February 2018

Economic Affairs Committee Newsletter

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

PHD Research Bureau

PHD CHAMBER OF COMMERCE & INDUSTRY

EAC Newsletter
February 2018

The Hon'ble Finance Minister announced the Union Budget recently which is the budget for all as it rightly focuses on agriculture, rural economy, health, infrastructure and MSMEs which is highly appreciable. It is encouraging to know that India is now a US$2.5 trillion economy and the economy is firmly on path to achieve 8% plus growth soon. The corporate tax rate has been reduced to 25% for MSMEs which is highly appreciable as it was the need of the hour. The Hon'ble Finance Minister has proposed to extend 25% corporate tax rate to companies with revenue up to Rs 250 crore which is inspiring as it was much awaited by all industry stakeholders.

The Union Budget 2018 is populist in two of its measures. First, the return of 50% on production of agricultural crops and health insurance which would cover 50 crore beneficiaries is touted to be world's biggest Healthcare Scheme which is a historic step towards the development of inclusive health in India. Further, 1 lakh gram panchayats have been connected to high speed broadband and allocated Rs. 10,000 crore to set up 5 lakh wi-fi hotspots to provide broadband access to 5 crore rural citizens would help greatly in making India a digital economy.

The rise in allocation of Rs. 1.38 lakh crore in FY19 from Rs. 1.22 lakh crore for government health and education programmes will facilitate socio-economic development in the country. However, long-term capital gains tax of 10% for over Rs 1 lakh investments should have been avoided as economy is moving from physical assets accumulation to financial assets.

The Economic Survey was also presented recently which is pragmatic and forward looking. The Survey presents inspiring growth numbers for the coming FY2018-19 at 7-7.5% and gives the medium term focus of the government on employment, education and agriculture which would foster a sustainable economic environment, going forward.

The agenda for the next year is inspiring as it includes stabilizing the GST, completing the Twin Balance Sheet actions, privatizing Air India and staving off threats to macro-economic stability. The increase in the number of indirect tax payers (to the tune of 50%) as highlighted by the Economic Survey is encouraging and would go a long way to increase India's tax base and an improvement in India's tax to GDP ratio to the level of other emerging markets. The improvement in 14 out of 17 indicators of women's agency, attitudes and outcomes is heartening to know and reasserts our belief in improvement in gender equality in the times to come.

In the month of February 2018, the RBI had also announced its Sixth Bi-monthly Monetary Policy in which has decided to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6%. Consequently, the reverse repo rate under the LAF remains at 5.75%, and the marginal standing facility (MSF) rate and the Bank Rate at 6.25%. 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% within a band of +/- 2 per cent, while supporting growth.

On the macro-economic front, the CPI declined marginally from 5.2% in December 2017 to 5.07% in January 2018. The direct tax collections grew by 19.3% upto January 2018 while the gross bank credit registered a growth of 9.3% in December 2017 against 8.3% in November 2017. However, the IIP registered a growth of 7.1% in December 2017 from 8.8% in November 2017. The core infra registered a growth of 4% in December 2017 as against 7.4% in November 2017 due to low growth in crude oil and natural gas.

On the policy front, the government has made a major announcement reclassification of MSMEs from investment in plant and machinery to turnover criteria. The government has increased the limit of micro (where the annual turnover does not exceed five crore rupees), small enterprises (where the annual turnover is more than five crore rupees but does not exceed Rs 75 crore) and medium enterprises (where the annual turnover is more than seventy five crore rupees but does not exceed Rs 250 crore) which is major breakthrough in the Ease of Doing Business for MSMEs and a step forward in synchronization of business firms with GST. Apart from this, the government has also made amendments in the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and has given relief to MSME Borrowers registered under GST which is highly inspiring.

All these developments are expected to give a boost to the economy and strengthen economic growth in the coming times.

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Trade & Investment Facilitation Services TIFS

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	Foreign Entities
Rs. 2500*	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.

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1. Indian economy so far

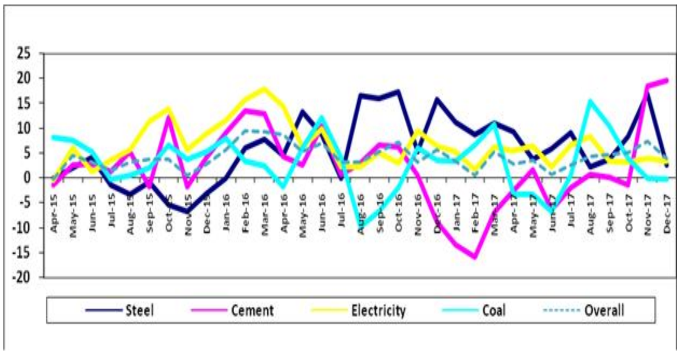
1.1 Growth

December 2017 IIP stands at 7.1%- Growth in industry output, as measured in terms of IIP, for the month of December 2017 stands at 7.1% as compared to 8.8% in November 2017. The growth in the three sectors mining, manufacturing and electricity in December 2017 stands at 1.2%, 8.4% and 4.4% respectively over December 2016. The cumulative growth in these three sectors during April- December 2017-18 over the corresponding period of 2016-17 has been 2.8%, 3.8% and 5.1% respectively.

Recent growth pattern in IIP (% growth)

	Weight in IIP	April-Dec 2016-17	April-Dec 2017-18	Nov 17	Dec 17
Mining	14.3	4.3	2.8	1.1	1.2
Manufacturing	77.6	5	3.8	10.7	8.4
Electricity	7.9	6.3	5.1	3.9	4.4
Use based classification					
Primary goods	34.0	5.4	3.5	3.2	3.7
Capital goods	8.2	3.4	3.8	10	16.4
Intermediate goods	17.2	3.4	1.7	6.5	6.2
Infrastructure/construction goods	12.3	5.1	4.3	13.9	6.7
Consumer durables	12.8	4.8	(-)1.2	3.2	0.9
Consumer non-durables	15.3	7.5	10.3	23.4	16.5
Overall IIP	**100**	**5.1**	**3.7**	**8.8**	**7.1**

Sector wise trend in monthly production (% growth)

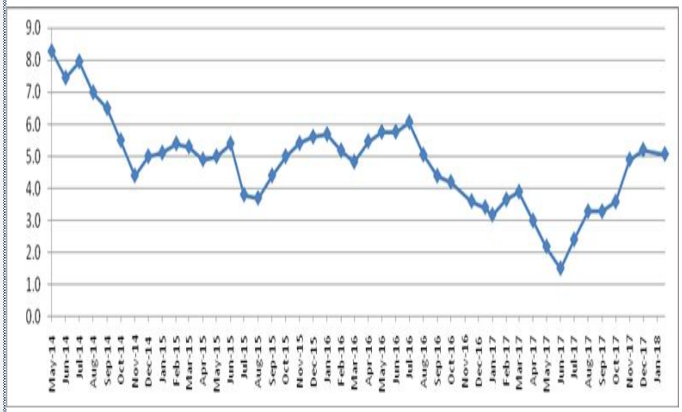


December 2017 core infra stands at 4%- The core infrastructure stands at 4% in December 2017 as against 7.4% in November 2017. The combined Index of Eight Core Industries stands at 129.1 in December, 2017, which was 4% higher as compared to the index of December, 2016. Crude Oil and Natural Gas growth stands at -2.1% and 1% respectively in the month of December 2017. In cumulative terms, core infrastructure industries registered a growth of 4% during April- December 2017-18 as against 5.3% during the corresponding period of the previous year.

