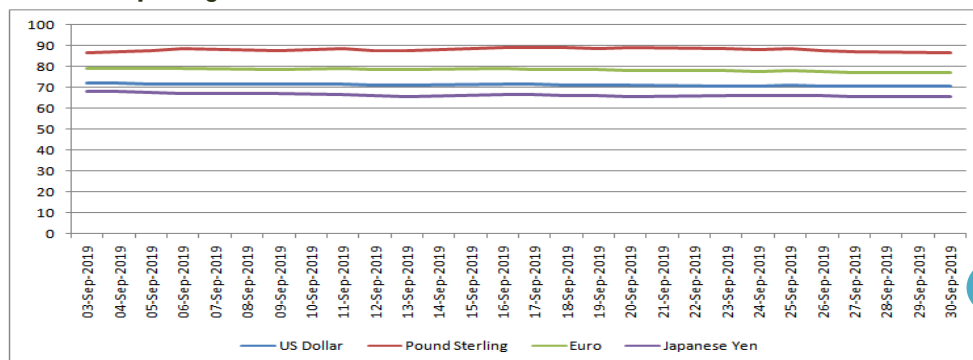


Source: PHD Research Bureau compiled from RBI

Overview of Indian rupee

In the month of September 2019, the average exchange rate of rupee against USD stands at 71.33. The average exchange rate of rupee against Japanese yen stands at 66.35. The exchange rate of rupee against Euro has remained at an average of 78.54 in the month of September 2019. While, the average exchange rate of rupee against pound sterling is at 88.14 during September 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 71.33 in Sep 2019, against pound sterling at 88.14, against Euro at 78.54 and against Japanese Yen at 66.35.

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

In the month of September 2019, the exchange rate of rupee against USD recorded highest at 72.18, while it registered lowest at 70.68. The exchange rate of rupee against pound registered highest at 89.21 and lowest at 86.71. In case of Euro currency, exchange rate of rupee recorded highest at 79.20 and lowest at 77.32. The exchange rate of rupee against Japanese yen recorded highest at 67.92 and lowest at 65.55.

Indian rupee overview

(Sep 2019)

INR against foreign currency	Open	High	Low	Close
USD	72.18	72.18	70.68	70.68
Pound Sterling	86.71	89.21	86.71	86.92
Euro	78.99	79.20	77.32	77.32
Japanese Yen	67.92	67.92	65.55	65.55

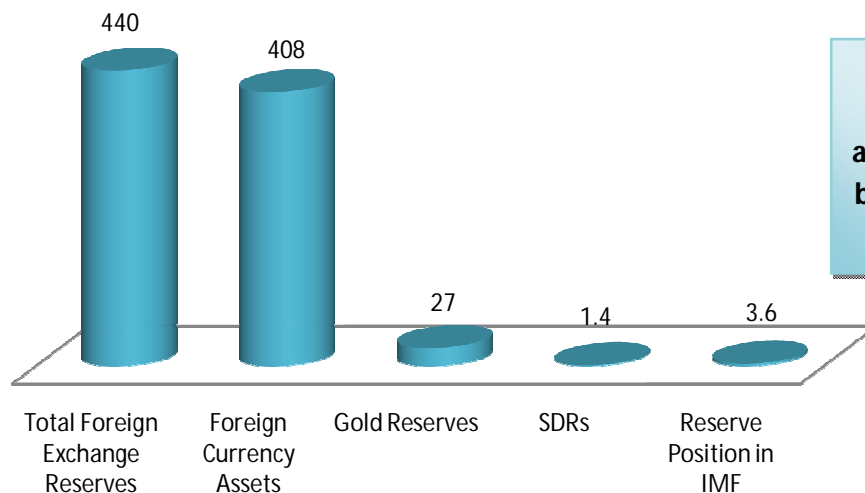
Exchange rate of rupee against USD stood highest at 72.18 and lowest at 70.68 in Sep 2019.

Source: PHD Research Bureau compiled from RBI.

Foreign exchange reserves

India's foreign exchange reserves stands at about USD 440 billion as on October 11, 2019 of which Foreign Currency Assets consists of USD 408 billion, Gold reserves at USD 27 billion, SDRs at USD 1.4 billion and reserve position in the IMF at USD 3.6 billion.

