

July
2018

Economic Affairs Committee Newsletter

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



PHD Research Bureau
PHD CHAMBER OF COMMERCE & INDUSTRY

EAC Newsletter

July 2018

The Indian economy is expected to grow at around 7.3% in 2018-19 as the various international agencies have pegged the growth rate at this level. The IMF has projected India to grow at 7.3% which is 0.1% lower than the growth projected in the recent World Economic Outlook (April 2018), the ADB is however positive on India's growth story and has estimated a growth of 7.3% in 2018 and 7.6% in 2019 as bank-strengthening bolsters private investment and benefits kick in from a new goods and services tax.

The lead macro-economic indicators showed a mixed trend. The Gross Bank Credit grew at 10.9% in May 2018 from 10.4% in April 2018. The gross fiscal deficit of the Central government stands at 55.3% of the actuals to budget estimates (BEs) at the end of May 2018 as compared to 68.3% of the actuals to budget estimates in the corresponding period of the previous year. However, the IIP grew at 3.2% in May 2018 from 4.9% in April 2018. India's merchandise exports exhibited positive growth of around 17% in June 2018 from 20.2% in May 2018. Further, Core Infra stood at 3.6% in May 2018 as against 4.6% in April 2018. WPI grew at 5.7% in June 2018 from 4.4% in May 2018 owing to rising oil prices and supply disruptions. The CPI on the other hand registered a growth rate of 5% in June 2018 from 4.9% in May 2018.

Nonetheless, the government has announced a slew of reform measures such as increase in MSP prices for kharif crops, reduction in GST rates from 28% to 12% in various commodities and has simplified filing of tax returns. Further, the Ministry of Corporate Affairs (MCA) has constituted a 10 Member Committee, headed by the Secretary of Ministry of Corporate Affairs, for review of the penal provisions in the Companies Act, 2013 may be setup to examine 'de-criminalisation' of certain offences.

Going ahead, there remains few challenges to growth which needs to be addressed. Job creation in the formal sector will remain sluggish, leaving the vast majority of workers in low-productivity, low-paid activities. Though the monsoon is deficient by around 3% this year and kharif crop sowing stands at 115.90 lakh hectare as compared to 128.35 lakh hectare at this time last year, it is expected that with the pick up in monsoon, the agricultural production will also step up. Recent initiatives to benchmark states' social policies and outcomes, including health, sanitation and education, will strengthen incentives to improve the quality of public services.



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 merchandise trade (exports and imports) and US\$ 500 billion services trade (exports and imports) per annum in the next five years.

Geographical Area

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

Three role dimensions

1. Information role:

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

2. Catalyst role:

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

3. Networking role:

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

Strategic Collaborators of TIFS

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

Trade Consular's
of different countries

Government including
Central and State

Industry
Associations

International Trade
and
Business Community

International
Chambers
of Commerce

International
Consulting Firms

How TIFS work in assisting investors?

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

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

TIFS undertakes the following activities

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

Registration

Registration is open to both Indian and foreign entities.

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 Website: www.phdcci.in

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1. Indian economy so far

1.1 Growth

India's GDP to grow at 7.3% and 7.5% in 2018 and 2019 respectively: IMF-

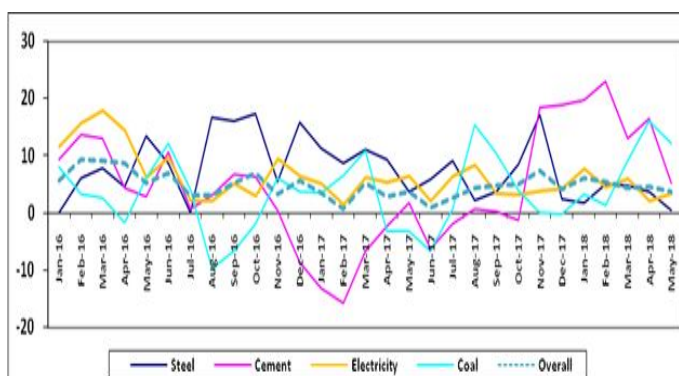
International Monetary Fund (IMF) in its latest update on World Economic Outlook (WEO) has anticipated india's growth to rise from 6.7% in 2017 to 7.3% in 2018 and 7.5% in 2019, as drags from the currency exchange initiative and the introduction of the goods and services tax fade. The projection is 0.1 and 0.3 percentage point lower for 2018 and 2019, respectively, than in the April World Economic Outlook (WEO), reflecting negative effects of higher oil prices on domestic demand and faster than-anticipated monetary policy tightening due to higher expected inflation.

Projected Growth Rates of GDP (% growth)

	India	World
2017	6.3	3.7
2018	7.3	3.9
2019	7.5	3.9

Source: PHD Research Bureau, compiled from IMF's WEO July 2918

Sector wise trend in monthly production (% growth)



May 2018 core infra stands at 3.6%- The core infrastructure stands at 3.6% in May 2018 as against at 4.6% in April 2018. The combined Index of Eight Core Industries stands at 131.4 in May 2018, which was 3.6% higher as compared to the index of May 2017. Cement and Refinery products growth stands at 5.2% and 4.9% respectively in the month of May 2018. In cumulative terms, core infrastructure industries registered a growth of 4.1% during April-May 2018-19 as against 3.3% during April-May 2018-19.

May 2018 IIP stands at 3.2%- Growth in industry output, as measured in terms of IIP, for the month of May 2018 stands at 3.2% as compared to 4.9% in April 2018. The growth in the three sectors mining, manufacturing and electricity in May 2018 stands at 5.7%, 2.8% and 4.2% respectively over May 2017. Primary goods growth stands at 5.7%, capital goods growth stands at 7.6%, intermediate goods growth stands at 0.9%, infrastructure/construction goods growth stands at 4.9%, consumer durables growth stands at 4.3% as compared to previous year.