1.2 Inflation

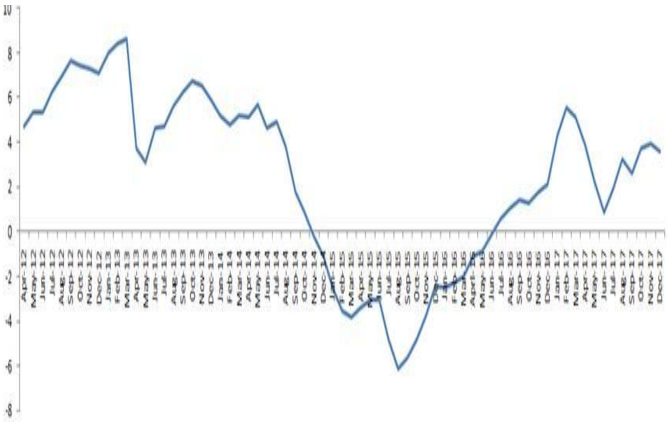
January 2018 CPI inflation stands at 5.07%- The all India general CPI inflation (Combined) for January 2018(Prov.) stands at 5.07% as compared to 5.21% in December 2017. The inflation rates for rural and urban areas for January 2018(Prov.) are 5.21% and 4.93% respectively, as compared to 5.27% and 5.09% respectively, for December 2017. Rate of inflation during January 2018(Prov.) for sugar and confectionery stands at 2.85%, pan and tobacco at 7.58%, cereals and products at 2.33%, milk and products at 4.21%, egg at 8.70%, spices at (-)1.43%, pulses and products at (-)20.19% etc.

Consumer Price Inflation (Combined) (%)



Source: PHD Research Bureau, compiled from CSO

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

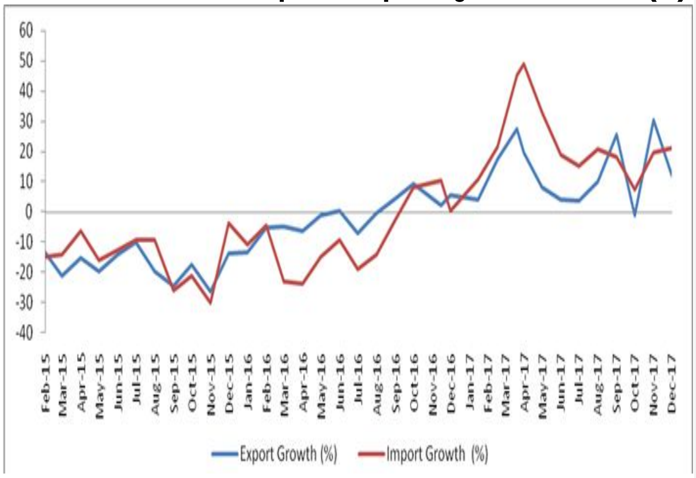


Source: PHD Research Bureau, compiled from the office of the Economic Advisor to the Govt. of India

December 2017 WPI inflation stands at 3.6%- The WPI inflation grows at 3.6% in December 2017 as compared to 3.9% in November 2017, 3.7% in October 2017, 3.14% in September 2017, 3.24% in August 2017, and 1.88% in July 2017. The decline in WPI inflation in the month of December 2017 is attributed to fall in the prices of food articles (4.72%), eggs, meat & fish (1.67%), minerals (7.47%), LPG (21.14%) and petrol (8.80%). Driven by fall in the prices of food articles, eggs, meat & fish minerals, LPG and petrol, WPI inflation stands at 3.6% in December 2017 as compared 3.9% in November 2017 . The official Wholesale Price Index for 'All Commodities' for the month of December, 2017 declined by 0.5 % to 115.7 (provisional) from 116.3 (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

Merchandize exports and imports grew by 12.36% and 21.12% in December 2017- India's merchandize exports have exhibited high positive growth of 12.36% in December 2017 to value at USD 27.03 billion compared to USD 24.05 billion during December 2016. Cumulative value of exports for the period April-December 2017-18 stood at USD 223.51 billion as against USD 199.46 billion registering a growth of 12.05% over the same period last year. On the other hand, India's merchandize imports witnessed expansion, growing by 21.12% to value at USD 41.91 billion in December 2017 compared to USD 34.62 billion during same period previous year. Cumulative value of imports for the period April-December 2017-18 was USD 338.36 billion as against USD 277.89 billion registering a growth of 21.76% over the same period last year.

Trade in Services

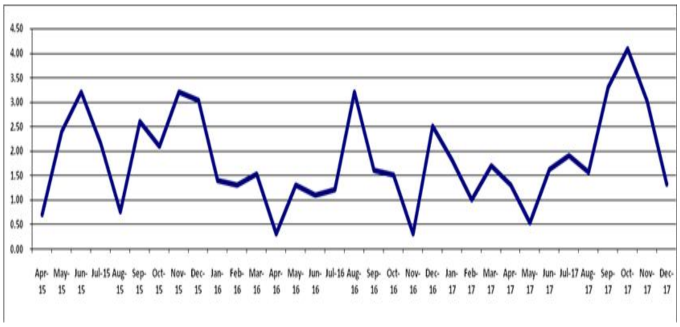
Services	Sept-17	Oct-17	Nov-17
Exports (Receipts) (USD billion)	13.73	14.15	15.39
Imports (Payments) (USD billion)	8.45	8.70	9.65
Trade Balance (USD billion)	5.28	5.45	5.74

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

Service Exports grows at 8.76% in November 2017- Exports during November 2017 were valued at USD 15.392 billion (Rs. 99836.51 Crore) registering a positive growth of 8.76 % in dollar terms as compared to positive growth of 3.06 % during October 2017. Imports during November 2017 were valued at USD 9.647 billion (Rs. 62572.95 Crore) registering a positive growth of 10.89 % in dollar terms as compared to positive growth of 2.96 % during October 2017. The trade balance in Services (i.e. net export of Services) for November, 2017 was estimated at USD 5.745 billion.

ECBs stand at USD 1.31 billion during December 2017- Indian firms have raised about USD 1.31 billion through external commercial borrowings (ECBs) by automatic and approval route in December 2017 as against USD 3.02 billion in November 2017. The borrowings stood at USD 2.5 billion in December 2016. India has received gross ECBs worth around USD 332 billion between FY2001 and FY2018 (till December 2017). The the ECBs pattern reveals that the lion's share in ECBs during the month of December 2017 is held for the purpose of railways by about 38% of the total borrowings followed by refinancing of earlier ECB at around 35% and modernization at around 8%.

External commercial borrowings since April 2015



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

FDI equity inflows in India grows by 17% during April to September 2017-18- During April to September 2017-18, FDI equity inflows stands at USD 25.35 billion as against USD 21.62 billion during same period previous year, registering a growth rate of 17% (Y-o-Y). FDI equity inflows during second quarter (July to September 2017-18) stands at USD 14.9 billion. While, total Foreign Direct Investment (FDI) flows in India (Equity inflows + Re-invested earnings + Other capital) stands at USD 19.05 billion during second quarter of 2017-18 (July - September 2017-18).

