



August  
2018

# Economic Affairs Committee Newsletter

(Monthly update on India's socio-economic developments)



PHD Research Bureau  
PHD CHAMBER OF COMMERCE & INDUSTRY

## EAC Newsletter August 2018

The Indian economy continues to draw positive sentiments from international organisations such as IMF which recently said in its Article IV Consultations that India's strong economy continues to lead global growth. Real GDP growth is projected at 7.3 %, on strengthening investment and robust private consumption.

According to the IMF, Headline inflation is projected to rise to 5.2%, above the mid-point of the RBI's medium term inflation target band (4% CPI inflation  $\pm$  2%), as demand conditions tighten, along with higher oil prices, housing rent allowances (HRAs), and agricultural minimum support prices (MSPs), and the recent depreciation of the rupee. The CAD is projected to widen to 2.6 percent of GDP on rising oil prices and strong demand for imports, offset by a slight increase in remittances. External debt at around 20 percent of GDP is moderate compared to other emerging market economies.

The other lead economic indicators are also in comfortable trajectory as IIP registered a growth of 7% in June 2018 from 3.9% in May 2018 on account of high growth in capital goods, consumer durables, manufacturing and electricity. The core infrastructure grew at 6.7% in June 2018 as against 4.3% in May 2018. Merchandise exports and imports grew by 14.3% and 28.8% respectively though the growth in exports is slightly lower than growth registered in June 2018 (17.6%). Further, the WPI inflation stands at 5.09% in July 2018 as compared to 5.77% in June 2018. The CPI on the other hand stands at 4.17% in July 2018 from 4.92% in June 2018.

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) has decided to increase the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points to 6.50 per cent. Consequently, the reverse repo rate under the LAF stands adjusted to 6.25 per cent, and the marginal standing facility (MSF) rate and the Bank Rate to 6.75 per cent. The decision of the MPC is consistent with the neutral stance of monetary policy in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of  $\pm$  2 per cent, while supporting growth.

On the policy front, the government approved slew of reforms including Extension of Concessional Financing Scheme (CFS) to support Indian Entities bidding for strategically important infrastructure projects abroad, Re-structuring of the Agricultural Scientists' Recruitment Board (ASRB), issue of fresh equity to the extent of 15% of the paid up equity capital by Hindustan Copper Limited, Raising of Extra Budgetary Resources (EBR) for Swachh Bharat Mission (Gramin) [SBM(G)] amounting up to Rs. 15,000 crore during the financial year 2018-19.

Going ahead, India's economy is picking up and gaining momentum with the implementation of several noteworthy policies and the country opening up more to foreign investors. To sustain and build on these policies and make India fastest growing economy, the nation needs to reinvigorate reform efforts to keep the growth and jobs engine running.



# 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.

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.

### 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:

Dr. S P Sharma, Chief Economist

**PHD Chamber of Commerce and Industry**

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

Ph.: + 91-11-26863801-04, 49545454; Fax: +91- 26855450, 49545451 | Email: [tifs@phdcci.in](mailto:tifs@phdcci.in) Website: [www.phdcci.in](http://www.phdcci.in)

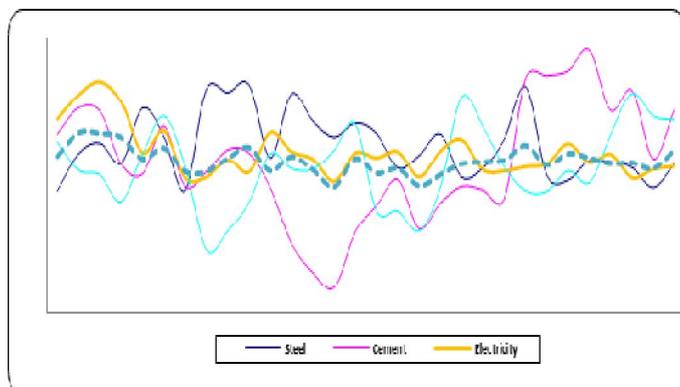
## Contents

Sr. No	Topic	Page No.
1	Indian Economy So Far	6
1.1	Growth	6
1.2	Inflation	6
1.3	External Sector	7
1.4	Fiscal Scenario	8
1.5	Monetary Scenario	9
2.	Major Policy Pronouncements	10
3.	Other key developments	12

## 1. Indian economy so far

### 1.1 Growth

Sector wise trend in monthly production (% growth)



**June 2018 core infra grows at 6.7%-** The core infrastructure grows at 6.7% in June 2018 as against 4.3% in May 2018. The combined Index of Eight Core Industries stands at 129.8 in June 2018, which was 6.7% higher as compared to the index of June 2017. Cement and Refinery products growth stands at 13.2% and 12% respectively in the month of June 2018. In cumulative terms, core infrastructure industries registered a growth of 5.2% during April-June 2018-19 as against 2.5% during April-June 2017-18.

Source: PHD Research Bureau, compiled from the office of the economic advisor to the Govt. of India

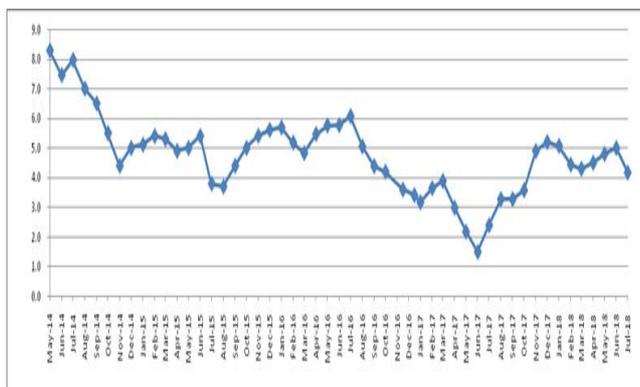
**June 2018 IIP grows at 7.0%-** Growth in industry output, as measured in terms of IIP, for the month of June 2018 stands at 7.0% as compared to 3.9% in May 2018. The growth in the three sectors mining, manufacturing and electricity in June 2018 stands at 6.6%, 6.9% and 8.5% respectively over June 2017. Primary goods growth stands at 9.3%, capital goods growth stands at 9.6%, intermediate goods growth stands at 2.4%, infrastructure/construction goods growth stands at 8.5%, consumer durables growth stands at 13.1% during June 2018 as compared to the previous year.

Recent growth pattern in IIP

	Weight in IIP	(% growth)			
		April-June 2017-18	April-June 2018-19	May 18	June 18
<b>Mining</b>	14.3	1.1	5.4	5.8	6.6
<b>Manufacturing</b>	77.6	1.6	5.2	3.6	6.9
<b>Electricity</b>	7.9	5.3	4.9	4.1	8.5
<b>Use based classification</b>					
<b>Primary goods</b>	34.0	2.2	5.9	5.7	9.3
<b>Capital goods</b>	8.2	-4.2	9.5	6.9	9.6
<b>Intermediate goods</b>	17.2	1.0	1.6	0.8	2.4
<b>Infrastructure/construction goods</b>	12.3	1.7	7.7	7.4	8.5
<b>Consumer durables</b>	12.8	-1.2	7.9	6.3	13.1
<b>Consumer non-durables</b>	15.3	7.8	1.8	-2.0	0.5
<b>Overall IIP</b>	<b>100</b>	<b>1.9</b>	<b>5.2</b>	<b>3.9</b>	<b>7.0</b>

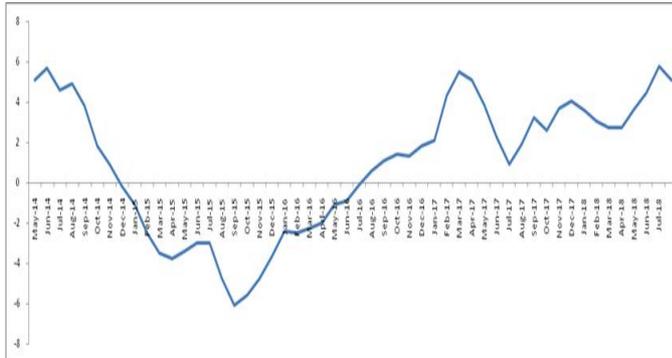
### 1.2 Inflation

Consumer Price Inflation (Combined) (%)



**July 2018 CPI inflation stands at 4.17%-** The all India general CPI inflation (Combined) for July 2018(Prov.) grows at 4.17% as compared to 4.92% in June 2018. The inflation rates for rural and urban areas for July 2018 (Prov.) are 4.11% and 4.32% respectively, as compared to 4.93% and 4.85% respectively, for June 2018. Rate of inflation during June 2018 (Prov.) for housing (8.30%), fuel and light (7.96%), egg (7.41%), fruits (6.98%), pan, tobacco and intoxicants (6.34%) etc. Consumer Price Index for the month of July 2018 for rural, urban and combined stood at 141.8, 137.5 and 139.8 respectively. In addition to this, Consumer Food Price Indices (CFPI) of July 2018 for rural, urban and combined stands at 140.7, 139.1 and 140.2 respectively.

