PHD CHAMBER
OF COMMERCE AND INDUSTRY

Economic Affairs Committee Newsletter

(Monthly Update on India's socio-economic development)

May 2021




PHD RESEARCH BUREAU
PHD CHAMBER OF COMMERCE AND INDUSTRY

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Introduction

The second wave of Covid-19 has struck like a storm throughout the country. Pandemic has entered every household and is affecting the life of every one. The re-emergence of pandemic situation with partial lockdowns and curfews in many parts of the country has created incipient signs of economic slowdown in the coming months.

Savings of the households are diverting towards medical expenses of their family members to save their lives. The entire economic activity is severely impacted with the closure of offices and shops. It has created uncertain economic environment causing subdued demand and investment activity in the country.

Amid the second wave of COVID-19, the calibrated, sequenced and well–timed measures announced by RBI are highly encouraging as these measures will provide liquidity, bring down cost of capital and mitigate the daunting impact of second wave of pandemic COVID-19. The steps undertaken by RBI will support the most vulnerable category of borrowers including individual borrowers, small businesses and MSMEs along with in ramping up of COVID related healthcare infrastructure and supporting wide range of entities related to healthcare.

Key measures of RBI include on-tap liquidity window of Rs 50,000 crore with upto 3 year tenor at repo rate until March 31, 2022; targeted long-term repo operation for small finance banks of Rs 10,000 crore; permitting Small Finance Banks to reckon fresh lending to smaller Micro Finance Institutions for on-lending to individual borrowers as priority sector lending; providing extension to banks to deduct credit disbursed to new MSME borrowers from their net demand and time liabilities for calculation of the cash reserve ratio till December 31, 2021; eligibility to standard borrowers under Resolution Framework 2.0; one time measure to review working capital sanctioned limits of small businesses and MSMEs restructured earlier; among others.

It may be mentioned that India has recently surpassed the landmark of 17 crore vaccination doses and the Government is undertaking consistent reviewing and monitoring of the situation and working arduously for better co-ordination between States, hospitals and suppliers of oxygen and vaccines.

Going ahead, there is a need to fuel the drivers of household consumption and private investments to enhance aggregate demand in the economy with calibrated and well-timed steps to mitigate the daunting impact of pandemic COVID-19. Further, it is necessary that the Government continue with the reform momentum to rejuvenating economic growth and achieve the vision of AatmaNirbhar Bharat and an economic size of US$5 trillion in the coming times.

Economic Affairs Committee

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1. Indian Economy so Far

1. Indian economy projected to grow at (-)8% in FY 2020-21, 12.5% in FY 2021-22, 6.9% in FY 2022-23: IMF Word Economic Outlook Report

One year into the COVID-19 pandemic, the accumulating human toll continues to raise concerns, even as growing vaccine coverage lifts sentiment. High uncertainty surrounds the global economic outlook, primarily related to the path of the pandemic. The contraction of activity in 2020 was unprecedented in living memory in its speed and synchronized nature.

After an estimated contraction of –3.3 percent in 2020, the global economy is projected to grow at 6 percent in 2021, moderating to 4.4 percent in 2022. Output losses have been particularly large for countries that rely on tourism and commodity exports and for those with limited policy space to respond.

Youth, women, workers with relatively lower educational attainment, and the informally employed have generally been hit hardest. Income inequality is likely to increase significantly because of the pandemic. Close to 95 million more people are estimated to have fallen below the threshold of extreme poverty in 2020 compared with pre-pandemic projections.

Future developments will depend on the path of the health crisis, including whether the new COVID-19 strains prove susceptible to vaccines or they prolong the pandemic; the effectiveness of policy actions to limit persistent economic damage (scarring); the evolution of financial conditions and commodity prices; and the adjustment capacity of the economy.

The factors shaping the appropriate stance of policy vary by country, especially progress toward normalization. Hence, countries will need to tailor their policy responses to the stage of the pandemic, strength of the recovery, and structural characteristics of the economy. Once vaccination becomes widespread and spare capacity in health care systems is generally restored to pre-COVID-19 levels, restrictions can begin to be lifted. While the pandemic continues, policies should first focus on escaping the crisis, prioritizing health care spending, providing well-targeted fiscal support, and maintaining accommodative monetary policy while monitoring financial stability risks.

For the Emerging and Developing Asia regional group, projections for 2021 have been revised up by 0.6 percentage point, reflecting a stronger recovery than initially expected after lockdowns were eased in some large countries.

The Indian economy is projected to grow at (-)8% for FY 2020-21, 12.5% for FY 2021-22 and at 6.9% for FY 2022-23.

2. India's GDP is expected to expand at 11% for FY2022: Asian Development Bank Report

Growth is gaining momentum across developing Asia, but renewed COVID-19 outbreaks show the pandemic is still a threat. Even so, the region's economic revival is underway, supported by a healthy global recovery and progress on vaccines. The region's growth is forecast to rebound to 7.3% in 2021, moderating to 5.3% in 2022. Excluding high income newly industrialized economies, growth of 7.7% is forecast for this year and 5.6% for next year. Headline inflation—after a marginal decline in 2020—is projected to fall to 2.3% in 2021 on easing food-price pressures, with prices expected to rise by 2.7% in 2022.

Stifled by domestic lockdowns and a global recession, consumption and investment dragged down output in most economies. South Asia posted the largest contraction on the back of an 8.0% fall in India's gross domestic product (GDP). Southeast Asia also shrank substantially, led by contractions of 9.6% in the Philippines and 6.1% in Thailand.

The growth trend will not be uniform across the region. After rapid rebounds this year, some deceleration is expected in East Asia and—mainly due to India—South Asia. The more moderate growth in 2021 in Central Asia, Southeast Asia, and the Pacific will accelerate in 2022. Average inflation in the region is forecast to fall from 2.8% in 2020 to 2.3% in 2021, as food-price pressures ease and inflation moderates in India and the PRC.

Aggregate output is forecast to expand by 9.5% in 2021, with growth tapering to 6.6% in 2022. This largely reflects the performance of India, which will rebound from an 8.0% contraction in FY2021 and grow by 11% and 7% in FY2022 and FY2023 respectively.

3. RBI Governor announces new series of measures to help economy mitigate the impact of second wave of COVID-19

RBI Governor Shri Shaktikanta Das announced a series of measures to help economy mitigate the impact of second wave of COVID-19. Key highlights are as follows:

- Domestic financial conditions remain easy on abundant and surplus system liquidity. The average daily net liquidity absorption under the liquidity adjustment facility (LAF) was at ₹5.8 lakh crore in April 2021. The first auction under G-SAP 1.0 conducted on April 15, 2021 for a notified amount of ₹25,000 crore elicited an enthusiastic response as reflected in the bid-cover ratio of 4.1. G-SAP has engendered a softening bias in Gsec yields which has continued since then. Given this positive response from the market, it has been decided that the second purchase of government securities for an aggregate amount of ₹35,000 crore under G-SAP 1.0 will be conducted on May 20, 2021. With system liquidity assured, the RBI is now focusing on increasingly channelising its liquidity operations to support growth impulses, especially at the grassroot level.

- To boost provision of immediate liquidity for ramping up COVID related healthcare infrastructure and services in the country, an on-tap liquidity window of ₹50,000 crore with tenors of up to three years at the repo rate is being opened till March 31, 2022. Under the scheme, banks can provide fresh lending support to a wide range of entities including vaccine manufactures; importers/suppliers of vaccines and priority medical devices; hospitals/dispensaries; pathology labs; manufactures and suppliers of oxygen and ventilators; importers of vaccines and COVID related drugs; logistics firms and also patients for treatment.