FDI equity inflows (month-wise) during April to September 2017-18

Financial Year 2017-18 (April-March)		Amount of FDI Equity inflows (In Rs. Crore)	(In US$ mn)
1.	April, 2017	20,826	3,229
2.	May, 2017	26,159	4,060
3.	June , 2017	20,101	3,119
4.	July, 2017	31,112	4,827
5.	August, 2017	51,198	8,004
6.	September, 2017	13,632	2,115
2017-18 (form April, 2017 to September , 2017) #		163,028	25,354
2016-17 (form April, 2016 to September , 2016) #		144,674	21,624
%age growth over last year		(+)13%	(+)17%

Source: PHD Research Bureau; Compiled from Department of Industrial Policy and Promotion

India's CAD narrowed to 1.2% of GDP in Q2 2017-18 from 2.5% of GDP in Q1 2017-18- India's current account deficit (CAD) stands at US$ 7.2 billion (1.2 per cent of GDP) in Q2 of 2017-18 which narrowed sharply from US$ 15.0 billion (2.5 per cent of GDP) in the preceding quarter, but was substantially higher than US$ 3.4 billion (0.6 per cent of GDP) in Q2 of 2016-17. The widening of the CAD on a year-on-year (y-o-y) basis was primarily on account of a higher trade deficit (US$ 32.8 billion) brought about by a larger increase in merchandise imports relative to exports.

Table 1: Major Items of India's Balance of Payments

(US$ Billion)

	July-September 2017 P			July-September 2016			April-September 2017-18 P			April-September 2016-17		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
A. Current Account	145.6	152.8	-7.2	127.7	131.1	-3.4	285.5	307.8	-22.2	252.6	256.5	-3.8
1. Goods	76.1	108.9	-32.8	67.4	93.0	-25.6	149.2	224.0	-74.8	134.0	183.5	-49.4
Of which:												
POL	9.4	23.7	-14.3	7.6	20.5	-12.9	16.9	46.5	-29.6	14.4	39.5	-25.1
2. Services	47.4	29.0	18.4	40.9	24.6	16.3	93.3	56.6	36.7	80.3	48.2	32.0
3. Primary Income	4.6	13.0	-8.5	4.1	12.2	-8.1	9.4	23.6	-14.3	7.8	22.2	-14.4
4. Secondary Income	17.5	1.9	15.7	15.2	1.3	13.9	33.7	3.5	30.1	30.5	2.6	27.9
B. Capital Account and Financial Account	146.5	139.7	6.9	138.9	134.6	4.3	302.2	281.0	21.2	268.1	263.6	4.5
Of which:												
Change in Reserve (Increase (-)/Decrease (+))	0.0	9.5	-9.5	0.0	8.5	-8.5	0.0	20.9	-20.9	0.0	15.5	-15.5
C. Errors & Omissions (-) (A+B)	0.4		0.4		0.9	-0.9	1.0		1.0		0.7	-0.7

P: Preliminary

Note: Total of subcomponents may not tally with aggregate due to rounding off.

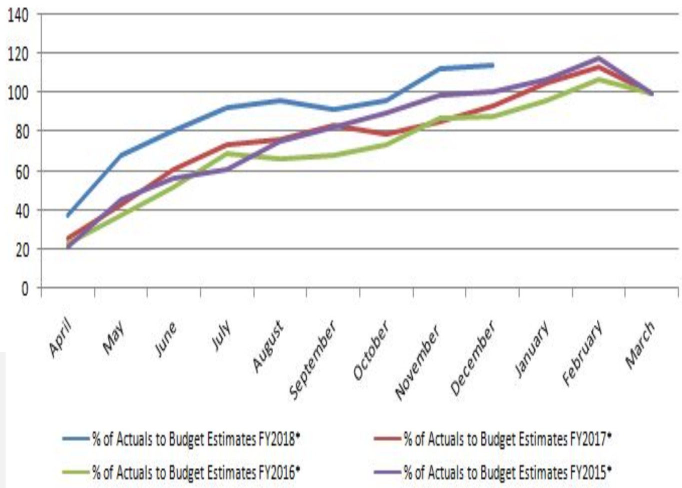
Source: RBI P: Preliminary. Note: Total of subcomponents may not tally with aggregate due to rounding off.

**India's external debt registered at about US $496 billion at end-September 2017**- India's external debt stock stood at US$ 495.7 billion, recording an increase of US$ 23.9 billion (5.1 %) at end-September 2017, over the level at end-March 2017 . The rise in external debt during the period was primarily due to the increase in foreign portfolio investment (FPI) in the debt segment of domestic capital market included under commercial borrowings. Some increase in short-term debt primarily due to trade related credit also contributed to the overall increase in total external debt. On a sequential basis, total external debt at end-September 2017 increased by US$ 10.0 billion (2.1 %) from the end-June 2017 level. The maturity pattern of India's external debt indicates dominance of long-term borrowings. At end-September 2017, long-term external debt accounted for 81.3 % of India's total external debt, while the remaining (18.7 %) was short-term external debt. Long-term debt at end-September 2017 was at US$ 403.0 billion, showing an increase of US$ 19.1 billion (5.0 %) over the level at end-March 2017.

1.4 Fiscal scenario

December 2017 fiscal deficit stands at 113.6 % of actuals to BEs- The gross fiscal deficit of the Central government stands at 113.6% of the actuals to budget estimates (BEs) at the end of December 2017 as compared to 93.9 % of the actuals to budget estimates in the corresponding period of the previous year. The primary deficit was registered at 1053.1% of the actuals to budget estimates at the end of December 2017 as compared to 425.8 % of the actuals to budget estimates during corresponding period of the previous year. The revenue receipts at the end of December 2017 of the central government stands at 66.9 % of the actuals to budget estimates as compared with 67.9% of the actuals to budget estimates at the end of December 2016. The government's market borrowing stands at 131 % of the actuals to budget estimates at the end of December 2017 as compared with 99 % of the actuals to budget estimates at the end of December 2016.

Differentials in use of fiscal deficit space at the end of December 2017 vis-à-vis December 2016 (in %)



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

Government's total public debt increased by 2.5% in Q2 FY2018- The total Public Debt (excluding liabilities under the 'Public Account') of the Government provisionally increased to Rs. 65,65,652 crore at end-Sep 2017 from Rs. 64,03,138 crore at end June 2017. This represented a quarter-on-quarter (QoQ) increase of 2.5 % (provisional) in Q2 FY 18 as compared with an increase of 4.7 % in the previous quarter (Q1 of FY 18). Internal debt constituted 93.0 % of Public Debt at the end of quarter, same as that in the previous quarter. Marketable securities (consisting of Rupee denominated dated securities and Treasury Bills) accounted for 82.6 % of total Public Debt at end-Sep 2017.