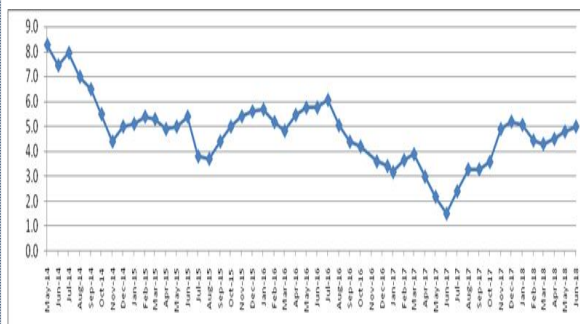
Recent growth pattern in IIP

	Weight in IIP	April-Mar 2016-17	April-Mar 2017-18	March 18	April 18
Mining	14.3	5.3	2.3	3.0	5.1
Manufacturing	77.6	4.4	4.5	4.6	5.2
Electricity	7.9	5.8	5.4	5.9	2.1
Use based classification					
Primary goods	34.0	4.9	3.7	3.0	3.1
Capital goods	8.2	3.2	3.9	(-)5.7	13.0
Intermediate goods	17.2	3.3	2.3	2.3	1.6
Infrastructure/construction goods	12.3	3.9	5.6	8.9	7.5
Consumer durables	12.8	2.9	0.7	4.0	4.3
Consumer non-durables	15.3	7.9	10.4	12.7	7.0
Overall IIP	100	4.6	4.3	4.6	4.9

1.2 Inflation

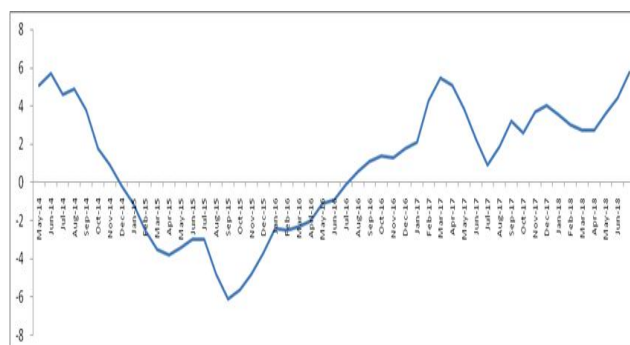
June 2018 CPI inflation grows at 5%- The all India general CPI inflation (Combined) for June 2018(Prov.) grows at 5% as compared to 4.87% in May 2018. The inflation rates for rural and urban areas for June 2018 (Prov.) are 5% and 4.85% respectively, as compared to 4.88% and 4.72% respectively, for May 2018. Rate of inflation during May 2018 (Prov.) for fruits (10.13%), housing (8.45%), pan, tobacco and intoxicants (8.05%), vegetables (7.80%) and fuel and light (7.14%)etc. Consumer Price Index for the month of June 2018 for rural, urban and combined stood at 140.6, 136.2 and 138.6 respectively.

Consumer Price Inflation (Combined) (%)



Source: PHD Research Bureau, compiled from CSO

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

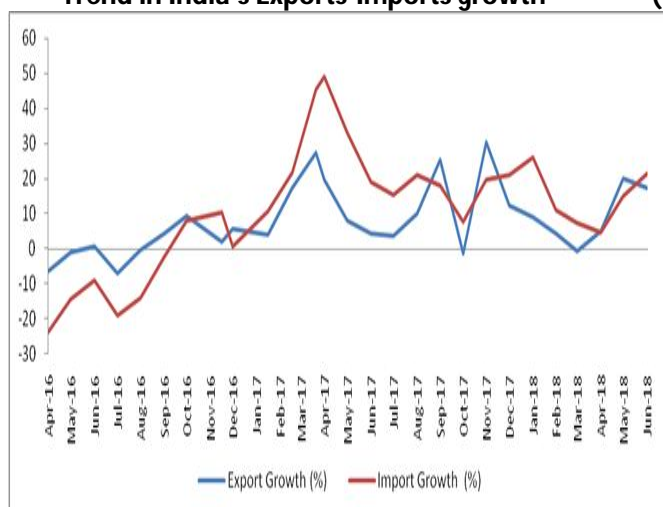


Source: PHD Research Bureau, compiled from the office of the Economic Advisor to the Govt. of India

June 2018 WPI inflation stands at 5.77%- The WPI inflation stands at 5.77% in June 2018 as compared to 4.43% in May 2018, 3.62% in April 2018, 2.74% in March 2018, 2.74% in February 2018, 3.02% in January 2018. The rise in WPI inflation in the month of May 2018 is attributed to rise in the prices of potato (99.02%), onion (18.25%) and LPG (19.64%). Driven by rise in the prices of potato, onion and LPG WPI inflation grows at 5.77% in June 2018 as compared to 4.43% in May 2018. The official Wholesale Price Index for All Commodities (Base: 2011-12=100) for the month of June, 2018 rose by 1.1% to 119.2 (provisional) from 117.9 (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 17.6% and 21.3% in June 2018- India's merchandise exports have exhibited strong growth of 17.57% in June 2018 to value at USD 27.7 billion compared to USD 23.56 billion during June 2017. Cumulative value of exports for the period April-June 2018-19 was USD 82.47 Billion as against USD 72.21 Billion registering a positive growth of 14.21% over the same period last year. India's merchandise imports grew by 21.31% to value at USD 44.3 billion in June 2018 compared to USD 36.52 billion during same period previous year. Cumulative value of imports for the period April-June 2018-19 was USD 127.41 Billion as against USD 112.26 Billion registering a positive growth of 13.49% over the same period last year.

Services	Mar-18	Apr-18	May-18
Exports (Receipts) (USD billion)	16.83	17.56	16.17
Imports (Payments) (USD billion)	10.28	10.92	10.21
Trade Balance (USD billion)	6.55	6.65	5.97

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

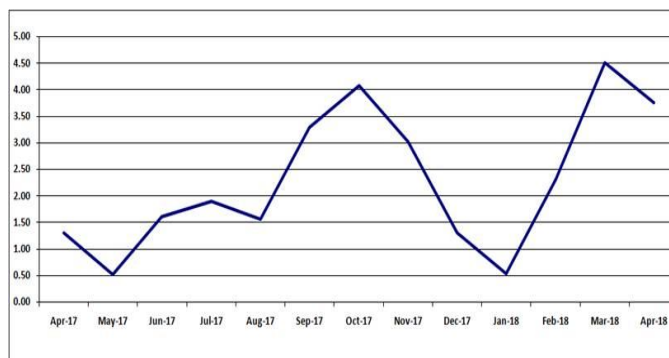
Service Exports grows at 4.33% in May 2018-

Exports during May 2018 were valued at USD 16.17 Billion (Rs.109231.47 Crore) registering a negative growth of 7.91% in dollar terms as compared to positive growth of 4.33% during April 2018. Imports during May 2018 were valued at USD 10.21 Billion (Rs. 68944.22 Crore) registering a negative growth of 6.48% in dollar terms as compared to positive growth of 6.18% during April 2018.

