

June
2018

Economic Affairs Committee Newsletter

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



PHD Research Bureau
PHD CHAMBER OF COMMERCE & INDUSTRY

EAC Newsletter

June 2018

The growth of Indian economy is looking up as the GDP growth in the fourth quarter (January-March) of 2017-18 showed a significant growth rate of 7.7% while GDP growth rate during 2017-18 is estimated at 6.7%. Further, the World Bank has projected Indian economy to accelerate to 7.3% in FY2018-19 and 7.5% on average in 2019-20, reflecting robust private consumption and strengthening investment.

The other lead macro-economic indicators showed mixed trend. Core Infra grew at 4.7% in April 2018 as against 4.4% in March 2018 which is highly encouraging. IIP grew at 4.9% in April 2018 from 4.6% in March 2018. Further, Fiscal Deficit declined to 24.3% in April 2018 from 37.6% in April 2017. The Gross Bank Credit grew at 10.4% in April 2018 from 8.2% in March 2018. India's merchandise exports exhibited a high positive growth of around 20% in May 2018 from 5.7% in April 2018. However, WPI grew at 4.43% in May 2018 from 3.18% in April 2018. The CPI on the other hand grew at 4.9% in May 2018 from 4.6% in April 2018.

On the basis of an assessment of the current and evolving macroeconomic situation, RBI decided to increase the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points to 6.25%. Consequently, the reverse repo rate under the LAF stands adjusted to 6.0%, and the marginal standing facility (MSF) rate and the Bank Rate to 6.50%. 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%, while supporting growth.

On the policy front, the government approved slew of reforms including strengthening the mechanism for resolution of commercial disputes of Central Public Sector Enterprises, National Policy on Biofuels-2018, corpus for Micro Irrigation Fund with NABARD under Pradhan Mantri Krishi Sinchayee Yojana, provision of mobile connectivity in Left Wing Extremism Areas, enhancement of budget for implementation of Network for Spectrum for Defence Services, among others.

Going ahead, as the teething problems of GST are over, the economic activities in India are expected to quicken with the strengthening of growth making India, the fastest growing economy. Investments and exports are becoming the major growth engines of the economy in support of the implementation of the goods and services (GST). At this juncture, the main priority of the government has to be to modernize the labour laws and increase investments in education and skill development which would create jobs and make growth more inclusive in the coming times.



Trade & Investment Facilitation Services

Trade and Investment Facilitation Services (TIFS) Single Window Facilitation and Procedural Facilitation

Trade and Investment Facilitation Services (TIFS) is a vital component for international trade and investment community. It is envisioned to facilitate firms across the globe for trade and investments in India while simultaneously meeting India's rapidly growing appetite for new markets to enhance trade and investments.

Considering the thirst of the Nation to place India at the forefront of Global Economic Architecture, PHD Chamber of Commerce and Industry launched a specialized desk on Trade and Investment Facilitation Services (TIFS) on 31st March 2017. TIFS is an information and advisory hub to provide requisite and detailed information to facilitate national and international business firms to invest in India; advising them on prospective business opportunities in India in general and in States and promising sectors in particular.

Vision of TIFS

We aim to make India a US\$ 100 billion (per annum) investment destination in the next five years and to enhance India's trade trajectory to the higher level. We envisages US\$ 1000 billion merchandize trade (exports and imports) and US\$ 500 billion services trade (exports and imports) per annum in the next five years.

Geographical Area

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

Three role dimensions

1. Information role:

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

2. Catalyst role:

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

3. Networking role:

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

Strategic Collaborators of TIFS

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



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.

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Contents

Sr. No	Topic	Page No.
1	Indian Economy So Far	6
1.1	Growth	6
1.2	Inflation	7
1.3	External Sector	7
1.4	Fiscal Scenario	9
1.5	Monetary Scenario	10
2.	Major Policy Pronouncements	11
3.	Other key developments	16

1. Indian economy so far

1.1 Growth

Provisional Estimates (PE) of National Income, 2017-18 and Quarterly estimates of Gross Domestic Product for the Fourth quarter (Jan-Mar), 2017-18-

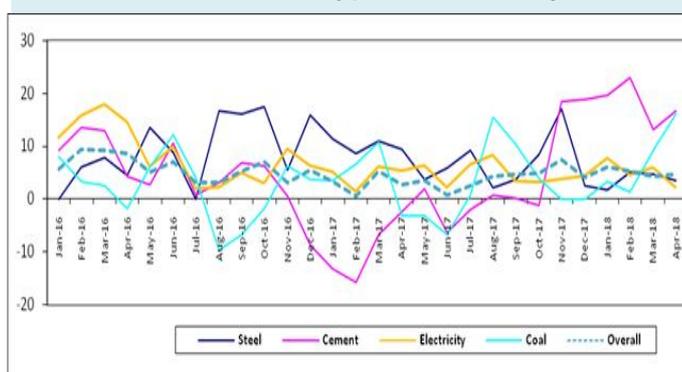
According to the Provisional estimates of Gross Domestic Product (GDP) for the fourth quarter (January-March) Q4 of 2017-18, GDP at constant (2011-12) prices in Q4 of 2017-18 is showing a growth rate of 7.7% in Q4 of 2017-18 as compared to 7.0% in the Q3 of 2017-18. The sectors which registered growth rate of over 7.0% are 'public administration, defence and other services' (10%), 'trade, hotels, transport, communication and services related to broadcasting' (8%), 'electricity, gas, water supply and other utility services' (7.2%).