Table: Composition of Public Debt

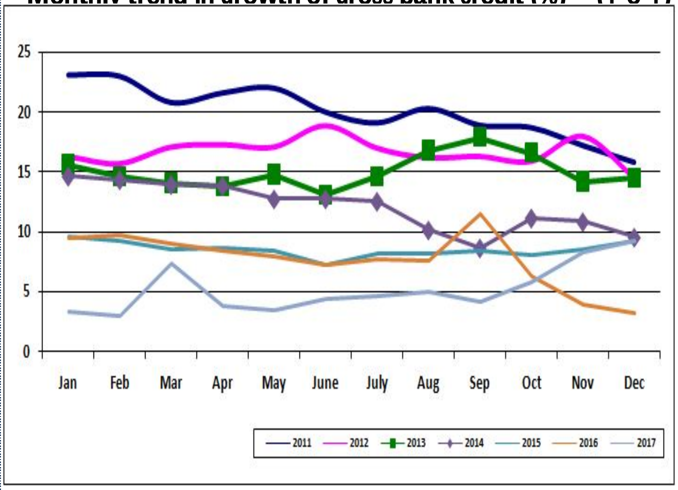
Item	At end-Sep 2017#	At end-June 2017	At end-Sep 2017#	At end-June 2017
	(₹ crore)		(% of Total)	
1	2	3	4	5
Public Debt (1 + 2)	**65,65,652**	**64,03,138**	**100.0**	**100.0**
1. Internal Debt	**61,05,458**	**59,53,925**	**93.0**	**93.0**
Marketable	**54,24,650**	**52,77,272**	**82.6**	**82.4**
(a) Treasury Bills	4,76,050	4,31,643	7.3	6.7
(i) Cash Management Bills	-	5,327	-	-
(ii) 91-days Treasury Bills	2,32,526	1,95,345	3.5	3.1
(iii) 182-days Treasury Bills	98,545	87,991	1.5	1.4
(iv) 364-days Treasury Bills	1,44,980	142,981	2.2	2.2
(b) Dated Securities	49,48,599	48,45,629	75.4	75.7
Non-marketable	**6,80,808**	**6,76,652**	**10.4**	**10.6**
(i) 14-days Treasury Bills	1,25,172	1,18,466	1.9	1.9
(ii) Securities Issued to NSSF*	4,00,796	4,00,796	6.1	6.3
(iii) Compensation and other bonds*	52,852	52,852	0.8	0.8
(iv) Securities issued to International Financial Institutions*	1,01,989	1,01,989	1.6	1.6
(v) Ways and Means Advances		2,550	-	0.0
2. External Debt	**4,60,194**	**4,49,213**	**7.0**	**7.0**
(i) Multilateral	2,99,355	2,92,646	4.6	4.6
(ii) Bilateral	1,24,469	1,20,194	1.9	1.9
(iii) IMF*	35,834	35,834	0.5	0.6
(iv) Rupee debt	536	538	0.0	0.0

Direct Tax Collections grows by 19.3% up to January, 2018- The provisional figures of Direct Tax collections up to January, 2018 show that net collections are at Rs.6.95 lakh crore which is 19.3% higher than the net collections for the corresponding period of last year. The net Direct Tax collections represent 69.2% of the Revised Estimates of Direct Taxes for F.Y. 2017-18 (Rs.10.05 lakh crore).Gross collections (before adjusting for refunds) have increased by 13.3% to Rs.8.21 lakh crore during April 2017 to January 2018. Refunds amounting to Rs.1.26 lakh crore have been issued during April 2017 to January 2018.The Growth Rate for Net Collections for Corporate Income Tax (CIT) is 19.2% and for Personal Income Tax (PIT) is 18.6%.

1.5 Monetary scenario

Gross Bank Credit grows at 9.3% in December 2017- Gross bank credit grows at 9.3% in December 2017 as against 8.3% in November 2017. The gross bank credit growth stands at 3.3% during December 2016. On a year-on-year (y-o-y) basis, non-food bank credit increased by 10% in December 2017 as against 8.8% in November 2017. Credit to agriculture and allied activities increased by 9.5% in December 2017, in comparison to 8.4% in November 2017. Credit to industry increased by 2.1% in December 2017 as compared with a contraction of 1% in November 2017. Credit to major sub-sectors such as infrastructure, petroleum, coal products & nuclear fuels, basic metal & metal products and mining & quarrying have contracted. However, credit growth to textiles, chemical & chemical products, all engineering, food processing and construction have accelerated.

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



Source: PHD Research Bureau, compiled from RBI

The RBI Policy Rates So Far

Components	6th Apr 2017	7th Jun 2017	2nd Aug 2017	4th Oct 2017	6th Dec 2017	7th Feb 2018
CRR	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Repo Rate	6.25%	6.25%	6.00%	6.00%	6.00%	6.00%
Reverse Repo Rate	6.0%	6.0%	5.75%	5.75%	5.75%	5.75%
WPI Inflation	6.55% (Feb-17)	3.85% (Apr-17)	0.9% (Jun-17)	3.24% (Aug-17)	3.59% (Oct-17)	3.6% (Dec-17)
CPI inflation\@	3.65% (Feb-17)	2.99% (Apr-17)	1.5% (Jun-17)	3.36% (Aug-17)	3.6% (Oct-17)	5.2% (Dec-17)
IIP growth	2.7% (Jan-17)	2.5% (Mar-17)	1.7% (May-17)	1.2% (July-17)	3.8% (Sep-17)	8.4% (Nov-17)
Real GDP growth	7.4%^&*	7.3% ^&**	7.3% ^&***	6.7% ^&^	6.7% ^&^^	6.6%

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 projection for 2016-17 by RBI in monetary policy dated 7 Dec 2016. ^### GVA growth as per Sixth Bi-monthly Monetary Policy Statement 2016-17 ^&* GVA growth for 2017-18 as per First Bi-monthly Monetary Policy Statement, 2017-18, ^&** GVA growth for 2017-18 as per Second Bi-monthly Monetary Policy Statement, 2017-18, ^&*** GVA growth for 2017-18 as per Third Bi-monthly Monetary Policy Statement, 2017-18. ^&^ GVA growth for 2017-18 as per Fourth Bi-monthly Monetary Policy Statement, 2017-18. ^&^^ GVA growth for 2017-18 as per Fifth Bi-monthly Monetary Policy Statement, 2017-18.

RBI maintains status quo in Sixth Bi-monthly Monetary Policy Statement, 2017-18- On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) of RBI has decided to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6%. Consequently, the reverse repo rate under the LAF remains at 5.75%, and the marginal standing facility (MSF) rate and the Bank Rate at 6.25%. 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% within a band of +/- 2 per cent, while supporting growth.