ECBs stand at USD 3.8 billion during April 2018-

Indian firms have raised about USD 3.8 billion through external commercial borrowings (ECBs) by automatic and approval route in April 2018 as against USD 4.5 billion in March 2018. The borrowings stood at USD 1.30 billion in April 2017. India has received gross ECBs worth around USD 342.9 billion between FY2001 and FY2019 (till April 2018). The lion's share in ECBs during the month of April 2018 is held for the purpose of others (sector of borrowing – Financial Services) by about 40% of the total borrowings followed by rupee expenditure at around 24% and refinancing of rupee loans at around 14%.

External commercial borrowings since April 2015



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)

Table 1: Major Items of India's Balance of Payments												
(US\$ Billion)												
	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	
P: Preliminary; PR: Partially Revised												
Note: Total of subcomponents may not tally with the aggregate due to rounding off.												

P: Preliminary; PR: Partially Revised

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

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.

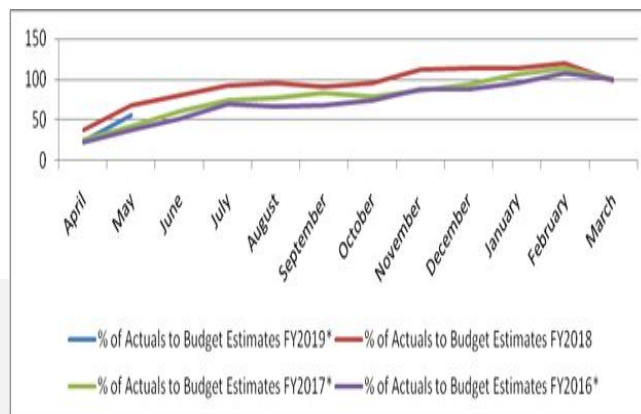
India's current account deficit (CAD) at US\$ 13.0 billion (1.9 per cent of GDP) in Q4 of 2017-18 increased from US\$ 2.6 billion (0.4 per cent of GDP) in Q4 of 2016-17, but moderated marginally from US\$ 13.7 billion (2.1 per cent of GDP) in the preceding quarter.

India's External Debt as at the end of March 2018- The external debt to GDP ratio stood at 20.5% at end-March 2018, higher than its level of 20.0% at end-March 2017. At end-March 2018, India's external debt witnessed an increase of 12.4% over its level at end-March 2017, primarily on account of an increase in commercial borrowings, short-term debt and non-resident Indian (NRI) deposits. The increase in the magnitude of external debt was partly due to valuation loss resulting from the depreciation of the US dollar against major currencies. Commercial borrowings continued to be the largest component of external debt with a share of 38.%, followed by NRI deposits (23.8%) and short term trade credit (19.0%).

1.4 Fiscal scenario

May 2018 fiscal deficit stands at 55.3 % of actuals to BEs- The gross fiscal deficit of the Central government stands at 55.3% of the actuals to budget estimates (BEs) at the end of May 2018 as compared to 68.3% of the actuals to budget estimates in the corresponding period of the previous year. The primary deficit was registered at 560.8% of the actuals to budget estimates at the end of May 2018 as compared to 1297.6% of the actuals to budget estimates during corresponding period of the previous year. The revenue receipts at the end of May 2018 of the central government stands at 7.3% of the actuals to budget estimates as compared with 5.5% of the actuals to budget estimates at the end of May 2017. The government's market borrowing stands at 25% of the actuals to budget estimates at the end of May 2018 as compared with 46% of the actuals to budget estimates at the end of May 2017.

Differentials in use of fiscal deficit space at the end of May 2018 vis-à-vis May 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
Public Debt (1 + 2)	66,61,038	65,80,599	100.0	100.0
1. Internal Debt	62,03,776	61,19,493	93.1	93.0
Marketable	55,01,480	54,30,078	82.6	82.5
(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
Non-marketable	7,02,296	6,89,416	10.5	10.5
(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				
2. External Debt	4,57,262	4,61,106	6.9	7.0
(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

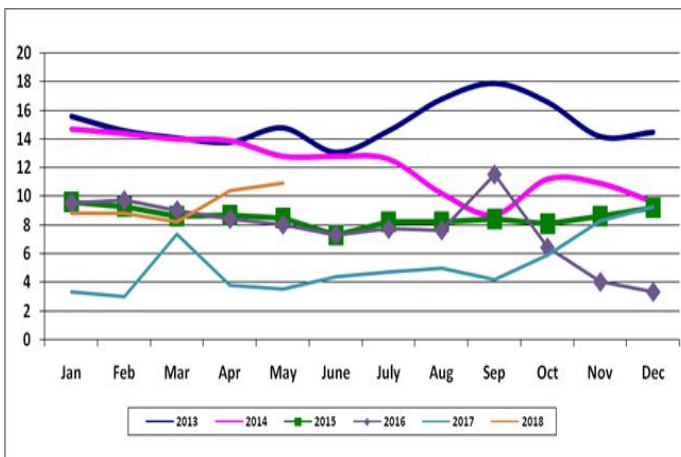
Direct Tax Collections grows by 17.1% in FY 2017-18- Direct Tax collections for FY 2017-18 represents that net collections are at Rs.9.95 lakh crore which is 17.1% higher than the net collections for FY 2016-17. The net Direct Tax collections represent 101.5% of the Budget Estimates (Rs.9.8 lakh crore) 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