- Banks are being incentivised for quick delivery of credit under the scheme through extension of priority sector classification to such lending up to March 31, 2022. These loans will continue to be classified under priority sector till repayment or maturity, whichever is earlier. Banks may deliver these loans to borrowers directly or through intermediary financial entities regulated by the RBI. Banks are expected to create a COVID loan book under the scheme. By way of an additional incentive, such banks will be eligible to park their surplus liquidity up to the size of the COVID loan book with the RBI under the reverse repo window at a rate which is 25 bps lower than the repo rate or, termed in a different way, 40 bps higher than the reverse repo rate.

- Small finance banks (SFBs) have been playing a prominent role by acting as a conduit for last mile supply of credit to individuals and small businesses. To provide further support to small business units, micro and small industries, and other unorganised sector entities adversely affected during the current wave of the pandemic, it has been decided to conduct special three-year long-term repo operations (SLTRO) of ₹10,000 crore at repo rate for the SFBs, to be deployed for fresh lending of up to ₹10 lakh per borrower. This facility will be available till October 31, 2021.

- At present, lending by Small Finance Banks (SFBs) to MicroFinance Institutions (MFIs) for on-lending is not reckoned for priority sector lending (PSL) classification. In view of the fresh challenges brought on by the pandemic and to address the emergent liquidity position of smaller MFIs, SFBs are now being permitted to reckon fresh lending to smaller MFIs (with asset size of up to ₹500 crore) for on-lending to individual borrowers as priority sector lending. This facility will be available up to March 31, 2022.

- With a view to incentivise credit flow to the micro, small, and medium enterprise (MSME) borrowers, in February 2021 Scheduled Commercial Banks were allowed to deduct credit disbursed to new MSME borrowers from their net demand and time liabilities (NDTL) for calculation of the cash reserve ratio (CRR). In order to further incentivise inclusion of unbanked MSMEs into the banking system, this exemption currently available for exposures up to ₹25 lakh and for credit disbursed up to the fortnight ending October 1, 2021 is being extended till December 31, 2021.

- The resurgence of COVID-19 pandemic in India in recent weeks and the associated containment measures adopted at local/regional levels have created new uncertainties and impacted the nascent economic revival that was taking shape. In this environment the most vulnerable category of borrowers are individual borrowers, small businesses and MSMEs. The following set of measures are announced today, specifically targeting these groups of borrowers.

(a) Borrowers i.e. individuals and small businesses and MSMEs having aggregate exposure of upto ₹25 crore and who have not availed restructuring under any of the earlier restructuring frameworks (including under the Resolution Framework 1.0 dated August 6, 2020), and who were classified as 'Standard' as on March 31, 2021 shall be eligible to be considered under Resolution Framework 2.0. Restructuring under the proposed framework may be invoked up to September 30, 2021 and shall have to be implemented within 90 days after invocation.

(b) In respect of individual borrowers and small businesses who have availed restructuring of their loans under Resolution Framework 1.0, where the resolution plan permitted moratorium of less than two years, lending institutions are being permitted to use this window to modify such plans to the extent of increasing the period of moratorium and/or extending the residual tenor up to a total of 2 years. Other conditions will remain the same.

(c) In respect of small businesses and MSMEs restructured earlier, lending institutions are also being permitted as a one-time measure, to review the working capital sanctioned limits, based on a reassessment of the working capital cycle, margins, etc.

- Taking forward the initiatives of the Reserve Bank for enhancing customer convenience, it has been decided to rationalise certain components of the extant KYC norms. These include (a) extending the scope of video KYC known as V-CIP (video-based customer identification process) for new categories of customers such as proprietorship firms, authorised signatories and beneficial owners of Legal Entities and for periodic updation of KYC; (b) conversion of limited KYC accounts opened on the basis of Aadhaar e-KYC authentication in non-face-to-face mode to fully KYC-compliant accounts; (c) enabling the use of KYC Identifier of Centralised KYC Registry (CKYCR) for V-CIP and submission of electronic documents (including identity documents issued through DigiLocker) as identify proof; (d) introduction of more customer-friendly options, including the use of digital channels for the purpose of periodic updation of KYC details of customers.

- Further, keeping in view the COVID related restrictions in various parts of the country, Regulated Entities are being advised that for the customer accounts where periodic KYC updating is due/pending, no punitive restriction on operations of customer account(s) shall be imposed till December 31, 2021 unless warranted due to any other reason or under instructions of any regulator/enforcement agency/court of law, etc. Account holders are requested to update their KYC during this period.

- In order to mitigate the pandemic related stress on banks and as a measure to enable capital conservation, banks are being allowed to utilize 100 per cent of floating provisions/countercyclical provisioning buffer held by them as on December 31, 2020 for making specific provisions for nonperforming assets with prior approval of their Boards. Such utilization is permitted with immediate effect and up to March 31, 2022.

- To enable the State Governments to better manage their fiscal situation in terms of their cash-flows and market borrowings, certain relaxations are being permitted with regard to availment of Overdraft (OD) facilities. Accordingly, the maximum number of days of OD in a quarter is being increased from 36 to 50 days and the number of consecutive days of OD from 14 to 21 days. This facility will be available up to September 30, 2021. The Ways and Means Advance (WMA) limits of states have already been enhanced on April 23, 2021.

4. Ministry of Food Processing Industries issues guidelines for 'Production Linked Incentive Scheme for the Food Processing Industry'

The Ministry of Food Processing Industries (MoFPI) has issued detailed operational scheme guidelines and has launched an online portal for 'Production Linked Incentive Scheme for Food Processing Industry'(PLISFPI). Hon'ble Union Minister for Food Processing Industries Shri Narendra Singh Tomar has launched an online portal for the beneficiaries. The link of the online portal is: https://plimofpi.ifciltd.com

As a part of Prime Minister's announcement of Aatmanirbhar Bharat Abhiyan, Government of India has approved a new Central Sector Scheme namely 'Production Linked Incentive Scheme for Food Processing Industry' for implementation during 2021-22 to 2026-27 with an outlay of Rs. 10,900 crore to support creation of global food manufacturing champions commensurate with India's natural resource endowment and support Indian brands of food products in the international markets.

Ministry of Food Processing Industries is inviting applications for availing sales based incentives and grants for undertaking Branding & Marketing activities abroad under the scheme from three categories of Applicants:

Category-I: Applicants are large entities who apply for Incentive based on Sales and Investment Criteria. Applicant under this category could undertake Branding & Marketing activities abroad also and apply for grant under the scheme with a common application.

Category-II: SMEs Applicants manufacturing innovative/ organic products who apply for PLI Incentive based on Sales.

Category-III: Applicants applying solely for grant for undertaking Branding & Marketing activities abroad.

Applicant for the Scheme shall be (i) Proprietary Firm or Partnership Firm or Limited Liability Partnership (LLP) or a Company registered in India (ii) Co-operatives; and (iii) SME and making an application for seeking approval for coverage under the Scheme. Applicant may also include company applying on its own behalf and its subsidiary/ies provided the applicant company holds more than 50% of the stock of its subsidiary/ies and that none of such subsidiary company/ies is included in any other applicant company under the scheme; or Marketing Federation or Apex level co-operatives applying on behalf of Member Unions or Member co-operatives in the case of co-operatives.

The sales based incentive under the scheme would be paid for six years from 2021-22 to 2026-27 on incremental sales over the base year. Base Year for calculation of Incremental sales would be 2019-20 for the first 4 years. For 5th & 6th years, the base year would be 2021-22 & 2022-23 respectively. Sales shall include sales of eligible food products manufactured by the applicants as well its subsidiaries and contract manufactures. Applicants will be extended grant @ 50% of expenditure on branding & marketing abroad subject to a maximum grant of 3% of Sales of food products or Rs 50 crore per year, whichever is less. The minimum expenditure for branding abroad shall be Rs. 5 crore over a period of five years.

