



**PHD Research Bureau**  
PHD Chamber of Commerce and Industry



## **PHDCCI Quick Economic Trends**

### **Economic recovery visible, lead indicators show remarkable uptrend in July 2021: PHD Chamber**

Lead economic and business indicators have shown uptrend for the third consecutive month in July 2021 and economic recovery has become visible now. Out of the 10 lead economic and business indicators of QET (Quick Economic Trends), tracked by the industry body PHDCCI, 9 have shown uptick in the growth for the month of July 2021 as compared with 6 showing the uptrend in June 2021.

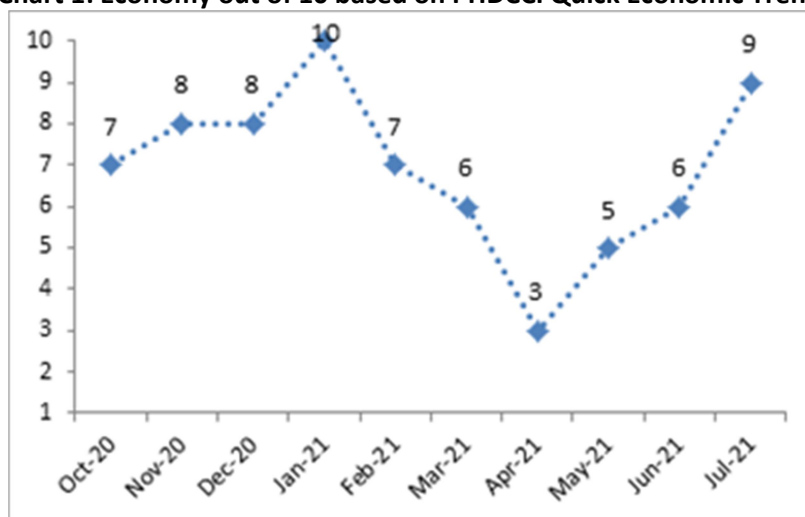
GST collections, E way bill, Railway Freight, Exports, Passenger Vehicle Sales, Unemployment Rate, Forex Reserves, Stock Market and Manufacturing PMI have registered positive sequential growth in July 2021 as compared to June 2021. GST collections have shown the highest growth of 25.4% from Rs. 92,849 crore in June 2021 to Rs. 1,16,393 crore in July 2021, followed by improvement in the unemployment scenario (24.2%) from 9.2% in June 2021 to 7% in July 2021.

E-way bills registered a sequential growth of 17.3% with an increase from 54.69 million in June 2021 to 64.16 million in July 2021. Passenger vehicle sales increased by 16% from 2,31,633 units in June 2021 to 2,68,685 units in July 2021. The manufacturing PMI rose by 15% from 48.1 in June 2021 to 55.3 in July 2021. Sequential growth of exports stood at 8.2% from US\$ 32.5 billion in June 2021 to US\$ 35.17 billion in July 2021.

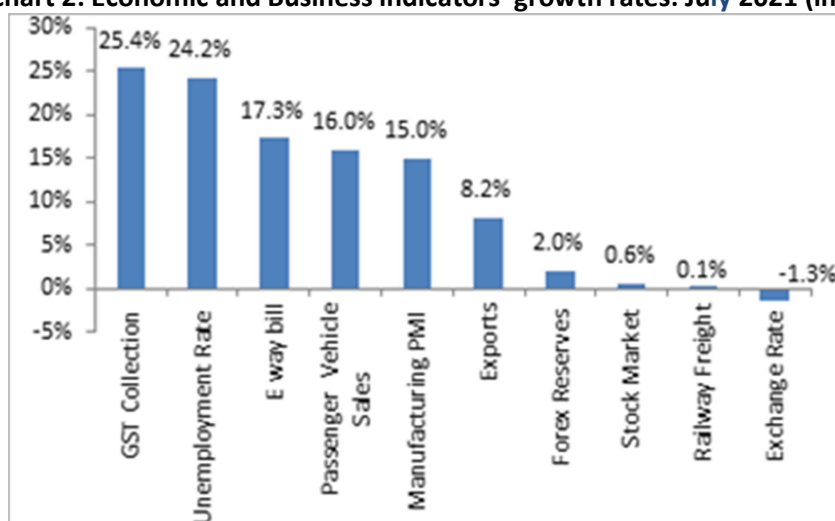
Forex reserves increased from US\$ 609 billion in June 2021 to US\$ 621 billion in July 2021, posting a sequential growth of 2%. Average of daily close of SENSEX witnessed sequential growth of 0.6% from 52400 in June 2021 to 52694 in July 2021. The railway freight increased by 0.1% from 112.65 MT in June 2021 to 112.72 MT in July 2021. However, exchange rate depreciated by (-)1.3% from average of 73.54 INR/USD in June 2021 to 74.51 INR/USD in July 2021.