Gross Bank Credit grows at 10.9% in May 2018-

Gross bank credit grows at 10.9% in May 2018 as against 10.4% in April 2018. The gross bank credit growth stands at 3.4% in May 2017. On a year-on-year (y-o-y) basis, non-food bank credit increased by 11.1% in May 2018 as against 10.7% in April 2018. Credit to agriculture and allied activities increased by 6.4% in May 2018 as compared to 5.9% in April 2018. Credit to industry increased by 1.4% in May 2018 as against 1% in April 2018. Credit to industry increased by 1.4% in May 2018 as compared with a contraction of 2.1% in May 2017. Credit to major sub-sectors such as textiles, all engineering, food processing, construction and rubber, plastic & their products, chemicals & chemical products, gems & jewellery and cement & cement products have accelerated. However, credit to infrastructure, 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

Increase in Minimum Support Price for Kharif Crops for 2018-19 season- Giving a major boost for the farmers' income, the Cabinet Committee on Economic Affairs chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the increase in the Minimum Support Prices (MSPs) for all kharif crops for 2018-19 Season. The decision of the CCEA is a historic one as it redeems the promise of the pre-determined principle of fixing the MSPs at a level of at least 150 percent of the cost of production announced by the Union Budget for 2018-19. The Commission for Agricultural Costs and Prices (CACP) has recommended MSPs for all kharif crops broadly in line with the announced principle. The highest percentage increase in MSP over the previous year is for ragi (52.47 %) followed by jowar hybrid (42.94%). For pulses, apart from Moong, MSP of arhar (tur) has been raised by Rs 225 per quintal yielding a return over cost by 65.36 per cent and urad by Rs 200 per quintal with a return over cost by 62.89 per cent in order to maintain inter-crop-price parity. Similarly, the MSP of Bajra has been raised by Rs.525 per quintal yielding a return of 96.97 per cent over cost.

MCA constitutes a 10-Member Committee to review the offences under the Companies Act, 2013- The Ministry of Corporate Affairs (MCA) has constituted a 10 Member Committee, headed by the Secretary of Ministry of Corporate Affairs, for review of the penal provisions in the Companies Act, 2013 may be setup to examine 'de-criminalisation' of certain offences. The MCA seeks to review offences under the Companies Act, 2013 as some of the offences may be required to be decriminalised and handled in an in-house mechanism, where a penalty could be levied in instances of default. This would also allow the trial courts to pay more attention on offences of serious nature. Consequently, it has been decided that the existing compoundable offences in the Companies Act - 2013 viz. offences punishable with fine only or punishable with fine or imprisonment or both may be examined and a decision may be taken as to whether any of such offences may be considered as 'civil wrongs' or 'defaults' where a penalty by an adjudicating officer may be imposed in the first place and only consequent to further non-compliance of the order of such authority will it be categorised as an offence triable by a special court.

AIIB to Invest \$200 Million Into NIIF's Fund of Funds- The Board of Directors of the Asian Infrastructure Investment Bank (AIIB) has approved an equity investment of USD 100 million in India's National Investment and Infrastructure Fund's (NIIF) Fund of Funds as Phase I for the NIIF Fund of Funds initial closing. AIIB is considering a further investment of USD 100 million as part of Phase II for the final closing, which would bring the bank's total commitment to USD 200 million. NIIF's Fund of Funds will invest in funds managed by fund managers who have good track records in infrastructure and associated sectors in India. Some of the sectors of focus include Green Infrastructure, Mid-Income & Affordable Housing, Infrastructure services and allied sectors. NIIF Fund of Funds recently announced its first investment, Green Growth Equity Fund, which will invest in renewable energy, clean transportation, water, sanitation and waste management.

Cabinet approves accession to WIPO Copyright Treaty, 1996 and WIPO Performance and Phonograms Treaty, 1996- The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the proposal submitted by Department of Industrial Policy and Promotion, Ministry of Commerce and Industry regarding accession to the WIPO Copyright Treaty and WIPO Performers and Phonograms Treaty which extends coverage of copyright to the internet and digital environment. The approval is a step towards the objective laid in the National Intellectual Property Rights (IPR) Policy adopted by the Government on 12-05-2016 which aims to get value for IPRs through commercialization by providing guidance and support to EPR owners about commercial opportunities of e-commerce through Internet and mobile platforms.

Cabinet approves extension of Scheme of Recapitalization of Regional Rural Banks upto 2019-20- The Union Cabinet chaired by the Hon'ble Prime Minister Shri Narendra Modi has approved the extension of the scheme of recapitalization of Regional Rural Banks (RRBs) for the next three years i.e. upto 2019-20. This will enable the RRBs to maintain the minimum prescribed Capital to Risk Weighted Assets Ratio (CRAR) of 9 percent. A strong capital structure and minimum required level of CRAR will ensure financial stability of RRBs which will enable them to play a greater role in financial inclusion and meeting the credit requirements of rural areas. There are 56 RRBs functioning in the country. As on 31-03-2017 (Prov.), the total credit given by RRBs was Rs.2,28,599 crore. The scheme of Recapitalization of RRBs started in FY 2010-11 and was extended twice in the year 2012-13 and 2015-16. The last extension was upto 31-03-2017. A total amount of Rs. 1107.20 crore, as Govt share, out of Rs.1450 crore, has been released to RRBs upto 31-03-2017. The remaining amount of Rs.342.80 crore will be utilized to provide recapitalization support to RRBs whose CRAR is below 9%, during the years 2017-18, 2018-19 and 2019-20. The identification of RRBs requiring recapitalization and the amount of capital to be provided, will be decided in consultation with NABARD.

Cabinet approves MoU between India and United Kingdom on cooperation in the sphere of Law & Justice and establishing a Joint Consultative Committee- The Union Cabinet chaired by the Hon'ble Prime Minister Shri Narendra Modi has approved signing of a Memorandum of Understanding (MoU) between India and United Kingdom regarding cooperation between both countries in the sphere of Law & Justice and to set up a Joint Consultative Committee. The MoU takes care of concerns and requirements in the field of exchange of experience by legal professionals, government functionaries and their training and effective legal aid mechanism for resolution of disputes before various Courts, Tribunals, etc. and proposes establishment of Joint Consultative Committees.