Selection of Applicant under Category-I will be based on their sales, exports, committed investment. Four product segment are proposed to be incentivized under the scheme viz. Ready to Cook/ Ready to

Eat (RTC/ RTE) including millet-based foods, Processed Fruits & Vegetables, Marine Products and Mozzarella Cheese. Food products included for coverage and those excluded under various segments have been listed in the Guidelines. Selected applicant must fulfil the minimum required sales growth rate criterion to become eligible for incentive.

Selection of SME Applicants under Category-II and for innovative/ organic products would be based on their proposal, uniqueness of the product and the level of product development etc. Selection of applicant under category III for Branding & Marketing abroad would be based on the level of recognition of their Brand, strategy and plan for production, sales, exports and branding of products in domestic and export markets.

Details regarding eligibility conditions, minimum investment, selection criteria, scale of incentives etc are covered in the operational guidelines. The detailed guidelines of the scheme are available at Ministry's website www.mofpi.nic.in.

5. India ranks 87th in Global Energy Transition Index (ETI): World Economic Forum Report

The past decade has established the strong initial momentum to transform the energy system for the decades ahead. The scaling of nascent technologies and an increased focus on climate change have fixed global attention firmly on the decarbonization of energy systems.

As of 2018, 81% of the world's energy was still supplied by fossil fuels,1 global greenhouse gas emissions rose through 2019 and more than 770 million people around the world still lack access to electricity.2 The transformation of our energy systems needs to increase its momentum to help achieve critical objectives such as the UN's Sustainable Development Goals and the Paris Agreement.

Aggregate ETI scores rose over the past decade for countries collectively accounting for 86% of global total energy supply and for 88% of global CO_2 emissions from fuel combustion. The ranking of top countries on the ETI has remained broadly consistent over the past decade. Denmark, Finland and the United Kingdom, highest improvers in the top 10 positions, were able to improve their energy system performance and sustainability outcomes thanks to a stable regulatory environment, diversified energy mix and cost-reflective energy pricing.

Countries with rising energy demand, such as China, India and Sub-Saharan African nations, have registered the largest gains, but their scores on the ETI remain low in absolute terms. **India ranked 87th in the Global ETI for 2021.**

6. March 2021 IIP growth stands at 22.4%

Growth in industry output, as measured in terms of IIP, for the month of March 2021 increased to 22.4% as compared to February 2021 growth of around (-)3.4%.

The growth in the three sectors mining, manufacturing and electricity in March 2021 stands at around 6.1%, 25.8%, 22.5%, respectively over March 2020. Primary goods growth stands at around 7.7%, capital goods growth stands at 41.9%, intermediate goods growth stands at 21.2%, infrastructure/construction goods growth stands at 31.2%, consumer durables stands at 54.9% and consumer non-durables growth stands at 27.5% during March 2021 as compared to the previous year.

Recent growth pattern in IIP **(% growth)**

	Weight in IIP	April-March 2019-20	April-March 2020-21	February 2021	March 2021
Mining	14.3	1.6	(-)7.8	(-)4.4	6.1
Manufacturing	77.6	(-)1.4	(-)9.8	(-)3.7	25.8
Electricity	7.9	1.0	(-)0.5	0.1	22.5
Primary goods	34.0	0.7	(-)7.0	(-)4.7	7.7
Capital goods	8.2	(-)13.9	(-)19.2	(-)3.8	41.9
Intermediate goods	17.2	9.1	(-)9.7	(-)5.6	21.2
Infrastructure/construction goods	12.3	(-)3.6	(-)9.1	(-)4.0	31.2
Consumer durables	12.8	(-)8.7	(-)15.2	6.6	54.9
Consumer non-durables	15.3	(-)0.1	(-)2.3	(-)4.5	27.5
Overall IIP	**100**	(-)**0.8**	(-)**8.6**	(-)**3.4**	22.4

Source: PHD Research Bureau, PHDCCI, compiled from CSO

7. CPI inflation falls to 4.3% in April 2021

According to The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI), the CPI inflation has decreased to 4.3% in April 2021 as compared to the 5.5% in March 2021.

All India Inflation rates (on point to point basis i.e. current month over same month of last year, i.e. April 2021 over April 2020), based on General Indices and CFPIs are given as follows:

All India Inflation Rates (%) based on CPI (General) and CFPI

Indices	March 2021 (Final)			April 2021 (Prov.)		
	Rural	Urban	Combined	Rural	Urban	Combined
CPI (General)	4.6	6.5	5.5	3.8	4.8	4.3
CFPI	3.9	6.6	4.9	1.5	3.2	2.0

Source: PHD Research Bureau, PHDCCI, compiled from MOSPI

The Price data are collected from representative and selected 1114 urban Markets and 1181 villages covering all States/UTs through personal visits by field staff of Field Operations Division of NSO, MoSPI on a weekly roster. During the month of April 2021, NSO collected prices from 99.1% villages and 97.4% urban Markets while the Market-wise prices reported therein were 84.6% for rural and 87.4% for urban.

All India Consumer Price Indices and year-on-year Inflation rates (%) for April, 2021 (Provisional) (Base 2012=100)

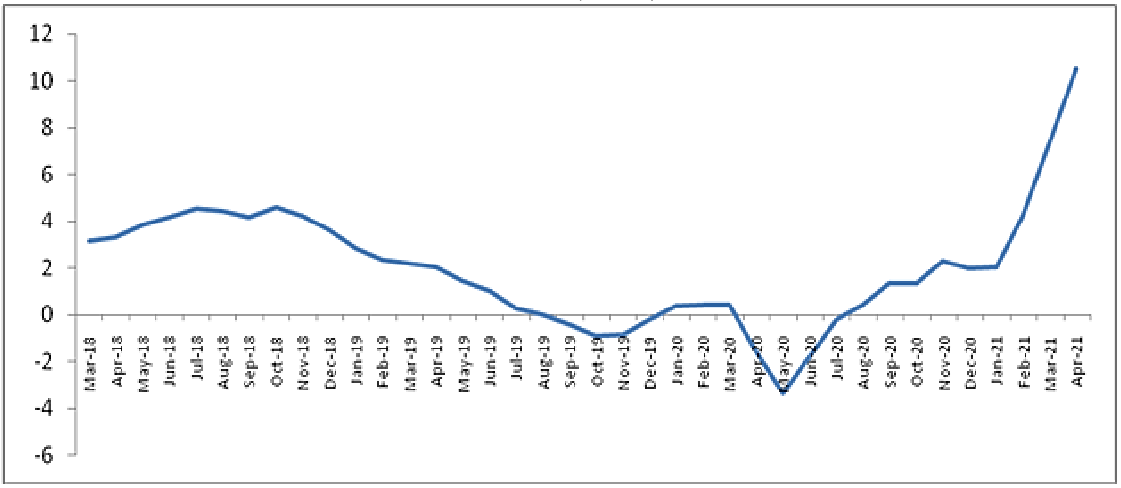
Category	All India Consumer Price Indices and year-on-year Inflation rates (%) for March, 2021 (Provisional)					
	Rural		Urban		Combined	
	April, 2021 Index (Prov.)	Inflation Rate (%)	April, 2021 (Prov.)	Inflation Rate (%)	April, 2021 Index (Prov.)	Inflation Rate (%)
Food and Beverages	155.8	2.0	162.0	3.8	158.1	2.7
Pan, tobacco and intoxicants	186.9	9.2	194.0	8.3	188.8	9.0
Clothing and Footwear	159.9	4.4	153.4	2.0	157.3	3.5
Housing	-	-	161.4	3.7	161.4	3.7
Fuel and Light	156.0	5.1	154.7	12.8	155.5	7.9
Miscellaneous	158.1	6.5	150.7	5.8	154.5	6.2
General Index (All Groups)	157.7	3.8	158.1	4.8	157.9	4.3

Source: PHD Research Bureau, PHDCCI, compiled from MOSPI Note: CPI (Rural) for Housing is not compiled

8. WPI inflation rises to 10.5% in April 2021

The WPI inflation rises to 10.5% in April 2021 as compared to 7.4% in March 2021, 4.8% in February 2021, 2.5% in January 2021, 2.0% in December 2020 and 2.3% in November 2020. The increase in WPI inflation in the month of April 2021 is attributed to increase in the prices of Crude Petroleum, whose inflation increased to 160.2% in April 2021 as compared to 73.7% in March 2021, Petrol, whose inflation increased to 42.37% in April 2021 as compared to 18.48% in March 2021 and HSD (High Speed Diesel), whose inflation increased to 33.82% in April 2021 as compared to 18.27% in March 2021.

