NATIONAL APEX CHAMBER

ECONOMIC & BUSINESS MOMENTUM (EBM)

RECOVERY SEEN SOONER THAN EXPECTED

- Economy recovered from its lows of April 2020
- Out of 25 lead economic indicators, 21 have shown remarkable improvement from their lows

PHD RESEARCH BUREAU
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October, 2020

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PHD Chamber's Viewpoint

Shri Sanjay Aggarwal
President

The Economic & Business Momentum (EBM) is a time series analysis of 25 high frequency indicators. The Index of the high frequency indicators offers a scorecard highlighting the performance of the key economic drivers during a given period. The data is calculated with Base: 2018-19=100. The early data reflects recovery sooner than expected. The government of India acted swiftly in rolling out the fiscal stimulus measures to minimize the impact of the catastrophic economic downturn caused by Covid 19. A consolidated stimulus package of Rs 20 lakh crore (US$ 283.73 billion) with structural reforms were introduced. Immediate cash support to the needy was provided under Pradhan Mantri Garib Kalyan Yojana in the light of Pandemic. Going ahead, the government should focus on reviving the demand especially in the rural sector.

Shri Pradeep Multan
Senior Vice President

The reforms announced by the Government have strengthened various segments of the economy. Going ahead, credit disbursement should be the top most priority. The banking sector must fully percolate the significant cut in repo rate announced by the RBI. As an immediate step the government should ensure that what is announced gets delivered at the expected pace and efficiently. Going ahead, India should take advantage of the situation where developed countries are seeking out a new manufacturing hub and focus on developing the manufacturing sector with less labour intensive techniques.

Shri Saket Dalmia
Vice President

The pandemic resulted in severe disruptions in Industrial Production and consumption spending during April and May 2020. However, as lockdown conditions have progressively eased, early signs of recovery are evident in the most recent economic data. The medium-term economic outlook for India remains favourable, supported by the key growth drivers including Cement, IIP, cement, Steel and fertilizers. Further cost competitiveness of our businesses enterprises should be enhanced and a level playing field should be created. The Government should focus on further reducing the cost of doing business in the country.

Dr D K Aggarwal
Immediate Former President

The government's economic stimulus package of Rs 20 lakh crore and big-bang structural reforms are highly appreciable. Although, the real GDP growth rate decelerated sharply in Q1 was in line with expectations, the worst is now behind us and a healthy turnaround of economic recovery in the coming quarters is expected on the back of several proactive structural reform measures announced by the Government and RBI during the last couple of months. Going ahead, there is a further need for continuous facilitation to the trade and industry to help the industry to mitigate the daunting impact of COVID-19.

Shri Saurabh Sanyal
Secretary General

The proactive reform measures taken up by the Government have helped the economy build confidence in the trade and industry. The decisions such as provision of collateral free automatic loans, new definition for MSMEs, reduction in EPF contribution for business and workers to 10% from existing 12%, liquidity provision for NBFCs, relief to real estate sector, among others, were need of the hour to support the industry in these difficult times. Going ahead, focus should be in creating a conducive business environment for starting and operating a business.

EXECUTIVE SUMMARY

- The Covid-19 crisis has been sudden and unprecedented in magnitude. The pandemic struck India in March 2020 and on 25th March when India had reported only 500 cases, the country went into a nationwide lockdown. This first set of curbs remained in place till April 14 and was then extended four times, each time with gradual relaxations.

- Enforcement of lockdowns and closing of countrywide borders paralyzed economic activities, laying off millions of workers. Almost all the top global institutes including IMF, World Bank, and Moody's among other trimmed India's growth. However, the policymakers acted swiftly and released timely fiscal and monetary measures to respond to the COVID-19 crisis.

- The government rolled a consolidated stimulus package of Rs 20 lakh crore (US$ 283.73 billion) with structural reforms across eight sectors including MSME, Power, Agriculture, and Ease of Doing Business among others as part of the Aatmanirbhar Bharat scheme. The economic package was equivalent to 10% of India's GDP focusing on land, labour, liquidity and laws. It catered to various sections, including cottage industry, MSMEs and migrant labourers who have been adversely affected from the Covid-19 outbreak.

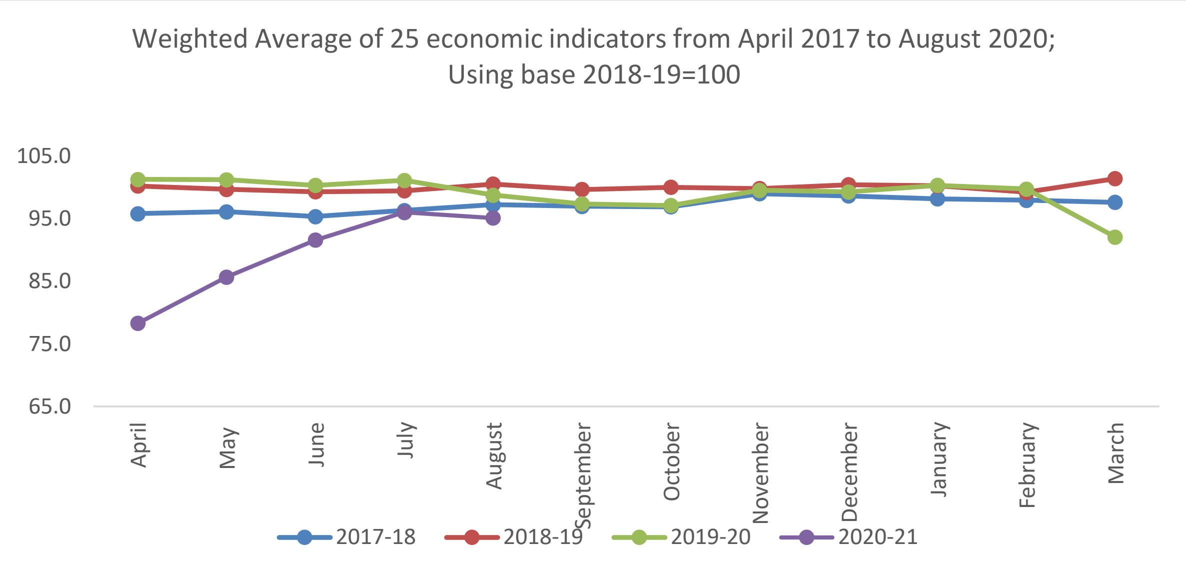
- Extensive monetary and regulatory measures by the RBI such as 115 basis point (bps) cut in repo rate, 100 bps reduction in CRR and 115 bps cut in reverse repo rate, six months moratorium on term loans till August 2020, auctions of long term repo operation (LTRO), increase in marginal standing facility (MSF) limit, and one time restricting for MSMEs among others are expected to spur the economic activities.

- Economic & Business Momentum (EBM) is a time series analysis of 25 high frequency indicators. The Index of the high frequency indicators offers a score card highlighting the performance of the key economic drivers during a given period. The data is calculated with Base: 2018-19=100.

- Out of these 25 economic indicators, 21 indicators have shown a remarkable improvement from their lows in April 2020. The improvement in the economic indicators reflect recovery sooner than expected. The economy has recovered from the lows of April 2020 by close to 21.5% in August 2020.

- On the basis of the available data, weighted average has improved from 78.3 in April 2020 to 95.1 in August 2020, while the weighted index stood at 98.8 in August 2019.

Economic & Business Momentum (EBM): Recovery seen sooner than expected



Source: PHD Research Bureau Estimates

- Supply disruption caused by reverse migration is expected not to last long, however **weak demand may impact recovery to enter fast track, thus requiring policy intervention to refuel demand to attract private investments and employment creation**.
- India should take advantage of the situation where developed countries are seeking out a new manufacturing hub and focus on developing the manufacturing sector with more ease of doing business and reduced costs of doing business.
- Going ahead, the government should focus on reviving the demand. Credit disbursement should be the top most priority. The banking sector must fully percolate the significant cut in repo rate announced by the RBI.

Snapshot of the Economic & Business Momentum (EBM)

(Base 2018-19=100)

Sr No	Economic Indicators	Apr-20	May-20	Jun-20	Jul-20	Aug-20
1	**IIP Consumer durable goods**	5	33	65	84	89
2	**IIP Consumer non-durable goods**	64	104	129	121	114
3	**IIP Capital Goods**	8	36	60	73	79
4	**IIP Intermediate Goods**	39	67	87	101	102
5	**Coal**	97	95	90	102	112
6	**Crude Oil**	86	85	85	86	84
7	**Natural Gas**	86	86	89	90	92
8	**Petroleum Refinery Products**	81	86	92	93	89

9	**Fertilisers**	101	109	104	110	104
10	**Steel**	22	67	91	116	103
11	**Cement**	17	90	101	105	94
12	**Electricity**	88	103	108	117	112
13	**Consumption of Petroleum products**	61	90	100	96	89
14	**Export Merchandise**	50	85	97	109	105
15	**Export Services**	121	123	124	122	120
16	**India Freight Traffic**	98	97	101	104	106
17	**Credit to Agriculture**	104	104	102	105	105
18	**Credit to Industry**	102	102	102	101	101
19	**Credit to service sector**	111	111	111	110	109
20	**Personal Loans**	112	111	111	111	116
21	**GST Collections**	32	62	91	87	86
22	**SENSEX**	112	113	124	134	139
23	**FDI Equity Inflows**	74	60	42	268	268
24	**External commercial borrowings**	54	81	56	117	88
25	**Unemployment**	84	84	94	97	96
Composite Index	**Weighted**	**78**	**86**	**92**	**96**	**95**

Source: PHD Research Bureau analysis, compiled from various sources

Note: Table shows the monthly relative growth movement calculated with the Base of 2018-19=100. Index calculated on the basis of YoY% growth using standard deviation baring certain indicators such as Consumption of Petroleum products, Export Services, India Freight Traffic, GST Collection, FDI, and ECB for which we have used actual numbers. Index numbers are a useful way of expressing time series economic data for comparing information. An index number is a figure reflecting price or quantity compared with a base value. The base value always has an index number of 100. The index number is then expressed as 100 times the ratio to the base value. Index numbers have no units.

Economic & Business Momentum (EBM): Yearly Comparison

(Base 2018-19=100)

S. No	Economic Indicators	April			May			June			July			August		
		2019	2020	Change	2019	2020	Change	2019	2020	Change	2019	2020	Change	2019	2020	Change
1	**IIP Consumer durable goods**	105	5	-101	108	33	-75	98	65	-34	109	84	-25	99	89	-10
2	**IIP Consumer non-durable goods**	123	64	-59	117	104	-13	113	129	16	119	121	2	118	114	-4
3	**IIP Capital Goods**	103	8	-96	102	36	-67	96	60	-36	94	73	-21	94	79	-14
4	**IIP Intermediate Goods**	107	39	-68	113	67	-46	112	87	-26	114	101	-13	110	102	-7
5	**Coal**	115	97	-18	110	95	-15	107	90	-17	109	102	-6	108	112	4

6	**Crude Oil**	92	86	-6	91	85	-6	91	85	-5	90	86	-4	90	84	-6
7	**Natural Gas**	107	86	-21	103	86	-17	101	89	-12	101	90	-10	101	92	-10
8	**Petroleum Refinery Products**	107	81	-26	109	86	-23	101	92	-9	108	93	-15	110	89	-21
9	**Fertilisers**	106	101	-5	101	109	8	100	104	4	103	110	7	97	104	7
10	**Steel**	127	22	-105	117	67	-51	122	91	-31	126	116	-10	110	103	-7
11	**Cement**	118	17	-101	114	90	-25	108	101	-7	121	105	-16	110	94	-16
12	**Electricity**	114	88	-26	121	103	-18	120	108	-12	120	117	-3	116	112	-3
13	**Consumption of Petroleum products**	113	58	-55	118	95	-23	109	99	-10	109	96	-13	106	89	-17
14	**Export Merchandise**	125	50	-75	134	85	-49	110	97	-14	121	109	-12	121	105	-16
15	**Export Services**	132	121	-12	137	123	-14	136	124	-12	140	122	-18	133	120	-13
16	**India Freight Traffic**	106	98	-8	106	97	-10	106	101	-5	108	104	-4	109	106	-3
17	**Credit to Agriculture**	108	104	-4	108	104	-4	109	102	-6	107	105	-1	107	105	-2
18	**Credit to Industry**	107	102	-5	106	102	-5	106	102	-4	106	101	-5	104	101	-3
19	**Credit to service sector**	117	111	-6	115	111	-4	113	111	-2	115	110	-5	113	109	-5
20	**Personal Loans**	116	112	-4	117	111	-6	117	111	-6	117	111	-6	116	116	0
21	**GST Collections**	114	32	-82	100	62	-38	100	91	-9	102	87	-15	98	86	-12
22	**SENSEX**	141	112	-29	140	113	-26	143	124	-19	140	134	-6	135	139	4
23	**FDI Equity Inflows**	141	74	-67	102	60	-42	195	42	-154	120	268	148	69	268	199
24	**External commercial borrowings**	172	54	-118	190	81	-109	295	56	-239	269	117	-152	181	88	-93
25	**Unemployment**	97	84	-13	97	84	-13	96	94	-3	97	97	0	96	96	0
Composite Index Weighted		**101**	**78**	**-23**	**101**	**86**	**-15**	**100**	**92**	**-8**	**101**	**96**	**-5**	**99**	**95**	**-4**

Source: PHD Research Bureau analysis, compiled from various sources

Note: Table shows the monthly relative growth movement calculated with the Base of 2018-19=100. Index calculated on the basis of YoY% growth using standard deviation baring certain indicators such as Consumption of Petroleum products, Export Services, India Freight Traffic, GST Collection, FDI, and ECB for which we have used actual numbers. Index numbers are a useful way of expressing time series economic data for comparing information. An index number is a figure reflecting price or quantity compared with a base value. The base value always has an index number of 100. The index number is then expressed as 100 times the ratio to the base value. Index numbers have no units.