Cabinet approves Umbrella Schemes for Relief and Rehabilitation of Migrants and Repatriates- The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has given its approval for continuance of the 8 existing schemes of the Ministry of Home Affairs upto March 2020 for relief and rehabilitation of migrants and repatriates under the Umbrella scheme "Relief and Rehabilitation of Migrants and Repatriates". The financial implication for this purpose is Rs. 3183 crore for the period 2017-18 to 2019-20. The year-wise phasing of the scheme will be- Rs. 911 crore in 2017-18, Rs.1372 crore in 2018-19 and Rs. 900 crore in 2019-2020. The schemes will provide relief and rehabilitation assistance to the refugees, displaced persons, civilian victims of terrorist/communal/LWE violence and cross border firing and mine/IED blasts on Indian Territory and riot victims of various incidents, etc.

CBIC to observe Third Refund Fortnight to clear pending refunds- CBIC (Central Board of Excise and Customs) has observed two special drives cum refund fortnights for Refunds of GST in the Month of March, 2018 (15th to 31st March, 2018) and June, 2018 (31st May to 16th June, 2018) respectively. In the 1st refund fortnight, Rs. 4265 Crore IGST refunds and Rs. 1136 Crore ITC refunds were sanctioned by field formations of CBIC. Similarly, during the 2nd refund fortnight, Rs. 6087 Crore IGST refunds and Rs. 1548 Crore ITC refunds were sanctioned by CBIC. In case of IGST refunds for goods exported out of India, the percentage of amount of refund claims disposed by CBIC is already more than 90%. However, in order to liquidate pendency further, and to handhold/guide the trade for applying for the refund claims in a proper manner, it has been decided to observe another refund fortnight from 16th July, 2018 to 30th July, 2018. Dedicated refund cells and helpdesks would be provided for exporters to get their refund claims processed, in each Commissionerate.

Cabinet approves signing of Memorandum of Understanding amongst BRICS Nations on the Regional Aviation Partnership- The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has today approved the signing of Memorandum of Understanding (MoU) amongst BRICS Nations on the Regional Aviation Partnership Cooperation viz. Brazil, Russia, India, China and South Africa. The objective is that BRICS countries would benefit from the establishing of an institutional framework to cooperate in the field of civil aviation. Among the areas of cooperation, public policies and best practices in regional services, regional airports, airport infrastructure management and air navigation services, technical cooperation between regulatory agencies, among others have been identified.

Cabinet approves MoU between India and Cuba on cooperation in the field of Traditional Systems of Medicine and Homeopathy- The Union Cabinet chaired by Prime Minister Shri Narendra Modi has given its ex-post facto approval for the Memorandum of Understanding (MoU) between India and Cuba on cooperation in the field of Traditional Systems of Medicine and Homeopathy. The MoU will enhance bilateral cooperation between the two countries in the areas of Traditional Systems of Medicine and Homeopathy. This will be of immense importance to both countries considering their shared cultural heritage.

Cabinet approves MoU between India and Indonesia on cooperation in the field of pharmaceutical products, pharmaceutical substances, biological product and cosmetics regulatory functions- The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has given its ex-post facto approval for the Memorandum of Understanding (MoU) between the Central Drugs Standard Control Organization (CDSCO), India and National Agency for Drug and Food Control (BPOM), Indonesia on cooperation in the field of pharmaceutical products, pharmaceutical substances, biological product and cosmetics regulatory functions. The MoU was signed on 29th May, 2018 in Jakarta. The MoU is expected to forge better understanding about each other's regulatory requirements and would be beneficial to both the countries. It could also facilitate India's export of pharmaceutical products.

Cabinet approves the Mutual Recognition Agreement (MRA) signed in 2010 and approves fresh MRA between the Institute of Chartered Accountants of India and the Institute of Certified Public Accountants, Ireland- The Union Cabinet chaired by Prime Minister Shri Narendra Modi today has given its ex-post facto approval of the "Mutual Recognition Agreement (MRA)" signed in 2010 and Approval for fresh MRA between the Institute of Chartered Accountants of India (ICAI) and the Institute of Certified Public Accountants (CPA), Ireland for promotion of mutual co-operation framework for the advancement of accounting knowledge, professional and intellectual development, advancing the interests of their respective members and positively contributing to the development of the accounting profession in Ireland and India. The MRA will provide opportunities to members of both the parties to be exposed to best practices of either country and thus expand their scalability to cater to demand of newer markets.

Cabinet approves determination of Fair and Remunerative Price payable by Sugar Mills for 2018-19 sugar season- Keeping in view the interest of sugarcane farmers, the Cabinet Committee on Economic Affairs chaired by Prime Minister Shri Narendra Modi has approved the Fair and Remunerative Price (FRP) of sugarcane for sugar season 2018-19 at Rs. 275/- per quintal for a basic recovery rate of 10%; providing a premium of Rs. 2.75/qrt for each 0.1 % increase in recovery over and above 10%. The cost of production of sugarcane for the sugar season 2018-19 is Rs. 155 per quintal. This FRP Rs. 275 per quintal at recovery rate of 10% is higher by 77.42% over production cost thereby ensuring the promise of giving the farmers a return of more than 50 % over their cost. Keeping the expected production of sugarcane in the sugar season 2018-19 the total remittance to the sugarcane farmers will be more than Rs. 83,000 crore. The Government through its pro-farmer measures will ensure that sugarcane farmers get their dues in time. The Government with a view to protect interest of farmers has also decided that there shall not be any deduction in case of mills where recovery is below 9.5%. Such farmers will get Rs. 261.25 per quintal for sugarcane in place of Rs. 255/qrt in the current season.