2. Major policy pronouncements

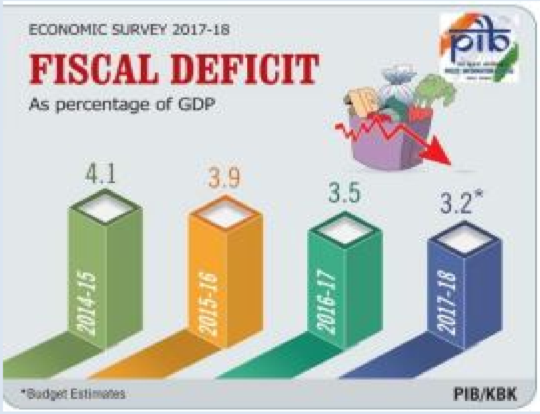
Union Budget 2018-19- The Hon'ble Finance Minister, Shri Arun Jaitley announced the Union Budget 2018-19 recently in which he made significant announcements especially for the agriculture sector and rural households. Some of the major announcements made are MSP for all unannounced kharif crops will be one and half times of their production cost like majority of rabi crops: Institutional Farm Credit raised to 11 lakh crore in 2018-19 from 8.5 lakh crore in 2014-15; 22,000 rural haats to be developed and upgraded into Gramin Agricultural Markets to protect the interests of 86% small and marginal farmers; Two New Funds of Rs10,000 crore announced for Fisheries and Animal Husbandary sectors; Re-structured National Bamboo Mission gets Rs.1290 crore; Rs. 5.97 lakh crore allocation for infrastructure, among others. Further, the Comprehensive Gold Policy on the anvil to develop yellow metal as an asset class was announced along with 100 % deduction proposed to companies registered as Farmer Producer Companies with an annual turnover upto Rs. 100 crore on profit derived from such activities, for five years from 2018-19.

The government has proposed to extend reduced rate of 25 % currently available for companies with turnover of less than 50 crore (in Financial Year 2015-16), to companies reporting turnover up to Rs. 250 crore in Financial Year 2016-17, to benefit micro, small and medium enterprises. Tax on Long Term Capital Gains exceeding Rs. 1 lakh at the rate of 10 %, without allowing any indexation benefit was also announced in this budget. However, all gains up to 31st January, 2018 will be grandfathered. Relief to senior citizens was proposed in this budget. The government has also proposed changes in customs duty to promote creation of more jobs in the country and also to incentivise domestic value addition and Make in India in sectors such as food processing, electronics, auto components, footwear and furniture.

Economic Survey 2017-18 pragmatic and forward looking- The Economic Survey 2017-18 presented by the Hon'ble Finance Minister, Shri Arun Jaitley stated that series of major reforms undertaken over the past year will allow real GDP growth to reach 6.75 percent this fiscal and will rise to 7.0 to 7.5 percent in 2018-19, thereby re-instating India as the world's fastest growing major economy. The key reforms announced included launch of transformational Goods and Services Tax (GST), resolution of the long-festering Twin Balance Sheet (TBS) problem by sending the major stressed companies for resolution under the new Indian Bankruptcy Code, implementing a major recapitalization package to strengthen the public sector banks, liberalization of FDI and the export uplift from the global recovery.

The survey points out that as per the quarterly estimates; there was a reversal of the declining trend of GDP growth in the second quarter of 2017-18, led by the industry sector. The Gross Value Added (GVA) at constant basic prices is expected to grow at the rate of 6.1 per cent in 2017-18 as compared to 6.6% in 2016-17. Similarly, Agriculture, industry and services sectors are expected to grow at the rate of 2.1%, 4.4%, and 8.3% respectively in 2017-18. The survey reflects that after remaining in negative territory for a couple of years, growth of exports rebounded into positive one during 2016-17 and expected to grow faster in 2017-18. However, due to higher expected increase in imports, net exports of goods and services are slated to decline in 2017-18. Similarly, despite the robust economic growth, the savings and investment as a ratio of GDP generally declined. The major reduction in investment rate occurred in 2013-14, although it declined in 2015-16 too. Within this the share of household sector declined, while that of private corporate sector increased.

The survey highlights that against the emerging macroeconomic concerns, policy attention will be necessary in the coming year, especially if high international oil prices persist or elevated stock prices correct sharply, provoking a —sudden stall in capital flows. The agenda for the next year consequently remains full: stabilizing the GST, completing the TBS actions, privatizing Air India, and staving off threats to macro-economic stability.



Small Finance Banks and Payment Banks to offer Atal Pension Yojana- Atal Pension Yojana (APY) is a Government of India's Old Age Pension Scheme being implemented through all Banks across the country as per the mandate received from the Ministry of Finance and monitored periodically at PMO. The Hon'ble Prime Minister of India, Shri Narendra Modi had launched the Social Security Scheme on 9th May 2015 and dedicated the First Ever Guaranteed Pension Product to the people of the country.To strengthen the existing channels of APY distribution, it is felt that these new Payments Banks and Small Finance Banks will provide a boost to the outreach of subscribers under APY . Participation in APY not only builds a pensioned society but also adds sustainable fee income to Banks by way of attractive incentive for mobilizing APY at Rs 120-150 for each Account. As on 23rd January 2018, there are more than 84 lacs subscribers registered under the APY Scheme with an asset base of more than Rs. 3,194 crore.

Relief for MSME Borrowers registered under Goods and Services Tax (GST)- Presently, banks and NBFCs in India generally classify a loan account as Non-Performing Asset (NPA) based on 90 day and 120 day delinquency norms, respectively. It has been represented to RBI that formalisation of business through registration under GST had adversely impacted the cash flows of the smaller entities during the transition phase with consequent difficulties in meeting their repayment obligations to banks and NBFCs. As a measure of support to these entities in their transition to a formalised business environment, it has been decided by RBI that the exposure of banks and NBFCs to a borrower classified as micro, small and medium enterprise under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, shall continue to be classified as a standard asset in the books of banks and NBFCs subject to conditions such as the borrower is registered under the GST regime as on January 31, 2018; the aggregate exposure, including non-fund based facilities, of banks and NBFCs, to the borrower does not exceed Rs. 250 million as on January 31, 2018; the amount from the borrower overdue as on September 1, 2017 and payments from the borrower due between September 1, 2017 and January 31, 2018 are paid not later than 180 days from their respective original due dates, among others.

Cabinet approves signing of India-Australia Memoranda of Understanding (MoUs) for Secondment Programme- The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has given its approval for signing of Memoranda of Understanding for Secondment Programme between the Department of Economic Affairs (Indian Economic Service Cadre) and The Treasury, Government of Australia, for a period of three months. Under the Programme, one officer from the Australian Treasury shall be seconded to the Department of Economic Affairs, Ministry of Finance and one officer from the IES (at Deputy Secretary/Director level) to be nominated by the IES Cadre, Department of Economic Affairs, shall be seconded to the Australian Treasury, Government of Australia, for a period of three months, beginning 15.1.2018 or later. The validity of both the MoUs will terminate at the end of the three months' period of assignment and the same will not be extendable. The programme may be repeated in subsequent years with mutual consultation and after agreement on both sides.

Amendments to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016- The Insolvency and Bankruptcy Board of India (IBBI) amended the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 recently. According to the Amendments, the Resolution Professional shall appoint two registered valuers to determine the fair value and the liquidation value of the corporate debtor. After the receipt of resolution plans, the resolution professional shall provide the fair value and the liquidation value to each member of the committee of creditors in electronic form, on receiving a confidentiality undertaking. The resolution professional and registered valuers shall maintain confidentiality of the fair value and the liquidation value. The Resolution Professional shall submit the information memorandum in electronic form to each member of the committee of creditors within two weeks of his appointment as resolution professional and to each prospective resolution applicant latest by the date of invitation of resolution plan, on receiving confidentiality undertaking. The Resolution Professional shall issue an invitation, including the evaluation matrix, to the prospective resolution applicants. He may modify the invitation as well as the evaluation matrix. However, the prospective resolution applicant shall get at least 30 days from the issue of invitation or modification thereof, whichever is later, to submit resolution plans. Similarly, he will get at least 15 days from the issue of evaluation matrix or modification thereof, whichever is later, to submit resolution plans.