Growth Rates of GDP (% growth)

	GDP Growth at Constant Prices (2011-12)	GDP Growth at Current Prices
Annual 2017-18	6.7	10
Q1 2017-18	5.6	8.3
Q2 2017-18	6.3	9.5
Q3 2017-18	7	11
Q4 2017-18	7.7	10.9

Source: PHD Research Bureau, compiled from CSO

Sector wise trend in monthly production (% growth)



April 2018 core infra grows at 4.7%- The core infrastructure grows at 4.7% in April 2018 as against at 4.4% in March 2018. The combined Index of Eight Core Industries stands at 124.2 in April, 2018, which was 4.7% higher as compared to the index of April, 2017. Cement and Refinery products growth stands at 16.6% and 2.7% respectively in the month of April 2018. In cumulative terms, core infrastructure industries registered a growth of 4.3% during 2017-18 as against 4.8% during the previous year.

April 2018 IIP grows at 4.9%- Growth in industry output, as measured in terms of IIP, for the month of April 2018 grows at 4.9% as compared to 4.6% in March 2018. The growth in the three sectors mining, manufacturing and electricity in April 2018 stands at 5.1%, 5.2% and 2.1% respectively over April 2017. Primary goods growth stands at 3.1%, capital goods growth stands at 13%, intermediate goods growth stands at 1.6%, infrastructure/construction goods growth stands at 7.5% as compared to the previous year.

Recent growth pattern in IIP

(% growth)

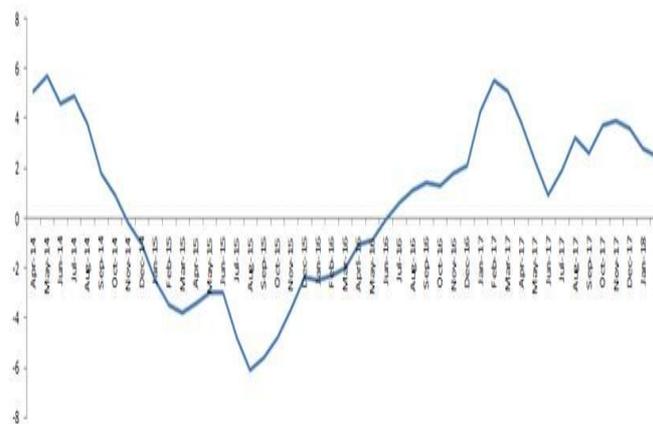
	Weight in IIP	April-Mar 2016-17	April-Mar 2017-18	March 18	April 18
Mining	14.3	5.3	2.3	3.0	5.1
Manufacturing	77.6	4.4	4.5	4.6	5.2
Electricity	7.9	5.8	5.4	5.9	2.1
Use based classification					
Primary goods	34.0	4.9	3.7	3.0	3.1
Capital goods	8.2	3.2	3.9	(-)5.7	13.0
Intermediate goods	17.2	3.3	2.3	2.3	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

May 2018 CPI inflation grows at 4.87%- The all India general CPI inflation (Combined) for May 2018(Prov.) grows at 4.87% as compared to 4.58% in April 2018. The inflation rates for rural and urban areas for May 2018 (Prov.) are 4.88% and 4.72% respectively, as compared to 4.67% and 4.42% respectively, for April 2018. Rate of inflation during May 2018 (Prov.) for fruits (12.33%), housing (8.4%), pan, tobacco and intoxicants (8%), fuel and light (5.8%), and egg (5.78%) etc. Consumer Price Index for the month of May 2018 for rural, urban and combined stood at 139.8, 135.4 and 137.8 respectively.

Trend in WPI inflation

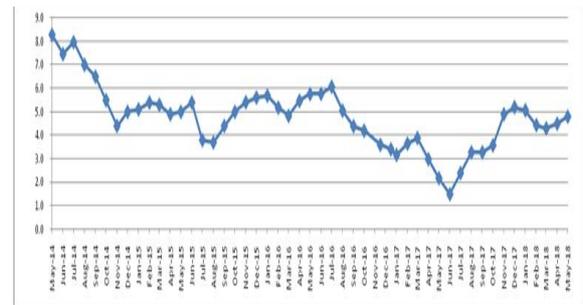
(Y-O-Y) %



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

Consumer Price Inflation (Combined)

(%)



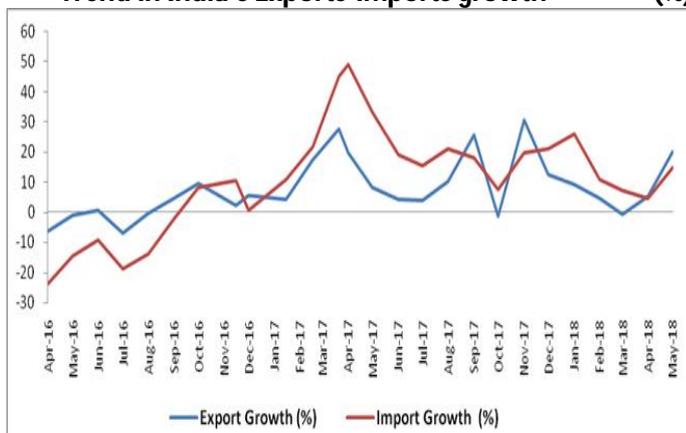
Source: PHD Research Bureau, compiled from CSO

May 2018 WPI inflation stood at 4.43%- The WPI inflation stood at 4.43% in May 2018 as compared to 3.18% in April 2018, 2.74% in March 2018, 2.74% in February 2018, 3.02% in January 2018 and 3.58% in December 2017. The rise in WPI inflation in the month of May 2018 is attributed to rise in the prices of minerals (15.64%), HSD (17.34%) and potato (81.93%). The official Wholesale Price Index for All Commodities (Base: 2011-12=100) for the month of May, 2018 rose by 0.9% to 117.9 (provisional) from 116.8 (provisional) for the previous month. Build up inflation rate in the financial year so far was 1.38% compared to a build up rate of (-)0.27% in the corresponding period of the previous year.