**Trend in WPI inflation (Y-O-Y) %**

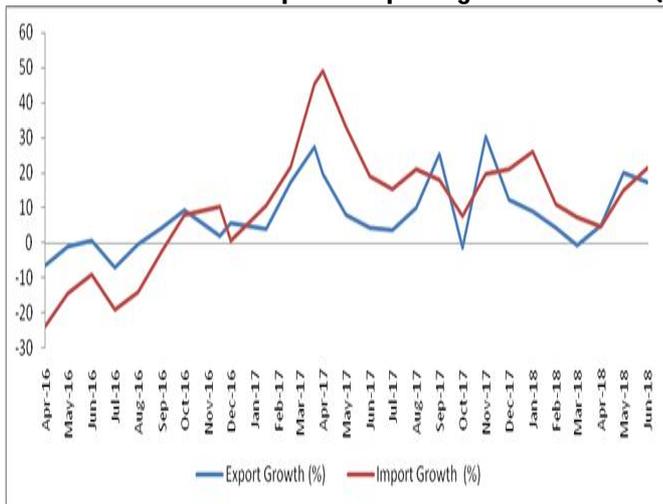


Source: PHD Research Bureau, compiled from the office of the Economic Advisor to the Govt. of India

**July 2018 WPI inflation grows at 5.09%-** The WPI inflation stands at 5.09% in July 2018 as compared to 5.77% in June 2018, 4.78% in May 2018, 3.62% in April 2018, 2.74% in March 2018, 2.74% in February 2018. The rise in WPI inflation in the month of July 2018 is attributed to rise in the prices of onion (38.82%), LPG (19.64%), Petrol (20.75%). Build up inflation rate in the financial year so far was 2.92% compared to a build up rate of 0.62% in the corresponding period of the previous year. The WPI inflation for manufactured products grows 4.26% for July 2018 as against 4.17% for June 2018. The index for this major group rose by 0.1% to 117.4 (provisional) from 117.3 (provisional) for the previous month.

**1.3 External sector**

**Trend in India's Exports-Imports growth (%)**



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

**Merchandise exports and imports grew by 14.3% and 28.8% respectively in July 2018-** Exports during July 2018 were valued at US \$ 25.77 Billion as compared to US \$ 22.54 Billion during July 2017 exhibiting a positive growth of 14.32 per cent. In Rupee terms, exports were valued at Rs. 1,77,041.47 crore in July 2018 as compared to Rs. 1,45,308.10 crore during July 2017, registering a positive growth of 21.84 per cent. Imports during July 2018 were valued at US\$ 43.79 Billion (Rs3,00,784.72crore) which was 28.81 per cent higher in Dollar terms and 37.28 per cent higher in Rupee terms over the level of imports valued at US\$ 33.99 Billion (Rs. 2,19,108.89crore) in July 2017. Cumulative value of exports for the period April-July 2018-19 was US\$ 108.24 Billion (Rs 7,29,823.08crore) as against US \$94.76 Billion (Rs 6,10,780.14crore) registering a positive growth of 14.23 per cent in Dollar terms and 19.49 per cent in

**Service Exports grew at 4.32% in June 2018-**

Exports during June 2018 were valued at US\$ 16.87 Billion (Rs.1,14,380.52Crore) registering a positive growth of 4.32 per cent in dollar terms as compared to negative growth of 7.91 per cent during May2018(as per RBI's Press Release for the respective months). Imports during June 2018 were valued at US\$ 10.30Billion (Rs. 69,820.11Crore) registering a positive growth of 0.89 per cent in dollar terms as compared to negative growth of 6.48 per cent during May2018.

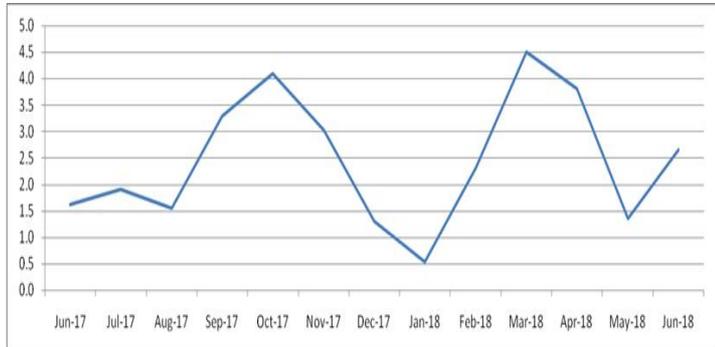
**Trade in Services**

Services	Apr-18	May-18	June -18
Exports (Receipts) (USD billion)	17.56	16.17	16.87
Imports (Payments) (USD billion)	10.92	10.21	10.30
Trade Balance (USD billion)	6.65	5.97	6.57

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

**ECBs stand at USD 2.7 billion during June 2018-** Indian firms have raised about USD 2.7 billion through external commercial borrowings (ECBs) by automatic and approval route in June 2018 as against USD 1.4 billion in May 2018. The borrowings stood at USD 1.62 billion in May 2017. India has received gross ECBs worth around USD 346.86 billion between FY2001 and FY2019 (till June 2018). The lion's share in ECBs during the month of June 2018 is held for the purpose of On-lending/Sublending by about 55.92% of the total borrowings followed by Refinancing of Earlier ECBs at around 23.07% and New Projects at around 7.28%.

**External commercial borrowings since June 2017(US\$bn)**



Source: PHD Research Bureau, compiled from RBI, Note: ECB contains both automatic and approval routes

**Major Items of India's Balance of Payments (USD bn)**

	January-March 2018 P			January-March 2017 PR			2017-18 P			2016-17 PR		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
A. Current Account	156.7	169.7	-13.0	139.4	141.9	-2.6	592.4	641.0	-48.7	522.2	536.5	-14.4
1. Goods	82.2	123.8	-41.6	77.4	107.1	-29.7	309.0	469.0	-160.0	280.1	392.6	-112.4
Of which:												
POL	10.6	33.0	-22.4	9.0	25.6	-16.6	37.5	108.6	-71.1	31.5	87.0	-55.4
2. Services	51.6	31.4	20.2	41.8	23.3	18.5	195.1	117.5	77.6	164.2	95.9	68.3
3. Primary Income	4.8	12.6	-7.8	4.5	10.0	-5.6	18.9	47.5	-28.7	16.3	42.6	-26.3
4. Secondary Income	18.1	1.9	16.2	15.7	1.5	14.2	69.4	6.9	62.5	61.5	5.5	56.0
B. Capital Account and Financial Account	171.5	159.7	11.8	145.1	142.1	3.0	643.6	595.9	47.8	551.9	537.1	14.8
Of which:												
Change in Reserve (Increase (-)/Decrease (+))	0.0	13.2	-13.2	0.0	7.3	-7.3	0.0	43.6	-43.6	0.0	21.6	-21.6
C. Errors & Omissions (-) (A-B)	1.3		1.3	0.5		-0.5	0.9		0.9	0.5		-0.5