Foreign exchange reserves as on October 11, 2019 (USD Billion)



India's foreign exchange reserves are at about USD 440 billion as on October 11, 2019

Source: PHD Research Bureau compiled from RBI



Trade & Investment Facilitation Services



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.

For details, contact:

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PHD Chamber of Commerce and Industry

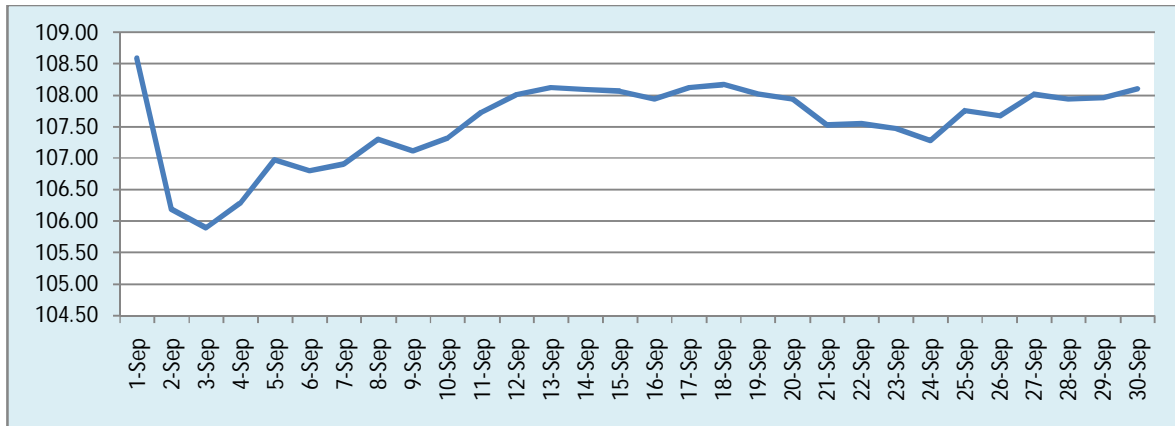
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Trend of USD against Japanese Yen, British Pound and Euro in Sep 2019

Trend of USD against Japanese Yen

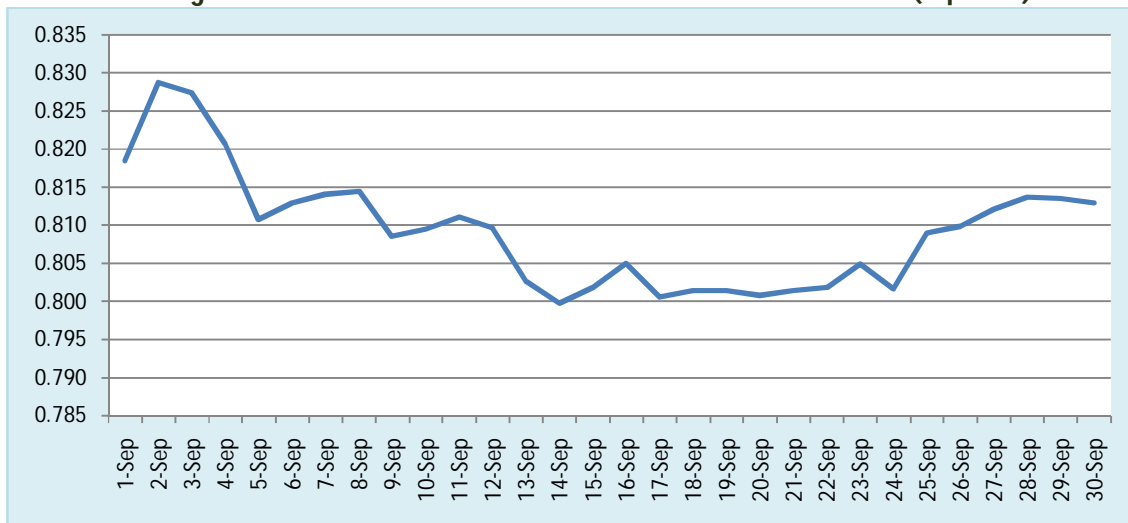
(Sep 2019)



Source: PHD Research Bureau compiled from x-rates.