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 20.2% and 14.8% in May 2018- India's merchandise exports have exhibited strong growth of 20.18% in May 2018 to value at USD 28.86 billion compared to USD 24.01 billion during May 2017. Cumulative value of exports for the period April-May 2018-19 was USD 54.77 Billion as against USD 48.65 Billion registering a positive growth of 12.58% over the same period last year. India's merchandise imports grew by 14.85% to value at USD 43.48 billion in May 2018 compared to USD 37.86 billion during same period previous year. Cumulative value of imports for the period April-May 2018-19 was USD 83.11 Billion as against USD 75.74 Billion registering a positive growth of 9.72% over the same period last year.

Services	Jan-18	Feb-18	Mar-18
Exports (Receipts) (USD billion)	16.34	15.71	16.83
Imports (Payments) (USD billion)	9.85	10.14	10.28
Trade Balance (USD billion)	6.49	5.57	6.55

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

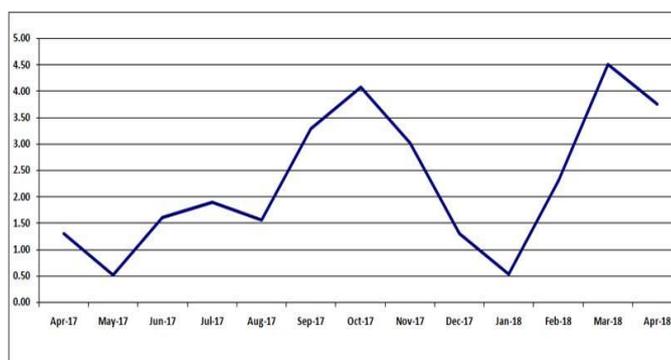
Service Exports grows at 7.16% in March 2018-

Exports during March 2018 were valued at USD 16.83 Billion (Rs. 109456.91 Crore) registering a positive growth of 7.16% in dollar terms as compared to negative growth of 3.84% during February 2018. Imports during March 2018 were valued at USD 10.28 Billion (Rs. 66841.93 Crore) registering a positive growth of 1.35% in dollar terms as compared to positive growth of 3.01% during February 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)

	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.

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.

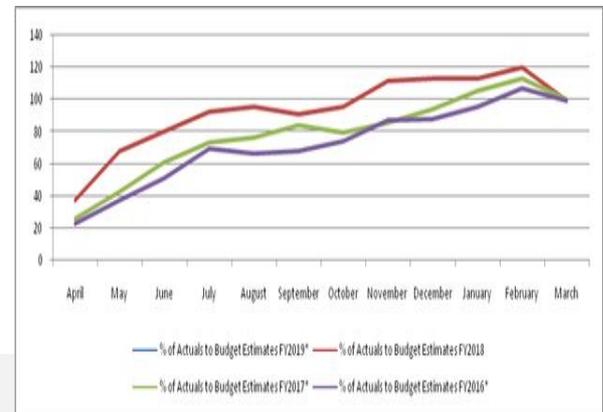
India's external debt registered at about US \$513.4 billion at end-December 2017- India's External Debt Stock stood at US\$ 513.4 billion at end December, recording an increase of US\$ 41.6 billion (8.8 %) over the level at end-March 2017. The rise in external debt during the period was primarily due to the increase in commercial borrowings, NRI deposits and short term debt. On a sequential basis, total external debt at end-December 2017 increased by US\$ 17.6 billion (3.6 %) from the end-September 2017 level. Long-term debt at end-December 2017 was at US\$ 415.8 billion, showing an increase of US\$ 32.1 billion (8.4 %) over the level at end-March 2017. Short-term external debt registered an increase of 10.8 % and stood at US\$ 97.6 billion at end-December 2017, and its share in total debt at 19.0 % was higher than the 18.7 % at end-March 2017.

1.4

1.4 Fiscal scenario

April 2018 fiscal deficit stands at 24.3 % of actuals to BEs- The gross fiscal deficit of the Central government stands at 24.3% of the actuals to budget estimates (BEs) at the end of April 2018 as compared to 37.6% of the actuals to budget estimates in the corresponding period of the previous year. The primary deficit was registered at 281.2% of the actuals to budget estimates at the end of April 2018 as compared to 793.9% of the actuals to budget estimates during corresponding period of the previous year. The revenue receipts at the end of April 2018 of the central government stands at 4.1 % of the actuals to budget estimates as compared with 2.3 % of the actuals to budget estimates at the end of April 2017. The government's market borrowing stands at 3% of the actuals to budget estimates at the end of April 2018 as compared with 11% of the actuals to budget estimates at the end of April 2017.

Differentials in use of fiscal deficit space at the end of April 2018 vis-à-vis April 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)	
	2	3	4	5
1				
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.

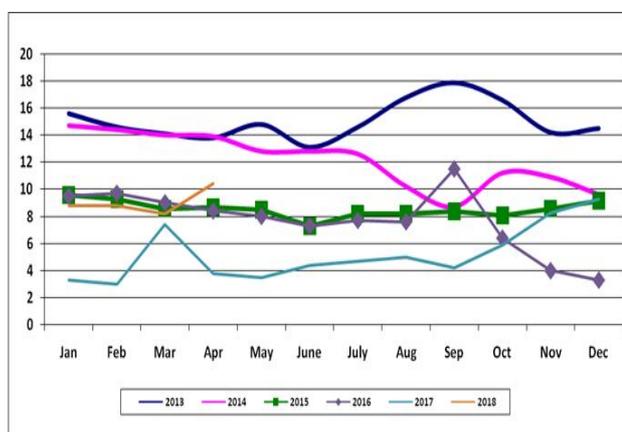
Source: PHD Research Bureau, compiled from Public Debt Management Quarterly report

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 10.4% in April 2018- Gross bank credit grows at 10.4% in April 2018 as against 8.2% in March 2018. The gross bank credit growth stands at 3.8% in April 2017. On a year-on-year (y-o-y) basis, non-food bank credit increased by 10.7% in April 2018 as against 8.4% in March 2018. Credit to agriculture and allied activities increased by 5.9% in April 2018 as compared to 3.8% in March 2018. Credit to industry increased by 1% in April 2018 as against 0.7% in March 2018. Credit to industry increased by 1% in April 2018 as compared with a contraction of 1.4% in April 2017. Credit to major sub-sectors such as textiles, all engineering, food processing, construction and rubber, plastic & their products accelerated. However, credit to infrastructure, basic metal & metal products, chemicals & chemical products, gems & jewellery and cement & cement products have contracted/declined.