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1. THE ECONOMIC REFORMS DURING COVID-19

The economic reforms and relief packages announced by the government of India helped the economy revive from the offset the Pandemic. The government acted swiftly in rolling out the fiscal & monetary stimulus measures to minimize the impact of the catastrophic economic downturn caused by Covid 19. A consolidated stimulus package of Rs 20 lakh crore (US$ 283.73 billion) with structural reforms were introduced across eight sectors including MSME, Power, Agriculture, and Ease of Doing Business among others as part of the Aatmanirbhar Bharat scheme. The economic package was equivalent to 10% of India's GDP focusing on land, labour, liquidity and laws. It catered to various sections, including cottage industry, MSMEs, labourers, middle class, and industries, with the aim of making the country independent against the tough competition in the global supply chain and to help in empowering the poor, labourers, migrants who have been adversely affected by COVID.

The relief package was introduced in two parts. The first part 'Stimulus 1' included RBI's liquidity augmenting initiatives (INR 8, 01, 603 crores) and government's relief measures (INR 1, 92,800 crores) undertaken prior to 12 May 2020. The second part 'Stimulus 2' amounting to INR 11, 02,650 crores was announced in five successive tranches during 13 to 17 May 2020. These measures have now been supplemented by one more round of monetary initiatives wherein the repo rate was reduced by 40 basis points, taking it to a historically low level of 4%.

The economic package consisted of a mix of reforms, infrastructure building, support to stressed businesses and a certain amount of direct cash support. The "collateral-free loans" that the package provided aimed to resume business activity and safeguard jobs. Changes in FDI policy, privatization of the power sector, provident fund contribution and ease of doing business measures were also announced. Land reforms at the state level which were not mentioned in the economic package are also part of the overall changes.

Reforms in a nutshell:

Finance Minister Nirmala Sitharaman announced detailed reforms, some of which were announced earlier or are already work-in-progress. Changes were announced across sectors including coal, minerals, defence production, civil aviation, power distribution, social infrastructure, space and atomic energy.

- The overall package, which stood at Rs 20,97,053 crore, included the Rs 1.92 lakh crore stimulus from measures announced by Hon'ble Prime Minister Shri Narendra Modi recently such as the Pradhan Matri Garib Kalyan Package worth Rs 1.7 lakh crore.
- The relief measures were undertaken in five tranches by the government as part of the economic package.

- Collateral free automatic loans were made available for MSMEs which totaled to Rs 3lakh crores.
- Those MSMEs whose turnover is 100 crore and have 25 crore outstanding loan exposure, are eligible for this facility. The tenor of this loan will be 4 years and a moratorium of 12 months will be provided to the MSMEs availing the offer. 100% credit guarantee on principal and interest will be provided by the government. Available till 31st October and will benefit 45 lakh units. No extra cost or fresh collateral will be required.
- Subordinate debt worth Rs 20,000 crore introduced for stressed MSMEs. Those companies which are stressed or even an NPA are eligible for this facility. 2 lakh MSMEs are likely to benefit from this.
- A Fund of funds was created which will lead to an infusion of 50,000 crore as equity into MSMEs. Those who have potential and are viable companies will benefit from this. This will help them expand their capacities and get listed in the markets which they can choose.
- Definition of MSMEs was changed in favour of their interest. Investment limit which defined an MSME is being revised upwards. Differentiation between manufacturing and service MSMEs is being removed and the necessary law amendments will be brought about soon.
- Global tenders under Rs 200 crore barred in government procurement. With no competition from foreign companies for tenders, MSMEs will run their business with much more confidence. Self-reliant India will work hand in hand with Make in India as they will be allowed to participate in government purchases.
- Ensuring that e-market linkage is provided to all MSMEs so that they can find their market in the absence of trade fairs. Within the next 45 days all their receivables will be cleared by the government of India and CPSEs.
- Liquidity relief for EPF establishments. In the 12% of the employer-employee contribution that was being financed by the government under PMGKY, the centre will now extend the support which it gave earlier (from March-May) by another 3 months. 3.6 lakh establishments had benefited from this move. Providing a total of Rs 2,500 crore liquidity support of which 72 lakh employees are to benefit.
- Under the package Rs. 45,000 crore was infused in NBFCs under the partial credit guarantee scheme and Rs. 30,000 crore infused in microfinance institutions and, Rs. 90,000 crore was infused in DISCOMs to increase liquidity.
- All central agencies (Railways, Ministry of Road and Transport, Central Public Works Department, etc) provided a 6 months extension to contractors without any costs including construction work as well as goods and services contracts. They will partially release bank guarantees to the extent of partially completed contracts.
- Extended housing assignment timelines for various statuary compliances under RERA concurrently by 6 months. The move will de-stress real estate developers and ensure

completion of projects so that homebuyers are able to get delivery of their booked houses with new timelines.

- TDS for non-salaried specified payments made to residents and Tax Collection at Source (TCS) for the specified receipts reduced by 25%. This infused liquidity worth Rs 50,000 crore into the system.
- All pending refunds to charitable trusts and non-corporate business & professions issued immediately. Due date of all income-tax returns extended from July 31, 2020 and October 31, 2020 to November 30, 2020. Tax audit dates extended from September 31, 2020 to October 31, 2020.
- LTC Cash Voucher Scheme through which Government employees can opt for cash payments in lieu of LTC during 2018-21 and spend it to buy goods and services worth 3 times the fare and 1 time the leave encashment.
- One time restoration of the Festival Advance with increased limit of Rs 10,000 to all Government employees, irrespective of the designation, in form of a pre-paid Rupay Card.
- A 50 year interest free loan of Rs 12,000 crore for capital expenditure by the states. This comprise of Rs 2,500 crore for North East States and Uttarakhand and Himachal; Rs 7,500 crore for other states and; Rs 2,000 crore for those states which meet at least 3 out of 4 reforms.
- The proposed allocation of Rs 25,000 crore for capital expenditure on roads, defence infrastructure, water supply, urban development and domestically produced capital equipments.

A slew of monetary reforms by the RBI including one time restricting of MSME loans for borrowers upto Rs 25 crore provided a fresh lifeline to millions of stressed MSMEs, slashing policy rates, injecting liquidity (about 4% of GDP) through long-term repo operations, and providing moratorium of 3 months on term loans helped spur economic activity as normalcy restored.

Overall, stimulus measures aimed at boosting demand either by government spending on its own account or increasing disposable incomes of households through cash transfers or tax concessions. As an immediate step the government ensured that what is announced gets delivered at the expected pace and efficiently. If a crisis was needed to reform a nation, perhaps COVID-19 it is. Recall the 1991 reforms, when India was facing a balance of payments crisis. The crisis pushed the Indian state into action and economic reforms were quickly ushered in. This time, the health emergency may last longer, the time to deliver economic reforms shorter.

2. CATEGORIZATION OF RS 20 LAKH CRORE STIMULUS PACKAGE

Government's proactive and fast track measures to combat the impact of pandemic COVID-19 on economy, trade and industry is highly appreciable. The Government has announced a special economic and comprehensive package of Rs 20 lakh crores - equivalent to 10% of India's GDP, in 5 tranches, to support Indian Economy's fight against pandemic COVID-19. The reform measures include credit support to businesses especially MSMEs; measures for migrants, farmers and street vendors; measures to strengthen Agriculture Infrastructure Logistics, Capacity Building, Governance; structural reforms across sectors such as coal, defence, civil aviation, energy; among others.

The major announcements which are in form of cash outflows includes, relief package under Pradhan Mantri Garib Kalyan Yojana, EPF support for business & workers, free food grain supply to migrants, among others. The amount of total stimulus stands at Rs 20.9 lakh crore, of which cash outflow stands at Rs 3.4 lakh crore and amount in form of loans & other benefits stands at Rs 17.5 lakh crore. The actual cash component of the stimulus package stands at around 1.7% of the GDP (Rs 203 lakh crore- Provisional Estimate of 2019-2020 at current prices).

S. No.	Description	Amount Announced (Rs Crore)	Nature of Support
1	Revenue lost due to tax concession	7,800	Loans & Other Benefits
PM on 24th March 2020			
2	Healthcare Infrastructure	15,000	Loans & Other Benefits
FM on 26th March 2020			
3	Relief package under Pradhan Mantri Garib Kalyan Yojana	1,70,000	Cash Outflow
RBI			
4	RBI measures (Reduction in CRR by 100 basis points to 3%; Reduction in MSF rate; TLTRO auctions, Refinancing Facilities for All India Financial Institutions; others)	8,01,603	Loans & Other Benefits
FM 1st Tranche on 13th May 2020			
5	Collateral-free loans for MSMEs	3,00,000	Loans & Other Benefits
6	Liquidity Injection for DISCOMs	90,000	Loans & Other Benefits

7	TDS/TCS rate reduction	50,000	Loans & Other Benefits
8	Equity infusion for MSMEs through Fund of Funds	50,000	Loans & Other Benefits
9	Partial Credit Guarantee Scheme 2.0 for NBFCs	45,000	Loans & Other Benefits
10	Special Liquidity Scheme for NBFCs/HFCs/MFIs	30,000	Loans & Other Benefits
11	Subordinate Debt for Stressed MSMEs	20,000	Loans & Other Benefits
12	EPF contribution reduced for Business & Workers	6,750	Loans & Other Benefits
13	EPF Support for Business & Workers	2,800	Cash Outflow
FM 2nd Tranche on 14th May 2020			
14	Concessional credit boost to farmers through Kisan Credit Cards	2,00,000	Loans & Other Benefits
15	Housing sector and middle income group-extension of CLSS	70,000	Loans & Other Benefits
16	Additional Emergency Working Capital Funding for farmers through NABARD	30,000	Loans & Other Benefits
17	Special Credit Facility for Street Vendors	5,000	Loans & Other Benefits
18	Free Food grain Supply to Migrants	3,500	Cash Outflow
19	Interest Subvention for MUDRA-Shishu Loans	1,500	Cash Outflow
FM 3rd Tranche on 15th May 2020			
20	Agri Infrastructure Fund	1,00,000	Cash Outflow
21	Animal Husbandry Infrastructure Development Fund	15,000	Loans & Other Benefits
22	Facilitation of fishermen through Pradhan Mantri Matsya Sampada Yojana	20,000	Cash Outflow
23	Scheme for Formalisation of Micro Food Enterprises (MFE)	10,000	Loans & Other Benefits
24	Promotion of Herbal Cultivation	4,000	Cash Outflow
25	Beekeeping initiatives	500	Cash Outflow
26	From 'TOP' to TOTAL	500	Cash Outflow

FM 4th Tranche on 16th May 2020			
27	Viability Gap Funding for social infrastructure projects	8,100	Loans & Other Benefits
FM 5th Tranche on 17th May 2020			
28	Additional allocation for MGNREGA	40,000	Cash Outflow
	Total	**20,97,053**	
	Of which,		
	Cash Outflow	**3,42,800**	
	Loans & Other Benefits	**17,54,253**	

Source: PHD Research Bureau, PHDCCI

3. COMPARISON OF STIMULUS PACKAGES DURING LEHMAN CRISIS OF 2008 AND COVID CRISIS OF 2020

The Government of India has always been proactive in combating the impact of crisis on the economy and providing extensive hand holding to the trade and industry. During Lehman Crisis of 2008, the Government provided stimulus package in three phases. The stimulus packages were intended to rebuild confidence in the economy basically to support most affected sectors, improve access to credit and liquidity for enterprises and to boost local demand for selected goods and services. The package included (1) enhanced credit for exports, (2) cut in excise duties, (3) relief to housing sector and MSMEs, (4) benefits to exporters, (5) farm loan waiver, among others. The impact of these measures was estimated at around Rs 1 lakh crore, ie1.8% of GDP (Rs 56.3 lakh crore in 2008-09 at current prices). With the increase in public expenditure across the budgets of 2007-08 and 2008-09, taken together, it amounted to about Rs 1.7 lakh crore, which was 3% of GDP (Rs 56.3 lakh crore in 2008-09 at current prices).

During 2020 COVID-19 crisis, the Government announced a special economic and comprehensive package of Rs 20 lakh crores - equivalent to 10% of GDP (Rs 203 lakh crore- Provisional Estimate of 2019-2020 at current prices). The extensive relief measures have been announced in 5 tranches to support economy's fight against pandemic COVID-19.The reform measures include (1) measures for relief and credit support related to businesses especially MSMEs, (2) short term and long-term measures for supporting the poor, including migrants, farmers and street vendors, (3) measures to strengthen Agriculture Infrastructure Logistics, Capacity Building, Governance, (4) structural reforms across sectors such as coal, defence, civil aviation, energy, among others. A comparison of the relief measures provided at the time of 2008 Lehman crisis and 2020 COVID crisis is appended for your perusal.