Trend of USD against British Pound

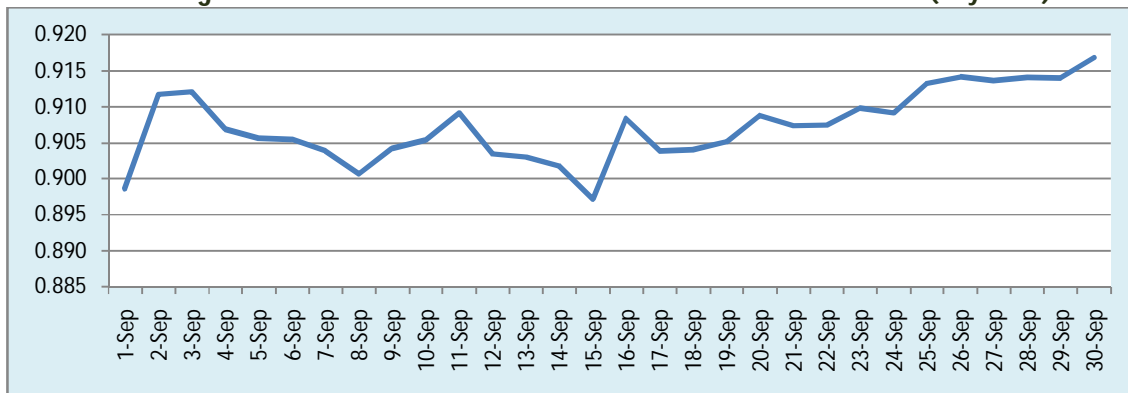
(Sep 2019)



Source: PHD Research Bureau compiled from x-rates.

Trend of USD against Euro

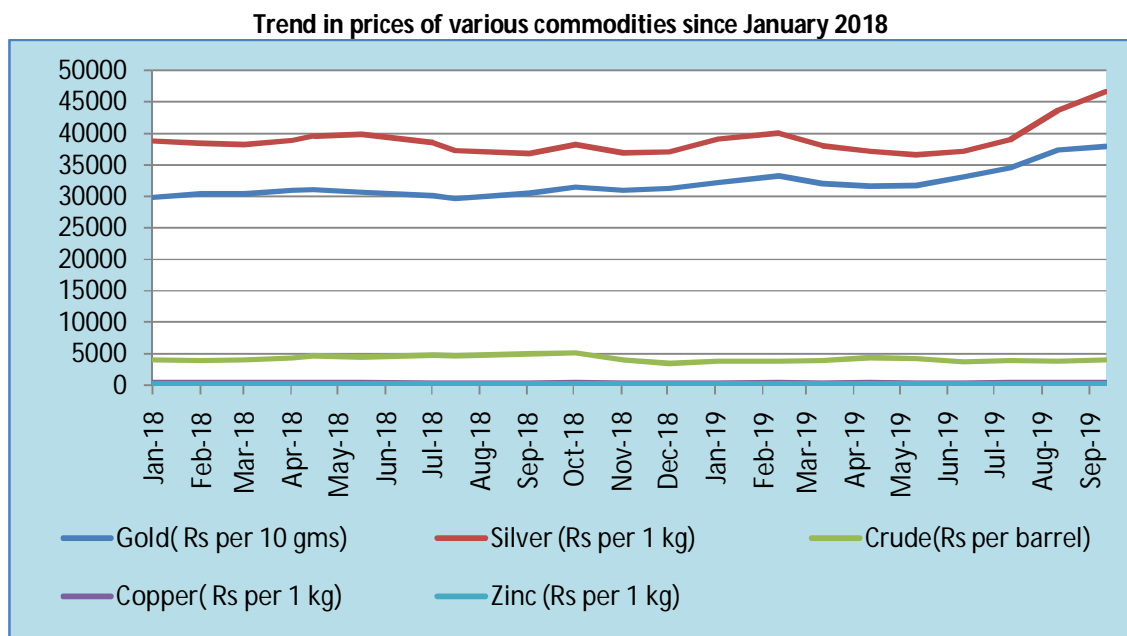
(July 2019)



Source: PHD Research Bureau compiled from x-rates.