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	2 nd Aug 2017	4 th Oct 2017	6 th Dec 2017	7 th Feb 2018	5 th April 2018	6 th June 2018
CRR	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Repo Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.25%
Reverse Repo Rate	5.75%	5.75%	5.75%	5.75%	5.75%	6.0%
WPI Inflation	0.9% (Jun-17)	3.24% (Aug-17)	3.59% (Oct-17)	3.6% (Dec-17)	2.5% (Feb-18)	3.2% (Apr-18)
CPI inflation\@	1.5% (Jun-17)	3.36% (Aug-17)	3.6% (Oct-17)	5.2% (Dec-17)	4.44% (Feb-18)	4.6% (Apr-18)
IIP growth	1.7% (May-17)	1.2% (July-17)	3.8% (Sep-17)	8.4% (Nov-17)	7.5% (Jan-18)	4.4% (Mar-18)
Real GDP growth	7.3% ^&***	6.7% ^&^	6.7% ^&^^	6.6%	7.4% (2018-19)\$#	7.4%

RBI hikes repo rate in Second Bi-monthly Monetary Policy Statement, 2018-19-

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) has decided to increase the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points to 6.25 per cent. Consequently, the reverse repo rate under the LAF stands adjusted to 6.0 per cent, and the marginal standing facility (MSF) rate and the Bank Rate to 6.50 per cent. The decision of the MPC is consistent with the neutral stance of monetary policy in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth.

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.

2. Major policy pronouncements

The IBC (Amendment) Ordinance, 2018- The Insolvency and Bankruptcy Code (Amendment) Ordinance, 2018 has amended the IBC, 2016 which provides for insolvency resolution of corporate persons in a time bound manner for maximization of value of assets of such persons, and whereas, a need has been felt, inter alia, to balance the interests of various stakeholders in the code, especially interest of home buyers and MSMEs, promoting resolution over liquidation of corporate debtor by lowering the voting threshold of committee of creditors and streamlining provisions relating to eligibility of resolution applicants. In clause (8), in sub clause (f), the following explanation shall be inserted namely any amount raised from an allottee under a real estate project shall be deemed to be an amount having the commercial effect of a borrowing; and the expression, "allottee" and "real estate project" shall have the meanings respectively assigned to them in clauses (d) and (zn) of section 2 of the Real Estate (Regulation and Development) Act, 2016. Hence, the new ordinance equates an "allottee" of a "real estate project" to be a person having a commercial effect of borrowing. He is now treated as financial creditor. He can initiate a corporate insolvency for a resolution against the errant developer. He acquires the right to be on the committee of creditors. He gets voting right and can influence the resolution process. In the unlikely eventuality of liquidation, he stands at par with other financial creditors.

RBI announces relief for MSMEs sector- This is in reference to the RBI circular DBR.No.BP.BC.100/21.04.048/2017-18 dated February 07, 2018. Having regard to the input credit linkages and ancillary affiliations, it has now been decided by RBI to temporarily allow banks and NBFCs to classify their exposure, as per the 180 days past due criterion, to all MSMEs, including those not registered under GST, as a 'standard' asset, subject to certain conditions such as aggregate exposure, including non-fund based facilities, of banks and NBFCs to the borrower does not exceed ₹ 250 million as on May 31, 2018, borrower's account was standard as on August 31, 2017, among others.

Cabinet approves the joint issue of postage stamp between India and Russia- The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi was apprised of the agreement signed in connection with release of Joint Stamps between Department of Posts, India and Russia Post (Joint-Stock Company "MARKA" of Russian Federation) to establish postal cooperation and strive towards mutually beneficial operational excellence in the field of issuance of stamps. Bilateral relations between India and Russia are marked by broad understanding on issues of mutual interest. India and Russia enjoy enhanced levels of cooperation in almost all areas of the bilateral relationship.

Cabinet approves the extension of tenure of the Commission constituted to examine the issue of Sub-categorization within Other Backward Classes in the Central List- The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the final extension of the term of the Other Backward Classes in the Central List currently mandated up to 20th June 2018, till 31st July, 2018. The Commission held extensive meetings with the stake holders including the State Governments, the State Backward Classes Commissions, various community associations and general public belonging to various Backward Classes and Communities. The Commission also obtained records, caste-wise of OBCs admitted in higher educational institution as well as similar caste-wise data of recruits in Central Departments, Central Public Sector Undertakings, Public Sector Banks & Financial Institutions.

Cabinet approves the extension of Memorandum of Understanding (MoU) between India and Netherlands on technical cooperation in the field of Spatial Planning, Water Management and Mobility Management- The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi was apprised of the Memorandum of Understanding (MoU) signed between India and Netherlands on technical cooperation in the field of Spatial Planning, Water Management and Mobility Management in April, 2018. The objectives of this MoU are to promote and strengthen the collaboration between the signatories in the areas of Spatial Planning, Water Management and Mobility Management on the basis of equivalence, affordable housing, smart city development, geographical information system (GIS) for water supply & sewerage system, waste water reuse and recycle, conservation of fresh water by artificial recharge of aquifer, integrated solid waste management and heritage conservation and mutual benefit, taking into account the practical needs of both the countries. Under this MoU, a Joint Working Group (JWG) will be set up to strategize and implement programmes on cooperation under the framework of the MoU. The Joint Working Group will meet once in a year, alternately in the Netherlands and in India. The MoU will promote bilateral cooperation in the field of Spatial Planning, Water Management and Mobility Management between the two countries. The MoU is expected to create employment in the areas of Spatial Planning, Water Management and Mobility Management, smart cities development, affordable housing, waste management, urban environment and heritage preservation.