2008 Lehman Crisis	2020 COVID Crisis
• Reduction the repo rate by 100 basis points from 7.5% to 6.5% and the reverse repo rate by 100 basis points from 6.0% to 5.0%. • Interest subvention of 2% on export credit for labour intensive sectors • Additional allocations for export incentive schemes. • Central excise duty cut of 4 percent. • Full refund of service tax paid by exporters to foreign agents • Incentives for loans on housing for up to Rs.500,000, and up to Rs.2 million • Limits under the credit guarantee scheme for small enterprises doubled • Lock-in period for loans to small firms under credit guarantee scheme reduced • Norms for government departments to replace vehicles relaxed • Import duty on naphtha for use by the power sector reduced to zero; Export duty on iron ore fines, lumps for steel industry reduced • To boost exports, announced extra allocation of 70 million dollars. • Initiatives taken to support Public Private Partnership programme of Rs. 100,000 core to the highway sector. • The Central Value Added Tax (CENVAT) on non-petroleum products brought down to ten, eight and four per cent for different categories. • The all-in-cost ceilings on such borrowing removed, under the approval route of RBI for particular industries • To facilitate access to funds for the housing sector, the development of integrated townships was permitted as	• Allocation of Rs.15,000 crores allocated towards the build-up of health infrastructures. • Rs 1.70 lakh crore financial package- Pradhan Mantri Garib Kalyan Yojana, under different schemes like the Ujwala yojna, Annadatta yojna, additions in Jan Dhan Yojna, among others, for the poor, needy, front line workers, among others. • RBI measures, such as repo rate cut by 115 basis points from 5.15% to 4.0%; 100 bps reduction in CRR; moratorium of six months on payment of installments in respect of all term loans till August 2020; reduction in MSF rate; TLTRO auctions, refinancing Facilities for All India Financial Institutions; among others. • Support to MSMEs, Liquidity Injection for DISCOMs, TDS/TCS rate reduction, EPF Support for Business & Workers, Partial Credit Guarantee Scheme 2.0 for NBFCs, Special Liquidity Scheme for NBFCs/HFCs/MFIs, among others announced in first tranche. • Definition of MSMEs have been revised as Micro - investment less than Rs 1 crore and turnover less than Rs 5 crore; Small - Investment less than Rs 10 crore and turnover of less than Rs 50 crore and Medium - Investment less than Rs 50 crore and turnover less than Rs 250 crore. • Concessional credit boost to farmers through Kisan Credit Cards of Rs 2 lakh crore, extension of CLSS for housing sector and middle income group, Additional Emergency Working Capital Funding for farmers through NABARD,

an eligible end-use of the ECB, under the approval route of RBI • To give a boost to the corporate bond market Foreign Institutional Investments (FII) limit in rupee denominated corporate bonds in India increased • The guarantee cover for MSMEs extended by Credit Guarantee Fund Trust to 85% for credit facility up to Rs. 5 lakh. • States allowed to raise in the current financial year additional Market borrowings of 0.5% of Gross State Domestic Product • Duty drawback benefits on certain items including knitted fabrics, bicycles, agricultural hand tools, etc. enhanced with retrospective effect from September 1 2008. • The stimulus was provided in three phases. The impact of these measures was estimated to be around 1.8% of GDP in 2008-09. If the increase in public expenditure across the budgets of 2007-08 and 2008-09 was taken together it amounted to about 3% of GDP. • These stimulus packages came on the top of an already announced expanded safety net for rural poor, a farm loan waiver package and salary increase for government staff.	CAMPA funds, Special Credit Facility for Street Vendors, Free Food grain Supply to Migrants, Interest Subvention for MUDRA-Shishu Loans, announced in second tranche. • Creation of Agri Infrastructure Fund, Animal Husbandry Infrastructure Development Fund, Facilitation of fishermen through Pradhan Mantri Matsya Sampada Yojana, National Animal Disease Control Programme, Scheme for Formalisation of Micro Food Enterprises (MFE), Promotion of Herbal Cultivation, Beekeeping initiatives, among others announced in third tranche. • Creating evacuation infrastructure in coal, provision of Viability Gap Funding for social infrastructure projects, allocation for Civil aviation industry, Additional allocation for MGNREGA, among other measures announced in fourth and fifth tranche. • Total of more than Rs20 lakh crore has been announced as economic stimulus package, which is around 10% of GDP. Of this, cash outflow stands at around Rs 3.4 lakh and rest is loans & other benefits stands.

In a nutshell, the stimulus package of 2008 Lehman Crisis majorly focused on the monetary and direct fiscal measures, without any structural change in the economic reforms. The relief measures majorly concentrated on support to exports. The farm loan waiver package was a significant relief measure provided in 2008-09.The stimulus package of 2008 Lehman Crisis comprised of the measures to provide immediate relief to rebound economy over a shorter period. Whereas, the stimulus package of 2020 COVID crisis majorly focus on the monetary measures, relief measures for the loan seekers and structural and economic reforms for long term sustainability of economy.

4. METHODOLOGY OF ECONOMIC & BUSINESS MOMENTUM (EBM)

Economic & Business Momentum (EBM) is primarily an analysis of 25 high frequency economic indicators including IIP Consumer durable goods, IIP Consumer non-durable goods, IIP Capital Good, IIP Intermediate Goods, Coal, Crude Oil, Natural Gas, Petroleum Refinery Products, Fertilisers, Steel, Cement, Electricity, Consumption of Petroleum products, Export Merchandise Growth, Export Services, India Freight Traffic, Credit to Agriculture, Credit to Industry, Credit to service sector, Personal Loans, GST Collection, SENSEX (Daily average), FDI Equity Inflows, ECB's and Unemployment.

Weights were assigned to the 25 high frequency indicators using standard deviation:

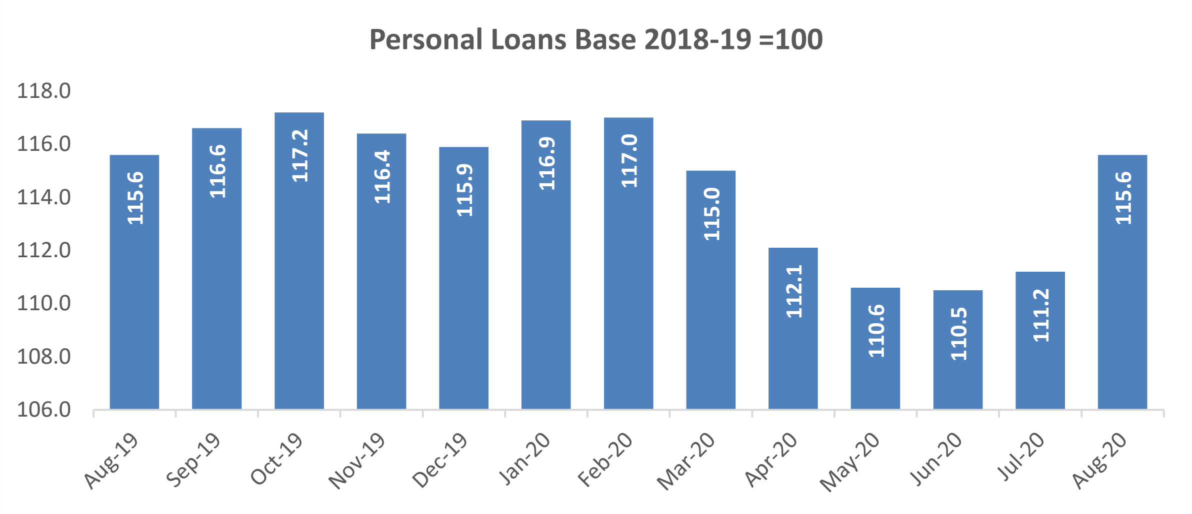
Standard Deviation method was used for determining the weights of the high frequency economic indicators. **Low weights were given to the indicators with high standard deviation.** The growth has been calculated with the Base 2018-19=100. Back testing for the model was carried out from April 2017. The average weight for 2017-18 stands at 97.2.

The Index of the high frequency indicators offers a score card highlighting the performance of the key economic drivers during a given period. The time series analysis is undertaken from the period between April-2019 to the latest availability i.e. June/July with back testing being carried out since April 2017. EBM is a comprehensive multidimensional index, consisting of 25 key indicators reflects the growth progress of the economy. The composite index combines several indicators into one single concise statistics.

Index numbers are a useful way of expressing time series economic data for comparing information. An index number is a figure reflecting price or quantity compared with a base value. The base value always has an index number of 100. The index number is then expressed as 100 times the ratio to the base value. Index numbers have no units e.g. £, Euros or $.

The data for the indicators that have been taken on a year on year % basis such as IIP growth, core sector output, bank credit, export growth and unemployment are calculated on a base of 100.

For example, the chart below shows an **index** of bank credit growth in the form of personal loans in personal loans. <u>The level of growth on 100 is taken as the base value</u>. Relative growth differences can be easily seen.



Source: PHD Research Bureau analysis, data compiled from Reserve Bank of India

Data for other indicators such as Consumption of Petroleum products have been taken in 000 Metric Tonnes, Export Services in USD Billions, India Freight Traffic in Average Km, GST Collection is presented in Rs. Crore, SENSEX on a daily average basis, and FDI Equity Inflows & External commercial borrowings are presented in USD $ millions and are calculated on the **average** of 2018-19. The high frequency data exemplifies that as the new normalcy is restored, the economy is reviving with growth across sectors. Out of the 25 indicators, 19 have shown a remarkable improvement from their lows.

About the economic indicators:

The COVID-19 pandemic has led to unique challenges for the policymakers, requiring efficient actions in short-time period. During such crises, having timely data at the right time is crucial for making evidence-based policy decisions. These high-frequency indicators could help assess the economic impact triggered by COVID-19, shape new economic policies, and understand the road to recovery.

IIP: **Index of Industrial production** shows the changes in the production volume of different industrial commodities. It is an essential measure of growth as it records the level of industrial activity in the economy. IIP can be used to track manufacturing activities in different sectors of economy. Higher IIP indicates better economic growth. The IIP is also classified according to its use namely, Primary Goods, Capital Goods, and Intermediate Goods. Higher production of consumer goods suggests higher demand and consumption of consumer goods. In our model, we have considered four industrial productions namely IIP Consumer durable goods, IIP Consumer non-durable goods, IIP Capital Goods, and IIP Intermediate Goods. The data is published by the Ministry of Statistics and Programme Implementation every month.

Core sector Output: Eight Core Industries Coal, Crude oil, Natural Gas, Petroleum refinery products, Fertilizer, Cement, Steel, and Electricity is a lead indicator of the monthly industrial performance. Higher electricity consumption suggests increased economic activities, tracking production of steel as a measure of industrial activities, tracking production of cement as a measure of industrial activities, higher capacity utilisation at industrial firms suggests higher demand. The data on production of eight core industries is published monthly by the Ministry of Commerce and Industry.

Consumption of Petroleum products: Oil and other petroleum products is a key driver of macroeconomic growth. It is an important demand parameter. The demand for petroleum products (including aviation fuel, petrol, diesel, and bitumen) increased by 11% in June. The data is released on a monthly basis by Ministry of Petroleum and Natural Gas.

Trade Balance (Merchandise & Service Exports): The balance of trade data records the value of merchandise trade of India with its trading partners. The data is published by the Ministry of Commerce on a monthly basis. Merchandise trade is a key indicator of the development of the economy. Trade prospects are relatively positive, with a rising share of IT services and engineering goods in exports along with its rising share in exports to fast-emerging economies. There is still a definite room for improvement to strengthen its position in the global economy further. Services exports have seen a notable growth, merchandise exports need to pick up in particular manufacturing exports.

Railway Freight Traffic (Average Km): Indian Railways is one of the largest railways under the single management and is one of the world's largest employers. The railways play a leading role in carrying passengers and cargo across India's vast territory. The freight traffic is an important demand indicator. The data is reported by Ministry of Railways on a Monthly basis.

Bank Credit Growth: Higher credit growth suggests pick-up in economic growth. The Bank credit refers to credit lending by various scheduled commercial banks (SCBs) to various sectors of the economy namely agriculture, Industry, services, and personal loan. The data in these sectors reflects the demand growth in the economy. The data is released on a monthly basis by the RBI.

GST Collections: The indirect tax continues to serve as a primary source of government revenue. Tax collection is an important indicator which shows the demand health of the economy. Higher tax revenues means the government is able to spend more to improve infrastructure, health, and education—keys to the long-term prospects for a country's economy and people. The data is release on a monthly basis by the GST council.

SENSEX: is the shorthand for the Indian stock market and is a leading indicator of how the Indian economy is performing. Higher stock market indexes indicate better economic growth. The SENSEX number at any point in time is irrelevant, what is important is how it changes over a period of time. The data reflects the daily average from April 19 to July 2020.

FDI Equity Inflows: is a major monetary source for economic development in the country. It is a critical driver of economic growth. FDI flows exhibit high levels of volatility. The data is released by Department for Promotion of Industry and Internal Trade (DIPP) on a quarterly basis.