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



Source: PHD Research Bureau, PHDCCI compiled from the office of the Economic Advisor, Government of India (Note: Figures are rounded off)

WPI inflation in Select Commodities (Base year: 2011-12)

S. No.	Commodity	WPI Inflation Y-o-Y % growth			
		Feb-21	**Mar-21**	**Apr-21**	**Change in April 2021 as Compared to Previous Month**
1	**All Commodities**	4.8	7.4	10.5	↑
2	**Primary Articles**	3.0	6.4	10.2	↑
3	**Food Articles**	1.8	3.2	4.9	↑
4	**Cereals**	(-)6.6	(-)4.1	(-)3.3	↑
5	**Vegetables**	(-)3.0	(-)5.2	(-)9.0	↓
6	**Non-food Articles**	4.0	11.8	15.6	↑
7	**Fuel & Power**	2.0	10.3	20.9	↑
8	**Petrol**	5.0	18.5	42.4	↑
9	**Manufactured Products**	6.1	7.3	9.0	↑

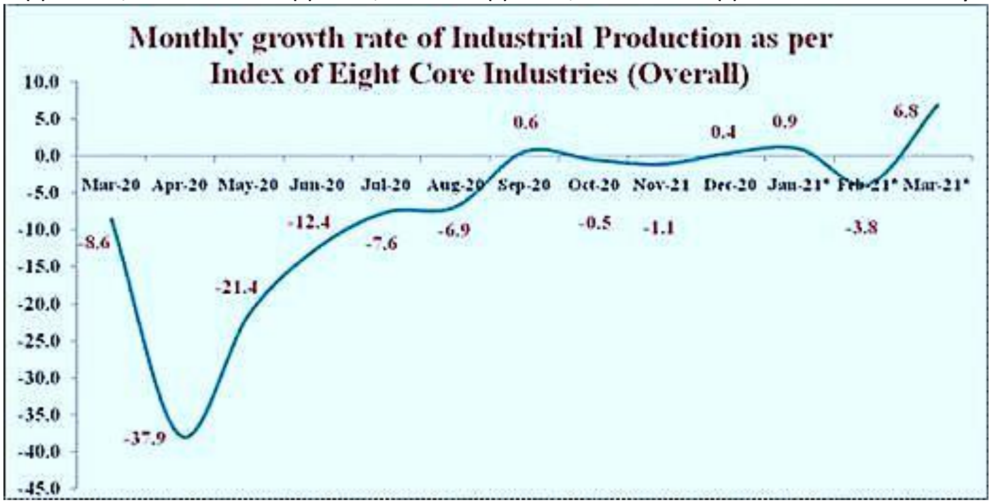
Source: PHD Research Bureau, PHDCCI compiled from the office of the Economic Advisor, Government of India (Note: Figures are rounded off)

9. March 2021 Core infra growth stands at 6.8%

The core infrastructure growth stands at 6.8% in March 2021 as compared to (-)4.6% in February 2021, 0.9% in January 2021, 0.2% in December 2020, (-)1.1% in November 2020, (-)0.5% in October 2020 and 0.6% in September 2020. The cumulative growth of core infrastructure during April-March 2020-21 stands at (-)7.0% as compared to 0.4% in April-March 2019-20.

The growth rate of Coal stands at (-)21.9%, crude oil at (-)3.1%, Natural Gas at 12.3%, Refinery Products at (-)0.7%, Fertilizers at (-)5.0%, Steel at 23%, Cement at 32.5% and Electricity at 21.6% as compared to

February 2021 figures of Coal stands at (-)4.4%, crude oil at (-)3.2%, Natural Gas at (-)1%, Refinery Products at (-)10.9%, Fertilizers at (-)3.7%, Steel at (-)1.8%, Cement at (-)5.5% and Electricity at (-)0.2%.



Source: PHD Research Bureau, PHDCCI, compiled from Ministry of Commerce & Industry

10. Merchandise exports and imports grew by 196% and 167 % respectively in April 2021

EXPORTS

Exports in April 2021 were USD 30.63 Billion, as compared to USD 10.36 Billion in April 2020, exhibiting a positive growth of 195.72 per cent. In Rupee terms, exports were Rs. 2,28,071.76 Crore in April 2021, as compared to Rs. 78,951.41 Crore in April 2020, registering a positive growth of 188.88 per cent. As compared to April 2019, exports in April 2021 exhibited a positive growth of 17.62 per cent in Dollar terms and 26.17 per cent in Rupee terms.

IMPORTS

Imports in April 2021 were USD 45.72 Billion (Rs. 3,40,505.06 Crore), which is an increase of 167.05 per cent in Dollar terms and 160.87 per cent in Rupee terms over imports of USD 17.12 Billion (Rs 1,30,525.08 Crore) in April 2020. Imports in April 2021 has registered a positive growth of 7.87 per cent in Dollar terms and 15.71 per cent in Rupee terms in comparison to April 2019.

India's Merchandise Trade Statistics at a Glance

Merchandise	Apr -20	May -20	Jun -20	July -20	Aug -20	Sept -20	Oct -20	Nov -20	Dec -20	Jan -21	Feb -21	Mar -21	Apr -21
Exports (USD billion)	**10**	**19**	**22**	**24**	**23**	**27**	**25**	**23**	**27**	**27**	**28**	**34**	**31**
Growth (%)	-60	-36	-12	-10	-13	6	-5	-9	0.14	6	0.7	60	196
Imports (USD billion)	**17**	**22**	**21**	**29**	**30**	**30**	**34**	**33**	**42**	**42**	**41**	**48**	**46**
Growth (%)	-59	-51	-48	-28	-26	-20	-12	-13	8	2	7	54	167

Trade Balance (USD billion)	-7	-3	1	-5	-7	-3	-9	-10	-15	-15	-13	-14	-15

Source: PHD Research Bureau; PHDCCI Compiled from Ministry of Commerce and Industry, Government of India

11. Service exports registered a growth of 12.6% in March 2021

EXPORTS

As per the latest press release by RBI dated 14th May 2021, exports in March 2021 were USD 20.45 Billion (Rs.1,48,868.56 Crore) registering a positive growth of 12.60 per cent in Dollar terms, vis-à-vis March2020. The estimated value of services export for April 2021* is USD 21.17 Billion.

IMPORTS

As per the latest press release by RBI dated 14th May 2021, imports in March 2021 were USD 12.54 Billion (Rs. 91,260.33Crore) registering a positive growth of 12.82 per cent in Dollar terms, vis-à-vis March 2020. The estimated value of services import for April 2021* is USD 13.00 Billion.

Trade in Services at a Glance

Services	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sept-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Exports (Receipts) (USD billion)	18	16	17	17	17	17	17	17	17	19	17	18	20
Imports (Payments) (USD billion)	11	9	10	10	10	10	10	10	10	12	10	11	13
Trade Balance (USD billion)	7	7	7	7	7	7	7	7	7	7	7	7	7

Source: PHD Research Bureau; PHDCCI Compiled from Ministry of Commerce and Industry, Government of India

12. Gross Bank Credit growth stands at 5% in March 2021

Gross bank credit growth (year-on-year) stands at 5% in March 2021as compared to 6.6% in February, 2021.