Commodity Markets

At commodity front, the average price of Gold has increased from Rs 37372 per 10 grams in August 2019 to Rs 37926 per 10 grams in Sep 2019. The average price of silver has also increased from Rs. 43627 per 1 kg in August 2019 to Rs 46623 in Sep 2019. Similarly, the average price of crude oil has increased from Rs 3905 per barrel in August 2019 to Rs. 4062 per barrel in Sep 2019. The average price of copper has risen from Rs. 438 per 1 kg in August 2019 to Rs. 443 per 1 kg in Sep 2019. However, the average price of Zinc has remained same at about Rs. 187 per 1 kg in August and Sep 2019 each.



Source: PHD Research Bureau, compiled from MCX.

Financial Markets

Select indices such as DAX, DJIA, NIKKEI, SENSEX and SHSZ have exhibited positive growth of around 4.1%, 1.9%, 5.1%, 3.6% and 0.4% in September 2019 over August 2019 (point to point on closing values).

Global Indices			
Index	Index	Index	Monthly Change
	(as on 30 th Aug 2019)	(as on 30 th Sep 2019)	(in %)
DAX ¹	11939	12428	4.1
DJIA ²	26403	26916	1.9
NIKKEI ³	20704	21755	5.1
SENSEX ⁴	37,333	38,667	3.6
SHSZ ⁵	3799	3814	0.4

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

Exchange Rate of conversion of the Foreign Currencies relating to Imported and Export Goods

In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in supersession of the notification of the Central Board of Indirect Taxes and Customs No.72/2019-CUSTOMS (N.T.), dated 3rd October, 2019 except as respects things done or omitted to be done before such supersession, the Central Board of Indirect Taxes and Customs hereby determines that the rate of exchange of conversion of each of the foreign currencies specified in column (2) of each of Schedule I and Schedule II annexed hereto, into Indian currency or *vice versa*, shall, with effect from 18th October, 2019, be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SCHEDULE-I

S.No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(3)	
		(a)	(b)
(1)	(2)	(For Imported Goods)	(For Exported Goods)
1.	Australian Dollar	49.65	47.45
2.	Bahraini Dinar	195.75	183.60
3.	Canadian Dollar	55.10	53.15
4.	Chinese Yuan	10.20	9.90
5.	Danish Kroner	10.80	10.40
6.	EURO	80.65	77.65
7.	Hong Kong Dollar	9.30	8.95
8.	Kuwaiti Dinar	242.70	227.65
9.	New Zealand Dollar	46.25	44.10
10.	Norwegian Kroner	7.95	7.65
11.	Pound Sterling	93.25	90.00
12.	Qatari Riyal	20.25	19.00
13.	Saudi Arabian Riyal	19.65	18.45
14.	Singapore Dollar	53.15	51.30
15.	South African Rand	4.95	4.65
16.	Swedish Kroner	7.45	7.20
17.	Swiss Franc	73.35	70.55
18.	Turkish Lira	12.50	11.75
19.	UAE Dirham	20.10	18.85
20.	US Dollar	72.30	70.60

Source: Ministry of Finance, Government of India

SCHEDULE-II

Sl.No.	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	66.95	64.45
2.	Korean Won	6.20	5.85

Source: Ministry of Finance, Government of India

RBI announces classification of Exports under priority sector

In order to boost credit to export sector, it has been decided by RBI to enhance the sanctioned limit for classification of export credit under Priority Sector Lending (PSL) from Rs. 250 million per borrower to Rs. 400 million per borrower. Also, RBI has removed the existing criteria of 'units having turnover of up to Rs. 1 billion' to avail this benefit.

The existing guidelines for domestic scheduled commercial banks to classify 'Incremental export credit over corresponding date of the preceding year, upto 2 per cent of Adjusted Net Bank Credit (ANBC) or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher' under PSL will continue to be applicable subject to the criteria mentioned above. There is no change in the present instructions in respect of foreign banks.

RBI releases draft guidelines for 'on tap' licensing of Small Finance Banks in the Private Sector

The Reserve Bank had issued the Guidelines for Licensing of "Small Finance Banks" in the Private Sector on November 27, 2014. The process of licensing culminated in granting in-principle approval to ten applicants and they have since established the banks. It was notified in these Guidelines that after gaining experience in dealing with these banks, the Reserve Bank will consider 'on tap' licensing of these banks. After a review of the performance of the existing small finance banks and to encourage competition, it was announced in the Second Bi-monthly Monetary Policy Statement, 2019-20 dated June 06, 2019 that the Reserve Bank would put out draft guidelines for 'on tap' licensing of such banks. Accordingly, the following guidelines for licensing of small finance banks in the private sector have been formulated for continuous authorisation.