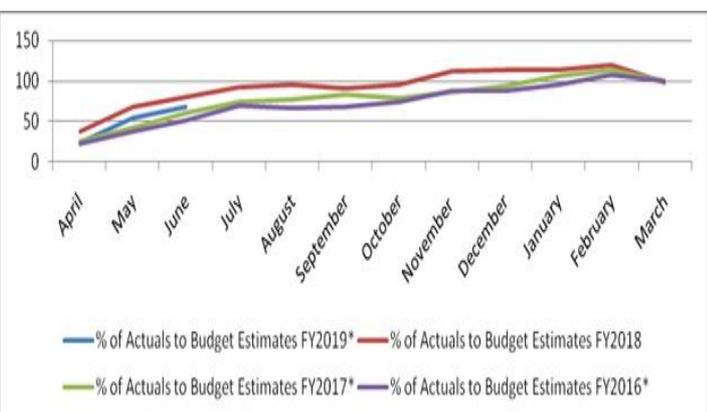
Source: RBI P: Preliminary. Note: Total of subcomponents may not tally with aggregate due to rounding off.

**India's CAD increased to 1.9% of GDP in 2017-18 from 0.6% of GDP in 2016-17** - India's CAD increased to 1.9 per cent of GDP in 2017-18 from 0.6 per cent in 2016-17 on the back of a widening of the trade deficit. India's current account deficit (CAD) at US\$ 13.0 billion (1.9 per cent of GDP) in Q4 of 2017-18 increased from US\$ 2.6 billion (0.4 per cent of GDP) in Q4 of 2016-17, but moderated marginally from US\$ 13.7 billion (2.1 per cent of GDP) in the preceding quarter.

**1.4 Fiscal scenario**

**June 2018 fiscal deficit stands at 68.7 % of actuals to BEs-** The gross fiscal deficit of the Central government stands at 68.7% of the actuals to budget estimates (BEs) at the end of June 2018 as compared to 80.8% of the actuals to budget estimates in the corresponding period of the previous year. The primary deficit was registered at 586% of the actuals to budget estimates at the end of June 2018 as compared to 1314.4% of the actuals to budget estimates during corresponding period of the previous year. The revenue receipts at the end of June 2018 of the central government stands at 15.5% of the actuals to budget estimates as compared with 13.1% of the actuals to budget estimates at the end of June 2017. The government's market borrowing stands at 40% of the actuals to budget estimates at the end of June 2018 as compared with 64% of the actuals to budget estimates at the end of June 2017.

**Differentials in use of fiscal deficit space at the end of June 2018 vis-à-vis June 2017 (in %)**



Source: PHD Research Bureau, compiled from Government of India accounts

**Government's total public debt increased by 1.2% in Q3 FY2018-** The total Public Debt (excluding liabilities under the 'Public Account') of the Government, as per provisional data, increased to Rs. 66,61,038 crore at end-Dec 2017 from Rs. 65,80,599 crore at end-September 2017. This represented a quarter-on-quarter (QoQ) increase of 1.2 % (provisional) in Q3 FY 18 as compared with an increase of 2.8 % in Q2 of FY 18. Internal debt constituted 93.1 % of the total Public Debt at the end of Q3, almost same as that at the end of Q2. Marketable securities (consisting of Rupee-denominated dated securities and Treasury Bills) accounted for 82.6 % of the total Public Debt at end-Dec 2017. The outstanding internal debt of the Government at Rs. 62,03,776 crore at end Dec 2017 constituted 39.0 % of GDP as compared with 38.7 % at end-Sep 2017.

**Table: Composition of Public Debt**

Item	At end-Dec 2017#	At end-Sep 2017	At end-Dec 2017#	At end-Sep 2017
	₹ crore)		(% of Total)	
1	2	3	4	5
<b>Public Debt (1 + 2)</b>	<b>66,61,038</b>	<b>65,80,599</b>	<b>100.0</b>	<b>100.0</b>
<b>1. Internal Debt</b>	<b>62,03,776</b>	<b>61,19,493</b>	<b>93.1</b>	<b>93.0</b>
<b>Marketable</b>	<b>55,01,480</b>	<b>54,30,078</b>	<b>82.6</b>	<b>82.5</b>
(a) Treasury Bills	4,16,298	4,81,387	6.2	7.3
(i) Cash Management Bills		5,327	-	0.1
(ii) 91-days Treasury Bills	2,07,464	2,32,526	3.1	3.5
(iii) 182-days Treasury Bills	73,845	98,545	1.1	1.5
(iv) 364-days Treasury Bills	1,34,989	1,44,990	2.0	2.2
(b) Dated Securities	50,85,182	49,48,691	76.3	75.2
<b>Non-marketable</b>	<b>7,02,296</b>	<b>6,89,416</b>	<b>10.5</b>	<b>10.5</b>
(i) 14-days Treasury Bills	1,39,148	1,26,267	2.1	1.9
(ii) Securities Issued to NSSF*	4,00,280	4,00,280	6.0	6.1
(iii) Compensation and other bonds*	60,358	60,358	0.9	0.9
(iv) Securities issued to International Financial Institutions*	1,02,511	1,02,511	1.5	1.6
(v) Ways and Means Advances				
<b>2. External Debt</b>	<b>4,57,262</b>	<b>4,61,106</b>	<b>6.9</b>	<b>7.0</b>
(i) Multilateral	2,94,309	2,99,355	4.4	4.5
(ii) Bilateral	1,25,671	1,24,469	1.9	1.9
(iii) IMF*	36,746	36,746	0.6	0.6
(iv) Rupee debt*	536	536	0.0	0.0

#: Data are provisional.

\*These data are not available for end-Dec 2017. So they are carried over from the previous quarter.

Source: PHD Research Bureau, compiled from Public Debt Management Quarterly report

**Direct Tax Collections grows by 17.1% in FY 2017-18-** Direct Tax collections for FY 2017-18 represents that net collections are at Rs.9.95 lakh crore which is 17.1% higher than the net collections for FY 2016-17. The net Direct Tax collections represent 101.5% of the Budget Estimates (Rs.9.8 lakh crore) and 99% of the Revised Estimates (Rs. 10.05 lakh crore) of Direct Taxes for F.Y. 2017-18. During FY 2017-18, 6.84 crore Income Tax Returns (ITRs) were filed with the Income Tax Department as compared to 5.43 crore ITRs filed during FY 2016-17, showing a growth of 26%. There has been a sustained increase in the number of ITRs filed in the last four financial years. As compared to 3.79 crore ITRs filed in F.Y. 2013-14, the number of ITRs filed during F.Y. 2017-18 (6.84 crore) has increased by 80.5%.

## 1.5 Monetary scenario

**RBI hikes repo rate in Third Bi-monthly Monetary Policy Statement, 2018-19-** On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) has decided to increase the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points to 6.50 per cent. Consequently, the reverse repo rate under the LAF stands adjusted to 6.25 per cent, and the marginal standing facility (MSF) rate and the Bank Rate to 6.75 per cent. The decision of the MPC is consistent with the neutral stance of monetary policy in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth.