External Commercial Borrowings: ECBs are loans in India made by non-resident lenders in foreign currency to Indian borrowers. They are used widely in India to facilitate access to foreign money by Indian corporations and PSUs (public sector undertakings). The data is released by the RBI on a monthly basis.

Unemployment: India's Unemployment rate data is sourced from CMIE. The data is published on a monthly basis. Higher unemployment shows poor economic growth. In India, unemployment is one of the biggest problems plaguing the economy. A lot of skilled and unskilled resources are unutilized due to lack of employment.

5. ANALYSIS OF THE ECONOMIC & BUSINESS MOMENTUM (EBM)

The Indian economy is picking up pace again from its lows of April and after being in a purgatory for the past few months. The EBM shows that 21 of the 25 high-frequency economic indicators have shown signs of recovery, marking an improvement over the previous three months. April saw the hardest hit on the economy, with the pandemic-induced lockdown in its most stringent phase.

Key sectors of the economy made incremental recovery in July and August after severe shocks in April. The economy suffered severe contraction in the first three months of this fiscal, as per the analysis of the high frequency economic data. Some indicators showed that the improvement continued in July while some others showed a mixed trend.

The 21 out of 25 high frequency indicators for August shows India is moving in a positive growth trajectory.

Month	IIP Consumer durable goods	IIP Consumer non-durable goods	IIP Capital Goods	IIP Intermediate Goods	Coal	Natural Gas	Petroleum Refinery Products
Apr-20	4.5	64.0	7.5	38.7	97.2	85.7	81.4
Aug-20	89.1	113.8	79.2	102.4	111.9	91.5	89.3
Aug-19	99.4	117.7	93.6	109.9	108.0	101.1	110.3

Month	Electricity	Fertilisers	Steel	Consumption of Petroleum products	Export Merchandise	India Freight Traffic	FDI Equity Inflows
Apr-20	87.8	101.5	21.9	58.0	49.6	97.52	74.4
Aug-20	112.4	104.0	103.3	89.0	105.3	106.10	268.4
Aug-19	115.2	96.9	110.2	106.0	121.0	108.8	68.5

Month	Credit to Agriculture	Cement	GST Collection	SENSEX (Daily average)	Personal Loans	External Commercial Borrowings	Unemplo-yment
Apr-20	103.9	17.5	32.2	112.3	112.1	54.4	84.1
Aug-20	104.9	93.6	86.4	139.1	115.6	87.6	95.9
Aug-19	106.8	109.6	98.2	134.7	115.6	181.0	96.1

Source: PHD Research Bureau analysis

The gradual recovery in the months of July and August pointed economic activities picking up, although the recovery could be staggered and prolonged. The economic indicators including power and fuel demand, railway freight and mobility indices showed improvement. Goods and services tax collections showed moderate recovery. Manufacturing activity appeared to stabilise from the historic lows of April 2020 suggesting a slow recovery from the collapse of the Covid 19 pandemic. The data points out that although manufacturing activity shrank for the third successive month in June; it was at a much slower pace than the previous two months. India's manufacturing sector moved towards stabilisation in August, with both output and new orders contracting at much softer rates than seen in April and May.

While several sectors of the economy will continue to have the after-effects of the pandemic, recent economic data shows that the worst is over and India is on the verge of a slow recovery. The analysis of the high frequency economic indicators point out that there has been a pickup in business normalisation However, the unemployment rate still remains a worry as it worsened to 8.3% in August from 7.4% in July.

Industrial output contracted in June quarter by 35.9% but the **rate of contraction slowed down** to 16.6% in June and 33.89% in May from 57.62% in April. IIP that can be used to track manufacturing activities in different sectors of economy has shown an improvement from its lows of April 2020. Index for Consumer non-durable goods increased from 72.7 in April 2020 to 129.6 in August while IIP consumer durable goods and capital goods showed a notable improvement from 5.5 & 7.0 in April to 109.4 & 75.0 respectively in August 2020.

The growth reflects gradual resumption of activity after the lockdown imposed began to ease. The double-digit expansion was driven by the rebuilding of inventories that were depleted during the lockdown months. The growth numbers signaled easing of supply-side disruptions. The development shows the government reforms and relief packages were much needed to help the economy offset from the Pandemic.

Performance for Index of Industrial Production (Base 2018-19=100)

Month	IIP Consumer durable goods	IIP Consumer non-durable goods	IIP Capital Goods	IIP Intermediate Goods
Apr-19	105.4	123.3	103.1	107.1
May-19	107.6	116.7	102.5	113.4

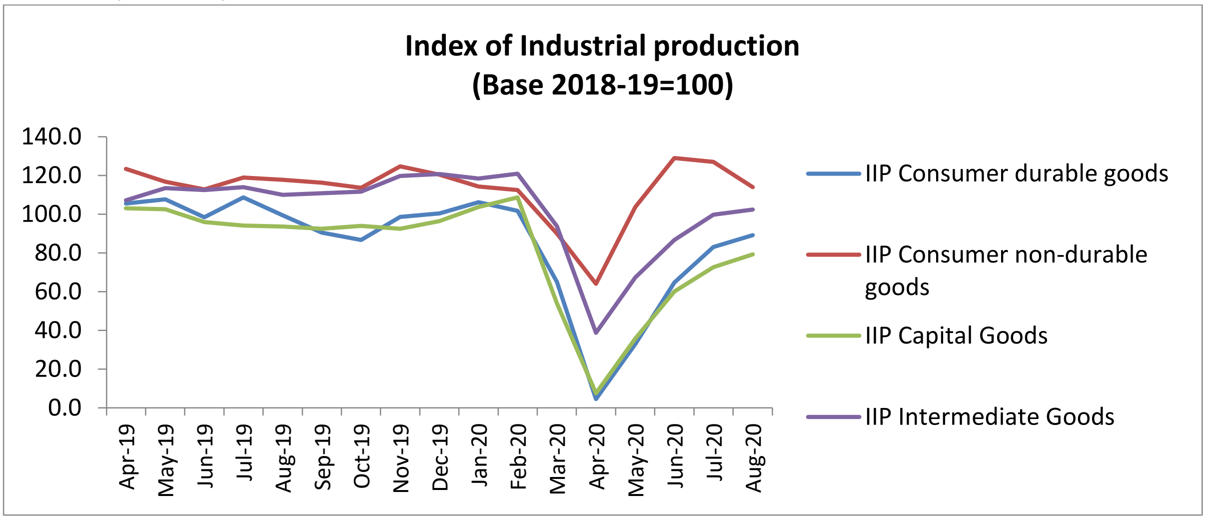
Jun-19	98.4	112.8	95.9	112.4
Jul-19	108.7	118.9	94.1	113.9
Aug-19	99.4	117.7	93.6	109.9
Sep-19	90.5	116.3	92.4	110.7
Oct-19	86.6	113.6	93.9	111.5
Nov-19	98.6	124.7	92.3	119.7
Dec-19	100.3	120.4	96.4	120.6
Jan-20	106.2	114.2	103.6	118.4
Feb-20	101.7	112.4	108.6	120.8
Mar-20	65.0	89.9	53.9	93.8
Apr-20	4.5	64.0	7.5	38.7
May-20	32.9	103.7	35.7	67.4
Jun-20	64.7	128.9	60.0	86.6
Jul-20	83.7	121.1	72.6	100.6
Aug-20	89.1	113.8	79.2	102.4

Source: PHD Research Bureau analysis, data compiled from CSO

Note; Table shows the monthly relative growth movement calculated with the Base of 2018-19=100. These indexes have been calculated using standard deviation. Index numbers are a useful way of expressing time series economic data for comparing information. An index number is a figure reflecting price or quantity compared with a base value. The base value always has an index number of 100. The index number is then expressed as 100 times the ratio to the base value. Index numbers have no units

Industrial production depicted in the **graph below** shows a massive decline from March'20 owing to lockdown restrictions imposed by the government to restrict the spread of Covid-19. However, after historic fall of -57.6% in April 2020, industrial growth has somewhat showed a V-shaped recovery as shown in graph due to various relaxations measures in production activities & relief measures adopted by government especially for MSME sector.

The Capital goods, Intermediate goods, Consumer durables and Consumer non-durables registered negative growth of (-) 15.4%, (-) 6.8% and (-) 10.3% and (-) 3.3% during August, 2020 respectively.



Source: PHD Research Bureau analysis, data compiled from CSO

The **eight core industries** namely Coal, Crude oil, Natural Gas, Petroleum refinery products, Fertilizer, Cement, Steel, and Electricity generation comprises of 40.27% to the weight in the Index of Industrial Production. With the easing of lockdowns, core sector shrank at a slower speed in July than in June. The infrastructure sector however shrank for the sixth straight month in August with the pace of contraction picking up, indicating that there may be intermittent setbacks before the economy fully recovers from the impact of the ongoing Covid-19 crisis.

The analysis in the below table shows that cement growth outperformed its peers. The cement Index grew from 17.5 in April 2020 to 93.6 in August 2020. Steel, which was the next best performing Index, grew from 21.9 to 103.3 in the same period. Index of electricity improved from its low of 87.8 in April 2020 to 112.4 in August 2020. Farm sector had remained relatively unaffected by the national lockdown. The pace contraction of the eight core industries eased from that of previous month.

Performance of core sector (Base 2018-19=100)

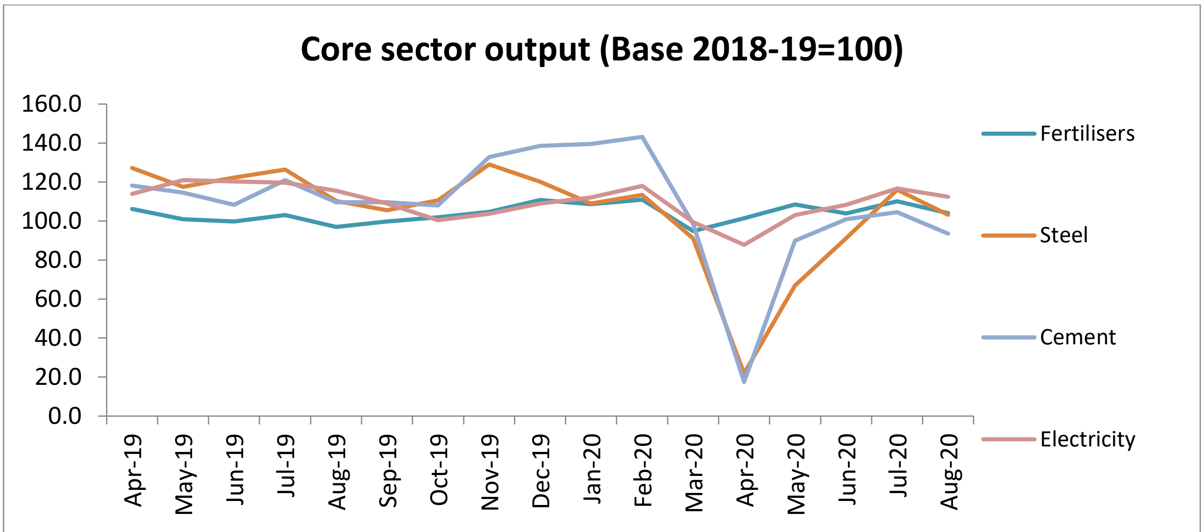
Month	Coal	Crude Oil	Natural Gas	Petroleum Refinery Products	Fertilizers	Steel	Cement	Electricity
Apr-19	115.0	91.9	107.0	107.3	106.2	127.2	118.2	113.8
May-19	110.2	91.0	103.0	108.9	101.0	117.5	114.5	121.0
Jun-19	107.1	90.6	101.4	101.4	99.7	122.3	108.4	120.3
Jul-19	108.6	90.0	100.5	108.3	103.0	126.5	120.9	119.6
Aug-19	108.0	89.6	101.1	110.3	96.9	110.2	109.6	115.5
Sep-19	93.4	90.7	99.4	103.5	99.8	105.5	109.7	109.0
Oct-19	95.3	89.8	96.1	109.3	101.9	110.7	107.9	100.5
Nov-19	100.8	90.9	96.3	114.1	104.7	129.0	132.7	103.8
Dec-19	107.6	86.8	95.7	104.5	110.7	120.2	138.5	109.0
Jan-20	114.3	87.7	95.5	110.1	108.6	109.0	139.6	112.1
Feb-20	121.1	85.7	92.2	114.9	111.0	113.4	143.2	118.0
Mar-20	123.7	87.3	87.0	105.0	94.9	91.1	98.4	99.4
Apr-20	97.2	86.1	85.7	81.4	101.5	21.9	17.5	87.8
May-20	94.8	84.6	85.7	85.8	108.5	66.9	90.0	103.1
Jun-20	90.5	85.1	89.2	92.4	103.9	91.2	101.0	108.3
Jul-20	102.4	85.6	90.3	93.3	110.2	105.8	104.6	116.8
Aug-20	111.9	84.0	91.5	89.3	104.0	103.3	93.6	112.4

Source: PHD Research Bureau analysis, data compiled from Ministry of Commerce & Industry, Government of India
Note: Table shows the monthly relative growth movement calculated with the Base of 2018-19=100. These indexes have been calculated using standard deviation. Index numbers are a useful way of expressing time series economic data for comparing information. An index number is a figure reflecting price or quantity compared with a base value. The base value always has an index number of 100. The index number is then expressed as 100 times the ratio to the base value. Index numbers have no units

The output of eight core infrastructure sectors dropped by 8.5% in August compared to 37.9% contraction in April 2020. In August 2020, the output of steel declined by 6.3%, refinery products by 19.1%, while cement, natural gas, crude oil and electricity declined by, 14.6% 9.5%, 6.3% and 2.7% respectively. Fertiliser and coal output grew by 7.3% and 3.6%, respectively in August 2020.