GST council recommends rates reduction on several goods- The GST rates have been reduced from 28% to 18% in Paints and varnishes (including enamels and lacquers), glaziers' putty, grafting putty, resin cements, Refrigerators, freezers and other refrigerating or freezing equipment including water cooler, milk coolers, refrigerating equipment for leather industry, ice cream freezer etc., Washing machines, Lithium-ion batteries, Vacuum cleaners, Domestic electrical appliances such as food grinders and mixers & food or vegetable juice extractor, shaver, hair clippers, Storage water heaters and immersion heaters, hair dryers, hand dryers, electric smoothing irons, Televisions upto the size of 68 cm, Special purpose motor vehicles. e.g., crane lorries, fire fighting vehicle, concrete mixer lorries, spraying lorries, Works trucks [self-propelled, not fitted with lifting or handling equipment] of the type used in factories, warehouses, dock areas or airports for short transport of goods., trailers and semi-trailers and miscellaneous articles such as scent sprays and similar toilet sprays, powder-puffs and pads for the application of cosmetics or toilet preparations. Further, GST on fuel cell vehicle has been reduced from 28% to 12%.

In addition, multiple reliefs from GST taxation have been provided to Agriculture, farming and food processing industry, Education, training and skill development, Pension, social security and old age support. Hotel industry has been given major relief by providing that the rate of tax on accommodation service shall be based on transaction value instead of declared tariff. Services provided in sectors like banking, IT have been provided relief by exempting services supplied by an establishment of a person in India to any establishment of that person outside India [related party]. As a green initiative, GST on supply of e-books has been reduced from 18 to 5%. It is proposed to issue notifications giving effect to these recommendations of the Council with effect from 27th July , 2018.

GST council approves Simplified GST Return- The GST Council in its 28th meeting held under the Chairmanship of Shri Piyush Goyal, Union Minister for Railways, Coal, Finance & Corporate Affairs has approved the new return formats and associated changes in law. It may be recalled that in the 27th meeting held on 4th of May, 2018 the Council had approved the basic principles of GST return design and directed the law committee to finalize the return formats and changes in law. The formats and business process approved in 28th meeting were in line with the basic principles with one major change i.e. the option of filing quarterly return with monthly payment of tax in a simplified return format by the small tax payers.

All taxpayers excluding small taxpayers and a few exceptions like information systems development (ISD) etc. shall file one monthly return. The return is simple with two main tables. One for reporting outward supplies and one for availing input tax credit based on invoices uploaded by the supplier. Invoices can be uploaded continuously by the seller and can be continuously viewed and locked by the buyer for availing input tax credit. This process would ensure that very large part of the return is automatically filled based on the invoices uploaded by the buyer and the seller. Simply put, the process would be "UPLOAD – LOCK – PAY" for most tax payers.

Recommendations made by the GST council- The GST Council in its 28th meeting held has approved the proposal to open the migration window for taxpayers, who received provisional IDs but could not complete the migration process. The taxpayers who filed Part A of FORM GST REG-26, but not Part B of the said FORM are requested to approach the jurisdictional Central Tax/State Tax nodal officers with the necessary details on or before 31st August, 2018.

The nodal officer would then forward the details to GSTN for enabling migration of such taxpayers. It has also been decided to waive the late fee payable for delayed filing of return in such cases. Such taxpayers are required to first file the returns on payment of late fees, and the waiver will be effected by way of reversal of the amount paid as late fees in the cash ledger under the tax head. Taxpayers who intend to complete the migration process are requested to approach their jurisdictional Central Tax/State Tax nodal officers in this regard.

SEBI releases consultative paper on Revision of Provisions Pertaining to Reclassification of Shareholders- Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) provides for conditions with respect to re-classification of shareholders of listed entities. Based on representations received by SEBI, discussions with stakeholders, etc., it was felt that there is a need to re-visit the existing Regulation 31A with an aim to simplify, streamline and bring greater clarity in the provisions specified therein. Based on the recommendations of the Kotak Committee and various representations received by SEBI, it was felt that the existing Regulation 31A may be revised.

Under the current provisions, since different conditions are applicable to different scenarios, the process to be followed in each case is different. Further, shareholder approval is required only in certain specified cases and not in all cases. Hence, it is proposed to have a uniform process containing clear stages to be followed by the listed entity and the promoters in all cases of promoter re-classification, as under:

- I. Stage I: Application by the promoter to the listed entity for re-classification as a public shareholder
- II. Stage II: Placing the request of the promoter before the Board of Directors of the listed entity
- III. Stage III: Approval by the shareholders



E- Newsletters

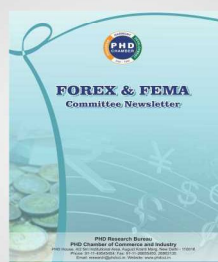
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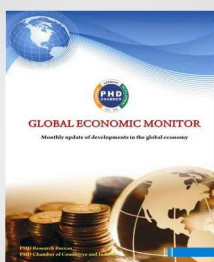
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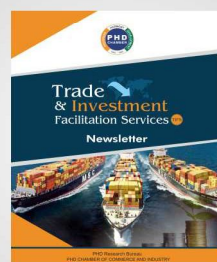
Economic Affairs Committee (EAC) issues a comprehensive newsletter on the economic and social developments in the economy in a particular month. The report provides a concise view of the movements in lead indicators in that month and in the coming times.



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.



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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

3. Other key developments

India expected to achieve April forecasts of 7.3% in 2018 and 7.6% in 2019:ADB- According to ADB, India is expected to achieve April forecasts of 7.3% in 2018 and 7.6% in 2019 as bank-strengthening bolsters private investment and benefits kick in from a new goods and services tax. In India, the sub region's dominant economy, growth gained momentum in Q4 of FY2017 (ended 31 March 2018) as GDP expansion reached 7.7%, the highest rate since Q1 of FY2016. This pushed full-year growth to 6.7%, a tad higher than estimated in ADO 2018. Growth was driven largely by government spending for both consumption and public administration. Investment grew by a significant 14.4% largely on substantial government spending to support its push for infrastructure creation. In the first half of FY2018, the growth rate is expected to benefit from a low base. The upgrade in the FY2018 inflation forecast for India from 4.6% to 5.0% responds to higher oil prices, significant depreciation of the Indian rupee in the past few months, and generous increases announced on 4 July in minimum support prices for summer crops, by which the government intervenes in markets to protect agricultural producers from any sharp fall in farm prices.