Cabinet approves Memorandum of Understanding (MoU) between India and Denmark on technical cooperation in the field of Sustainable and Smart Urban Development- The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi was apprised of the Memorandum of Understanding (MoU) signed between India and Denmark on technical cooperation in the field of Sustainable and Smart Urban Development in April, 2018. The objective of this MoU is to promote bilateral cooperation in the field of sustainable and smart urban development on the basis of reciprocity and mutual benefit through exchange of knowledge, institutional cooperation, research & development and commercial relations on related issues. Areas of cooperation include smart urban solutions, liveability, sustainable and integrated urban planning, re-development and land use, integrated solid waste management including waste to energy, sustainable transport systems, water and sanitation management, energy efficiency, resource mobilization and other related areas mutually agreed upon. Under this MoU, a Joint Working Group (JWG) will be set up to strategize and implement programmes on cooperation under the framework of the MoU. The Joint Working Group will meet at intervals agreed upon by the Participants, alternately in Denmark and in India. The MoU is expected to create employment in the areas of integrated solid waste management including waste to energy, sustainable transport systems, water and sanitation management, energy efficiency, resource mobilization.

Cabinet approves Continuation Programme for Geosynchronous Satellite Launch Vehicle Mark-III- The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has approved funding for the for Geosynchronous Satellite Launch Vehicle Mark-III (GSLV Mk-III) continuation programme (Phase-I) consisting of ten (10) GSLV (Mk-III) flights, at a total estimated cost of Rs. 4338.20 crores. This includes Rs. 4338.20 Crores and includes the cost of ten GSLV Mk-III vehicles, essential facility augmentation, Programme Management and Launch Campaign. The operationalisation of GSLV Mk-III will make the country self-reliant in the launching capability of 4 tonne class of communication satellites and sustain & strengthen the space infrastructure and reduce the dependence on procured launches from foreign countries. The GSLV Mk-III Continuation Programme – Phase 1 will meet the launch requirement of communication satellites to meet the national demand for High Throughput Satellites for rural broadband connectivity, increase and sustain the availability of transponders for DTH, VSAT and Television broadcasters. GSLV Mk-III Continuation Programme – Phase 1 will be the first phase of operational flights of the GSLV Mk-III launch vehicle and the approval will cater to the launch of satellite missions during the period 2019-2024.

Cabinet approves Revised guidelines on time bound closure of sick/ loss making Central Public Sector Enterprises and disposal of movable and immovable assets- The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi today has approved the revised guidelines of the Department of Public Enterprises (DPE) on time bound closure of sick/ loss making Central Public Sector Enterprises (CPSEs) and disposal of movable and immovable assets. The revised guidelines would reduce delays in implementation of closure plans of sick/loss making CPSEs. These guidelines will replace the guidelines issued by DPE in September, 2016. These guidelines provide a broad framework for expeditious completion of various processes and procedures for closure of CPSEs by laying down important milestones in the closure process along with timelines, outlining the responsibilities of the concerned Ministries/ Departments/ CPSE, etc., in the process. The guidelines provide for advance preparatory action to be taken by administrative Ministry/ Department and CPSEs, preparation of closure proposal, settlement of statutory and other liabilities of the CPSE under closure and modalities for disposal of movable and immovable assets of such CPSEs in a time bound manner. The guidelines give first priority for utilization of land of CPSEs under closure for Affordable Housing as per the relevant guidelines of Ministry of Housing and Urban Affairs (MoHUA). Since there are employees working in these CPSEs, Government decided that closure should not cause hardship to them and has now laid down a uniform policy to give workers VRS at 2007 notional pay scale irrespective of the pay scale in which they are working.

Cabinet approves Continuation of Off-grid and Decentralised Solar PV Applications Programme - Phase III- The Cabinet Committee on Economic Affairs, chaired by Hon'ble Prime Minister Shri Narendra Modi has given its approval for implementation of Phase-III of Off-grid and Decentralised Solar PV (Photo Voltaic) Application Programme to achieve additional 118 MWp(Mega Watt peak) off-grid solar PV capacity by 2020. Phase-III of Off-grid and Decentralised Solar PV Application Programme covers following components:

- i) Solar Street Lights: 3,00,000 numbers of solar street lights will be installed throughout the country with special emphasis on areas where there is no facility for street lighting systems through grid power, North Eastern States and Left Wing Extremism (LWE) affected districts.
- ii) Stand-alone Solar Power Plants: Solar power plants of individual size up to 25 kWp(kilo Watt peak) will be promoted in areas where grid power has not reached or is not reliable. This component is mainly aimed at providing electricity to schools, hostels, panchayats, police stations and other public service institutions. The aggregated capacity of solar power plants would be 100 MWp.

Cabinet approves Agreement between India and Peru- The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved an Agreement between India and Peru which was signed in May, 2018 at Lima, Peru. The agreement aims to establish the basis for a cooperative institutional relationship to encourage and promote technical bilateral cooperation on new and renewable issues on the basis of mutual benefit equality and reciprocity. The Agreement envisages establishing a Joint Committee to develop Work Plans in order to implement the Agreement. The Agreement will help in strengthening bilateral cooperation between the two countries.

Cabinet approves MoU between India and Viet Nam on Joint issue of postage stamp - The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has been apprised of the joint issue of a postage stamp between Department of Posts and Viet Nam Post. Department of Posts, Ministry of Communications and Viet Nam Post mutually agreed to jointly issue Postage Stamps on India-Viet Nam: Joint Issue on the theme "Ancient Architecture". The joint stamps were released on 25-01-2018. The Commemorative Postage Stamps on India-Viet Nam: Joint Issue depicts Sanchi Stupa of India and Pho Minh Pagoda of Viet Nam. A Memorandum of Understanding (MoU) was signed between postal administrations of India and Viet Nam for this joint issue on 18-12-2017.