Production of coal saw a much steeper contraction of 15.5% YoY in June compared to May 2020 on account of slow pick up in industrial and commercial activities. Crude oil production has seen a contraction for 31 consecutive months and in June, it contracted by 6% YoY compared with 7% YoY in May 2020.

The core sector growth in the first quarter of FY2020-21 contracted by 24.7% YoY, with steel and cement industries recording a sharp contraction of more than 30%. This reflects the nation-wide lockdown imposed due to the outbreak of the deadly virus (Covid-19) industries experiencing a substantial loss in production. The surge in Covid-19 cases in some parts of the country which has led to extension of lockdowns at the state level can continue to impact production strength at various industries. Though the negative growth in core sectors may continue, the pace of negative growth may improve.



Source: PHD Research Bureau analysis, data compiled from Ministry of Commerce & Industry, Government of India

According to Reserve Bank of India, **Bank credit and deposits** witnessed a growth of 6.18% and 11% to reach Rs 102.45 lakh crore (US4 1.45 trillion) and Rs 138.67 lakh crore (US4 1.96 trillion), respectively, in the fortnight ending June 19, 2020.

The incremental outstanding credit has continued to fall across all the segments except agriculture & allied segment as of August 28, 2020. The credit growth in August 2020 was led by retail segment which registered a growth of 10.6% in August 2020 on YoY basis and accounted for 28.2% share of the total credit during the period as compared to 27.0% during the period one year ago. The growth in outstanding credit to the retail segment was 11.2% in July 2020. As of August 2020, services segment outstanding credit grew by 8.6% followed by agriculture & allied segment (growth of 4.9%). Industrial segment registered a muted growth of 0.5% (lowest since the last 18 months). The share of industry in total outstanding credit continues to be the highest at 30.7% in August 2020 but has fallen as compared to 32.4% in August 2019, Services has a share of 28.2% (27.5% in August 2019), retail at 28.2% (27.0% in August 2019) and agriculture at 12.9% (13.0% in August 2019) in total outstanding bank credit.

Personal loans continued to perform well, registering a growth of 10.6 per cent as compared to 15.6 per cent expansion in August 2019. Within this sector, vehicle loans registered an accelerated growth in August 2020 as compared to the same month of the previous year.

The below table reflects the index of bank credit growth to agriculture, industry, service sector and personal loans.

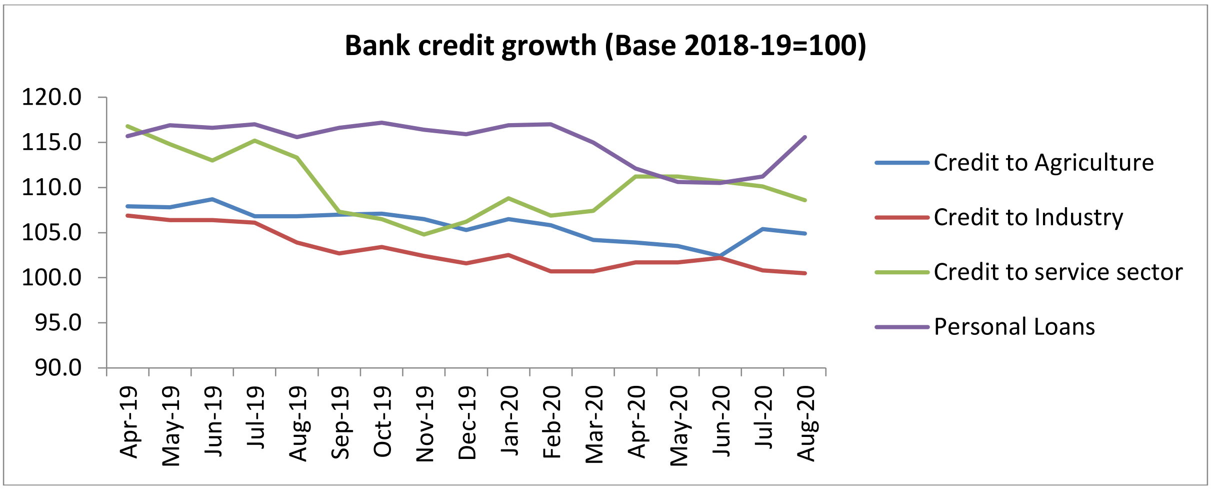
Performance of Bank credit growth (Base 2018-19=100)

Month	Credit to Agriculture	Credit to Industry	Credit to service sector	Personal Loans
Apr-19	107.9	106.9	116.8	115.7
May-19	107.8	106.4	114.8	116.9
Jun-19	108.7	106.4	113.0	116.6
Jul-19	106.8	106.1	115.2	117.0
Aug-19	106.8	103.9	113.3	115.6
Sep-19	107.0	102.7	107.3	116.6
Oct-19	107.1	103.4	106.5	117.2
Nov-19	106.5	102.4	104.8	116.4
Dec-19	105.3	101.6	106.2	115.9
Jan-20	106.5	102.5	108.8	116.9
Feb-20	105.8	100.7	106.9	117.0
Mar-20	104.2	100.7	107.4	115.0
Apr-20	103.9	101.7	111.2	112.1
May-20	103.5	101.7	111.2	110.6
Jun-20	102.4	102.2	110.7	110.5
Aug-20	104.9	100.5	108.6	110.6

Source: PHD Research Bureau analysis, data compiled from Reserve Bank of India

Note; Table shows the monthly relative growth movement calculated with the Base of 2018-19=100. These indexes have been calculated using standard deviation. Index numbers are a useful way of expressing time series economic data for comparing information. An index number is a figure reflecting price or quantity compared with a base value. The base value always has an index number of 100. The index number is then expressed as 100 times the ratio to the base value. Index numbers have no units

Banks continue to remain risk averse due to the uncertainty caused by the COVID-19 pandemic along with lockdowns imposed on the containment zones to curb the spread of the virus. Credit growth remains slow despite availability of liquidity in the banking system along with rate cuts by SCBs leading to lower interest rates for fresh loans (reduction in interest rates of 127bps as compared with August 2019). SCBs are being very selective with their credit portfolios due to asset quality concerns and the overall bank credit is expected to remain slower in the near term.



Source: PHD Research Bureau analysis, data compiled from Reserve Bank of India

Consumption of petroleum products is a major indicator reflecting consumption and manufacturing activities. The year-on-year contraction in consumption growth of petroleum products was much smaller at (-) 16% in August against (-) 49% in April.

Railway freight traffic improved in August 2020 from its lows in April, though still lower than previous year levels. The improvement is likely to continue in the coming months in sync with growth in movement of goods on National Highways. The revenue central and state governments collected in GST too improved in August when compared with the mop-up in April. GST collections in the August stood at ₹86,449 crore, 88% of the ₹98,203 crore collected in the same period a year ago. The analysis in the below table reflects that all the four high frequency economic indicators have increased from its low of April 2020 but most of them are yet to reach the pre-covid time.

Demand growth Performance of the economy (Base 2018-19=100)

Month	Consumption of Petroleum products	India Freight Traffic	GST Collection	SENSEX (Daily average)
Apr-19	113.0	105.5	113.9	140.9
May-19	117.7	106.3	100.3	139.9
Jun-19	109.0	106.1	99.9	143.4
Jul-19	109.4	108.0	102.1	140.2
Aug-19	105.9	108.8	98.2	134.7
Sep-19	99.8	106.1	91.9	136.2
Oct-19	106.7	107.0	95.4	140.5
Nov-19	114.0	105.1	103.5	146.9

Dec-19	116.3	104.8	103.2	148.9
Jan-20	114.3	104.8	110.8	150.0
Feb-20	112.4	104.4	105.4	147.5
Mar-20	99.2	100.8	97.6	117.0
Apr-20	61.0	97.5	32.2	112.3
May-20	90.2	96.8	62.2	113.5
Jun-20	100.2	101.3	90.9	124.3
Jul-20	96.7	104.2	87.4	134.3
Aug-20	89.0	106.1	86.4	139.1

Source: PHD Research Bureau analysis, data compiled from various sources
Note; Table shows the monthly relative growth movement calculated with the Base of 2018-19=100. The base for the above indicators has been calculated by taking the **average** of 2018-19. The weights have been assigned using the standard deviation.

The unprecedented crisis of COVID-19 and the lockdown paralyzed the Indian. It resulted in a **further increase in the unemployment rate** and a fall in the GDP growth rate.

To get the economy moving, the Government of India and the RBI announced various measures which included policy changes, reforms, relief packages, bank loans, and infrastructure building plans and so on. No doubt all of these steps were necessary and timely, but **ground implementation** and the help reaching the needy is more important in the time of such crisis. These measures are required to boost the consumption demand which has been slumped by the lockdown.

Unemployment remains a key challenge to be addressed for the government. Even as the government relaxed lockdown measures, various parts of the country remain under restrictive conditions resulting in negative / marginal growth.

The manufacturing and services sector had a setback amidst the growing pandemic crisis however; the recent data suggests recovery of the key economic indicators.

6. GROWTH OUTLOOK

The pandemic resulted in severe disruptions in industrial production and consumption spending during April and May. However, as lockdown conditions have been progressively easing, early signs of recovery were evident in the most recent economic data. **The medium-term economic outlook for India remains favorable, supported by the key growth drivers** including IIP, and core sector output.

Predominantly, the Chamber foresees the growth to pick-up in around Q3-Q4 of FY2021. The announcement of a bold economic relief package of Rs 20 lakh crore which is 10% of India's GDP will go a long way in the fight against the pandemic impact of Covid-19 and will offset the impact of the lockdown.

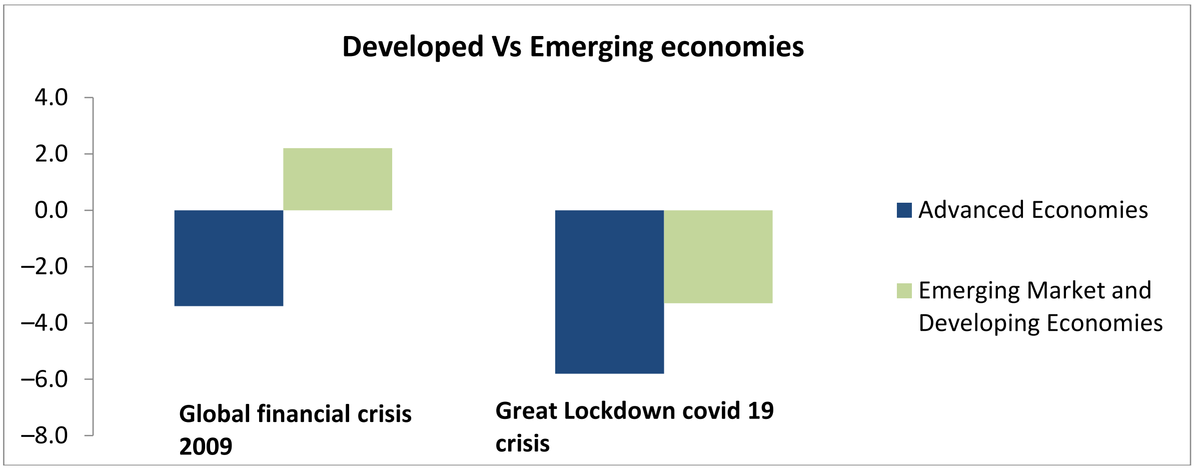
The reforms undertaken by the government will bring the economic growth curve back on its growth path sooner than later. The stimulus package will re-fuel economic growth fundamentals of the economy and resume the lost economic activity, going forward. Governments support to encourage Make in India particularly in the defence and the manufacturing sector is expected to boost employment opportunities and offset the impact of the lockdown. With the starting of unlock phase, manufacturing, service and construction sector that contributes to nearly 80% of the GDP is expected to be in the positive zone as government is specifically focusing on the revival of these sectors.