India climbs 3 spots to 57th in Global Innovation Index (GII) Rankings- According to the latest GI rankings, India is placed at 57th position and China at 17th position in 2018 as compared to their last year's rankings of 60th and 22nd respectively. Although India's score for patent families drops slightly in 2018, its overall performance in this indicator still drives it up to the 5th position in the group. India remains 1st in the region and moves up to the 5th position in the GI rankings among lower-middle-income economies. India has also outperformed on innovation relative to its GDP per capita for many years in a row. The country confirms its rank among the top 50 economies in two pillars—Market sophistication (36th) and Knowledge and technology outputs (43rd)—and is among the top 25 in two sub-pillars—Trade, competition, and market scale (16th) and Knowledge diffusion (25th). This year India improves in four out of the seven GI pillars: Institutions (80th, up 12 spots), Human capital and research (56th, up 8), Market sophistication (36th, up 3), and Creative outputs (75th, up 10).

Kharif crop sowing crosses 115.90 lakh hectare area- As on 22nd June 2018, the total sown area stands at 115.90 lakh hectare as compared to 128.35 lakh hectare at this time last year. Rice has been sown/transplanted in 10.67 lakh ha, pulses in 5.91 lakh ha, coarse cereals in 16.69 lakh ha, sugarcane in 50.01 lakh hectare and cotton in 20.68 lakh ha.

51 lakh houses approved under Pradhan Mantri Awas Yojana Urban in 3 years of its Implementation- Under Pradhan Mantri Awas Yojana PMAY (Urban) more than 51 Lakhs dwelling units have been sanctioned against the validated demand of 1 crore in last 3 years of implementation. This is a huge jump in comparison to erstwhile housing scheme wherein only 12.4 Lakh houses were approved in around 9 years of its implementation. Out of over 51 lakh sanctioned houses, over 28 lakhs have already been grounded and are in various stages of construction. Further over 8 lakh houses have already been completed and nearly 8 lakh houses have been occupied by the beneficiaries.

Government doubles import duty on over 50 textile products to 20%- The Central Board of indirect Taxes and Custom (CBIC) has doubled the import duty on over 50 textile products like jackets, suits and carpets to 20% in a move that is aimed at promoting domestic manufacturing. This is done to give a boost to the domestic manufacturing but least developed countries, including Bangladesh, will continue to enjoy duty-free access to Indian markets. Imports of textile yarn, fabric and made-up articles grew by 8.58% to \$168.64 million in June. However, Exports of all textile readymade garments dipped by 12.3% to \$13.5 billion. The exports of cotton yarn, fabrics and made-ups grew by 24% to \$986.2 million and the exports of man-made yarn, fabrics and made-ups grew 8.45% to \$403.4 million.

India's 4G penetration only 21% in Q1: GSMA- According to GSMA, The fourth-generation (4G) penetration in India is at a mere 21% which is behind the Asia Pacific's average, and the telecom networks in the country were performing worse than other developing nations in the region. On the other hand, Asia witnessed a penetration of 44% during the same period. Experts attribute slower data speeds to country's dense population and massive smartphone penetration.

RBI releases Financial Stability Report June 2018- The Reserve Bank of India released the Financial Stability Report (FSR) June 2018, 17th in the series, a biannual publication which reflects the overall assessment on the stability of India's financial system and its resilience to risks emanating from global and domestic factors. India's financial system remains stable. The recent policy initiatives have reinforced the underlying regulatory and institutional framework of the financial sector. According to survey results, participants assigned a moderate probability to the realisation of global risks, domestic macroeconomic risk, institutional and market risks over a six month horizon. Among the institutional risks, the asset quality deterioration of banks, risk on account of additional capital requirement and cyber risk continued to be perceived as high risk factors.

RBI releases prudential norms for classification, valuation and operation of Investment Portfolio by Banks- With a view to address the systemic impact of sharp increase in the yields on Government Securities, RBI has decided to grant UCBs which are not mandatorily required to create Investment Fluctuation Reserve (IFR) in terms of Para (2) of the aforesaid circular (i.e. UCBs with aggregate DTL less than Rs. 100 crore as on March 31, 2017), the option to spread provisioning for mark to market (MTM) losses on investments held in AFS & HFT category for the quarters ended December 31, 2017, March 31, 2018 and June 30, 2018 only. The provisioning for each of these quarters may be spread equally over up to four quarters, commencing with the quarter in which the loss was incurred. It has also been decided to grant similar option to all StCBs / DCCBs in respect of investments held in Current category.

India becomes the Vice Chair of the Asia Pacific Region of World Customs Organisation (WCO) for a period of two years, from July, 2018 to June, 2020- India has become the Vice Chair (Regional Head) of Asia Pacific region of World Customs Organisation (WCO) for a period of two years, from July, 2018 to June, 2020. The WCO has divided its membership into six regions. Each of the six regions is represented by a regionally elected Vice-Chairperson to the WCO Council. WCO represents 182 Customs administrations across the globe that collectively process approximately 98% of world trade. Being the Vice Chair of AP region of WCO will enable India to take on leadership role India a wealth of experience in promoting security and facilitation of cross border trade.

In a nutshell

On the basis of an assessment of the current and evolving macroeconomic situation, the economy showed an impressive growth of 7.7% in Q4 of 2017-18 and 6.7% in 2017-18. There has been an uptick in capacity utilisation with some industries such as steel closing the gap. The aggregate demand composition indicates a broad-based growth with revival of investment.

Going ahead, India has improved significantly at global pace such as Ease of Doing Business Ranking, logistics performance, competitiveness etc. However, creation of new employment opportunities is still missing and India needs to percolate the dynamic policy environment opportunities at village level, block level and district level to improve the standards of masses. Tilt in policy environment from macro and micro level would go a long way to realise fruitful outcomes.

The lead economic and financial indicators so far...