### The RBI Policy Rates So Far

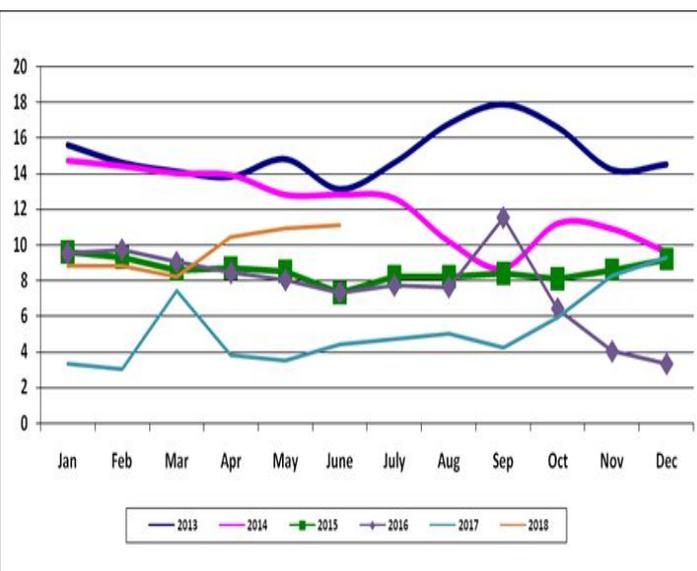
Components	6 <sup>th</sup> Dec 2017	7 <sup>th</sup> Feb 2018	5 <sup>th</sup> April 2018	6 <sup>th</sup> June 2018	01 <sup>st</sup> Aug 2018
CRR	4.00%	4.00%	4.00%	4.00%	4.00%
Repo Rate	6.00%	6.00%	6.00%	6.25%	6.50%
Reverse Repo Rate	5.75%	5.75%	5.75%	6.0%	6.25%
WPI Inflation	3.59% (Oct-17)	3.6% (Dec-17)	2.5% (Feb-18)	3.2% (Apr-18)	5.77% (Jun-18)
CPI inflation\@	3.6% (Oct-17)	5.2% (Dec-17)	4.44% (Feb-18)	4.6% (Apr-18)	5.00% (Jun-18)
IIP growth	3.8% (Sep-17)	8.4% (Nov-17)	7.5% (Jan-18)	4.4% (Mar-18)	3.2% (May-18)
Real GDP growth	6.7% &^^	6.6%	7.4% (2018-19)\$#	7.4%	7.4% 2018-19)####

Source: PHD Research Bureau, compiled from various sources, Note: The Ministry of Statistics & Programme Implementation has released the new series of national accounts, revising the base year from 2004-05 to 2011-12. ^&^^ GVA growth for 2017-18 as per Fifth Bi-monthly Monetary Policy Statement, 2017-18, #### Projections by RBI in Third Bi-monthly Monetary Policy Statement, 2018-19.

### Gross Bank Credit grows at 11% in June 2018-

Gross bank credit grows at 11.07% in June 2018 as against 10.9% in May 2018. The gross bank credit growth stands at 4.2% in June 2017. On a year-on-year (y-o-y) basis, non-food bank credit increased by 11.1% in June 2018 as against 11.1% in May 2018. Credit to agriculture and allied activities increased by 6.5% in June 2018 as compared to 6.4% in May 2018. Credit to industry increased by 0.9% in June 2018 as against 1.4% in May 2018. Credit to industry increased by 0.9% in June 2018 as compared with a contraction of 1.1% in June 2017. Credit to major sub-sectors such as textiles, all engineering, food processing, construction, rubber, plastic & their products, chemicals & chemical products and cement & cement products have accelerated. However, credit to gems & jewellery, basic metal & metal products, paper & paper products and Beverage & Tobacco have contracted/declined.

Monthly trend in growth of gross bank credit (%) (Y-o-Y)



Source: PHD Research Bureau, compiled from RBI

## 2. Major policy pronouncements

**Government launches Niryat Mitra Mobile App-** Hon'ble Union Minister of Commerce & Industry and Aviation Shri Suresh Prabhu launched Niryat Mitra – mobile App in New Delhi on August 8th 2018. The app developed by the Federation of Indian Export Organisations (FIEO) is available both on Android and on IOS platforms. It provides wide range of information required to undertake international trade right from the policy provisions for export and import, applicable GST rate, available export incentives, tariff, preferential tariff, market access requirements – SPS and TBT measures. The most interesting part is that all the information is available at tariff line. The app works internally to map the ITC HS code of other countries with that of India and provides all the required data without the users bothering about the HS code of any country. Presently the app comes with the data of 87 countries. Hon'ble Minister said that digital technology is going to play a key role in trade and business and this app is a step towards Digital India. He said that the exports are showing good sign and registering increase at the rate of 20%. He said that the government is working on to further increase the ease of doing business. The Hon'ble Minister further stated that the app will provide big opportunity to everybody and help promote export interests in the country. He invited the industry to make the most of the app and take to exports. He also said the Human Resource tool of the app enables candidates with interest in the international trade sector to register and apply against the vacancies arising in the sector. Companies can also search the profiles of the candidates and engage them.

**Ayushman Bharat health insurance: Entitlement and eligibility** – Hon'ble Prime Minister Shri. Narendra Modi, in his Independence Day speech of 2018, announced the launch of the Ayushman Bharat-National Health Protection Scheme (AB-NHPS). He said that the national health insurance scheme will be rolled out on a pilot basis in some states. The full-scale roll-out of the project is expected to be in September end.

**Projects for 6,320 km roads awarded under Bharatmala-** Projects for constructing 6,320 km of road have been awarded under the first phase of the Bharatmala project, with the financial implication estimated to be Rs 1.44 lakh crore, the government said. Road Transport and Highways Minister Nitin Gadkari also informed the Lok Sabha during Question Hour that the total investment for Bharatmala is expected to be around Rs 7.50 lakh crore for constructing about 84,000 km of road. "Out of the total financial outlay of Rs 5,35,000 crore allocated for Bharatmala Pariyojana Phase-I, projects with financial implication of approximately Rs 1,44,300 crore for a length of about 6,320 km have been awarded.

**Cabinet approves extension of the term of the Commission to examine the issue of Sub-categorization of Other Backward Classes in the Central List-** The Union Cabinet chaired by Prime Minister Shri Narendra Modi has approved the extension of the term of the Commission to examine the issue of Sub-categorization of Other Backward Classes in the Central List till November, 2018. The Commission has held extensive meetings with the stake holders including the State Governments, the State Backward Classes Commissions, various community associations and general public belonging to various Backward Classes and Commissions. It had also obtained records, caste-wise, of OBCs admitted in higher educational institution as well as similar caste-wise data of recruits in Central Departments, Central Public Sector Undertakings, Public Sector Banks & Financial Institutions. Based on the emanating information from the data as processed and analyzed, the Commission has expressed that a round of discussion with the States and their Backward Classes Commission was required before finalizing the sub-categorized lists and the Report.

**Cabinet approves MoU between India and Korea on Trade Remedy Cooperation-** The Union Cabinet chaired by Prime Minister Shri Narendra Modi gave its ex-post facto approval to the Memorandum of Understanding (MoU) between India and Korea on Trade Remedy Cooperation. The MoU was signed in July 2018 during the State visit of President of Korea to India. The MoU will promote cooperation between the two countries in the area of trade remedies viz. anti-dumping, subsidy and countervailing and safeguard measures, which will enhance the bilateral trade relations.

**Cabinet approves MoU between India and Indonesia on Scientific and Technological Cooperation-** The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved a Memorandum of Understanding (MoU) between India and Indonesia on Scientific and Technological Cooperation. The MoU was signed by Dr. Harsh Vardhan, Minister for Science, Technology and Earth Sciences at New Delhi in May 2018 and Mr. Mohamad Nasir, Minister for Research, Technology and Higher Education, Indonesia on the Indonesian side at Jakarta in May 2018. Signing of the MoU will open a new chapter in bilateral relations as both sides will now leverage complementary strengths spurred by a significant convergence of mutual interests in science and technology. The objective of the MoU is to promote cooperation in the fields of science and technology between India and Indonesia on the basis of equality and mutual benefit. The stakeholders will include researchers from scientific organizations, academia, R&D laboratories and companies from India and Indonesia. Information and Communication Technology; Marine Science & Technology; Life Sciences (including Biotechnology, Agriculture and Biomedical Sciences); Energy Research; Water Technologies; Disaster Management; Space Sciences, Technology and Applications; Geospatial Information and Applied Chemistry were identified as potential areas for immediate collaboration.