Cabinet approves interventions to deal with the current crisis in the sugar sector- In order to improve the problem of liquidity of sugar mills resulting in accumulation of huge cane price arrears of farmers, the Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the following measures involving total amount of about Rs. 7000 crore :Creation of buffer stock of 30 LMT of sugar for one year and to incur estimated expenditure of Rs.1175 crore for this purpose. However, based on the market price and availability of sugar, this may be reviewed by Department of Food & Public Distribution(DFPD) any time. The reimbursement under the scheme would be made on quarterly basis which would be directly credited into farmers' account on behalf of mills against their cane price dues. To notify Sugar Price (Control) Order, 2018 under Essential Commodities Act, 1955 to fix minimum selling price of white/refined sugar at the mill gate below which no white/refined sugar can be sold and delivered by a sugar mill in the domestic market. Fixation of minimum selling price of white sugar would be based on Fair Remunerative Price (FRP) of cane and minimum conversion cost of white/refined sugar. The minimum selling price of white/refined sugar shall be initially fixed at Rs.29/kg which can be revised by DFPD subsequently based on revision of FRP etc. This will not affect availability of sugar to consumers at reasonable price and Government will put in place a mechanism to ensure that the retail prices of sugar are kept fully under control. At present, this would be done along with imposition of stock holding limits on sugar mills. The stock limit on mills will be initially imposed for the current sugar season (up to September 2018), which may be reviewed by DFPD at any time.

Cabinet approves proposal for withdrawal of Nalanda University (Amendment) Bill, 2013 pending in Rajya Sabha- The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the proposal for withdrawal of Nalanda University (Amendment) Bill, 2013 pending in the Rajya Sabha. The Nalanda University was established on the basis of a Joint Press Statement at the 4th East Asia Summit held in Thailand in October, 2009, which supported its establishment as a non-state, non-profit, secular and self-governing international institution. Subsequently, the Nalanda University Act, 2010 was passed by the Parliament and came into effect from 25th November 2010. The present proposal is for moving a motion in Rajya Sabha withdrawing the Nalanda University (Amendment) Bill, 2013 introduced in Rajya Sabha on August 26, 2013 to amend certain existing provisions of the Nalanda University Act, 2010 and add some new provisions. The Governing Board of Nalanda University has since been constituted as per section 7 of Nalanda University Act, 2010 with effect from 21.11.2016 with the approval of Hon'ble President of India. The Amendment Bill will need to be discussed with the current Governing Board of Nalanda University before a final decision could be taken on going ahead with the proposed amendments. Further, the current Governing Board may also look into the entire Nalanda University Act, 2010 afresh and suggest amendments/additions wherever necessary. Teaching in the University was inaugurated by Smt.SushmaSwaraj, External Affairs Minister in September 2014. Hon'ble President of India is the Visitor of the University, Dr. Vijay Bhatkar, the Chancellor and Professor Sunaina Singh, is the Vice Chancellor. At present, the University has 116 students in three schools of studies namely School of Historical Studies, School of Ecology and Environment Studies and School of Buddhist Studies. This includes 35 international students from 21 foreign countries.



E- Newsletters

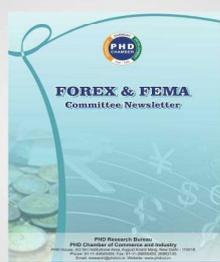
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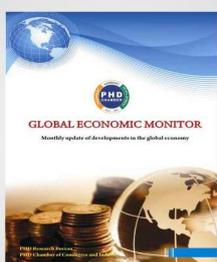
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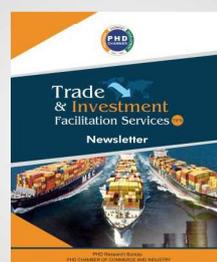
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Warm regards

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3. Other key developments

Indian economy to advance 7.3% in 2018-19, fastest-growing in globe: World Bank- According to the Global Economics Prospects Report of World Bank, global growth is projected to reach 3.1% in 2018. It is projected that India will regain its position as the world's fastest growing major economy projected to accelerate to 7.3% in FY2018-19 and 7.5% on average in 2019-20, reflecting robust private consumption and strengthening investment. According to the Report, India's GDP growth bottomed out in the middle of 2017 after slowing for five consecutive quarters, and has since improved significantly, with momentum carrying over into 2018 on the back of a recovery in investment. India has overcome the temporary disruptions caused by the implementation of the Goods and Services (GST) by mid 2017, and manufacturing output and industrial production have continued to firm. Per capita growth are expected to help bring down poverty in the coming years. The Bank said that India's fiscal balances have deteriorated, there has been a continuous buildup of debt, the current account deficit has widened.

OECD pegs India's GDP growth in current fiscal year at 7.4%- OECD in its latest OECD Economic Outlook Report has estimated India's real GDP growth at 7.4% and 7.5% for 2018-19 and 2019-20 thus indicating that India is expected to maintain its status as the world's fastest growing large economy. The India GDP growth forecast of 7.5% for 2019-20 is more than a percentage point higher than the 6.4% growth forecast of China. Increasing growth in India is making the nation the fastest growing G20 economy. According to the Report, "Investment and exports, supported by the smoother implementation of new GST, are becoming major growth engines". The OECD expects the world economy to grow by over 4% over the next year on the back of low interest rates and other support from the governments. According to OECD Economic Outlook 2018, Indian economy is rebounding after the transitory negative impacts of demonetisation and GST. Further, India's GDP growth will be supported by an acceleration in private investment as excess capacity diminishes, deleveraging by corporates and banks continues and infrastructure projects mature. As per the report, India's current account deficit will increase. Job creation in the formal sector will remain sluggish, leaving the vast majority of workers in low-productivity, low paid activities.