S. No	Components	April 2018	May 2018	June 2018
1.	IIP Growth	4.9%	3.2%	-
2	Export Growth	5.17%	20.2%	17.6%
3	WPI Inflation Y-O-Y growth	3.18%	4.43%	5.77%
4	CPI inflation (combined)	4.6%	4.87%	5%
5	Gold (10 GRMS)	30419 [^]	31,772 ^{^^}	35423 ^{^^^}
6	Crude Oil (1 BBL)	4073 [^]	4,724 ^{^^}	5064 ^{^^^}
7	BSE Sensex	35160 [^]	35,322 ^{^^}	30341 ^{^^^}
8	Exchange rate average (INR/ 1 USD)	65.63 [^]	67.53 ^{^^}	68.63 ^{^^^}
9	Repo rate	6%	6.25%	6.25%
10	CRR	4%	4%	4%
11	10 year Bond yield	7.7942%	7.8768%	7.7904%
12	Base rate	8.70% - 9.45% ^{@#}	8.70% - 9.45% ^{@@#}	8.75% - 9.45% ^{@@@#}

Source: PHD Research Bureau compiled from various sources, [^]Data pertains to 30th April 2018, ^{^^}Data pertains to 31 May 2018, ^{^^^}Data pertains to 30th June 2018, ^{@#}Data pertains to 23 March 2018, ^{@@#}Data pertains to 19 June 2018, ^{@@@#}Data pertains to 31st July 2018

India: Statistical snapshot

Indicators	FY13	FY14	FY15	FY16	FY17	FY18	FY19
GDP at FC - Constant prices (Rs cr)	921512 5	981782 2	105369 84	113810 02	121898 54	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&&\$	27.7 ^^^^
Growth in exports (%)	-1.8	3.98	(-)1.2	(-)15.9	4.7	(-)0.66&&\$	17.6 ^^^^
Imports (US\$Bn)	490.3	450.94	447.5	379.59	380.37	42.80&&\$	44.3 ^^^^
Growth in imports (%)	0.2	-8.1	-0.59	(-)15.3	(-)0.17	7.15&&\$	21.3 ^^^^
Trade deficit (US\$Bn)	190.1	138.6	137	118.46	46.42	13.69&&\$	16.6 ^^^^
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--\$	405.14~~
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&&^	10.6&&^
Bank credit growth	13.5	14	8.6	9~~~~	7^	8.2**	-
WPI inflation	7.4	5.7#	2.1	(-) 0.85^^ ^	1.33	2.47&&\$	5.77^^^^
CPI inflation	10.2	9.8	6.4	4.83^^	4.5	4.28&&\$	5^^^^
Exchange rate Rs/US\$ annual average	54.4	60.68	61.14	66.43@ @	64.39^^	65.04@&&\$	68.60@@ @

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 20th July 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 June 2018, @&& Data as on 31 July 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.

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

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. Study Ease of Doing Work for Women: A Survey of Delhi NCR (March 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 Trade Relations: Reinforcing Trade and investment prospects (May 2018)
69. India-Nepal Economic Ties: New Horizons (June 2018)

B: State profiles

70. Rajasthan: The State Profile (April 2011)
71. Uttarakhand: The State Profile (June 2011)
72. Punjab: The State Profile (November 2011)
73. J&K: The State Profile (December 2011)
74. Uttar Pradesh: The State Profile (December 2011)
75. Bihar: The State Profile (June 2012)
76. Himachal Pradesh: The State Profile (June 2012)
77. Madhya Pradesh: The State Profile (August 2012)
78. Resurgent Bihar (April 2013)
79. Life ahead for Uttarakhand (August 2013)
80. Punjab: The State Profile (February 2014)
81. Haryana: Bolstering Industrialization (May 2015)
82. Progressive Uttar Pradesh: Building Uttar Pradesh of Tomorrow (August 2015),
83. Suggestions for Progressive Uttar Pradesh (August 2015)
84. State profile of Telangana- The dynamic state of India (April 2016)
85. Smart Infrastructure Summit 2016- Transforming Uttar Pradesh (August 2016)
86. Smart Infrastructure Summit 2016-Transforming Uttar Pradesh : Suggestions for the State Government (August 2016)
87. Rising Jharkhand: An Emerging Investment Hub (February 2017)
88. Punjab: Roadmap for the New Government Suggestions for the Industrial and Socio-Economic Development – Focus MSMEs ease of doing business (May 2017)
89. Prospering Himachal Pradesh : A Mountain of Opportunities (August 2017)
90. Kashmir: The Way Forward (March 2018)
91. State Budgets' Analysis (April 2018)

TEAM, PHD RESEARCH BUREAU

Dr. SP Sharma
Chief Economist
 Email: 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

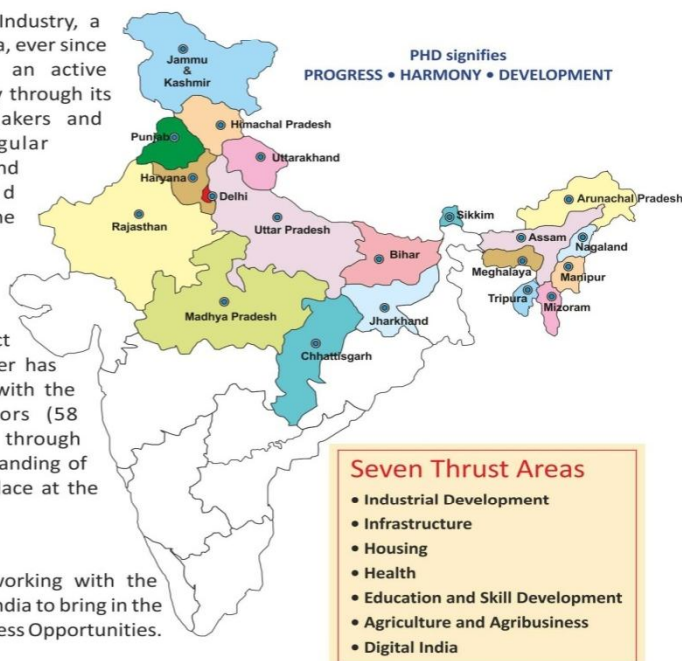
Ms. Sunita Gosain, Secretarial Assistant
 Secretarial and Administrative Processes



About the PHD Chamber

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.



"Lead the Change - Make the Difference"

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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

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Shri Akhil Bansal, Co-Chairman
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