**Cabinet approves release of pulses procured from farmers under Price Support Scheme to States with Central Subsidy of Rs. 15 per Kg for utilization under Welfare Schemes-** The Cabinet Committee on Economic Affairs, chaired by Prime Minister Shri Narendra Modi, has approved the release of pulses to States/UTs at discounted rate to be utilized for various Welfare Schemes from the stock of pulses procured under Price Support Schemes (PSS). Under this approved Scheme, the States/UT Governments are offered to lift 34.88 lakh MT of Tur, Chana, Masoor, Moong and Urad at discount of Rs.15 per Kg over the prevailing wholesale market price of the sourcing state on First come first serve basis. The State/UTs Governments utilize these pulses in their various Welfare Schemes/Programmes like Mid-Day Meal, Public Distribution System, Integrated Child Development Programmes (ICDP) etc. This will be one-time dispensation for a period of 12 months or complete disposal of 34.88 lakh MT of pulses stock whichever is earlier. Government will spend Rs. 5,237 crore for implementation of this Scheme.

### 3. Other key developments

**India's Strong Economy Continues to Lead Global Growth: IMF-** According to IMF's Country Report on India prepared under Article IV Consultations, India has been among the fastest-growing economies in the world over the past few years, lifting millions out of poverty. The authorities have initiated important structural reforms to spur India's catch up with more advanced economies and to improve living standards for all. Real GDP growth is projected at 7.3 %, on strengthening investment and robust private consumption. Headline inflation is projected to rise to 5.2%, above the mid-point of the RBI's medium term inflation target band (4% CPI inflation  $\pm$  2%), as demand conditions tighten, along with higher oil prices, housing rent allowances (HRAs), and agricultural minimum support prices (MSPs), and the recent depreciation of the rupee. The CAD is projected to widen to 2.6 percent of GDP on rising oil prices and strong demand for imports, offset by a slight increase in remittances. The balance of payments would switch to a small deficit.

**Indian Advance Pricing Agreement regime moves forward with signing of nine UAPAs by CBDT in July, 2018-** The Central Board of Direct Taxes (CBDT) has entered into nine more Unilateral Advance Pricing Agreements (UAPAs) during the month of July, 2018. With the signing of these Agreements, the total number of APAs entered into by the CBDT has gone up to 232, which includes 20 Bilateral Advance Pricing Agreements (BAPAs). The UAPAs entered into during this month pertain to various sectors and sub-sectors of the economy like manufacturing, engineering, media, irrigation, education, healthcare, telecommunications, industrial gases, pharmaceuticals, etc. and cover international transactions including software development service, manufacturing and sale of engineering good, import of raw materials, payment of royalty and AMP, among others.

**Refunds processed by the Centre and the States amounting to Rs 54,378 crore till 31st July, 2018 under GST during the Third Refund Fortnight-** As part of the continued focus of the Government of India to liquidate pending GST refunds, the Central Board of Indirect Taxes and Customs (CBIC) has successfully concluded the Third Refund Fortnight from 16th July, 2018 to 31st July, 2018. Till 31st July, 2018, the total GST refunds disposed by the Centre and the States are to the tune of Rs 54,378 Crore. During this Refund Fortnight, apart from various measures like Special Refund Cells at CBIC offices, Exporter Awareness Campaigns etc., a unique facility was provided by CBIC. It was for the First Time that officers of CBIC reached-out to doorsteps of the exporters for sanctioning of refunds by the way of GST Refund Help Desks. By the end of 31st July,2018, the total amount of IGST refund claims disposed by CBIC is Rs 29,829 crore taking the disposal rate to 93%. During the third Refund Fortnight, the IGST refunds of amount Rs 3,391 crore have been sanctioned by CBIC.

**Government imposes safeguard duty on solar cells import for two years-** India has imposed safeguard duty on solar cells imports from China and Malaysia for two years to protect domestic players from steep rise in the inbound shipments of the product. As per the notification of the finance ministry, 25 per cent safeguard duty have been imposed for July 30 to July 29, 2019, which will gradually come down to 20 per cent during July 30, 2019 to January 29, 2020 and 15 per cent during January 30, 2020 to July 29, 2020.

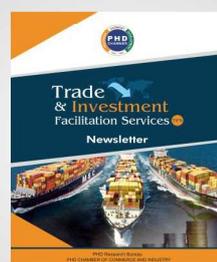
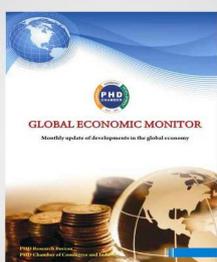
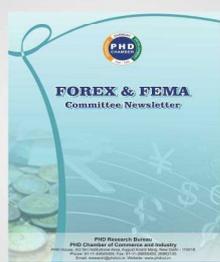


# E- Newsletters

## Sponsorship Opportunities

**Advertise  
your  
business**

PHD Research Bureau of PHD Chamber of Commerce and Industry offers an opportunity to sponsor its well accepted five monthly e-newsletters: EAC, FOREX, GEM, TIFS, and SDM.



**Economic Affairs Committee (EAC)** issues a comprehensive newsletter on the economic and social developments in the economy in a particular month. The report provides a concise view of the movements in lead indicators in that month and in the coming times.

**Forex Committee Newsletter** provide a broad view of developments related to forex affairs of our economy such as rupee movement, forex reserves, regulatory developments, stock markets behaviour, interest rate scenario, commodities overview and key macroeconomic indicators etc.

**Global Economic Monitor (GEM)** aims to disseminate information on latest updates on global macro-economic indicators including growth, inflation, trade, markets, commodities, unemployment, policy developments and publications of international organization

**Trade and Investment Facilitator (TIF)** aims to provide information on recent developments in India's foreign trade, foreign investments, policy developments, bilateral economic relations, trade agreements, WTO among others.

**State Development Monitor** captures the developments on various fronts such as economic, health, infrastructure, rural economy and tourism in central and northern states of India.

## Features & Benefits

- Reaches to around 50,000 members/non-members across India including Government organizations, industry bodies, corporates, MSMEs, researchers, academicians, students, among others.
- High visibility placement of print advertisement
- Increase your business outreach in urban and rural segments across the country.

## CHARGES PER MONTH FOR A NEWSLETTER

Front Cover Inside :	Rs. 10,000/-
Inside Page :	Rs. 7,000/-
Back Cover Inside :	Rs. 5,000/-

Warm regards

**Dr. S. P. Sharma**

Chief Economist, PHD Chamber

## For details please contact :

**Megha Kaul**, Associate Economist, Tel. - 91-11-49545454 (Ext. 133), Email - megha@phdcci.in

**PHD CHAMBER OF COMMERCE AND INDUSTRY**

PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India)

Tel. : +91-112686 3801-04, • Fax : +91-11-2685 5450 • Website : www.phdcci.in

**Indo-German Government signed Umbrella Agreements worth Euro 653.7 Million (approx Rs 5253 crore) on Financial Cooperation and Technical Cooperation 2017-** The Government to Government Umbrella Agreement on Financial Cooperation and Technical Cooperation 2017 under the Indo-German Bilateral Development Cooperation were signed in New Delhi. Government to Government Umbrella Agreement on Financial Cooperation was signed to formalize an amount up to Euro 610 million Reduced Interest Loans (RIL) and Euro 5.5 million Financial grant and the Government to Government Umbrella Agreement on Technical Cooperation was signed to formalize an amount of up to Euro 38.20 million Technical grant for various projects mainly in the field of Energy, Environment and Urban Development. Hence the total amount formalized through Umbrella Agreements is Euro 653.7 million (approx 5253 crore). The agreements were signed by H.E. Dr. Martin Ney, Ambassador on behalf of the government of Federal Republic of Germany. Shri Sameer Khare, Joint Secretary, Department of Economic Affairs, Ministry of Finance on behalf of Government of India.