While the Resolution Applicant shall continue to specify the sources of funds that will be used to pay insolvency resolution process costs, liquidation value due to operational creditors and liquidation value due to dissenting financial creditors, the committee of creditors shall specify the amounts payable from resources under the resolution plan for these purposes. A Resolution Plan shall provide for the measures, as may be necessary, for insolvency resolution of the corporate debtor for maximization of value of its assets. These may include reduction in the amount payable to the creditors, extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor, change in portfolio of goods or services produced or rendered by the corporate debtor, and change in technology used by the corporate debtor.The Resolution Professional shall submit the resolution plan approved by the committee of creditors to the Adjudicating Authority, at least 15 days before the expiry of the maximum period permitted for the completion of the corporate insolvency resolution process.

The Government of India announces details of Bank recap and Comprehensive Reform Plan- The Government of India unveiled details of the re-capitalisation of Public Sector Banks (PSBs) announced in October, 2017. The capital infusion plan for 2017-18 includes Rs.80,000 crore through Recap Bonds and Rs.8,139 crore as budgetary support. This plan addresses regulatory capital requirement of all PSBs and provides a significant amount towards growth capital for increasing lending to the economy. The recap would be accompanied by a strong reforms package across six themes incorporating 30 action points. The reforms agenda is based on the recommendations made at the PSB Manthan held in November, 2017 involving senior management of PSBs and representatives from Government. The reform agenda is aimed at EASE - Enhanced Access and Service Excellence, focusing on six themes of customer responsiveness, responsible banking, credit off take, PSBs as Udyami Mitra, deepening financial inclusion & digitalisation and developing personnel for brand PSB. The overarching framework for the reforms agenda is "Responsive and Responsible PSBs".

Cabinet approves Ratification of the Minamata Convention on Mercury- The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the proposal for ratification of Minamata Convention on Mercury and depositing the instrument of ratification enabling India to become a Party of the Convention. The approval entails Ratification of the Minamata Convention on Mercury along with flexibility for continued use of mercury-based products and processes involving mercury compound up to 2025. The Minamata Convention on Mercury will be implemented in the context of sustainable development with the objective to protect human health and environment from the anthropogenic emissions and releases of mercury and mercury compounds. The Convention protects the most vulnerable from the harmful effects of mercury and also protects the developmental space of developing countries. Therefore, the interest of the poor and vulnerable groups will be protected.

Cabinet approves proposal for Amendment to the Micro, Small and Medium Enterprises Development Act, 2006 to change the criteria of classification and to withdraw the MSMED (Amendment) Bill, 2015 – pending in Lok Sabha-- The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has approved change in the basis of classifying Micro, Small and Medium enterprises from 'investment in plant & machinery/equipment' to 'annual turnover'. This will encourage ease of doing business, make the norms of classification growth oriented and align them to the new tax regime revolving around GST (Goods & Services Tax). Section 7 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 will accordingly be amended to define units producing goods and rendering services in terms of annual turnover as follows:

- A micro enterprise will be defined as a unit where the annual turnover does not exceed five crore rupees;
- A small enterprise will be defined as a unit where the annual turnover is more than five crore rupees but does not exceed Rs 75 crore;
- A medium enterprise will be defined as a unit where the annual turnover is more than seventy five crore rupees but does not exceed Rs 250 crore.
- Additionally, the Central Government may, by notification, vary turnover limits, which shall not exceed thrice the limits specified in Section 7 of the MSMED Act.

Cabinet approves signing and ratification of protocol amending the Agreement between India and China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion- The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has given its approval for signing and ratification of protocol amending the Agreement between India and China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to taxes on income. Besides other changes, the Protocol updates the existing provisions for exchange of information to the latest international standards. Further the Protocol will incorporate changes required to implement treaty related minimum standards under the Action reports of Base Erosion & Profit shifting (BEPS) Project, in which India had participated on an equal footing. Besides minimum standards, the Protocol will also bring in changes as per BEPS Action reports as agreed upon by two sides.

3. Other key developments

India ranks 177 out of 180 in Environmental Performance Index 2018- The Report on Environmental Performance Index (EPI) 2018 finds that air quality is the leading environmental threat to public health. The biennial report is produced by researchers at Yale and Columbia Universities in collaboration with the World Economic Forum. The tenth EPI report ranks 180 countries on 24 performance indicators across 10 issue categories covering environmental health and ecosystem vitality. Switzerland leads the world in sustainability, followed by France, Denmark, Malta, and Sweden.

Switzerland's top ranking reflects strong performance across most issues, especially air quality and climate protection. In general, high scorers exhibit long-standing commitments to protecting public health, preserving natural resources, and decoupling greenhouse gas (GHG) emissions from economic activity. India and Bangladesh come in near the bottom of the rankings, with Burundi, Democratic Republic of the Congo, and Nepal rounding out the bottom five. Low scores on the EPI are indicative of the need for national sustainability efforts on a number of fronts, especially cleaning up air quality, protecting biodiversity, and reducing GHG emissions, said the researchers. Some of the lowest-ranking nations face broader challenges, such as civil unrest, but the low scores for others can be attributed to weak governance.

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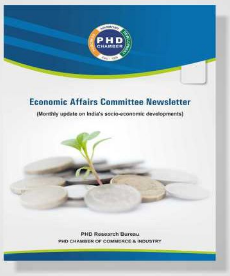
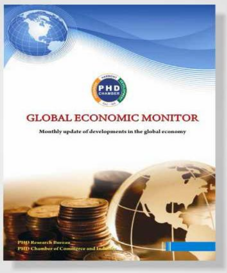
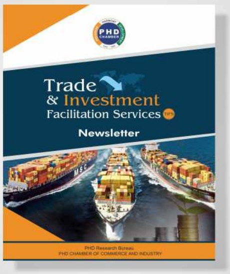


Economic Affairs Committee (EAC) issues a comprehensive newsletter on the economic and social developments in the economy in a particular month. The report provides a concise view of the movements in lead indicators in that month and in the coming times.

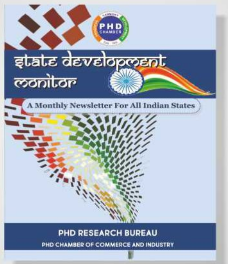
Forex Committee Newsletter provide a broad view of developments related to forex affairs of our economy such as rupee movement, forex reserves, regulatory developments, stock markets behaviour, interest rate scenario, commodities overview and key macroeconomic indicators etc.



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.