Guidelines

Registration, licensing and regulations: The small finance bank shall be registered as a public limited company under the Companies Act, 2013. It will be licensed under Section 22 of the Banking Regulation Act, 1949 and governed by the provisions of the Banking Regulation Act, 1949; Reserve Bank of India Act, 1934; Foreign Exchange Management Act, 1999; Payment and Settlement Systems Act, 2007; Credit Information Companies (Regulation) Act, 2005; Deposit Insurance and Credit Guarantee Corporation Act, 1961; other relevant Statutes and the Directives, Prudential Regulations and other Guidelines/

Instructions issued by Reserve Bank of India (RBI) and other regulators from time to time. The small finance banks will be given scheduled bank status once they commence their operations.

Objectives: The objectives of setting up of small finance banks will be for furthering financial inclusion by (i) provision of savings vehicles primarily to unserved and underserved sections of the population, and (ii) supply of credit to small business units; small and marginal farmers; micro and small industries; and other unorganised sector entities, through high technology-low cost operations.

Scope of activities: The small finance bank, in furtherance of the objectives for which it is set up, shall primarily undertake basic banking activities of acceptance of deposits and lending to unserved and underserved sections including small business units, small and marginal farmers, micro and small industries and unorganised sector entities.

It can also undertake other non-risk sharing simple financial services activities, not requiring any commitment of own fund, such as distribution of mutual fund units, insurance products, pension products, etc. with the prior approval of the RBI and after complying with the requirements of the sectoral regulator for such products. After three years from the date of commencement of operations of the bank, requirement for prior approval from the Reserve Bank will no longer apply and the bank will be governed by the extant norms as applicable to scheduled commercial banks. The small finance bank can also become a Category II Authorised Dealer in foreign exchange business for its clients' requirements.

Capital requirement: The minimum paid-up voting equity capital for small finance banks shall be Rs.200 crore, except for such small finance banks which are converted from UCBs for which the capital requirement will be as prescribed in paragraph 3(a) above.

In view of the inherent risk of a small finance bank, it shall be required to maintain a minimum capital adequacy ratio of 15 per cent of its risk weighted assets (RWA) on a continuous basis, subject to any higher percentage as may be prescribed by RBI from time to time. Tier I capital should be at least 7.5 per cent of RWAs. Tier II capital should be limited to a maximum of 100 per cent of total Tier I capital. Basel II norms will be generally applicable to the small finance banks, unless stipulated otherwise.

Promoters' contribution: The promoters shall hold a minimum of 40 per cent of the paid-up voting equity capital of the bank, which shall be locked-in for a period of five years from the date of commencement of business of the bank. If the initial shareholding by promoters in the bank is in excess of 40 per cent of paid-up voting equity capital, it should be brought down to 40 per cent within a period of five years. Whether a promoter ceases to be a promoter or could exit from the bank, after completing the lock-in period of five years, would depend on the RBI's regulatory and supervisory comfort / discomfort and SEBI regulations in this regard. Further, the promoters' stake should be brought down to a maximum of 30 per cent of the paid-up voting equity capital of the bank within a period of 10 years, and to a maximum of 15 per cent within 15 years from the date of commencement of business of the bank.

RBI increases banks' exposure limit to single NBFC from 15% to 20% of their capital base

This is in reference to the statement on Developmental and Regulatory Policies dated August 7, 2019 on 'Harmonisation of single counterparty exposure limit for banks' exposures to a single NBFC with general single counterparty exposure limit'. According to circular DBR.No.BP.BC.43/21.01.003/2018-19 dated June 03, 2019 on "Large Exposures Framework (LEF)", banks' exposures to a single Non-Banking Financial Company (NBFC) is restricted to 15 percent of their available eligible capital base, while general single counterparty exposure limit is 20 percent, which can be extended to 25 percent by banks' Boards under exceptional circumstances.

It has been decided by RBI now that a bank's exposure to a single NBFC (excluding gold loan companies) will be restricted to 20 percent of that bank's eligible capital base. Bank finance to NBFCs predominantly engaged in lending against gold will continue to be governed by limits prescribed in circular DBOD.BP.BC.No.106/21.04.172/2011-12 dated May 18, 2012.