Fitch raises India growth forecast to 7.4% for FY'19- Fitch Ratings raised India growth forecast for 2018-19 from 7.3 per cent to 7.4 per cent. However, it cited higher financing costs and rising oil prices as risks to growth. For 2019-20, it estimated the country to grow at 7.5 per cent. According to the report, India has better macroeconomic fundamentals than in 2013 and very low foreign ownership rates in the domestic government bond market, but the current account deficit has been widening as a result of rising oil prices, reviving domestic demand and poor manufacturing export performance.

India moves one notch up to 136th place in Global Peace Index while Violence cost India's GDP over \$1 trillion in 2017; \$595 per person- According to the Institute for Economics and Peace's Global Peace Index, South Asia experienced the largest regional improvement in peacefulness with India moving one notch higher to 136th position on the 2018 Global Peace Index. The report which measures the level of Positive Peace in 163 countries covers over 99.7% of the world's population using 23 qualitative and quantitative indicators which measures the state of peace using three thematic domains; the extent of ongoing domestic and international conflicts, and the degree of militarisation. The report mentions that Indian government's efforts to tackle violent crime have paid off with an improved score, and falling levels of military expenditure, particularly on weapons imports, resulted in a slight improvement in its Militarisation score.

Maternal mortality rate falls- Even though India has shown impressive gains in maternal mortality decline – a 22 percent reduction since 2013 – a lot more needs to be done considering many challenges waiting to be addressed. On the same day when these numbers were out, a news report from Kerala – a state that leads other states in most health indices, including MMR, stated how a tribal woman in labour in Kerala was carried on a sling made of clothes for want of a road.

Government of India and World Bank signs \$500 Million Additional Financing for Pradhan Mantri Gram Sadak Yojana Rural Roads Project- The Government of India and the World Bank signed a \$500 million loan agreement to provide additional financing for the Pradhan Mantri Gram Sadak Yojana (PMGSY) Rural Roads Project, implemented by Ministry of Rural Development, Government of India, which will build 7,000 km of climate resilient roads, out of which 3,500 km will be constructed using green technologies. The World Bank has supported PMGSY since its inception in 2004. So far it has invested over \$1.8 billion in loans and credits mostly in the economically weaker and hill states across North India - Bihar, Himachal Pradesh, Jharkhand, Meghalaya, Rajasthan, Uttarakhand, and Uttar Pradesh. It has built and improved about 35,000 km of rural roads and benefited about eight million people with access to all-weather roads. Adequate maintenance of the existing 4.6 million km of road network is emerging as a major challenge. Many parts of the existing road network are either vulnerable to or have already suffered damage from climate induced events such as floods, high rainfall, sudden cloud bursts and land-slides. To support the rural economy and communities and households that depend on rural livelihoods, it will be critical to ensure that infrastructure is built and maintained to withstand climatic changes. This project will demonstrate how climate resilient construction can be integrated in the strategy and planning of rural roads.

World Bank approves Rs. 6,000 crore for Atal Bhujal Yojana- The World Bank has approved Atal Bhujal Yojana (ABHY), a Rs.6000 crore Central Sector Scheme of the Ministry of Water Resources, River Development and Ganga Rejuvenation. The scheme is to be implemented over a period of five years from 2018-19 to 2022-23, with World Bank assistance. Atal Bhujal Yojana has been formulated by the Ministry to address the criticality of ground water resources in a major part of the country. The scheme aims to improve ground water management in priority areas in the country through community participation. The priority areas identified under the scheme fall in the states of Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh. These States represent about 25% of the total number of over-exploited, critical and semi-critical blocks in terms of ground water in India. They also cover two major types of groundwater systems found in India - alluvial and hard rock aquifers- and have varying degrees of institutional readiness and experience in groundwater management.

Visit of Hon'ble Prime Minister of India to Republic of Singapore- The Hon'ble Prime Minister of India Shri Narendra Modi made an official visit to the Republic of Singapore from 31st May to 2nd June 2018 at the invitation of Prime Minister of the Republic of Singapore, His Excellency Lee Hsien Loong. During the visit, Shri Narendra Modi called on President of the Republic of Singapore, Her Excellency Halimah Yacob, and had a bilateral meeting with Prime Minister Lee. Prime Minister of India also received a call from Emeritus Senior Minister of the Republic of Singapore, Mr Goh Chok Tong. During the visit, Shri Narendra Modi addressed a business, innovation and community event "India and Singapore: Stepping into the Future – Partnership for Enterprise and Innovation." He also visited the Nanyang Technological University, Indian Heritage Centre, Changi Naval Base and other sites highlighting cultural and people to people links between India and Singapore.

India must address banking sector crisis to support investment, inclusive growth agenda: IMF - International Monetary Fund Spokesman Mr. Gerry Rice stated that Indian authorities have made progress in addressing the stock of non-performing assets and were taking further measures to deal with the flow problem. He mentioned that India must address the ongoing crisis in its banking sector to support investment and inclusive growth agenda.

RBI Survey: Consumers see less to cheer this year - The Reserve Bank of India's (RBI) latest monetary policy statement was more sanguine about the state of economy than many analysts viewed it — while keeping GDP growth for FY19 at 7.4% with risks evenly balanced, it expected both rural and urban consumption to remain healthy and predicted strong investment activity.

Direct Benefit Transfer: Savings up 58% to Rs 32,984 crore in FY18 - Between FY14 (when the DBT scheme was launched) and FY18, close to Rs 3.7 lakh crore had been transferred to the beneficiaries, mostly as cash paid to their bank accounts but also (increasingly) as in-kind benefits.

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. The economic activities have exhibited revival in the recent quarters and the output gap has almost closed. The construction sector witnessed a remarkable growth of 11.5% in Q4 FY2018 from 6.6% in Q3 FY2018. The agriculture sector grew at 4.5% in Q4 FY2018 from 3.1% in Q3 FY2018. Now the economy is looking up and growth is expected to strengthen further in FY 2018-19.