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Warm regards

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MoUs/Agreements signed during the visit of Hon'ble Prime Minister Shri. Narendra Modi ji to Palestine- During the visit of Hon'ble Prime minister of India Shri Narendra Modi ji, to Palestine, various Memorandum of Understanding and agreements related to health, education, among other were signed. The agenda behind the visit of Hon'ble Prime Ministers is to strengthen India's engagement with the West Asian and the Gulf region. The list of MoUs/ Agreements signed during the visit are as under-

S. No.	Name of MOUs/Agreements	Signed and exchanged by Palestinian side	Signed by Indian side	Exchanged by
1	MOU between India and Palestine for setting up of India-Palestine Super-specialty hospital at Beit Sahour in Bethelhem Governorate at a cost of **US$ 30 million**	Dr. Jawad Aouad, Minister of Health of the State of Palestine	Shri T.S. Tirumurti, Secretary (ER)	Shri Vijay Gokhle, Foreign Secretary
2	MOU between India and Palestine for construction of India Palestine Centre for Empowering women, "Turathi" at a cost of **US$ 5 million**	Ms. Abeer Aoudeh, Minister of National Economy	Shri T.S. Tirumurti, Secretary (ER)	Shri Vijay Gokhle, Foreign Secretary
3	MOU between India and Palestine for setting up of new National Printing Press at Ramallah at a cost of **US$ 5 million**	Mr. Ahmad Assaf, Minister of Palestinian Public Broadcasting Corporation and Official Media on behalf of Minister of Finance	Shri T.S. Tirumurti, Secretary (ER)	Shri Vijay Gokhle, Foreign Secretary
4	MOU between India and Palestine Construction of school in Muthalth Al Shuhada Village at a cost of **US$ 1 million**	Dr. Sabri Saidam, Minister of Education and Higher Education of the State of Palestine	Shri T.S. Tirumurti, Secretary (ER)	Shri Vijay Gokhle, Foreign Secretary
5	MOU between India and Palestine Construction of school in Tamoon village in Tubas Governorate in Palestine at a cost of **US$ 1.1 million**	Dr. Sabri Saidam, Minister of Education and Higher Education of the State of Palestine	Shri T.S. Tirumurti, Secretary (ER)	Shri Vijay Gokhle, Foreign Secretary
6	MOU between India and Palestine Assistance of **US$ US$ 0.25 million** for construction of additional floor to Jawahar Lal Nehru for Boys at Abu Dees	Dr. Sabri Saidam, Minister of Education and Higher Education of the State of Palestine	Shri T.S. Tirumurti, Secretary (ER)	Shri Vijay Gokhle, Foreign Secretary

India Among Top Ten Nations in the World in Terms of Forest Area- According to the India State of Forest Report (ISFR) 2017, India has shown an increasing trend in the forest and tree cover, in comparison to the global trend of decreasing forest cover during the last decade. The report states that India ranks among the top ten countries of the world in terms of forest area, despite the fact that none of the other 9 countries has a population density of more than 150 persons per sq km, compared to India, which has a population density of 382 persons per sq km. India is ranked 10th in the world, with 24.4% of land area under forest and tree cover, even though it accounts for 2.4 % of the world surface area and sustains the needs of 17 % of human and 18 % livestock population. While releasing the report, Dr Harsh Vardhan, Hon'ble Union Minister for Environment, Forest and Climate Change said that despite such tremendous population and pressures of livestock on our forests, India has been able to preserve and expand its forest wealth. As per the latest FAO report, India is placed 8th in the list of Top Ten nations reporting the greatest annual net gain in forest area.

In a nutshell

According to RBI, the slowdown of economic activity that set in from Q1 of 2016-17 and became pronounced in the second half of the year appears to have extended into the first half of 2017-18. Looking ahead, there are expectations of some improvement in the services sector which may counterbalance the weakness in industrial production. The inflation is expected to be in the growing trajectory in 2017-18 as the favourable base effect reverses. Nonetheless, there has been an improvement in external viability as the forex reserves were around 11.5 months of imports in September 2017 and over 4 times short-term external debt.

Further, the government has come out with a budget which is aimed at inclusive growth and development of the economy which will facilitate economic growth. The Economic Survey also presents a pragmatic picture of the Indian economy and is a reflection of government's commitment to growth. The Survey projects that GDP growth could accelerate to 7-7.5 per cent in 2018-19, from 6.75 percent in the current fiscal, reinstating India as the world's fastest-growing major economy. The Survey is optimistic in its tone because of the Government's commitment to carry forward structural reforms, such as GST, deregulation measures, bank re-capitalisation and resolution through the Insolvency and Bankruptcy Code process. Going ahead, the recent reforms of the government such as amendment in the insolvency and bankruptcy code and reclassification of MSMEs from investments to turnover criteria, among others will give a boost to ease of doing business and create new employment opportunities in the coming times.

The lead economic and financial indicators so far...

S. No	Components	November 2017	December 2017	January 2018
1.	IIP Growth	8.8%	7.1%	-
2	Export Growth	30.55%	12.36%	-
3	WPI Inflation Y-O-Y growth	3.9%	3.6%	-
4	CPI inflation (combined)	4.9%	5.2%	5.07%
5	Gold (10 GRMS)	29236^	29252^^	29818^^^
6	Crude Oil (1 BBL)	3690^	3840^^	4028^^^
7	BSE Sensex	33149^	34057^^	35965^^^
8	Exchange rate average (INR/ 1 USD)	64.46^	63.87^^	63.63^^^
9	Repo rate	6%	6%	6%
10	CRR	4%	4%	4%
11	10 year Bond yield	7.2707%	7.4429%	7.6571%
12	Base rate	8.85% - 9.45%@#	8.65% - 9.45%@@#	8.65% - 9.45%@@@#

Source: PHD Research Bureau compiled from various sources, ^ Data pertains to 30th November 2017, ^^Data pertains to 29th December 2017, ^^^Data pertains to 31st January 2018, @# Data as on 26th December 2017, @@#Data pertains to 16 January 2018, @@@#Data pertains to 13 February 2018