**BIF sets up 5G committee; 5G trials on public safety, manufacturing & IoT in offing** - Broadband India Forum (BIF) has set up a '5G committee' to push the momentum on rollout of 5G trials with key industry players, and help convert the 5G-linked policy goals to business-friendly implementation. A statement by BIF also claimed that 5G trials will be initiated by Nokia for public safety, Sterlite for manufacturing and Aeris for Internet of Things or IoT. The 5G committee aims to help execute the mission of the Government HL (high level) forum on 5G and champion large-scale trials across verticals," a BIF statement said. This committee will also look to push the approach on spectrum, infrastructure policies, industry investment, and all the other essential elements required to make India a front-runner in 5G deployment and use.

**India, 9 other Asian economies to pull ahead of US in terms of GDP by 2030: Report** – According to a report by DBS, the 10 major economies of Asia, including India, are expected to see robust growth and amount to over USD 28 trillion in real GDP terms on aggregate, more than the US by 2030. These Asia-10 economies are- China, Hong Kong, India, Indonesia, Malaysia, the Philippines, Singapore, South Korea, Taiwan, and Thailand. By 2030, Asia-10 economies will grow so robustly that they will, on aggregate, amount to over USD 28.35 trillion in real GDP (2010 constant dollars) terms, while for the United States will amount to USD 22.33 trillion. Countries like India and the Philippines will need to work hard to create employment for its young population; while aging countries like Singapore, Japan and China may be able to offset the demographic drag through the active use of new technology.

**FDI in food processing sector up 24% at \$ 905 million in FY'18** - The foreign direct investment (FDI) in the food processing sector rose 24 per cent in 2017-18 to USD 904.9 million, according to an official data. FDI inflow into the sector stood at USD 727.22 million during 2016-17 financial year. The government had in July last approved American e-commerce major Amazon's proposed USD 500 million investment in retailing of food products in India. At present, 100 per cent FDI in food processing sector is allowed through automatic route. In 2016, the Centre allowed 100 per cent FDI through approval route for retail trading, including through e-commerce, in respect of food products manufactured and produced in India.

**Pharma exports to cross USD 19 billion in FY19** - Pharmaceutical exports from the country are expected to cross USD 19 billion in worth during the current fiscal despite muted growth in the North American markets, according to Pharmexcil, a body under Union Commerce Ministry. Pharma exports fetched USD 17.27 billion in the previous fiscal and this year it was expected to be between USD 19 billion and USD 20 billion, Pharmaceuticals Export Promotion Council (Pharmexcil). During the first quarter of the current fiscal, pharma exports clocked an increase of 17.76% to USD 4.6 billion against USD 3.9 billion during the corresponding quarter a year ago.

**FPIs invest Rs 8,500 crore in just 8 sessions in August 2018** - Foreign investors have pumped in over Rs 8,500 crore into the Indian capital markets in the last eight trading sessions on improvement in crude oil prices, stabilizing rupee and better corporate earnings. The latest fund infusion comes following a net inflow of over Rs 2,300 crore in the capital markets -- equity and debt -- last month. Prior to that, overseas investors had pulled out over Rs 61,000 crore during April-June. According to the latest depository data, foreign portfolio investors (FPIs) pumped in a net sum of Rs 2,373 crore into equities during August 1-10 and a net amount of Rs 6,208 crore into the debt market, taking the total to Rs 8,581 crore (USD 1.2 billion). The inflows can be attributed to the improvement in some of the underlying factors such as weakness in crude oil prices, improvement in rupee against the dollar and better earnings from Indian Inc.

**Factory output PMI drops to 52.3 in July 2018**- Factory production slowed down a bit in July as the Nikkei India Manufacturing Purchasing Managers' Index (PMI) posted 52.3 in Jul from 53.1 in June. Nonetheless, it is the 12th consecutive month of expansion. According to the report, manufacturing conditions across India improved at a modest and slower pace at the start of the quarter, reflecting softer rises in output, new orders and employment. On the price front, input cost inflation eased from June's multi-year high and was broadly in line with the series trend. Subsequently, firms raised their output charges at a modest and slower pace.

**Domestic car industry to report decline in July sales on high base effect**- A month after an abnormal growth of 37 per cent from 11 per cent in June 2017 (owing to a low base effect of June 2017), the domestic automobile industry is expected to report a decline in July on a high-base effect of corresponding month last year. The industry had reported a growth of about 15 per cent in July 2017. Such a double-digit growth is unusual for July, a month of low demand. Last year, July was a month of strong growth since companies had regulated dispatches in June to ensure minimum inventory at dealer level owing to transition to GST, which was implemented from July 2017.

**GST collections surge in July 2018**- Goods and services tax (GST) collection rose in July but stayed well below the government's target of Rs 1 trillion for a third month in succession of the current financial year (starting April 1). Last month's collection was Rs 965 billion, after Rs 956.1 billion in June and Rs 940 billion in May.

## In a nutshell

The global economic activity has continued to maintain steam; despite global growth becoming uneven and risks to the outlook increasing with rising trade tensions. On the domestic front, south-west monsoon has been recovering after a brief spell of deficiency in the second half of June. The cumulative rainfall up to July 31, 2018 was 6% below the long-period average. This is expected to have an effect on the agriculture production though monsoon is expected to pick up in the coming times.

The industrial growth during the period April-June 2018-18 has been registered at 5.2% from 1.9% in the corresponding period of the last year. The capacity utilization in the manufacturing sector remains robust. Going ahead, activity in the manufacturing sector is expected to remain robust in Q2, though there may be some moderation in pace.

In light of persistence of certain risk factors such as rising trade tensions which may have an adverse impact on India's exports, volatility in crude oil prices, rising geopolitical tensions, rising protectionist trade policies, rising inflation and volatility in global financial markets, the government must focus on strengthening the economic reforms process at the ground level to boost and strengthen further the economic growth.

## The lead economic and financial indicators so far...

S. No	Components	May 2018	June 2018	July 2018
1.	IIP Growth	3.2%	7%	-
2	Export Growth	20.2%	17.6%	14.3%
3	WPI Inflation Y-O-Y growth	4.43%	5.77%	5.09%
4	CPI inflation (combined)	4.87%	5%	4.17%
5	Gold (10 GRMS)	31,772 <sup>^</sup>	35423 <sup>^^</sup>	29773 <sup>^^^</sup>
6	Crude Oil (1 BBL)	4,724 <sup>^</sup>	5064 <sup>^^</sup>	4822 <sup>^^^</sup>
7	BSE Sensex	35,322 <sup>^</sup>	30341 <sup>^^</sup>	37494 <sup>^^^</sup>
8	Exchange rate average (INR/ 1 USD)	67.53 <sup>^</sup>	68.63 <sup>^^</sup>	68.61 <sup>^^^</sup>
9	Repo rate	6.25%	6.25%	6.50%
10	CRR	4%	4%	4%
11	10 year Bond yield	7.8768%	7.7904%	7.8608%
12	Base rate	8.70% - 9.45% <sup>@#</sup>	8.75% - 9.45% <sup>@#@#</sup>	8.75% - 9.45% <sup>@#@#@#</sup>

Source: PHD Research Bureau compiled from various sources, <sup>^</sup>Data pertains to 31 May 2018, <sup>^^</sup>Data pertains to 30th June 2018, <sup>^^^</sup>Data pertains to 30 July 2018, <sup>@#</sup>Data pertains to 19 June 2018, <sup>@#@#</sup>Data pertains to 31st July 2018, <sup>@#@#@#</sup>Data pertains to 20 July 2018