- On a year-on-year (y-o-y) basis, non-food bank credit growth stood at 4.9 per cent in March 2021 as compared to 6.7 per cent in March 2020.
- Continuing its uptrend, credit growth to agriculture and allied activities accelerated to 12.3 per cent in March 2021 from 4.2 per cent in March 2020.
- Credit growth to industry decelerated marginally to 0.4 per cent in March 2021 from 0.7 per cent in March 2020. However, credit to medium industries registered a robust growth of 28.8 per cent in March 2021 as compared to a contraction of 0.7 per cent a year ago. Credit growth to micro and small industries decelerated to 0.5 per cent in March 2021 from 1.7 per cent a year ago, while credit to large industries contracted by 0.8 per cent as compared to a growth of 0.6 per cent a year ago.
- Within industry, credit to 'food processing', 'textiles', 'gems & jewellery', 'paper & paper products', 'glass & glassware', 'wood & wood products' and 'leather & leather products' registered accelerated growth in March 2021 as compared to the corresponding month of the previous year. However, credit growth to 'mining & quarrying', 'rubber, plastic & their products', 'vehicle, vehicle

parts & transport equipment', 'basic metal & metal products', 'cement & cement products', 'all engineering', 'chemical & chemical products' and 'construction' decelerated/contracted.

- Credit growth to the services sector decelerated to 1.4 per cent in March 2021 from 7.4 per cent in March 2020, mainly due to deceleration in credit growth to NBFCs and contraction in credit to professional services. However, credit to trade segment continued to perform well, registering accelerated growth of 11.8 per cent in March 2021 as compared to 4.6 per cent a year ago.
- Slowdown in growth of personal loans continued, as it decelerated to 10.2 per cent in March 2021 from 15.0 per cent a year ago. However, vehicle loans and loans against gold jewellery continued to perform well during the month, registering accelerated growth.

13. Current account balance recorded a deficit of 0.2% of GDP in Q3 2020-21 after a surplus of 2.4% of GDP in Q2 2020-21

Key Features of India's BoP in Q3 of 2020-21

- India's current account balance recorded a deficit of US$ 1.7 billion (0.2 per cent of GDP) in Q3:2020-21 after a surplus of US$ 15.1 billion (2.4 per cent of GDP) in Q2:2020-21 and US$ 19.0 billion (3.7 per cent of GDP) in Q1:2020-21; a deficit of US$ 2.6 billion (0.4 per cent of GDP) was recorded a year ago [i.e. Q3:2019-20].
- Underlying the current account deficit in Q3:2020-21 was a rise in the merchandise trade deficit to US$ 34.5 billion from US$ 14.8 billion in the preceding quarter, and an increase in net investment income payments.
- Net services receipts increased, both sequentially and on a year-on-year basis, primarily on the back of higher net export earnings from computer services.
- Private transfer receipts, mainly representing remittances by Indians employed overseas, declined marginally on a y-o-y basis but improved sequentially by 1.5 per cent to US$ 20.7 billion in Q3:2020-21.
- Net outgo on the primary income account, primarily reflecting payments of investment income, increased to US$ 10.1 billion from US$ 7.4 billion a year ago.
- In the financial account, net foreign direct investment (FDI) recorded robust inflow of US$ 17.0 billion as compared with US$ 9.7 billion in Q3:2019-20.
- Net foreign portfolio investment (FPI) was US$ 21.2 billion as compared with US$ 7.8 billion in Q3:2019-20, primarily reflecting net purchases by foreign portfolio investors in the equity market.
- With repayments exceeding fresh disbursals, external commercial borrowings to India recorded net outflow of US$ 1.7 billion in Q3:2020-21 as against an inflow of US$ 3.2 billion a year ago.
- Net accretions to non-resident deposits increased to US$ 3.0 billion from US$ 0.8 billion in Q3:2019-20.
- There was an accretion of US$ 32.5 billion to the foreign exchange reserves (on a BoP basis) as compared with that of US$ 21.6 billion in Q3:2019-20 (Table 1).

BoP during April-December 2020

- India recorded a current account surplus of 1.7 per cent of GDP in April-December 2020 as against a deficit of 1.2 per cent in April-December 2019 on the back of a sharp contraction in the trade deficit.
- Net invisible receipts were lower in April-December 2020 due to a moderation in net private transfer receipts and an increase in investment income payments.
- Net FDI inflows at US$ 40.8 billion in April-December 2020 were higher than US$ 31.1 billion in April-December 2019.
- Net FPI inflows stood at US$ 28.9 billion in April-December 2020, higher than US$ 15.1 billion a year ago.
- In April-December 2020, there was an accretion of US$ 83.9 billion to the foreign exchange reserves (on a BoP basis).

14. India's external debt stands at around US$ 555 billion at end-June 2020

At end-June 2020, India's external debt was placed at US$ 554.5 billion, recording a decrease of US$ 3.9 billion over its level at end-March 2020.

- The external debt to GDP ratio increased to 21.8 per cent at end-June 2020 from 20.6 per cent at end-March 2020.
- Valuation loss due to the depreciation of the US dollar vis-à-vis major currencies such as euro, yen and SDR2 were placed at US$ 0.7 billion. Excluding the valuation effect, the decrease in external debt would have been US$ 4.5 billion instead of US$ 3.9 billion at end-June 2020 over end-March 2020.
- Commercial borrowings remained the largest component of external debt, with a share of 38.1 per cent, followed by non-resident deposits (23.9 per cent) and short-term trade credit (18.2 per cent).
- At end-June 2020, long-term debt (with original maturity of above one year) was placed at US$ 449.5 billion, recording a decrease of US$ 2.0 billion over its level at end-March 2020.
- The share of short-term debt (with original maturity of up to one year) in total external debt declined to 18.9 per cent at end-June 2020 from 19.1 per cent at end-March 2020; the ratio of short-term debt (original maturity) to foreign exchange reserves declined to 20.8 per cent at end-June 2020 (22.4 per cent at end-March 2020).
- Short-term debt on residual maturity basis (i.e., debt obligations that include long-term debt by original maturity falling due over the next twelve months and short-term debt by original maturity) constituted 44.0 per cent of total external debt at end-June 2020 (42.4 per cent at end-March 2020) and stood at 48.2 per cent of foreign exchange reserves (49.6 per cent at end-March 2020).
- US dollar denominated debt remained the largest component of India's external debt, with a share of 53.9 per cent at end-June 2020, followed by the Indian rupee (31.6 per cent), yen (5.7 per cent), SDR (4.5 per cent) and the euro (3.5 per cent).
- The borrower-wise classification shows that the outstanding debt of both government and

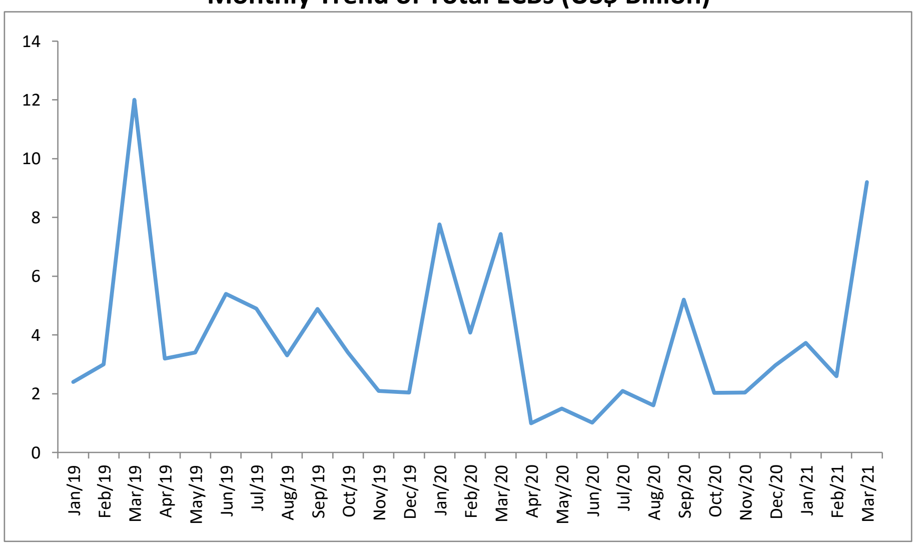
non-government sectors decreased at end-June 2020.