India: Statistical snapshot

Indicators	FY12	FY13	FY14	FY15	FY16	FY17	FY18
GDP at FC - Constant prices (Rs cr)	8736039	9215125	9817822	10536984	11381002	12189854	12985363#^
GDP at FC-Constant prices growth YOY (%)	6.7	5.5*	6.4*	7.5*	8*	7.1@#	6.5#^
Agriculture growth	5.0	1.5	5.6	(-)0.3	0.7*	4.9@#	2.1#^
Industry growth	7.8	3.4	4.2	6.9	8.2	5.8@#	4.7#^
Services growth	6.6	7.7	9.5	9.8	7.9	7.9@#	8.3#^
Consumption (% YOY)	8.9	5.2	4.7	-	-	-	-
Private consumption (% YOY)	9.3	5.5	6.8	6.2	7.3	8.7	-
Gross domestic savings as % of GDP	31.4	30.1	30.5	30.6”’	-	-	-
Gross Fixed Capital Formation as % of GDP	34.3	34.1	33	32.3	31.2	-	-
Gross fiscal deficit of the Centre as a % GDP	5.7	4.9	4.5	4.1’’	3.9	3.5	3.5*@
Gross fiscal deficit of the states as a % GDP	1.9	1.9	2.5	2.3’’	-	-	-
Gross fiscal deficit of Centre & states as a % GDP	8.1	7.2	6.7	6.6’’	-	-	-
Merchandise exports (US$Bn)	305.7	300.2	312.35	310.5	261.14	274.64	27.03^^^^
Growth in exports	21.9	-1.8	3.98	(-)1.2	(-)15.9	4.7	12.36^^^^
Imports (US$Bn)	489.1	490.3	450.94	447.5	379.59	380.37	41.91^^^^
Growth in imports (YOY)	32.4	0.2	-8.1	-0.59	(-)15.3	(-)0.17	21.12^^^^
Trade deficit (US$Bn)	183.4	190.1	138.6	137	118.46	46.42	14.88^^^^
Net invisibles US$Bn	111.6	107.5	115.0	-	107.9^^	-	-
Current account deficit US$Bn	78.2	88.2	32.4	26.8^^	22.1^^	15.2^^*	7.2#^
Current account deficit as % of GDP	4.2	4.8	1.7	1.3	1.1^^	0.7^^*	1.2#^
Net capital account US$Bn	67.8	94.2	33.3^^	11.8	23.2	14.9^^*	-
Overall balance of payments US$Bn	12.8	3.8	15.5^^	6.9	-	-	-
Foreign exchange reserves US$Bn	294.9	292.04	304.22	316.2	355.56~~	367.9~~~	421.9~~~
External debt - Short term US$Bn	78.2	96.7	89.2``	86.4```	83.6&&&	88^^*	-
External debt - Long term US$Bn	267.5	293.4	351.4``	376.4```	398.6&&&	383.9^^*	-
External debt - US$Bn	345.8	392.1	441``	462```	480.18&&&	472^^*	-
Money supply growth	13.5	13.6	13.2	11.1&&	11.3&&&&	6.3^^	6&&^
Bank credit growth	16.8	13.5	14	8.6	9~~~~	7^^	9.3**
WPI inflation	8.9	7.4	5.7#	2.1	(-)0.85^^^	1.33	3.6^^^^
CPI inflation	6.0	10.2	9.8	6.4	4.83^^^	4.5	5.1^^^^*
Exchange rate Rs/US$ annual average	47.9	54.4	60.68	61.14	66.43@@	64.39^^	64.36@@@

Source: PHD Research Bureau compiled from various sources, *Data pertains to Provisional Estimates of Annual National Income 2016-17 from MOSPI, !$Data pertains to Q1 FY2018, ‘’’ Data pertains to Annual Report of RBI 2013-14, *@Data pertains to Budget Estimates of 2018-19, ’’ Data pertains to GVA at Basic Prices at constant prices for Q3 2015-16,. ^^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 FY2016-17 ~~Data as on week ending 25th March 2016 from RBI, ~~~ Data as on 2 February 2018 from RBI, && Data pertains to March 2015, @@ Data pertains to 13th April 2016 from RBI, ^^^^Data pertains to November 2017, @@@ Data as on 9 February 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 December 2017, &&^ as on January 2018.@# GDP growth and agriculture growth is as per Provisional Estimates of Annual National Income, 2016-17and Industry and service growth is from Office of economic advisor, #^Data pertains to First Advance Estimates of GVA at basic price for 2017-18, ^^^^*Data pertains to January 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
• Research Studies	• Macro Economy	• Economic Affairs Newsletter (EAC)	• Trade & Inv. Facilitation Services (TIFS)
• State Profiles	• States Development	• Forex and FEMA Newsletter	
• Impact Assessments	• Infrastructure	• Global Economic Monitor (GEM)	
• Thematic Research Reports	• Foreign exchange market	• Trade & Inv. Facilitation Services (TIFS) newsletter	
• Releases on Economic Developments	• International Trade	• State Development Monitor (SDM)	
	• Global Economy		

Studies Undertaken by PHD Research Bureau

A: Thematic research reports

1. Comparative study on power situation in Northern and Central states of India (September2011)
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)

B: State profiles

60. Rajasthan: The State Profile (April 2011)
61. Uttarakhand: The State Profile (June 2011)
62. Punjab: The State Profile (November 2011)
63. J&K: The State Profile (December 2011)
64. Uttar Pradesh: The State Profile (December 2011)
65. Bihar: The State Profile (June 2012)
66. Himachal Pradesh: The State Profile (June 2012)
67. Madhya Pradesh: The State Profile (August 2012)
68. Resurgent Bihar (April 2013)
69. Life ahead for Uttarakhand (August 2013)
70. Punjab: The State Profile (February 2014)
71. Haryana: Bolstering Industrialization (May 2015)
72. Progressive Uttar Pradesh: Building Uttar Pradesh of Tomorrow (August 2015),
73. Suggestions for Progressive Uttar Pradesh (August 2015)
74. State profile of Telangana- The dynamic state of India (April 2016)
75. Smart Infrastructure Summit 2016- Transforming Uttar Pradesh (August 2016)
76. Smart Infrastructure Summit 2016-Transforming Uttar Pradesh : Suggestions for the State Government (August 2016)
77. Rising Jharkhand: An Emerging Investment Hub (February 2017)
78. Punjab: Roadmap for the New Government Suggestions for the Industrial and Socio-Economic Development – Focus MSMEs ease of doing business (May 2017)
79. Prospering Himachal Pradesh: A Mountain of Opportunities (August 2017)
80. India-Israel Relations: Building Bridges of Dynamic Trade(October 2017)
81. Role of Trade Infrastructure for Export Scheme (TIES) in Improving Export Competitiveness (November 2017)
82. India - China Trade Relationship: The Trade Giants of Past, Present and Future (January 2018)
83. Analysis of Trade Pattern between India and ASEAN (January 2018)

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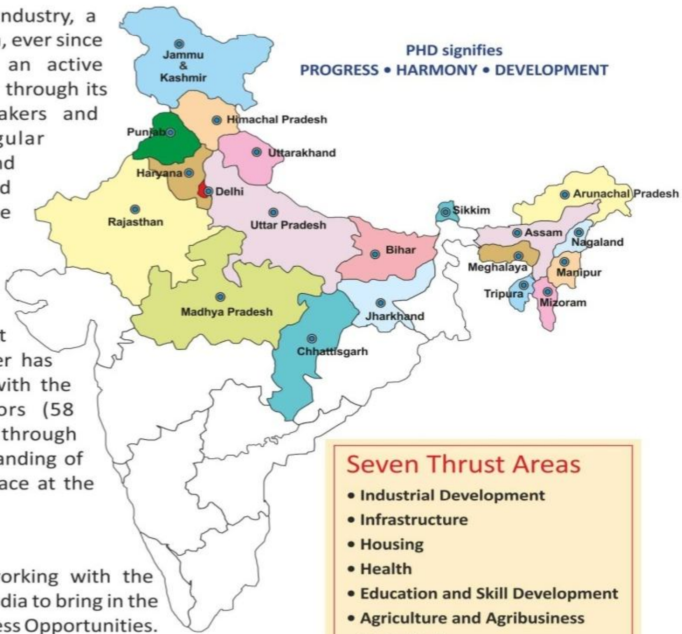
PHD Chamber of Commerce & Industry, a leading Industry Chamber of India, ever since its inception in 1905, has been an active participant in the India Growth Story through its Advocacy Role for the Policy Makers and Regulators of the Country. Regular interactions, Seminars, Conference and Conclaves allow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

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



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- Health
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- Agriculture and Agribusiness
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