Continued downtrend in the new cases of 2nd wave of Coronavirus coupled with accelerated vaccination drive in the country is signaling broad based economic recovery. The significant pickup in the economic activity was observed from October 2020 which peaked in January 2021 and started declining from February 2021, while improving again since May 2021, as depicted in the Chart-1.

**Chart 1: Economy out of 10 based on PHDCCI Quick Economic Trends**



**Chart 2: Economic and Business indicators' growth rates: July 2021 (in %)**



Source: PHD Research Bureau, PHDCCI

Note: Note: \*Growth calculations of indicators such as exchange rate and unemployment are adjusted such that the decrease in the said indicators depicts improvement and vice-versa; figures are rounded off; growth is calculated sequentially, ie. month over month for all the indicators.

At this juncture, there is a need to further fuel the drivers of household consumption and private investments to enhance the aggregate demand in the economy as it will have an accelerated effect on expansion of capital investments in the country. The Government should frontload the National Infra Pipeline expenditure as increased spending on infrastructure will give a multiplier effect to rejuvenate the aggregate demand in the economy. Undoubtedly, robust growth of infrastructure is the key ingredient to realize the vision of Aatmanirbhar Bharat.

More and more direct benefit transfers needs to be considered for the urban and rural poor under the various welfare schemes in addition to the free distribution of dry rations till Diwali as already announced by the Hon'ble Prime Minister. Vaccination of population should be continued with a more faster pace, let's target to vaccinate at least half of the population by end September 2021.

10 economic and business indicators of QET include demand and supply indicators along with external and financial sectors indicators.

**PHDCCI Quick Economic Trends: Growth Performance of Economic & Business activity so far**

| S. N o.       | Economic and Business Indicators         | May-21 | Growth |   | Jun-21 | Growth |   | Jul-21 | Growth |   |
|---------------|--|--------|--------|---|--------|--------|---|--------|--------|---|
| 1             | GST Collection (in Rs crore)             | 102709 | -27.4% | ↓ | 92849  | -9.6%  | ↓ | 116393 | 25.4%  | ↑ |
| 2             | E way bill (in Millions)                 | 39.98  | -32.0% | ↓ | 54.69  | 36.8%  | ↑ | 64.16  | 17.3%  | ↑ |
| 3             | Railway Freight (MT)                     | 114.8  | 3.0%   | ↑ | 112.65 | -1.9%  | ↓ | 112.72 | 0.1%   | ↑ |
| 4             | Exports (US\$ Billion)                   | 32.21  | 5.2%   | ↑ | 32.5   | 0.9%   | ↑ | 35.17  | 8.2%   | ↑ |
| 5             | Passenger Vehicle Sales (units)          | 88045  | -66.3% | ↓ | 231633 | 163.1% | ↑ | 268685 | 16.0%  | ↑ |
| 6             | Unemployment Rate (in %) (Sign Changed)* | 11.9   | -49.3% | ↓ | 9.2    | 22.9%  | ↑ | 7.0    | 24.2%  | ↑ |
| 7             | Forex Reserves (in US\$ Billion)         | 598    | 1.7%   | ↑ | 609    | 1.8%   | ↑ | 621    | 2.0%   | ↑ |
| 8             | Exchange Rate (INR/USD) (Sign changed)*  | 73.2   | 1.8%   | ↑ | 73.54  | -0.5%  | ↓ | 74.51  | -1.3%  | ↓ |
| 9             | Stock Market (SENSEX monthly average)    | 49822  | 1.9%   | ↑ | 52400  | 5.2%   | ↑ | 52694  | 0.6%   | ↑ |
| 10            | Manufacturing PMI (points)               | 50.8   | -8.5%  | ↓ | 48.1   | -5.3%  | ↓ | 55.3   | 15.0%  | ↑ |
| Overall Score |  | 5/10   |        |   | 6/10   |        |   | 9/10   |        |   |

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

Note: \*Growth calculations of indicators such as exchange rate and unemployment are adjusted such that the decrease in the said indicators depicts improvement and vice-versa; figures are rounded off; growth is calculated sequentially, ie. month over month for all the indicators.

Please contact for any query related to this mail to Mr Rishabh, Research Associate at [rishabh@phdcci.in](mailto:rishabh@phdcci.in), with a cc to Dr S P Sharma, Chief Economist | DSG at [spsharma@phdcci.in](mailto:spsharma@phdcci.in) and Ms Kritika Bhasin, Research Officer at [kritika.bhasin@phdcci.in](mailto:kritika.bhasin@phdcci.in), PHD Chamber of Commerce & Industry.

Warm Regards,

Dr S P Sharma

Chief Economist | DSG

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450



Email: [spsharma@phdcci.in](mailto:spsharma@phdcci.in)

Website: [www.phdcci.in](http://www.phdcci.in)

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PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801-04, 49545454, 49545400  
Fax : +91-11-2685 5450, 49545451 • E-mail : [phdcci@phdcci.in](mailto:phdcci@phdcci.in) • Website : [www.phdcci.in](http://www.phdcci.in), CIN: U74899DL1951GAP001947

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