- The share of outstanding debt of non-financial corporations in total external debt was the highest at 42.3 per cent, followed by deposit-taking corporations (except the central bank) (28.1 per cent), general government (18.0 per cent) and other financial corporations (7.4 per cent).
- The instrument-wise classification shows that the loans were the largest component of external debt, with a share of 35.4 per cent, followed by currency and deposits (24.3 per cent), trade credit and advances (18.8 per cent) and debt securities (16.3 per cent).
- Debt service (principal repayments plus interest payments) increased to 8.1 per cent of current receipts at end-June 2020 as compared with 6.5 per cent at end-March 2020, reflecting lower current receipts.

15. ECBs raised at about USD 9.2 billion during March 2021

Indian firms have raised about USD 9.2 billion through external commercial borrowings (ECBs) by automatic and approval route in March 2021 as against around USD 2.6 billion in February 2021.

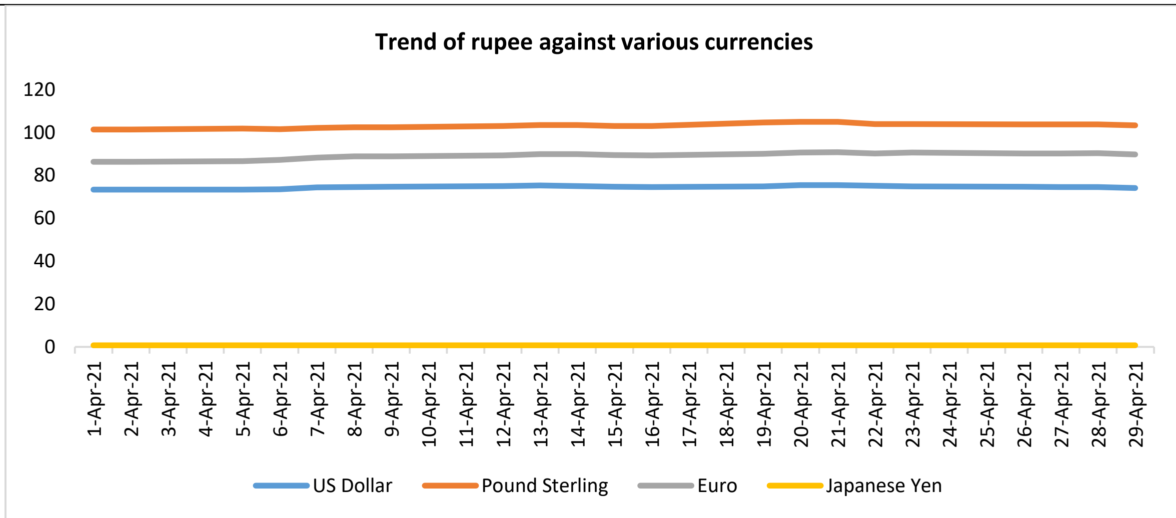
Monthly Trend of Total ECBs (US$ Billion)



Source: PHD Research Bureau, PHDCCI, compiled from RBI

16. Overview of Indian Rupee

In the month of April 2021, the average exchange rate of rupee against USD stands at 74.53. The average exchange rate of rupee against Japanese yen stands at 0.68. The exchange rate of rupee against Euro has remained at an average of 89.2 in the month of April 2021. While, the average exchange rate of rupee against pound sterling is at 103.2 during April 2021.



Source: PHD Research Bureau, compiled from RBI

17. Monthly trend of rupee exchange rate (high and low) against currencies in April 2021

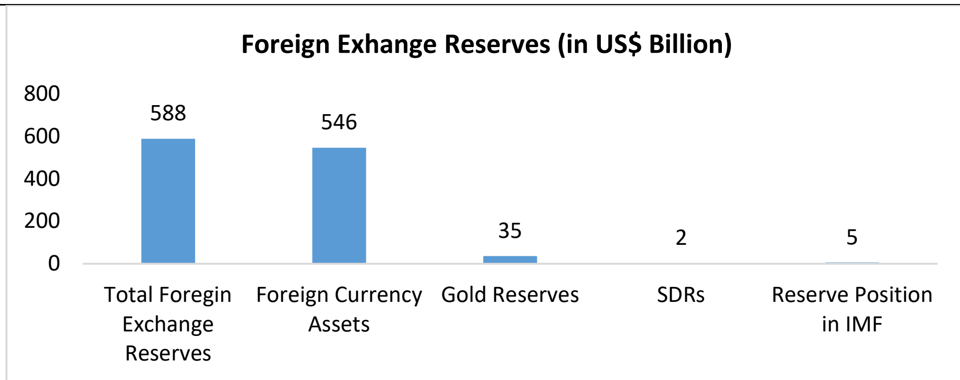
In the month of April 2021, the exchange rate of rupee against USD recorded highest at 75.4, while it registered lowest at 73.3. The exchange rate of rupee against pound registered highest at 105.1 and lowest at 101.3. In case of Euro currency, exchange rate of rupee recorded highest at 890.8 and lowest at 89.78. The exchange rate of rupee against Japanese yen recorded highest at 0.7 and lowest at 0.68.

	Open	High	Low	Close
USD	73.32	75.4	73.3	74.09
Pound Sterling	101.41	105.1	101.4	103.28
Euro	86.33	90.8	86.3	89.78
Japanese Yen	0.66	0.70	0.66	0.68

Source: PHD Research Bureau, compiled from other sources

18. Foreign exchange reserves

India's foreign exchange reserves stands at about USD 579.3 billion as on March 26, 2021 of which Foreign Currency Assets consists of USD 538 billion, Gold reserves at USD 35.3 billion, SDRs at USD 1.5 billion and reserve position in the IMF at USD 5 billion.



Source: PHD Research Bureau, compiled from RBI Bulletin of February 2021. (Note: Figures are round off)

19. GST Revenue collection for April 2021 sets new record at Rs 1,41,384 crores

The gross GST revenue collected in the month of April' 2021 is at a record high of **Rs. 1,41,384 crore** of which CGST is **Rs. 27,837 crore**, SGST is **Rs. 35,621 crore**, IGST is **Rs 68,481 crore** (including Rs. 29,599 crore collected on import of goods) and Cess is **Rs. 9,445 crore** (including Rs. 981 crore collected on import of goods). Despite the second wave of COVID-19 pandemic affecting several parts of the country, Indian businesses have once again shown remarkable resilience by not only complying with the return filing requirements but also paying their GST dues in a timely manner during the month.

The GST revenues during April 2021 are the highest since the introduction of GST even surpassing collections in the last month (March'2021). In line with the trend of recovery in the GST revenues over past six months, the revenues for the month of April 2021 are **14% higher than** the GST revenues in the last month of March'2021. During the month, the revenues from domestic transaction (including import of services) are **21% higher** than the revenues from these sources during the last month.

GST revenues have not only crossed the Rs. 1 lakh crore mark during successively for the last seven months but have also shown a steady increase. These are clear indicators of sustained economic recovery during this period. Closer monitoring against fake-billing, deep data analytics using data from multiple sources including GST, Income-tax and Customs IT systems and effective tax administration have also contributed to the steady increase in tax revenue. Quarterly return and monthly payment scheme has been successfully implemented bringing relief to the small taxpayers as they now file only one return every three months. Providing IT support to taxpayers in the form of pre-filled GSTR 2A and 3B returns and ramped up System capacity have also eased the return filing process.