The recent economic data for indicators such as GST and export data shows a recovery and deceleration is expected to improve further. **Therefore, the PHD Chamber expects the EBM to grow positively in the coming quarters.**

A Long and Difficult Ascent

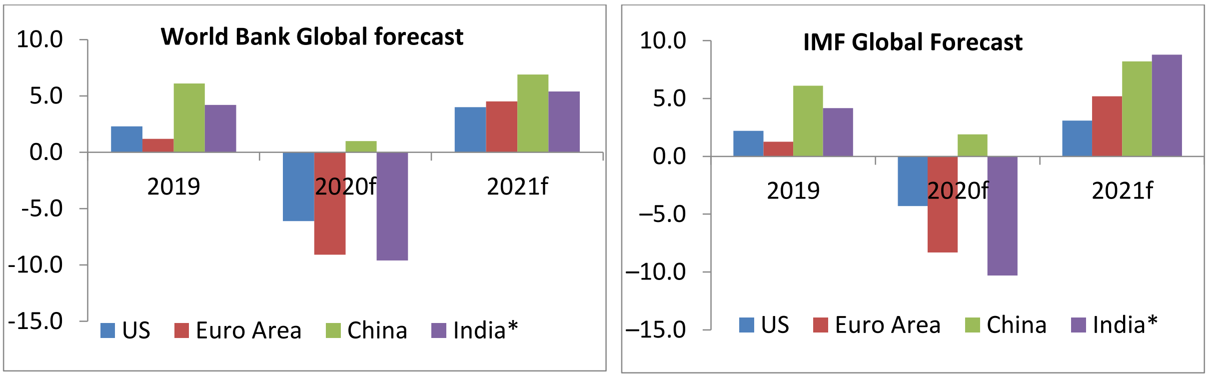
Against the backdrop of the raging Covid 19 pandemic, the IMF in June 2020 projected the global economy to shrink by 4.9% in 2020, much worse than during the 2008–09 financial crisis. GDP growth in developed countries is expected to plunge to (–)8.0% while output of emerging and developing countries will shrink to 3.0%. Despite the extraordinary efforts by the government with fiscal and monetary policy support, Covid -19 pandemic pushed economies into a Great Lockdown recession. This is seen as the worst global crisis since World War II and the biggest economic disaster since the Great Depression of the 1930s.

Nonetheless, IMF, in its October 2020 World Economic Outlook Update, projected global growth at (−)4.4% in 2020, a less severe contraction than forecast in the June 2020 as the global economy is climbing out from the depths to which it had plummeted during the Great Lockdown in April 2020. But with the COVID-19 pandemic continuing to spread, many countries have slowed reopening and some are reinstating partial lockdowns to protect susceptible populations. Growth in the advanced economy group is projected at (–)5.8% in 2020, 2.3 percentage points stronger than in the June 2020 estimates. While, the output of emerging and developing countries is projected at (-)3.3% in 2020, 0.2 percentage points weaker than in the June 2020 estimates.



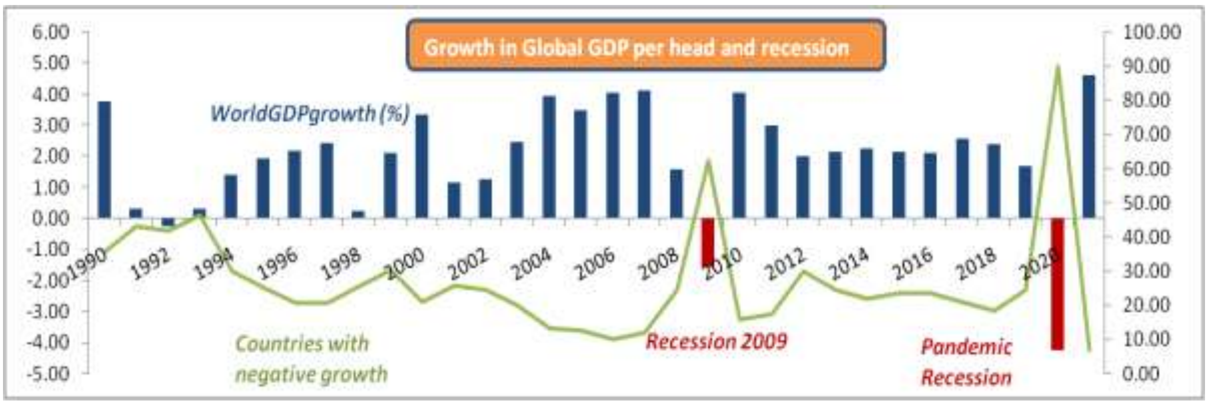
Source: PHD Research Bureau, PHDCCI, compiled from IMF

Almost every county has seen as significant downward revisions particularly the developed and advance economies of the United States and the Euro area. The global growth trajectory reflects a sharp decline followed by a modest growth.



Source: PHD Research Bureau, PHDCCI, compiled from World Banka and IMF. Note: * data for India are of Fiscal Years ending 3 months after the Calendar Year.

Intensity of the Covid 19 pandemic is expected to be far more intense and uncertain than the 2009 crisis



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

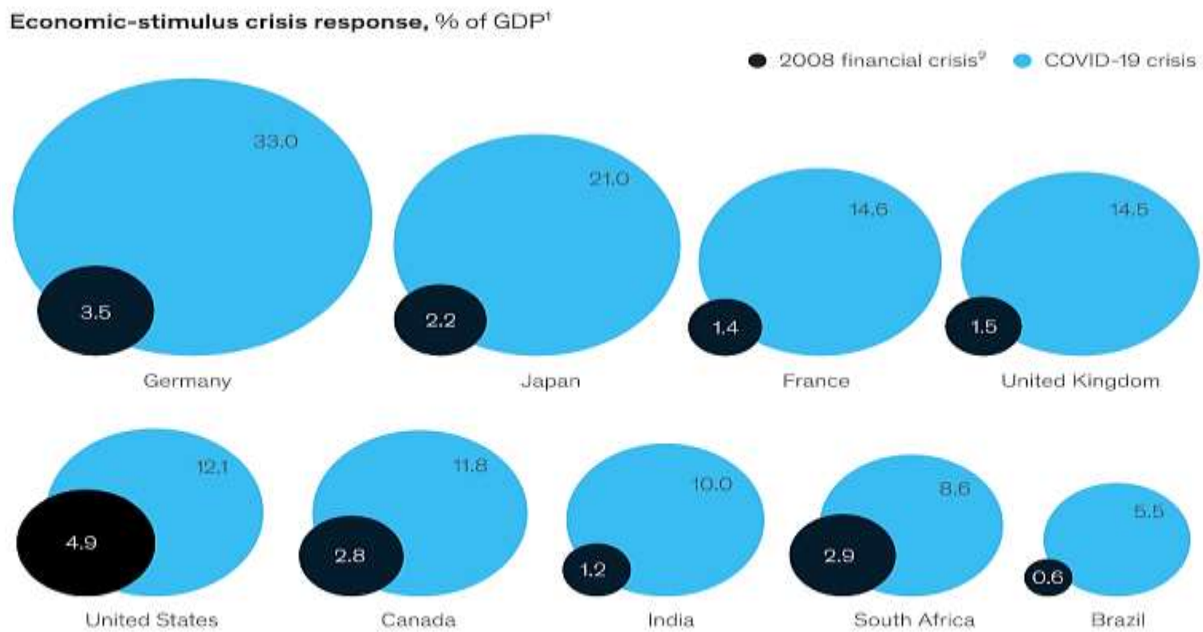
It was the banking crisis that caused the setback in the financial markets in 2009. It started with Lehman brothers' bankruptcy that sparked mistrust across the entire financial system worldwide. The explosive growth of mortgage lending to subprime borrowers fuelled by a securitization process that inflated banks' profits and understated risks, produced a huge bubble in the housing market. It was first the demand side that was affected with the financial shock before transforming into the Great Recession.

In contrast, the Covid 19 crisis has been more sudden and unprecedented in magnitude. It started off as a supply-side crisis and spread quickly all over the world. Enforcement of lockdowns and closing of countrywide borders paralyzed economic activities, laying off millions of workers worldwide.

Governments across the globe are rolling out fiscal stimulus measures equivalent to roughly 10% of the world GDP to minimize the impact of a catastrophic economic downturn.

Policymakers have acted swiftly, with an unprecedented outlay of fiscal spending, to respond to the immediate effects of the COVID-19 crisis, such as the surge in unemployment among low-income groups. An unprecedented economic package of US$ 10 trillion was announced within the first two months of the crisis, which is three times more than the response to the 2008–09 financial crisis. Western European countries alone have allocated close to US$ 4 trillion. For some countries, their response as a percentage of GDP was nearly ten times what it was in the financial crisis of 2008–09. Immediate next steps include ensuring that what is announced gets delivered at the expected pace and efficiently.

Across countries, economic-stimulus responses to the COVID-19 crisis outsize those to the 2008 financial crisis.

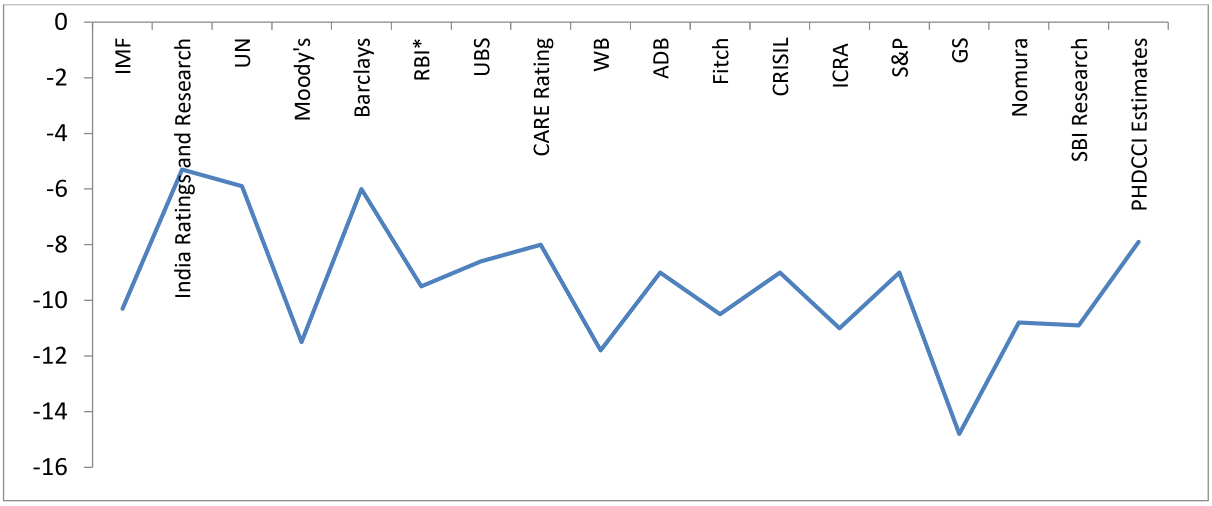


Source: PHD Research Bureau, PHDCCI, compiled from McKinsey & Company Article in June 2020

A v-shaped outlook is expected rather than a u-shaped recovery that was seen in the Global Financial Crisis of 2009.

India's growth trajectory: An assessment of the forecasters and PHD Chambers view point

Even before the onset of Covid -19 pandemic, the Indian economy was witnessing a sluggish growth with a real GDP growth rate of 4.7% in the third quarter of 2019. The shock waves of the pandemic resulted in stringent lockdown have put immense pressure on India's GDP. Almost all the top global institutes including IMF, World Bank, Moody's, and S&P among other have trimmed India's growth due to the nation-wide lockdown that lead to a weaker-than-expected economic activity. The median forecast for the current fiscal ranges to a negative growth ie. (-)9.3%.



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

High unemployment leading to depressed consumer spending, subdued demand and disruption in supply chain is another major factor causing paralysis in the economy. The poor economic data for March and April have resulted in a negative outlook. The record contraction in private sector PMI, slump in the industrial production, prolonged financial stress among rural households and, credit crunch among nonbank financial institutions reveals the stress that the economy endured during the lockdown period.

Institute	Forecast (%)	Month
India Ratings and Research	-5.3	Sep-20
UN	-5.9	Oct-20
Moody's	-11.5	Sep-20
Barclays	-6.0	Aug-20
RBI	-9.5	Oct-20
UBS	-8.6	Sep-20
CARE Rating	-8.0	Sep-20

WB	-11.8	Sep-20
ADB	-9.0	Sep-20
IMF	-10.3	Oct-20
Fitch	-10.5	Sep-20
CRISIL	-9.0	Sep-20
ICRA	-11.0	Sep-20
S&P	-9.0	Sep-20
GS	-14.8	Sep-20
Nomura	-10.8	Sep-20
SBI Research	-10.9	Sep-20
Median	**-9.3**	
PHDCCI Estimates	-7.9	Oct-20

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

Chamber agrees that even though the lockdown may be lifted, economic activity may remain subdued due to social distancing measures and the temporary shortage of labour, nevertheless the recovery in the last quarters are expected to drive the growth into the positive territory. Issues related to struggling demand are set to slowly offset as both monetary and fiscal policies are supportive. Government of India has announced a wide set of measures and structural reforms that are expected to brace up the economy. A 10% of GDP package, including fiscal and monetary support, as well as guarantee schemes is likely to offset the negative impact from the Covid-19 outbreak.

Fiscal measures such as health emergency component and support for the most vulnerable groups, including one-off cash transfers to more than 200 million rural women and 30 million old-age and disabled people, in-kind support for about two-thirds of the population and a medical insurance cover for health professionals are some of the most applauded on-time measure undertaken by the government. The second package announced in mid-May contained several measures to reduce financial stress and ease access to funding for various entities, including non-bank financial corporations, MSMEs, farmers, street vendors, the power sector and real estate companies.