RBI makes External Benchmark Based Interest Rate mandatory for certain categories of loans from October 1, 2019

The Reserve Bank of India has been examining the feasibility of mandating the use of external benchmark for determining interest rate on floating rate loans. In August 2017 the RBI constituted an Internal Study Group (ISG) to examine the working of the Marginal Cost of Fund Based Lending Rate (MCLR) system that was put in place in April 2016. The report of the ISG, which recommended the move over to an External Benchmark based Lending rate system was placed in public domain in October 2017.

It has been observed that due to various reasons, the transmission of policy rate changes to the lending rate of banks under the current MCLR framework has not been satisfactory. The RBI therefore has issued a circular making it mandatory for banks to link all new floating rate personal or retail loans and floating rate loans to MSMEs to an external benchmark effective October 1, 2019. The banks are free to choose one of the several benchmarks indicated in the circular. The banks are also free to choose their spread over the benchmark rate, subject to the condition that the credit risk premium may undergo change only when borrower's credit assessment undergoes a substantial change, as agreed upon in the loan contract.

External Benchmark Based Lending:

- (a) All new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans to Micro and Small Enterprises extended by banks from October 01, 2019 shall be benchmarked to one of the following:
- Reserve Bank of India policy repo rate
 - Government of India 3-Months Treasury Bill yield published by the Financial Benchmarks India Private Ltd (FBIL)
 - Government of India 6-Months Treasury Bill yield published by the FBIL
 - Any other benchmark market interest rate published by the FBIL.

(b) Banks are free to offer such external benchmark linked loans to other types of borrowers as well.

(c) In order to ensure transparency, standardisation, and ease of understanding of loan products by borrowers, a bank must adopt a uniform external benchmark within a loan category; in other words, the adoption of multiple benchmarks by the same bank is not allowed within a loan category.

Spread under External Benchmark: Banks are free to decide the spread over the external benchmark. However, credit risk premium may undergo change only when borrower's credit assessment undergoes a substantial change, as agreed upon in the loan contract. Further, other components of spread including operating cost could be altered once in three years.

Reset of Interest Rates under External Benchmark: The interest rate under external benchmark shall be reset at least once in three months.

Transition to External Benchmark from MCLR/Base Rate/BPLR: Existing loans and credit limits linked to the MCLR/Base Rate/BPLR shall continue till repayment or renewal, as the case may be.

Provided that floating rate term loans sanctioned to borrowers who, in terms of extant guidelines, are eligible to prepay a floating rate loan without pre-payment charges, shall be eligible for switchover to External Benchmark without any charges/fees, except reasonable administrative/ legal costs. The final rate charged to this category of borrowers, post switchover to external benchmark, shall be same as the rate charged for a new loan of the same category, type, tenor and amount, at the time of origination of the loan. Provided that other existing borrowers shall have the option to move to External Benchmark at mutually acceptable terms. Provided that the switch-over shall not be treated as a foreclosure of existing facility.

Macro-economic indicators

August 2019 IIP stands at (-)1.1%

Growth in industry output, as measured in terms of IIP, for the month of August 2019 stands at (-)1.1% as compared to 4.6% in July 2019. The growth in the three sectors mining, manufacturing and electricity in August 2019 stands at 0.1%, (-)1.2% and (-)0.9% respectively over August 2018. Primary goods growth stands at 1.1%, capital goods growth stands at (-)21.0%, intermediate goods growth stands at 7.0%, infrastructure/construction goods growth stands at (-)4.5%, consumer durables stands at (-)9.1% and consumer non-durables growth stands at 4.1% during August 2019 as compared to the previous year.

September 2019 CPI inflation rises to about 4%

The all India general CPI inflation (Combined) for September 2019 rises to about 4% from 3.3% in August 2019. The inflation rates for rural and urban areas for September 2019 (Provisional) are 3.2% and 4.8% respectively as compared to 2.2% and 4.5% respectively, for August 2019. Rate of inflation during September 2019 for transport and communication (0.08%), fuel and light (-2.2%), housing (4.7%), education (6.2%), health (7.7%), meat and fish (10.3%), etc.