During this month the government has settled Rs. 29,185 crore to CGST and Rs. 22,756 crore to SGST from IGST as regular settlement. The total revenue of Centre and the States after regular and ad-hoc settlements in the month of April' 2021 is Rs. 57,022 crore for CGST and Rs. 58,377 crore for the SGST.

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Trade & Investment Facilitation Services

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

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

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

Vision of TIFS

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

Geographical Area

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

Three role dimensions

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

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

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

Strategic Collaborators of TIFS

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

- Trade Consular's of different countries
- Government including Central and State
- Industry Associations
- International Trade and Business Community
- International Chambers of Commerce
- International Consulting Firms

How TIFS work in assisting investors?

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

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

TIFS undertakes the following activities

i. Through regular research and networking with Government bodies, Entrepreneurs, Industry associations, Embassies/Consulates, Investment delegations, etc., the TIFS gather information on possible trade and investment opportunities in various sectors of the Indian economy.

ii. TIFS advises prospective traders and investors, national and international, in their process of filing applications and helping them meet other procedural and regulatory requirements. For this purpose, information on specific trade and investment guidelines at the state and central level is provided by TIFS.

iii. TIFS provides information at a broad level to international investors about possible potential joint venture partners in India. If TIFS is aware of any Indian parties interested in formation of Joint Ventures (JVs) with some global partners, such information is made available to interested investors.

iv. In case of requests made by individual investors to undertake specific research assignments, financial analysis or due diligence of any specific joint venture partner or Mergers & Acquisitions (M&A) targets, TIFS provides adequate resources to carry out such requests on an agreed cost.

v. In a nutshell, TIFS increases understanding amongst national and international investors on the promising investment areas and requirements and regulations for making investments. Facilitates in dealing with the Government in application procedures amongst the national and international Investors. Reduce lead time in investment processes and procedural transactions.

Registration

Registration is open to both Indian and foreign entities.

ANNUAL REGISTRATION FEE

Indian Entities	Foreign Entities
Rs. 2500*	USD 100*

Registration fees is for your registration with TIFS program to receive updates on Trade and Investment scenario regularly for 1 year from the date of registration. However, for your specific queries consultancy charges would vary from case to case basis for facilitation services on detailed projects and exhaustive research studies.

* Inclusive of all taxes.

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2. Key Banking Developments

Key Banking Developments

RBI decides to set up Constitution of the Regulations Review Authority 2.0

The Reserve Bank of India had set up a Regulations Review Authority (RRA) initially for a period of one year from April 1, 1999 for reviewing the regulations, circulars, reporting systems, based on the feedback from public, banks and financial institutions. The recommendations of the RRA enabled streamlining and increasing the effectiveness of several procedures, simplifying regulatory prescriptions, paved the way for issuance of master circular and reduced reporting burden on regulated entities.

Considering the developments in regulatory functions of the Reserve Bank over the past two decades and evolution of the regulatory perimeter, it is proposed to undertake a similar review of the Reserve Bank's regulations and compliance procedures with a view to streamlining/ rationalising them and making them more effective. Accordingly, it has been decided to set up a new Regulations Review Authority (RRA 2.0) for a period of one year from the date of its establishment to review the regulatory prescriptions internally as well as by seeking suggestions from the RBI regulated entities and other stakeholders on their simplification and ease of implementation.

The RRA 2.0 will focus on streamlining regulatory instructions, reduce compliance burden of the regulated entities by simplifying procedures and reduce reporting requirements, wherever possible. The terms of reference of RRA 2.0 would be as under:

- To make regulatory and supervisory instructions more effective by removing redundancies and duplications, if any;
- To reduce compliance burden on regulated entities by streamlining the reporting mechanism; revoking obsolete instructions if necessary and obviating paper-based submission of returns wherever possible;
- To obtain feedback from regulated entities on simplification of procedures and enhancement of ease of compliance;
- Examine and suggest the changes required in dissemination process of RBI circulars/ instructions (this would entail suggestions on the areas where the manner of issuing circulars, their updation and website linkages); and
- Identify any other issue germane to the subject matter.

Reserve Bank of India constitutes a Committee on functioning of Asset Reconstruction Companies (ARCs) and review of regulatory guidelines

As part of the Statement on Developmental and Regulatory Policies released along with the Monetary Policy Statement on April 7, 2021, the Reserve Bank of India had announced setting up of a Committee to undertake a comprehensive review of the working of ARCs in the financial sector ecosystem and recommend suitable measures for enabling such entities to meet the growing requirements of the financial sector. The terms of reference of the Committee will be as under:

(i) Review of existing legal and regulatory framework applicable to ARCs and recommend measures to improve efficacy of ARCs;

(ii) Review of role of ARCs in resolution of stressed assets including under Insolvency & Bankruptcy Code (IBC), 2016;

(iii) Suggestions for improving liquidity in and trading of security receipts;

(iv) Review of business models of the ARCs;

(v) Any other matter relevant to the functioning, transparency and governance of ARCs.

The Committee will submit its report within three months from the date of its first meeting. Department of Regulation, Reserve Bank of India will provide the necessary secretarial support to the Committee.

RBI releases 36th Half Yearly Report on Management of Foreign Exchange Reserves

The Reserve Bank of India has released the 36th half-yearly report on management of foreign exchange reserves with reference to end-March 2021. It may be recalled that in February 2004, the Reserve Bank had started a process of compiling half yearly reports and placing them in the public domain for bringing about more transparency and enhancing the level of disclosure in relation to management of the country's foreign exchange reserves.

The position of foreign exchange reserves as on April 30, 2021 is as under:

	US $ Billion
Foreign Exchange Reserves (i+ii+iii+iv)	588.0
i. Foreign Currency Assets (FCA)	546.1
ii. Gold	35.5
iii. Special Drawing Rights (SDR)	1.5
iv. Reserve Tranche Position (RTP)	5.0
***** Difference, if any, is due to rounding-off.	

Source: PHD Research Bureau, PHD Chamber, compiled from RBI

Conclusions

The second wave of Covid-19 has struck with a devastating impact throughout the country, setting new records of daily cases, active cases and deaths. Resultant partial lockdowns and curfews in many parts of the country present a downside risk to the economic activity in next few months thereby impacting the economic recovery.

At this juncture, an adequate stimulus is required to support the economy, trade and industry in this extremely difficult time. Last year in 2020-21, the effective policy stimulus pulled the economy from the lows of (-) 24% in Q1 to (-) 7.5% in Q2 and +0.4% in Q3. Going ahead, trade and industry need a continued hand holding with an adequate stimulus to create effective strides for futuristic growth trajectory of Indian Economy.

To control the extent of second wave of COVID-19, adequate availability and rapid administration of COVID-19 vaccination is very crucial. Therefore, there is a need for immediate steps to facilitate voluntary licensing for scaling up production of Covaxin, Covishield and other vaccines to meet Covid-19 vaccination demand in India.

Further, immediate policy attention is required towards credit access to industry and services sectors. Credit disbursement should be at the top priority by the banking sector. Also, there is a need to lower interest rates for consumers and businesses, provide hassle free disbursements of loans vis-à-vis enhanced liquidity for MSMEs, lesser compliances for MSMEs, ease of doing business at the ground level and a lower tax regime to increase the personal disposable income of the people.

Going forward, there is a need to further fuel the drivers of household consumption and business investment for increased aggregate demand, while moving towards a more inclusive economy and ensuring fiscal sustainability.

Demand creation will have an accelerator effect on expansion of capital investments in the country. Additionally, greater infrastructural spending by the government would help to stimulate confidence among firms and households, generating stronger consumption, investment and employment upturns.