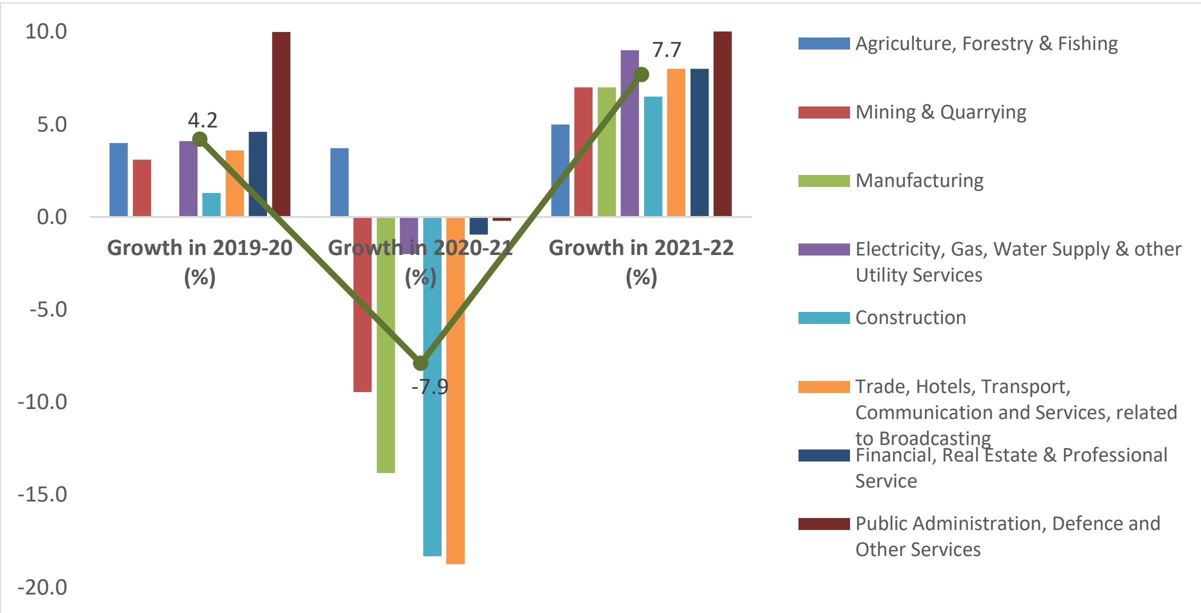
The government further announced several structural reforms to encourage investment, including partial deregulation of the agricultural sector, lower entry restrictions in eight industrial sectors and a revised definition of MSMEs. Recently, the measures to stimulate the consumer demand and boost capital expenditure, such as LTC Cash Voucher Scheme, one time restoration of the Festival Advance and proposed allocations for capital expenditure, have been announced by the Government.

Swift monetary measures by the Reserve Bank of India including reduce cost of capital, slashing policy rates, injecting liquidity (about 4% of GDP), through long-term repo operations, and softened prudential norms will help spur economic activity once normalcy is restored. Finance ministry is keeping a close watch on the banks to pass on the rate cuts to the end users.

PHD Chamber pegs 2020 GDP growth forecast at (-)7.9%

Considering the combined fiscal, monetary and administrative measures undertaken by both the government and the RBI, the deceleration in the GDP will improve in the coming quarters, with positive growth expected in around Q3-Q4 FY2021.

The Chamber foresees a gradual recovery in growth in the coming quarters and pegs overall GDP growth rate at (-)7.9% for FY20201. This forecast is based on the assumption that the unlock down continues and the recovery rate is maintained. With the starting of unlock down, manufacturing, service and construction sector that contributes to nearly 80% of the GDP is expected to grow positively in around Q3-Q4 FY2021 as the government is specifically focusing on the revival of these sectors. Utmost importance is given to MNREGA workers involving construction and manufacturing activities hence leaving a room for a gradual recovery and a positive growth ahead.



Source: PHD Research Bureau Estimates, PHDCCI

Government's support to encourage Make in India particularly in the defence and the manufacturing sector is expected boost employment opportunities. Public Administration and Defence is expected to contribute the most in the growing phase of FY2021.

India is expected to bounce back with a recovery rate of 7.7% in FY2022 backed by continuous government support in encouraging domestic demand by promoting make in India. A double digit growth of 11% is expected in Public Administration, Defence and Other Services and 7% growth in Manufacturing and Mining & Quarrying activities each, in FY2022.

Component	Contribution in GVA in 2019-20 (%)	Growth in 2019-20 (%)	Growth in 2020-21 (%)	Growth in 2021-22 (%)
Agriculture, Forestry & Fishing	17.8	4.0	3.7	5.0
Mining & Quarrying	2.1	3.1	-9.5	7.0
Manufacturing	15.1	0.0	-13.8	7.0
Electricity, Gas, Water Supply & other Utility Services	2.7	4.1	-2.0	9.0
Construction	7.5	1.3	-18.3	6.5
Trade, Hotels, Transport, Communication and Services, related to Broadcasting	18.1	3.6	-18.8	8.0
Financial, Real Estate & Professional Service	20.9	4.6	-1.0	8.0
Public Administration, Defence and Other Services	15.7	10.0	-0.2	11.0
Overall GDP growth		**4.2**	**-7.9**	**7.7**

Source: PHD Research Bureau, PHDCCI

7. CONCLUSIONS AND RECOMMENDATIONS

The 25 high frequency economic indicators reflect recovery sooner than expected. The economy has recovered from the lows of April 2020 by close to 25.1% in August 2020. **On the basis of the available data, weighted average has improved from 78.3 in April 2020 to 95.1 in August 2020.**

Export of services however remains a key challenge to be addressed for the government. Sectors like manufacturing, construction, trade, hotels, transport, which account for close to 45% of the country's GDP, were amongst the hardest hit by the lockdown and are yet to recover. The slump in these sectors is reflected in the GDP numbers. While the economy has seen the sharpest fall in Q1 2020 (April–June) as lockdown measures remained in place for most parts of the country that halted the economic activity, on a brighter note, fiscal stimulus and a more accommodative monetary policy is expected to support the economy in the coming quarters.

The Indian economy is looking better than it did during April 2020, largely because of positive developments on the external sector front. However, the overall recovery remains slow-moving as domestic consumption is yet to recover even as lockdown restrictions eased. The recent growth of the economic indicators in July-August from their lows in April 2020 are largely due to the Government’s and the RBI’s prompt policy measures both short term and long term to bolster the economy.

The major breakthrough in the reforms for MSMEs, NBFCs, agriculture and allied sector, health sector, promotion of ease of doing business, employment generation via Make India, private investments, and daily wage workers, among others gave a crucial cushion to external shocks. The special Rs 20-Lakh-Crore package helped MSMEs and other key sectors to resume & restart the growth curve of the country.

Considering the spillover effect of the crisis that every sector / industry is facing, the Indian economy will take time to adjust to new normal. Moreover, measures taken to move the economy forward would take time to unfold fully. The impact of the reforms will be seen only after the actual implementation of measures and policy reforms has been performed. In this time of uncertainty, the focus should be on sustaining through this crisis.

On the basis of forecasts by various national and international forecasting agencies, the median growth of India's GDP stands at (-)9.3% for FY2021. Further, taking into consideration the Economic and Business Momentum (EBM) outlook and PHDCCI viewpoint and estimates, the growth rate of India's GDP is projected at (-)7.9% for FY2021 and 7.7% for FY2022.

Key Recommendations

- Relief **package for aviation, travel & tourism, hospitality, textile, automobile and entertainment industry** is much needed to revive these sectors as they are badly affected due to lockdown amid Covid 19.

- Unstable and declining demand discourages many businesses from re-starting operations thereby leading to a more harmful impact on trade and industry in the coming times. Hence, it becomes crucial that the **consumption expenditure by the Government should be enhanced** to revive the demand scenario in the economy particularly in rural areas.

- **Government expenditure through various welfare schemes** such as development of social infrastructure and upliftment of the down trodden, through direct benefit transfers, would rejuvenate demand for goods and services.

- This again would lead to employment creation in the economy, increase in incomes, especially in rural areas and that of migrants, and thereby further increase the demand for goods and services. This **virtuous circle** would help the **economy to rejuvenate** and comeback on track and move forward.

- Going ahead, further **demand side measures** by the Government is expected to help lift sentiments, give reasons for business to invest more and complement all the recently taken measures.

- **Increasing public investments** by the government is the need of the hour. The public investments in infrastructure and affordable housing would create demand for commodities such as steel and cement among others to boost the private investments. The increase in investments would lead to an increase in the economic activity, jobs would be created and there would be creation of demand in the economy.

- The **National Infrastructure Pipeline (NIP)** is a first-of-its-kind, whole-of-government exercise to provide world-class infrastructure across the country, and improve the quality of life for all citizens. The **allocation of Rs 111 lakh crore made for the NIP for next five years needs to be implemented at the earliest**.

- **Increased private investments** at all level would lead to an improvement in the supply chain and demand for labour would increase. With the increase in demand for labour, there would be creation of employment opportunities thereby leading to increased demand for goods and services in the economy.

- **Private consumption** i.e the increased demand for goods would boost private consumption thereby leading to more investments by the private sector in the economy. The economic activity would pick up and there would be further creation of employment opportunities.

- **Extreme support to MSMEs and Startups** is required to save them from the impact of pandemic COVID-19. It is suggested that the value chains of MSMEs should be enhanced further, thus, making them more structurally competent to add to their efficiency, share in manufacturing sector, employment generation and the country's overall export growth momentum

- At this juncture, **bolstering manufacturing at competitive costs** should be a key focus area for the Government. Apart from just setting up factories and manufacturing units, the need for the hour is to **invest in innovation**. India should develop its competencies and adopt advancements of upcoming technologies in order to keep up with the global markets.

- The emphasis of domestic production should move from **labour intensive to capital intensive to high end technology products** in the coming times.

- Most importantly the government should focus on **importing technology and not finished products** as it will increase our economies of scale, reduce cost, ensure quality & dependability and help in maintaining speed of delivery.

- Cost competitiveness of domestic businesses enterprises should be enhanced and a level playing field should be created. The Government should focus on further **reducing the cost of doing business** in the country including the costs of capital, costs of compliances, costs of logistics, costs of land and availability of land and costs of labour.

- At the global front, rapid changes are evolving due to disruptions created by the impact of COVID-19. This calls for **manoeuvring the manufacturing sector** to cater to the domestic demand as well as exports with focus on **localisation, import substitution and more and more indigenous productio**n to create surpluses for exports.

- Going ahead, India should focus on **moving away from imports from China**, divert trade towards friendly economies, build domestic capacities and significantly scale up indigenous production with a thrust to become Self-Reliant.

- **Revitalizing Exports-** The exports will not only balance the external sector but will also become a major growth vehicle in the economy and also increase capex in the economy. The growth in exports would improve the trade balance and increase the competitiveness of the country vis-a-vis global economy in the coming times.

- Efforts should be made to **diversify the portfolio of our export** products in terms of more countries and also in terms of more products, where India has core competence

- Apart from these, the measures such as **large-scale investments in infrastructure, increased investments in innovation and research and development (R&D), and massive skill development**, among others are necessary to ensure long-term competitiveness of industry and enhance the image of Brand India globally. It is now imperative for our country to reduce import content and divert trade towards friendly nations while focusing on enhancing indigenous production and domestic capacity building.

- Further **recapitalization of the Public Sector Banks** is crucial to ensure safety and integrity of the market.

- **Credit disbursement** should be the top most priority. The banking sector must fully percolate the significant cut in repo rate announced by the RBI. The focus should be on ensuring provision of hassle free disbursements of loans vis-à-vis enhanced liquidity for MSMEs, especially in rural sectors.

- Going ahead, there is a **need to sustain the reform momentum** set by the Government and **focus on implementation of the reforms** at the grassroots level with close coordination between Central and State Governments.