India: Statistical snapshot

Indicators	FY13	FY14	FY15	FY16	FY17	FY18	FY19
GDP at FC - Constant prices (Rs cr)	9215125	9817822	10536984	11381002	12189854	13010843# #^	-
GDP at FC-Constant prices growth YOY (%)	5.5*	6.4*	7.5*	8*	7.1@#	6.7##^	-
Agriculture growth	1.5	5.6	(-)0.3	0.7*	4.9@#	3.4##^	-
Industry growth	3.4	4.2	6.9	8.2	5.8@#	5.5##^	-
Services growth	7.7	9.5	9.8	7.9	7.9@#	7.9##^	-
Consumption (% YOY)	5.2	4.7	-	-	-	-	-
Private consumption (% YOY)	5.5	6.8	6.2	7.3	7.2	-	-
Gross domestic savings as % of GDP	30.1	30.5	30.6'''	-	-	-	-
Gross Fixed Capital Formation as % of GDP	34.1	33	32.3	31.2	29.5	7.6##^	-
Gross fiscal deficit of the Centre as a % GDP	4.9	4.5	4.1''	3.9	3.5	3.5@*	3.5^*
Gross fiscal deficit of the states as a % GDP	1.9	2.5	2.3''	-	-	-	-
Gross fiscal deficit of Centre & states as a % GDP	7.2	6.7	6.6''	-	-	-	-
Merchandise exports (US\$Bn)	300.2	312.35	310.5	261.14	274.64	29.11&&\$	25.77^&&&&
Growth in exports (%)	-1.8	3.98	(-)1.2	(-)15.9	4.7	(-)0.66&&\$	14.3^&&&&
Imports (US\$Bn)	490.3	450.94	447.5	379.59	380.37	42.80&&\$	43.8^&&&&
Growth in imports (%)	0.2	-8.1	-0.59	(-)15.3	(-)0.17	7.15&&\$	28.8^&&&&
Trade deficit (US\$Bn)	190.1	138.6	137	118.46	46.42	13.69&&\$	18.02^&&&&
Net invisibles US\$Bn	107.5	115.0	-	107.9^^	-	-	-
Current account deficit US\$Bn	88.2	32.4	26.8^^	22.1^^	15.2^^*	13.5##^	-
Current account deficit as % of GDP	4.8	1.7	1.3	1.1^^	0.7^^*	1.9	-
Net capital account US\$Bn	94.2	33.3^^	11.8	23.2	14.9^^*	-	-
Overall balance of payments US\$Bn	3.8	15.5^^	6.9	-	-	-	-
Foreign exchange reserves US\$Bn	292.04	304.22	316.2	355.56~	367.9~~	424.36--\$	400.88--
External debt - Short term US\$Bn	96.7	89.2`	86.4`	83.6&&&	88^^*	97.6&^	-
External debt - Long term US\$Bn	293.4	351.4`	376.4`	398.6&&	383.9^^*	415.8&^	-
External debt - US\$Bn	392.1	441`	462`	480.18&&	472^^*	513.4 &^	-
Money supply growth	13.6	13.2	11.1&&	11.3&&&&	6.3^^	9.8&&^	9.8%\$#
Bank credit growth	13.5	14	8.6	9~	7^^	8.2**	11%\$#
WPI inflation	7.4	5.7#	2.1	(-)0.85^^^	1.33	2.47&&\$	5.09^&&&&
CPI inflation	10.2	9.8	6.4	4.83^^^	4.5	4.28&&\$	4.17^&&&&
Exchange rate Rs/US\$ annual average	54.4	60.68	61.14	66.43@	64.39^^	65.04@&\$	70.22@&

Source: PHD Research Bureau compiled from various sources. \*Data pertains to Provisional Estimates of Annual National Income 2016-17 from MOSPI, " Handbook of Statistics of Indian Economy 2014-15 from RBI, "" Data pertains to Annual Report of RBI 2013-14, @Data pertains to Budget Estimates of 2017-18, " Data pertains to GVA at Basic Prices at constant prices for Q3 2015-16, "Data pertains to the new Series Estimates from economic survey 2014-15, ^^Data pertains to India's Balance of payment for 2015-16 from RBI, ^^^Data pertains to March 2016, ""India's external debt end Dec 2013 from RBI, "" Data pertains to end Dec 2014 from RBI, # Data pertains to Mar 2013, - Data pertains to 2014-15 from the Economic Survey, ^^ Data pertains to fy 2016-17 --Data as on week ending 25th March 2016 from RBI, --- Data as on 10 August 2018 from RBI, && Data pertains to March 2015, && External debt at end December 2015 (Quick Estimates), @& Data pertains to 13th April 2016 from RBI, ^^^Data pertains to July 2018, @&& Data as on 16 August 2018 from RBI, &&& Y-o-Y Growth of Money Supply, 2015-16 from RBI. # Data pertains to end March 2017, compiled from RBI, \*\* Bank credit growth as on March 2018 &&^ as on June 2018.@# GDP growth and agriculture growth is as per Provisional Estimates of Annual National Income, 2016-17 and Industry and service growth is from Office of economic advisor, #^Data pertains to Q3 2017-18, ##^ Data pertains to Provisional estimates of GDP for 2017-18, ^^ pertains to the budget estimates of FY19, @^ data pertains to budget estimates of 2018-19, &^ pertains to data at end December 2017, &&\$ data pertains to March 2018, @&\$ data as on March 28, 2018, --\$ Data as on end March 2018 from RBI, &&^ as on 16 March 2018, %\$# Data pertains to June 2018.

## 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. Recently, the Research Bureau has undertaken various policy projects of Government of India including Framework of University-Industry Linkages in Research assigned by DSIR, Ministry of Science & Technology, Study on SEZ for C&AG of India, Study on Impact of Project Imports under CTH 9801 for C&AG of India and has attracted a World Bank Project on free trade zones.

Research Activities	Comments on Economic Developments	Newsletters	Consultancy
<ul style="list-style-type: none"> <li>• <b>Research Studies</b></li> </ul>	<ul style="list-style-type: none"> <li>• Macro Economy</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Affairs Newsletter (EAC)</li> </ul>	<ul style="list-style-type: none"> <li>• Trade &amp; Inv. Facilitation Services (TIFS)</li> </ul>
<ul style="list-style-type: none"> <li>• <b>State Profiles</b></li> </ul>	<ul style="list-style-type: none"> <li>• States Development</li> </ul>	<ul style="list-style-type: none"> <li>• Forex and FEMA Newsletter</li> </ul>	
<ul style="list-style-type: none"> <li>• <b>Impact Assessments</b></li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Global Economic Monitor (GEM)</li> </ul>	
<ul style="list-style-type: none"> <li>• <b>Thematic Research Reports</b></li> </ul>	<ul style="list-style-type: none"> <li>• Foreign exchange market</li> </ul>	<ul style="list-style-type: none"> <li>• Trade &amp; Inv. Facilitation Services (TIFS) newsletter</li> </ul>	
<ul style="list-style-type: none"> <li>• <b>Releases on Economic Developments</b></li> </ul>	<ul style="list-style-type: none"> <li>• International Trade</li> <li>• Global Economy</li> </ul>	<ul style="list-style-type: none"> <li>• State Development Monitor (SDM)</li> </ul>	