Going ahead, India has overcome the temporary disruptions caused by the implementation of the Goods and Services (GST) by mid 2017, and manufacturing output and industrial production have continued to firm. Recovery from the investment activity is expected which could receive a further boost from swift resolution of distressed sectors of the economy. Per capita growth is expected to help reduce poverty in the coming years. However, geo-political risks, global financial market volatility and threat of trade protectionism cause hindrances to the domestic recovery. Thus, in order to maintain a high growth rate in the future it is important that the public and the private sectors should move together and public finances should not crowd out private sector investment activity.

The lead economic and financial indicators so far...

S. No	Components	March 2018	April 2018	May 2018
1.	IIP Growth	4.4%	4.9%	-
2	Export Growth	(-)0.66%	5.17%	20.2%
3	WPI Inflation Y-O-Y growth	2.5%	3.18%	4.43%
4	CPI inflation (combined)	4.3%	4.6%	4.87%
5	Gold (10 GRMS)	30,419 [^]	30419 ^{^^}	31,772 ^{^^^}
6	Crude Oil (1 BBL)	4073 [^]	4073 ^{^^}	4,724 ^{^^^}
7	BSE Sensex	30,491 [^]	35160 ^{^^}	35,322 ^{^^^}
8	Exchange rate average (INR/ 1 USD)	65.02 [^]	65.63 ^{^^}	67.53 ^{^^^}
9	Repo rate	6%	6%	6.25%
10	CRR	4%	4%	4%
11	10 year Bond yield	7.5365%	7.7942%	7.8768%
12	Base rate	8.70% - 9.45% ^{@#}	8.70% - 9.45% ^{@#@#}	8.70% - 9.45% ^{@#@#@#}

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

India: Statistical snapshot

Indicators	FY13	FY14	FY15	FY16	FY17	FY18	FY19
GDP at FC - Constant prices (Rs cr)	9215125	9817822	10536984	11381002	12189854	13010843#	-
GDP at FC-Constant prices growth YOY (%)	5.5*	6.4*	7.5*	8*	7.1@#	6.7##^	-
Agriculture growth	1.5	5.6	(-)0.3	0.7*	4.9@#	3.4##^	-
Industry growth	3.4	4.2	6.9	8.2	5.8@#	5.5##^	-
Services growth	7.7	9.5	9.8	7.9	7.9@#	7.9##^	-
Consumption (% YOY)	5.2	4.7	-	-	-	-	-
Private consumption (% YOY)	5.5	6.8	6.2	7.3	7.2	-	-
Gross domestic savings as % of GDP	30.1	30.5	30.6'''	-	-	-	-
Gross Fixed Capital Formation as % of GDP	34.1	33	32.3	31.2	29.5	7.6##^	-
Gross fiscal deficit of the Centre as a % GDP	4.9	4.5	4.1''	3.9	3.5	3.5@*	3.5^*
Gross fiscal deficit of the states as a % GDP	1.9	2.5	2.3''	-	-	-	-
Gross fiscal deficit of Centre & states as a % GDP	7.2	6.7	6.6''	-	-	-	-
Merchandise exports (US\$Bn)	300.2	312.35	310.5	261.14	274.64	29.11&&\$	28.86 ^^^
Growth in exports (%)	-1.8	3.98	(-)1.2	(-)15.9	4.7	(-)0.66&&\$	20.18 ^^^
Imports (US\$Bn)	490.3	450.94	447.5	379.59	380.37	42.80&&\$	43.48 ^^^
Growth in imports (%)	0.2	-8.1	-0.59	(-)15.3	(-)0.17	7.15&&\$	14.85^^^
Trade deficit (US\$Bn)	190.1	138.6	137	118.46	46.42	13.69&&\$	14.62 ^^^
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~~ ^s	413.11~~
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&&\$	4.43^^^
CPI inflation	10.2	9.8	6.4	4.83^^	4.5	4.28&&\$	4.87^^^
Exchange rate Rs/US\$ annual average	54.4	60.68	61.14	66.43@	64.39^^	65.04@&\$	67.68@@

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 8th June 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 May 2018, @ Data as on June 14, 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, --^s 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)

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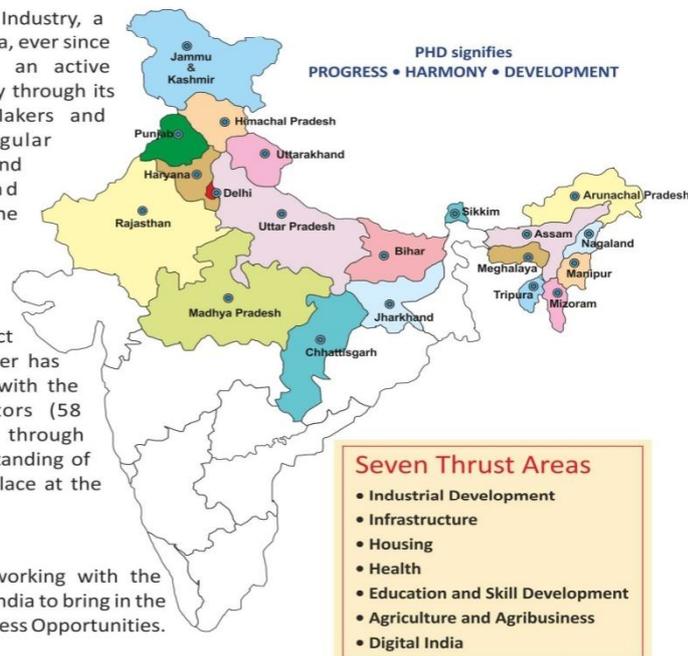
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About the PHD Chamber

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"

PHD CHAMBER OF COMMERCE AND INDUSTRY

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Ms. Kriti Khurana, Research Associate

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