ANNEXURE

The monthly relative movement of the economic indicators calculated on the base of 2018-19=100. Back-testing carried out from 2017-18

Month	IIP Consumer durable goods	IIP Consumer non-durable goods	IIP Capital Goods	IIP Intermediate Goods
	1	2	3	4
Apr-17	99.3	108.8	95.2	103.6
May-17	100.6	109.7	98.4	100.7
Jun-17	96.5	104.8	93.9	98.8
Jul-17	97.6	104.1	98.9	97.2
Aug-17	104.3	107.2	107.3	99.5
Sep-17	95.9	110.5	108.7	102.1
Oct-17	91.0	108.2	103.5	100.2
Nov-17	103.1	123.7	105.7	106.5
Dec-17	102.1	116.8	113.2	107.5
Jan-18	107.6	110.7	112.4	105.4
Feb-18	107.5	107.4	116.6	103.4
Mar-18	106.2	114.1	96.9	102.5
Apr-18	103.2	117.0	104.5	104.0
May-18	107.3	107.9	104.7	100.8
Jun-18	109.6	105.0	103.0	100.3
Jul-18	111.4	109.6	101.2	98.5
Aug-18	110.0	114.2	118.4	102.4
Sep-18	101.1	117.6	116.2	103.6
Oct-18	106.8	117.5	121.0	102.6
Nov-18	100.0	123.3	101.4	102.1
Dec-18	106.3	124.4	118.0	106.6
Jan-19	110.3	114.9	108.4	102.4
Feb-19	108.5	112.8	120.1	98.2
Mar-19	102.8	115.7	88.1	115.2
Apr-19	105.4	123.3	103.1	107.1
May-19	107.6	116.7	102.5	113.4
Jun-19	98.4	112.8	95.9	112.4
Jul-19	108.7	118.9	94.1	113.9
Aug-19	99.4	117.7	93.6	109.9
Sep-19	90.5	116.3	92.4	110.7
Oct-19	86.6	113.6	93.9	111.5
Nov-19	98.6	124.7	92.3	119.7
Dec-19	100.3	120.4	96.4	120.6
Jan-20	106.2	114.2	103.6	118.4
Feb-20	101.7	112.4	108.6	120.8
Mar-20	65.0	89.9	53.9	93.8
Apr-20	4.5	64.0	7.5	38.7
May-20	32.9	103.7	35.7	67.4

Jun-20	64.7	128.9	60.0	86.6
Jul-20	83.7	121.1	72.6	100.6
Aug-20	89.1	113.8	79.2	102.4

Source: PHD Research Bureau analysis, data compiled from CSO

Month	Coal	Crude Oil	Natural Gas	Petroleum Refinery Products	Fertilisers	Steel	Cement	Electricity
	5	6	7	8	9	10	11	12
Apr-17	96.7	99.4	102.0	100.2	106.2	109.0	94.8	105.3
May-17	96.8	100.7	104.5	105.4	94.1	103.8	98.6	108.2
Jun-17	93.3	100.6	106.4	99.8	97.3	106.0	96.7	102.2
Jul-17	100.6	99.5	106.6	97.3	100.2	109.4	101.0	106.6
Aug-17	115.4	98.4	104.2	102.4	99.4	102.2	100.7	108.3
Sep-17	110.4	100.1	106.3	108.1	92.3	103.7	100.1	103.4
Oct-17	103.9	99.6	102.8	107.5	103.0	108.6	98.7	103.2
Nov-17	100.7	100.2	102.4	108.2	100.3	114.5	116.9	103.9
Dec-17	100.4	97.9	101.1	106.6	103.0	100.4	117.7	104.4
Jan-18	103.8	96.8	98.8	111.0	98.4	101.7	119.6	107.7
Feb-18	101.3	97.6	98.2	107.8	105.2	105.0	123.0	104.6
Mar-18	109.1	98.4	101.0	101.1	103.2	104.7	113.5	106.0
Apr-18	111.4	98.6	107.9	102.9	111.1	112.3	115.6	107.5
May-18	108.4	97.7	103.0	110.6	102.0	103.7	111.4	112.7
Jun-18	104.0	97.2	103.5	111.9	98.2	110.4	110.4	110.8
Jul-18	110.4	94.1	101.0	109.3	101.5	116.9	112.3	113.7
Aug-18	118.2	94.8	105.3	107.6	94.2	106.2	115.5	116.5
Sep-18	117.5	95.9	104.5	110.9	94.6	107.1	111.9	111.9
Oct-18	115.7	94.6	101.9	108.9	91.1	111.2	116.9	114.4
Nov-18	104.4	96.7	102.9	110.7	92.1	120.5	127.2	109.2
Dec-18	101.5	93.7	105.4	101.4	100.5	110.6	131.3	109.0
Jan-19	105.9	92.6	104.9	108.1	108.7	107.3	132.8	108.6
Feb-19	108.8	91.6	101.9	107.0	107.8	110.1	132.9	105.8
Mar-19	119.0	92.3	102.4	105.5	107.6	116.7	131.4	108.3
Apr-19	115.0	91.9	107.0	107.3	106.2	127.2	118.2	113.8
May-19	110.2	91.0	103.0	108.9	101.0	117.5	114.5	121.0
Jun-19	107.1	90.6	101.4	101.4	99.7	122.3	108.4	120.3
Jul-19	108.6	90.0	100.5	108.3	103.0	126.5	120.9	119.6
Aug-19	108.0	89.6	101.1	110.3	96.9	110.2	109.6	115.5
Sep-19	93.4	90.7	99.4	103.5	99.8	105.5	109.7	109.0
Oct-19	95.3	89.8	96.1	109.3	101.9	110.7	107.9	100.5
Nov-19	100.8	90.9	96.3	114.1	104.7	129.0	132.7	103.8
Dec-19	107.6	86.8	95.7	104.5	110.7	120.2	138.5	109.0
Jan-20	114.3	87.7	95.5	110.1	108.6	109.0	139.6	112.1

Feb-20	121.1	85.7	92.2	114.9	111.0	113.4	143.2	118.0
Mar-20	123.7	87.3	87.0	105.0	94.9	91.1	98.4	99.4
Apr-20	97.2	86.1	85.7	81.4	101.5	21.9	17.5	87.8
May-20	94.8	84.6	85.7	85.8	108.5	66.9	90.0	103.1
Jun-20	90.5	85.1	89.2	92.4	103.9	91.2	101.0	108.3
Jul-20	102.4	85.6	90.3	93.3	110.2	105.8	104.6	116.8
Aug-20	111.9	84.0	91.5	89.3	104.0	103.3	93.6	112.4

Source: PHD Research Bureau analysis, data compiled from Ministry of Commerce & Industry, Government of India

Month	Consumption of Petroleum products	Export Merchandise Growth	Export Services	India Freight Traffic	Credit to Agriculture	Credit to Industry	Credit to service sector
	13	14	15	16	17	18	19
Apr-17	105.2	117.8	94.3	103.4	107.4	98.6	104.1
May-17	112.3	106.9	97.9	107.2	107.4	97.9	104.0
Jun-17	101.8	101.6	97.9	108.0	107.5	98.9	104.7
Jul-17	98.6	102.8	96.5	109.5	106.8	99.7	104.9
Aug-17	102.3	108.1	100.1	108.2	106.5	99.7	105.0
Sep-17	100.8	125.5	100.1	108.6	105.8	99.6	107.0
Oct-17	106.7	98.0	103.8	111.2	105.5	99.8	109.4
Nov-17	108.4	131.0	112.5	108.8	108.4	101.0	114.0
Dec-17	110.6	115.7	116.9	110.1	109.5	102.1	114.7
Jan-18	106.3	113.7	119.1	108.0	109.4	101.1	113.2
Feb-18	103.4	105.3	114.7	107.4	109.0	101.0	114.2
Mar-18	114.9	99.5	122.8	106.3	103.8	100.7	113.8
Apr-18	109.5	124.2	128.6	106.9	105.9	101.0	120.7
May-18	114.8	128.8	118.4	108.4	106.4	101.4	121.9
Jun-18	111.5	122.3	123.5	107.8	106.5	100.9	123.3
Jul-18	105.4	118.7	128.6	111.0	106.6	100.3	123.0
Aug-18	102.5	128.8	120.6	111.8	106.6	102.0	126.7
Sep-18	99.1	122.4	119.9	111.6	105.8	102.3	124.0
Oct-18	108.9	114.2	122.8	110.5	108.0	103.7	127.4
Nov-18	104.7	129.9	122.0	109.1	107.7	104.0	128.1
Dec-18	116.0	115.8	130.8	109.5	108.4	104.4	123.2
Jan-19	114.2	117.9	129.4	110.5	107.6	105.1	123.9
Feb-19	107.6	107.9	121.3	107.0	107.5	105.6	123.7
Mar-19	120.6	111.1	130.8	107.0	107.9	106.9	117.8
Apr-19	113.0	125.0	132.3	105.5	107.9	106.9	116.8
May-19	117.7	133.8	136.7	106.3	107.8	106.4	114.8
Jun-19	109.0	110.4	135.9	106.1	108.7	106.4	113.0
Jul-19	109.4	121.4	139.6	108.0	106.8	106.1	115.2
Aug-19	105.9	121.0	133.0	108.8	106.8	103.9	113.3
Sep-19	99.8	114.4	127.9	106.1	107.0	102.7	107.3
Oct-19	106.7	112.9	129.4	107.0	107.1	103.4	106.5
Nov-19	114.0	129.5	131.5	105.1	106.5	102.4	104.8
Dec-19	116.3	113.7	146.2	104.8	105.3	101.6	106.2
Jan-20	114.3	115.9	138.9	104.8	106.5	102.5	108.8
Feb-20	112.4	111.1	129.4	104.4	105.8	100.7	106.9
Mar-20	99.2	72.6	133.0	100.8	104.2	100.7	107.4
Apr-20	58.0	49.6	120.6	97.5	103.9	101.7	111.2

May-20	94.8	85.1	122.8	96.8	103.5	101.7	111.2
Jun-20	99.2	96.7	124.2	101.3	102.4	102.2	110.7
Jul-20	96.2	109.0	121.7	104.2	105.4	100.8	110.1
Aug-20	89.0	105.3	120.2	106.1	104.9	100.5	108.6

Source: PHD Research Bureau analysis, data compiled from various sources

Month	Personal Loans	GST Collection	SENSEX	FDI Equity Inflows	External commercial borrowings	Unemployment	Unweighted	Weighted
	20	21	22	23	24	25	26	27
Apr-17	114.4	0.0	107.7	86.7	71.2	96.3	97.1	95.8
May-17	113.7	0.0	110.3	109.0	28.6	96.1	96.5	96.1
Jun-17	114.1	0.0	113.0	83.7	88.3	96.0	96.5	95.4
Jul-17	115.0	21.6	115.6	129.6	103.4	96.7	100.8	96.3
Aug-17	115.7	95.6	115.2	214.9	85.4	96.1	108.1	97.2
Sep-17	116.8	94.1	115.6	56.8	179.1	95.6	105.9	97.0
Oct-17	116.0	93.3	117.5	72.0	223.3	95.2	107.3	96.9
Nov-17	117.3	83.8	121.1	82.8	164.9	95.5	109.4	99.0
Dec-17	118.9	84.3	121.2	129.4	71.3	95.5	106.8	98.6
Jan-18	120.0	89.8	126.9	64.9	29.5	95.2	102.8	98.2
Feb-18	120.4	86.0	124.4	85.4	126.9	94.5	106.8	97.9
Mar-18	117.8	92.2	120.9	89.0	247.0	94.3	111.2	97.6
Apr-18	119.1	103.5	123.8	143.6	205.5	98.4	115.5	100.2
May-18	118.6	94.0	127.2	121.2	73.5	98.8	108.2	99.7
Jun-18	117.9	95.6	128.4	77.6	145.4	98.2	108.9	99.3
Jul-18	116.7	96.5	131.9	74.4	118.7	98.3	108.4	99.5
Aug-18	118.2	94.0	138.0	67.3	263.4	97.7	115.2	100.5
Sep-18	115.1	94.4	135.6	124.4	93.1	97.6	109.5	99.7
Oct-18	116.8	100.7	125.2	126.1	77.0	97.2	109.6	100.0
Nov-18	117.2	97.6	128.0	46.7	109.0	97.4	107.7	99.8
Dec-18	117.0	94.7	130.1	117.9	205.7	97.1	115.2	100.4
Jan-19	116.9	102.5	130.8	118.3	131.9	97.2	112.4	100.3
Feb-19	116.7	97.2	131.1	76.9	153.5	96.9	110.3	99.2
Mar-19	116.4	106.6	136.5	96.7	664.6	97.4	133.0	101.4
Apr-19	115.7	113.9	140.9	141.0	172.3	96.8	116.5	101.3
May-19	116.9	100.3	139.9	101.9	190.2	97.1	115.1	101.2
Jun-19	116.6	99.9	143.4	195.5	294.7	96.4	120.3	100.3
Jul-19	117.0	102.1	140.2	120.1	269.1	96.8	118.6	101.1
Aug-19	115.6	98.2	134.7	68.5	181.0	96.1	110.0	98.8
Sep-19	116.6	91.9	136.2	73.6	266.5	97.0	110.7	97.4
Oct-19	117.2	95.4	140.5	86.2	186.4	96.1	108.5	97.1
Nov-19	116.4	103.5	146.9	75.3	115.5	96.9	110.2	99.5
Dec-19	115.9	103.2	148.9	125.1	111.4	96.5	112.2	99.3

Jan-20	116.9	110.8	150.0	149.5	424.1	96.9	126.4	100.3
Feb-20	117.0	105.4	147.5	90.2	223.1	96.4	115.7	99.7
Mar-20	115.0	97.6	117.0	114.8	406.0	95.6	110.1	92.1
Apr-20	112.1	32.2	112.3	74.4	54.4	84.1	72.2	78.3
May-20	110.6	62.2	113.5	60.1	81.4	84.2	87.5	85.7
Jun-20	110.5	90.9	124.3	41.6	55.8	93.7	94.2	91.6
Jul-20	111.2	87.4	134.3	268.4	117.2	96.7	102.0	96.0
Aug-20	115.6	86.4	139.1	268.4	867.6	95.9	99.7	**95.1**

Source: PHD Research Bureau analysis, data compiled from various sources

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'Economic & Business Momentum (EBM): Recovery seen sooner than expected' is prepared by PHD Chamber of Commerce and Industry to provide suggestive measures for boosting industrial growth and socio-economic development of the state.

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At the National level, the PHD Chamber is well represented in 16 States with its own offices and MOUs with eleven Partner Chambers in different States.

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