## 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)
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)
26. Participated in a survey to audit SEZs in India with CAG Office of India (November 2014)
27. Role of MSMEs in Make in India with reference to Ease of Doing Business in Ghaziabad (Nov 2014)
28. Exploring Prospects for Make in India and Made in India: A Study (January 2015)
29. SEZs in India: Criss-Cross Concerns (February 2015)
30. Socio-Economic Impact of Check Dams in Sikar District of Rajasthan (February 2015)
31. India - USA Economic Relations (February 2015)
32. Economy on the Eve of Union Budget 2015-16 (February 2015)
33. Budget Analysis (2015-16)
34. Druzhba-Dosti: India's Trade Opportunities with Russia (April 2015)
35. Impact of Labour Reforms on Industry in Rajasthan: A survey study (July 2015)
36. Progress of Make in India (September 2015)
37. Grown Diamonds, A Sunrise Industry in India: Prospects for Economic Growth (November 2015)
38. Annual survey of Indian Direct Selling Industry 2014-15 (December 2015)
39. India's Foreign Trade Policy Environment Past, Present and Future (December 2015)
40. Revisiting the emerging economic powers as drivers in promoting global economic growth (February 2016)
41. Bolstering MSMEs for Make in India with special focus on CSR (March 2016)
42. BREXIT impact on Indian Economy (July 2016)
43. India's Exports Outlook (August 2016)
44. Ease of Doing Business : Suggestive Measures for States (October 2016)
45. Transforming India through Make in India, Skill India and Digital India (November 2016)
46. Impact of Demonetization on Economy, Businesses and People (January 2017)
47. Economy on the eve of Budget 2017-18 (January 2017)
48. Union Budget 2017-18: A budget for all-inclusive development (January 2017)
49. Annual Survey of Indian Direct Selling Industry 2015-16 (February 2017)
50. Worklife Balance and Health Concerns of Women: A Survey (March 2017)
51. Special Economic Zones: Performance, Problems and Opportunities (April 2017)
52. Feasibility Study (socio-Economic Survey) of Ambala and Rohtak Districts in Haryana (March 2017)
53. Goods and Services (GST): So far (July 2017)
54. Reshaping India-Africa Trade: Dynamics and Export Potentiality of Indian Products in Africa (July 2017)
55. Industry Perspective on Bitcoins (July 2017)
56. Senior Housing: A sunrise sector in India (August 2017)
57. Current state of the economy (October 2017)



58. Equitable finance to fulfill funding requirements of Indian Economy (October 2017)
59. The Wall of Protectionism: : Rise and Rise of Protectionist Policies in the Global Arena, (November 2017)
60. India-Israel Relations: Building Bridges of Dynamic Trade(October 2017)
61. Role of Trade Infrastructure for Export Scheme (TIES) in Improving Export Competitiveness (November 2017)
62. India - China Trade Relationship: The Trade Giants of Past, Present and Future (January 2018)
63. Analysis of Trade Pattern between India and ASEAN(January 2018)
64. Union Budget 2018-19 – (February 2018)
65. Ease of Doing Work for Women: A survey of Delhi NCR (February 2018)
66. Restraining Wilful Defaults: Need of the hour for Indian Banking System (March 2018)
67. Impact of GST on Business, Industry and Exporters (April 2018)
68. India – Sri Lanka Bilateral Relations: Reinforcing trade and investment prospects (May 2018)
69. Growth Prospects of the Indian Economy: Road to US \$5 Trillion Economy(May 2018)
70. India's Free Trade Agreements Dynamics and Diagnostics of Trade Prospects(May 2018)
- B: State profiles**
71. Rajasthan: The State Profile (April 2011)
72. Uttarakhand: The State Profile (June 2011)
73. Punjab: The State Profile (November 2011)
74. J&K: The State Profile (December 2011)
75. Uttar Pradesh: The State Profile (December 2011)
76. Bihar: The State Profile (June 2012)
77. Himachal Pradesh: The State Profile (June 2012)
78. Madhya Pradesh: The State Profile (August 2012)
79. Resurgent Bihar (April 2013)
80. Life ahead for Uttarakhand (August 2013)
81. Punjab: The State Profile (February 2014)
82. Haryana: Bolstering Industrialization (May 2015)
83. Progressive Uttar Pradesh: Building Uttar Pradesh of Tomorrow (August 2015),
84. Suggestions for Progressive Uttar Pradesh (August 2015)
85. State profile of Telangana- The dynamic state of India (April 2016)
86. Smart Infrastructure Summit 2016- Transforming Uttar Pradesh (August 2016)
87. Smart Infrastructure Summit 2016-Transforming Uttar Pradesh : Suggestions for the State Government (August 2016)
88. Rising Jharkhand: An Emerging Investment Hub (February 2017)
89. Punjab: Roadmap for the New Government Suggestions for the Industrial and Socio-Economic Development – Focus MSMEs ease of doing business (May 2017)
90. Prospering Himachal Pradesh: A Mountain of Opportunities (August 2017)
91. Kashmir: The way forward (February 2018)
92. Analysis of State Budgets for 2018-19: Select Sates (March 2018)
93. Rising Uttar Pradesh One District One Product Summit (August 2018)

## TEAM, PHD RESEARCH BUREAU

**Dr. SP Sharma**  
**Chief Economist**

Email: [spsharma@phdcci.in](mailto:spsharma@phdcci.in)

Economic Affairs Committee, Industry Affairs Committee, EODB Committee, Macro Economic Developments, Developments in States, Agriculture and Rural Development and Infrastructure

Foreign Trade & Investments Committee, FOREX and FEMA Committee, TIFS, Banking and Financial Markets and Taxation

**Ms. Megha Kaul**  
**Economist**

Developments in Economic Policy

**Mrs. Bhavana Rai**  
**Research Officer**

Industry Affairs and Ease of Doing Business

**Ms. Aarti Jhunjhunwala**  
**Research Associate**

States and Social Infrastructure

**Ms. Abha Chauhan**  
**Research Associate**

State & Rural Developments

**Ms. Kriti Khurana**  
**Research Associate**

Macroeconomic Developments in National and International arena

**Ms. Surbhi Sharma**  
**Senior Research Officer**  
Banking, Finance and Taxation

**Ms. Kritika Bhasin**  
Banking and Financial Markets, Forex & FEMA

**Ms. Shivani Mehrotra**  
**Research Associate**  
Taxation – Direct & Indirect

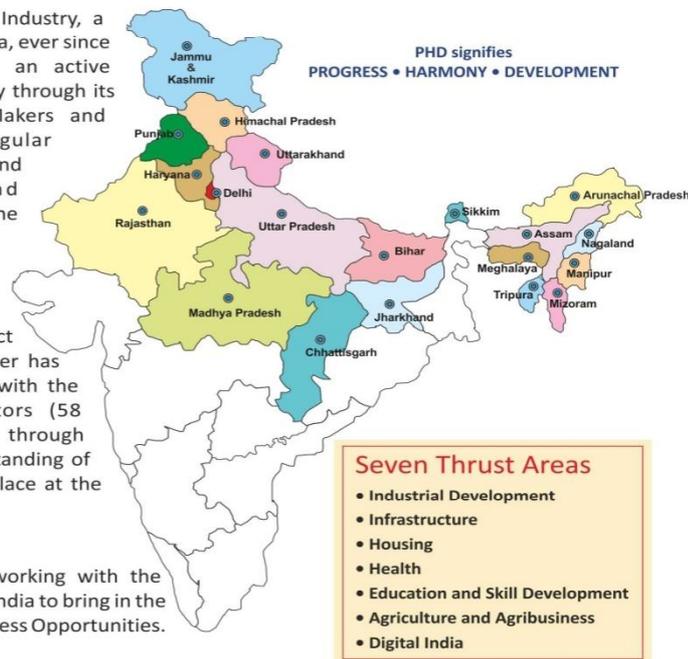
**Ms. Sunita Gosain, Secretarial Assistant**  
Secretarial and Administrative Processes



## About the PHD Chamber

**P**HD 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.



*"Lead the Change - Make the Difference"*

**PHD CHAMBER OF COMMERCE AND INDUSTRY**

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

## Economic Affairs Committee

**Dr. S P Sharma**, Chief Economist  
**Ms. Megha Kaul**, Economist  
**Ms. Abha Chauhan**, Research Associate  
**Ms. Kriti Khurana**, Research Associate

**Shri Vijay Mehta**, Chairman  
**Shri Akhil Bansal**, Co-Chairman  
**Shri Shyam Poddar**, Co-Chairman



NATIONAL APEX CHAMBER

*Economic Affairs Committee*