India: Statistical snapshot

Indicators	FY17	FY18	FY19	FY20	FY21
GDP at FC - Constant prices (Rs cr)	12189854	13010843	14077586	1,45,69,268[1]	3622275[3]
GDP at FC-Constant prices growth YOY (%)	7.1	6.7	6.8	4.0[1]	0.4[3]
Agriculture growth	4.9	3.4	2.9	4.3[1]	3.9[3]
Industry growth	5.8	5.5	6.9	0.9[2]	-
Services growth	7.9	7.9	7.5	5.5[2]	-
Gross Fixed Capital Formation as % of GDP	29.5	-	32.0	32.5	-
Fiscal deficit as a % GDP	3.5	3.5	3.4	4.6	9.5[4]
Merchandise exports (US$Bn)	274.64	303.5	331	313.3	34[9]
Growth in exports (%)	4.7	10.0	9	(-)5	60[9]
Imports (US$Bn)	380.37	42.80	507	474.7	48[9]
Growth in imports (%)	(-)0.17	7.15	9	(-)7.7	54[9]
Trade deficit (US$Bn)	46.42	13.69	176	161.4	14[9]
Net invisibles US$Bn	-	-	-	-	-
Current account deficit as % of GDP	0.7	1.9	2.1	0.9	0.2[6]
Net capital account US$Bn	14.9	-	-	-	-
Foreign exchange reserves US$Bn	367.9	424.36	421	447	588[8]
External debt - Short term US$Bn	88	97.6	-	106.9	-
External debt - Long term US$Bn	383.9	415.8	-	451.7	-
External debt - US$Bn	472	513.4	-	558.5	-
Money supply growth	6.3	9	10.9	-	-
Bank credit growth	7	8.2	12		5.0[9]
WPI inflation	1.33	2.47	4.31	1.7	10.5[10]
CPI inflation	4.5	4.28	3.4	4.8	4.3[10]
Exchange rate Rs/US$ annual average	64.39	65.04	68.37	69.86	74.09[8]

Source: PHD Research Bureau, PHDCCI, compiled from various sources.

Notes: [1] 1st revised estimate; [2] Provisional estimates; [3] MOSPI data for Q3 FY2021; [4] Budget estimate 2020-21; [5] data relates to January 2021; [6] data relates to Q3 FY2021; [7] RBI Data as on February 2021; [8] data as on 29/30th April 2021; [9] Data pertains to March 2021; [10] data pertains to April 2021

PHD Research Bureau

PHD Research Bureau; the research arm of the PHD Chamber of Commerce and Industry was constituted in 2010 with the objective to review the economic situation and policy developments at sub-national, national and international levels and comment on them in order to update the members from time to time, to present suitable memoranda to the government as and when required, to prepare State Profiles and to conduct thematic research studies on various socio-economic and business developments.

The Research Bureau has been instrumental in forecasting various lead economic indicators national and sub-national. Many of its research reports have been widely covered by media and leading newspapers. The Research Bureau has undertaken various policy studies for Government of India and State Governments.

Research Activities	Comments on Economic Developments	Newsletters	Consultancy
• Research Studies	• Global Economic Developments	• Economic Affairs Newsletter (EAC)	• Trade and Investment Facilitation Services (TIFS)
• State Profiles	• India's Economic Developments	• Global Economic Monitor (GEM)	
• Impact Assessments	• States' Economic Developments	• Trade & Investment Facilitation Services (TIFS) Newsletter	
• Thematic Research Reports	• International Developments	• State Development Monitor (SDM)	
• Releases on Economic Developments	• Financial Markets		
	• Foreign exchange market		
	• Developments in International Trade		

Studies Undertaken by PHD Research Bureau

A: Thematic research reports

1. Comparative study on power situation in Northern and Central states of India (September2011)
2. Economic Analysis of State (October 2011)
3. Growth Prospects of the Indian Economy, Vision 2021 (December 2011)
4. Budget 2012-13: Move Towards Consolidation (March 2012)
5. Emerging Trends in Exchange Rate Volatility (Apr 2012)
6. The Indian Direct Selling Industry Annual Survey 2010-11 (May 2012)
7. Global Economic Challenges: Implications for India (May 2012)
8. India Agronomics: An Agriculture Economy Update (August 2012)
9. Reforms to Push Growth on High Road (September 2012)
10. The Indian Direct Selling Industry Annual Survey 2011-12: Beating Slowdown (March 2013)
11. Budget 2013-14: Moving on reforms (March 2013)
12. India- Africa Promise Diverse Opportunities (November 2013)
13. India- Africa Promise Diverse Opportunities: Suggestions Report (November 2013)
14. Annual survey of Indian Direct Selling Industry-2012-13 (December 2013)
15. Imperatives for Double Digit Growth (December 2013)
16. Women Safety in Delhi: Issues and Challenges to Employment (March 2014)
17. Emerging Contours in the MSME sector of Uttarakhand (April 2014)
18. Roadmap for New Government (May 2014)
19. Youth Economics (May 2014)
20. Economy on the Eve of Union Budget 2014-15 (July 2014)
21. Budget 2014-15: Promise of Progress (July 2014)
22. Agronomics 2014: Impact on economic growth and inflation (August 2014)
23. 100 Days of new Government (September 2014)
24. Make in India: Bolstering Manufacturing Sector (October 2014)
25. The Indian Direct Selling Industry Annual Survey 2013-14 (November 2014)
26. Participated in a survey to audit SEZs in India with CAG Office of India (November 2014)
27. Role of MSMEs in Make in India with reference to Ease of Doing Business in Ghaziabad (Nov 2014)
28. Exploring Prospects for Make in India and Made in India: A Study (January 2015)
29. SEZs in India: Criss-Cross Concerns (February 2015)
30. Socio-Economic Impact of Check Dams in Sikar District of Rajasthan (February 2015)
31. India - USA Economic Relations (February 2015)
32. Economy on the Eve of Union Budget 2015-16 (February 2015)
33. Budget Analysis (2015-16)
34. Druzhba-Dosti: India's Trade Opportunities with Russia (April 2015)
35. Impact of Labour Reforms on Industry in Rajasthan: A survey study (July 2015)
36. Progress of Make in India (September 2015)
37. Grown Diamonds, A Sunrise Industry in India: Prospects for Economic Growth (November 2015)
38. Annual survey of Indian Direct Selling Industry 2014-15 (December 2015)
39. India's Foreign Trade Policy Environment Past, Present and Future (December 2015)
40. Revisiting the emerging economic powers as drivers in promoting global economic growth(February 2016)
41. Bolstering MSMEs for Make in India with special focus on CSR (March 2016)
42. BREXIT impact on Indian Economy (July 2016)

43. India's Exports Outlook (August 2016)
44. Ease of Doing Business : Suggestive Measures for States (October 2016)
45. Transforming India through Make in India, Skill India and Digital India (November 2016)
46. Impact of Demonetization on Economy, Businesses and People (January 2017)
47. Economy on the eve of Budget 2017-18 (January 2017)
48. Union Budget 2017-18: A budget for all-inclusive development (January 2017)
49. Annual Survey of Indian Direct Selling Industry 2015-16 (February 2017)
50. Worklife Balance and Health Concerns of Women: A Survey (March 2017)
51. Special Economic Zones: Performance, Problems and Opportunities (April 2017)
52. Feasibility Study (socio-Economic Survey) of Ambala and Rohtak Districts in Haryana (March 2017)
53. Goods and Services (GST): So far (July 2017)
54. Reshaping India-Africa Trade: Dynamics and Export Potentiality of Indian Products in Africa (July 2017)
55. Industry Perspective on Bitcoins (July 2017)
56. Senior Housing: A sunrise sector in India (August 2017)
57. Current state of the economy (October 2017)
58. Equitable finance to fulfill funding requirements of Indian Economy (October 2017)
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At a Global level we have been working with the Embassies and High Commissions in India to bring in the International Best Practices and Business Opportunities.

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