September 2019 WPI inflation falls to 0.3%

The WPI inflation falls to 0.3% in September 2019 as compared to 1.1% in August 2019, 1.2% in July 2019, 2% in June 2019, 2.8% in May 2019 and 3.2% in April 2019. The inflation for Primary Articles stands at 5.5%, fuel and power at (-)7.1% and manufactured products at (-)0.4% in September 2019.

Merchandise exports and imports grew by (-) 6% and (-) 14% respectively in September 2019

Exports in September 2019 were USD 26 billion, as compared to USD 28 billion in September 2018, exhibiting a negative growth of 6 per cent. In Rupee terms, exports were Rs. 1,85,711 crore in September 2019, as compared to Rs. 2,01,235 crore in September 2018, registering a negative growth of 8 per cent. Imports in September 2019 were USD 37 billion (Rs. 2,63,158 crore), which was 14 per cent lower in Dollar terms and 15 per cent lower in Rupee terms over imports of USD 43 billion (Rs.3,09,223 crore) in September 2018.

India's trade statistics at a glance

Merchandise	Jan-19	Feb-19	Mar-19	Apr-Mar 2018-19	Apr-19	May-19	June-19	July-19	Aug-19	Sep-19
Exports (USD billion)	26	27	33	331	26	30	25	26	26	26
Growth (%)	4	2	11	9	0.6	4	-10	2	-6	-6
Imports (USD billion)	41	36	43	507	41	45	40	39	39	37
Growth (%)	0.01	-5	1	9	4.4	4.3	-9	-10	-13	-14
Trade Balance (USD billion)	-14.7	-10	-11	-176	-15	-15	-15	-13	-13	-11

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

Select Indicators

S. NO.	Indicators	Sep -19
1	Daily average monthly turnover in foreign exchange market	
	Purchase (USD billion) *	2.7
	Sales (USD billion) *	2.7
2	Exchange rate of rupee against USD (monthly average)**	71.3
3	Exchange rate of rupee against Pound Sterling (monthly average) **	88.1
4	Exchange rate of rupee against Euro (monthly average) **	78.5
5	Exchange rate of rupee against Japanese Yen (monthly average) **	66.3
6	Foreign exchange reserves (USD billion)^	440
7	IIP (growth in %)-June 2019	-1.1%
8	CPI inflation (%) –July 2019	4%
9	WPI inflation (%) - July 2019	0.3%
10	FDI inflows (USD billion) Q1 2019-20	16.3
11	FDI inflows (% growth)****	28%
12	External Debt (USD billion)@	557
13	ECBs (USD billion) –July 2019	5
14	Current account deficit as a % of GDP Q1 FY2020	2
15	India's exports (USD billion) – Sep 2019	26
16	Growth of exports (%)–Sep 2019	-6
17	India's imports (USD billion)- Sep 2019	37
18	Growth of imports (%)–Sep 2019	-14
19	Trade balance (USD billion) – July 2019	-11
20	Repo rate ^^	5.15%
21	Reverse repo rate^^	4.90%
22	Cash reserve ratio^^	4%
23	Statutory liquidity ratio^^	18.50%

Source: PHD Research Bureau compiled from various sources. *Data for the month of February 2019. ** Data for Sep 2019 ^ Foreign exchange reserves on October 11, 2019, @Data for the end-June 2019, ^^Key policy rates such as repo, CRR, reverse repo and SLR pertains to as on 4th October 2019, ****Growth (YOY) Q1 2019-20 over the last quarter.

Project Team

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Associate Economist

Disclaimer

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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 (March 2019)
76. India towards a Shared Prosperity: Economic agenda for the Next Five Years (March 2019)
77. Analysis of State Budget for 2019-20: Select States (March 2019)
78. Job Creation: A Pan India Survey of Households (March 2019)
79. Report India Inc Speaks LIVE-2019 (May 2019)
80. Baba Kalyani Report on SEZs: An Analysis (May 2019)
81. Suggestive Roadmap for Revitalizing Economic Growth by PHD Chamber (June 2019)
82. Economy on the Eve of Union Budget (July 2019)
83. Budget 2019-20: A road to USD 5 trillion economy (July 2019)
84. Emerging contours of India's defence and homeland security (October 2019)
85. Framework of University-Industry linkages in Research (October 2019)

B: State profiles

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



NATIONAL APEX CHAMBER



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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 Inclusive & Prosperous New India"



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